



# OUR STORY FOR THE NEXT 10 YEARS

Waipa District Council  
10-Year Plan 2018-28

## 10-YEAR PLAN STATEMENT

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Every council in New Zealand must adopt a long term plan that covers a period of at least ten years (Local Government Act 2002).

The purpose of a long term plan is to:

- Describe the activities of Council;
- Describe the community outcomes;
- Provide integrated decision-making and co-ordination of the resources of Council;
- Provide a long-term focus for the decisions and activities of Council, and
- Provide a basis for accountability of Council to the community.

For the purposes of this document we have named our long term plan the 10-Year Plan 2018-28, and we generally refer to it as the 10-Year Plan.

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

This plan was adopted by Waipa District Council on 29 June 2018 and takes effect from 1 July 2018.

**Please note:** Information relating to years 4-10 in the 10-Year Plan will be updated in 2021. The achievements in any year will be reported in our Annual Report for that year.

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# OUR STORY



## FOREWORD FROM THE MAYOR AND CHIEF EXECUTIVE

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It is our pleasure to present Waipā's story for the next 10 years.

It's an exciting time for Waipā. We are taking some bold steps to make sure our district continues to thrive for years to come. While we can never afford to do everything, this plan provides a balance of essential core infrastructure and exciting community projects that together, make Waipā a great place to live. However, planning for the next 10 years isn't something that started with this Plan. It began by taking a step back and looking deep into our past to find out who we were and where we have come from.

### This is our story and we are proud of it.

We have spent the past 12 – 18 months working with our community on shaping our story for the next 10 years. Through open days, information sessions, bus tours, community presentations and community events, we have had thousands of conversations with the people of Waipā. These conversations helped shape the proposals included in our consultation document and guided us in making final decisions on behalf of our community.

All up we received 820 submissions with more than 78 per cent received online through our Future Waipā consultation website. Plus, we had hundreds of comments through social media and listened to 78 people who presented their submissions in person.

### Our story protects and commemorates our past

The Waipā district has a rich history and nationally, has played a prominent role in Aotearoa New Zealand's journey to nationhood. Part of our role is to protect and preserve our heritage. What's more, we believe it's our role to tell Waipā's stories.

This plan includes significant investment in preserving our past and telling our stories. With the creation of a Waipā Discovery Centre, contribution to the Cambridge Museum and increased investment in our significant heritage and ecological sites right across the district we are on track to preserve and showcase who we were, and who we are today.

### Our story makes sure we are ready for the future

As a district we are facing huge growth. By 2050, an additional 25,000 people will live here, raising their families and contributing to what makes Waipā so special. But communities like Waipā don't just 'happen'. For decades, we've invested carefully to build highly sought-after towns and villages. Over the next decade, ongoing investment – at the right level - will be more important than ever.

Growth is a great challenge to have – but only when it’s managed well. Growth means our towns will continue to be vibrant, active places. Growth also means more people, more facilities, diversity and a growing economy.

Our job is to make sure any new development enhances the character of our towns and builds on the things we love about our district. Without the growth being projected, the fact is we would struggle to maintain the facilities, services and infrastructure we use and enjoy every day.

## The numbers

All up over the next 10 years, it will cost \$1.26 billion to run our district. Of this, more than \$190m will be spent on new infrastructure to ensure we are ready for the growth coming our way. We will continue to invest in our core infrastructure with \$397m budgeted for water, stormwater and wastewater infrastructure and \$236m on building new roads and cycleways.

Another \$58m will be spent on community projects that make our district such a great place to be. We will continue to work on some significant community projects such as completing the much-awaited \$16.7m Cambridge pool complex and \$1.1m will be spent on destination playgrounds.

By looking hard at our finances and making smart decisions around how we fund our projects and growth, we have confirmed an average annual rates increase over the next 10 years of 2.2 per cent which includes the water charges now billed separately.

## The big decisions

### Te Awamutu town centre development

For many years now, Council has been working towards creating a vibrant town centre that encourages locals and visitors to spend time in our district and contribute to our local economy. Already we have seen the creation of the Trust Waikato Events Centre, the Te Awamutu Library, the new destination playground and the Pop ‘n’ Good Bike Park.

We’re now focusing on changing the way some of our streets and land are used so the area flows well and so the right things are connected.

Council has confirmed it will upgrade three key streets in the town centre:

- Market Street
- Mahoe Street
- Churchill Street

....as well as create a new public / social space that links the area.

### Our heritage – our significant sites

Waipā district is rich in cultural and natural heritage. We are home to many significant sites right across the district. These include ecological sites (for example Mt Pirongia, Maungatautari, Kakepuku, Lake Ngāroto, Yardley's Bush and Karāpiro), significant New Zealand Land Wars sites (for example Alexandra Redoubt, Rangioawhia, Te Tiki O Te Ihingarangi and Ōrākau). Waipā is also home to 10 category one heritage buildings and a further 52 category two heritage buildings. Many of these sites are owned and managed by community organisations or individuals.

We're going to invest an additional \$3.6m over the 10 years on our significant cultural and ecological sites – particularly in our New Zealand Land Wars sites so they can become visitor attractions. We'll invest in boardwalks, interpretative signage, creating better entranceways and improving public facilities like toilets and changing areas. We will also focus on providing digital journeys for locals and visitors that enable people to really experience everything these sites have to offer.

The key sites with primary links to the Waipā Discovery Centre:

- Lake Ngāroto
- a selection of New Zealand Land Wars sites such as Waiari Pā and Ōrākau
- significant inter-tribal battle sites such as Mātakitaki
- redoubt sites such as Alexandra Redoubt and Kihikihi Redoubt.

Furthermore, Council is supporting an expansion to the Cambridge Museum and will be showcasing the history of Karāpiro and its important Iwi sites, the river, the hydro development and the wider Mangakawa area.

### Waipā Discovery Centre

In partnership with Iwi, Council will build a new Waipā Discovery Centre. Located in Te Awamutu, this will be a space where our community and visitors can discover Waipā's diverse and largely unknown social, cultural and natural history.

The centre is likely to include:

- a new and better space to house and showcase our community's precious and unique collection of taonga
- ever-changing exhibition spaces and interactive zones that tell our unique Waipā stories
- stories that connect to the actual sites of significance in our district
- a research centre and ability to offer more research services to our community
- a hub for our school and education programmes



- the Te Awamutu i-SITE
- a community gathering space.

Significant work is still required to decide exactly how the Waipā Discovery Centre would look, work and what it would include. At this point, \$12.4m has been budgeted for the design and build of the centre. We're expecting external funding towards the building (from fundraising and potential central government contributions) of around \$5.2m. Given that, we've budgeted \$7.2m for the design and build.

If the external funding target isn't achieved, Council will need to consider alternative options for the project. Approximately \$4.7m has also been budgeted over the 10 years for exhibition planning, design, development and installation.

Council also decided to grant the Cambridge Museum \$800,000 to go towards their new building. This will be applied following a review of the existing collection and appropriate community engagement and is in addition to their annual operating grant of \$160,000.

### Cambridge Town Hall

The Cambridge Town Hall is an iconic part of Cambridge's story. Since the hall was built, Cambridge has grown from a town of 1,500 to 16,000. The town and its amenities have grown but the town hall has remained the same. The hall needs some earthquake strengthening work and requires some upgrades to make it more suitable for a wider range of events.

We believe the town hall plays an important role in the Cambridge community and we want to continue to maintain the hall and preserve it for many years to come. We've budgeted \$4.4m to undertake further earthquake strengthening of the hall and make some improvements to the facility.

### Development contributions

Most large development projects across Waipā are loan-funded and currently Council does not charge the developer interest on these loans. The interest is paid for by all ratepayers.

We don't believe it is fair for ratepayers to cover the interest component of development loans and Council has determined that when infrastructure is loan-funded by Council, the developer should bear the cost of interest and inflation.

Over the next 10 years the cost of interest on development contribution loans is \$39m which will no longer be covered by rates.

### Ōhaupō Sport and Recreation Centre

In September 2017, Council was asked to grant \$500,000 to a proposed new Ōhaupō Community Sport and Recreation Centre. This community-led project aims to create a central facility for a variety of community and recreation activities.

Council is keen to grant \$500,000 towards a new sport and recreation centre at Ōhaupō. However, in response to community feedback, we want to do some further investigation and consultation with the community to determine how best the contribution should be funded. The decision to support the development of the sport and recreation centre has not impacted any decision around the future of the Ōhaupō War Memorial Hall.

It's not only an exciting time for Waipā, it's a special time. We are continuing on a fantastic journey and we would like to personally thank all of you who helped us create our story for the next 10 years.

So what's the story for Waipā? Stay tuned to see it happen!



Jim Mylchreest JP  
**MAYOR**

Garry Dyet JP  
**CHIEF EXECUTIVE**

OUR MAYOR AND COUNCILLORS



**Mayor**  
**Jim Mylchreest - JP**



**Grahame Webber**  
**Deputy Mayor**  
**CAMBRIDGE**



**Judy Bannon**  
**CAMBRIDGE**



**Liz Stolwyk**  
**CAMBRIDGE**



**Sue Milner**  
**CAMBRIDGE**



**Andrew Brown**  
**TE AWAMUTU**



**Hazel Barnes - JP**  
**TE AWAMUTU**



**Marcus Gower**  
**TE AWAMUTU**



**Vern Wilson**  
**TE AWAMUTU**



**Bruce Thomas - JP**  
**PIRONGIA**



**Clare St Pierre**  
**PIRONGIA**



**Susan O'Regan**  
**KAKEPUKU**



**Elwyn Andree-Wiltens**  
**MAUNGATAUTARI**

## STRATEGIC DIRECTION

### Setting a course for Waipā

This section sets out our vision for the district and how we propose to achieve it. It includes:

- **Waipā’s vision and community outcomes;** Our community outcomes and aspirations for the district remain unchanged. In the section below we detail how focusing on our four goals and outcomes will help achieve Waipā’s vision of “Building champion communities”.
- **Our strategic context and priorities;** In this section we explore Waipā’s strategic context, including the forecast growth, and explain how this has helped shape the 10-Year Plan and the projects we are undertaking. We have identified five strategic priorities where we are focusing additional resource to address the immediate challenges and opportunities facing the district.
- **Where we’ve been and where we’re going;** The district has come a long way in recent years. In planning for our future it pays to reflect on what we’ve achieved and to show how we’ll continue to develop those assets for future benefits.

The work programs, forecasts and funding arrangements of the 10-Year Plan are reconfirmed each year as we produce an Annual Plan. Councils performance against the 10-Year Plan and Annual Plan is reviewed in each Annual Report.

### 10-Year Plan overview

The 10-Year Plan sets our direction for the next decade and along with the Annual Plans and Annual Reports, gives guidance and transparency to Council’s activities and how they will be funded. Some of the key sections within this plan include;

- **Our Community Outcomes:** These are the core aspirations for the district.
- **The Financial Strategy:** Our Financial Strategy describes how we plan to pay for the services we provide to our communities in a way that is financially affordable and sustainable both now and into the future.
- **The Infrastructure Strategy:** This is a 30-year strategy that describes how our assets will be managed.
- **Our Services:** Each of these sections show how key activities align to deliver Waipā’s Community Outcomes, the performance measures we use to ensure we are delivering the desired level of service and financial impact of each activity.
- **Key policies:** As required by the Local Government Act.

The Local Government Act requires that long-term plans;

- a) describe the activities of the local authority; and
- b) describe the desired community outcomes; and
- c) provide integrated decision-making and co-ordination of the resources of the local authority; and
- d) provide a long-term focus for decisions and activities; and
- e) provide a basis for accountability to the community

**Our vision and community outcomes**

Council’s purpose, as set by the Local Government Act, is to enable local decision-making on behalf of communities and to meet their current and future needs for good-quality local infrastructure, local public services, and regulatory functions in a way that is most cost-effective. The Act requires that our 10-Year Plan describes the community outcomes, the things we ultimately aim to achieve by providing these services.

Waipā’s community outcomes align to four goals which support our vision of “Building the Future Together”. Progress towards our community outcomes is measured through a combination of organisational metrics, customer satisfaction measures and level of service indicators and is reported to the public annually in Council’s Annual Report.

To effectively implement the community outcomes, Council works together with a number of partners including Iwi representatives, community boards and neighbouring territorial authorities, these relationships are explained in the Governance group of activities which begins on page 108.

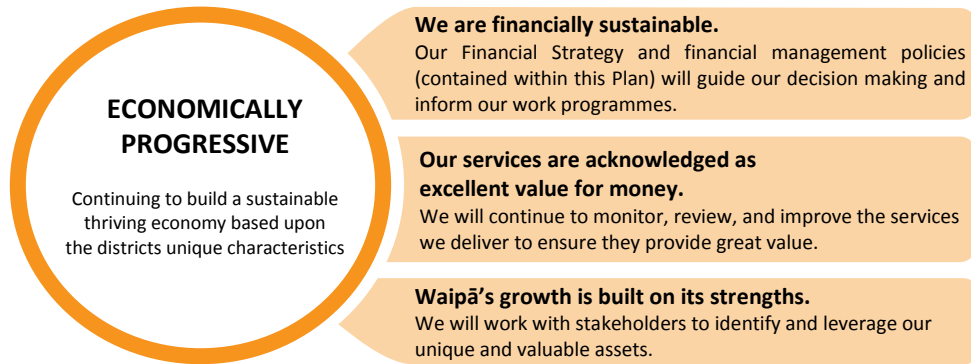


*‘Together we can create and inspire Champion Communities’.*

**Goal 1: Economically progressive**

To be economically progressive, we will continue to develop Waipā 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 Waipā as a great place in which to do business; and
- Building a diversified and productive economic base that supports the natural and cultural environment.



**Goal 2: Environmental & cultural champions**

We preserve, enhance and showcase the unique environmental and cultural heritage, diversity and history of our district. Within our organisation we will identify, minimise, and monitor the environmental effects of our operations and will continue to build a community that is proud of Waipā’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.



### Goal 3: Connected with our community

We will ensure everyone in Waipā is actively involved in the decisions and actions that affect the wellbeing of the District. We empower and engage our communities, providing them with opportunity, equality and efficient service:

- 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.



### Goal 4: Socially responsible

Staff will be encouraged to develop a great sense of connection with our community that goes beyond their role. We will ensure the knowledge and resources within Waipā 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.



## Where we have come from

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The Waipā district has a rich history and nationally, has played a prominent role in Aotearoa New Zealand's journey to nationhood.

The people of Tainui first settled in the Waikato and Waipā areas around the 13th century. The Waikato and Waipā Rivers, wetlands and the fertile lands strongly influenced their way of life. Like the Waikato, the Waipā River was an important waterway for travel and trade. It boasted productive fisheries and many pā were established on its banks and river flats.

Over the following 600 years throughout the Waipā district, the descendants of the Tainui crew established settlements, extensive gardens, and fisheries. The fertility of the area saw Waipā develop into an economic stronghold with Iwi building fortifications to protect their homelands from raids, skirmishes and invasion. The greatest intertribal war occurred in 1780, the Battle of Hingakākā at Ngāroto, with up to 10,000 warriors involved. There were other prominent inter-tribal battles; the 1830 Battle of Taumatawīwī on the northern slopes of Mount Maungatautari, and the 1822 Battle of Mātakitaki named after the pā at the northern end of Pirongia. The impact of these battles would pale in comparison to that of the later New Zealand Land Wars.

Heading into the 1800s, Europeans were settling in small numbers bringing new farming technologies. Local hapū quickly mastered the new technologies and by the early 1800s, farming was well developed in the Te Awamutu area. This included the establishment of flour mills and over time the Waipā district developed a reputation for producing excellent flour. By the 1860s, the Waikato, Ngāti Maniapoto and Ngāti Raukawa tribes were enjoying a new sense of self-sufficiency due to their flourishing local, national and international trade and food production.

The first Waipā churches were established in the 1840s-50s, including the Ōtāwhao Mission Station, St John's Church in Te Awamutu (1854) and St Paul's Church in Rangioawhia (1856). An earlier mission was established in 1834 at the confluence of the Pūniu and Waipā River but the Mangapōuri Mission Station, as it was known, closed soon after in 1836.

In 1856, Māori leaders from across Aotearoa New Zealand and iwi of the Waipā and Waikato regions assembled to offer Te Wherowhero the title of Te Arikiniui – Chief of Chiefs. Te Wherowhero eventually accepted this honour and responsibility and in 1858, he was crowned King Pōtatau, the first Māori King. King Pōtatau established his own system of internal self-governance The Kīngitanga. This Māori drive for the establishment of a Māori King and the unification of the tribes of Aotearoa New Zealand arose in response to growing conflicts and tensions as European settlers' and the colonial Government's hunger for Māori land and resources grew. Today's Māori King, King Tūheitia, is a direct descendent of King Pōtatau. King Tūheitia continues an unbroken line of leadership as the head of The Kīngitanga.

The Waipā district was a focal point of the New Zealand Land Wars; a history we continue to commemorate today. In 1863, Waikato and Waipā iwi were invaded by the military forces of the colonial Government. The invasion gave rise to many significant battles in the Waipā district, including the three-day long battle at Ōrākau. The New Zealand Land Wars ended with the retreat of Waikato and Maniapoto tribes into the rugged interior of the North Island, Te Rohe Pōtae (known today as the King Country) and the Raupatu (land confiscations).

In 1864 military headquarters were established at Camp Cambridge, named after Queen Victoria's first cousin, the Duke of Cambridge. The town of Cambridge has retained the name ever since.



A frontier post, first named Alexandra (now Pirongia) was surveyed in 1864 and settled by soldiers of the 2<sup>nd</sup> Waikato Militia Regiment. The Alexandra Redoubt, built in 1868, remains the best preserved fortification of this type in New Zealand. Provocatively, the Alexandra Redoubt was built close to Whatiwhatihoe, the residence of the second Māori King, King Tāwhiao and his people ... just south of the Waipā River inside the border of Te Rohe Pōtae.

Rail links were established between Auckland and Ōhaupō in 1878 and between Te Awamutu and Taumarunui in 1903, opening up the Waipā district and the King Country and leading to a rapid increase in European population and wealth. The chiefs of Ngāti Maniapoto negotiated the terms with the colonial Government for the railway to be established. This included the official pardoning of the renowned Te Kooti in 1883.

The impact of our tumultuous past is still young and fresh.

The New Zealand Land Wars and the annexation of Māori land, the development of towns, and the mass conversion of land to farming, the milling of native forest, the draining of productive wetlands, establishment of schools, and many other aspects of the past and our present will continue to shape our future just as the land has been shaped by generations of hands - seeking to make a life and home here.

Today, Waipā is one of the most prosperous and sought after places to live in Aotearoa New Zealand.

## Where we are going - Strategic Priorities

The key theme for this 10-Year Plan is growth, so when we say our vision is “Building Champion Communities” there is a big focus on “building”. A significant part of the capital programme is for infrastructure development to cater for growth. Managing our growth while strengthening our reputation as a great place to live, work and play, has led to many of the choices we’ve made in developing this plan.

In addition to delivering the outcomes described above, the decisions in the 2018-28 10-Year Plan have been driven by issues such as:

- An aging population
- Housing affordability concerns
- Direction from our neighbouring authorities, specifically through the Waikato Plan and Future Proof strategies
- Water supply consenting issues
- Expectations for Council to manage infrastructure risks well (e.g., earthquakes, water supply security)
- Strong financial position for Council with low debt levels
- Robust economic growth, both regionally and nationally
- Trends for central government to devolve responsibility for regulatory tasks
- Trends for central government to direct local government operational efficiency agendas
- Strong community pride and expectations for high quality local amenities
- Opportunity to leverage positive national trends for tourism and associated high quality visitor experiences

### Council is seeking in this plan to;

- Build our land supply and water provision to enable growth.
- Build our social infrastructure with key community focal points (namely the Cambridge swimming pool and the Waipā Discovery Centre) to enhance our social, environmental and cultural connectedness.
- Improve our Heritage offering to leverage off our unique rich history by connecting the Discovery Centre to heritage sites across the district.
- Build our resilience to cope with civil emergencies.

Waipā is formally identified by the government as a ‘High Growth’ area. This directs Council to supply additional land for residential, commercial and industrial development to accommodate forecast population growth. Maintaining and enhancing our district character and building our social infrastructure in parallel with the population growth is vital to a well-balanced, attractive district.

We’ve recently revised Waipā 2050, our growth strategy, to plan for the future growth cells that will be developed. Waipā’s housing growth and key facilities is not just a question ‘what’ we build ‘where’, but ‘how’ we build it. Involving the public in key initiatives is important to ensure Council provides community focal points and other amenities to meet our community’s expectations. Maintaining productive interaction and engagement with rate payers and key partners, including Iwi, is an important operational focus for the Council in this plan.

**Strategic priorities**

In order to deliver on the goals and Community Outcomes in the most effective manner, a set of shorter term (over the next three years) strategic priorities have been developed. Considering our finite resource, these enable Council to focus on investing in selected areas that best deliver the social, cultural, environmental and economic outcomes our district requires at the present time.

Of the range of areas that council is directly or indirectly involved in, highlighted below are the five strategic priorities which will receive additional focus in the short term future.

The ‘District wide planning’ and ‘Water treatment and supply’ priorities serve to address the key strategic issues detailed in our Infrastructure Strategy, of responding to our forecast population growth

On the following page we briefly describe what these priorities entail, why they are particularly important right now and some specific actions related to each priority.

**Figure 1: Medium term strategic priorities**

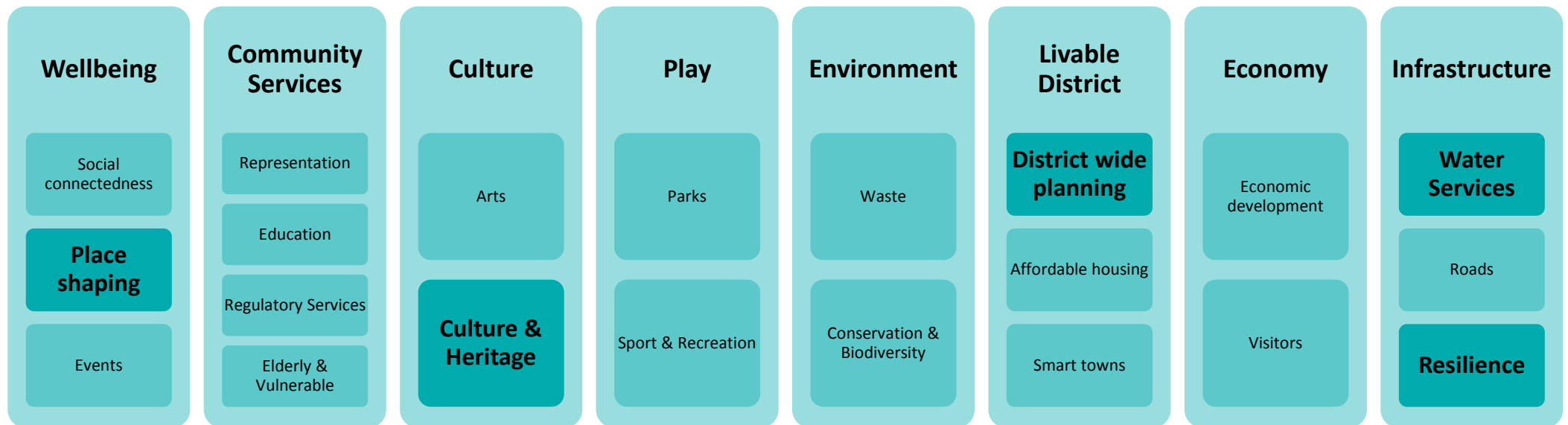


Table 1: Strategic priority actions

Strategic priority	Why this is important right now	The specific actions we're undertaking
<p><b>Place shaping</b></p> <p>Place shaping means planning for key focal points and facilities near our town centres to help connect our communities and enhance the character of Waipā</p>	<ul style="list-style-type: none"> <li>▪ As Waipā grows rapidly, it's vital our community identity is understood and maintained.</li> <li>▪ Town planning helps ensure growth is balanced with economic opportunity, enabling a vibrant and resilient community.</li> <li>▪ Developing corner stone facilities and features which leverage the unique character of our towns will help guide future expansion and place shaping initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Producing updated town concept plans.</li> <li>▪ Completing the upgrades to the Cambridge pool.</li> <li>▪ Completing the Te Awamutu hub development projects</li> </ul>
<p><b>Culture and heritage</b></p> <p>Together with Iwi, we can increase our community's awareness of and connection to our district's history and significant sites.</p>	<ul style="list-style-type: none"> <li>▪ Council has a stewardship role to protect, conserve and educate people about our heritage.</li> <li>▪ By improving our connection with our history, we can enhance community pride and identity.</li> <li>▪ By linking our heritage sites with cycling routes, Waipā can leverage its assets for our residents and visitors.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish the Te Awamutu Hub working group with Iwi.</li> <li>▪ Provide walkway and cycle way access to key heritage sites.</li> <li>▪ Develop a discovery centre and associated Te Awamutu hub amenity.</li> </ul>
<p><b>District wide planning</b></p> <p>Managed correctly, Waipā can capitalise on growth opportunities while maintaining the character of the district and providing a range of housing options for its residents.</p>	<ul style="list-style-type: none"> <li>▪ Waipā is embarking on its biggest ever works programme. Effective planning allows us to create towns that are great places to live, work and play.</li> <li>▪ Government mandates require councils to better understand growth and to supply land to accommodate new residents.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Undertake Waipā 2050 district plan changes</li> <li>▪ Produce updated town concept plans.</li> <li>▪ Implement plans and monitoring systems to meet the requirements of the National Policy Statement on Urban Development Capacity.</li> <li>▪ Develop an affordable housing strategy with provision for new pensioner units.</li> <li>▪ Update Reserve Management Plans.</li> </ul>
<p><b>Water treatment and supply</b></p> <p>Water supply, wastewater and Stormwater need to be cost effective and enable residential and business growth in the district.</p>	<ul style="list-style-type: none"> <li>▪ Growth is coming, and coming fast. Water is an essential service to enable growth.</li> <li>▪ We are facing tougher consenting requirements to improve environmental outcomes.</li> <li>▪ There are increased expectations for the reliability and quality of treated water.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Secure Te Awamutu with a quality water supply that can cater to seasonal demand.</li> <li>▪ Develop storm water discharge and treatment capacity for the Cambridge growth cells.</li> <li>▪ Improve water usage by reducing system losses and guiding usage behaviour.</li> <li>▪ Deliver wastewater treatment plant upgrades.</li> <li>▪ Improve stormwater treatment and discharge to contribute to better river quality.</li> </ul>

Strategic priority	Why this is important right now	The specific actions we're undertaking
<p><b>Resilience</b> Civil emergency processes must be robust and Councils earthquake prone buildings will be managed in accordance with the Building Act.</p>	<ul style="list-style-type: none"> <li>▪ We need to increase awareness of the likelihood that a significant event, like an earthquake or flood, will happen.</li> <li>▪ To prepare our community to be strong and able to quickly recover from civil emergencies.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improve civil defence processes for optimal response and recovery</li> <li>▪ Identify and assess earthquake prone buildings.</li> </ul>



# SIGNIFICANT FORECAST ASSUMPTIONS

## SIGNIFICANT FORECASTING ASSUMPTIONS

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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 10-Year Plans.

The assumptions use for planning projects for 2018 to 2028 are outlined below:

### Lifecycle of significant assets

#### **We assume:**

The useful lives of assets are revised as part of the cyclical revaluation process for each asset class where infrastructure assets are revalued two yearly and buildings every three years. Further detail on asset useful lives is tabulated under the accounting policies section of this plan.

#### **Our level of uncertainty:**

Medium for underground water supply, wastewater and storm water infrastructure assets due to accuracy of condition assessments. 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. Also, insufficient depreciation would have been funded to “replace” the asset.

#### **So we will:**

Continue programme of asset condition assessments and update affected activity management plans. Asset records and renewal forecasting will be updated to reflect any changes to useful lives.

### Revaluation of non-current assets

#### **We assume:**

Our land and buildings will be revalued every three years, our roads and three waters will be on alternate years, and investment properties will be revalued annually and the valuations will be consistent with the Business and Economic Research Limited inflated values outlined in our Inflation assumption.

#### **Our level of uncertainty:**

Medium for underground water supply, wastewater and storm water infrastructural assets due to having asset condition assessments. Low for all other assets.



**The risk:**

If actual valuations are different to that predicted we will need to reflect this in our Statement of Comprehensive Revenue and Expense.

**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 plans.

## Significant emergency events

**We assume:**

No significant emergency events (natural disasters) affecting our district will occur during the period of this plan, that cannot be funded out of the budgetary provisions or met by insurance arrangements. That 60% of the costs associated with damage to Councils underground infrastructure assets from a significant emergency event, will be provided by the Government for the portion of the cost of damage in excess of \$10 million.

**Our level of uncertainty:**

High due to the unpredictable nature of such events. Due to the high degree of uncertainty associated with the occurrence of a significant emergency event it is not possible to quantify the financial implications. There is some indication from central government that the 60/40 split to cover costs may be changed in the medium term future.

**The risk:**

A significant emergency event occurs during the 10 year period, which Council cannot afford to fund within the current budgets.

**So we will:**

Ensure that we have adequate insurance to cover the district's assets against such events. We will ensure that the commercial insurances are at a level to cover the district's assets against such events when taking into consideration Central Government's role in disaster recovery and restoration. We will also continue to give focus and attention to our involvement with sub-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. If a significant event occurred this would result in unforeseen costs which would place demands on Council's funding streams, in this case mainly debt funding? A committed cash advance facility of \$7.5m is available to be called upon in the event of a natural disaster.

## Climate change

**We assume:**

That the Waipā District can expect more frequent extreme weather events (drought and heavy rainfall) with little change in the average annual rainfall.

**Our level of uncertainty:**

Medium

**The risk:**

The design of our existing 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 our economy could be negatively impacted.

**So we will:**

Continue to ensure stormwater design includes allowance for climate change as required by legislation. All new developments have a protected 2nd flow path (often the road then to a gully) for events exceeding the primary system. Any renewals of stormwater systems will be designed using the Waikato Regional Infrastructure Technical Specification and therefore account for climate change. Further details of our planning for the impacts of climate change can be found in our Stormwater Service Asset Management Plan document.

**Economic environment****We assume:**

Economic conditions will follow a steadily growing trend for the next two to three years in line with forecasts and Government fiscal policy. Strong population growth levels are forecast for the district which will translate positively to our economy

**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:

Growth projection data is based on the University of Waikato (UoW) study completed in late 2016. Waipa District Council has elected to adopt the 'medium' projections (rather than low or high). Between 2018 to 2028 the UoW medium projections forecast a district wide population increase of approximately 17% with more than 5000 new houses required over the next 10 years. The urban centres will receive the majority of this growth, Cambridge in particular. Part of the driver in housing demand is residents per dwelling are forecast to reduce with an increasing proportion of elderly residents and more common incidence of split families.

In the National Policy Statement on Urban Development Capacity (NPS-UDC) Waipā is defined as a high growth area. As such our Council is required to enable the supply of 20% (short term) or 15% (long term) more land than the forecast demand in order to attempt to provide market choice and alleviate house price pressures.

### Our level of uncertainty:

Medium. A rapid rise in one and two person households is predicted; however, there is significant uncertainty about how this will be observed in the types of housing choices people make.

### The risk:

Growth factors vary significantly from our assumptions affecting our ability to fund and deliver on the agreed work programmes in a timely manner. Should actual growth be less than forecast, a risk is we build infrastructure without being able to recover costs quickly via Development Contribution revenue. Should growth be higher than expected, there is both a construction inflation risk and a risk that we will struggle to procure resource to deliver against demand.

### So we will:

Monitor growth and the housing market demand and supply in accordance with the NPS-UDC directives. Where the population or market behaves differently than forecast, we will review the timing of infrastructure development and the staged rezoning of land and structure plan development as per the guidelines of our Waipā 2050 growth strategy. Changes will be signalled in future annual plans.

High level analysis has indicated that with a 30% reduction in growth, with all other conditions remaining the same (infrastructure development completed on time) Council's debt would increase by \$52.6m by the end of the 10 years and remain within the total debt cap.

## Growth – Impact on rates

### We assume:

Based on the projected population increase over the 10 years, the expected growth in the rates revenue will be as per the table below. The calculation of the growth in rates revenue is based on the number of additional properties each year at the 2017/18 rates.

Table 2: Forecast percentage increases in rates revenue

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
2.29%	2.10%	2.46%	2.43%	2.57%	2.35%	2.35%	2.28%	2.20%	2.18%

**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. In a volatile market, the distribution of rates across ratepayers will change due to revaluations.

**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.

**Borrowing and interest rates**

**We assume:**

There will be ready access to loan funds at competitive rates. 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 are:

Table 3: Table of interest rates

Year to	Bancorp Projected borrowing rate (includes margin)
June 2019	4.11%
June 2020	4.40%
June 2021	4.40%
June 2022	5.40%
June 2023	5.90%

Year to	Bancorp Projected borrowing rate (includes margin)
June 2024	6.40%
June 2025	6.40%
June 2026	5.90%
June 2027	5.90%
June 2028	5.40%

**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, taking advantage of hedging, fixed rates and swaps. For a scenario entailing an increase of 2% in the projected interest rates from year 2, with all other conditions remaining the same, Council's average rates over the 10 years would increase by 0.47%. Debt servicing ratio is still within the 15% limit but the rates increase percentage is slightly over the quantified limit on rates increase in year 5. Therefore adjustment of other costs will need to be made for the rates increase percentage to stay within the quantified limit in year 5.

**Changes in legislation****We assume:**

We will continue to see central government introduce change (such as Urban Development Authorities) to influence economic, social and environmental outcomes. There will continue to be change as seen in recent years to key legislation such as the Local Government Act 2002 and Resource Management Act 1991 as the role and functions of local government continue to evolve. There will continue to be the addition of new regulatory areas, some devolving to local government such as freedom camping and Easter trading, others driven by new technology such as drones and electric or self-driven cars. Local government will continue to have an increasing role in civil defence, managing emergencies and events, and in areas such as economic development and social housing.

**Our level of uncertainty:**

Medium

**The risk:**

Compliance with such diverse, unconnected and in some cases very historical legislation as well as National Policy Statements is a very challenging task for councils. New or amended legislation frequently involves additional regulation, reporting, resources and expertise as well as community input in to the development of associated policies or bylaws. This can be very difficult for smaller councils. 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:**

Continue to work with central government through LGNZ and other forums to influence policy and legislative change and to make submissions. We will continue to collaborate as a region or sector in responding to change and to streamline plans, policies and strategies. We will continue to 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.

**Inflation**

**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, the table below shows the inflation rates for each activity. The salary assumption set at 3% each year is an internal assumption based on history and not part of the BERL inflation rates.

**Table 4: Inflation rates for each activity**

	Roading	Water	Community Activities	Planning & Regulation
Year 1				
Year 2	2.2	2.5	2.0	2.1
Year 3	2.2	2.3	2.1	2.1
Year 4	2.3	2.4	2.1	2.1
Year 5	2.4	2.4	2.2	2.2
Year 6	2.4	2.5	2.3	2.3
Year 7	2.5	2.6	2.3	2.3
Year 8	2.6	2.6	2.4	2.4
Year 9	2.7	2.7	2.4	2.4
Year 10	2.8	2.8	2.6	2.5

**Our level of uncertainty:**

Medium

Council has a higher level of confidence regarding project costs in the short term but less certainty in the longer term even with the BERL projections due to fluctuations in the economy.

BERL has provided further inflation projections for the Waikato / Tauranga region in November; these are higher than that of the national inflation projections, for the first four years. Council has opted to use the national projections due to the uncertainty of Central Government's capital works program (a major contributor to the regional inflation) and Immigration policy, the uncertainty in how the localised inflation projections were constructed, the timing of receiving the regional projections and the majority of the capital projects after year 3 have been priced on concept plans, not structure plan or design plans.

**The risk:**

Price level changes increase significantly from those used in preparing the work programmes and associated budgets. Higher costs could result in additional funding being required to maintain the existing levels of service. Higher costs relating to capital expenditure could result in higher debt levels and increased operating costs from interest expense leading to increases in rates.

Should price level changes decrease from those used to prepare the budgets, then there would be a favourable impact on Council's operating and capital expenditure budgets and rates.

**So we will:**

Monitor cost projections against actuals, with significant differences and associated responses such as changes in levels of service reflected in budget forecasts and annual plans. Inflation will increase both the costs and the targeted rates cap of LGCI plus 2% (after growth), mitigating the possible breach of the rate cap for operational spend. The regional projections forecast by BERL suggest a 1.8% increase in inflation above that projected (for years 2-4) in the National projections. This would increase the total capital works programme by \$17m, resulting in an increase in the total debt by \$13.6m over 10 years, peaking in year 7 at \$205.5m. This is below the current debt capacity of \$236m for the same year.

**External fundraising****We assume:**

External 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 include the Te Awamutu Discovery Centre and Cambridge Pool.

**So we will:**

Monitor the progress of planned community fundraising and assess how they impact affected projects. Council will make an assessment of the likelihood of successful achievement of external fundraising targets and any impact of a potential shortfall on the viability of a project before resolving to proceed with detailed design and/or construction contracts.

Where Council is supporting a community led project that relies upon other fundraising sources too, Council's financial support will be contingent on other fundraising sources contributing a necessary minimum to make the project viable.

**Insurance****We assume:**

Council will continue to work with the Waikato Local Authority Shared Services (LASS) for the best value for money insurance policies. This includes the use of commercial insurance markets where these markets provide the best value for money for the shared service and individual councils. Insurance premiums are inflation adjusted for the 10 year period, including increases every three years in material damage insurance due to valuation increases, and two yearly increases for the underground infrastructure insurance due to valuation changes in the underlying assets.

**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 plans. Savings in insurance expense due to market conditions will be transferred to insurance reserve to fund insurance excess.

**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 financial statements.

**Our level of uncertainty:**

Medium



**The risk:**

That any cash flow delays will require interim bridging in the form of additional borrowing and interest cost especially for projects which are dependent on funding from the development and sale of surplus Council property.

**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 or 4 monthly reforecast

## Local government structure

**We assume:**

There will be no significant changes to the structure of local government in the Waikato sub-region during the next 5 to 10 years. The indications are that change will not be imposed on local government, which is likely to remain the case whilst there is collaboration at a regional level, such as through the Waikato Mayoral Forum.

**Our Level of uncertainty:**

Low

**The risk:**

Change to the current governance structure could lead to less local democracy and decision making. The 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:**

Continue to work actively 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.

## Local government shared services

**We assume:**

The Waikato Mayoral Forum and Waikato Local Authority Shared Services (LASS) have initiated a number of collaborative initiatives aimed at improving the efficiency and effectiveness of Local Government in the Waikato Region. These include Waikato Means Business, the Waikato Plan, shared Rating Valuation Data Base, shared policy and planning, shared Health and Safety Contractor pre-qualification system, shared learning and development project, and shared roading management. Benefits of shared services will often present as either reduced (shared) costs for expert advice, or as an improvement in the effectiveness in the project output (not usually a financial measure).

**Our Level of uncertainty:**

Medium

**The risk:**

That significant efficiencies are not achieved through collaborative processes.

**So we will:**

Continue to work with the Mayoral Forum and LASS to ensure we maximise the gains of working collaboratively with other councils.

**Availability of staff and contractors****We assume:**

That sufficient internal and external resources will be available to undertake capital works in the years outlined in the financial statements, over and above resourcing required for business as usual responsibilities.

**Our level of uncertainty:**

Medium

**The risk:**

Suitably qualified staff and contractors can at times become scarce and difficult to find, limiting the level of resource available and driving costs upwards. If there is a shortage of resources we may not be able to complete projects in the timeframes indicated and for the costs budgeted.

**So we will:**

Actively undertake workforce planning on an annual basis, reflecting resourcing needs for capital works projects and taking into consideration business as usual workloads; ensure budgets and work programmes are adjusted accordingly.

**Central Government subsidy payments****We assume:**

The level of subsidies from central government agencies such as New Zealand Transport Agency will remain at 51% for qualifying projects.

**Our level of uncertainty:**

Low

**The risk:**

The forecast financial statements are based on the assumption that Council will be able to claim 51% of all maintenance and renewal costs for district roads in line with currently known NZTA work categories and classifications. Should the outcome of the NLTP result in less roading expenditure items being covered by the subsidy, the work programme for roading could be impacted. There have been delays to the preparation of the Government Policy Statement (GPS) on land transport, the National Land Transport Programme (NLTP), and the Investment Assessment Framework (IAF), which will result in delays to when NZTA funding is finalised. This means that, prior to the Council's adoption of its 2018-28 long-term plan it will not have agreement about the level of NZTA funding it expects to receive, with an announcement currently set for 31 August 2018.

**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 without incurring significant costs of compliance.

**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.

**Local Government Funding Agency (LGFA)****We assume:**

Council will fund a portion of its borrowings from the LGFA.

**Our level of uncertainty:**

Very low. A local authority default is considered extremely remote.

**The risk:**

Council is called upon to fulfil one or more of the LGFA obligations which are:

- In the case of Guaranteeing Local Authorities, a call is made under the Guarantee (this means that participating councils' could potentially be called on to pay their share of another council's or the LGFA's debts. The chance of this is considered extremely remote due to the fact that no local authority has ever defaulted on a loan and the LGFA will hold substantial cash reserves and committed liquidity facilities);
- In the case of Guaranteeing Local Authorities, a call is made for a contribution of additional equity to the LGFA; and
- In the case of all Shareholding Local Authorities, the LGFA is not able to redeem their Borrower Notes.

**So we will:**

Perform annual reviews of the Statement Of Intent of the company to determine if its business forecasts will potentially trigger one or more of these obligations and decide and report on these matters at the earliest opportunity.

**Water demand****We assume:**

Active water demand management will reduce the amount of water used per household in Cambridge and Te Awamutu from 250 litres per person per day to 190 litres.

**Our level of uncertainty:**

High.

District wide water meter installations were completed in 2017. It is anticipated these will bring a 15% reduction in district wide demand as a result. There is currently a dedicated summer demand management and water restriction campaign in place, year round education programmes offered and delivered to schools involving Learning and Educating Outside the Classroom (LEOTC) initiatives, public communications and education around the benefits of water meters and how to implement at home water conservation measures. These green initiative type education approaches are in place to drive behaviour change that will decrease the current use in the main towns which averages 250litres/person/day. If the water demand objectives are not achieved the financial implications would result in approximately \$8 million of capital works to commence earlier than planned. This will also result in additional depreciation and loan interest costs as a result of bringing forward this capital work.

**The risk:**

The risk is that the demand does not reduce to 190 litres/person/day and capital infrastructure will need to be brought forward to match demand. There is also a risk that the cost of water will increase; less water used but same revenue will be required.

**So we will:**

Ensure that a demand management programme continues to be resourced in the 10-Year Plan 2018-28 to actively drive change in behaviour of water use. If capital infrastructure has to be brought forward to meet demand there will be consequential increases in capital expenditure which will have to be funded through debt, development contributions and depreciation. These increases would need to be considered in relation to the prudential limits set out in the Financial Strategy.

## Development contributions revenue

**We assume:**

The amount and timing of development contributions revenue to be received has been calculated consistent with the development contributions model and assumptions.

**Our level of uncertainty:**

Medium

**The risk:**

The amount and timing of development contribution revenue is dependent on growth and timing of subdivisions. Growth factors vary significantly from our assumptions and affect our ability to fund the growth work programmes.

**So we will:**

Monitor growth projections and development revenue 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.

## Limit on rate increases

### We assume:

The average rate increase each year for existing ratepayers will be no greater than the Local Government Cost Index plus 2% forecasted for that year.

### Our level of uncertainty:

Low

### The risk:

The increase in rates will breach this limit for any given year in the 10-Year Plan.

### So we will:

Disclose the nature, timing and extent of the breach and Council's proposed action to address this matter at the earliest opportunity.

## Demographic changes

### We assume:

The district's demographics will trend in accordance with UoW 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. Here in Waipā, one-third (33%) of the District's population is likely to be aged over 65 by 2033, up from 17% in 2013. By 2063 that proportion is projected to be even greater, around 43%.

### 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. The proportion of ratepayers on fixed incomes increases, affecting the affordability of rates increases

### So we will:

Monitor population projections against actual changes confirmed through Census data and housing market demand. We will review our services, work programmes and budgets to reflect any significant changes in district demographics. We will also give careful consideration for rates increases with a view to those on fixed incomes. By way of example, the our new rates limit cap is LGCI + 2% year on year (after growth), down from the previous 10-Year Plan cap of LGCI + 3% (after growth).

## Sources of demographic information

Council uses a number of sources to inform our decision making regarding future demographic demand in the district. A report on population and dwelling projections was produced by the University of Waikato (UoW) and forms one of the most important source documents for expected future demographic change. The report “2016 Update of area unit, household and labour force projections for the Waikato region 2013-2063” was commissioned by the Future Proof Sub-Regional Growth Strategy Technical Advisor on behalf of the Future Proof Partner councils. The report covers Usually Resident Population Projections, Household and dwelling projections and Labour Force projections at a Census Area Unit level. The population projections are based on the cohort component method of projection and provide the medium variant. Subsequently low variant scenario projections were also produced by UoW at the Census Area Unit level.

Projections and forecasts are renewed regularly so any change to expected trends will be picked up early.

## Te Awamutu Wastewater Treatment Plant (WWTP) Upgrade to Service Waikeria Prison

### We assume:

The proposal from the Department of Corrections to increase the capacity of the Waikeria Prison will proceed as planned and that any change to the scale of the project and the consequent demand for processing wastewater at the Te Awamutu WWTP compared to what has been planned will not compromise Councils financially prudent position, and any resulting operating cost changes will not materially affect ratepayers.

### Our level of certainty:

Medium

### The risk:

The project to upgrade the prison capacity, and consequently the WWTP demand is either cancelled, deferred or reduced in scope.

### So we will:

Given the prison population growth projections, the public announcement to deliver an expanded prison at Waikeria, and the preliminary contract Council has signed with the Department of Corrections, there is a medium level of certainty this project will proceed in close agreement with existing plans. With regard to the capital costs for the program to upgrade the wastewater network and install a pipeline between the WWTP and prison, any reduction in scope will only minimally affect the level of demand for waste water treatment. Any resulting changes to pipe design are assumed to fall within standard contingency allowance for project costs, as the significant cost lies with installation rather than materials (pipe size). For the plant upgrade itself, this is still necessary regardless of Waikeria prison expansion.

With regard to potential impact to operating costs and level of service, through our agreement with Corrections we are establishing a discharge agreement whereby Council will set the cost recovery framework for wastewater discharges from Waikeria. While contract negotiation regarding the structure of the fees has not yet taken place, they will be calculated on the basis that Waikeria prison pays for its impact, and it will not be subsidised by rate payers. The size of the facility Corrections build will therefore have no net effect on operating costs.





# FINANCIAL STRATEGY



## INTRODUCTION

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The financial strategy outlines the Council's overall approach to managing its finances. It's a central component of Council's 10-Year Plan document. The financial strategy sets our limits on rates increases and debt, illustrates the overall financial implications of decisions made in the 10-Year Plan and is key in demonstrating prudent financial management.

Over the next 10 years, it will cost \$1.27 billion to grow and run our district. That's a huge investment of ratepayer dollars so it's important this money is spent in the context of a well-considered financial strategy.

Waipa District Council is in a very good financial position. Our draft 10-Year Plan proposed an average annual rates increase of 2.2 per cent over the next 10 years, including water meter charges which will be charged separately. Excluding water meter charges the average annual rate increase is forecast at 1.5 per cent, over the next 10 years.

Council will continue to provide or improve our existing levels of service and our rates increases are maintained within a limit of the Local Government Cost Index (local government inflation measure) plus 2 per cent (after growth), which Council considers to be a reasonable and affordable limit. We also limit rates to a maximum of 65 per cent of our total revenue.

### Balanced Budget

Council is projecting significant surpluses though out the ten years of the LTP, the majority of these surpluses are attributed to Developer Contributions and Vested Assets. The Developer Contributions are collected for investment in new or expansion of infrastructure and pay the interest on debt raised to fund these growth projects.

One of the prudence measures Council has is the Balanced Budget Benchmark; this benchmark checks that each year's projected operational revenue is set at a level to meet that year's operational expenditure. From Council's significant surpluses, the revenue directly relating to capital (Developer Contributions and Vested Assets) has to be deducted to determine our operational result. In years 2 to 10 of our draft 10 - Year Plan we are projecting operational deficits. The majority of the deficit is due to the interest costs of our growth projects, the interest cost is an operational expense that is funded from Developer Contributions.

We are planning to use our operational reserves (revenue retained from previous years) to fund expenditure in years 2 to 10.

### Growth

Waipā is growing faster than ever before. By 2050 we're expecting an additional 25,000 people in Waipā. This will take our total population to nearly 75,000.

Over the next 10 years, Cambridge is expected to grow by approximately 7,000 people taking the population to 23,000. Te Awamutu is forecast to grow by about 2,700, taking the population to 13,500.

Some of the cornerstone projects included in the 10-Year Plan to unlock future growth are:

- a) Te Awamutu Water Supply Pipeline \$25.9m
- b) Cambridge Wastewater Treatment Plant \$27.4m
- c) Cambridge development in C1, C2 & C3 growth cells \$103.6m including stormwater provision of \$68.0m

Council is planning to invest \$191 million in growth projects over the next ten years; these projects will have operational costs totalling \$14.8 million. The Infrastructure strategy details a full list of capital projects.

An increasing proportion of our population will be over the age of 65 years, one-third (33%) of the District's population is likely to be aged over 65 by 2033, up from 17% in 2013. The ageing population will also decrease the average number of people per household.

Land use is expected to remain predominantly rural with expansion of urban centres.

### Growth pays for growth

A key challenge in our 10-Year Plan 2018-28 is providing a resilient infrastructure that meets the needs of our fast-growing district while keeping rates affordable. Our infrastructure needs to meet the service level expectations of our ratepayers and other stakeholders and the higher demands of the environmental standards set by regulatory agencies. As well as this, we need to make sure all of the other quality services Council provides continue to be delivered at the level our residents and ratepayers expect, and enjoy – while ensuring the rates impact is contained.

Council will be taking on substantially more debt to fund growth. Catering for growth is required by the National Policy Statement on Urban Development Capacity. Council will help to ensure rates remain affordable and within our limits by ensuring 'growth pays for growth'. A change in our Development Contributions Policy means developers will be charged for the interest cost of new infrastructure development debt, not just the principal cost. Prior to this change, ratepayers covered the interest costs.

### Service level improvements and renewals

Growth however, is just one part of the story. Huge investment is required in service level improvements to ensure the resilience of existing infrastructure and the achievement of tougher environmental standards. There is also an ongoing need for continued investment in renewals. Council has taken a good look at what infrastructure would be required to enable the desired outcomes while responding to the forecast population growth and considered the best approach to managing our assets given their inherent significant upfront capital cost and typically long useful life.

The table below indicates the nature and extent of our proposed capital spend over the course of the 10-Year Plan:

**Table 5: Proposed capital spend for 2018-28**

	Growth \$000s	Improve service level \$000s	Renewals \$000s
Water treatment and supply	27,086	43,242	37,208
Stormwater	91,148	813	8,541
Wastewater treatment and disposal	32,368	48,462	19,574
Roads and footpaths	34,186	65,632	71,356
Other	6,723	82,803	20,451
<b>Total</b>	<b>191,511</b>	<b>240,952</b>	<b>157,130</b>

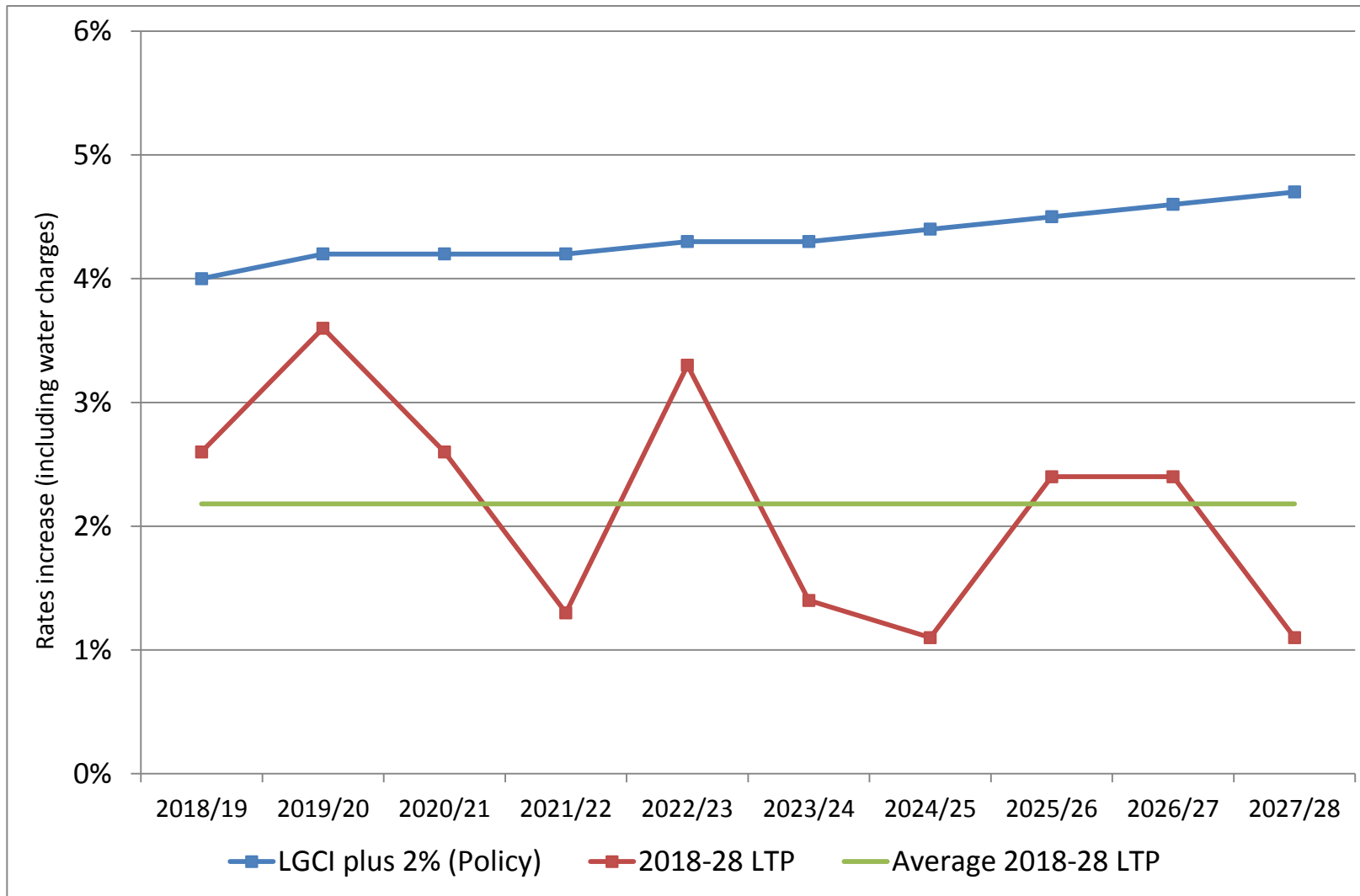
## Rates

Our average rates increase over the 10 years is 2.2% annually.

This includes the water by meter charges which are being introduced to all residential water consumers from 1 July 2018. Although billed by separate invoice outside the rates system water charges remain in terms of the legislative definition, a rate. The average increases for rates including water charges across the ten years range between 1.1% and 3.4%.

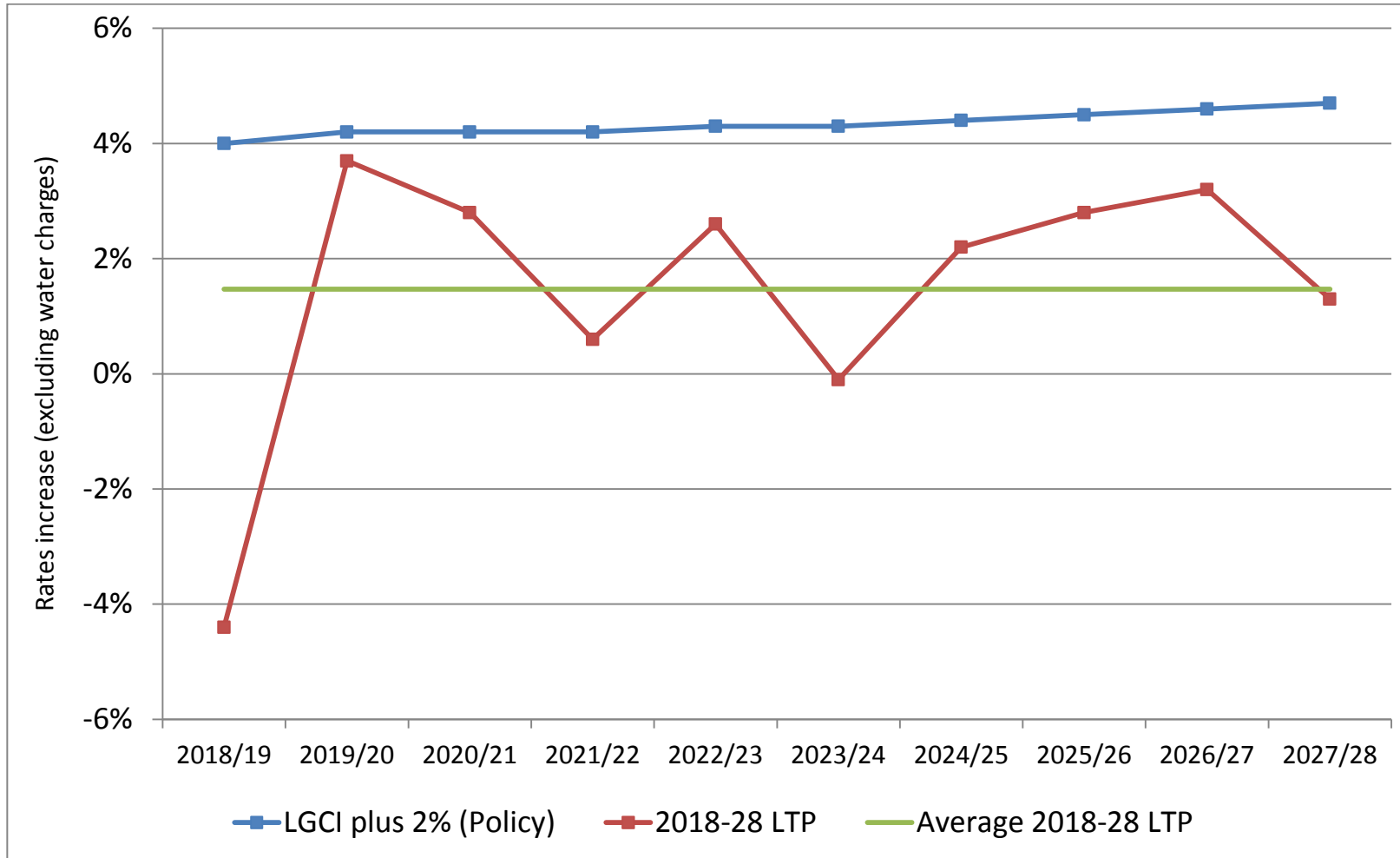
All of the proposed average rate increases (after growth) are within Council’s policy limit of the Local Government Cost Index plus 2%, as demonstrated in the graph below:

Graph 1 : Rates increase (existing ratepayers) with water by meter



If the water by meter charges are removed from the total rates figures, the average increase is 1.5 per cent and the changes in average rates range from a decrease of 4.4 per cent to an increase of 3.7 per cent. The 4.4 per cent decrease is the result of the water charge shifting from the rates invoice to a separate bill for all residential properties. This is shown in the graph below:

Graph 2: Rates increase (existing ratepayers) water by meter charges excluded



Setting limits on rates is a key part of ensuring financial sustainability. As well as setting limits on the level of annual rate increase we also set limits on the proportion of our income that comes from rates. This provides a focus on maximising revenue from non-rate sources and ensuring rates are affordable. We are committed to limiting rate levels to a maximum of 65 per cent of our total revenue.

**Table 6: Projected rate percentage of total revenue**

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Quantified Limit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Projected Rates %	59%	59%	47%	55%	57%	57%	58%	60%	61%	62%

## Debt

Council's debt is expected to be \$13 million on 1 July 2018. This is a modest level of debt for a Council of Waipā's size and is set to rise substantially over the first seven years of the 10-Year Plan to peak at \$184 million. A significant contributor to the increase in debt is the need for infrastructure to provide for growth. The National Policy Statement for Urban Development Capacity requires high-growth Councils to have adequate land provision to accommodate development. By extension Council must then provide infrastructure to enable this development to occur.

We have changed the way we manage debt. We will achieve this by introducing longer terms of borrowing. This is already provided for in our treasury policies, but never taken advantage of. We are also proposing to shift from our current equal principal repayment model to a table mortgage approach.

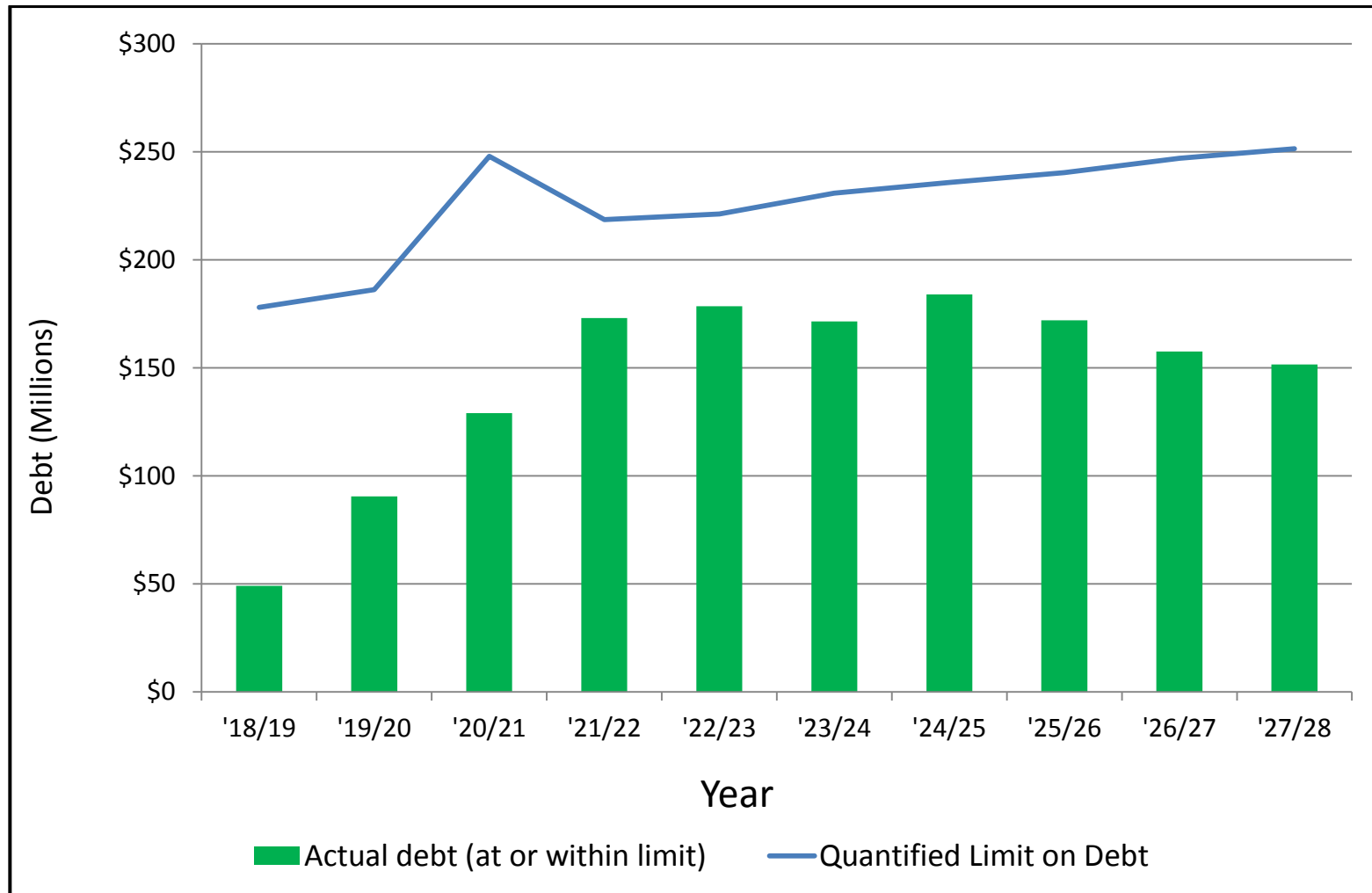
The impact of these changes is to reduce the level of cash required for debt repayment over the course of this 10 Year Plan, increasing the total cost of debt servicing over the longer term. This approach is deemed to better share the cost burden of long term assets across generations that benefit from the asset. The approach also takes better advantage of inflation to erode the debt.

Council has determined that our net external debt limit is prudently set at 175 per cent of total revenue, and the gross interest expense on external debt for the year is required to equal or be less than 15 per cent of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment).

Development-driven debt is paid down as the Development Contributions are received. The debt profile for level of service debt has lengthened as we now push the standard financing arrangements out from 20 years to 30 years. This, together with the shift from an equal principal to a table mortgage financing approach also increases the amount of debt outstanding in the earlier years of the 10 Year Plan while minimising the level of rates required.

The graphs below show the anticipated results against the limits as set out in the 10-Year Plan:

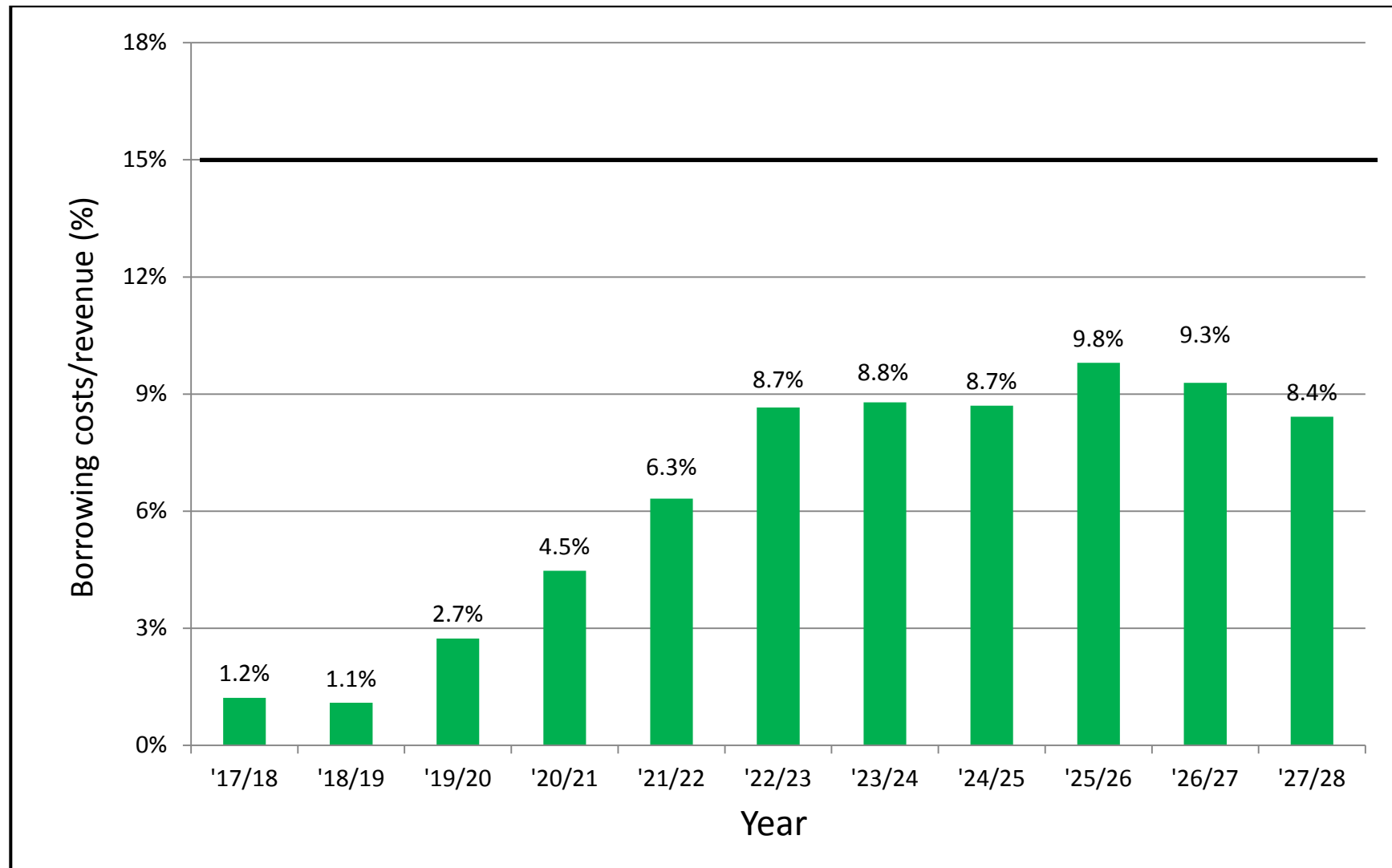
Graph 3: External debt including limit<sup>1</sup>



<sup>1</sup> The peak in year 3 debt limit is due to the recognition of the construction of the Waikeria Wastewater Pipeline.



Graph 4: Borrowing costs / revenue %



## Asset Sales

Council continues to progress the sale of surplus assets in order to fund capital projects. Council has included a total of \$6.7 million of projected asset sales across years 1 to 7 of the 10-Year Plan 2018 – 2028. The projects funded from these sales may be delayed or alternate interim funding might have to be sourced if there are delays in the timing of achieving these sales.

## Security for borrowing

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

## Investments

Our investment policy sets out the detail of the type of investments Council currently holds, and our objectives and risk management strategies related to holding these investments. Our approach to managing our investments is set out in our Treasury Management Policy.

Council is a shareholder in Waikato Regional Airport Limited, the New Zealand Local Government Funding Agency Limited and Local Authority Shared Services Limited. We also hold a small interest in Civic Financial Services Limited. These investments are of a strategic nature and no target for dividends has been set.

Other than to achieve strategic objectives, it is not our intention to undertake new equity investments. We will periodically review investments with a view to exiting at a time when market conditions are favourable and overall strategic objectives are not compromised.

Any dividend income from investments is generally included as part of general revenue.

Any purchase or disposal of equity investments not identified in this Plan is by Council resolution.

At the time of disposal, we will determine the most appropriate use of sale proceeds.

Council maintains a portfolio of Treasury Investment with a primary investment objective of capital protection. The targeted return from investments through approved external counter-parties is to maximise the return within the constraints of the Treasury Management Policy.

## Continuation of district-wide funding rating transition process

Council is proposing to continue with the transition in its district-wide funding rating approach to:

- a) A uniform annual general charge (UAGC) applied on a separately used or inhabited part of a rating unit (SUIP) basis.
- b) A reduction in the value of the targeted ward rate, which is applied on a per rating unit basis, until it is no longer an element of the district-wide funding.
- c) An increase in the proportion of the capital value rates within the district-wide funding.

This change in rating approach is being transitioned in over a six year period, which started in 2015 - 2016.

The UAGC for the next three years is proposed to be:

- 2018/19: \$606
- 2019/20: \$708
- 2020/21: \$790.

The percentage of the District-Wide rate to be set on a capital value basis is proposed to increase by 0.8 per cent per year for the next three years.

The proposed position in Year 3 of the 10-Year Plan, which is the end of the transition period, is a district-wide funding structure as follows:

- a) A UAGC of \$790;
- b) No targeted ward rate as part of the district-wide funding; and
- c) A capital value rate comprising 58.6% of the district-wide funding requirement.

## Managing financial risk

In developing this Financial Strategy Council considered how we would respond if unexpected circumstances had significant impact on our financial situation.

### Lower than expected growth

One risk is lower than expected growth. This will result in a shortfall in development contributions and a potential situation in which we have prematurely invested in infrastructure for growth that does not actually occur.

We have been conservative in our approach to this strategy and to the draft 10-Year Plan. We have ensured that if in fact growth does not meet expectations, there is a sufficient buffer. Even with significant changes to predicted growth, we will be in a good position to cover the interest cost on our debt for assets that have already been constructed.

To mitigate the risk further, we will review our capital work programmes annually, amending the scale and timing of projects in response to actual or anticipated changes in growth levels.

By designing and building some of our core infrastructure, such as water and wastewater treatment plant upgrades, on a modular basis, means we can spend on an incremental basis that reduces financial outlay and the risk of underutilised assets.

### **Higher than expected growth**

Higher than expected growth places additional demands on Council to accelerate the delivery of capital project, this will be funded from increased or earlier development contribution revenue.

### **Higher than expected inflation or interest rates**

If inflation and interest rates are higher than projected this will increase the overall cost of operational expenditure and capital projects. Again there is a prudent buffer in place which should allow the greater operational costs to be funded from increased rates, without unduly impacting on affordability. This will remain within the rate cap of LGCI plus 2 per cent (after growth). We also believe we will have sufficient capacity in our debt prudence limits to fund increased capital project costs.

The Assumptions section of the 10-Year Plan document contains further detail of the sensitivity of our financial projections to unanticipated circumstances.

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## LONG-TERM PLAN DISCLOSURE STATEMENT FOR PERIOD COMMENCING 1 JULY 2018

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### What is the purpose of this statement?

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

The council is required to include this statement in its long-term plan in accordance with the [Local Government \(Financial Reporting and Prudence\) Regulations 2014](#) (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

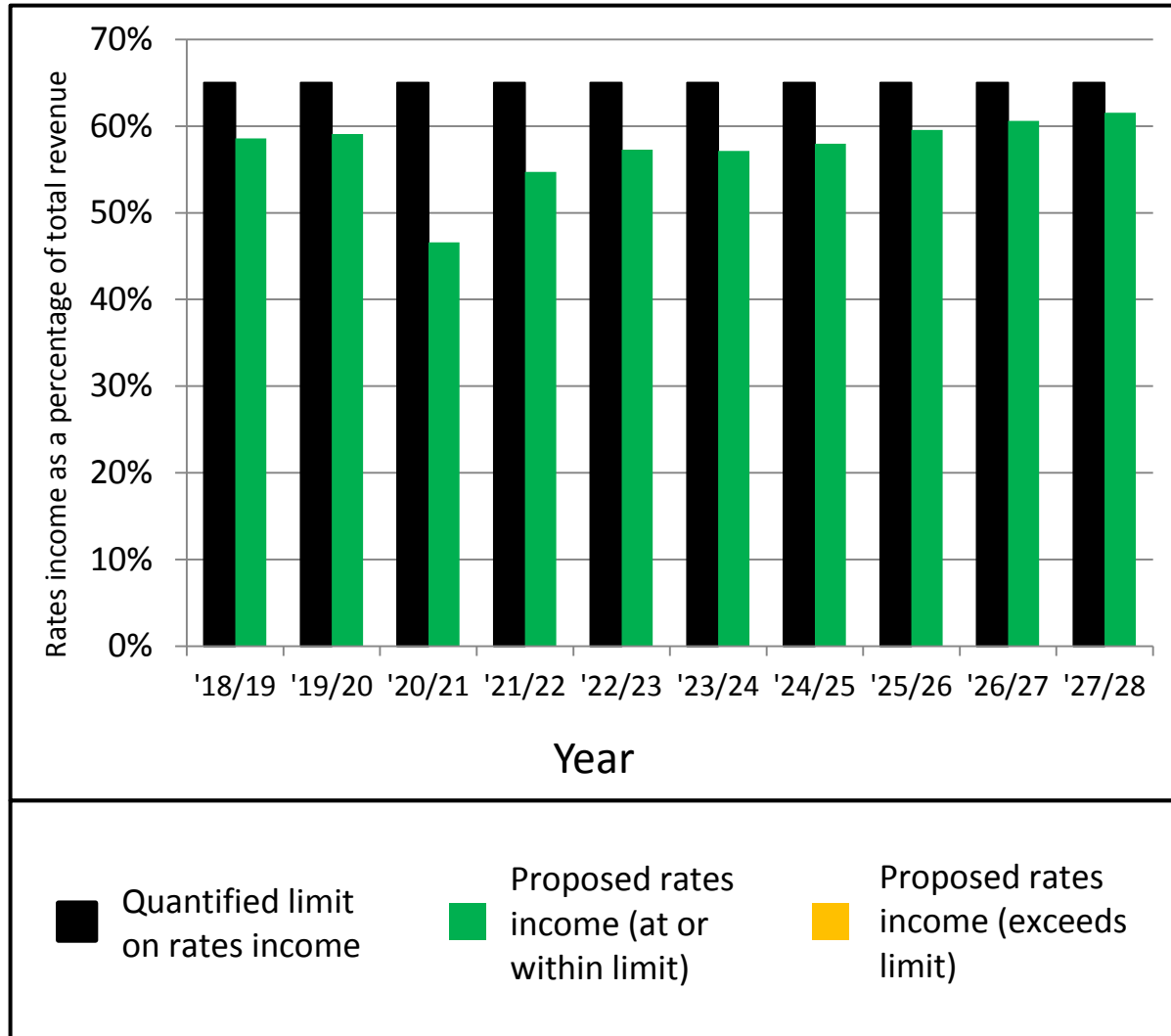
### Rates affordability benchmark

The council meets the rates affordability benchmark if –

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

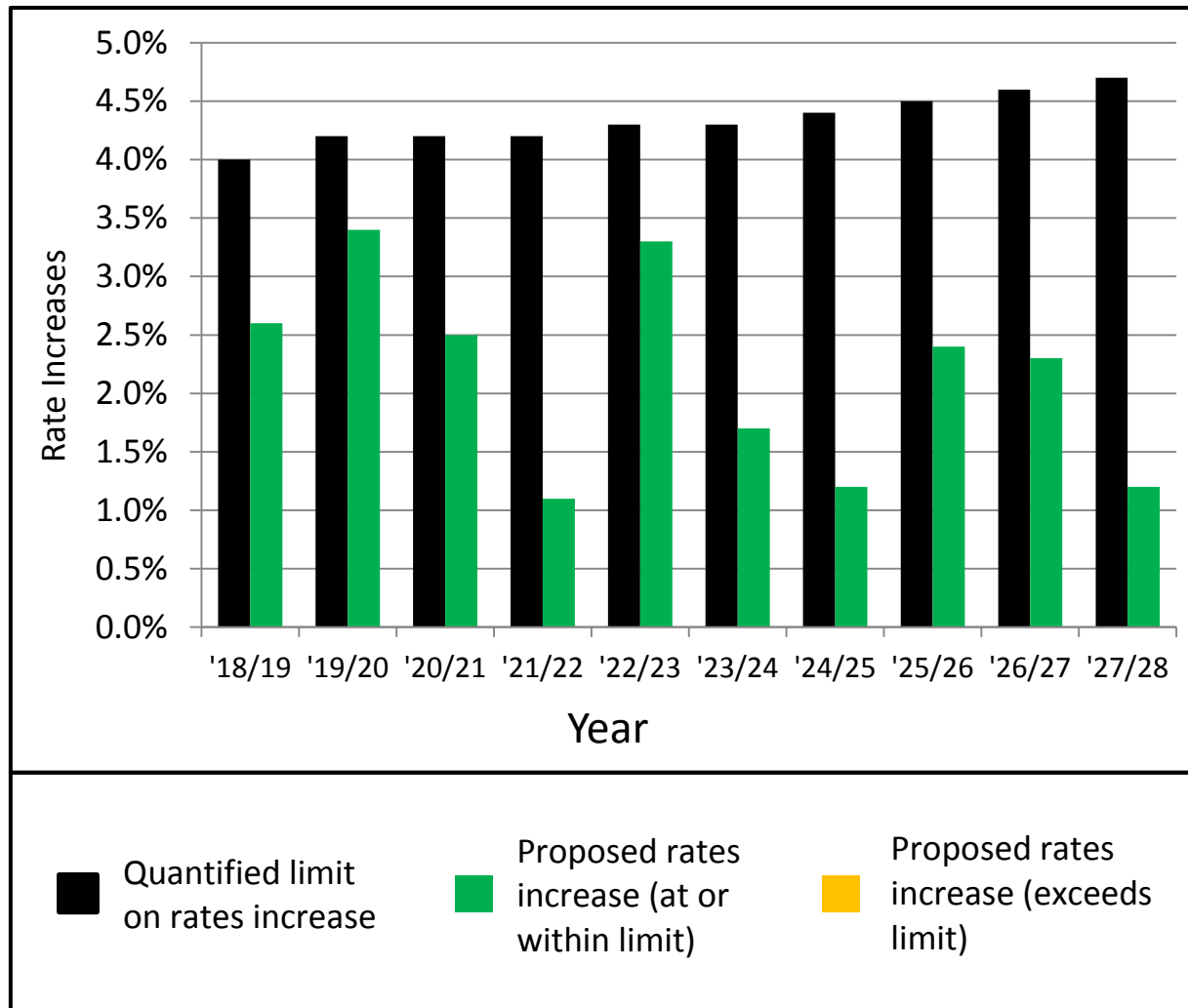
Rates (income) affordability

The following graph compares the council’s planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is limiting rates levels to a maximum of 65% of our total revenue.



Rates (increases) affordability

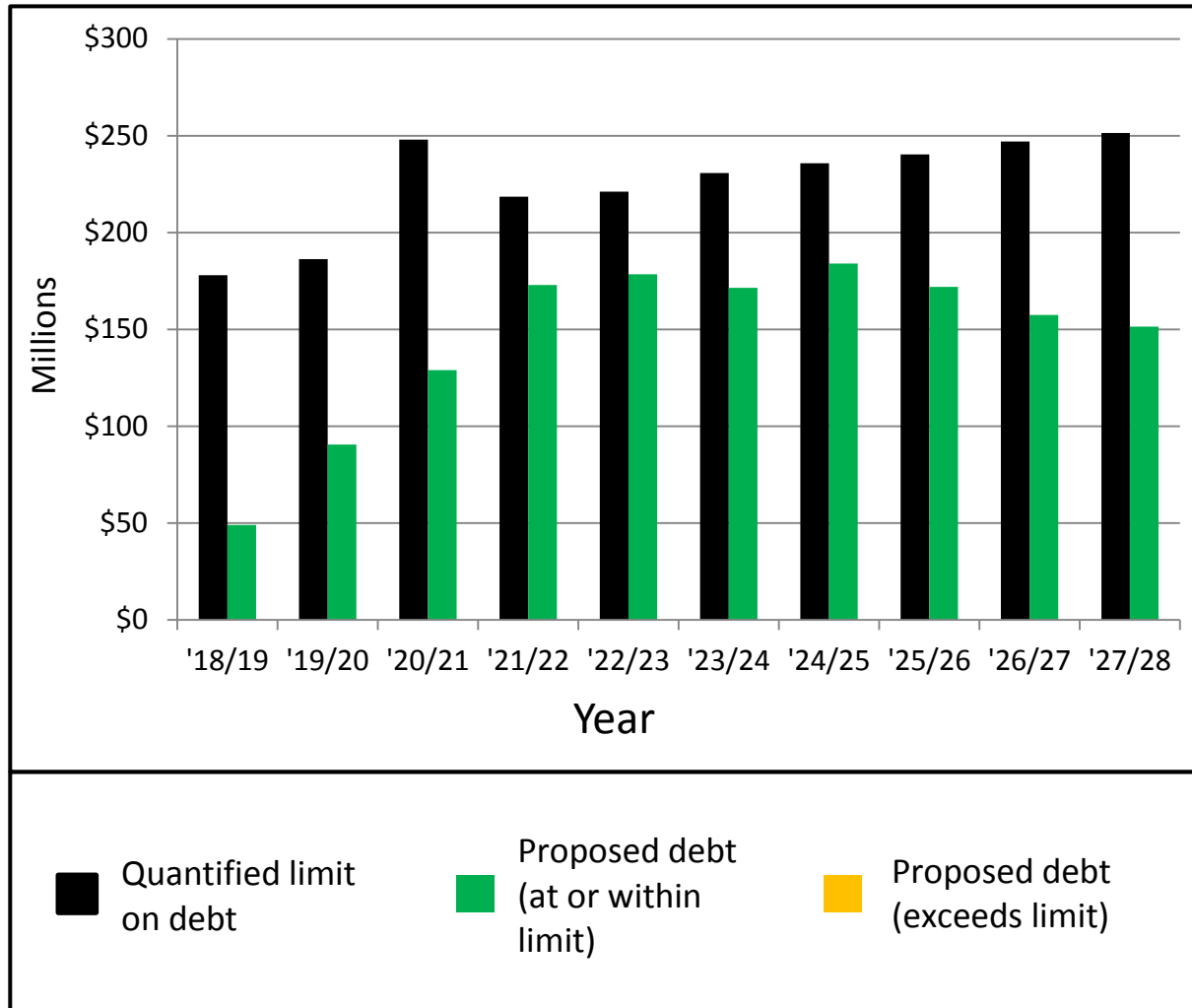
The following graph compares the council’s planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is; council will limit annual increases in the average rate requirement (after growth) to no more than the forecast Local Government Cost Index for that year plus 2%.



Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the council’s planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is set at 175% of total revenue forecasted for each year of this plan.

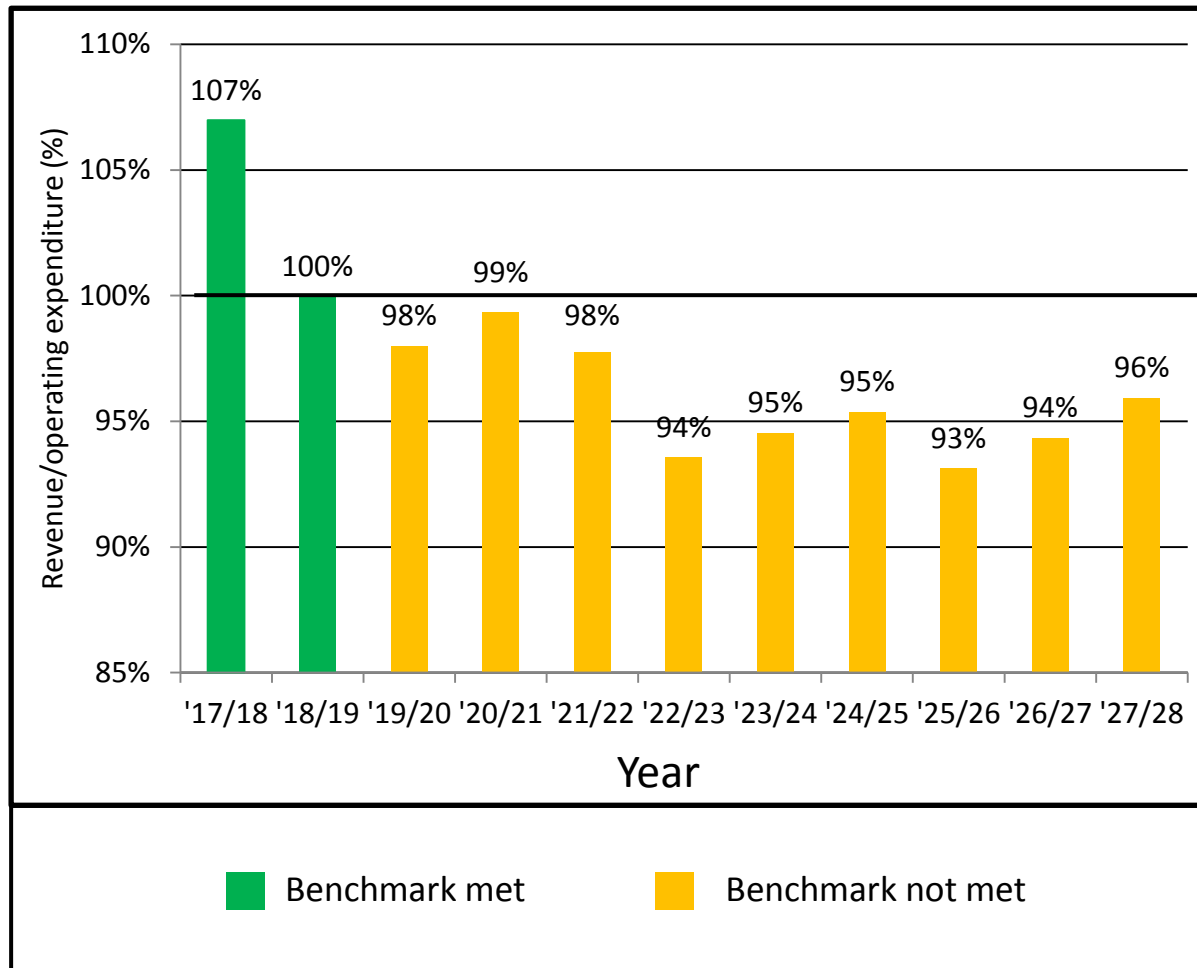




Balanced budget benchmark

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

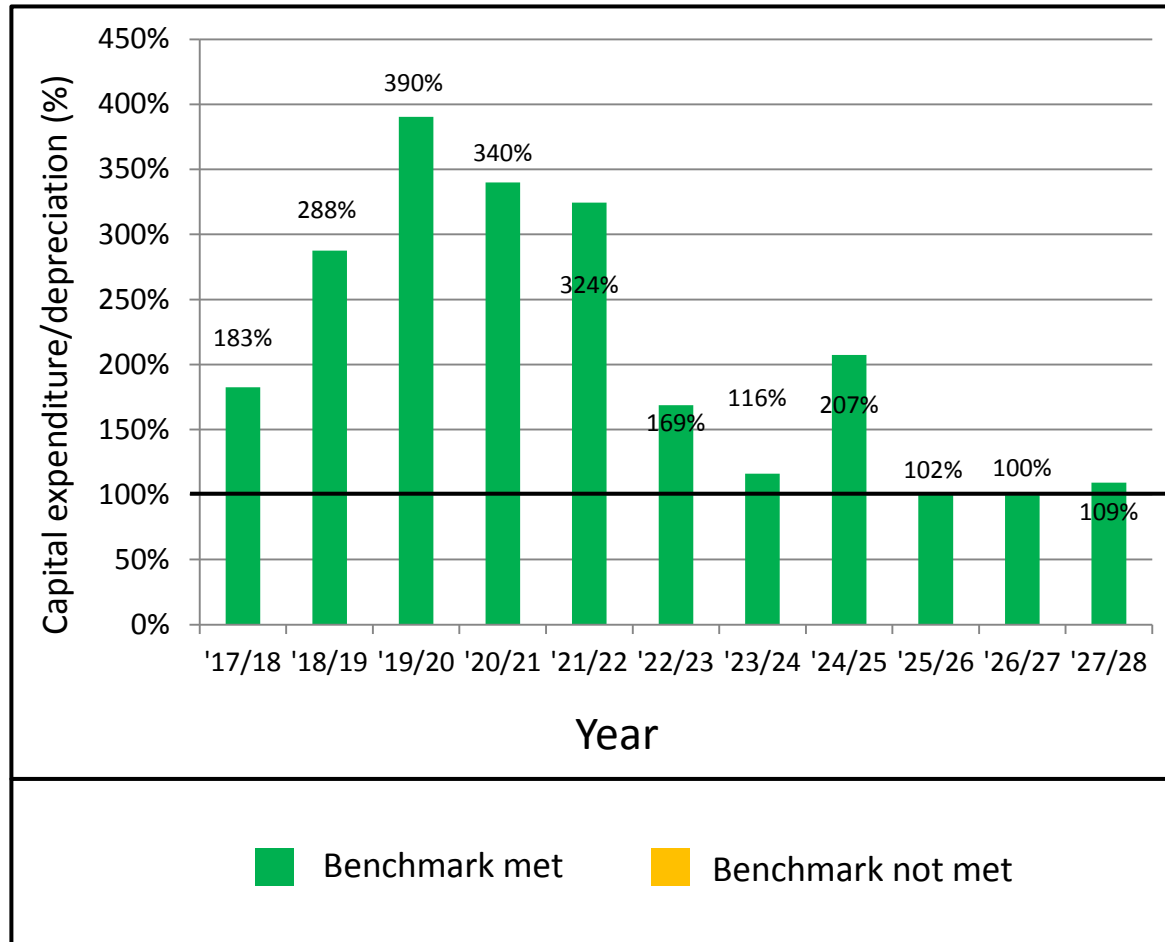
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

The following graph displays the council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

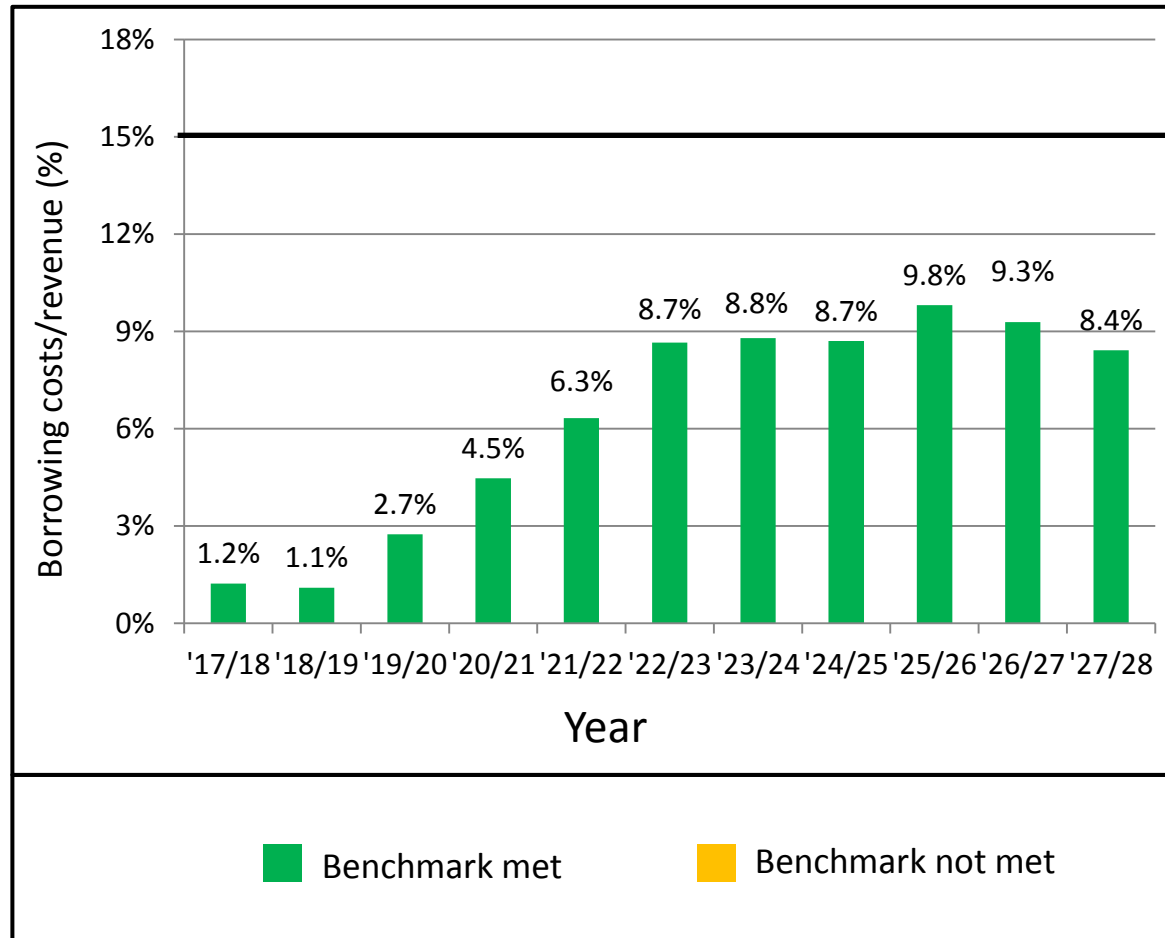
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

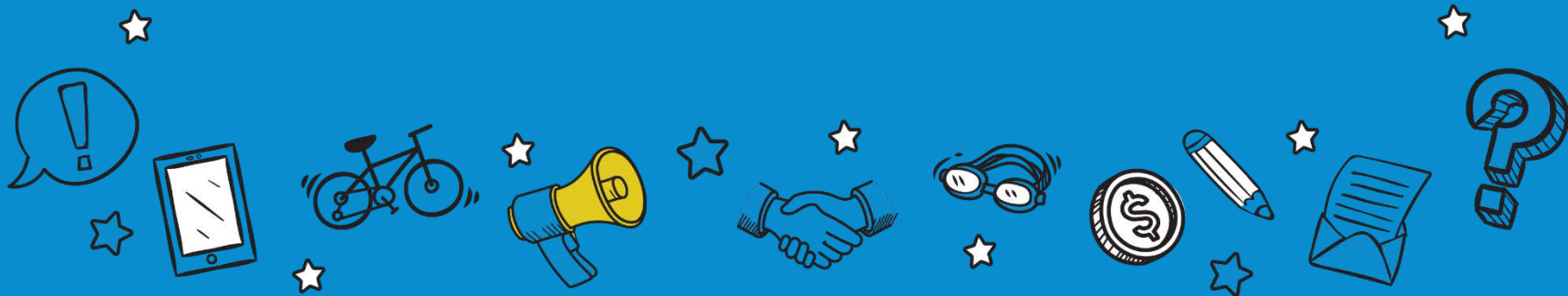
The following graph displays the council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment)..

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





# FINANCIAL INFORMATION



## STATEMENT OF PROSPECTIVE FINANCIAL INFORMATION

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The financial information contained within this 10-Year Plan is prospective financial information which complies with the Financial Reporting Standard 42 (FRS). FRS42 sets the principles 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 Council will provide over the financial years 2018-28, and to an accountability mechanism for the community. The financial information may not be appropriate for purposes other than those described.

In relation to the FRS42, the financial year 2018/19 to 2027/28 is considered to be 'forecast years' and based on future events, which are expected to occur. The actual results achieved for the financial years 2018-28 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 which comply with the New Zealand International Financial Reporting Standards.

Council is responsible for the prospective financial statements, including the appropriateness of the underlying assumptions and all other required disclosures.

The Annual Plan budget for 2017/18 and /or the Forecast values for the 2017/18 have been included in the forecasted statements, as presented in the 8 month report to Council in March 2018. The forecasted 2017/18 year, while based on the actual transactions occurring during the 2017/18 year, is still only a forecast as the financial year 2017/18 had not been completed by the time the forecast financial information was prepared.

The prospective statements in the 10-Year Plan were adopted by Waipa District Council on 26 June 2018 and takes effect from 1 July 2018.

The 10-Year Plan is formally reviewed and updated every three years.

## 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:

**Table 7: Infrastructural assets**

Group of Activities	2018/19 (\$000)
Roads and Footpaths	\$1,000
Stormwater	\$210
Water Treatment and Supply	\$500
Wastewater Treatment and Disposal	\$400

These estimates were based on trends relating to asset write-offs over the preceding three years.

### 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 2018/19 is \$1,289,000. We do not fully fund depreciation on computer software and hardware as Council is moving towards Cloud based software and leasing of hardware not funded in 2018/19 is \$300,000.

### 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 is the result of income funding asset development, and various non-cash items such as revaluation gains, being included in the Statement of Comprehensive Revenue and Expense in line with accounting requirements. Council only sets rates and fees and charges income to the levels needed to meet its operating costs.



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

**Table 8: Prospective statement of comprehensive revenue and expense**

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>OPERATING INCOME</b>											
Rates	53,384	59,554	62,872	66,026	68,359	72,404	75,377	78,090	81,793	85,511	88,422
Fees and Charges	11,857	10,200	10,704	13,689	11,900	12,317	12,410	12,800	13,179	13,607	13,968
Reserve contributions	307	544	504	649	749	709	747	659	682	683	662
Development contributions	4,113	8,834	10,740	14,907	17,435	16,050	16,278	15,762	15,817	14,465	13,426
Gain on revaluation	577	366	421	447	451	489	531	555	603	631	711
Vested assets	2,580	12,477	12,504	34,646	15,193	15,351	16,369	16,650	16,738	17,545	17,489
Discovered assets	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Finance income	310	329	265	271	277	283	289	296	303	310	318
Subsidies and grants	10,029	8,982	8,010	10,639	10,106	8,358	9,448	9,457	7,743	7,905	8,185
Other revenue	342	395	403	412	420	430	440	450	460	472	483
Gain on swap derivative	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>83,499</b>	<b>101,681</b>	<b>106,423</b>	<b>141,686</b>	<b>124,890</b>	<b>126,391</b>	<b>131,889</b>	<b>134,719</b>	<b>137,318</b>	<b>141,129</b>	<b>143,664</b>
<b>OPERATING EXPENDITURE</b>											
Employee benefit expenses	19,658	22,342	22,962	23,642	24,375	25,116	25,873	26,655	27,463	28,286	29,135
Depreciation & amortisation	21,530	22,036	23,674	25,317	26,891	28,464	30,300	31,558	32,982	34,395	35,595
Other expenses	29,383	34,636	35,464	39,040	36,575	39,019	39,354	39,524	41,108	42,173	42,657
Finance costs	934	873	2,265	4,091	5,785	8,161	8,658	8,844	10,204	10,074	9,439
Loss on revaluation	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>71,505</b>	<b>79,887</b>	<b>84,365</b>	<b>92,090</b>	<b>93,626</b>	<b>100,760</b>	<b>104,185</b>	<b>106,581</b>	<b>111,757</b>	<b>114,928</b>	<b>116,826</b>
<b>OPERATING SURPLUS</b>	<b>11,994</b>	<b>21,794</b>	<b>22,058</b>	<b>49,596</b>	<b>31,264</b>	<b>25,631</b>	<b>27,704</b>	<b>28,138</b>	<b>25,561</b>	<b>26,201</b>	<b>26,838</b>
<b>Other Comprehensive Income recognised directly in Equity</b>											
Property Plant and Equipment Revaluation gains / (losses) taken to equity	22,900	12,736	47,234	20,819	36,568	49,100	42,770	33,426	75,202	39,613	59,460
Intangible gains / (losses) taken to equity	-	-	-	-	-	-	-	-	-	-	-
Cash flow hedges gains / (losses) taken to equity	107	250	219	206	192	182	45	-	-	-	-
<b>Total Other Comprehensive Income for the Year</b>	<b>23,007</b>	<b>12,986</b>	<b>47,453</b>	<b>21,025</b>	<b>36,760</b>	<b>49,282</b>	<b>42,815</b>	<b>33,426</b>	<b>75,202</b>	<b>39,613</b>	<b>59,460</b>
<b>Total Comprehensive Income for the Year</b>	<b>35,001</b>	<b>34,780</b>	<b>69,511</b>	<b>70,621</b>	<b>68,024</b>	<b>74,913</b>	<b>70,519</b>	<b>61,564</b>	<b>100,763</b>	<b>65,814</b>	<b>86,298</b>

Table 9: Targeted water rates

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
Targeted Water Rates	4,276	10,259	10,686	11,064	11,692	12,755	14,374	14,311	147,266	14,816	15,277

Table 10: Depreciation and amortisation

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
Governance	6	7	7	7	7	7	7	7	7	7	7
Environmental Services	4	7	7	7	7	7	7	7	7	7	7
Community Facilities	1,501	2,537	3,048	3,263	3,380	3,482	3,961	4,119	4,163	4,380	4,430
Roading	10,761	9,589	9,800	10,472	10,798	11,540	11,827	12,741	13,078	14,026	14,242
Stormwater	1,159	1,343	1,493	1,603	1,836	2,177	2,389	2,439	2,769	2,815	3,016
Wastewater	2,899	3,013	3,297	3,658	4,070	4,299	4,589	4,642	4,961	5,027	5,353
Water	4,293	4,294	4,718	4,972	5,438	5,568	5,927	5,988	6,364	6,444	6,838
Support Services	906	1,246	1,305	1,335	1,357	1,385	1,595	1,615	1,634	1,689	1,704
	21,530	22,036	23,674	25,317	26,891	28,464	30,300	31,558	32,982	34,395	35,595

Table 11: Prospective statement in changes in equity

	2017/18 Forecast \$000	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
Balance at 1 July	1,530,525	1,377,058	1,577,388	1,612,169	1,681,683	1,752,304	1,820,327	1,895,240	1,965,759	2,027,324	2,128,087	2,193,901
Total comprehensive income previously reported	46,863	35,001	34,781	69,514	70,621	68,023	74,913	70,519	61,565	100,763	65,814	86,299
<b>Balance at 30 June</b>	<b>1,577,388</b>	<b>1,412,059</b>	<b>1,612,169</b>	<b>1,681,683</b>	<b>1,752,304</b>	<b>1,820,327</b>	<b>1,895,240</b>	<b>1,965,759</b>	<b>2,027,324</b>	<b>2,128,087</b>	<b>2,193,901</b>	<b>2,280,200</b>
<b>Equity represented by</b>												
Retained earnings	453,557	435,900	478,469	503,191	551,966	580,330	602,144	626,362	654,173	676,613	697,801	718,092
Other reserves	1,123,831	976,159	1,133,700	1,178,492	1,200,338	1,239,997	1,293,096	1,339,397	1,373,151	1,451,474	1,496,100	1,562,108
<b>Total Equity</b>	<b>1,577,388</b>	<b>1,412,059</b>	<b>1,612,169</b>	<b>1,681,683</b>	<b>1,752,304</b>	<b>1,820,327</b>	<b>1,895,240</b>	<b>1,965,759</b>	<b>2,027,324</b>	<b>2,128,087</b>	<b>2,193,901</b>	<b>2,280,200</b>

Table 12: Prospective statement of financial position

	2017/18 Annual Plan \$000	2017/18 Forecast \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash and cash equivalents	1,849	6,034	3,195	2,360	3,539	3,212	3,468	3,198	3,042	3,767	3,342	3,209
Trade and other receivables	2,087	3,262	3,327	3,400	3,475	3,552	3,634	3,721	3,810	3,905	4,007	4,115
Other financial assets	-	112	112	112	112	112	112	112	112	112	112	112
Non current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>3,936</b>	<b>9,408</b>	<b>6,634</b>	<b>5,872</b>	<b>7,126</b>	<b>6,876</b>	<b>7,214</b>	<b>7,031</b>	<b>6,964</b>	<b>7,784</b>	<b>7,461</b>	<b>7,436</b>
<b>Non Current Assets</b>												
Property plant and equipment	1,434,614	1,559,742	1,637,518	1,759,519	1,853,326	1,965,909	2,045,589	2,108,998	2,182,755	2,270,408	2,321,744	2,401,705
Intangible Assets	1,427	1,363	1,533	1,539	1,647	1,647	1,647	1,654	1,772	1,772	1,772	1,772
Forestry Assets	1,623	1,836	1,873	1,911	1,491	1,530	1,570	1,611	1,653	1,696	1,740	1,785
Other financial assets	2,997	13,278	13,278	13,278	13,278	13,278	13,278	13,278	13,278	13,278	13,278	13,278
Investment Properties	12,814	17,796	18,126	17,627	17,562	17,282	17,731	18,221	18,734	19,294	19,881	20,547
<b>Total Non Current Assets</b>	<b>1,453,475</b>	<b>1,594,015</b>	<b>1,672,328</b>	<b>1,793,874</b>	<b>1,887,304</b>	<b>1,999,646</b>	<b>2,079,815</b>	<b>2,143,762</b>	<b>2,218,192</b>	<b>2,306,448</b>	<b>2,358,415</b>	<b>2,439,087</b>
<b>Total Assets</b>	<b>1,457,411</b>	<b>1,603,423</b>	<b>1,678,962</b>	<b>1,799,746</b>	<b>1,894,430</b>	<b>2,006,522</b>	<b>2,087,029</b>	<b>2,150,793</b>	<b>2,225,156</b>	<b>2,314,232</b>	<b>2,365,876</b>	<b>2,446,523</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Trade and other payables	15,072	10,050	10,281	10,540	10,805	11,075	11,364	11,672	11,988	12,325	12,684	13,067
Provisions	32	20	40	38	37	40	42	39	42	44	46	49
Employee benefit liabilities	1,138	1,201	1,237	1,274	1,312	1,351	1,392	1,434	1,477	1,521	1,567	1,614
Borrowings	6,000	6,000	-	-	-	13,000	36,000	41,500	38,500	44,000	18,500	29,000
Deferred Revenue	-	-	4,750	14,488	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>22,242</b>	<b>17,271</b>	<b>16,308</b>	<b>26,340</b>	<b>12,154</b>	<b>25,466</b>	<b>48,798</b>	<b>54,645</b>	<b>52,007</b>	<b>57,890</b>	<b>32,797</b>	<b>43,730</b>
<b>Non Current Liabilities</b>												
Derivative financial instruments	1,419	1,095	845	626	420	228	46	1	1	1	1	1
Provisions	691	669	640	597	552	501	445	388	324	254	177	92
Borrowings	21,000	7,000	49,000	90,500	129,000	160,000	142,500	130,000	145,500	128,000	139,000	122,500
<b>Total Non Current Liabilities</b>	<b>23,110</b>	<b>8,764</b>	<b>50,485</b>	<b>91,723</b>	<b>129,972</b>	<b>160,729</b>	<b>142,991</b>	<b>130,389</b>	<b>145,825</b>	<b>128,255</b>	<b>139,178</b>	<b>122,593</b>
<b>Total Liabilities</b>	<b>45,352</b>	<b>26,035</b>	<b>66,793</b>	<b>118,063</b>	<b>142,126</b>	<b>186,195</b>	<b>191,789</b>	<b>185,034</b>	<b>197,832</b>	<b>186,145</b>	<b>171,975</b>	<b>166,323</b>
<b>EQUITY</b>												
Retained Earnings	435,900	453,557	478,469	503,191	551,966	580,330	602,144	626,362	654,173	676,613	697,801	718,092
Other reserves	976,159	1,123,831	1,133,700	1,178,492	1,200,338	1,239,997	1,293,096	1,339,397	1,373,151	1,451,474	1,496,100	1,562,108
<b>Total Equity</b>	<b>1,412,059</b>	<b>1,577,388</b>	<b>1,612,169</b>	<b>1,681,683</b>	<b>1,752,304</b>	<b>1,820,327</b>	<b>1,895,240</b>	<b>1,965,759</b>	<b>2,027,324</b>	<b>2,128,087</b>	<b>2,193,901</b>	<b>2,280,200</b>

Table 13: Council investment in CCOs

	2017/18 Annual Plan \$000	2017/18 Forecast \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
Waikato Regional Airport Ltd	2,404	12,813	12,813	12,813	12,813	12,813	12,813	12,813	12,813	12,813	12,813	12,813
NZ Local Government Funding Agency Ltd	100	100	100	100	100	100	100	100	100	100	100	100
Civic Financial Services Ltd	141	141	141	141	141	141	141	141	141	141	141	141
Waikato Local Authority Shared Services Ltd	144	224	224	224	224	224	224	224	224	224	224	224
	2,789	13,278	13,278	13,278	13,278	13,278	13,278	13,278	13,278	13,278	13,278	13,278

Table 14: Prospective statement of cash flow

	Note	2017/18 Forecast \$000	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>Cash Flows from Operating Activities</b>													
Receipts from rates revenue		56,384	50,106	59,554	62,872	66,026	68,359	72,404	75,377	78,090	81,793	85,511	88,422
Interest received		947	310	329	265	271	277	283	289	296	303	310	318
Receipts from other revenue		24,162	29,925	33,653	40,026	45,202	40,534	37,782	39,236	39,038	37,786	37,029	36,616
Payments to suppliers and employees		(50,468)	(48,630)	(54,431)	(56,029)	(59,923)	(58,834)	(61,585)	(62,606)	(64,420)	(65,802)	(67,681)	(68,932)
Interest Paid		(682)	(934)	(873)	(2,265)	(4,091)	(5,785)	(8,161)	(8,658)	(8,844)	(10,204)	(10,074)	(9,438)
<b>Net Cash Flow from Operating Activities</b>		<b>30,343</b>	<b>30,777</b>	<b>38,232</b>	<b>44,869</b>	<b>47,485</b>	<b>44,551</b>	<b>40,723</b>	<b>43,638</b>	<b>44,160</b>	<b>43,876</b>	<b>45,095</b>	<b>46,986</b>
<b>Cash Flows from Investing Activities</b>													
Proceeds from sale of property, plant and equipment		1,800	1,800	1,425	816	-	319	-	-	-	-	-	-
Proceeds from sale of investment property		4,387	4,387	-	1,169	599	2,126	342	-	404	-	-	-
Purchase of intangible assets		(436)	(292)	(170)	(6)	(108)	-	-	(7)	(118)	-	-	-
Purchase of property, plant and equipment		(46,008)	(48,716)	(77,676)	(88,958)	(85,337)	(91,363)	(46,349)	(36,941)	(57,142)	(31,191)	(31,060)	(41,159)
Purchase & Development of investment property		(2,185)	(2,103)	(650)	(265)	-	-	-	-	-	-	-	-
<b>Net Cash Flow from Investing Activities</b>		<b>(42,442)</b>	<b>(44,924)</b>	<b>(77,071)</b>	<b>(87,244)</b>	<b>(84,846)</b>	<b>(88,918)</b>	<b>(46,007)</b>	<b>(36,948)</b>	<b>(56,856)</b>	<b>(31,191)</b>	<b>(31,060)</b>	<b>(41,159)</b>
<b>Cash Flows from Financing Activities</b>													
Proceeds from borrowings		7,000	21,000	36,000	41,500	38,500	44,000	5,500	-	12,500	-	-	-
Repayment of borrowings		-	(7,000)	-	-	-	-	-	(7,000)	-	(12,000)	(14,500)	(6,000)
<b>Net Cash Flow from Financing Activities</b>		<b>7,000</b>	<b>14,000</b>	<b>36,000</b>	<b>41,500</b>	<b>38,500</b>	<b>44,000</b>	<b>5,500</b>	<b>(7,000)</b>	<b>12,500</b>	<b>(12,000)</b>	<b>(14,500)</b>	<b>(6,000)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,099)</b>	<b>(147)</b>	<b>(2,839)</b>	<b>(875)</b>	<b>1,139</b>	<b>(367)</b>	<b>216</b>	<b>(310)</b>	<b>(196)</b>	<b>685</b>	<b>(465)</b>	<b>(173)</b>
Cash and cash equivalents at the beginning of the year		11,133	1,996	6,034	3,235	2,400	3,579	3,252	3,508	3,238	3,082	3,807	3,382
<b>Cash &amp; cash equivalents at the end of the year</b>		<b>6,034</b>	<b>1,849</b>	<b>3,195</b>	<b>2,360</b>	<b>3,539</b>	<b>3,212</b>	<b>3,468</b>	<b>3,198</b>	<b>3,042</b>	<b>3,767</b>	<b>3,342</b>	<b>3,209</b>

Table 15: Statement of borrowing

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>Movements in Borrowings</b>											
Opening Balance	13,000	13,000	49,000	90,500	129,000	173,000	178,500	171,500	184,000	172,000	157,500
Net Loans Raised/(Repaid)	14,000	36,000	41,500	38,500	44,000	5,500	(7,000)	12,500	(12,000)	(14,500)	(6,000)
Closing Balance	27,000	49,000	90,500	129,000	173,000	178,500	171,500	184,000	172,000	157,500	151,500
Current Portion of External Debt	6,000	-	-	-	13,000	36,000	41,500	38,500	44,000	18,500	29,000
Term Portion of External Debt	21,000	49,000	90,500	129,000	160,000	142,500	130,000	145,500	128,000	139,000	122,500
	27,000	49,000	90,500	129,000	173,000	178,500	171,500	184,000	172,000	157,500	151,500

The above represents the level of external borrowing but this could fluctuate depending on future use of reserves.

Table 16: Capital expenditure programme

	Forecast 2017/18 \$000	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>Projects</b>												
Governance	427	27	-	-	-	-	-	-	-	-	-	-
Planning and Regulatory	-	-	-	-	-	-	-	-	-	-	-	-
Community Services and Facilities	9,426	15,152	23,412	11,769	12,812	17,004	4,621	7,420	3,726	2,760	2,257	8,288
Roads and Footpaths	16,622	12,772	18,059	21,021	25,466	20,660	23,364	25,500	31,085	22,247	22,704	27,682
Stormwater	7,470	2,673	9,825	12,442	21,525	31,902	14,653	5,499	20,997	5,191	10,294	5,435
Water Treatment and Supply	14,044	7,254	20,544	21,767	17,579	11,724	8,777	8,724	9,295	10,457	6,532	11,192
Wastewater Treatment and Disposal	15,509	14,734	16,447	32,597	20,920	22,667	8,310	5,327	8,758	6,502	6,165	5,273
Support Services	1,396	2,070	2,688	2,137	2,320	2,599	1,974	848	981	772	727	861
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>64,894</b>	<b>54,682</b>	<b>90,975</b>	<b>101,733</b>	<b>100,622</b>	<b>106,556</b>	<b>61,699</b>	<b>53,318</b>	<b>74,842</b>	<b>47,929</b>	<b>48,679</b>	<b>58,731</b>

Note: Refer to the group of activity section in this 10-Year Plan which outlines the individual projects in detail.

Table 17: Council reserve funds, movements and balances

	2017/18 Budget \$000	2017/18 Forecast \$000	2018-28 Transfer to Reserve \$000	2018-28 Transfer From Reserve \$000	2027-28 Closing Balance \$000
<i>Council created reserves consist of:</i>					
<b>Property Reserves</b>					
Asset Sales Cambridge	1,931	2,380	4,491	(2,200)	4,671
Asset Sales Te Awamutu	228	228	3,734	(2,697)	1,265
Asset Sales General	452	760	350	(329)	781
Endowment Land Cambridge	4,712	6,147	2,644	(2,765)	6,026
Endowment Land Pirongia	19	18	13	-	31
Endowment Land Te Awamutu	99	114	77	-	191
Endowment Land Waipa District	14	12	10	-	22
Forestry Reserve	-	-	2,442	(2,439)	3
Pensioner Housing Reserve	453	2,707	13,883	(14,737)	1,853
<b>Reserve Contributions &amp; Development Contributions</b>					
Cambridge North	1,310	2,307	4,664	(3,157)	3,814
District Wide Stormwater	273	251	97,289	(97,322)	218
District Wide Waste Water	330	2,280	41,234	(39,402)	4,112
District Wide Water Treatment and Supply	609	550	37,637	(37,218)	969
District Wide Rooding	1,013	1,079	31,238	(32,289)	28
District Wide Reserve Developments	255	339	765	(544)	560
District Wide Land Purchase	427	980	8,192	(8,818)	354
Te Awamutu Library/Museum	130	61	78	-	139
<b>Special Funds</b>					
Cemetery Paterangi	4	4	3	-	7
Project Funding Reserve	1,864	3,822	1,180	(2,240)	2,762
General Insurance Reserve	247	300	206	-	506
Infrastructure Insurance Reserve	497	498	342	-	840
Te Awamutu 110kv Compensation Reserve	348	313	215	-	528
Pavement Levies	17	25	17	-	42
Road Asset Technical Accord (RATA)	-	176	121	-	297
Waste Minimisation	-	504	2,114	(2,522)	96
<b>Separate Balances</b>					
Rooding Reserve	1,520	1,979	354,105	(355,885)	199
Stormwater Reserve	1,082	1,533	171,887	(161,595)	11,825
Water Supply Reserve	1,608	2,792	223,391	(224,392)	1,791
Waste Water Reserve	3,748	4,944	206,800	(211,585)	159
Depreciation Reserve - Long Term Assets	712	464	19,798	(6,502)	13,760
Depreciation Reserve - Medium Term Assets	1,483	2,097	17,910	(16,750)	3,257
<b>Asset Revaluation Reserves</b>					
<b>Asset revaluation reserves consist of:</b>					
<b>Operational assets</b>					
Land	101,063	199,372	44,332	-	243,704
Buildings	21,808	22,766	18,062	-	40,828
Intangible	291	281	-	-	281
Investments	-	10,409	-	-	10,409
<b>Infrastructural Assets</b>					
Sewerage System	52,328	52,941	48,109	-	101,050
Water System	62,898	67,726	49,830	-	117,556
Drainage network	39,437	38,027	36,438	-	74,465
Rooding network	672,949	692,645	220,064	-	912,709
<b>Total</b>	<b>976,159</b>	<b>1,123,831</b>	<b>1,663,665</b>	<b>(1,225,388)</b>	<b>1,562,108</b>



## Council reserves

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

**Table 18: Council reserves - Property**

Reserve	Purpose	Activity
Asset sales: Cambridge	Proceeds from Cambridge asset sales held in reserve to fund future asset purchases	Property services
Asset sales: Te Awamutu	Proceeds from Te Awamutu asset sales held in reserve to fund future asset purchases	Property services
Asset sales: general	Proceeds from district-wide asset sales held in reserve to fund future asset purchases	Property services
Endowment land: Cambridge	Proceeds from sale of Cambridge endowment land held in reserve for endowment purposes	Property services
Endowment land: Pirongia	Proceeds from sale of Pirongia endowment land held in reserve for endowment purposes	Property services
Endowment land: Te Awamutu	Proceeds from sale of Te Awamutu endowment land held in reserve for endowment purposes	Property services
Endowment land: Waipā district	Proceeds from sale of district-wide endowment land held in reserve for endowment purposes	Property services
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 of that activity	Pensioner Housing and Own Your Own Housing

**Table 19: Council reserves – Reserve contributions and development contributions**

Reserve	Purpose	Activity
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 roading	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

Reserve	Purpose	Activity
District-wide land purchase	Proceeds from development contributions to fund growth related expenditure	Parks & reserves
Te Awamutu library / museum	Proceeds from development contributions to fund growth related expenditure for Te Awamutu library / museum	District libraries/museums

**Table 20: Council reserves – Special funds**

Reserve	Purpose	Activity
Cemetery: Paterangi	Proceeds held in reserve to fund future capital works	Cemeteries
Project funding reserve	Funding for specific projects to be completed in the following year	All activities
General insurance reserve	Provision to pay call-ups and to fund increase in deductibles of claims as well as to help to pay future premium increases	All activities
Infrastructure insurance reserve	Provision to help cover the insurance deductible if a major event happens in the Waipā District	Stormwater / wastewater treatment and disposal / water treatment & supply
Te Awamutu 100kv compensation reserve	Proceeds from the granting of easement rights for the Waipā Networks 110kv line, held in reserve for appropriate future utilisation with due regard to the source of these funds	Properties
Pavement levies	Levies collected from land use consents for future pavement rehabilitation	Roads and footpaths
Road Asset Technical Accord (RATA)	Funds held in reserve for future works	Roads and footpaths

**Table 21: Council reserves – Separate balances**

Reserve	Purpose	Activity
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

Table 22: Council reserves – Asset revaluation

Reserve	Purpose	Activity
<b><i>Operational</i></b>		
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
<b><i>Infrastructural assets</i></b>		
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

## 2018 budget and 2018 forecast

The table below shows the 2017/18 Annual Plan budget compared to the 2017/18 Forecast as at 31 October 2017. The 2017/18 forecast column represents the best starting point for year one of the 10-Year Plan and reflects updated budget information as at 31 October 2017.

Table 23: 2018 budget and 2018 forecast

	2017/18 Budget \$000's	2017/18 Forecast \$000's
<b>Statement of Comprehensive Income</b>		
Operating Income	83,499	98,881
Operating Expenditure	71,505	75,019
Operating Surplus	11,994	23,862
<b>Statement of Movements in Equity</b>		
Public Equity at the start of the year	1,377,058	1,530,525
Net surplus/(deficit) for the year	11,994	23,862
Property, Plant and Equipment Revaluation gains (losses) taken to equity	22,900	22,900
Cashflow hedges	107	102
Total Recognised Income and Expenses	35,001	46,864
Total Equity at End of The Year	1,412,059	1,577,389
<b>Statement of Financial Position as at year end</b>		
Current Assets	3,936	11,661
Non Current Assets	1,453,475	1,591,763
Total Assets	1,457,411	1,603,424
Current Liabilities	22,242	17,271
Non Current Liabilities	23,110	8,764
Total Liabilities	45,352	26,035
Equity and Net Assets	1,412,059	1,577,389
<b>Statement of Cashflows</b>		
Net from Operating Activities	30,777	30,343
Net from Investing Activities	(44,924)	(42,442)
Net from Financing Activities	14,000	7,000
Net Increase/(Decrease) in Cash and Cash Equivalents	(147)	(5,099)
Cash and Cash Equivalents at the beginning of the year	1,996	11,133
Cash and Cash Equivalents at the end of the year	1,849	6,034

# RATING INFORMATION



## FUNDING IMPACT STATEMENT

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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.
- The application of funding methods to Council activities.

This statement should be read in conjunction with our Revenue & Financing Policy (refer to page 174) that sets out our policies in respect of each source of funding for operating and capital expenses. We have reviewed the Revenue and Financing Policy as part of preparing this long-term plan and in doing so have taken 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.
- The overall impact of any allocation of liability for revenue needs on the community.

The Consolidated Funding Statement includes petrol tax, funds from asset sales, rates penalties and rates remissions which are not directly attributable to a specific activity.

Table 24: Consolidated statement of cost of service

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>REVENUE</b>											
Governance	42	42	108	42	42	113	42	42	118	42	42
Planning and Regulatory	4,235	4,990	5,088	5,195	5,363	5,473	5,600	5,726	5,860	6,003	6,148
Community Services and Facilities	3,260	3,647	3,859	6,715	4,322	4,454	4,502	4,635	4,673	4,912	4,969
Roads and Footpaths	7,658	7,567	8,227	8,864	8,428	9,289	10,440	10,506	8,790	8,989	9,279
Wastewater Treatment and Disposal	555	764	828	860	1,255	1,253	1,220	1,145	1,083	1,055	1,083
Water Treatment and Supply	6,423	10,719	11,155	11,556	12,242	13,356	14,909	14,898	15,387	15,470	16,006
Support Services*	10,657	11,923	12,583	12,949	13,288	13,931	14,459	14,724	15,146	15,411	15,746
<b>GROSS REVENUE</b>	<b>32,830</b>	<b>39,652</b>	<b>41,848</b>	<b>46,181</b>	<b>44,940</b>	<b>47,869</b>	<b>51,172</b>	<b>51,676</b>	<b>51,057</b>	<b>51,882</b>	<b>53,273</b>
Less Internal Charges	10,614	11,876	12,535	12,900	13,238	13,880	14,406	14,670	15,091	15,355	15,688
<b>NET REVENUE</b>	<b>22,216</b>	<b>27,776</b>	<b>29,313</b>	<b>33,281</b>	<b>31,702</b>	<b>33,989</b>	<b>36,766</b>	<b>37,006</b>	<b>35,966</b>	<b>36,527</b>	<b>37,585</b>
<b>OPERATING EXPENDITURE</b>											
Governance	7,639	9,042	8,523	8,541	8,216	9,111	9,202	8,882	9,400	9,556	9,647
Planning and Regulatory	6,490	7,302	7,614	7,745	8,000	8,249	8,601	8,803	9,065	9,266	9,546
Community Services and Facilities	16,393	21,911	24,813	28,566	26,613	28,607	29,399	30,391	30,679	31,344	31,357
Roads and Footpaths	21,172	20,650	20,881	21,757	22,790	23,979	24,693	26,197	26,788	27,831	28,407
Stormwater	2,943	3,617	3,780	3,995	3,960	4,507	4,927	5,054	5,704	5,823	6,114
Wastewater Treatment and Disposal	6,936	7,459	8,224	8,940	10,922	11,932	12,542	12,540	12,917	12,883	13,044
Water Treatment and Supply	10,431	11,707	12,444	13,662	14,550	15,152	16,061	16,067	16,579	16,697	17,246
Support Services	11,017	12,284	12,882	13,250	13,588	14,232	14,758	15,024	15,446	15,711	16,046
<b>GROSS EXPENDITURE</b>	<b>83,021</b>	<b>93,972</b>	<b>99,161</b>	<b>106,456</b>	<b>108,639</b>	<b>115,769</b>	<b>120,183</b>	<b>122,958</b>	<b>126,578</b>	<b>129,111</b>	<b>131,407</b>
Less Internal Charges	10,614	11,876	12,535	12,900	13,238	13,880	14,406	14,670	15,091	15,355	15,688
Less rates charged to Council properties	900	1,080	1,103	1,126	1,149	1,174	1,201	1,229	1,259	1,289	1,321
<b>NET EXPENDITURE</b>	<b>71,507</b>	<b>81,016</b>	<b>85,523</b>	<b>92,430</b>	<b>94,252</b>	<b>100,715</b>	<b>104,576</b>	<b>107,059</b>	<b>110,228</b>	<b>112,467</b>	<b>114,398</b>
<b>NET COST OF SERVICE - OPERATING</b>	<b>(49,291)</b>	<b>(53,240)</b>	<b>(56,210)</b>	<b>(59,149)</b>	<b>(62,550)</b>	<b>(66,726)</b>	<b>(67,810)</b>	<b>(70,053)</b>	<b>(74,262)</b>	<b>(75,940)</b>	<b>(76,813)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>											
Capital Expenditure (excluding Vested)	52,100	78,497	89,230	85,447	91,364	46,349	36,949	58,192	31,192	31,135	41,241
Vested Assets	2,579	12,478	12,504	15,176	15,193	15,351	16,369	16,650	16,737	17,545	17,489
Debt Repayment	7,000	-	-	-	-	-	7,000	-	12,000	14,500	6,000
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>61,679</b>	<b>90,975</b>	<b>101,734</b>	<b>100,623</b>	<b>106,557</b>	<b>61,700</b>	<b>60,318</b>	<b>74,842</b>	<b>59,929</b>	<b>63,180</b>	<b>64,730</b>

Table 25: Consolidated funding impact statement

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	26,998	41,789	45,539	48,889	51,011	54,009	55,872	58,108	60,348	63,093	65,480
Targeted rates	26,386	17,764	17,333	17,136	17,348	18,395	19,505	19,982	21,445	22,418	22,942
Subsidies and grants for operating purposes	2,912	2,776	2,183	1,736	2,365	1,873	932	1,392	3,430	3,498	3,632
Fees and charges	11,856	10,200	10,704	13,688	11,900	12,318	12,411	12,800	13,181	13,606	13,969
Interest and dividends from investments	310	329	265	271	277	283	289	296	303	310	318
Local authorities fuel tax, fines, infringement fees, and other receipts	342	395	403	412	420	430	440	450	460	472	483
<b>Total sources of operating funding (A)</b>	<b>68,804</b>	<b>73,253</b>	<b>76,427</b>	<b>82,132</b>	<b>83,321</b>	<b>87,308</b>	<b>89,449</b>	<b>93,028</b>	<b>99,167</b>	<b>103,397</b>	<b>106,824</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	47,472	53,115	54,994	58,807	57,706	60,491	61,533	62,406	64,722	66,527	67,772
Finance costs	934	873	2,265	4,091	5,785	8,161	8,658	8,844	10,204	10,074	9,439
Other operating funding applications	1,158	1,579	1,308	1,384	1,403	1,389	1,387	1,407	1,427	1,449	1,472
<b>Total applications of operating funding (B)</b>	<b>49,564</b>	<b>55,567</b>	<b>58,567</b>	<b>64,282</b>	<b>64,894</b>	<b>70,041</b>	<b>71,578</b>	<b>72,657</b>	<b>76,353</b>	<b>78,050</b>	<b>78,683</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>19,240</b>	<b>17,686</b>	<b>17,860</b>	<b>17,850</b>	<b>18,427</b>	<b>17,267</b>	<b>17,871</b>	<b>20,371</b>	<b>22,814</b>	<b>25,347</b>	<b>28,141</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	7,117	10,857	15,465	13,843	7,740	6,484	8,515	8,063	4,311	4,406	4,553
Development and financial contributions	4,420	9,378	11,244	15,556	18,184	16,759	17,025	16,421	16,499	15,148	14,088
Increase (decrease) in debt	14,000	36,000	41,500	38,500	44,000	5,500	(7,000)	12,500	(12,000)	(14,500)	(6,000)
Gross proceeds from sale of assets	6,187	995	1,985	599	2,445	342	-	404	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>31,724</b>	<b>57,230</b>	<b>70,194</b>	<b>68,498</b>	<b>72,369</b>	<b>29,085</b>	<b>18,540</b>	<b>37,388</b>	<b>8,810</b>	<b>5,054</b>	<b>12,641</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	9,830	12,527	32,175	29,300	44,429	14,915	2,781	26,303	8,355	9,087	11,642
- to improve the level of service	19,985	48,811	43,740	42,530	31,760	16,823	17,738	13,665	5,160	6,108	14,619
- to replace existing assets	22,285	17,159	13,315	13,617	15,175	14,611	16,430	18,224	17,677	15,940	14,980
Increase (decrease) in reserves	(1,136)	(3,581)	(1,176)	901	(568)	3	(538)	(433)	432	(734)	(459)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>50,964</b>	<b>74,916</b>	<b>88,054</b>	<b>86,348</b>	<b>90,796</b>	<b>46,352</b>	<b>36,411</b>	<b>57,759</b>	<b>31,624</b>	<b>30,401</b>	<b>40,782</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(19,240)</b>	<b>(17,686)</b>	<b>(17,860)</b>	<b>(17,850)</b>	<b>(18,427)</b>	<b>(17,267)</b>	<b>(17,871)</b>	<b>(20,371)</b>	<b>(22,814)</b>	<b>(25,347)</b>	<b>(28,141)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



The funding impact statement is prepared in compliance with the requirements of clause 15, part1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is intended to show in a transparent manner, how all sources of funding received by us are applied. It does not include “non-cash” that is classified as income on the statement of comprehensive revenue and expense (as required by GAAP) such as assets that are vested to us through the subdivision process, or unrealised gains on assets. The statement of comprehensive revenue and expense also requires “non-cash” expenses such as depreciation, amortisation, and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between these two statements.

**Table 26: Reconciliation between the funding impact statement and statement of comprehensive revenue and expense**

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total prospective revenue and expense wholly attributable to District Council	35,001	34,780	69,511	70,621	68,024	74,913	70,519	61,564	100,763	65,814	86,298
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	19,240	17,686	17,860	17,850	18,427	17,267	17,871	20,371	22,814	25,347	28,141
<b>Difference</b>	15,761	17,094	51,651	52,771	49,597	57,646	52,648	41,193	77,949	40,467	58,157
<b>The difference is due to:</b>											
Capital income	11,537	15,590	17,076	24,466	25,924	23,243	25,540	24,484	20,810	19,554	18,641
Vested assets	2,580	12,477	12,504	34,646	15,193	15,351	16,369	16,650	16,738	17,545	17,489
Revaluation of assets	23,584	13,352	47,874	21,472	37,211	49,771	43,346	33,981	75,805	40,244	60,171
Gain (loss) on sale/disposal of assets	(410)	(2,289)	(2,129)	(2,496)	(1,840)	(2,255)	(2,307)	(2,364)	(2,422)	(2,481)	(2,549)
Depreciation and amortisation	(21,530)	(22,036)	(23,674)	(25,317)	(26,891)	(28,464)	(30,300)	(31,558)	(32,982)	(34,395)	(35,595)
<b>Total explained difference</b>	15,761	17,094	51,651	52,771	49,597	57,646	52,648	41,193	77,949	40,467	58,157

**Rates Information**

Rateable property numbers as required by legislation:

**Table 27: Rateable property numbers**

Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rateable Properties	21,564	22,079	22,703	23,335	24,015	24,688	25,373	26,054	26,725	27,402

Rates requirement figures quoted in the section below are GST inclusive (with GST at the prevailing rate).

**District-wide funding**

The funding of district-wide activities will be from a combination of general rates, uniform annual general charge (UAGC) and targeted ward rates. This combination of general rates, UAGC 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, heritage, cemeteries, public toilets, property, rural halls, town halls, community buildings, civil defence, litter bins, recycling, roading, stormwater, water supply and sewerage.

**Definition of a separately used or inhabited part of a rating unit (SUIP).**

A separately used or inhabited part of a rating unit exists where there is use or ability to use a part or parts of the rating unit as an independent residence; or in the case of a rating unit used for commercial or industrial business, where there is use or ability to use a part or parts of the rating unit for independent trading operations. This is on the basis that where a rating unit is configured for the purpose of separate inhabitation or use, even if it is not currently occupied, this constitutes a separate use of the rating unit by the owner.

**General rate**

A general rate is set under section 13 of the Local Government (Rating) Act 2002 based on the capital value of each rating unit in the district and with no differential. The rate for 2018/19 is 0.1420 cents in the dollar on the capital value of each rating unit.

The general rate will fund 57 per cent of the district-wide funding.

Amount to be raised: \$23,826,714 inclusive of GST.

### Uniform annual general charge (UAGC)

A uniform annual general charge is set under section 15 of the Local Government Rating Act 2002 at \$606.00 inclusive of GST per separately used or inhabited part of a rating unit.

The uniform annual general charge will fund a portion of the district-wide funding.

Amount to be raised: \$13,852,554 inclusive of GST.

### Targeted rates

Targeted rates are set under sections 16 and 19 of the Local Government Rating Act 2002 for the activities listed below. The Council will not invite lump sum contributions in respect of any of these targeted rates.

### Targeted ward rates

A targeted ward rate is set 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 2018/19 year are shown in the following table:

**Table 28: Targeted ward rates**

Ward	\$ Rate (Incl GST)	\$ Raising
Cambridge	360.15	3,024,877
Kakepuku	385.73	455,551
Maungatautari	313.11	437,728
Pirongia	362.41	1,074,911
Te Awamutu	443.27	2,868,384

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, Cambridge pool, Te Awamutu Events Centre, museums, Cambridge Town Hall (Cambridge ward only) community properties (Cambridge and Te Awamutu Wards), passenger transport, Cambridge Refuse Centre grant, and National Cycling Centre of Excellence.

Amount to be raised: \$7,861,450 inclusive of GST.

**Cambridge community sports hall**

A targeted rate is set to fund the loan charges for the grant made for the development of the sports hall located at the Cambridge High School.

The targeted rate is a fixed amount per rating unit. A rate of \$10.00 inclusive of GST is set for each rating unit in the Cambridge and Maungatautari wards.

Amount to be raised: \$98,000 inclusive of GST.

**Urban Town Halls**

A targeted rate is set to fund the maintenance costs for the Pirongia Memorial Hall and the Kihikihi Town Hall and part of the maintenance costs of the Cambridge Town Hall.

The targeted rate is a fixed amount per rating unit. A rate of \$6.70 inclusive of GST is set for each rating unit in the Cambridge and Te Awamutu wards and in the Pirongia Township being roll number 4605.

Amount to be raised: \$102,810 inclusive of GST.

**Capital works**

A targeted rate is set 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 and Cambridge. The rates in cents per dollar of capital value are shown in the following table:

**Table 29: Capital works targeted rate**

Ward	Rate in cents per dollar (Incl GST)	\$ Raising
Cambridge	0.0011	63,063
Te Awamutu	0.0012	39,125

Amount to be raised: \$102,188 inclusive of GST.

## Stormwater

A targeted rate is set 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 defined as being the urban drainage areas of Cambridge, Te Awamutu, Kihikihi, Ōhaupō, Pirongia and Karāpiro, as shown on Drainage Maps on [www.waipadc.govt.nz](http://www.waipadc.govt.nz). Rural is defined as the remaining area of the district not defined as urban. The rates for 2018/19 in cents per dollar of capital value are shown in the following table:

**Table 30: Stormwater targeted rates**

	Rate in cents per dollar (Incl GST)	\$ Raising
Urban	0.0411	2,948,089
Rural	0.0066	604,349

Amount to be raised: \$3,552,439 inclusive of GST.

## Sewerage charges

A targeted rate is set 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. For connected rating units, the liability is an amount per rating unit, calculated based on the number of pans and urinals at the rating unit. The rates for the 2018/19 year are:

**Table 31: Sewerage targeted rate**

	\$ Rate per pan or urinal (Incl GST)	\$ Raising
Connected (3 or less pans)	492.89	6,339,561
Connected (4 to 10 pans)	418.96	465,880
Connected (11-15 pans)	345.02	137,664
Connected (16-20 pans)	300.67	56,225
Connected (21-35 pans)	271.09	126,870
Connected (36-45 pans)	236.59	19,873
Connected (46 or more pans)	221.80	212,484
	\$ Rate per rating unit (Incl GST)	\$ Raising
Serviceable	246.45	110,407

A rating unit used primarily as a residence for one household will be treated as having no more than one pan or urinal. Rating units that are neither connected to the scheme nor serviceable are not liable for this rate.

Amount to be raised: \$7,468,965 inclusive of GST.

**Water charges**

A targeted rate is set to fund water supply costs and loan charges to non-metered rating units 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, and is a fixed amount per separately used or inhabited part of a rating unit. Connected means connected to Council water works in the Cambridge or Te Awamutu water supply areas, but excluding metered connections. Serviceable means within 100 metres of a supply pipe in either of the above water supply areas and capable of being effectively connected but not so connected. The rates for the 2018/19 year are:

Table 32: Non-metered water targeted rate

	\$ Rate per Suip (Incl GST)	\$ Raising
Connected	-	-
Serviceable	106.95	69,000

Rating units that have a metered supply and those that are neither connected to the scheme, nor serviceable are not liable for this rate.  
Amount to be raised: \$69,000 inclusive of GST.

- a) A targeted rate is set for the supply of water to rating units with metered connections.

The targeted rate includes both an amount per separately used or inhabited part of a rating unit 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 rating units other than rating units subject to a separate water supply contract. The differential categories of service are potable and raw water supply. The rates for the 2018/19 year are:

Table 33: Metered water targeted rate

	\$ Rate per SUIP (Incl GST)	Consumption \$ Rate (Incl GST)
Potable Water	106.95	1.495 per m <sup>3</sup>
Raw Water	106.95	0.3737 per m <sup>3</sup>

Amount to be raised: \$12,074,440 inclusive of GST.

- a) A targeted rate is set to fund the Arohena rural water supply loan costs for Waipā ratepayers within the Arohena rural water supply area. This revenue is 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 2018/19 in cents per dollar of capital value is 0.0082 inclusive of GST.

Amount to be raised: \$5,635 inclusive of GST.

### Recycling charges

A targeted rate is set to fund the provision of a kerbside refuse recycling service to each household in the district.

The targeted rate is a fixed amount of \$52.00 inclusive of GST per separately used or inhabited part of a rating unit.

Amount to be raised: \$1,057,282 inclusive of GST.

### Community Halls

Council has a number of community halls which have a targeted rate set for each hall. The targeted rates are to fund part of the costs of the relevant community hall.

These rates are a fixed amount per separately used or inhabited part of a rating unit SUIP ( where for the purpose of Community Hall rates SUIP is defined to include only household units), and will be charged to every rating unit within the relevant community hall areas on which there is at least one residential household.

The plans showing the boundaries of the various community hall areas can be found at [www.waipadc.govt.nz](http://www.waipadc.govt.nz).

The following table shows the details for the various community hall targeted rates:



Table 34: Community hall targeted rates

	\$ Rate per Suip (Incl GST)	\$ Raising
Fencourt Hall	14.30	5,448
Hautapu Hall	20.40	8,364
Horahora Hall	26.95	3,611
Karapiro Hall	26.75	8,694
Koromatua Hall	20.40	5,509
Maungatautari Hall	37.25	5,699
Monavale	30.00	5,551
Ngahinapouri Hall	20.40	6,692
Ohaupo Hall	13.30	5,453
Parawera Hall	18.60	2,139
Paterangi Hall	28.55	5,311
Pukeatua Hall	21.30	3,770
Rangioawhia Hall	14.25	1,810
Rukuhia Hall	26.10	7,255
Te Miro Hall	27.90	4,770
Te Rore Hall	13.80	662
Whitehall Hall	30.00	2,640

### Community Centres

Council has a number of community centres which have a targeted rate set for each community centre. The targeted rates are to fund part of the costs of the relevant community centre.

These rates are a fixed amount per separately used or inhabited part of a rating unit SUIP ( where for the purpose of Community Centre rates SUIP is defined to include only household units), and will be charged to every rating unit within the relevant community centre area on which there is at least one residential household.

The plans showing the boundaries of the various community centre areas can be found at [www.waipadc.govt.nz](http://www.waipadc.govt.nz)

The following table shows the details for the various community centre targeted rates:

**Table 35: Community centre targeted rates**

	\$ Rate per Suip (Incl GST)	\$ Raising
Kaipaki Hall	42.50	11,476
Pirongia Sports Centre	13.80	16,767

### Early payment of rates

Sections 55 and 56 of the Local Government Rating Act 2002 empower us to adopt policies in relation to the early payment of rates. Council accepts 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.

### Rates payable by instalments

Rates are payable in four equal instalments with the due dates and penalty dates as set out in the table below:

**Table 36: Rates payable by instalments**

Instalment	Due Date	Penalty Added
Instalment 1	21 August 2018	28 August 2018
Instalment 2	21 November 2018	28 November 2018
Instalment 3	21 February 2019	28 February 2019
Instalment 4	21 May 2019	28 May 2019

Invoices for the supply of water via metered connections are payable in four instalments. The location where the water is supplied within the District will determine the month the meter is read, the invoice date, the due date and penalty date. The due dates and penalty dates are per the following table.

Table 37: Rate payment due dates

Location	Invoiced during month of:	Due Date	Penalty Added
Te Awamutu / Pirongia	October	30-Nov-18	7-Dec-18
	January	28-Feb-19	7-Mar-19
	April	31-May-19	7-Jun-19
	July	30-Aug-19	6-Sep-19
Kihikihi	October	30-Nov-18	7-Dec-18
	January	28-Feb-19	7-Mar-19
	April	31-May-19	7-Jun-19
	July	30-Aug-19	6-Sep-19
Cambridge	August	1-Oct-18	8-Oct-18
	November	3-Jan-19	10-Jan-19
	February	1-Apr-19	8-Apr-19
	May	28-Jun-19	5-Jul-19
Pukerimu / Ohaupo	September	31-Oct-18	7-Nov-18
	December	31-Jan-19	7-Feb-19
	March	30-Apr-19	7-May-19
	June	31-Jul-19	7-Aug-19

### Penalties on rates not paid by the due date

Section 58 of the Local Government Rating Act 2002 enables penalties to be imposed. A penalty of 10 per cent will be added to all instalments or part thereof remaining unpaid on the relevant date in the "Penalty Added" column of the tables above under the heading "Rates payable by instalment".

An additional penalty of 10 per cent will be added to any rates assessed in any previous year that are still unpaid on 3rd July 2018. The penalty will be added on 4th July 2018.

A further additional penalty of 10 per cent will be added to rates from the previous years that are still unpaid after 4th January 2019. The penalty will be added on 7th January 2019.

**Rates breakdown indicator properties**

**Table 38: Rates breakdown indicator properties**

Capital Value Rates	Cents /\$ of CV	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
General		0.1420	0.1466	0.1547	0.1588	0.1635	0.1593	0.1655	0.1692	0.1758	0.1799
Stormwater (Urban)		0.0411	0.0416	0.0427	0.0394	0.0444	0.0462	0.0451	0.0497	0.0484	0.0485
Stormwater (Rural)		0.0066	0.0068	0.0068	0.0064	0.0067	0.0069	0.0070	0.0072	0.0074	0.0075
Uniform Annual General Charge	\$	606.00	708.00	753.00	753.00	765.00	765.00	780.00	790.00	815.00	825.00
Fixed Targeted Rates	\$	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
Sewerage		492.89	500.25	507.50	516.58	526.47	550.62	558.90	594.21	631.35	631.35
Water - connectable		106.95	109.25	111.55	113.85	117.30	119.60	123.05	126.50	129.95	133.40
Targeted Wards CB Community Sports Hall		313 - 443	247 - 364	177 - 322	160 - 315	157 - 306	166 - 304	156 - 299	164 - 285	159 - 279	166 - 275
Recycling		10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
		52.00	51.00	56.00	53.00	54.00	54.00	55.00	55.00	55.00	55.00

The indicator properties are shown **INCLUSIVE** of GST.

Cambridge indicator properties

Table 39: Cambridge indicator properties

Cambridge Ward (Residential) \$350,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	1,379	915	925	895	894	896	919	923	944	975	971
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	604	651	670	701	702	736	726	743	771	789	804
Total Rates	2,487	2,172	2,303	2,349	2,349	2,397	2,410	2,446	2,505	2,579	2,600
\$ incr per week		-6.04	2.49	0.90	-0.01	0.91	0.25	0.70	1.14	1.43	0.38
Percentage Increase		-12.6%	6.0%	2.0%	0.0%	2.0%	0.5%	1.5%	2.4%	3.0%	0.8%
Cambridge Ward (Residential) \$570,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	1,379	915	925	895	894	896	919	923	944	975	971
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	983	1,057	1,086	1,138	1,141	1,195	1,179	1,207	1,253	1,283	1,306
Total Rates	2,866	2,578	2,719	2,786	2,788	2,856	2,863	2,910	2,987	3,073	3,102
\$ incr per week		-5.55	2.71	1.28	0.03	1.32	0.12	0.91	1.48	1.66	0.55
Percentage Increase		-10.1%	5.5%	2.4%	0.1%	2.5%	0.2%	1.7%	2.6%	2.9%	0.9%
Cambridge Ward (Residential) \$1,190,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	1,379	915	925	895	894	896	919	923	944	975	971
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	2,053	2,199	2,260	2,368	2,376	2,490	2,456	2,515	2,611	2,674	2,722
Total Rates	3,936	3,720	3,893	4,016	4,023	4,151	4,140	4,218	4,345	4,464	4,518
\$ incr per week		-4.15	3.34	2.36	0.14	2.46	-0.22	1.49	2.45	2.29	1.04
Percentage Increase		-5.5%	4.7%	3.1%	0.2%	3.2%	-0.3%	1.9%	3.0%	2.7%	1.2%
Rural Residential Cambridge \$395,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	433	370	374	332	325	316	314	309	295	289	285
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	567	594	613	644	656	675	658	682	697	723	739
Total Rates	1,504	1,570	1,695	1,729	1,734	1,756	1,737	1,771	1,782	1,827	1,849
\$ incr per week		1.34	2.37	0.66	0.10	0.43	-0.36	0.66	0.19	0.87	0.41
Percentage Increase		4.7%	7.8%	2.0%	0.3%	1.3%	-1.1%	2.0%	0.6%	2.5%	1.2%

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Rural Residential Cambridge \$800,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	505	443	445	408	398	390	389	385	370	364	360
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	1,149	1,204	1,243	1,307	1,335	1,374	1,338	1,387	1,417	1,471	1,503
Total Rates	2,158	2,253	2,396	2,468	2,486	2,529	2,492	2,552	2,577	2,650	2,688
\$ incr per week		1.82	2.70	1.38	0.34	0.83	-0.71	1.16	0.49	1.39	0.73
Percentage Increase		4.4%	6.2%	3.0%	0.7%	1.7%	-1.5%	2.4%	1.0%	2.8%	1.4%
Rural Residential Cambridge \$1,523,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	515	452	455	418	408	400	398	394	380	374	370
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	2,188	2,287	2,360	2,482	2,537	2,612	2,544	2,638	2,694	2,796	2,858
Total Rates	3,207	3,345	3,523	3,653	3,698	3,777	3,707	3,812	3,864	3,985	4,053
\$ incr per week		2.66	3.32	2.49	0.86	1.51	-1.33	2.02	1.01	2.32	1.30
Percentage Increase		4.3%	5.2%	3.7%	1.2%	2.1%	-1.8%	2.8%	1.4%	3.1%	1.7%
Commercial/Industrial Cambridge \$250,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	922	863	874	839	841	842	865	868	889	920	916
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	431	467	480	503	503	527	519	532	552	565	575
Total Rates	1,857	1,936	2,062	2,095	2,097	2,134	2,149	2,180	2,231	2,300	2,316
\$ incr per week		1.53	2.41	0.63	0.03	0.71	0.30	0.59	0.98	1.33	0.30
Percentage Increase		4.3%	6.5%	1.6%	0.1%	1.8%	0.7%	1.4%	2.3%	3.1%	0.7%
Commercial/Industrial Cambridge \$690,000 with 2 dwellings / units	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	1,411	1,356	1,374	1,347	1,358	1,369	1,416	1,427	1,483	1,552	1,547
UAGC	1,008	1,212	1,416	1,506	1,506	1,530	1,530	1,560	1,580	1,630	1,650
Capital Value Rates	1,190	1,278	1,314	1,376	1,380	1,446	1,426	1,460	1,516	1,552	1,580
Total Rates	3,609	3,846	4,104	4,229	4,244	4,345	4,372	4,447	4,579	4,734	4,777
\$ incr per week		4.55	4.94	2.40	0.28	1.94	0.52	1.45	2.54	2.98	0.84
Percentage Increase		6.6%	6.7%	3.0%	0.3%	2.4%	0.6%	1.7%	3.0%	3.4%	0.9%
Commercial/Industrial Cambridge \$1,800,000 with 3 dwellings / units	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$

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Fixed Targeted Rates	1,900	1,849	1,875	1,854	1,874	1,895	1,966	1,986	2,078	2,183	2,179
UAGC	1,512	1,212	1,416	1,506	1,506	1,530	1,530	1,560	1,580	1,630	1,650
Capital Value Rates	3,105	3,322	3,416	3,578	3,592	3,765	3,713	3,802	3,948	4,043	4,116
Total Rates	6,517	6,383	6,707	6,938	6,972	7,190	7,209	7,348	7,606	7,856	7,945
\$ incr per week		7.13	6.18	4.47	0.65	4.18	0.38	2.66	4.95	4.82	1.71
Percentage Increase		6.2%	5.0%	3.5%	0.5%	3.1%	0.3%	1.9%	3.5%	3.3%	1.1%

**Te Awamutu indicator properties**

**Table 40: Te Awamutu indicator properties**

<b>Te Awamutu Ward (Residential) \$310,000 with 1 dwelling</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>2019/20 \$</b>	<b>2020/21 \$</b>	<b>2021/22 \$</b>	<b>2022/23 \$</b>	<b>2023/24 \$</b>	<b>2024/25 \$</b>	<b>2025/26 \$</b>	<b>2026/27 \$</b>	<b>2027/28 \$</b>
Fixed Targeted Rates	1,424	988	878	839	848	871	895	892	934	965	951
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	536	578	594	622	623	653	645	661	686	703	714
<b>Total Rates</b>	<b>2,464</b>	<b>2,172</b>	<b>2,180</b>	<b>2,214</b>	<b>2,224</b>	<b>2,289</b>	<b>2,305</b>	<b>2,333</b>	<b>2,410</b>	<b>2,483</b>	<b>2,490</b>
\$ incr per week		-5.60	0.07	0.64	0.19	1.25	0.32	0.52	1.49	1.39	0.14
Percentage Increase		-11.8%	0.2%	1.5%	0.4%	2.9%	0.7%	1.2%	3.3%	3.0%	0.3%
<b>Te Awamutu Ward (Residential) \$430,000 with 1 dwelling</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>2019/20 \$</b>	<b>2020/21 \$</b>	<b>2021/22 \$</b>	<b>2022/23 \$</b>	<b>2023/24 \$</b>	<b>2024/25 \$</b>	<b>2025/26 \$</b>	<b>2026/27 \$</b>	<b>2027/28 \$</b>
Fixed Targeted Rates	1,424	988	878	839	848	871	895	892	934	965	951
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	743	799	822	861	862	904	893	915	950	973	989
<b>Total Rates</b>	<b>2,671</b>	<b>2,393</b>	<b>2,408</b>	<b>2,453</b>	<b>2,463</b>	<b>2,540</b>	<b>2,553</b>	<b>2,587</b>	<b>2,674</b>	<b>2,753</b>	<b>2,765</b>
\$ incr per week		-5.34	0.19	0.85	0.21	1.47	0.27	0.64	1.68	1.51	0.22
Percentage Increase		-10.4%	0.4%	1.8%	0.4%	3.1%	0.5%	1.3%	3.4%	2.9%	0.4%
<b>Te Awamutu Ward (Residential) \$760,000 with 1 dwelling</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>2019/20 \$</b>	<b>2020/21 \$</b>	<b>2021/22 \$</b>	<b>2022/23 \$</b>	<b>2023/24 \$</b>	<b>2024/25 \$</b>	<b>2025/26 \$</b>	<b>2026/27 \$</b>	<b>2027/28 \$</b>
Fixed Targeted Rates	1,424	988	878	839	848	871	895	892	934	965	951
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	1,313	1,408	1,447	1,516	1,521	1,594	1,576	1,614	1,676	1,717	1,745
<b>Total Rates</b>	<b>3,241</b>	<b>3,002</b>	<b>3,033</b>	<b>3,108</b>	<b>3,122</b>	<b>3,230</b>	<b>3,236</b>	<b>3,286</b>	<b>3,400</b>	<b>3,497</b>	<b>3,521</b>
\$ incr per week		-4.60	0.52	1.42	0.27	2.09	0.11	0.96	2.21	1.85	0.46
Percentage Increase		-7.4%	0.9%	2.4%	0.5%	3.5%	0.2%	1.5%	3.5%	2.8%	0.7%
<b>Rural Residential Te Awamutu \$480,000 with 1 dwelling</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>2019/20 \$</b>	<b>2020/21 \$</b>	<b>2021/22 \$</b>	<b>2022/23 \$</b>	<b>2023/24 \$</b>	<b>2024/25 \$</b>	<b>2025/26 \$</b>	<b>2026/27 \$</b>	<b>2027/28 \$</b>
Fixed Targeted Rates	530	495	378	331	331	344	345	333	340	334	320
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	691	726	749	788	804	827	808	838	857	889	906
<b>Total Rates</b>	<b>1,725</b>	<b>1,827</b>	<b>1,835</b>	<b>1,872</b>	<b>1,888</b>	<b>1,936</b>	<b>1,918</b>	<b>1,951</b>	<b>1,987</b>	<b>2,038</b>	<b>2,051</b>
\$ incr per week		1.97	0.04	0.70	0.31	0.94	-0.37	0.65	0.68	0.98	0.26



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Percentage Increase		5.9%	0.1%	2.0%	0.9%	2.6%	-1.0%	1.8%	1.8%	2.6%	0.7%
<b>Rural Residential Te Awamutu \$845,000 with 1 dwelling</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	530	495	378	331	331	344	345	333	340	334	320
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	1,216	1,273	1,314	1,381	1,411	1,453	1,419	1,472	1,505	1,561	1,593
Total Rates	2,250	2,374	2,400	2,465	2,495	2,562	2,529	2,585	2,635	2,710	2,738
\$ incr per week		2.39	0.36	1.26	0.58	1.29	-0.65	1.09	0.95	1.45	0.52
Percentage Increase		5.5%	0.8%	2.7%	1.2%	2.7%	-1.3%	2.2%	1.9%	2.9%	1.0%
<b>Rural Residential Te Awamutu \$1,720,000 with 1 dwelling</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	582	547	429	387	384	398	399	388	395	389	375
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	2,475	2,584	2,667	2,804	2,868	2,953	2,884	2,992	3,058	3,174	3,237
Total Rates	3,561	3,737	3,804	3,944	4,005	4,116	4,048	4,160	4,243	4,378	4,437
\$ incr per week		3.38	1.09	2.70	1.17	2.14	-1.33	2.17	1.60	2.58	1.14
Percentage Increase		4.9%	1.5%	3.7%	1.5%	2.8%	-1.7%	2.8%	2.0%	3.2%	1.4%
<b>Commercial / Industrial Te Awamutu \$255,000 with 1 dwelling</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	1,372	936	827	783	795	817	841	837	879	910	896
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	441	477	490	513	513	538	532	544	565	579	588
Total Rates	2,317	2,019	2,025	2,049	2,061	2,120	2,138	2,161	2,234	2,304	2,309
\$ incr per week		-5.73	0.03	0.45	0.23	1.13	0.35	0.45	1.41	1.33	0.10
Percentage Increase		-12.9%	0.1%	1.1%	0.6%	2.8%	0.9%	1.1%	3.4%	3.1%	0.2%
<b>Commercial / Industrial Te Awamutu \$670,000 with 3 dwellings / units</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	1,372	936	827	783	795	817	841	837	879	910	896
UAGC	1,512	2,424	2,832	3,012	3,012	3,060	3,060	3,120	3,160	3,260	3,300
Capital Value Rates	1,158	1,242	1,277	1,337	1,341	1,406	1,390	1,423	1,478	1,514	1,539
Total Rates	4,042	4,602	4,936	5,132	5,148	5,283	5,291	5,380	5,517	5,684	5,735
\$ incr per week		-22.29	6.34	3.76	0.31	2.59	0.16	1.72	2.64	3.20	0.97

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Percentage Increase		-20.1%	7.2%	4.0%	0.3%	2.6%	0.2%	1.7%	2.6%	3.0%	0.9%
Commercial / Industrial Te Awamutu \$1,830,000 with 4 dwellings / units	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	2,556	2,538	2,453	2,432	2,474	2,528	2,631	2,654	2,811	2,962	2,948
UAGC	2,016	2,424	2,832	3,012	3,012	3,060	3,060	3,120	3,160	3,260	3,300
Capital Value Rates	3,162	3,380	3,475	3,640	3,655	3,832	3,788	3,880	4,030	4,128	4,196
Total Rates	7,734	8,342	8,760	9,084	9,141	9,420	9,479	9,654	10,001	10,350	10,444
\$ incr per week		11.69	7.91	6.23	1.10	5.37	1.12	3.36	6.68	6.71	1.80
Percentage Increase		7.9%	4.9%	3.7%	0.6%	3.1%	0.6%	1.8%	3.6%	3.5%	0.9%

Pirongia indicator properties

Table 41: Pirongia indicator properties

Pirongia Ward - Rural \$500,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	491	441	324	259	279	277	286	277	285	280	287
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	712	743	767	807	826	851	831	863	882	916	937
Total Rates	1,707	1,790	1,799	1,819	1,858	1,893	1,882	1,920	1,957	2,011	2,049
\$ incr per week		1.58	0.08	0.40	0.75	0.66	-0.20	0.72	0.72	1.03	0.73
Percentage Increase		4.8%	0.2%	1.1%	2.1%	1.8%	-0.6%	2.0%	1.9%	2.7%	1.9%
Pirongia Ward - Rural \$2,720,000 with 2 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	544	494	377	317	294	292	302	294	302	297	304
UAGC	1,008	1,212	1,416	1,506	1,506	1,530	1,530	1,560	1,580	1,630	1,650
Capital Value Rates	3,876	4,041	4,173	4,392	4,495	4,629	4,520	4,692	4,798	4,983	5,096
Total Rates	5,428	5,747	5,966	6,215	6,295	6,451	6,352	6,546	6,680	6,910	7,050
\$ incr per week		6.15	3.94	4.79	1.54	3.02	-1.92	3.73	2.58	4.41	2.69
Percentage Increase		5.9%	3.6%	4.2%	1.3%	2.5%	-1.5%	3.1%	2.0%	3.4%	2.0%
Pirongia Ward - Rural \$5,920,000 with 2 dwellings	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	517	466	349	289	266	265	274	266	274	269	276
UAGC	1,008	1,212	1,416	1,506	1,506	1,530	1,530	1,560	1,580	1,630	1,650
Capital Value Rates	8,435	8,796	9,082	9,558	9,783	10,076	9,838	10,212	10,443	10,845	11,090
Total Rates	9,960	10,474	10,847	11,353	11,555	11,871	11,642	12,038	12,297	12,744	13,016
\$ incr per week		9.90	6.70	9.75	3.88	6.06	-4.40	7.62	4.99	8.59	5.24
Percentage Increase		5.2%	3.3%	4.7%	1.8%	2.7%	-1.9%	3.4%	2.2%	3.6%	2.1%
Pirongia Village \$360,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	478	428	312	247	227	225	234	225	233	228	235
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	617	666	685	717	718	753	744	762	792	811	826
Total Rates	1,599	1,700	1,705	1,717	1,698	1,743	1,743	1,767	1,815	1,854	1,886
\$ incr per week		1.94	0.02	0.25	-0.37	0.85	0.01	0.46	0.91	0.75	0.62
Percentage Increase		6.3%	0.1%	0.8%	-1.1%	2.6%	0.0%	1.4%	2.7%	2.2%	1.7%
Pirongia Village \$540,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	478	428	312	247	227	225	234	225	233	228	235

## RATING INFORMATION

## 10-YEAR PLAN 2018-28

UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	925	995	1,024	1,073	1,075	1,127	1,114	1,141	1,186	1,215	1,237
Total Rates	1,908	2,029	2,044	2,073	2,055	2,117	2,113	2,146	2,209	2,258	2,297
\$ incr per week		2.34	0.21	0.56	-0.34	1.18	-0.07	0.64	1.20	0.94	0.76
Percentage Increase		6.4%	0.5%	1.4%	-0.8%	3.0%	-0.2%	1.6%	2.9%	2.2%	1.8%
<b>Pirongia Village</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
<b>\$880,000 with 1 dwelling</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fixed Targeted Rates	478	428	312	247	227	225	234	225	233	228	235
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	1,508	1,618	1,664	1,744	1,749	1,834	1,813	1,857	1,930	1,978	2,014
Total Rates	2,490	2,652	2,684	2,744	2,729	2,824	2,812	2,862	2,953	3,021	3,074
\$ incr per week		3.11	0.55	1.16	-0.28	1.81	-0.23	0.97	1.74	1.30	1.03
Percentage Increase		6.5%	1.1%	2.2%	-0.5%	3.5%	-0.4%	1.8%	3.2%	2.3%	1.8%

Ōhaupō indicator properties

Table 42: Ōhaupō indicator properties

Ōhaupō Village \$480,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	478	428	311	247	267	264	274	265	272	267	275
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	684	713	736	775	793	817	798	828	847	879	899
Total Rates	1,666	1,747	1,755	1,775	1,813	1,846	1,837	1,873	1,909	1,961	1,999
\$ incr per week		1.56	0.07	0.36	0.73	0.64	-0.19	0.70	0.70	1.01	0.71
Percentage Increase		4.9%	0.2%	1.1%	2.2%	1.8%	-0.5%	2.0%	2.0%	2.7%	1.9%
Ōhaupō Village \$650,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	478	428	311	247	267	264	274	265	272	267	275
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	1,114	1,190	1,224	1,283	1,289	1,351	1,336	1,369	1,422	1,458	1,485
Total Rates	2,096	2,224	2,243	2,283	2,309	2,380	2,375	2,414	2,484	2,540	2,585
\$ incr per week		2.46	0.31	0.76	0.50	1.39	-0.12	0.75	1.38	1.06	0.85
Percentage Increase		6.1%	0.7%	1.8%	1.1%	3.1%	-0.3%	1.6%	3.0%	2.2%	1.7%
Ōhaupō Village \$730,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	478	428	311	247	267	264	274	265	272	267	275
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	1,217	1,336	1,374	1,441	1,447	1,518	1,500	1,537	1,598	1,637	1,667
Total Rates	2,199	2,370	2,393	2,441	2,467	2,547	2,539	2,582	2,660	2,719	2,767
\$ incr per week		3.30	0.39	0.90	0.51	1.54	-0.16	0.82	1.51	1.14	0.91
Percentage Increase		7.8%	0.9%	1.9%	1.1%	3.2%	-0.3%	1.7%	3.0%	2.2%	1.7%

**Ngāhinapōuri indicator properties**

**Table 43: Ngāhinapōuri indicator properties**

<b>Ngāhinapōuri \$390,000 with 1 dwelling</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>2019/20 \$</b>	<b>2020/21 \$</b>	<b>2021/22 \$</b>	<b>2022/23 \$</b>	<b>2023/24 \$</b>	<b>2024/25 \$</b>	<b>2025/26 \$</b>	<b>2026/27 \$</b>	<b>2027/28 \$</b>
Fixed Targeted Rates	485	435	318	254	234	231	241	232	239	234	242
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	556	579	598	630	645	664	648	673	688	714	731
<b>Total Rates</b>	<b>1,545</b>	<b>1,620</b>	<b>1,624</b>	<b>1,637</b>	<b>1,632</b>	<b>1,660</b>	<b>1,654</b>	<b>1,685</b>	<b>1,717</b>	<b>1,763</b>	<b>1,798</b>
\$ incr per week		1.45	-0.01	0.22	-0.10	0.55	-0.12	0.59	0.64	0.89	0.64
Percentage Increase		4.9%	0.0%	0.7%	-0.3%	1.8%	-0.4%	1.9%	2.0%	2.7%	1.9%
<b>Ngāhinapōuri \$1,130,000 with 1 dwelling</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>2019/20 \$</b>	<b>2020/21 \$</b>	<b>2021/22 \$</b>	<b>2022/23 \$</b>	<b>2023/24 \$</b>	<b>2024/25 \$</b>	<b>2025/26 \$</b>	<b>2026/27 \$</b>	<b>2027/28 \$</b>
Fixed Targeted Rates	485	435	333	268	248	246	255	246	254	249	256
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	1,610	1,679	1,734	1,825	1,867	1,923	1,878	1,949	1,993	2,070	2,117
<b>Total Rates</b>	<b>2,599</b>	<b>2,720</b>	<b>2,775</b>	<b>2,846</b>	<b>2,868</b>	<b>2,934</b>	<b>2,898</b>	<b>2,975</b>	<b>3,037</b>	<b>3,134</b>	<b>3,198</b>
\$ incr per week		2.32	0.91	1.37	0.44	1.26	-0.69	1.49	1.19	1.86	1.23
Percentage Increase		4.6%	1.7%	2.6%	0.8%	2.3%	-1.2%	2.7%	2.1%	3.2%	2.0%
<b>Ngāhinapōuri \$3,645,000 with 2 dwellings</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>2019/20 \$</b>	<b>2020/21 \$</b>	<b>2021/22 \$</b>	<b>2022/23 \$</b>	<b>2023/24 \$</b>	<b>2024/25 \$</b>	<b>2025/26 \$</b>	<b>2026/27 \$</b>	<b>2027/28 \$</b>
Fixed Targeted Rates	557	507	390	330	307	306	315	307	315	310	317
UAGC	1,008	1,212	1,416	1,506	1,506	1,530	1,530	1,560	1,580	1,630	1,650
Capital Value Rates	5,194	5,859	6,049	6,366	6,516	6,711	6,552	6,802	6,956	7,223	7,387
<b>Total Rates</b>	<b>6,759</b>	<b>7,578</b>	<b>7,855</b>	<b>8,202</b>	<b>8,329</b>	<b>8,547</b>	<b>8,397</b>	<b>8,669</b>	<b>8,851</b>	<b>9,163</b>	<b>9,354</b>
\$ incr per week		7.57	4.99	6.69	2.43	4.18	-2.87	5.22	3.50	6.01	3.66
Percentage Increase		5.5%	3.4%	4.4%	1.5%	2.6%	-1.7%	3.2%	2.1%	3.5%	2.1%

## Kakapuku indicator properties

Table 44: Kakepuku indicator properties

Kakepuku Ward \$1,270,000 with 1 dwelling	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	488	438	321	256	236	234	243	234	242	237	244
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	1,810	1,887	1,948	2,051	2,099	2,162	2,110	2,191	2,240	2,327	2,379
Total Rates	2,801	2,931	2,977	3,060	3,088	3,161	3,118	3,205	3,272	3,379	3,448
\$ incr per week		2.49	0.74	1.58	0.54	1.39	-0.80	1.66	1.30	2.04	1.34
Percentage Increase		4.6%	1.3%	2.8%	0.9%	2.3%	-1.3%	2.8%	2.1%	3.2%	2.1%
Kakepuku Ward \$4,720,000 with 3 dwellings	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	633	583	465	410	384	383	393	386	393	388	395
UAGC	1,512	1,818	2,124	2,259	2,259	2,295	2,295	2,340	2,370	2,445	2,475
Capital Value Rates	6,725	7,013	7,241	7,621	7,800	8,033	7,843	8,142	8,327	8,647	8,842
Total Rates	8,870	9,414	9,830	10,290	10,443	10,711	10,531	10,868	11,090	11,480	11,712
\$ incr per week		10.45	7.60	8.85	2.94	5.17	-3.47	6.47	4.28	7.50	4.47
Percentage Increase		6.1%	4.2%	4.7%	1.5%	2.6%	-1.7%	3.2%	2.0%	3.5%	2.0%
Kakepuku Ward \$7,100,000 with 3 dwellings	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Fixed Targeted Rates	592	542	423	368	342	342	351	344	352	347	354
UAGC	1,512	1,818	2,124	2,259	2,259	2,295	2,295	2,340	2,370	2,445	2,475
Capital Value Rates	10,116	10,549	10,892	11,464	11,733	12,084	11,798	12,248	12,525	13,007	13,301
Total Rates	12,220	12,909	13,439	14,091	14,334	14,721	14,444	14,932	15,247	15,799	16,130
\$ incr per week		13.24	9.66	12.53	4.68	7.44	-5.31	9.37	6.07	10.61	6.37
Percentage Increase		5.6%	3.9%	4.8%	1.7%	2.7%	-1.9%	3.4%	2.1%	3.6%	2.1%

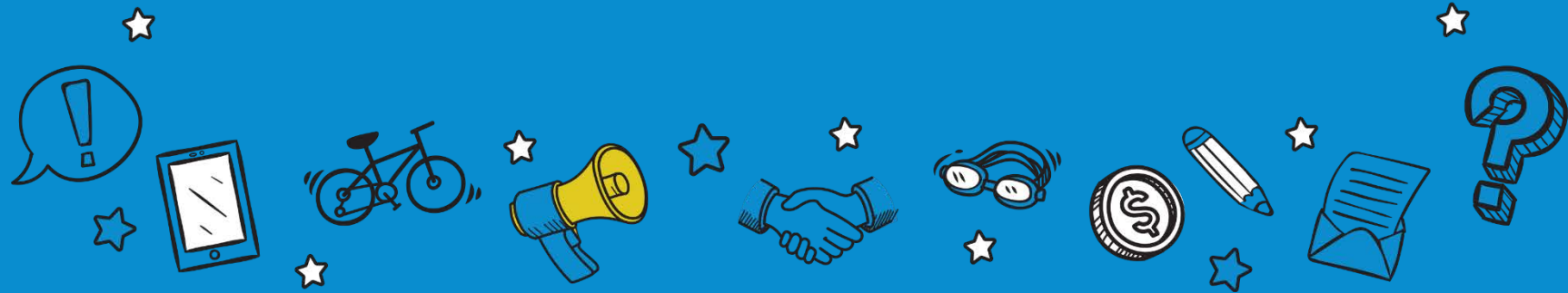
**Maungatautari indicator properties**

**Table 45: Maungatautari indicator properties**

<b>Maungatautari Ward \$630,000 with 1 dwelling</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>2019/20 \$</b>	<b>2020/21 \$</b>	<b>2021/22 \$</b>	<b>2022/23 \$</b>	<b>2023/24 \$</b>	<b>2024/25 \$</b>	<b>2025/26 \$</b>	<b>2026/27 \$</b>	<b>2027/28 \$</b>
Fixed Targeted Rates	479	403	425	388	379	373	371	369	355	349	344
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	898	936	966	1,017	1,041	1,072	1,047	1,087	1,111	1,154	1,180
<b>Total Rates</b>	<b>1,881</b>	<b>1,945</b>	<b>2,099</b>	<b>2,158</b>	<b>2,173</b>	<b>2,210</b>	<b>2,183</b>	<b>2,236</b>	<b>2,256</b>	<b>2,318</b>	<b>2,349</b>
\$ incr per week		1.23	2.89	1.13	0.30	0.70	-0.52	1.01	0.40	1.19	0.60
Percentage Increase		3.4%	7.7%	2.8%	0.7%	1.7%	-1.2%	2.4%	0.9%	2.7%	1.3%
<b>Maungatautari Ward \$2,330,000 with 1 dwelling</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>2019/20 \$</b>	<b>2020/21 \$</b>	<b>2021/22 \$</b>	<b>2022/23 \$</b>	<b>2023/24 \$</b>	<b>2024/25 \$</b>	<b>2025/26 \$</b>	<b>2026/27 \$</b>	<b>2027/28 \$</b>
Fixed Targeted Rates	466	389	411	374	366	359	358	355	341	335	330
UAGC	504	606	708	753	753	765	765	780	790	815	825
Capital Value Rates	3,320	3,462	3,574	3,762	3,850	3,966	3,872	4,019	4,110	4,268	4,365
<b>Total Rates</b>	<b>4,290</b>	<b>4,457</b>	<b>4,693</b>	<b>4,889</b>	<b>4,969</b>	<b>5,090</b>	<b>4,995</b>	<b>5,154</b>	<b>5,241</b>	<b>5,418</b>	<b>5,520</b>
\$ incr per week		3.23	4.36	3.77	1.54	2.32	-1.83	3.07	1.67	3.41	1.95
Percentage Increase		3.9%	5.1%	4.2%	1.6%	2.4%	-1.9%	3.2%	1.7%	3.4%	1.9%
<b>Maungatautari Ward \$5,900,000 with 3 dwellings</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>2019/20 \$</b>	<b>2020/21 \$</b>	<b>2021/22 \$</b>	<b>2022/23 \$</b>	<b>2023/24 \$</b>	<b>2024/25 \$</b>	<b>2025/26 \$</b>	<b>2026/27 \$</b>	<b>2027/28 \$</b>
Fixed Targeted Rates	598	522	542	515	500	496	494	494	480	474	469
UAGC	1,512	1,818	2,124	2,259	2,259	2,295	2,295	2,340	2,370	2,445	2,475
Capital Value Rates	8,407	8,766	9,051	9,526	9,750	10,042	9,804	10,178	10,408	10,809	11,053
<b>Total Rates</b>	<b>10,517</b>	<b>11,106</b>	<b>11,717</b>	<b>12,300</b>	<b>12,509</b>	<b>12,833</b>	<b>12,593</b>	<b>13,012</b>	<b>13,258</b>	<b>13,728</b>	<b>13,997</b>
\$ incr per week		11.33	11.32	11.22	4.03	6.22	-4.60	8.03	4.74	9.03	5.18
Percentage Increase		5.6%	5.3%	5.0%	1.7%	2.6%	-1.9%	3.3%	1.9%	3.5%	2.0%



# OUR SERVICES



## GROUPS OF ACTIVITIES

This section provides an overview of Council's services organised into eight groups of activities.

### Governance

- Representation
- Communications and engagement

Additionally, the Governance group of activities is responsible for ensuring Māori involvement in decision making, and developing strategy and community relationships.

### Planning and Regulatory

- Animal control
- Building compliance
- Development engineering
- Environmental health
- Resource consents, enforcement and LIMs

### Community Services and Facilities

- Parks and reserves
- Libraries
- Property services
- Heritage
- Swimming pools
- Waste management and minimisation

Community Services and Facilities also covers Civil defense and emergency management

### Transportation\*

### Stormwater\*

### Wastewater Treatment and Disposal\*

### Water Treatment and Supply\*

### Support Services†

- Information services
- Customer support

Additionally, the Support Services group of activities is responsible for financial management, human resources, legal and corporate support and business improvement functions.

\* These groups of activities are defined as mandatory under Schedule 10 of the Local Government Act 2002.


† Support Services enable the delivery of community services within other groups of activities. The costs of support services are included within each group, and are also shown separately at the end of the section to show the total indirect costs.

Some key information you'll find under each group of activities...


...the activities within each group of activities and the rationale for delivery of the service.

For instance, the Support Services' group of activities includes the Customer Support and Information Services' functions. Together these primarily contribute to our Socially Responsible community outcome.

We explain why these activities have been combined under the Support Services' group ("to ensure that all council's services are efficient, effective and costs are managed appropriately.") Each specific activity also includes an explanation of why we do it, these align to our activity management plans.

**Why we do it**  To provide a responsive customer service to our community.

**How the Support Services Group helps deliver our community outcomes**

Socially responsible  
 ✓ We give back to the community 

...significant negative effects.

If there are potential negative effects that an activity may have on the local community, we explain the risk and how it is avoided or mitigated.

...project details and key issues facing the district

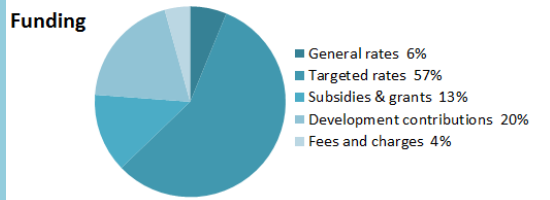
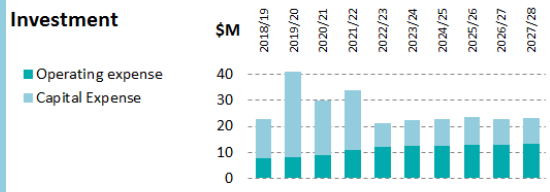
Where appropriate we'll give additional detail on;

- projects mentioned in the Capital Expenditure table
- significant changes to our operations
- strategic issues influencing our investment
- significant regulatory changes we've needed to account for.

...a financial overview and detailed financial tables.

Each group of activities includes a Statement of Cost of Service, a Capital Expenditure Table and a Funding Impact Statement in the format required under the Local Government Act.


In addition we provide a basic overview to show where the funding comes from and how it is spent over the course of the 10-Year Plan. General rates are collected from all properties whereas Targeted rates are applied differently in each ward depending on the services provided to various communities.



Subsidies are generally sourced from central government agencies (i.e. NZTA), Fees and charges recover the cost of delivering services with private benefits and Development Contributions are levied on developers to fund the infrastructure needed to enable growth in the district.

...level of service and performance measure information.

Many activities have defined levels of service (LOS) which specify the quantity and/or the quality of the services that Council aims to provide for the community. Each section below details the relevant LOS and performance measures, aligned to the group or the specific activity as appropriate. Included is an explanation of whether there have been any adjustments since the 2015 Long Term Plan. E.g.

**Animal control**  **Why we do it** To ensure animals are kept in a way that promotes animal welfare and community safety.

**Our levels of service;** We are not proposing any changes this 10-Year Plan.

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
Animal control is managed in a way that ensures support is provided to both animals and the community in a timely manner.	The percentage of urgent dog attack allegations acted upon within one hour of Council being notified.	92.1%	95%	95%	95%	95%

## GOVERNANCE

The Governance group of activities represents the decision making function of elected officials who are supported by communications specialists, strategy advisors and the governance business unit to manage democratic processes.

Governance activities include performance measures for;

- Representation
- Communications and engagement

Additionally, the Governance group of activities is responsible for ensuring Māori involvement in decision making, and strategy and community relationships.

### Māori involvement in decision making

We continue to support the representative structure already put in place through the Iwi Consultative Committee and Ngā Iwi Toopu o Waipā and to uphold Council’s objectives in the ‘Policy for liaison with Māori and Joint Management Agreements’.

The Iwi Consultative Committee is comprised of the Mayor and the Chairs of Council’s Committees, representatives from the Waikato Tainui Trust Board, Maniapoto Trust Board, the Raukawa Settlement Trust, Ngā Iwi Toopu o Waipā, a Kaumatua representative and further nine members recommended by Ngā Iwi Toopu o Waipā to represent the hapū of the Waipā District.

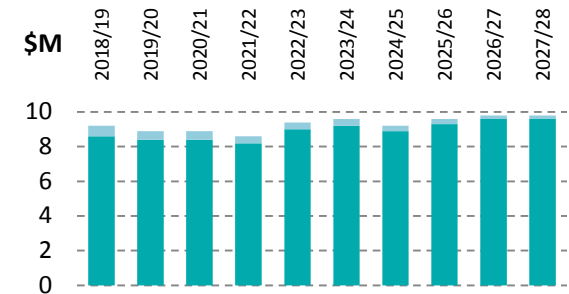
It facilitates communications between Council and Tāngata Whenua and will consider matters including but not limited to historical, cultural, recreational, health, housing, environmental and resource management. The Committee advises Council and Iwi on Treaty of Waitangi implications for policies and activities of Council.

### Strategy and community relationships

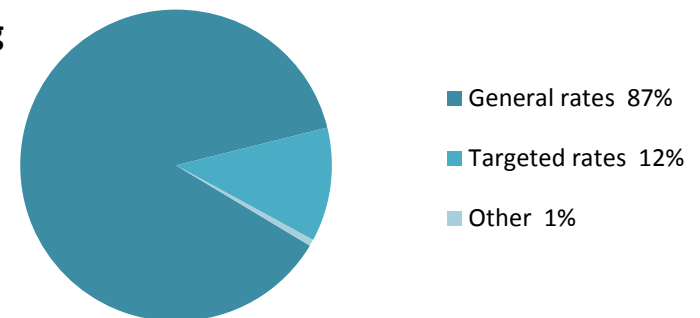
This activity considers economic research, analysis and policy development advice to encourage sustainable development of the District. We focus on strategies, plans, policies and bylaws to address the top priorities facing our community. This includes developing the District Plan and 10-Year Plan and partnering with neighbouring Councils to deliver the Sub-regional Growth Strategy ([www.futureproof.org.nz](http://www.futureproof.org.nz)) and joint Waikato Mayoral Forum projects.

### Investment

- Operating expense
- Capital Expense



### Funding



District wide planning is considered one of Council’s strategic priorities as we begin the 2018 10-Year Plan; this is largely driven by the growth pressures we are continuing to experience. Furthermore, under the National Policy Statement for Urban Development Capacity the district is defined as a high-growth area meaning we have increased obligations to provide development capacity and associated infrastructure.

In response to forecast growth, Waipā 2050 has undergone a major review to define the type of growth we should expect in the district, where it will occur and how it will need to be managed.

The Waikato Plan was adopted by the Waikato Mayoral Forum in mid-2017 and has led to the creation of the new Waikato Regional Development Agency. Waipa District Council will be partnering within the various shared service arrangements to help achieve our community outcomes.

Significant Strategy and community relationship projects include;

- District Plan appeals - \$1,707,000
- The preparation of future Long Term Plans - \$1,394,000
- Spatial plans and structure plans - \$1,805,000

**How the Governance group of activities helps deliver our community outcomes**

**Economically progressive**

- ✓ Our services are acknowledged as excellent value for money
- ✓ We are financially sustainable



**Socially responsible**

- ✓ We give back to the community.
- ✓ We are a workplace of choice.



**Connected with our community**

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



**Potential negative effects**

**Table 46: Governance potential negative effects**

Risk	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, i.e. the Iwi Consultative Committee, Youth Council, and Senior Council.
The high cost of consultation and decision making.	We use the most cost effective means of consulting with the public and use technology will help to minimise costs. Our approach will largely be determined by the Significance and Engagement Policy.
The long term planning horizon limits responsiveness to new opportunities.	The Annual Plan cycle allows council to respond to opportunities if (following consultation) they are deemed significant.

**Governance activities**

Activities in this group align to fulfil the purpose of local government to enable democratic local decision-making and to meet the current and future needs of our communities in a cost-effective manner.

**Representation**

***What we do***

With the support of committees, community boards and council officers, the elected Mayor and Councillors set Council’s direction, work programmes and monitor and review the organisation’s performance. Advisory groups and committees to assist in decision making include a Youth Council and Senior Council.

Key representation projects include \$706,000 budgeted for the organisation of the triennial elections in 2019, 2022 and 2025.

***Our levels of service and performance measures***

We are not proposing any significant changes to levels of service. The performance measures have been amended to better reflect the services delivered for this activity.

**Why we do it**



To enable democratic local decision-making and action.

**Table 47: Governance levels of service and performance measures**

What You Can Expect From Us	How we measure success	Result for 2017/18	Performance Target			
			2018/19	2019/20	2020/21	2021-28
The Community have access to timely and accurate information and are informed about Council and Community Board decisions.	The percentage of official information requests responded to within statutory timeframes.	95.24%	100%	100%	100%	100%
	Percent of respondents to residents perception survey <sup>2</sup> who are satisfied with Council “for being transparent and communicating openly.”	29% <sup>3</sup>	≥29%	≥prior year’s results	≥prior year’s results	≥prior year’s results

<sup>2</sup> From Waipa District Council Annual Resident Perception Survey result. Satisfied are those percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate Council for being transparent and communicating openly?”.

<sup>3</sup> 2016/17 result not audited as part of Annual Report

## Communications and engagement

### What we do

We provide timely and accurate information and create meaningful opportunities for community involvement in our decision making processes. By assessing the significance of Council actions and undertaking the appropriate level of engagement, we ensure the public is well informed and can conduct the right debate to assist informed decision making.

We also help develop productive partnerships with our stakeholders and promote Waipā District as a great place to live, work and play. Waipā is achieving good growth in our visitor numbers, largely due to our growth, our natural landscapes and especially our events. Council will be increasing support for events in our district to ensure ongoing benefits to our economy, our reputation and the enjoyment of our residents.

### Our levels of service and performance measures

We are not proposing any significant changes to levels of service. The performance measures have been amended to better reflect the services delivered for this activity. Focus is on measuring meaningful digital interactions rather than simply tracking page views.

### Why we do it



- To focus on making sure our communities are kept up to date with council issues and activities and also make it easy for them to be involved in Council's decision making processes.
- To provide and support champion events in our district and maximise event leveraging opportunities.

**Table 48: Communications and engagement levels of service and performance measures**

What You Can Expect From Us	How we measure success	Result for 2017/18	Performance Target			
			2018/19	2019/20	2020/21	2021-28
We respond to our communities questions and concerns in a timely manner	Average time taken to send an initial response to new messages received through our Facebook channel is within 4 hours.	New measure	<4 hours	<4 hours	<4 hours	<4 hours
Our digital communities continue to grow and engage with Council.	% increase year to year of all submissions to Council's consultation processes <sup>4</sup> that were made online.	New measure	5% increase	5% increase	5% increase	3% increase

## Grants to community organisations

We provide both community grants and Creative New Zealand grants to organisations on an annual basis. The Cambridge Community Arts Council and Te Awamutu and District Community Arts Council administer the Creative New Zealand funding on behalf of Council. Organisations such as Sport Waikato, Hamilton and Waikato Tourism,

<sup>4</sup> Special consultative procedure projects only.

and the Cambridge and Te Awamutu i-Sites, which 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.

Table 49: Grants to community organisations

	2017/18 Annual Plan	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Pirongia Ward Grants	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600
Cambridge Community Board Grants	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600
Te Awamutu Community Board Grants	46,900	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600
Waikato Sports Foundation	87,540	101,850	103,890	106,030	108,270	110,610	113,160	115,800	118,550	121,410	124,560
Citizens Advice Bureau - Cambridge **	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300
Citizens Advice Bureau - Te Awamutu **	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500
Nga Iwi Toopu Support	20,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Pirongia Historical Visitors Centre	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Cambridge Visitor Information Centre	95,200	132,000	134,140	136,280	138,530	140,870	143,420	146,080	148,830	151,690	154,750
Te Awamutu Public Relations	95,200	132,000	134,140	136,280	138,530	140,870	143,420	146,080	148,830	151,690	154,750
Pirongia Ratepayers Association	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
District Promotions	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Waikato Biodiversity Forum	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Te Awamutu Safer Community Charitable Trust	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Waikato Regional Airport Ltd	150,000	150,000	153,150	156,300	159,600	163,050	166,800	170,700	174,750	178,950	183,450
Community Grants	110,000	216,000	50,000	50,000	-	-	-	-	-	-	-
Cambridge Safer Community Charitable Trust	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
District Wide Creative Communities Scheme Funds	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Climax Trust	11,250	-	-	-	-	-	-	-	-	-	-
Community Led Events	-	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Cambridge Cricket Club	-	80,000	-	-	-	-	-	-	-	-	-
Heritage and Commemoration Events	-	15,000	15,000	-	-	-	-	-	-	-	-
Category 1 Heritage Buildings	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>TOTAL</b>	<b>932,590</b>	<b>1,300,950</b>	<b>1,064,420</b>	<b>1,058,990</b>	<b>1,019,030</b>	<b>1,029,500</b>	<b>1,040,900</b>	<b>1,052,760</b>	<b>1,065,060</b>	<b>1,077,840</b>	<b>1,091,610</b>



Financials

Table 50: Governance statement of cost of service

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>REVENUE</b>											
Elections	-	-	66	-	-	71	-	-	76	-	-
Community Grants	42	42	42	42	42	42	42	42	42	42	42
<b>TOTAL REVENUE</b>	<b>42</b>	<b>42</b>	<b>108</b>	<b>42</b>	<b>42</b>	<b>113</b>	<b>42</b>	<b>42</b>	<b>118</b>	<b>42</b>	<b>42</b>
<b>OPERATING EXPENDITURE</b>											
Council & Committees	2,425	2,587	2,680	2,726	2,719	2,861	2,940	2,997	3,121	3,134	3,225
Cambridge Community Board	187	188	193	197	205	210	217	222	228	234	241
Te Awamutu Community Board	183	184	189	193	200	206	212	218	224	229	235
Elections	6	18	221	8	19	233	9	20	250	9	22
Community Grants	528	783	533	518	468	468	467	467	467	467	467
Strategic Planning	2,595	3,545	2,840	2,947	2,713	3,127	3,243	2,909	2,945	3,217	3,258
Community Relationships	1,715	1,737	1,867	1,952	1,892	2,006	2,114	2,049	2,165	2,266	2,199
<b>TOTAL EXPENDITURE</b>	<b>7,639</b>	<b>9,042</b>	<b>8,523</b>	<b>8,541</b>	<b>8,216</b>	<b>9,111</b>	<b>9,202</b>	<b>8,882</b>	<b>9,400</b>	<b>9,556</b>	<b>9,647</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(7,597)</b>	<b>(9,000)</b>	<b>(8,415)</b>	<b>(8,499)</b>	<b>(8,174)</b>	<b>(8,998)</b>	<b>(9,160)</b>	<b>(8,840)</b>	<b>(9,282)</b>	<b>(9,514)</b>	<b>(9,605)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>											
Capital Expenditure (excluding Vested)	27	-	-	-	-	-	-	-	-	-	-
Debt Repayment (Internal)	640	587	548	495	438	391	370	312	272	238	208
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>667</b>	<b>587</b>	<b>548</b>	<b>495</b>	<b>438</b>	<b>391</b>	<b>370</b>	<b>312</b>	<b>272</b>	<b>238</b>	<b>208</b>

Table 51: Governance capital expenditure table

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>To Improve Level of Service</b>											
Flag Tracking System	27	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 52: Governance funding impact statement

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	6,111	6,592	7,422	7,886	7,614	8,131	8,374	8,180	8,589	8,793	8,672
Targeted rates	1,931	1,871	1,318	1,053	993	982	983	966	957	952	949
Subsidies and grants for operating purposes	42	42	42	42	42	42	42	42	42	42	42
Fees and charges	-	-	66	-	-	71	-	-	76	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	395	65	50	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>8,084</b>	<b>8,900</b>	<b>8,913</b>	<b>9,031</b>	<b>8,649</b>	<b>9,226</b>	<b>9,399</b>	<b>9,188</b>	<b>9,664</b>	<b>9,787</b>	<b>9,663</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	4,015	4,875	4,463	4,455	4,187	4,899	4,848	4,505	4,917	5,053	5,058
Finance costs	56	117	137	119	120	105	106	93	68	47	34
Internal charges and overheads applied	2,705	2,829	2,940	2,989	2,973	3,162	3,292	3,319	3,438	3,471	3,556
Other operating funding applications	856	1,214	977	971	929	938	948	958	968	979	990
<b>Total applications of operating funding (B)</b>	<b>7,632</b>	<b>9,035</b>	<b>8,517</b>	<b>8,534</b>	<b>8,209</b>	<b>9,104</b>	<b>9,194</b>	<b>8,875</b>	<b>9,391</b>	<b>9,550</b>	<b>9,638</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>452</b>	<b>(135)</b>	<b>396</b>	<b>497</b>	<b>440</b>	<b>122</b>	<b>205</b>	<b>313</b>	<b>273</b>	<b>237</b>	<b>25</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	27	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	425	(135)	396	497	440	122	205	313	273	237	25
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>452</b>	<b>(135)</b>	<b>396</b>	<b>497</b>	<b>440</b>	<b>122</b>	<b>205</b>	<b>313</b>	<b>273</b>	<b>237</b>	<b>25</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(452)</b>	<b>135</b>	<b>(396)</b>	<b>(497)</b>	<b>(440)</b>	<b>(122)</b>	<b>(205)</b>	<b>(313)</b>	<b>(273)</b>	<b>(237)</b>	<b>(25)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## PLANNING AND REGULATORY

We provide Planning and Regulatory services to manage the natural and physical resources of the district, and promote and protect the health and safety of our communities.

Planning and Regulatory activities include;

- Animal Control
- Building Compliance
- Development Engineering
- Environmental health
- Resource consents, enforcement and land information memorandums

As our district continues to experience significant development and population increases, planning and regulatory services will continue to be highly relevant. 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 reviews and link to other Waikato councils when appropriate. 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 projected growth increases pressure on our town character and 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.

### How the Planning and Regulatory group of activities helps deliver our community outcomes

#### Environmental & cultural champions

- ✓ We are recognised as an environmental and cultural leader
- ✓ Waipā’s environmental and cultural heritage is a showcase for excellence



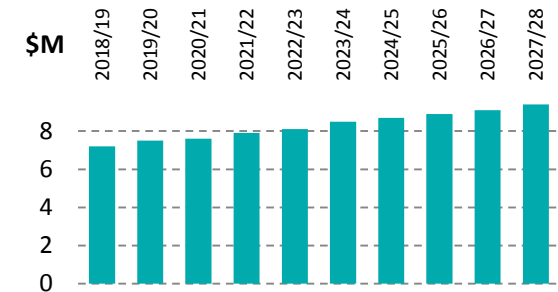
#### Socially responsible

- ✓ Waipā offers an excellent quality of life

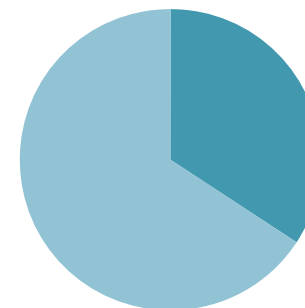


### Investment

- Operating expense
- Capital Expense



### Funding



- General rates 34%
- Fees & Charges 66%

Potential negative effects

Table 53: Planning and regulatory potential negative effects

Risk	How we are addressing this
Failure to comply with resource consents leading to adverse environmental effects.	We have a programme for the regular monitoring of resource consents.
Processing time for resource and building consents 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.

Planning & Regulatory Services activities

We have combined the following activities into the Planning and Regulatory group as they align to meet the purpose of local government to provide good-quality local infrastructure, local public services, and perform regulatory functions as described under section 10 of the Local Government Act 2002.

Animal control

*What we do*

We cover the registration and impounding of dogs, owner education and implementing and enforcing our Dog Control Policy and Bylaw. The activity also covers wandering stock. In the first year of this Long Term Plan we are expanding our dog pound facilities.

*Our levels of service and performance measures*

We are not proposing any significant changes to levels of service.

*Why we do it*



To ensure animals are kept in a way that promotes animal welfare and community safety.

Table 54: Animal control levels of service and performance measures

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
Animal control is managed in a way that ensures support is provided to both animals and the community in a timely manner.	The percentage of urgent dog attack allegations acted upon within one hour of Council being notified. <sup>5</sup>	92.1%	95%	95%	95%	95%

**Building Compliance**

**What we do**

Building compliance 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 earthquake-prone building requirements.

**Why we do it**



To ensure buildings and swimming pools are safe for the community and related regulations and standards are met.

**Our levels of service and performance measures**

We are not proposing any significant changes to levels of service.

Table 55: Building compliance levels of service and performance measures

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
We ensure that buildings, including earthquake prone buildings, are safe and fit for purpose.	Building consent applications are processed within statutory timeframes. <sup>6</sup>	95.02%	100%	100%	100%	100%

<sup>5</sup> Urgent is defined as a dog attack on a human or other animal where the Council has been notified within 12 hours of the event. Acted upon is defined as a phone call or site visit.

<sup>6</sup> The Building Act 2004 states the time limit is “within 20 working days after receipt by the building consent authority of the application”.

**Development Engineering**

**What we do**

Development engineering covers the preparation and management of development agreements, and evaluates and provides engineering input to subdivision and related land use developments. The department then monitors compliance with any engineering resource consent conditions using Council’s Development and Subdivision Manual. The department also manages the naming of roads process, allocates property road numbers, as well as regulating the use and connections to our roads.

**Why we do it**



To ensure the community and Council benefits from appropriate standards of development and infrastructure.

**Our levels of service and performance measures;**

We are not proposing any significant changes to levels of service.

**Table 56: Development engineering levels of service and performance measures**

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
We are responsive to enquiries and requests for information.	Enquiries are responded <sup>7</sup> to within 4 working days.	95.84%	95%	95%	95%	95%

**Environmental Health**

**What we do**

Environmental health covers general public health inspections, the licensing and inspection of hairdressers and food and alcohol outlets; responding to noise and public health complaints; implementing the district gambling policy including issuing venue consents and preparing and implementing a Local Alcohol Policy.

**Why we do it**



To ensure the promotion and protection of our community’s health and related regulations and standards are met.

**Our levels of service and performance measures**

We are not proposing any significant changes to levels of service. The performance measures have been amended to better reflect the services delivered for this activity.

<sup>7</sup> Responded to is defined as contact with the requestor (could include phone call or visit).

Table 57: Environmental health levels of service and performance measures

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
We ensure the public sale and supply of alcohol is undertaken safely and responsibly.	All premises that sell alcohol are licensed.	New measure	100%	100%	100%	100%
Noise and smoke control is provided to the community in a timely manner.	The percentage of excessive noise complaints investigated within 1 hour.	93.0%	95%	95%	95%	95%
	The percentage of smoke complaints investigated within 1 hour.	98.97%	95%	95%	95%	95%
Food premises maintain a high level of food safety.	All premises that sell food to the public are registered.	100% <sup>8</sup>	100%	100%	100%	100%

**Resource consents, enforcement and land information memorandums**

**What we do**

We cover the planning functions under the Resource Management Act, including 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 Memoranda, enforcement of the District Plan, swimming pool fences and bylaws.

**Our levels of service and performance measures**

There is an increased level of service as result of legislative changes. This is reflected in the addition of the performance measure intended to monitor swimming pool enforcement services.

**Why we do it**



**Resource consents and monitoring** - To enable community aspirations through appropriate development and activities aligned with the District Plan.

**Land information memorandums** - To ensure property owners and potential owners have access to important information about that property and any associated buildings.

Table 58: Resource consents, enforcement and land information memorandums levels of service and performance measures

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
We process all applications within agreed timeframes.	The percentage of Resource Consents processed within statutory timeframes.	100%	100%	100%	100%	100%
	The percentage of LIMs processed within statutory	100%	100%	100%	100%	100%

<sup>8</sup> This result has not been audited.

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
	timeframes.					
We ensure we investigate compliance with the District Plan when requested.	We respond <sup>9</sup> to requests to check compliance of the District Plan and land use consents within 4 working days.	100%	100%	100%	100%	100%
We ensure that swimming pools and fencing that are required to be inspected are safe and compliant.	We will inspect 500 swimming pool fences per annum. <sup>10</sup>	New measure	500	500	500	500

<sup>9</sup> Responded to is defined as contact with the requestor (could include phone call or visit) or e-mail to the accused.

<sup>10</sup> The Building Act 2004 states - All swimming pools in the District must be inspected every 3 years from 1 January 2017.



Financials

Table 59: Planning and regulatory statement of cost of service

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>REVENUE</b>											
Fees and Charges:											
Resource Management	1,279	1,497	1,528	1,560	1,649	1,684	1,723	1,763	1,805	1,849	1,895
Building Control	1,874	2,299	2,346	2,394	2,444	2,496	2,553	2,612	2,674	2,737	2,806
Environmental Health	361	423	428	439	451	457	470	477	487	502	510
Animal Control	464	528	538	549	560	572	584	597	611	625	640
Development Engineering	257	243	248	253	259	264	270	277	283	290	297
<b>TOTAL REVENUE</b>	<b>4,235</b>	<b>4,990</b>	<b>5,088</b>	<b>5,195</b>	<b>5,363</b>	<b>5,473</b>	<b>5,600</b>	<b>5,726</b>	<b>5,860</b>	<b>6,003</b>	<b>6,148</b>
<b>OPERATING EXPENDITURE</b>											
Resource Management	2,095	2,431	2,586	2,599	2,675	2,762	2,865	2,937	3,008	3,082	3,162
Building Control	2,096	2,354	2,461	2,510	2,612	2,680	2,814	2,866	2,983	3,033	3,145
Environmental Health	890	1,006	1,043	1,073	1,102	1,140	1,186	1,218	1,248	1,280	1,316
Animal Control	744	811	792	815	840	869	906	929	952	975	1,002
Development Engineering	665	700	732	748	771	798	830	853	874	896	921
<b>TOTAL EXPENDITURE</b>	<b>6,490</b>	<b>7,302</b>	<b>7,614</b>	<b>7,745</b>	<b>8,000</b>	<b>8,249</b>	<b>8,601</b>	<b>8,803</b>	<b>9,065</b>	<b>9,266</b>	<b>9,546</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(2,255)</b>	<b>(2,312)</b>	<b>(2,526)</b>	<b>(2,550)</b>	<b>(2,637)</b>	<b>(2,776)</b>	<b>(3,001)</b>	<b>(3,077)</b>	<b>(3,205)</b>	<b>(3,263)</b>	<b>(3,398)</b>
<b>CAPITAL EXPENDITURE</b>											
Debt Repayment	-	22	23	24	24	25	27	28	30	32	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>-</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>24</b>	<b>25</b>	<b>27</b>	<b>28</b>	<b>30</b>	<b>32</b>	<b>-</b>

Table 60: Planning and regulatory funding impact statement

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	1,931	2,107	2,453	2,558	2,661	2,801	3,027	3,105	3,235	3,296	3,398
Targeted rates	323	226	94	14	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	4,234	4,989	5,088	5,194	5,362	5,472	5,600	5,725	5,859	6,002	6,147
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>6,488</b>	<b>7,322</b>	<b>7,635</b>	<b>7,766</b>	<b>8,023</b>	<b>8,273</b>	<b>8,627</b>	<b>8,830</b>	<b>9,094</b>	<b>9,298</b>	<b>9,545</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	5,067	5,535	5,720	5,804	5,988	6,138	6,340	6,501	6,715	6,886	7,112
Finance costs	-	10	9	8	9	8	8	6	4	2	-
Internal charges and overheads applied	1,418	1,751	1,878	1,926	1,996	2,096	2,248	2,289	2,340	2,372	2,427
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>6,485</b>	<b>7,296</b>	<b>7,607</b>	<b>7,738</b>	<b>7,993</b>	<b>8,242</b>	<b>8,596</b>	<b>8,796</b>	<b>9,059</b>	<b>9,260</b>	<b>9,539</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3</b>	<b>26</b>	<b>28</b>	<b>28</b>	<b>30</b>	<b>31</b>	<b>31</b>	<b>34</b>	<b>35</b>	<b>38</b>	<b>6</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	3	26	28	28	30	31	31	34	35	38	6
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3</b>	<b>26</b>	<b>28</b>	<b>28</b>	<b>30</b>	<b>31</b>	<b>31</b>	<b>34</b>	<b>35</b>	<b>38</b>	<b>6</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(3)</b>	<b>(26)</b>	<b>(28)</b>	<b>(28)</b>	<b>(30)</b>	<b>(31)</b>	<b>(31)</b>	<b>(34)</b>	<b>(35)</b>	<b>(38)</b>	<b>(6)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## COMMUNITY SERVICES AND FACILITIES

We provide recreational benefits and promote the social and environmental wellbeing of our communities.

Community services and facilities activities include;

- Parks & Reserves
  - Open Spaces
  - Playgrounds
  - Public Toilets
  - Cemeteries
- Libraries
- Property Services
  - Community Land & Buildings
  - Pensioner Housing
- Heritage
- Swimming Pools
- Waste Management and Minimisation

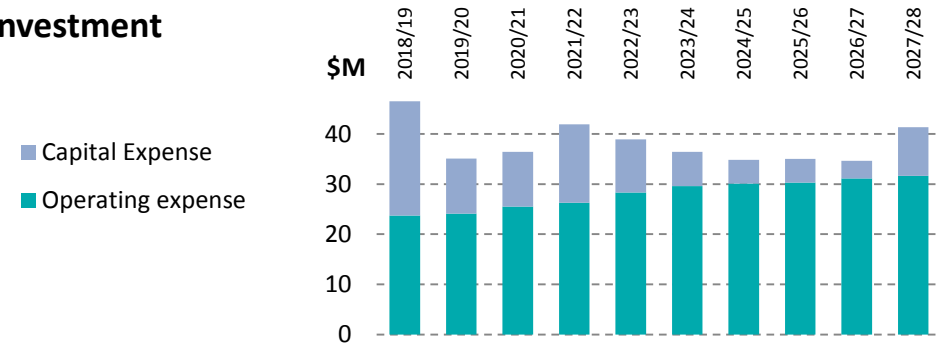
Libraries, museums, reserves, and community amenities are defined under the Local Government Act as core services of Council. Libraries, museums, reserves, and other recreational facilities are recognised by our Significance and Engagement Policy as significant activities of Council. In addition, the Policy also recognises the pensioner housing units as strategic assets.

Community facilities, recreation and heritage assets are managed according to the relevant activity management plans, which identify trends and the likely changes in demand. Changing demographics, such as the ageing population, will have a significant impact on the assets we invest in and we'll ensure new subdivisions have good pedestrian links to open spaces.

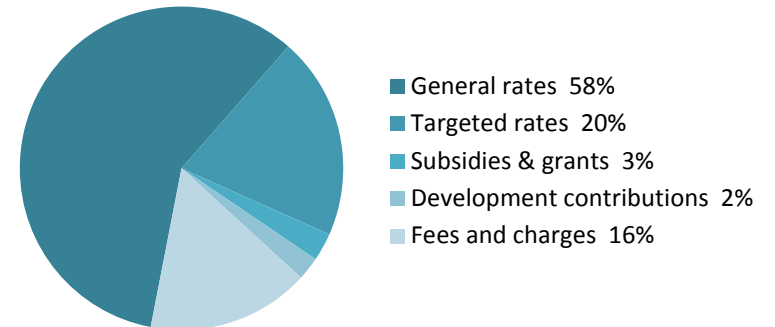
We will work with the community to understand their expectations for recreation and heritage services and the review of Waipā 2050 will also help us understand future requirements. The feasibility of some projects is dependent on securing external funding.

We adopted the Waipā Waste Strategy and Waste Management and Minimisation Plan in October 2017 to drive future projects minimising waste to landfill and maximising sustainability.

### Investment



### Funding



Resilience is one of the strategic priorities included in this long term plan and preparing our community’s resilience and ability to recover from civil emergencies is one of Council’s core services. Because we have an increased awareness of the likelihood of significant disasters occurring (particularly earthquakes and flooding), civil emergency processes must be robust.

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.

**How the Community Services and Facilities group of activities helps deliver our community outcomes**

**Economically progressive**

- ✓ Our services are acknowledged as excellent value for money
- ✓ Waipā’s growth is built on its strengths.
- ✓ We are financially sustainable



**Environmental & cultural champions**

- ✓ We are recognised as an environmental and cultural leader
- ✓ Waipā’s environmental and cultural heritage is a showcase for excellence



**Socially responsible**

- ✓ Waipā offers an excellent quality of life



**Connected with our community**

- ✓ We engage with all parts of our community
- ✓ We have collaborative and enduring partnerships



**Potential negative effects**

**Table 61: Community services and facilities potential negative effects**

Risk	How we are addressing this
Poor management of vandalism, noise and litter in parks and community facilities.	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.
Health issues could be caused by cemeteries, public toilets, or pools if services are not adequately provided.	We will ensure our staff are trained, our facilities are monitored/audited, and a timely response to complaints/customer requests.
Inability to meet demand for pensioner housing.	We maintain contact with other housing providers, such as Housing New Zealand, to ensure maximum use of rental accommodation.
Our efforts to showcase the district’s historic sites may compromise their cultural and archaeological condition.	The primary focus of the heritage showcase sites is to provide access and interpretation, without impacting their condition. We plan on using smart technologies such as virtual reality to enhance people’s ability to understand the history with minimal impact to the sites.

## Community services and facilities activities

Activities in this group are operationally aligned and fulfil many of the services considered to be local government's core role under section 11a of the Local Government Act.

### Parks and Reserves

#### What we do

As we grow we need to invest in additional land or existing open spaces to cater for our community and environmental needs. Pressure from development and intensifying land use will require investment to ensure some of our most threatened assets like the peat lakes, wetlands and remnant indigenous vegetation, are buffered from harmful impacts and land management practices.

We manage 132 individual sites covering in excess of 3,540 hectares. In planning parks and reserves for the District, we focus on achieving a balance between:

- a) **Conservation reserves** - these provide for the protection and enhancement of the natural environment and allow for low impact recreational use. Our 14 conservation reserves include Maungatautari, Kakepuku, and Lakes Serpentine (Rotopiko) and Ngāroto.
- b) **Sports reserves** - our 20 sports parks provide for a wide range of physical activities and sports. These include Albert Park and Castleton Park sports grounds in Te Awamutu, and the Leamington Domain and Town Belt in Cambridge. In addition to regular maintenance and renewal programmes, in 2018/19 we are reviewing our sportsground provision and we plan investing around \$1.6 million later in the Long Term Plan to enhance our network of facilities.
- c) **Neighbourhood and amenity reserves** – located in our urban communities we have 32 neighbourhood parks and 40 general amenity parks with walkway and cycle linkages, which enhance the environment and provide recreational opportunities.
- d) **Premier reserves** - Our 4 premier reserves (Mighty River Domain at Lake Karāpiro, Te Awamutu Memorial Park, Te Awamutu Rose Gardens and Te Ko Utu Park in Cambridge) provide high quality experiences in key locations.

A further 14 sites are of mixed usage and 8 are currently grazed.

#### Why we do it



**Open Space:** To ensure the provision of appropriate open spaces which provide for, and support opportunities for the community's health and recreation needs to be met.



**Playgrounds:** To ensure the provision of playgrounds which provide for and support opportunities for the communities to engage in safe and stimulating play.



**Public Toilets:** To ensure the provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors to the district.



**Cemeteries:** To ensure the provision of adequate and appropriate places for interment and remembrance.

Following a district wide survey in 2016 on the suitability of the playground equipment available at many of our reserves, we planned significant *destination playgrounds* at Centennial Park (Te Awamutu), Thompson Street (Cambridge), and Rangimarie Reserve (Pirongia) and to complement the new development areas in Cambridge North.

We operate 35 public toilets across the District located in reserves, business areas and places where public events are held. We plan to invest \$250,000 to upgrade the toilets on SH39 in Pirongia which are heavily frequented by tour busses, to minimise the financial impact on ratepayers we are hoping to receive support from the Tourism Infrastructure Fund. We operate 10 cemeteries within the District, with the majority being located near small rural settlements. Waipā cemeteries provide for around 200 burials each year, with 90% of these being at the three larger cemeteries at Hautapu, Leamington and Piquet Hill in Te Awamutu.


***Our levels of service and performance measures***

Our Parks and Reserves Activity Management Plan details changes to our levels of services, including;

- **Open Spaces;** Council hopes to support new and growing sporting codes and will increase the LOS to increase the amount of land being provided for sports grounds. LOS will also be increased to maintain town entrances, verges and stormwater swales to enhance the visual appeal of our towns.
- **Playgrounds;** Opportunities for destination playgrounds will be looked at as they offer the opportunity to provide a greater LOS through investment in a small number of key playgrounds, however Councillors have indicated that this increase in this area must not be at the expense of neighbourhood playground provision.
- **Public Toilets;** Council plans to increase the standard of toilets adjoining cycleways and at lakeside reserves. This will be combined with an increased frequency of toilet cleaning to present a improved appearance and reduce the number of complaints received.

Our Parks and Reserves performance measures have been standardised to provide an ongoing reflection of public satisfaction with the services and to maintain better consistency with other service areas.




**Table 62: Parks and reserves levels of service and performance measures**

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
 Provision of an adequate network of multi-purpose open spaces which provide for passive and active recreation and sporting activities.	The number of complaints received <sup>11</sup> (per 1,000 population) regarding open spaces <sup>12</sup> .	3.1 <sup>13</sup>	<3.5	<3.5	<3.5	<3.5

<sup>11</sup>Complaints defined as: public calls relating to either the condition of the facility or the quality of the service in which dissatisfaction is directly expressed or is implied

<sup>12</sup> Open space defined as amenity, conservation, neighbourhood, premier, and sports ground land managed by Parks and Reserve for recreational use.

<sup>13</sup> 2016/17 result not audited as part of Annual Report

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
 Provision of an adequate network of playgrounds which provide for safe and stimulating play.	The number of complaints received <sup>14</sup> (per 1,000 population) regarding playgrounds.	0.4 <sup>15</sup>	<0.6	<0.6	<0.6	<0.6
 Provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors while minimising public health risks and environmental impact, in a way that is most cost-effective	The number of complaints <sup>16</sup> (per 1,000 population) regarding public toilets	1.4 <sup>17</sup>	<2.0	<2.0	<2.0	<2.0
 Provision of accessible cemeteries and interment services which meets the needs of the community	The number of complaints received <sup>18</sup> (per 1,000 population) regarding cemeteries	0.16 <sup>19</sup>	<0.3	<0.3	<0.3	<0.3
	The number of complaints received <sup>20</sup> (per 1,000 population) regarding burial records	0.24 <sup>21</sup>	<0.3	<0.2	<0.2	<0.2

## Libraries

### What we do

The Cambridge and Te Awamutu libraries hold over 130,000 books and more than 6,400 other items, such as CDs and DVDs.

Users are surveyed regularly to ensure the services provided meet expectations and the opening of the new Te Awamutu library in 2016 has helped increase membership and satisfaction levels. Construction of a new library in Cambridge is planned for year 10 of the long term plan.

### Why we do it



To ensure the provision of accessible facilities, resources and services which support the community's learning and leisure needs.

<sup>14</sup>Complaints defined as: public calls relating to either the condition of the facility or the quality of the service in which dissatisfaction is directly expressed or is implied

<sup>15</sup> 2016/17 result not audited as part of Annual Report

<sup>16</sup> Complaints defined as: public calls relating to either the condition of the facility or the quality of the service in which dissatisfaction is directly expressed or is implied

<sup>17</sup> 2016/17 result not audited as part of Annual Report

<sup>18</sup> Complaints defined as: public calls relating to either the condition of the facility or the quality of the service in which dissatisfaction is directly expressed or is implied

<sup>19</sup> 2016/17 result not audited as part of Annual Report

<sup>20</sup> Complaints defined as: public calls relating to either the quality or accuracy of the burial records in which dissatisfaction is directly expressed or is implied

<sup>21</sup> 2016/17 result not audited as part of Annual Report

**Our levels of service and performance measures**

We are not proposing any significant changes to levels of service.

**Table 63: Libraries levels of service and performance measures**

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target				
			2018/19	2019/20	2020/21	2021-28	
Provision of library facilities with sufficient resources and services which provide the necessary support for the communities learning and leisure needs.	% of population who are active <sup>22</sup> library users	68.225	65%	65%	65%	65%	
	The number of walk-in library visitors per annum <sup>23</sup>	Cambridge	113,491	108,000	106,000	103,000	100,000
		Te Awamutu	106,078	100,000	97,000	95,000	92,000
Size of the Library collection compared to the LIANZA standard of 3 items per resident.		2.93	2.95 to 3.05	2.95 to 3.05	2.95 to 3.05	2.95 to 3.05	

**Property Services**

**What we do**

The Property services team manages a portfolio of 159 council, community and commercial locations and 132 pensioner units. The purpose of pensioner housing is to provide affordable and safe accommodation for elderly people and people with physical or mental health needs on limited incomes. In 2017, following consultation with the community, Council sold the Palmer Street pensioner housing units to Habitat for Humanity. Between 2018 and 2021 the proceeds of this sale will be used to help fund the construction of additional pensioner housing in the district.

We own or are responsible for 32 district halls and the Cambridge, Kihikihi and Pirongia town halls which provide a venue for a variety of social, cultural and recreational uses and reflect a strong sense of community for residents. A special rating area has been defined for 18 of the halls to assist funding maintenance and operating costs. We are in the process of conducting earthquake prone buildings assessments in accordance with the Building Act and we are setting aside some additional funding to undertake strengthening work where necessary. In 2020/21, \$500,000 has been budgeted to support a community led development of the Ōhaupō Sport and Recreation Centre, conditional on the remainder of the required funding being secured. Should this community

**Why we do it**



**Community Land & Buildings:** To ensure the provision of land and buildings within the community that supports social and recreational interaction



**Pensioner Housing:** To ensure the provision of suitable housing within the District for elderly of limited financial means.

<sup>22</sup> Active – library card used in past 2 years

<sup>23</sup> Results previously provided as a combined total, now split by site. The individual results have not been audited.





project's progress require it, this funding will be considered for advancement into the 2019/20 financial year via the 2019/20 Annual Plan process. In 2022 we will invest around \$4.2 million in upgrading the Cambridge Town Hall, with \$200,000 budgeted for planning for this hall upgrade in 2018/19.

### *Our levels of service and performance measures*

Within the Property Services Activity we are intending to increase the level of surplus land sales to help generate funds for other Council projects. We will also be increasing building purchases and construction to increase the provision of affordable housing through the appropriate development of existing land. Our performance measures remain unchanged.

**Table 64: Property services levels of service and performance measures**

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
 Council are responsive to community Land and Building related service requests	The median response time (hours) for an urgent <sup>24</sup> service requests relating to land and buildings to be actioned.	1.07	2	2	2	2
	The median response time (days) for a non-urgent <sup>25</sup> service requests relating to land and buildings to be actioned	0.91	2	2	2	2
 Council are responsive to pensioner housing related service requests	The median response time (hours) for an urgent <sup>26</sup> service requests relating to pensioner housing to be actioned	1.75	2	2	2	2
	The median response time (days) for a non-urgent <sup>27</sup> service requests relating to pensioner housing to be actioned	0.11	2	2	2	2

<sup>24</sup> Urgent service requests defined as a health & safety or public safety issue

<sup>25</sup> Non-urgent service requests defined as any other service request other than a health & safety or public safety issue

<sup>26</sup> Urgent service requests defined as a health & safety or public safety issue

<sup>27</sup> Non-urgent service requests defined as any other service request other than a health & safety or public safety issue

## Heritage

### *What we do*

Council is planning a range of projects to provide better access to the district's diverse environmental and cultural heritage sites and to showcase our story and unique place in New Zealand's history. We're providing financial assistance to support the expansion of the Cambridge Museum in year two of the 10-Year Plan and we're providing an annual grant to assist with the maintenance of St Johns and St. Pauls Churches which are Category 1 heritage buildings.

One of the cornerstone projects for this 10-Year Plan is to build a discovery centre integrated into the Te Awamutu hub precinct. This dynamic space would deliver core museum services, function as an i-SITE and include an interactive discovery zone that tells the stories of the settlement and growth of the Waipā District.

The discovery centre will serve as a hub to connect Waipā's important historical sites, natural features, town centres and recreation areas via ongoing development of the cycleway network (described under the Roads and footpaths group). Historical sites that will receive investment include; the Cambridge Museum, Mātakitaki Pa access and restoration, Ngāroto heritage restoration, Lake Rotopiko heritage development, Pukemako heritage restoration. The Land Wars are also a core element of the Waipā identity and a critical part of the development of New Zealand's nationhood. Land Wars site interpretation will take place at Waiari, Paterangi, Rangioawhia, Hairini and Ōrākau.

By showcasing our heritage offering, Waipā can also leverage trends in regional and national tourism, enticing visitors to extend their stay in combination with other key regional attractions like Hobbiton and Waitomo Caves to help to grow the local and regional economy. A key element to this is developing a "Waipā Journeys" heritage interpretation project and mobile app to tell our story in a modern and engaging way.

\$12.1 million will be spent on the design and build of the Discovery Centre between 2020 and 2023, and a further \$4.5 million is budgeted for exhibition planning, design and development. Of the \$12.1m, Council is expecting to generate \$5.1 million from external fundraising, with the remaining \$7 million funded by loans.

### *Our levels of service and performance measures*

The focus within the Heritage Service is the development of the hub and spoke model, connecting the planned Discovery Centre in Te Awamutu with historically significant sites. The Discovery Centre will act as a gateway to wider tourism offerings as well as being a visitor experience in its own right. Selected 'showcase' heritage sites will have increased LOS with enhanced: interpretive signage, electronic interpretation, interpretive structures and site restoration. The performance measures have been amended to better reflect the planned changes to the levels of service delivered for this activity.

### *Why we do it*



To ensure the support of the identification, celebration, protection, and promotion of Waipā District's heritage which enriches the lives of current and future generations of locals and visitors.

Table 65: Heritage levels of service and performance measures

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target				
			2018/19	2019/20	2020/21	2021-28	
The District's community and visitors are provided with appropriate opportunities to experience the District's heritage through interpretation, education and conservation delivered directly by Council and through partnerships.	The percentage of visitors surveyed who were satisfied with their Heritage Facility visit. <sup>28</sup>	82%	85%	85%	85%	85% - 95% <sup>29</sup>	
	Number of annual visitors to key Heritage sites	Te Awamutu Museum <sup>30</sup>	8,168	7,800	7,900	8,000	8200-16,000 <sup>31</sup>
		Pirongia Visitor Centre	3,183 <sup>32</sup>	3,500	3,700	3,900	4,100
		Cambridge Museum	4,723 <sup>33</sup>	5200	5450	5750	6000
		Lake Ngāroto	New measure	39,500	41,400	43,500	45,700
The number of school student experiencing Heritage based educated through the LEOTC <sup>34</sup> programme	4,607	4,400	4,400	4,400	4,400		

## Swimming Pools

### What we do

Council's pool facilities in Te Awamutu and Cambridge are managed by the Waipa Community Facilities Trust (WCFT). In May 2017 we asked the community for further input on redeveloping the public pool in Cambridge to ensure the complex meets their expectations and caters to the town's significant growth. As a result we've been working on fundraising and \$15 million dollars is to be invested in the Cambridge town pool development and associated playground between 2018 and 2020.

### Our levels of service and performance measures;

We are not proposing any significant changes to levels of service.

### Why we do it



To ensure the provision of appropriate Public Swimming Pools which provide for, and support opportunities for the community's health and recreation needs to be met.

<sup>28</sup> As identified through the Museum's survey questionnaire

<sup>29</sup> Increase anticipated from 2024-25 following completion of the proposed Heritage Centre

<sup>30</sup> Excludes school students visiting the museum as part of the LEOTC programme

<sup>31</sup> Significant increase anticipated from 2024-25 following completion of the proposed Heritage Centre

<sup>32</sup> 2016/17 result not audited as part of Annual Report

<sup>33</sup> 2016/17 result not audited as part of Annual Report

<sup>34</sup> Learning Experience Outside the Classroom

Table 66: Swimming pools levels of service and performance measures

What You Can Expect From Us	How we measure success		Result for 2016/17	Performance Target			
				2018/19	2019/20	2020/21	2021-28
Safe and pleasant aquatic facilities are provided which offer a variety of casual and programmed activities which cater for the needs of the community.	The percentage of users satisfied with swimming pool services (via survey mechanism).	Te Awamutu	83%	80%	80%	80%	80%
		Cambridge	74%	-	80%	80%	80%
	The number of admissions per annum. <sup>35</sup>	Te Awamutu	131,286	120,000	130,000	135,000	140,000
		Cambridge	28,369	0 <sup>36</sup>	60,000	130,000	150,000
	The percentage of compliance with water quality standards. (no. of tests compliant)	Te Awamutu	98%	85%	85%	85%	85%
		Cambridge	100%	-	85%	85%	85%

### Waste Management and Minimisation

#### What we do

Waipā District does not operate the districts rubbish collection but we provide a convenient recycling service to all urban ratepayers and most rural ratepayers to divert waste from landfill. We have a Solid Waste Bylaw that controls how waste collection should be managed within the district and we service an extensive number of public litter bins.

#### Why we do it



To ensure the District’s waste is managed in an appropriate way that minimises waste to landfill and maximises sustainability.

Annually we receive around \$135,000 from the national waste levy to promote waste minimisation in the district. In 2017 we adopted the Waste Management and Minimisation Plan which will focus on moving away from a ‘disposable’ economy, improving data collection, working with neighbouring councils and building community capacity for partnerships and resource recovery. Support is provided to groups and organisations through the Community Waste Minimisation fund and several education providers are funded to deliver waste minimisation education in schools.

There is no significant variation between the Waste Management and Minimisation Plan 2017-23 and the 10-Year Plan 2018-28.

#### Our levels of service and performance measures

We are not proposing any significant changes to levels of service. The performance measures have been amended to better reflect the services delivered for this activity.

<sup>35</sup> Results previously provided as a combined total, now split by site

<sup>36</sup> Cambridge Pool will be closed for all of 18/19 and a portion of 19/20 due to the upgrade therefore the targets have been set to reflect this.

Table 67: Waste management and minimisation levels of service and performance measures

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
Provision of an effective waste minimisation education programme	Annual average quantity (kg) of recycled material per household <sup>37</sup>	185 <sup>38</sup>	192	200	208	Reducing to 190 by 2028
Provision of a reliable kerbside recycling service	Number of justified <sup>39</sup> complaints received about kerbside recycling collection services	52	<144	<144	<144	<144 per year

<sup>37</sup> Household defined as: a property rated for recycling

<sup>38</sup> 2016/17 result not audited as part of Annual Report

<sup>39</sup> Justified is defined as: a missed collection of recycling due to a contractor error

Financials

Table 68: Community services and facilities statement of cost of service

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>REVENUE</b>											
Fees and Charges:											
Mighty River Domain	682	760	706	777	734	785	741	788	744	791	748
District Museums	97	96	98	100	103	105	107	110	112	115	118
District Libraries	236	191	196	201	206	212	218	224	230	237	244
District Pools	-	182	422	511	523	535	549	562	577	592	609
Cemeteries	188	188	192	196	200	204	209	214	219	224	230
Properties	821	836	778	738	760	771	789	802	816	829	850
Pensioner Housing & Own your Own Housing	980	1,030	1,093	1,309	1,416	1,459	1,504	1,542	1,573	1,713	1,749
Forestry	-	-	-	2,498	-	2	-	-	-	-	-
Rural Fire/Civil Defence	97	159	162	165	169	172	176	181	185	189	194
Waste Management	159	205	212	220	211	209	209	212	217	222	227
<b>TOTAL REVENUE</b>	<b>3,260</b>	<b>3,647</b>	<b>3,859</b>	<b>6,715</b>	<b>4,322</b>	<b>4,454</b>	<b>4,502</b>	<b>4,635</b>	<b>4,673</b>	<b>4,912</b>	<b>4,969</b>
<b>OPERATING EXPENDITURE</b>											
Parks and Reserves	4,991	6,805	7,113	7,106	7,409	7,886	8,202	8,621	8,830	9,111	9,345
Mighty River Domain	1,138	1,590	1,590	1,625	1,659	1,698	1,755	1,792	1,803	1,853	1,880
District Museums	991	1,144	1,913	1,604	2,157	2,631	2,450	2,447	2,478	2,500	2,007
District Libraries	1,885	1,972	2,044	2,100	2,163	2,236	2,351	2,409	2,465	2,523	2,589
District Pools	1,847	2,147	4,147	4,660	4,839	5,005	5,125	5,207	5,321	5,412	5,418
Heritage	508	534	541	564	594	703	735	746	738	750	790
Cemeteries	313	352	357	359	362	371	382	391	403	412	423
Public Toilets	510	645	634	651	634	780	724	780	656	684	695
Properties	844	3,680	3,207	3,399	2,729	3,188	3,465	3,735	3,700	3,732	3,766
Pensioner Housing & Own your Own Housing	1,526	1,255	1,412	1,615	1,850	1,917	2,036	2,070	2,044	2,083	2,097
Forestry	93	106	179	2,518	85	84	93	104	109	114	126
Civil Defence	174	299	310	318	328	339	353	361	371	379	393
Waste Management	1,546	1,352	1,335	2,016	1,768	1,730	1,687	1,689	1,726	1,760	1,799
National Cycle Centre of Excellence	27	30	31	31	36	39	41	39	35	31	29
<b>TOTAL EXPENDITURE</b>	<b>16,393</b>	<b>21,911</b>	<b>24,813</b>	<b>28,566</b>	<b>26,613</b>	<b>28,607</b>	<b>29,399</b>	<b>30,391</b>	<b>30,679</b>	<b>31,344</b>	<b>31,357</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(13,133)</b>	<b>(18,264)</b>	<b>(20,954)</b>	<b>(21,851)</b>	<b>(22,291)</b>	<b>(24,153)</b>	<b>(24,897)</b>	<b>(25,756)</b>	<b>(26,006)</b>	<b>(26,432)</b>	<b>(26,388)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>											
Capital Expenditure (excluding Vested)	15,152	23,412	11,769	12,812	17,005	4,621	7,420	3,726	2,760	2,257	8,288
Debt Repayment (Internal)	1,174	538	931	1,314	852	966	994	1,125	1,302	1,495	1,604
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>16,326</b>	<b>23,950</b>	<b>12,700</b>	<b>14,126</b>	<b>17,857</b>	<b>5,587</b>	<b>8,414</b>	<b>4,851</b>	<b>4,062</b>	<b>3,752</b>	<b>9,892</b>

\*Funding for the Ōhaupō Sports and Recreation Centre (\$500,000 in 2020/21, under 'Properties') will be funded earlier should project progress require this.

Table 69: Community services and facilities capital expenditure

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>											
Buffer Reserve Land Purchase	105	-	-	-	-	-	-	-	-	-	-
Reserve Purchases - Developments	150	150	153	156	159	163	167	171	175	179	183
Playground Reserve Land Cambridge North	420	431	-	-	-	-	-	-	-	-	-
Playground on Neighbourhood Reserve Cambridge North	-	57	59	60	-	-	-	-	-	-	-
Cambridge Growth Cells Reserves (C1, C2 and C3)	-	-	1,000	-	3,189	-	-	-	-	-	-
Cambridge Growth Cells Playgrounds (C2 and C3)	-	-	-	-	-	272	-	-	-	-	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>675</b>	<b>638</b>	<b>1,212</b>	<b>216</b>	<b>3,348</b>	<b>435</b>	<b>167</b>	<b>171</b>	<b>175</b>	<b>179</b>	<b>183</b>
<b>To Improve Level of Service</b>											
Cambridge Town Pool Development	7,613	12,904	2,000	-	-	-	-	-	-	-	-
Cambridge Pool Playground	-	-	15	83	-	-	-	-	-	-	-
Cambridge Town Hall Upgrades	37	200	-	-	-	1,955	2,222	-	-	-	-
Destination Playgrounds	-	305	138	45	664	-	-	-	-	-	-
Reserve Developments	134	253	369	417	394	277	167	92	36	632	37
Castleton Park - Sports Fields	149	-	-	-	1,595	-	-	-	-	-	-
Cambridge Town Belt Development	-	50	-	47	21	141	-	-	-	-	-
Waipuke Park Development	-	100	122	88	53	163	111	114	-	-	-
Karapiro Domain Improvements	-	190	41	94	-	54	-	-	-	-	-
Discretionary Community Facility Projects	53	-	-	-	-	-	-	-	-	-	-
Cycling / Pedestrian Interface with Reserves	-	-	-	-	56	-	-	-	-	-	-
Lake Ngारoto - Heritage Restoration	168	261	117	437	207	-	-	-	128	18	-
Kakepuku - Interpretation & Restoration	-	5	2	16	-	-	-	6	-	-	6
Lake Rotopiko Heritage Development	-	-	5	36	48	22	-	-	372	60	-
Peat Lake Programme	-	5	5	5	-	-	6	6	6	-	-
Lake Mangakaware - Restoration & Development	79	-	26	-	-	-	-	-	-	-	-
Matakitaki Access & Restoration	33	-	-	-	-	16	27	-	87	-	-
Rata-Tu Reserve Implementation of Management Plan	63	-	-	-	-	-	-	-	-	-	-
Waiari Pa - Access & Restoration Planning	-	5	-	-	37	-	-	-	-	-	-
Pukemako A & B - Planning & Restoration	-	15	17	-	-	16	91	14	-	-	-
Land Wars - Site Interpretation & Facilities	-	12	117	31	-	-	-	-	-	-	-
Flour Mill Sites - Access & Interpretation	-	15	15	16	-	-	-	-	-	-	-
Mt Pirongia - collaboration with DOC	-	45	-	26	-	-	-	-	-	-	-
Land Acquisition - Structure Plan areas Karapiro Gully etc.	-	250	255	260	266	-	-	-	-	-	-
Land Acquisition - Esplanade Reserves	-	100	102	104	106	109	111	114	116	119	122
Taylor/Vogel Street Development - Property	1,194	-	-	-	-	-	-	-	-	-	-
Addison Street Development - Property	909	-	-	-	-	-	-	-	-	-	-
Colgan Street Development - Property	-	650	-	-	-	-	-	-	-	-	-
Te Rahu Road Development - Property	-	-	265	-	-	-	-	-	-	-	-

Table 70: Community services and facilities capital expenditure continued

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Karapiro Minor Assets (Don Rowlands Centre)	16	-	-	-	-	-	-	-	-	-	-
Cycling - Te Awamutu/Ngaroto/Pirongia Connection	-	917	-	1,101	1,125	-	-	-	-	-	-
Children's Playground - Mighty River Domain	42	-	-	-	-	-	-	-	-	-	-
Public Conveniences - New Toilet Blocks	53	134	414	84	-	145	-	-	93	-	-
Purchase of Own Your Own Units	200	-	-	-	-	-	-	-	-	-	-
Renew Pensioner Housing - Palmer Street	1,800	-	-	-	-	-	-	-	-	-	-
Pensioner Housing - Upgrades and New Buildings	314	2,940	2,755	2,124	-	-	-	-	-	-	-
Purchase of land for Te Awamutu Western Arterial	300	300	-	-	532	-	554	-	582	-	612
Storage Facilities for Climax Engine	-	100	408	-	-	-	-	-	-	-	-
Purchase of Land for Te Awamutu Hub Development	-	400	-	625	638	-	-	-	-	-	-
Design and Built Discovery Centre	-	560	1,489	4,326	5,740	-	-	-	-	-	-
Discovery Centre - Exhibition Planning, Design, Development & Install	-	200	524	785	675	-	-	-	-	-	-
Te Awamutu Community Hub - External Social Space between Library	-	-	-	-	-	-	1,778	1,819	-	-	-
Heritage Showcase Sites	-	-	249	520	389	-	-	-	-	-	-
Te Awamutu Community Hub Precinct	430	25	10	-	11	11	144	-	-	-	-
Selwyn Park Events Space	-	-	-	-	16	-	-	114	-	-	-
Erosion Control and Amenity Enhancement	-	120	-	125	-	130	-	136	-	143	-
Construction of New Cambridge Library	-	-	-	-	-	-	-	-	-	-	6,115
Te Awa - Gaslight - Linkage & Development	-	-	-	-	-	22	889	-	-	-	-
Library RFID Technology	-	-	-	-	-	109	4	4	4	4	4
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>13,587</b>	<b>21,061</b>	<b>9,460</b>	<b>11,395</b>	<b>12,573</b>	<b>3,170</b>	<b>6,104</b>	<b>2,419</b>	<b>1,424</b>	<b>976</b>	<b>6,896</b>
<b>To Replace Existing Assets</b>											
Parks Renewals	115	90	92	94	96	98	100	102	105	107	110
Playground Equipment & Safety Surfaces Renewal	48	57	58	59	61	62	63	65	66	68	70
Parks Structure Renewals	132	57	58	59	61	62	63	65	66	68	70
Karapiro / Arapuni Lakes Programme	176	-	-	21	43	-	-	-	-	-	-
Plant Replacement - Mighty River Domain	14	12	36	52	16	14	22	40	41	14	16
Library Books	342	347	354	362	369	377	386	394	404	414	425
District Pools - Asset Renewals	-	724	154	126	98	56	160	108	84	50	127
Pensioner Housing Renewals	-	300	306	312	319	326	333	340	349	358	367
Carpark Renewals	63	126	39	116	21	21	22	22	46	23	24
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>890</b>	<b>1,713</b>	<b>1,097</b>	<b>1,201</b>	<b>1,084</b>	<b>1,016</b>	<b>1,149</b>	<b>1,136</b>	<b>1,161</b>	<b>1,102</b>	<b>1,209</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>15,152</b>	<b>23,412</b>	<b>11,769</b>	<b>12,812</b>	<b>17,005</b>	<b>4,621</b>	<b>7,420</b>	<b>3,726</b>	<b>2,760</b>	<b>2,257</b>	<b>8,288</b>



Table 71: Community services and facilities capital expenditure funding impact statement

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	9,845	12,393	14,144	15,027	16,013	17,794	18,017	18,851	19,155	19,594	19,662
Targeted rates	4,654	4,790	5,360	5,405	5,574	5,755	5,986	5,994	6,086	6,109	6,155
Subsidies and grants for operating purposes	11	11	11	11	11	12	12	12	12	13	13
Fees and charges	3,247	3,505	3,760	6,614	4,222	4,346	4,387	4,515	4,557	4,798	4,861
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>17,757</b>	<b>20,699</b>	<b>23,275</b>	<b>27,057</b>	<b>25,820</b>	<b>27,907</b>	<b>28,402</b>	<b>29,372</b>	<b>29,810</b>	<b>30,514</b>	<b>30,691</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	12,855	15,380	17,128	19,910	17,769	18,539	18,382	18,820	19,226	19,857	19,774
Finance costs	280	674	1,328	1,531	2,194	2,910	3,306	3,643	3,408	3,099	3,074
Internal charges and overheads applied	2,277	2,779	3,013	3,165	3,213	3,283	3,372	3,424	3,494	3,617	3,684
Other operating funding applications	297	360	326	408	469	446	434	444	454	465	477
<b>Total applications of operating funding (B)</b>	<b>15,709</b>	<b>19,193</b>	<b>21,795</b>	<b>25,014</b>	<b>23,645</b>	<b>25,178</b>	<b>25,494</b>	<b>26,331</b>	<b>26,582</b>	<b>27,038</b>	<b>27,009</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2,048</b>	<b>1,506</b>	<b>1,480</b>	<b>2,043</b>	<b>2,175</b>	<b>2,729</b>	<b>2,908</b>	<b>3,041</b>	<b>3,228</b>	<b>3,476</b>	<b>3,682</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	2,199	2,040	449	2,540	2,551	-	-	-	-	-	-
Development and financial contributions	307	544	504	649	749	709	747	659	682	683	662
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,506</b>	<b>2,584</b>	<b>953</b>	<b>3,189</b>	<b>3,300</b>	<b>709</b>	<b>747</b>	<b>659</b>	<b>682</b>	<b>683</b>	<b>662</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	675	638	1,212	216	3,348	435	167	171	175	179	183
- to improve the level of service	13,587	21,061	9,460	11,395	12,573	3,170	6,104	2,419	1,424	976	6,896
- to replace existing assets	890	1,713	1,097	1,201	1,084	1,016	1,149	1,136	1,161	1,102	1,209
Increase (decrease) in reserves	(10,598)	(19,322)	(9,336)	(7,580)	(11,530)	(1,183)	(3,765)	(26)	1,150	1,902	(3,944)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>4,554</b>	<b>4,090</b>	<b>2,433</b>	<b>5,232</b>	<b>5,475</b>	<b>3,438</b>	<b>3,655</b>	<b>3,700</b>	<b>3,910</b>	<b>4,159</b>	<b>4,344</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2,048)</b>	<b>(1,506)</b>	<b>(1,480)</b>	<b>(2,043)</b>	<b>(2,175)</b>	<b>(2,729)</b>	<b>(2,908)</b>	<b>(3,041)</b>	<b>(3,228)</b>	<b>(3,476)</b>	<b>(3,682)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ROADS AND FOOTPATHS

The Roads and footpaths group is the primary service provider for the provision of the local transport network.

### Why we do it



To ensure the ongoing provision of an adequate local transport network which supports the transportation of people, goods, and services as an integral part of everyday community activity.

Our Roads and footpaths group oversees a range of the district’s core infrastructure assets and services including;

### Roads & Structures

The Waipā district road network covers 1098km of sealed and unsealed roads, 227 bridges (including stock underpasses) and structures such as retaining walls and bus shelters. Increases in the network length generally come from the development of new roads in subdivisions. The NZ Transport Agency is responsible for the State Highway network.

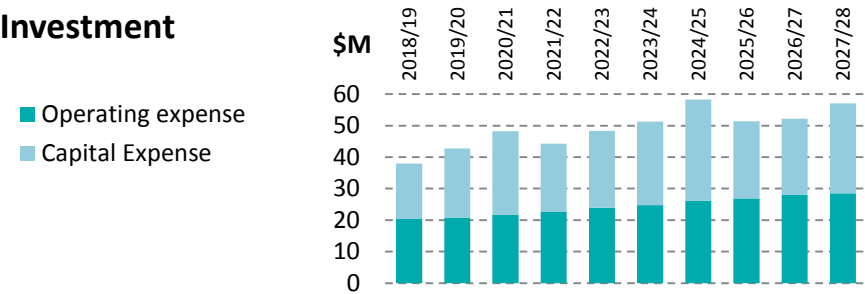
In addition to our maintenance and renewal programs, traffic growth is a major factor in our planning. We are spending \$500,000 annually to seal gravel roads and as seal extension work is completed there will be future demand for resealing these roads.

Road safety is a key driver in shaping our programme of works, including implementation of speed management, intersection improvements and addressing deficiencies in the network. We provide road safety education within Waipā and also contribute financially towards regional community road safety projects.

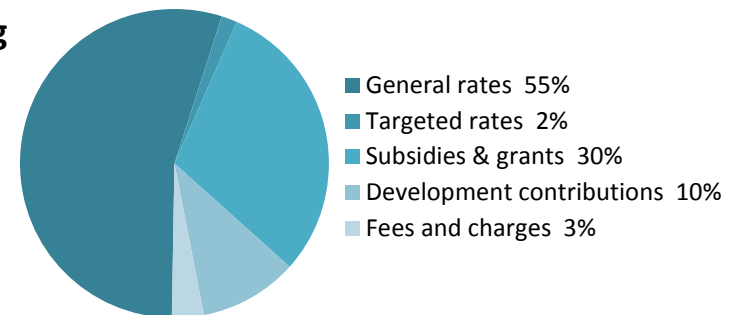
The council has planned and set aside funds for the construction of roading (alongside wastewater, stormwater and water) in the current Hautapu growth

area and there is some capacity to also service deferred growth cells. The Council is aware of the need to create further opportunities for industrial growth in the Hautapu area, which will be developer lead. Any new development of deferred growth cells will require structure planning including identifying infrastructure services. Council will work closely with these developers and in the case of roading with NZTA on funding solutions

### Investment



### Funding



## Footpaths & Cycleways

We manage 256km of surfaced footpaths; these are usually provided on both sides of the road in high use urban areas, and on one side only in lower use areas.

In the coming ten years, the ongoing development of our walking and cycleway network will provide alternatives to vehicle use. Additionally, we are investing in a rural scenic linkage between Te Awamutu, Ngāroto and Pirongia and the completion of the Te Awa Waikato River cycleway toward Hamilton.

## Signage & Traffic Facilities

Signs range from information signs identifying street names and public facilities to permanent warning signs and regulatory signs that are legally required. Guardrails are provided to stop vehicles leaving the road and sight rails provide identification of hazards.

## Street Lighting

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 provided in amenity areas like car parks, reserves and under verandas in the central business districts.

## Amenity

The Roads and footpaths group's projects include developing and maintaining town and village centres, entrances and verges. The presentation of these areas contribute to an attractive living and commercial environment for the district. We're increasing the focus on these amenities in this 10-Year plan with particular emphasis on the streets surrounding the Te Awamutu hub and the Cambridge town centre which has been affected by the opening of the bypass.

We manage a large number of car parks in the central business district areas, sporting facilities, reserves and community areas. In 2018, following extensive public and business engagement, Council will develop a parking strategy and management plan for Cambridge and Te Awamutu. The car parks will be maintained, reconstructed and resurfaced as necessary during the period of the plan.

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

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

In response to these plans and strategies, we have developed the Waipā Integrated Transport Strategy. It provides the local strategic framework for effective and sustainable Roads and footpaths planning and network management. In addition, the Waikato Mayoral Forum established a strategic accord to work together to identify improvements and best practice (RATA).

The key strategic issues influencing our Roads and footpaths investment this 10-Year Plan are;

**Accommodating growth** – this will require approximately \$25M worth of upgrades to existing roading assets over 10 years. Properly planned infrastructure will prevent congestion and crashes at intersections and we will maintain the high quality urban environment. This is a key issue identified in item 4.2.4 of our Infrastructure Strategy.

**Managing road user risks** - Some parts of our network expose users to risks of death or serious injury. We want to reduce this high social and economic cost and influence user behaviour to reduce the risk. This is a key issue identified in item 4.1.2 of our Infrastructure Strategy.

**Integration of State Highway changes and increasing freight** - Completion of the Waikato expressway by 2020 has potential to alter current travel patterns. The changes can be positive in terms of connectivity to the expressway and induced economic growth, but there is also a financial cost for Waipā to fund depreciation and operation of new local roads. This is a key issue identified in item 4.5.1 of our Infrastructure Strategy.

**Network resilience** - Damage to Waipā's bridges could significantly disrupt access, water supplies and communications for the whole community, industries and freight. Understanding bridge resilience and providing a reasonable level of security is an important challenge. This is a key issue identified in item 4.4.2 of our Infrastructure Strategy.

**Accommodating urban intensification and an aging population** - By 2041, 70% of Waipā's residents will live in urban areas and 33% of the population may be over 65. Reduced car ownership and an aging population will see more demand for other modes of transport. We will see greater demand for good footpaths, street lighting, cycleways, and road crossings, and the removal of barriers presented by steps and steep path grades. We are already seeing a demand for better local public transport services.

### How the Roads and footpaths group of activities helps deliver our community outcomes

#### Economically progressive

- ✓ *Our services are acknowledged as excellent value for money*



#### Environmental & cultural champions

- ✓ *We are recognised as an environmental and cultural leader*



#### Socially responsible

- ✓ *Waipā offers an excellent quality of life*



**CBD parking demand is increasing** - Economic growth has seen greater demand for parking in Te Awamutu and Cambridge CBDs, leading to increasing calls for time limit enforcement and greater parking provision. Addressing this challenge will ensure growth is not blocked, parking investment is effective and our communities remain satisfied with service provision.

**Building and retaining Roads and footpaths management expertise** - Our challenge is to build and maintain the right skills and resource level to deliver transport services and growth aspirations of the district.

**Choosing optimal levels of service** - Performance measures and customer satisfaction surveys suggest that Waipā's transport infrastructure is providing a very good level of service. The challenge is to understand whether levels of service are about right or whether we are over delivering and hence spending too much on some services. Good information about the condition and performance of our assets will allow us to make decisions to ensure investment levels are optimal.

## Potential negative effects

Table 72: Roads and footpaths potential negative effects

Risk	How we are addressing this
Poorly planned transport networks can result in congestion, wasting time and money for users, noise pollution, air pollution and visual disturbance.	We have prepared a transport strategy to ensure transport infrastructure and land use planning are tightly integrated. We will use the Waikato Regional Roads and footpaths Model to assist in optimising the efficiency of the network.
Increase in traffic crashes.	We have a road safety education programme, we monitor road safety performance and we make safety improvements to the roading network.
Road construction can cause erosion, damage to flora and fauna, noise, pollution, and 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. We involve Mana Whenua in planning for roads so cultural impacts are understood and mitigated appropriately.
Run off from road surfaces may contain pollutants.	This is managed in sensitive urban environments through the design and operation of our stormwater system.

## Our levels of service and performance measures

Our Transport Activity Management Plan details changes to our levels of services, including;

- Footpaths and Cycleways; Residents wish to see more footpaths particularly in the smaller villages where there are still streets with no footpaths. Mobility device users and disabled users wish to see better crossing points and wider footpaths.
- Sealed Network; Residents and Councillors wish to continue sealing metal roads.
- Township Amenity; Improving amenity values in the road corridor through paving, landscaping, higher maintenance LOS in both town centres and at town entrances.
- Street Lighting; Efficiency and illumination levels are being improved through the LED replacement programme and additional lights at high user/ conflict areas to improve road safety.
- Pavement Renewal; Historic efforts have provided a network in better condition than peer districts and the national average. There is opportunity to reduce renewal work while still maintaining adequate LOS.

We have introduced new performance measures covering the number of public transport users and the length of cycleways built.

Table 73: Roads and footpaths levels of service and performance measures

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target				
			2018/19	2019/20	2020/21	2021-28	
Roads are designed and managed to reduce the risk of harm to users	Number of deaths and serious injuries on Waipā local roads per annum (five year average).	18.2	< Prior Year Result	< Prior Year Result	< Prior Year Result	< Prior Year Result	
	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. [M]	-3	Decrease	Decrease	Decrease	Decrease	
The existing network is well maintained	The percentage of the sealed local road network that is resurfaced. <sup>40</sup> [M]	94.6%	75%-120%	75%-120%	75%-120%	75%-120%	
	The percentage of footpaths whose condition meets the desired minimum standard for condition. <sup>41</sup> [M]	98.56	>90%	>90%	>90%	>95%	
	The percentage of vehicle kilometres travelled on smooth sealed local roads. <sup>42</sup> [M]	89% <sup>43</sup>	88.5%	88.0%	87.5%	87.0%	
We are responsive to roading issues raised by the community	The % of customer service requests relating to roads & footpaths within the time frame specified in the long term plan. <sup>44</sup> [M]	94.78%	90%	90%	90%	90%	
Alternative transport options are available and promoted	% (by length) of urban roads <sup>45</sup> which have a footpath on at least one side		New measure	88.0%	88.5%	89.0%	89.5%
	Usage of the ratepayer funded passenger transport services	Bus <sup>46</sup>	116,417 <sup>47</sup>	> Prior Year Result	> Prior Year Result	> Prior Year Result	Usage of ratepayer funded services
		Total Mobility	New measure	-	> Prior Year Result	> Prior Year Result	> Prior Year Result

<sup>40</sup> As compared to the average annual target set in the Asset Management Plan (82.6 centre line km per year)

<sup>41</sup> Full wording of mandatory measure is: The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan). For Council this is based on a five point scale (excellent, good, average, poor and very poor) the percentage will be the length of footpath recorded as average, good or excellent condition grade.

<sup>42</sup> Full wording of mandatory measure is: The average quality of ride on a sealed local road network, measured by smooth travel exposure.

<sup>43</sup> Result not included in Annual Report as reporting on this measure is dependent upon an externally supplied and managed system. An issue with that system has resulted with two results being reported; one being 96% and the other being 90%. DIA have now indicated which report result they would recommend using (the one producing the 90% result). Report has been rerun as condition data collected in June 2017 is now in RAMM, result is now 89%.

<sup>44</sup> Full wording of mandatory measure is: The percentage of customer service requests relating to roads & footpaths to which the territorial authority responds within the time frame specified in the long term plan - 10 Working Days.

<sup>45</sup> Urban roads defined as those with a speed limit of 70 kilometres/hr. or less

<sup>46</sup> Te Awamutu and Cambridge services to Hamilton

<sup>47</sup> 2016/17 result not audited as part of Annual Report

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
	Length of new cycling facilities built annually <sup>48</sup>	New measure	4.15km	4.15km	2.35km	Total 15.05km. Avg 2.15 km per year.

[M] = DIA mandatory measure

<sup>48</sup> Council constructed only excluding vested.

## Financials

Table 74: Roads and footpaths statement of cost of service

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>REVENUE</b>											
Fees, charges and NZTA subsidy	7,658	7,478	8,132	8,768	8,310	9,160	10,299	10,364	8,710	8,918	9,253
Finance Income	-	89	95	96	118	129	141	142	80	71	26
<b>TOTAL REVENUE</b>	<b>7,658</b>	<b>7,567</b>	<b>8,227</b>	<b>8,864</b>	<b>8,428</b>	<b>9,289</b>	<b>10,440</b>	<b>10,506</b>	<b>8,790</b>	<b>8,989</b>	<b>9,279</b>
<b>OPERATING EXPENDITURE</b>											
Depreciation and Amortisation	10,761	9,589	9,800	10,472	10,798	11,540	11,827	12,741	13,078	14,026	14,242
Activity Expenses	8,576	8,664	8,550	8,692	9,071	9,293	9,531	9,857	10,151	10,406	10,774
Internal charges and Overheads	1,484	1,513	1,533	1,531	1,572	1,659	1,622	1,722	1,756	1,802	1,827
Finance Costs	351	884	998	1,062	1,349	1,487	1,713	1,877	1,803	1,597	1,564
<b>TOTAL EXPENDITURE</b>	<b>21,172</b>	<b>20,650</b>	<b>20,881</b>	<b>21,757</b>	<b>22,790</b>	<b>23,979</b>	<b>24,693</b>	<b>26,197</b>	<b>26,788</b>	<b>27,831</b>	<b>28,407</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(13,514)</b>	<b>(13,083)</b>	<b>(12,654)</b>	<b>(12,893)</b>	<b>(14,362)</b>	<b>(14,690)</b>	<b>(14,253)</b>	<b>(15,691)</b>	<b>(17,998)</b>	<b>(18,842)</b>	<b>(19,128)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>											
Capital Expenditure (excluding Vested)	11,308	12,658	15,613	17,752	14,245	16,886	18,705	24,176	15,300	15,422	20,421
Vested Assets	1,464	5,401	5,408	7,714	6,415	6,478	6,795	6,909	6,947	7,282	7,261
Debt Repayment (Internal)	2,100	1,022	1,028	1,003	1,887	1,036	1,388	1,066	2,362	2,354	911
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>14,872</b>	<b>19,081</b>	<b>22,049</b>	<b>26,469</b>	<b>22,547</b>	<b>24,400</b>	<b>26,888</b>	<b>32,151</b>	<b>24,609</b>	<b>25,058</b>	<b>28,593</b>



Table 75: Roads and footpaths capital expenditure

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>											
Cambridge North Capital Projects	100	-	256	1,326	-	-	-	-	-	-	-
Cambridge Growth Cells (C1,C2 and C3) incl Land Purchase	-	-	1,789	1,826	-	-	-	3,501	589	1,876	622
Hautapu Structure Plan and Cycleway	-	800	818	835	2,029	1,975	-	-	-	-	-
St Leger and Kihikihi Road	-	-	256	261	-	-	-	-	271	605	4,192
Picquet Hill Plan Change Roading	-	-	77	496	-	-	-	-	-	-	-
Frontier Road Plan Change	-	-	-	104	459	-	-	-	-	-	-
Urban Upgrades - Development Related	103	50	51	52	53	328	1,624	3,214	3,298	61	62
Village Growth Transportation Programme	-	-	-	-	-	137	-	144	-	151	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>203</b>	<b>850</b>	<b>3,247</b>	<b>4,900</b>	<b>2,541</b>	<b>2,440</b>	<b>1,624</b>	<b>6,859</b>	<b>4,158</b>	<b>2,693</b>	<b>4,876</b>
<b>To Improve Level of Service</b>											
Seal Extensions	628	500	500	500	500	500	500	500	500	500	500
New Footpaths	66	120	123	125	128	55	56	57	59	61	62
Car Park Improvements	54	86	51	52	53	55	56	57	59	61	62
Town Concept Plans and Streetscape Implementation	-	1,405	1,482	543	1,041	629	812	1,808	59	-	62
Passenger Transport Infrastructure	10	-	-	21	-	11	-	11	-	12	-
Street Light Improvements	445	350	358	365	374	383	224	230	236	242	249
Cycle Projects District Wide	1,586	1,470	710	695	53	1,932	1,978	2,027	59	61	62
CBD Accessibility Improvements	153	139	20	230	342	350	358	1,286	1,319	1,355	1,393
Cambridge Bypass Roading Improvements	-	460	1,533	2,443	-	109	918	2,640	130	811	560
Major Improvements	-	100	202	241	430	2,625	3,272	233	-	698	3,385
Bridge Footpath Widening	20	20	-	-	-	-	616	-	-	-	-
Associated Improvements	500	-	-	-	-	-	-	-	-	-	-
Minor Improvements	519	850	885	887	925	930	1,250	1,263	1,315	1,331	1,388
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>3,981</b>	<b>5,500</b>	<b>5,864</b>	<b>6,102</b>	<b>3,846</b>	<b>7,579</b>	<b>10,040</b>	<b>10,112</b>	<b>3,736</b>	<b>5,132</b>	<b>7,723</b>
<b>To Replace Existing Assets</b>											
Footpath Renewals	325	403	426	449	442	429	439	450	462	475	488
Amenity Lighting Renewals	2	-	-	-	-	-	-	-	-	-	-
Car Park Renewals	75	80	36	37	37	38	39	40	41	42	44
Drainage Renewals	390	380	363	371	379	388	398	408	418	430	442
Sealed Road Resurfacing	2,867	2,450	2,606	2,662	2,670	2,735	2,800	2,870	2,945	3,025	3,110
Unsealed Road Metalling	97	60	61	63	64	66	67	69	71	73	75
Bridge Renewals	-	-	-	-	1,335	-	-	-	-	-	-
Pavement Rehabilitation	3,000	2,550	2,606	2,662	2,723	2,790	2,856	2,927	3,004	3,086	3,172
Structures Component Renewal	285	300	307	418	107	328	336	344	353	363	373
Traffic Services Renewals	25	25	26	26	27	27	28	29	29	30	31
Bus Shelter Renewals	8	10	-	10	-	11	-	11	-	12	-
Cycleway Renewals	-	-	20	-	21	-	22	-	24	-	25
Guardrail Renewals	50	50	51	52	53	55	56	57	59	61	62
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>7,124</b>	<b>6,308</b>	<b>6,502</b>	<b>6,750</b>	<b>7,858</b>	<b>6,867</b>	<b>7,041</b>	<b>7,205</b>	<b>7,406</b>	<b>7,597</b>	<b>7,822</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>11,308</b>	<b>12,658</b>	<b>15,613</b>	<b>17,752</b>	<b>14,245</b>	<b>16,886</b>	<b>18,705</b>	<b>24,176</b>	<b>15,300</b>	<b>15,422</b>	<b>20,421</b>

Table 76: Roads and footpaths funding impact statement

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	9,649	10,949	11,748	12,600	13,904	14,367	15,323	16,370	16,295	17,015	17,776
Targeted rates	2,814	1,451	728	374	291	296	278	299	294	304	294
Subsidies and grants for operating purposes	2,859	2,968	2,912	2,929	3,034	3,097	3,172	3,280	3,376	3,443	3,577
Fees and charges	632	688	724	765	810	857	905	962	1,023	1,068	1,123
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>15,954</b>	<b>16,056</b>	<b>16,112</b>	<b>16,668</b>	<b>18,039</b>	<b>18,617</b>	<b>19,678</b>	<b>20,911</b>	<b>20,988</b>	<b>21,830</b>	<b>22,770</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	7,636	7,664	7,528	7,648	8,003	8,199	8,411	8,709	8,973	9,196	9,530
Finance costs	351	884	998	1,062	1,349	1,487	1,713	1,877	1,803	1,597	1,564
Internal charges and overheads applied	1,484	1,513	1,533	1,531	1,572	1,659	1,622	1,722	1,756	1,802	1,827
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>9,471</b>	<b>10,061</b>	<b>10,059</b>	<b>10,241</b>	<b>10,924</b>	<b>11,345</b>	<b>11,746</b>	<b>12,308</b>	<b>12,532</b>	<b>12,595</b>	<b>12,921</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>6,483</b>	<b>5,995</b>	<b>6,053</b>	<b>6,427</b>	<b>7,115</b>	<b>7,272</b>	<b>7,932</b>	<b>8,603</b>	<b>8,456</b>	<b>9,235</b>	<b>9,849</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	4,168	3,822	4,496	5,074	4,467	5,206	6,221	6,121	4,311	4,406	4,553
Development and financial contributions	686	1,207	1,912	2,847	3,287	3,264	3,328	3,036	3,107	2,860	2,822
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>4,854</b>	<b>5,029</b>	<b>6,408</b>	<b>7,921</b>	<b>7,754</b>	<b>8,470</b>	<b>9,549</b>	<b>9,157</b>	<b>7,418</b>	<b>7,266</b>	<b>7,375</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	203	850	3,247	4,900	2,541	2,440	1,624	6,859	4,158	2,693	4,876
- to improve the level of service	3,981	5,500	5,864	6,102	3,846	7,579	10,040	10,112	3,736	5,132	7,723
- to replace existing assets	7,124	6,308	6,502	6,750	7,858	6,867	7,041	7,205	7,406	7,597	7,822
Increase (decrease) in reserves	29	(1,634)	(3,152)	(3,404)	624	(1,144)	(1,224)	(6,416)	574	1,079	(3,197)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>11,337</b>	<b>11,024</b>	<b>12,461</b>	<b>14,348</b>	<b>14,869</b>	<b>15,742</b>	<b>17,481</b>	<b>17,760</b>	<b>15,874</b>	<b>16,501</b>	<b>17,224</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(6,483)</b>	<b>(5,995)</b>	<b>(6,053)</b>	<b>(6,427)</b>	<b>(7,115)</b>	<b>(7,272)</b>	<b>(7,932)</b>	<b>(8,603)</b>	<b>(8,456)</b>	<b>(9,235)</b>	<b>(9,849)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## STORMWATER

We are the primary service provider for managing stormwater in urban areas. Council maintains all of Waipā’s public rural drains.

### Why we do it



To ensure the adverse effects of stormwater run-off and flooding on the community and the environment are minimised.

The stormwater network infrastructure is a core service of Council and is recognised by our Significance and Engagement Policy as a significant activity. The three waters network (stormwater, wastewater and water supply) is one of our strategic priorities.

A sub-regional Three Water’s Strategy has been prepared by the Future Proof partnership to provide an overarching framework for the development and maintenance of our water infrastructure. This strategy has an action plan which is being implemented by the partnership councils.

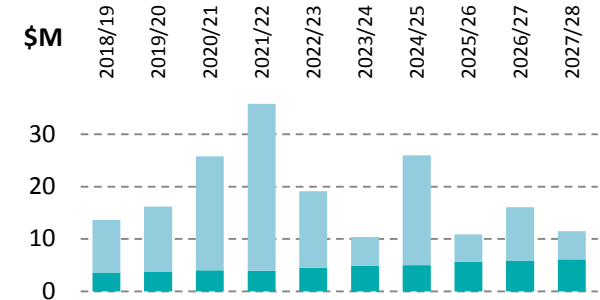
Waipā maintains stormwater assets worth \$98 million and consisting of 158 kilometres of pipes, 2,944 manholes and other related structures such as open drains, streams, swales, soak systems and retention structures. An appropriately managed system will limit the impacts of flooding and ensure that stormwater discharges to waterways are free from contaminants.

Our stormwater assets vary from new to 80 years of age and a renewal programme to maintain the condition of the infrastructure is included in this 10-Year Plan along with a programme to carry out pipe condition and assessments.

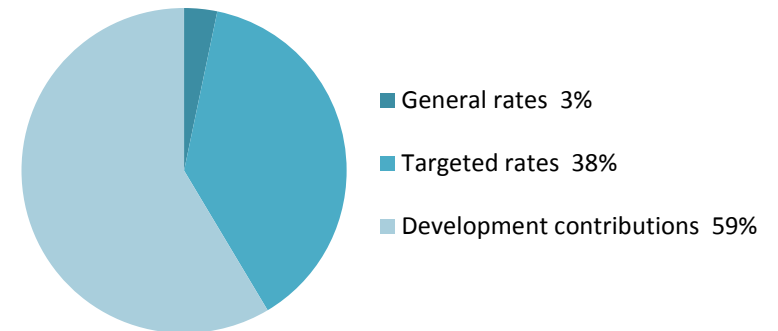
We need to invest significantly in stormwater infrastructure to ensure the development areas planned in the North and East of Cambridge have adequate storage, treatment and discharge. Purchasing the land required and constructing the needed infrastructure will cost more than \$90 million over several years, however this will be primarily funded through development contributions.

### Investment

■ Operating expense  
■ Capital Expense



### Funding



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 construction price increases, new treatment technologies and increases in costs associated with environmental compliance.

The key strategic issues influencing our stormwater investment this 10-Year Plan are;

- **Protecting the health and safety of the community** - This is also a key issue identified in item 4.1.1 of our Infrastructure Strategy.
- **Changing environmental climate** - The increased frequency of intense rainfall events is changing stormwater management conditions. The environmental and economic risks are noted as key issues in item 4.3.3 of the Infrastructure Strategy.
- **Protecting the Natural Environment** - Our older infrastructure will struggle to meet the increasingly stringent legislative requirements to protect the natural environment. Retrospectively mitigating the effects of historical practices (i.e. stormwater being discharged directly into streams and the Waikato River) is difficult due to a lack of land available for treatment.
- **Desired Asset Management Practices** - Our strategic direction for this activity is to reach intermediate asset management practices. In order to achieve this there is a need for improvements in asset data capture, condition assessments and predictive modelling.
- **Future growth and demand** – As detailed in item 4.2.3 of our Infrastructure Strategy, Growth is driving three issues:
  - Fragmented growth requires multiple stormwater treatment devices contributing to increased operations and maintenance costs.

- New infrastructure is now required to enable growth and development activity to continue.
- Recent industry developments in the district have had very different treatment requirements.
- **River Co-Management** - With the introduction of the Te Ture Whaimana o Te Awa o Waikato – Vision and Strategy for the Waikato River and the river acts, there is a requirement for co-management of the River. The stormwater activity currently relies upon the streams and the Waikato River as a disposal mechanism for stormwater.

**How the Stormwater group of activities helps deliver our community outcomes**

**Economically progressive**

- ✓ *Our services are acknowledged as excellent value for money*



**Environmental & cultural champions**

- ✓ *We are recognised as an environmental and cultural leader*



**Socially responsible**

- ✓ *Waipā offers an excellent quality of life*



**Potential negative effects**

**Table 77: Stormwater potential negative effects**

Risk	How we are addressing this
Contaminated stormwater from runoff or spillage could impact on the groundwater and river water	These are managed through network design and resource consents which include regular street sweeping, monitoring storm water quality and investigating the sources of contaminants.

Risk	How we are addressing this
Poor management of the stormwater system and large rainfall events can lead to flooding, which can affect people and property.	To help alleviate this, secondary flow paths are used to reduce the risk of household damage and we have emergency plans in place to respond to flooding.

### Our levels of service and performance measures

We are not proposing any significant changes to levels of service. However maintaining the current LOS is becoming increasingly difficult due to population growth, climate change, an increased number of assets and increasingly restrictive consent conditions.

**Table 78: Stormwater levels of service and performance measures**

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target				
			2018/19	2019/20	2020/21	2021-28	
Provision of a safe and reliable stormwater system which minimises flooding and environmental impact	The number of complaints received about the performance of the stormwater system. <sup>49</sup> [M]	8.0	<10	<10	<10	<10	
	Compliance with the resource consents for discharge from the stormwater system. <sup>50</sup>	Number of Abatement notices [M]	0	0	0	0	0
		Number of Infringement notices [M]	0	0	0	0	0
		Number of Enforcement orders [M]	0	0	0	0	0
		Number of Convictions [M]	0	0	0	0	0
	The number of flooding events in the district. <sup>51</sup> [M]	0	<5	<5	<5	<5	
	For each flooding event, the number of habitable floors affected. <sup>52</sup> [M]	0	<0.09	<0.09	<0.09	<0.09	
The median response time (hours) to attend a flooding event from the time that notification is received. <sup>53</sup> [M]	No Events	2	2	2	2		

[M] = DIA Mandatory measure

<sup>49</sup> Full wording of mandatory measure is: The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority’s stormwater system.

<sup>50</sup> Full wording of mandatory measure is: Compliance with the territorial authority’s resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices; and (b) infringement notices; and (c) enforcement orders; (d) successful prosecutions, received by the territorial authority in relation to those resource consents

<sup>51</sup> Full wording of mandatory measure is: The number of flooding events that occur in a territorial authority district.

<sup>52</sup> Full wording of mandatory measure is: For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the territorial authority’s stormwater system).

<sup>53</sup> Full wording of mandatory measure is: The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

Financials

Table 79: Stormwater statement of cost of service

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>REVENUE</b>											
Finance Income		63	72	77	172	178	269	328	385	444	537
<b>TOTAL REVENUE</b>	-	63	72	77	172	178	269	328	385	444	537
<b>OPERATING EXPENDITURE</b>											
Depreciation and Amortisation	1,159	1,343	1,493	1,603	1,836	2,177	2,389	2,439	2,769	2,815	3,016
Activity Expenses	1,401	1,812	1,807	1,903	1,636	1,798	1,971	2,034	2,305	2,368	2,434
Internal charges and Overheads	383	462	480	489	488	532	567	581	630	640	664
Finance Costs	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	2,943	3,617	3,780	3,995	3,960	4,507	4,927	5,054	5,704	5,823	6,114
<b>OPERATING NET COST OF SERVICE</b>	<b>(2,943)</b>	<b>(3,554)</b>	<b>(3,708)</b>	<b>(3,918)</b>	<b>(3,788)</b>	<b>(4,329)</b>	<b>(4,658)</b>	<b>(4,726)</b>	<b>(5,319)</b>	<b>(5,379)</b>	<b>(5,577)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>											
Capital Expenditure (excluding Vested)	2,095	6,886	9,496	18,420	28,225	10,942	1,468	16,896	1,068	5,973	1,128
Vested Assets	577	2,939	2,946	3,105	3,677	3,711	4,031	4,101	4,123	4,321	4,308
Debt Repayment (Internal)	-	-	-	-	-	-	3,595	-	3,090	-	2,305
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	2,672	9,825	12,442	21,525	31,902	14,653	9,094	20,997	8,281	10,294	7,741

Table 80: Stormwater capital expenditure

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>To Meet Additional Demand</b>											
Cambridge North Residential Stormwater Works	1,781	5,106	4,809	730	5,132	-	-	-	-	-	-
Cambridge Growth Cells (C1, C2 and C3)	-	600	2,945	15,225	19,334	8,852	-	15,855	-	4,876	-
Hautapu Industrial Stormwater	-	220	820	1,678	2,792	1,100	-	-	-	-	-
Cambridge Park Stormwater Provision	-	-	256	-	-	-	-	-	-	-	-
Bond Road Stormwater Culvert	-	300	-	-	-	-	-	-	-	-	-
Kihikihi Stormwater Works	-	-	256	262	-	-	-	-	-	-	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>1,781</b>	<b>6,226</b>	<b>9,086</b>	<b>17,895</b>	<b>27,258</b>	<b>9,952</b>	<b>-</b>	<b>15,855</b>	<b>-</b>	<b>4,876</b>	<b>-</b>
<b>To Improve Level of Service</b>											
Consent, Remedial and Flood Mitigation Work	-	360	-	-	-	-	453	-	-	-	-
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>-</b>	<b>360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>453</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>To Replace Existing Assets</b>											
Renewals	314	300	410	525	967	990	1,015	1,041	1,068	1,097	1,128
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>314</b>	<b>300</b>	<b>410</b>	<b>525</b>	<b>967</b>	<b>990</b>	<b>1,015</b>	<b>1,041</b>	<b>1,068</b>	<b>1,097</b>	<b>1,128</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>2,095</b>	<b>6,886</b>	<b>9,496</b>	<b>18,420</b>	<b>28,225</b>	<b>10,942</b>	<b>1,468</b>	<b>16,896</b>	<b>1,068</b>	<b>5,973</b>	<b>1,128</b>

Table 81: Stormwater funding impact statement

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	185	231	258	282	280	321	352	361	409	417	439
Targeted rates	2,703	3,114	3,236	3,417	3,282	3,777	4,069	4,123	4,660	4,705	4,875
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>2,888</b>	<b>3,345</b>	<b>3,494</b>	<b>3,699</b>	<b>3,562</b>	<b>4,098</b>	<b>4,421</b>	<b>4,484</b>	<b>5,069</b>	<b>5,122</b>	<b>5,314</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,336	1,602	1,592	1,683	1,411	1,567	1,734	1,791	2,056	2,112	2,171
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	383	462	480	489	488	532	567	581	630	640	664
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,719</b>	<b>2,064</b>	<b>2,072</b>	<b>2,172</b>	<b>1,899</b>	<b>2,099</b>	<b>2,301</b>	<b>2,372</b>	<b>2,686</b>	<b>2,752</b>	<b>2,835</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,169</b>	<b>1,281</b>	<b>1,422</b>	<b>1,527</b>	<b>1,663</b>	<b>1,999</b>	<b>2,120</b>	<b>2,112</b>	<b>2,383</b>	<b>2,370</b>	<b>2,479</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,476	4,075	4,105	6,112	7,684	6,676	6,769	6,580	6,522	5,683	5,396
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,476</b>	<b>4,075</b>	<b>4,105</b>	<b>6,112</b>	<b>7,684</b>	<b>6,676</b>	<b>6,769</b>	<b>6,580</b>	<b>6,522</b>	<b>5,683</b>	<b>5,396</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	1,781	6,226	9,086	17,895	27,258	9,952	-	15,855	-	4,876	-
- to improve the level of service	-	360	-	-	-	-	453	-	-	-	-
- to replace existing assets	314	300	410	525	967	990	1,015	1,041	1,068	1,097	1,128
Increase (decrease) in reserves	550	(1,530)	(3,969)	(10,781)	(18,878)	(2,267)	7,421	(8,204)	7,837	2,080	6,747
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,645</b>	<b>5,356</b>	<b>5,527</b>	<b>7,639</b>	<b>9,347</b>	<b>8,675</b>	<b>8,889</b>	<b>8,692</b>	<b>8,905</b>	<b>8,053</b>	<b>7,875</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,169)</b>	<b>(1,281)</b>	<b>(1,422)</b>	<b>(1,527)</b>	<b>(1,663)</b>	<b>(1,999)</b>	<b>(2,120)</b>	<b>(2,112)</b>	<b>(2,383)</b>	<b>(2,370)</b>	<b>(2,479)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## WASTEWATER TREATMENT AND DISPOSAL

We provide a safe, effective and reliable system for managing wastewater in urban areas to maintain public health and protect land and waterways from contamination.

### Why we do it



To ensure the community and the environment are protected from the adverse effects of wastewater.

The wastewater treatment and disposal activity includes the reticulation network for the collection of sewage and trade waste and its treatment and disposal. Wastewater treatment and disposal is a core service of Council and is recognised by our Significance and Engagement Policy. The Infrastructure Strategy outlines the strategic intent of this activity.

Wastewater from toilets, laundries, kitchens, bathrooms and trade waste is collected and managed with Waipā’s wastewater assets worth \$155 million and consisting of 257 kilometres of pipes, 4,529 manholes, 54 pump stations and two 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.

A sub-regional 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 District, Waikato District and Hamilton City councils.

This strategy has an action plan which is being implemented by the partnership councils.

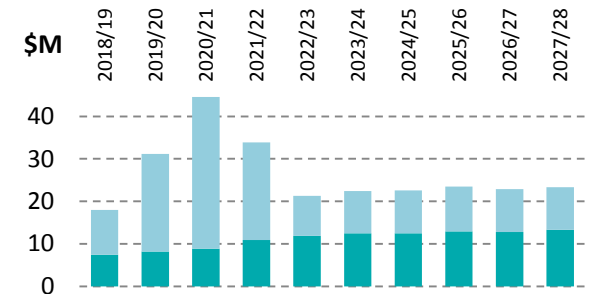
The existing Waikato Regional Council resource consents for the Cambridge wastewater treatment plant expired in 2016. To meet compliance and cater for

growth, the district is investing over \$27 million over the next five years to upgrade the plant.

Waipa District Council has been working with The Department of Corrections to assess options for the wastewater from the expanded Waikeria prison to be channelled to the Te Awamutu wastewater treatment plant. Immediately prior to this plan going to print, the Department announced a reduced scale of expansion for the project. They will still require our treatment plant to process their wastewater. The revised cost for capital spend will be determined through the 2019/20 Annual Plan. While negotiations are yet to be completed regarding the structure of the fees, they will be determined on the basis that Waikeria pays for Waikeria’s wastewater demand, and it will not be subsidised by rate payers.

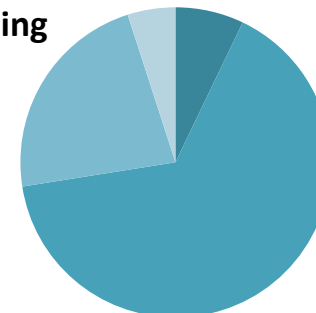
### Investment

■ Operating expense  
■ Capital Expense



### Funding

■ General rates 7%  
■ Targeted rates 65%  
■ Development contributions 5%  
■ Fees and charges 5%



The key strategic issues influencing our wastewater investment this 10-Year Plan are;

- **Protecting the health and safety of community** - Providing appropriate Wastewater treatment and disposal is fundamental to the safe sanitisation of our community. This is also a key issue identified in item 4.1.1 of our Infrastructure Strategy.
- **Changing environmental climate** - If we have asset failures or do not adapt to the predicted effects of climate change, the amount of overflows from our network and treatment plants will increase in both frequency and volume.
- **Protecting the Natural Environment** - Our older infrastructure will struggle to meet these new legislative requirements, with wastewater odour issues being emitted into the air resulting in a negative social impact on our customers.
- **River Co-Management** - With the introduction of the Te Ture Whaimana o Te Awa o Waikato – Vision and Strategy for the Waikato River and the river acts, there is a requirement for co-management of the River. The Waikato River is a significant water body to Iwi, the practice of treated effluent disposal is believed to interrupt the Mauri (life force) of this water.
- **Future growth and demand** – As detailed in item 4.2.2 of our Infrastructure Strategy, Growth is driving three issues:

- Growth is occurring in multiple areas requiring the fragmented use of new infrastructure.
- New infrastructure is now required to enable growth and development activity to continue.
- Recent industry developments in the district have had very different treatment requirements.

- **Desired Asset Management Practices** - Our strategic direction for this activity is to reach intermediate asset management practices. In order to achieve this there is a need for improvements in asset data capture and management, condition assessments and predictive modelling.

**How the Wastewater Treatment and Disposal group of activities helps deliver our community outcomes**

**Economically progressive**

✓ *Our services are acknowledged as excellent value for money*



**Environmental & cultural champions**

✓ *We are recognised as an environmental and cultural leader*



**Potential negative effects**

**Table 82: Wastewater treatment and disposal potential negative effects**

Risk	How we are addressing this
Discharge and overflows from the wastewater network pose health, safety, economic and environmental risks	We aim to minimise this risk by ensuring compliance with discharge consent conditions, and by ensuring compliance with appropriate New Zealand standards and we respond promptly to sewage complaints of odour and sewage spills.

## Our levels of service and performance measures

We are not proposing any significant changes to levels of service. The focus instead will be on maintaining the current LOS as the district population grows and demographics move towards an ageing population. The Cambridge wastewater treatment plant does not comply with the current resource consent however the Regional Council has been fully briefed on the actions the district intends to take to remedy the issues and the proposed timeframes.

**Table 83: Wastewater treatment and disposal levels of service and performance measures**

What You Can Expect From Us	How we measure success		Result for 2016/17	Performance Target			
				2018/19	2019/20	2020/21	2021-28
Provision of a safe and reliable system for the treatment and disposal of wastewater which minimises public health risks and environmental impact	The number of dry weather sewerage overflows. <sup>54</sup> [M]		0.06	<1	<1	<1	<1
	Compliance with consents for discharge from the sewerage system. <sup>55</sup>	Number of Abatement notices [M]	0	0	0	0	0
		Number of Infringement notices [M]	0	0	0	0	0
		Number of Enforcement orders [M]	0	0	0	0	0
		Number of Convictions [M]	0	0	0	0	0
	The median response time for call-outs in response to a sewerage overflow. <sup>56</sup>	The time (hours) from notification for service personnel to reach the site. [M]	0.14	2	2	2	2
		The time (hours) from notification that resolution of a blockage or other fault. [M]	0.65	6	6	6	6
The number of complaints received about any of the following: odour, system faults, blockages, and the response to any of these issues. <sup>57</sup> [M]		5.10	<10	<10	<10	<10	

[M] = DIA Mandatory measure

<sup>54</sup> Full wording of mandatory measure is: The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system.

<sup>55</sup> Full wording of mandatory measure is: Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices, (b) infringement notices, (c) enforcement orders, (d) convictions received by the territorial authority in relation to those resource consents

<sup>56</sup> Full wording of mandatory measure is: Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, (b) Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault

<sup>57</sup> Full wording of mandatory measure is: The total number of complaints received by the territorial authority about any of the following (expressed per 1000 connections to the territorial authority's sewerage system): Sewerage odour, sewerage system faults, sewerage system blockages, territorial authority's response to issues with its sewerage system.

Financials

Table 84: Wastewater treatment and disposal statement of cost of service

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>REVENUE</b>											
Fees and Charges	555	561	575	588	939	961	982	1,007	1,031	1,055	1,083
Finance Income	-	203	253	272	316	292	238	138	52	-	-
Other Receipts	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>555</b>	<b>764</b>	<b>828</b>	<b>860</b>	<b>1,255</b>	<b>1,253</b>	<b>1,220</b>	<b>1,145</b>	<b>1,083</b>	<b>1,055</b>	<b>1,083</b>
<b>OPERATING EXPENDITURE</b>											
Depreciation and Amortisation	2,899	3,013	3,297	3,658	4,070	4,299	4,589	4,642	4,961	5,027	5,353
Activity Expenses	2,694	3,189	3,414	3,405	4,444	4,598	4,762	4,879	5,042	5,215	5,399
Internal charges and Overheads	1,343	1,135	1,214	1,258	1,400	1,493	1,566	1,584	1,626	1,638	1,665
Finance Costs	-	122	299	619	1,008	1,542	1,625	1,435	1,288	1,003	627
<b>TOTAL EXPENDITURE</b>	<b>6,936</b>	<b>7,459</b>	<b>8,224</b>	<b>8,940</b>	<b>10,922</b>	<b>11,932</b>	<b>12,542</b>	<b>12,540</b>	<b>12,917</b>	<b>12,883</b>	<b>13,044</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(6,381)</b>	<b>(6,695)</b>	<b>(7,396)</b>	<b>(8,080)</b>	<b>(9,667)</b>	<b>(10,679)</b>	<b>(11,322)</b>	<b>(11,395)</b>	<b>(11,834)</b>	<b>(11,828)</b>	<b>(11,961)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>											
Capital Expenditure (excluding Vested)	14,512	13,895	30,040	18,223	19,460	5,061	1,793	5,163	2,890	2,378	1,499
Vested Assets	221	2,552	2,557	2,697	3,207	3,249	3,534	3,595	3,612	3,788	3,773
Debt Repayment (Internal)	-	52	116	244	286	1,112	4,564	1,382	4,119	3,993	4,729
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>14,733</b>	<b>16,499</b>	<b>32,713</b>	<b>21,164</b>	<b>22,953</b>	<b>9,422</b>	<b>9,891</b>	<b>10,140</b>	<b>10,621</b>	<b>10,159</b>	<b>10,001</b>

Table 85: Wastewater treatment and disposal capital expenditure

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>To Meet Additional Demand</b>											
Cambridge North Wastewater Provision	-	30	718	-	-	-	-	-	-	-	-
Cambridge Growth Cells (C1, C2 and C3)	-	50	513	950	883	-	-	81	1,191	37	876
Hautapu Industrial Wastewater	-	500	2,673	839	1,989	836	-	-	-	-	-
Cambridge Wastewater Pipe Upgrades	340	-	-	-	-	-	338	2,073	-	-	-
Cambridge Wastewater Treatment Plant Stage 2	-	-	-	449	4,653	-	-	-	-	-	-
Te Awamutu Wastewater Treatment Plant Upgrade	3,718	1,094	10,045	344	-	152	155	159	-	168	-
Te Awamutu Wastewater Pipe Upgrades	-	-	-	-	-	-	-	245	-	-	-
Te Awamutu Growth Provision (T1)	-	80	247	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>4,058</b>	<b>1,754</b>	<b>14,196</b>	<b>2,582</b>	<b>7,525</b>	<b>988</b>	<b>493</b>	<b>2,558</b>	<b>1,191</b>	<b>205</b>	<b>876</b>
<b>To Improve Level of Service</b>											
Waikeria Prison Expansion - WW Connection	750	6,250	12,813	6,556	-	-	-	-	-	-	-
Cambridge Wastewater Treatment Plant Upgrade	200	770	1,261	7,872	10,472	2,367	-	-	-	-	-
Vogel & Alpha Street Odour Control	-	50	51	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>950</b>	<b>7,070</b>	<b>14,125</b>	<b>14,428</b>	<b>10,472</b>	<b>2,367</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>To Replace Existing Assets</b>											
Renewals	802	1,274	1,468	982	1,246	1,258	1,060	2,366	1,347	1,787	260
Cambridge Pipe Bridge	8,400	3,500	-	-	-	-	-	-	-	-	-
Plant and Pumps	302	297	251	231	217	448	240	239	352	386	363
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>9,504</b>	<b>5,071</b>	<b>1,719</b>	<b>1,213</b>	<b>1,463</b>	<b>1,706</b>	<b>1,300</b>	<b>2,605</b>	<b>1,699</b>	<b>2,173</b>	<b>623</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>14,512</b>	<b>13,895</b>	<b>30,040</b>	<b>18,223</b>	<b>19,460</b>	<b>5,061</b>	<b>1,793</b>	<b>5,163</b>	<b>2,890</b>	<b>2,378</b>	<b>1,499</b>

Table 86: Wastewater treatment and disposal funding impact statement

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	560	542	640	720	892	977	1,028	1,027	1,058	1,054	1,066
Targeted rates	6,280	6,553	6,785	7,040	7,346	7,693	8,272	8,636	9,432	10,282	10,553
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	555	561	575	588	939	961	982	1,007	1,031	1,055	1,083
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>7,395</b>	<b>7,656</b>	<b>8,000</b>	<b>8,348</b>	<b>9,177</b>	<b>9,631</b>	<b>10,282</b>	<b>10,670</b>	<b>11,521</b>	<b>12,391</b>	<b>12,702</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,594	2,789	3,004	2,985	4,015	4,158	4,310	4,417	4,567	4,728	4,898
Finance costs	-	122	299	619	1,008	1,542	1,625	1,435	1,288	1,003	627
Internal charges and overheads applied	1,343	1,135	1,214	1,258	1,400	1,493	1,566	1,584	1,626	1,638	1,665
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,937</b>	<b>4,046</b>	<b>4,517</b>	<b>4,862</b>	<b>6,423</b>	<b>7,193</b>	<b>7,501</b>	<b>7,436</b>	<b>7,481</b>	<b>7,369</b>	<b>7,190</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3,458</b>	<b>3,610</b>	<b>3,483</b>	<b>3,486</b>	<b>2,754</b>	<b>2,438</b>	<b>2,781</b>	<b>3,234</b>	<b>4,040</b>	<b>5,022</b>	<b>5,512</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	750	4,750	9,738	4,983	-	-	-	-	-	-	-
Development and financial contributions	1,079	1,964	2,798	3,120	3,130	2,980	2,951	2,974	2,989	3,043	2,459
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,829</b>	<b>6,714</b>	<b>12,536</b>	<b>8,103</b>	<b>3,130</b>	<b>2,980</b>	<b>2,951</b>	<b>2,974</b>	<b>2,989</b>	<b>3,043</b>	<b>2,459</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	4,058	1,754	14,196	2,582	7,525	988	493	2,558	1,191	205	876
- to improve the level of service	950	7,070	14,125	14,428	10,472	2,367	-	-	-	-	-
- to replace existing assets	9,504	5,071	1,719	1,213	1,463	1,706	1,300	2,605	1,699	2,173	623
Increase (decrease) in reserves	(9,225)	(3,571)	(14,021)	(6,634)	(13,576)	357	3,939	1,045	4,139	5,687	6,472
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>5,287</b>	<b>10,324</b>	<b>16,019</b>	<b>11,589</b>	<b>5,884</b>	<b>5,418</b>	<b>5,732</b>	<b>6,208</b>	<b>7,029</b>	<b>8,065</b>	<b>7,971</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(3,458)</b>	<b>(3,610)</b>	<b>(3,483)</b>	<b>(3,486)</b>	<b>(2,754)</b>	<b>(2,438)</b>	<b>(2,781)</b>	<b>(3,234)</b>	<b>(4,040)</b>	<b>(5,022)</b>	<b>(5,512)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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.

### Why we do it



To ensure our community benefits from the ongoing provision of potable water.

We provide reticulated water supplies to Cambridge, Te Awamutu, Kihikihi, Pirongia, Ōhaupō, Pukerimu and Karāpiro and operate seven water treatments plants. We are responsible for maintaining water supply assets worth \$198 million including 573km of water pipes plus pump stations, reservoirs and treatment plants.

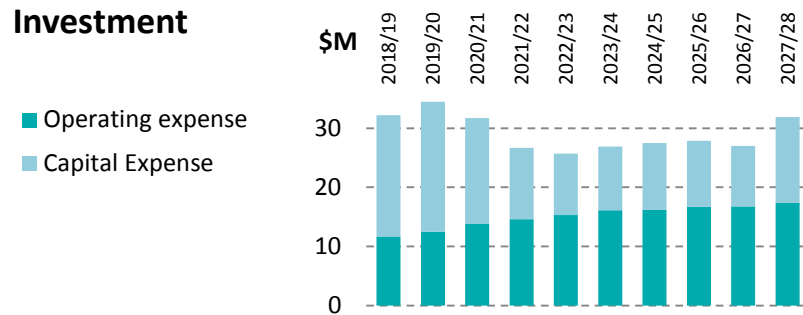
Water infrastructure is the biggest challenge facing our district over the coming decade, particularly given our projected population growth. Our water supply and treatment challenges are;

- In parts of the district, we’re struggling to provide enough water, especially during summer.
- Some of our water infrastructure is old and needs replacing.
- We have water pressure, taste and odour issues to resolve.
- Compliance with new resource consent conditions, including restrictions on how much water we can take water sources.
- Compliance with new rules to protect the environment.
- Compliance with drinking water standards.
- Providing back-up options in case water infrastructure fails.

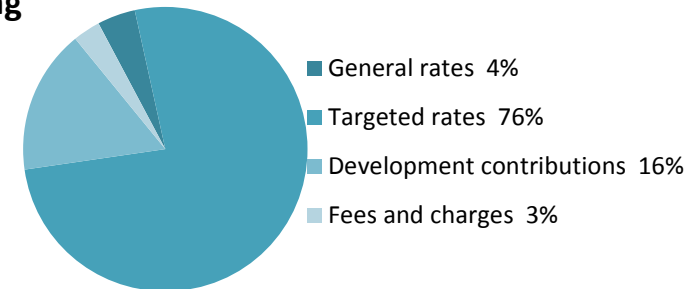
A Three Water’s Strategy has been prepared by the Future Proof partnership to provide an overarching framework for the development and maintenance of the

3 waters network of the Waipā and Waikato Districts and Hamilton City. Waipā is continuing to deliver the Smart Water demand management program and our usage forecasts are projecting that the recently installed water meters and volumetric pricing will support an overall reduction in usage.

### Investment



### Funding



Our district’s rapid growth necessitates significant expansions to our water treatment plants and reticulation network. In particular, servicing the development areas planned in the North and East of Cambridge will require over \$15 million investment, however this will be primarily funded through development contributions.

The most significant water treatment and supply project being undertaken this 10-Year Plan is the upgrade to the Parallel Rd. water treatment plant and the associated pipeline to service Te Awamutu. This will be undertaken between 2018 and 2021 to immediately address the seasonal supply issues, taste and odour issues and to ensure the resilience and viability for future population and economic growth.

The key strategic issues influencing our water treatment and supply investment this 10-Year Plan are;

- **Protecting the health and safety of the community** - As identified in item 4.1.1 of our Infrastructure Strategy, providing appropriate water treatment and supply services is fundamental to the health of our community.
- **Provide a reliable, resilient and responsive supply of water** - As identified in item 4.4.1 of our Infrastructure Strategy, if we have asset failures or do not adapt to the predicted effects of climate change the amount of network interruptions or water restrictions will increase.


Potential negative effects

- **Ensuring sustainable, environmental and economic delivery** - The need to manage the use and allocation of water more efficiently is a key component of achieving cultural, social, environmental and economic needs of Waipā.
- **Future growth and demand** – As detailed in item 4.2.1 of our Infrastructure Strategy, meeting expected growth demands will require a combination of capital expenditure, programming and integrated council departments, inter council relationships and land availability planning to ensure infrastructure is appropriate. While significant growth is projected forecasts include potential reductions in per capita demand following the implementation of universal water metering and volumetric pricing.

**How the Water Treatment and Supply group of activities helps deliver our community outcomes**

**Economically progressive**

- ✓ *Our services are acknowledged as excellent value for money*
- ✓ *Waipā’s growth is built on its strengths.*
- ✓ *We are financially sustainable*



**Socially responsible**

- ✓ *Waipā offers an excellent quality of life*




Table 87: Water treatment and supply potential negative effects

Risk	How we are addressing this
Increasing demand due to population increase and drought events may have adverse environmental effect on supply sources.	We are subject to resource consents regarding water abstraction, and water meters are intended to contribute to behaviour changes for improved water conservation and to help pinpoint losses in the reticulation system.



Risk	How we are addressing this
System failure, contamination or vandalism could lead to disruption of service, environmental damage or public health risk.	We have in place Water Safety Plans and Incident Management Plans for each area and telemetry systems to provide early warnings of issues. We have built-in redundancy in our system and our asset management and renewal programs ensure our infrastructure is fit for purpose.

### Our levels of service and performance measures

We are not proposing any significant changes to levels of service. The focus instead will be on maintaining the current LOS as the district population grows.

**Table 88: Water treatment and supply levels of service and performance measures**

What You Can Expect From Us	How we measure success		Result for 2016/17	Performance Target				
				2018/19	2019/20	2020/21	2021-28	
Provision of wholesome potable water within specified areas via a safe and reliable treatment and supply system	The extent to which the local authority’s drinking water supply complies with the drinking-water standards. <sup>58,59</sup>	Water Treatment Plants – compliance with bacteriological criteria [M]	Alpha Street	C	C	C	C	C
			Frontier Road	C	C	C	C	C
			Karāpiro	C	C	C	C	C
			Parallel Road	C	C	C	C	C
			Rolleston Street	C	C	C	C	C
			Te Tahi	C	C	C	C	C
		Water Treatment Plants – compliance with protozoal criteria [M]	Alpha Street	C	C	C	C	C
			Frontier Road	C	C	C	C	C
			Karāpiro	C	C	C	C	C
			Parallel Road	C	C	C	C	C
			Rolleston Street	C	C	C	C	C
			Te Tahi	C	C	C	C	C

<sup>58</sup> Full wording of mandatory measure is: The extent to which the local authority’s drinking water supply complies with: (a) part 4 of the drinking water standards (bacteria compliance criteria); and (b) part 5 of the drinking water standards (protozoal compliance criteria).

<sup>59</sup> The details of how this measure is reported against have changed (Treatment Plant element has been split out into individual plants rather than combining those supplying the same network, proposed decommission of Hick Rd, and new Maungatautari network zone), therefore a direct comparison with the 2016/17 annual report is not possible. The results against the revised reporting subcategories have not been audited in this format.

What You Can Expect From Us	How we measure success			Result for 2016/17	Performance Target			
					2018/19	2019/20	2020/21	2021-28
		Network zones – compliance [M]	Cambridge	NC	C	C	C	C
			Kihikihi	C	C	C	C	C
			Maungatautari	- <sup>60</sup>	C	C	C	C
			Ōhaupō	C	C	C	C	C
			Pirongia	C	C	C	C	C
			Pukerimu Rural	C	C	C	C	C
			Te Awamutu	C	C	C	C	C
Provision of wholesome potable water within specified areas via a safe and reliable treatment and supply system	Median response time for call-outs in response to a fault or unplanned interruption to the network. <sup>61</sup> [M]	Attendance for urgent call-out from the time of notification. (hours) <sup>62</sup> [M]		0.37	2	2	2	2
		Resolution of urgent call-outs from the time of notification (hours). <sup>63</sup> [M]		2.27	6	6	6	6
		Attendance for non-urgent call-outs from the time of notification (days) <sup>64</sup> [M]		0.81	2	2	2	2
		Resolution of non-urgent call-outs from the time of notification (days) <sup>65</sup> [M]		1.01	10	10	10	10
		The total number of complaints received about any of the following: Drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the response to any of these issues <sup>66</sup> . [M]		8.5	20	20	20	20
Water supply and demand is managed to ensure prudent use of	The percentage of real water loss from the networked reticulation system. <sup>67</sup> [M]	Cambridge & Karāpiro	11%	<12%	<12%	<12%	<12%	
		Te Awamutu & Pirongia	5%	<12%	<12%	<12%	<12%	

<sup>60</sup> New designated zone from 2017/18, so no result available 2016/17

<sup>61</sup> Full wording of measure is: Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response time measured.

<sup>62</sup> Full wording of mandatory measure is: Attendance for urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

<sup>63</sup> Full wording of mandatory measure is: Resolution of urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

<sup>64</sup> Full wording of mandatory measure is: Attendance for non-urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

<sup>65</sup> Full wording of mandatory measure is: Resolution of non-urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

<sup>66</sup> Full wording of the measure is: The total number of complaints received by the local authority about any of the following (expressed per 1000 connections to the local authority’s networked reticulation system): Drinking water clarity, drinking water quality, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, the local authority’s response to any of these issues.

<sup>67</sup> Full wording of the mandatory measure is: The percentage of real water loss from the local authority’s networked reticulation system. Note these results are from pre 2013/2014.

What You Can Expect From Us	How we measure success		Result for 2016/17	Performance Target			
				2018/19	2019/20	2020/21	2021-28
water		Kihikihi	6%	<20%	<20%	<20%	<20%
		Ōhaupō & Pukerimu	13%	<20%	<20%	<20%	<20%
	The average consumption of drinking water per day per resident. <sup>68</sup> [M]	Cambridge & Karāpiro	218	190	190	190	190
		Te Awamutu & Pirongia	227	190	190	190	190
		Kihikihi	237	200	200	200	200
		Ōhaupō & Pukerimu	169	185	185	185	185

[M] = DIA Mandatory measure

<sup>68</sup> Full wording of the mandatory measure is: The average consumption of drinking water per day per resident within the territorial authority district.

## Financials

Table 89: Water treatment and supply statement of cost of service

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>REVENUE</b>											
Fees and charges	3,145	350	383	418	457	500	424	477	520	567	637
Targeted rates for water supply	3,278	10,254	10,681	11,059	11,688	12,750	14,370	14,306	14,761	14,811	15,272
Finance Income	-	115	91	79	97	106	115	115	106	92	97
<b>TOTAL REVENUE</b>	<b>6,423</b>	<b>10,719</b>	<b>11,155</b>	<b>11,556</b>	<b>12,242</b>	<b>13,356</b>	<b>14,909</b>	<b>14,898</b>	<b>15,387</b>	<b>15,470</b>	<b>16,006</b>
<b>OPERATING EXPENDITURE</b>											
Depreciation and Amortisation	4,293	4,294	4,718	4,972	5,438	5,568	5,927	5,988	6,364	6,444	6,838
Activity Expenses	5,996	7,116	6,999	7,534	7,416	7,701	8,062	8,010	8,235	8,473	8,762
Internal charges and Overheads	98	297	337	367	394	423	476	454	467	438	448
Finance Costs	44	-	390	789	1,302	1,460	1,596	1,615	1,513	1,342	1,198
<b>TOTAL EXPENDITURE</b>	<b>10,431</b>	<b>11,707</b>	<b>12,444</b>	<b>13,662</b>	<b>14,550</b>	<b>15,152</b>	<b>16,061</b>	<b>16,067</b>	<b>16,579</b>	<b>16,697</b>	<b>17,246</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(4,008)</b>	<b>(988)</b>	<b>(1,289)</b>	<b>(2,106)</b>	<b>(2,308)</b>	<b>(1,796)</b>	<b>(1,152)</b>	<b>(1,169)</b>	<b>(1,192)</b>	<b>(1,227)</b>	<b>(1,240)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>											
Capital Expenditure (excluding Vested)	6,936	18,958	20,175	15,920	9,830	6,865	6,715	7,250	8,401	4,378	9,044
Vested Assets	317	1,586	1,593	1,660	1,894	1,913	2,009	2,045	2,055	2,154	2,147
Debt Repayment (Internal)	1,784	-	148	308	365	1,284	2,038	1,977	793	3,647	3,313
<b>TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>	<b>9,037</b>	<b>20,544</b>	<b>21,916</b>	<b>17,888</b>	<b>12,089</b>	<b>10,062</b>	<b>10,762</b>	<b>11,272</b>	<b>11,249</b>	<b>10,179</b>	<b>14,504</b>

Table 90: Water treatment and supply capital expenditure

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>											
Dedicated Main Leamington to Hautapu	200	108	123	79	-	-	-	-	-	-	-
Cambridge North to Hautapu Pipeline	-	141	2,101	799	-	-	-	-	-	-	-
Cambridge North Water Provision	-	2,000	-	-	-	-	-	-	-	-	-
Cambridge Growth Cells (C1, C2, C3, C4 and C7)	-	550	2,051	1,181	2,683	-	394	281	2,831	37	2,376
Water Supply Provision Cambridge (C6)	-	-	46	257	-	-	-	-	-	-	-
Cambridge Water Reticulation Active Control	-	70	113	463	-	-	-	-	-	-	-
Karapiro Water Treatment Plant Upgrade	2,913	-	-	-	-	-	-	-	-	-	-
Alpha Street Water Treatment Plant Upgrade	-	-	-	-	-	-	-	-	-	183	3,018
Cambridge Reservoir Renewals & Upgrades	-	-	-	-	-	-	-	-	-	914	313
Te Awamutu Growth Cells	-	190	-	-	1,074	1,100	103	579	-	-	-
Pukerimu Airport Supply	-	-	-	928	-	-	-	-	-	-	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>3,113</b>	<b>3,059</b>	<b>4,434</b>	<b>3,707</b>	<b>3,757</b>	<b>1,100</b>	<b>497</b>	<b>860</b>	<b>2,831</b>	<b>1,134</b>	<b>5,707</b>
<b>To Improve Level of Service</b>											
Raw Water Main Renewal & Inlet Pump Installation	-	3,800	4,100	-	-	-	-	-	-	-	-
Parallel Road Water Treatment Plant Upgrade	-	4,860	4,100	4,196	-	-	-	-	-	-	-
Parallel Road to Taylors Hill Pipeline	-	4,444	4,100	4,196	-	-	-	-	-	-	-
Te Awamutu Fire/LOS Service Upgrades	214	-	-	-	237	860	-	-	-	-	-
Frontier Road to Taylors Hill Main Trunk	-	-	-	174	1,185	-	-	-	-	-	-
Te Awamutu Active Reticulation Control	137	-	113	463	-	-	-	-	-	-	-
Kihikihi Water Supply - Advanced Treatment	-	55	354	-	-	-	-	-	-	-	-
Cambridge Fire & Water LOS Upgrades	-	-	-	190	888	910	933	957	-	-	-
District Wide Zone Identification	-	-	-	-	107	300	208	177	-	-	-
Drinking Water Compliance	-	-	-	-	537	550	-	-	-	-	-
Standby Generators for Treatment Plants	-	-	248	-	-	-	-	-	-	-	-
Pukerimu Water Supply - Upgrade Supply to Airport	150	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>501</b>	<b>13,159</b>	<b>13,015</b>	<b>9,219</b>	<b>2,954</b>	<b>2,620</b>	<b>1,141</b>	<b>1,134</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>To Replace Existing Assets</b>											
District Wide Water Main Renewals	3,133	2,390	2,450	2,507	2,567	2,629	2,696	2,765	2,837	2,913	2,995
Reservoir Renewals	-	-	21	210	-	-	-	23	237	-	-
Te Tahi Papesch Trunk Renewal	-	-	-	-	-	243	2,074	2,127	2,182	-	-
Plant and Pumps	189	350	255	277	552	273	307	341	314	331	342
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>3,322</b>	<b>2,740</b>	<b>2,726</b>	<b>2,994</b>	<b>3,119</b>	<b>3,145</b>	<b>5,077</b>	<b>5,256</b>	<b>5,570</b>	<b>3,244</b>	<b>3,337</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>6,936</b>	<b>18,958</b>	<b>20,175</b>	<b>15,920</b>	<b>9,830</b>	<b>6,865</b>	<b>6,715</b>	<b>7,250</b>	<b>8,401</b>	<b>4,378</b>	<b>9,044</b>

Table 91: Water treatment and supply funding impact statement

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	759	658	722	746	750	750	750	750	750	750	750
Targeted rates	7,681	10,330	10,713	11,068	11,693	12,755	14,375	14,311	14,766	14,816	15,277
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	3,145	410	443	478	517	560	484	537	580	627	697
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>11,585</b>	<b>11,398</b>	<b>11,878</b>	<b>12,292</b>	<b>12,960</b>	<b>14,065</b>	<b>15,609</b>	<b>15,598</b>	<b>16,096</b>	<b>16,193</b>	<b>16,724</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	5,867	6,616	6,486	7,009	6,879	7,151	7,498	7,431	7,641	7,863	8,136
Finance costs	44	-	390	789	1,302	1,460	1,596	1,615	1,513	1,342	1,198
Internal charges and overheads applied	98	297	337	367	394	423	476	454	467	438	448
Other operating funding applications	5	5	5	5	5	5	5	5	5	5	5
<b>Total applications of operating funding (B)</b>	<b>6,014</b>	<b>6,918</b>	<b>7,218</b>	<b>8,170</b>	<b>8,580</b>	<b>9,039</b>	<b>9,575</b>	<b>9,505</b>	<b>9,626</b>	<b>9,648</b>	<b>9,787</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>5,571</b>	<b>4,480</b>	<b>4,660</b>	<b>4,122</b>	<b>4,380</b>	<b>5,026</b>	<b>6,034</b>	<b>6,093</b>	<b>6,470</b>	<b>6,545</b>	<b>6,937</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	872	1,588	1,925	2,828	3,334	3,130	3,230	3,171	3,198	2,878	2,750
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>872</b>	<b>1,588</b>	<b>1,925</b>	<b>2,828</b>	<b>3,334</b>	<b>3,130</b>	<b>3,230</b>	<b>3,171</b>	<b>3,198</b>	<b>2,878</b>	<b>2,750</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	3,113	3,059	4,434	3,707	3,757	1,100	497	860	2,831	1,134	5,707
- to improve the level of service	501	13,159	13,015	9,219	2,954	2,620	1,141	1,134	-	-	-
- to replace existing assets	3,322	2,740	2,726	2,994	3,119	3,145	5,077	5,256	5,570	3,244	3,337
Increase (decrease) in reserves	(493)	(12,890)	(13,590)	(8,970)	(2,116)	1,291	2,549	2,014	1,267	5,045	643
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>6,443</b>	<b>6,068</b>	<b>6,585</b>	<b>6,950</b>	<b>7,714</b>	<b>8,156</b>	<b>9,264</b>	<b>9,264</b>	<b>9,668</b>	<b>9,423</b>	<b>9,687</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(5,571)</b>	<b>(4,480)</b>	<b>(4,660)</b>	<b>(4,122)</b>	<b>(4,380)</b>	<b>(5,026)</b>	<b>(6,034)</b>	<b>(6,093)</b>	<b>(6,470)</b>	<b>(6,545)</b>	<b>(6,937)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## SUPPORT SERVICES

This group provides a range of specialist skills and services to support the organisation to efficiently deliver services.

Support Services’ activities include performance measures for;

- Information Services
- Customer Support

Additionally, the Support Services’ group of activities is responsible for financial management, human resources, legal business unit and business improvement functions who work closely with the other groups of activities to understand our business, community and statutory needs.

**Financial Management;** includes revenue collection, payment processing, budgeting, financial and treasury management, tax compliance and financial reporting and analysis.

**Human Resources;** Human Resources focuses on enhancing organisational performance by ensuring Council attracts, develops and retains skilled and engaged employees. The HR Team are responsible for overseeing activities such as payroll, recruitment, induction, engagement, performance management, reward and recognition, staff development, health, safety and wellbeing.

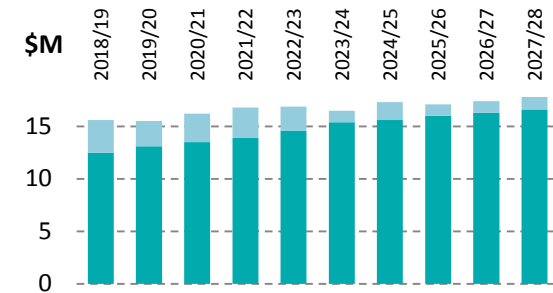
**Legal and Corporate Support;** The Legal business unit oversees the provision of advice and legal services for the activity areas across council.

**Business improvement;** includes business analysis, performance monitoring and works across council to undertake changes to improve efficiency and effectiveness.

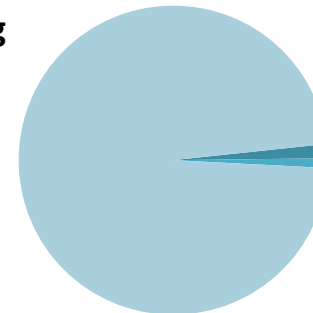
Support services do not generally generate revenue so a key challenge is managing costs while continuing to achieve statutory compliance and delivering the agreed levels of service.

### Investment

- Operating expense
- Capital Expense



### Funding



- General rates 1%
- Fees and charges 1%
- Internal charges 98%

### How the Support Services group of activities helps deliver our community outcomes

#### Socially responsible

✓ We are connected with our community



Potential negative effects

Table 92: Support services potential negative effects

Risk	How we are addressing this
Projected growth is not met and we cannot finance the infrastructure that has been built.	Council has conducted sensitivity analysis in relation to significant assumptions and financial benchmarks to ensure that the risk is minimised. Ongoing review of forecasts and annual reporting processes will ensure that the risk is monitored.
Council cannot build the capability and capacity to cost effectively manage the growing needs of the district	Councils has identified internal strategic priorities which include; Capability & Capacity, Operational Efficiency, Project Management, Partnerships and Strategic Planning to address the challenge of scaling operations.
An IT system failure or cyber-security breach impacts council operations and restricts the community’s access to information.	Council actively mitigates against cyber-security risk by implementing up to date firewalls, anti-virus software and operating system patching and by having policies aligned with best practice security controls. A regular hardware, software and network renewal programme reduces the risk of vulnerability to attack.

Support service activities

Activities in this group align to ensure that all councils services are efficient, effective and cost are managed appropriately.

Information services

*What we do*

Information technology provides 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. Geographical Information Services manage and provide spatial information and externally oriented services such as maps online.

*Our levels of service and performance measures*

We have introduced a performance measure to monitor the reliability of our digital services.

Why we do it



To provide convenient and reliable digital contact channels for customers.



Table 93: Information services levels of service and performance measures

What You Can Expect From Us	How we measure success	Result for 2017/18	Performance Target			
			2018/19	2019/20	2020/21	2021-28
The online services Council provides are reliable.	The Council website and online forms have an availability uptime of 99% <sup>69</sup> .	New measure	99%	99%	99%	99%

## Customer Support

### What we do

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 Council. We are responsible for ensuring customers receive excellent support services and continually look for opportunities to make it easier for customers to do business with us.

### Our levels of service and performance measures

We are not proposing any significant changes to levels of service.

### Why we do it



To provide a responsive customer service to our community.

Table 94: Customer support levels of service and performance measures

What You Can Expect From Us	How we measure success	Result for 2016/17	Performance Target			
			2018/19	2019/20	2020/21	2021-28
The community has enquiries completed at first resolution provided by Customer Support.	Percentage of query calls received by Customer Support resolved at the time.	79.63%	80%	80%	80%	80%
	Percentage of walk in queries received by Customer Support resolved at the time.	98.92%	90%	90%	90%	90%

<sup>69</sup> [www.waipadc.govt.nz](http://www.waipadc.govt.nz) & [eservices.waipadc.govt.nz](http://eservices.waipadc.govt.nz) sites only.

Financials

Table 95: Support services statement of cost of service

	2017/18 Annual Plan \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>REVENUE</b>											
Fees and Charges	43	47	48	49	50	51	53	54	55	56	58
<b>TOTAL REVENUE</b>	<b>43</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>56</b>	<b>58</b>
<b>OPERATING EXPENDITURE</b>											
Employee Related Expenses	6,441	7,514	7,730	7,954	8,213	8,461	8,716	8,979	9,250	9,528	9,814
Depreciation and Amortisation	906	1,246	1,305	1,335	1,357	1,385	1,595	1,615	1,634	1,689	1,704
Activity Expenses	3,467	3,330	3,585	3,657	3,591	3,782	3,757	3,778	3,973	3,968	4,016
Finance Costs	203	194	262	304	427	604	690	652	589	526	512
<b>TOTAL EXPENDITURE</b>	<b>11,017</b>	<b>12,284</b>	<b>12,882</b>	<b>13,250</b>	<b>13,588</b>	<b>14,232</b>	<b>14,758</b>	<b>15,024</b>	<b>15,446</b>	<b>15,711</b>	<b>16,046</b>
<b>OPERATING NET COST OF SERVICE</b>	<b>(10,974)</b>	<b>(12,237)</b>	<b>(12,834)</b>	<b>(13,201)</b>	<b>(13,538)</b>	<b>(14,181)</b>	<b>(14,705)</b>	<b>(14,970)</b>	<b>(15,391)</b>	<b>(15,655)</b>	<b>(15,988)</b>
<b>CAPITAL EXPENDITURE AND DEBT REPAYMENT</b>											
Capital Expenditure (excluding Vested)	2,070	2,688	2,137	2,320	2,599	1,974	848	981	773	727	861
Debt Repayment	461	272	304	338	320	274	205	207	234	261	275
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>2,531</b>	<b>2,960</b>	<b>2,441</b>	<b>2,658</b>	<b>2,919</b>	<b>2,248</b>	<b>1,053</b>	<b>1,188</b>	<b>1,007</b>	<b>988</b>	<b>1,136</b>

Table 96: Support services capital expenditure

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Improve Level of Service</b>											
Buildings	889	1,521	1,276	1,386	1,915	1,087	-	-	-	-	-
Computer Software Upgrades	-	140	-	-	-	-	-	-	-	-	-
Computer Hardware Upgrades	50	-	-	-	-	-	-	-	-	-	-
Computer Software Upgrades							-	-	-	-	-
<b>Total to Improve Level of Service</b>	939	1,661	1,276	1,386	1,915	1,087	-	-	-	-	-
<b>To Replace Existing Assets</b>											
Plant	594	663	552	664	544	704	637	673	619	526	625
Carparks Renewals	19	-	19	36	-	-	-	40	-	-	-
Computer Hardware Renewals	226	334	283	126	140	183	204	150	154	201	236
Computer Software Renewals	292	30	7	108	-	-	7	118	-	-	-
<b>Total to Replace Existing Assets</b>	1,131	1,027	861	934	684	887	848	981	773	727	861
<b>TOTAL CAPITAL EXPENDITURE</b>	2,070	2,688	2,137	2,320	2,599	1,974	848	981	773	727	861

Table 97: Support services funding impact statement

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	323	231	263	295	280	223	155	154	174	194	204
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	43	47	48	49	50	51	53	54	55	56	58
Internal charges and overheads recovered	10,614	11,876	12,535	12,900	13,238	13,880	14,406	14,670	15,091	15,355	15,688
Local authorities fuel tax, fines, infringement fees, and other receipts	-	60	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>10,980</b>	<b>12,214</b>	<b>12,846</b>	<b>13,244</b>	<b>13,568</b>	<b>14,154</b>	<b>14,614</b>	<b>14,878</b>	<b>15,320</b>	<b>15,605</b>	<b>15,950</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	9,908	10,843	11,315	11,610	11,804	12,243	12,474	12,757	13,223	13,495	13,829
Finance costs	203	194	262	304	427	604	690	652	589	526	512
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>10,111</b>	<b>11,037</b>	<b>11,577</b>	<b>11,914</b>	<b>12,231</b>	<b>12,847</b>	<b>13,164</b>	<b>13,409</b>	<b>13,812</b>	<b>14,021</b>	<b>14,341</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>869</b>	<b>1,177</b>	<b>1,269</b>	<b>1,330</b>	<b>1,337</b>	<b>1,307</b>	<b>1,450</b>	<b>1,469</b>	<b>1,508</b>	<b>1,584</b>	<b>1,609</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	939	1,661	1,276	1,386	1,915	1,087	-	-	-	-	-
- to replace existing assets	1,131	1,027	861	934	684	887	848	981	773	727	861
Increase (decrease) in reserves	(1,201)	(1,511)	(868)	(990)	(1,262)	(667)	602	488	735	857	748
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>869</b>	<b>1,177</b>	<b>1,269</b>	<b>1,330</b>	<b>1,337</b>	<b>1,307</b>	<b>1,450</b>	<b>1,469</b>	<b>1,508</b>	<b>1,584</b>	<b>1,609</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(869)</b>	<b>(1,177)</b>	<b>(1,269)</b>	<b>(1,330)</b>	<b>(1,337)</b>	<b>(1,307)</b>	<b>(1,450)</b>	<b>(1,469)</b>	<b>(1,508)</b>	<b>(1,584)</b>	<b>(1,609)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# FINANCIAL POLICIES



## REVENUE AND FINANCING POLICY

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### Introduction

The Revenue and Financing Policy (“the policy”) outlines Council’s policies on the funding sources to be used to fund the operational and capital expenditure of Council’s activities and the rationale for their use.

The policy is required by Sections 102 and 103 of the Local Government Act 2002 (the Act). The policy must be included in the 10-Year Plan as required by Schedule 10, clause 10. Section 103(4) requires that where a change to the policy is made outside of the 10-Year Plan process, only a significant amendment is required to be audited.

Section 103(2) of the Act allows the following mechanisms to be used for funding the operating or capital expenditure of Council’s activities:

- a) General rates, including
  - i. Choice of valuation system; and
  - ii. Differential rating; and
  - iii. Uniform annual general charges
- b) Targeted rates
- (ba) Lump sum contributions
- c) Fees and charges
- d) Interest and dividends from investments
- e) Borrowing
- f) Proceeds from asset sales
- g) Development contributions
- h) Financial contributions under the Resource Management Act 1991
- i) Grants and subsidies
- j) Any other source.

In addition to identifying the sources of funding under Section 103(2) of the Act, the policy must set out why Council has determined they should be used. A two-step process is required under section 101(3) of the Act. Firstly, for each activity, Council must consider the following matters:

- a) The community outcomes to which the activity primarily contributes;

- b) The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
- c) The period of time over which benefits occur (intergenerational equity);
- d) The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity (also called the 'exacerbator pays' principle, which suggests that the exacerbators should meet at least part of the cost of an activity); and
- e) The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Secondly, following consideration of these matters, Council must consider the overall impact of this allocation of liability on the current and future wellbeing of the community (section 101(3)(b) of the Act).

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.

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 (Schedule 10, clause 15). 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.

### Changes since the 2015 policy was adopted

The following changes have been incorporated into the 2018 policy:

#### Amendments to the funding of Rural Halls and Town Halls

The District Halls activity was split into two activities being Rural Halls and Town Halls. A new targeted rate per rating unit was introduced to fund the Kihikihi Town Hall, the Pirongia Memorial Hall and a portion of the Cambridge Town Hall costs. The new targeted rate reflects the area of benefit for the urban Halls. The rural halls also known as community halls still have individual hall rates with no change to their rating boundaries. A new rates category Community Centres has been added with the Kaipaki Hall and the Pirongia Sports and Recreation Centre shifted from Hall rates into this new category.

#### Amendments to the funding of Water Supply

A portion of the public benefit was reduced as the asset management costs related to pipe network and treatment plant assets benefit more the individuals who are connected to the network.

Universal Meters will be in operation from 1 July 2018, therefore if a property is connected with a meter the property will receive a water invoice instead of a targeted water rate within their rates instalment.

**Amendments to the funding of Wastewater**

A portion of the public benefit was reduced as the asset management costs related to pipe network and treatment plant assets benefit more the individuals who are connected to the network.

**Funding of Interest on Loans**

Revenue from Development Contributions can be used to fund the interest expense on growth loans.




**Application of section 101(3) of the Act**

This section sets out how Council has applied its analysis of section 101(3) to the funding sources in sections 3 and 4 of this policy.


**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. Council’s community outcomes are:

Table 98: Community outcomes activities

Outcomes	Description
	<p><b>Economically progressive:</b></p> <ul style="list-style-type: none"> <li>▪ We are financially sustainable;</li> <li>▪ Our services are acknowledged as excellent value for money; and</li> <li>▪ Waipā’s growth is built on its strengths.</li> </ul>
	<p><b>Connected with our community:</b></p> <ul style="list-style-type: none"> <li>▪ Our stakeholders are advocates/ambassadors for Waipā and Council;</li> <li>▪ We engage with all parts of our community; and</li> <li>▪ We have collaborative and enduring partnerships.</li> </ul>
	<p><b>Socially responsible:</b></p> <ul style="list-style-type: none"> <li>▪ We give back to the community;</li> <li>▪ We are a workplace of choice;</li> </ul>



Outcomes	Description
	<ul style="list-style-type: none"> <li>▪ Waipā offers an excellent quality of life; and</li> </ul> <p><b>Environmental and cultural champions:</b></p> <ul style="list-style-type: none"> <li>▪ We are recognised as environmental and cultural leaders; and</li> <li>▪ Waipā's environmental and cultural heritage is a showcase for excellence.</li> </ul>

### Distribution of benefits

Section 101(3)(ii) of the Act requires Council to assess the *'distribution of benefits between the community as a whole, any identifiable part of the community, and individuals'*. For the purpose of this assessment, Council has identified three types of benefits:

#### Public benefit - whole district

This is considered to be any service or product:

- a) That is available to all;
- b) From which it is not practicable to exclude and/or identify particular user(s);
- c) Where use by one particular individual or group does not consume the service or product, and it remains available for the benefit of others;
- d) That typically does not incur significant additional costs for additional users;
- e) 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

This is considered to be any service or product (as above for the whole district) which can be identified to a specific part of the community usually by location, i.e. by Ward.

#### Private benefit

This is considered to be any service or product:

- a) That is used only by a particular individual or groups;
- b) That once purchased or used, the service or product is not available for use by another individual or group;
- c) That has a quantifiable incremental cost according to the number of users.

- d) For a number of activities, Council has established a range of values for the percentage split of public and private benefits, as these can vary from year to year depending on the demand for services and the level of debt servicing within the activities.

### 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.

Assets provide benefits for the duration of their useful lives ranging from a few years to many decades for infrastructural assets. The concept behind intergenerational equity is to match the period over which an asset is funded to the period where benefits are derived from the use of the asset.

### 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. The 'exacerbator pays' principle basically holds that those whose actions or inactions give rise to a need to undertake a particular activity should meet part of the cost of that particular activity.

### 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 using a different rate or combination of rates.

## 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:

- a) Fairness/equity
- b) Uniformity
- c) Efficiency
- d) Stability
- e) Simplicity
- f) Justifiability

Council assesses 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 commercial/industrial properties. As part of this assessment Council has the ability to adjust the proportion of the general rate, uniform annual general charge and targeted ward rate which make up district wide funding if the annual effects of relative changes in the level of rates between various types of properties in the district require moderation.

### Funding sources – operational expenditure

Operating expenditure is expenditure on the day to day operations of Council.

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 not to 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.

In addition, 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.

From time to time loans may also 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 review). Any projects to be funded from loans will be identified in the annual Funding Impact Statement.

The proportion of district wide funding provided by general rates, uniform annual general charge and targeted ward rates are determined and disclosed each year in the Funding Impact Statement.

Council has determined that the following sources may be used to fund operating expenditure:

### Rates

In selecting funding mechanisms for each activity, Council seeks to fund private benefit from fees and charges, community benefit from targeted rates, and whole district benefit from a mixture of general rates, uniform annual general charges and targeted rates for district wide activities.

The mixture of general rates, uniform annual general charge 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 the fees and charges that are collected are less than the assessed private benefit of the activity.

## General Rates

Council uses a capital value rating system across the district. Capital value is preferred to land value because Council believes this generally provides a better surrogate for ability to pay. Rates in a capital value rating system are collected as follows:

- a) A General Rate is a rate in the dollar for the Capital value of the property and is used to meet a portion of district wide funding.

## Uniform Annual General Charge

A uniform annual general charge, based on a fixed amount per separately used or inhabited part of a rating unit (SUIP), is used to meet a portion of district wide funding.

## Definition of a Separately Used or Inhabited Part of a Rating Unit

A separately used or inhabited part of a rating unit exists where there is use or ability to use a part or parts of the rating unit as an independent residence; or in the case of a rating unit used for commercial or industrial business, where there is use or ability to use a part or parts of the rating unit for independent trading operations. *This is on the basis that where a rating unit is configured for the purpose of separate habitation or use, even if it is not currently occupied, this constitutes a separate use of the rating unit by the owner. The following are guides to how this will be applied.*

In a residential situation an independent residence is defined as having a separate entrance and separate cooking, living and toilet/bathroom facilities. A separately used or inhabited part comes into effect in a business situation when the property has been set up to accommodate, or is accommodating, separate lessees, tenants, or the like, or the ability to operate separate businesses from the same rating unit.

The following examples are considered to be separately used or inhabited parts of a rating unit:

- a) Individual flats, apartments or dwellings
- b) A building or parts of a building that are able to be used as independent trading operations.
- c) Vacant rating units
- d) A dwelling attached to a shop or other business premises.
- e) A residential building or part of a residential building that is used, or can be used as an independent residence.

The following are not considered to be separately used parts of a rating unit:

- f) Residential sleep out or granny flat that does not meet the definition of an independent residence
- g) A hotel room with or without kitchen facilities
- h) A motel room with or without kitchen facilities.

## Targeted Rates

The Targeted Ward Rate which is a fixed amount per rating unit is collected on a differential basis based on location.

The Targeted Ward Rate is used to meet:

- a) The community/group benefit element of activities; which includes Community Boards, Community Grants, Libraries, Cambridge Pool, Te Awamutu Events Centre, Museums, Community Properties, Cambridge Town Hall, Recycling, Cycling Centre of Excellence and Passenger Transport.
- b) A proportion of district wide funding.

Targeted Rates can either be on the basis of a rate in the dollar for the capital value of the property, or a fixed amount per property either by rating unit or by SUIP.

Targeted rates are used to fund activities such as rural halls and town halls, recycling, Cambridge Community Sports Hall, stormwater, water treatment and supply and wastewater treatment and disposal.

## Fees and charges

Generally, Council will use fees and charges to recover the “private benefit” costs of a particular activity if it is economically viable to do so.

## Grants and subsidies

Some activities undertaken by Council qualify for grants or subsidies from the Crown. In particular, Council receives a subsidy from the New Zealand Transport Agency (NZTA) for qualifying roading expenditure.

## Development Contributions

Revenue from Development Contributions can be used to cover the Interest expense from loans relating to growth funded projects, where there is a timing difference between capital expenditure and development contribution revenue.

## Other sources of income

This is a catch-all classification and the income is treated in the same way as fees and charges. It includes parking infringement fines, rates penalties, income from interest and lease income.

### Funding operational expenditure by activity

The tables below illustrate the outcome of the analysis undertaken by Council in relation to Section 101(3). The tables ‘community outcomes’ and ‘funding principles’ are assessed for the entire group of activity, and the tables ‘economic benefit assessment’ are assessed for each activity within that group. Where appropriate, footnotes are provided for additional rationale of the funding of the targeted ward rate.

The ‘community outcomes’ tables below show the community outcomes to which each group of activity primarily contributes. These tables show only the primary considerations, and it is acknowledged that most activities contribute to more outcomes than those shown.

The ‘funding principles’ tables show how the funding principles in sections 101(3)(b) to (e) of the Act relate to each group of activity. The analysis assists Council in determining which funding mechanisms are appropriate for each activity. Generally those activities which score low for user pays or for cost/benefit of separate funding are best funded by general rates, whilst those scoring higher in those areas are best funded by user charges or targeted rates.

The low/medium/high rating relates to the degree by which each group of activity conforms to the following economic principles:


- a) Distribution of benefit – the degree to which benefits can be attributed to individuals/groups, rather than the community as a whole.
- b) Period of benefit - the degree to which benefits can be attributed to future period.
- c) Extent of action/inaction – the degree to which action or inaction of groups or individuals gives rise to need for expenditure.
- d) Cost/benefit of separate funding – the degree to which costs and benefits justify separate funding of this activity.

The ‘economic benefit assessment and funding target’ tables details how each activity within the group of activity is proposed to be funded, and what the funding targets are for each activity. Generally, these tables show that where a private benefit exists, the cost of this is to be recovered by user charges or a targeted rate. The cost of public benefits is usually funded via district wide funding or via the targeted ward rate for benefits restricted by location.

Costs for each group of activity include the allocation of Council’s support service overheads.

### Governance and Support services

Table 99: Governance and support services community outcome

Governance - community outcomes primarily contributed to		
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>▪ We are financially sustainable.</li> </ul>
		<ul style="list-style-type: none"> <li>▪ Our services are acknowledged as excellent value for money.</li> </ul>

Governance - community outcomes primarily contributed to		
	<b>Connected with our community</b>	<ul style="list-style-type: none"> <li>Our stakeholders are advocates/ambassadors for Waipā and Council.</li> <li>We engage with all parts of our community.</li> <li>We have collaborate and enduring partnerships.</li> </ul>
	<b>Socially responsible</b>	<ul style="list-style-type: none"> <li>We give back to the community.</li> <li>We are a workplace of choice.</li> </ul>

Table 100: Governance and support services funding principles

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Governance	Low	Low	Low	Low

Table 101: Governance and support services economic benefit assessment and funding targets

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Ward Rate	District Wide Funding
Council and elections			100%				100%
Community boards		90%	10%			90% <sup>70</sup>	10%
Community grants	7% - 11%	45% - 55%	33% - 47%	7% - 11%		89% - 93% <sup>71</sup>	
Strategic planning			100%				100%
Community relationships			100%				100%
Corporate			100%				100%
Development Contributions	100%			100% <sup>72</sup>			

<sup>70</sup> The Te Awamutu Community Board is allocated to Te Awamutu and Kakepuku wards, the Cambridge Community Board is allocated to the Cambridge and Maungatautari wards.

<sup>71</sup> These are allocated to the ward to which the grant relates / benefits, grants benefiting the whole district are funded across all wards.



**Governance funding conclusion**

Council, elections, strategic planning and communications provide a public benefit to the whole district and 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 grants provides a public benefit to the individual communities that the individual grants relate to, and for some grants this is a district wide benefit.

Capital projects relating to growth are funded from Development Contributions. The growth related capital expenditure is paid by those benefiting from growth to meet the principle of growth paying for growth. When there is a timing difference between the capital cost and the revenue from Development Contributions, a loan is required. The interest expenses relating to the development loans are funded from Development Contribution revenue.

**Planning and Regulatory**

**Table 102: Planning and regulatory community outcome**

Planning and Regulatory - community outcomes primarily contributed to		
	<p><b>Environmental and cultural champions</b></p>	<ul style="list-style-type: none"> <li>▪ We are recognised as environmental and cultural leaders.</li> <li>▪ Waipā’s environmental and cultural heritage is a showcase for excellence.</li> </ul>
	<p><b>Socially responsible</b></p>	<ul style="list-style-type: none"> <li>▪ Waipā offers an excellent quality of life.</li> </ul>

<sup>72</sup> Interest expense from growth loans to be paid by development contribution revenue.



Table 103: Planning and regulatory funding principles

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Planning & Regulatory	High	Low	High	Low

Table 104: Planning and regulatory economic benefit assessment and funding targets

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Ward Rate	District Wide Funding
Animal Control	60%		40%	60% - 70%			30% - 40%
Building Control	80%		20%	80% - 100%			0% - 20%
Environmental Health	56%		44%	35% - 45% <sup>73</sup>			55% - 65%
Resource Management	40%		60%	45% - 70%			30% - 55%
Development Engineering	32%		68%	30% - 50%			50% - 70%

### ***Planning and Regulatory funding conclusion***

Benefits are generated for the whole district within the activities for health inspections, maintaining animal control facilities, some aspects of planning (appeals to Environmental Court, protecting heritage, landscape features) and responding to non-chargeable information requests.

Fees and charges are levied for these activities to recover the private benefit portion of services provided (“user pays”). The quantity of services delivered will vary according to market conditions, and accordingly Council sets a range for the funding for these activities from fees and charges. The balance is funded from district wide funding.

For the activity Environmental Health, Council is prevented by statutory limits from fully recovering the costs related to implementing liquor licenses and hazardous substances. This results in the balance of these costs being funded from district wide funding.

<sup>73</sup> Refer to paragraph 5.2.1

Community services and facilities

Table 105: Community services and facilities community outcomes





Community services and facilities - community outcomes primarily contributed to		
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>Our services are acknowledged as excellent value for money.</li> <li>Waipā's growth is built on its strengths.</li> </ul>
	<b>Environmental and cultural champions</b>	<ul style="list-style-type: none"> <li>We are recognised as environmental and cultural leaders.</li> <li>Waipā's environmental and cultural heritage is a showcase for excellence.</li> </ul>
	<b>Connected with our community</b>	<ul style="list-style-type: none"> <li>We engage with all parts of our community.</li> <li>We have collaborate and enduring partnerships.</li> </ul>
	<b>Socially responsible</b>	<ul style="list-style-type: none"> <li>Waipā offers an excellent quality of life.</li> </ul>

Table 106: Community services and facilities funding principles

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Community services and facilities	Medium	Medium	Medium	Medium

Table 107: Community services and facilities economic benefit assessment and funding targets

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Ward Rate	District Wide Funding
Parks & Reserves			100%				100%

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Ward Rate	District Wide Funding
Mighty River Domain	45% - 55%		45% - 55%	40% - 55%			45% - 60%
District Libraries	21%	21%	58%	10% - 25%		20% - 25% <sup>74</sup>	50% - 70%
Cambridge Pool		60% - 75%	25% - 40%			65% - 75% <sup>75</sup>	25% - 35%
Te Awamutu Events Centre		50% - 55%	45% - 50%			50% - 55% <sup>76</sup>	45% - 50%
Museums	10% - 15%	20% - 25%	60% - 70%	10% - 20%		20% - 26% <sup>77</sup>	54% - 70%
Heritage			100%				100%
Cemeteries	64%		36%	45% - 65%			35% - 55%
Public Toilets	41%		59%				100% <sup>78</sup>
Commercial / Strategic Properties	40% - 50%		50% - 60%	45% - 65%			35% - 55%
Community Properties	20% - 25%	20% - 25%	50% - 60%	10% - 20% <sup>79</sup>		20% - 25% <sup>80</sup>	55% - 70%
Pensioner Housing	100%			100% <sup>81</sup>			
Rural Halls		59%	41%		55% - 65%		35% - 45%
Town Halls	10% <sup>82</sup>	63%	27%	10% - 15%	25% - 30% <sup>83</sup>	30% - 40% <sup>84</sup>	25% - 30%

<sup>74</sup> The Te Awamutu Library is allocated to the Te Awamutu, Kakepuku and Pirongia wards; Cambridge Library is allocated to the Cambridge and Maungatautari wards.

<sup>75</sup> The Cambridge pool is allocated to the Cambridge and Maungatautari wards, this includes the funding of the capital loans and 50% of the operating costs.

<sup>76</sup> The Te Awamutu Events Centre is allocated to the Te Awamutu, Kakepuku and Pirongia wards, this includes the funding of the capital loans and 50% of the operating costs.

<sup>77</sup> The Te Awamutu museum is allocated to the Te Awamutu ward, and the Cambridge museum is allocated to the Cambridge ward.

<sup>78</sup> There are practical difficulties in applying the 'user pays' principle to this activity. There is no revenue received for the use of the toilets.

<sup>79</sup> Council subsidises the rental costs for this activity as rent received from these organisations is generally below market value.

<sup>80</sup> Allocated to the Cambridge and Te Awamutu wards.

<sup>81</sup> Council has a long standing policy of funding all costs from rents.

<sup>82</sup> Private benefit relates to the fees and charges received from hall hireage

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Ward Rate	District Wide Funding
Forestry	100%			100% <sup>85</sup>			
Civil Defence	60%		40%	50% - 60%			40% - 50%
Litter Bins			100%				100%
Waste Management (recycling)	95%	3%	2%	10% - 15%	80% - 85%	3% <sup>86</sup>	2%
Landfills			100%				100%
Cambridge Community Sports Hall		100%			100%		
Cycling Centre of Excellence		100%				100% <sup>87</sup>	

**Community services and facilities funding conclusion:**

Some activities are identified as generating benefits for the whole district such as Civil Defence, and in other instances activities will benefit a specific identifiable community within the district, e.g. Cambridge Community Sports Hall.

Council will recover reasonable costs from individuals or groups who are identified as benefiting from the service or facility (“user pays”).

Council subsidises some activities via district wide funding to promote Council policies and achieve strategic outcomes through:

- a) Subsidising the costs to individuals of borrowing library books, to encourage recreational and educational development of district residents and;
- b) Subsidising the costs to individuals of entry to community facilities to encourage the development of a healthy community.

<sup>83</sup> Urban Hall Rate which is allocated to Cambridge and Te Awamutu wards and the Pirongia village

<sup>84</sup> Allocated to the Cambridge ward to fund the Cambridge Town Hall.

<sup>85</sup> Fees and charges are received in the form of forestry harvesting revenue, which is accounted for in a separate reserve to fund this activity.

<sup>86</sup> Allocated to the Cambridge and Maungatautari wards.

<sup>87</sup> This is allocated to all wards in the Waipā District.

## Roads and footpaths

Table 108: Roads and footpaths community outcome activities



Roads and footpaths - community outcomes primarily contributed to:		
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>We are financially sustainable.</li> <li>Our services are acknowledged as excellent value for money.</li> <li>Waipā's growth is built on its strengths.</li> </ul>
	<b>Socially responsible</b>	<ul style="list-style-type: none"> <li>Waipā offers an excellent quality of life.</li> </ul>

Table 109: Roads and footpaths funding principles

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Roads and footpaths	Medium	High	Low	Medium

Table 110: Roads and footpaths economic benefit assessment and funding targets

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Ward Rate	District Wide Funding
Roads and footpaths	33%- 38%	2%	60% - 65%	30% - 50%	1%	1%	48% - 68%

**Roads and footpaths funding conclusion**



This activity includes roads, road safety, passenger transport, footpaths, street lights, cycling and walking and car parks.

This activity is considered to generate benefits for the whole district, although in some circumstances (e.g. road seal extensions) there is a higher proportion of benefit identified for a particular community. Additionally, in some instances the provision of a paved surface is considered to benefit a particular community (e.g. the construction of new footpaths) but the maintenance of it generates a benefit to the district as a whole.

Access to the road system is regarded as a public good due to non-excludability, and 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.

**Stormwater**

**Table 111: Stormwater community outcomes**

Stormwater - community outcomes primarily contributed to:		
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>Our services are acknowledged as excellent value for money.</li> </ul>
	<b>Environmental and cultural champions</b>	<ul style="list-style-type: none"> <li>We are recognised as environmental and cultural leaders.</li> </ul>

**Table 112: Stormwater funding principles**

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Stormwater	Low	High	Low	High

**Table 113: Stormwater economic benefit assessment and funding targets**

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Ward Rate	District Wide Funding
Stormwater	-	93%	7%	-	93%	-	7%



**Stormwater funding conclusion**

Stormwater is one of the group of activities required within the 10-Year Plan, and it is considered appropriate to rate this as a separate activity. Council considers that this service is a public benefit that should primarily be recovered through a targeted rate differentiated for rural and urban service.

Reticulated stormwater is considered to generate benefits for urban communities; whereas rural drainage is considered to benefit rural communities.

**Water treatment and supply**

**Table 114: Water treatment and supply community outcomes**

Water treatment and supply - community outcomes primarily contributed to:		
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>We are financially sustainable.</li> </ul>
		<ul style="list-style-type: none"> <li>Our services are acknowledged as excellent value for money.</li> </ul>
		<ul style="list-style-type: none"> <li>Waipā’s growth is built on its strengths.</li> </ul>
	<b>Socially responsible</b>	<ul style="list-style-type: none"> <li>Waipā offers an excellent quality of life.</li> </ul>

**Table 115: Water treatment and supply funding principles**

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Water treatment and supply	High	High	Low	High

**Table 116: Water treatment and supply economic benefit assessment and funding targets**

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Ward Rate	District Wide Funding
Water treatment and supply	88% - 90%	3% - 5%	7%	1% - 6%	85% - 95%	-	4% - 9%

***Water treatment and supply funding conclusion***

Water treatment and supply is one of the group of activities required within the 10-Year Plan, and it is considered appropriate to rate this as a separate activity.

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.

Council considers this service should be recovered through a targeted rate for connectable properties and through water invoicing for metered properties. The rate will be differentiated for the service received, being connectable or connected via a water meter. The public benefit component will be funded through district wide funding.

It is noted that the introduction of planned water meters in the first year of the 10-Year Plan, the funding target has shifted from fees and charges to targeted rates, within the rates assessment or within the water invoices as most properties will be connected via water meters.

**Wastewater treatment and disposal**

**Table 117: Wastewater treatment and disposal community outcomes**



Wastewater treatment and disposal - community outcomes primarily contributed to:		
	<p><b>Economically progressive</b></p>	<ul style="list-style-type: none"> <li>▪ Our services are acknowledged as excellent value for money.</li> </ul>
	<p><b>Environmental and cultural champions</b></p>	<ul style="list-style-type: none"> <li>▪ We are recognised as environmental and cultural leaders.</li> </ul>



Table 118: Wastewater treatment and supply funding principles

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Wastewater treatment and disposal	Low	High	Low	High

Table 119: Wastewater treatment and supply economic benefit assessment and funding targets

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Ward Rate	District Wide Funding
Wastewater treatment and disposal	84% - 88%	3% - 5%	9% - 11%	5% - 10%	81% - 86%	-	9%

### ***Wastewater treatment and disposal funding conclusion***

Wastewater treatment and disposal is one of the group of activities required within the 10-Year Plan, and it is considered appropriate to rate this as a separate activity.

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.

Council considers that this service should be recovered through a targeted rate and through fees and charges for trade waste recoveries. The rate will be differentiated for the service received, connected or connectable. The public benefit component will be funded through district wide funding.

### **Overall consideration of rates impact**

The activity by activity analysis outlined above allocates some funding directly to sources such as fees and charges, subsidises, grants and targeted rates (including targeted ward rate). The remaining funding balance comes from district wide funding, a mix of general rates (by CV), UAGC and targeted ward rates.

When considering rating impacts for the community for the 2018 review, Council was comfortable with the policy and the transition process still in place from 2015, therefore felt little need to make changes, with the exception of individual rates for the Halls and water supply re the introduction of meters.

The transition process for district wide funding moving to a mix of general rate and UAGC is in the fourth year (2018/19 year) and Council saw no reason to speed up the transition. For the 10-year plan the proportions between general rate, targeted ward rate and UAGC are in line with the transition process.

**Funding sources – 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.

Funding to pay for new assets will come from a mix of borrowing, development contributions, grants and subsidies, capital revenue, reserves and asset sales. Generally the costs of new assets will not be met from rates; however a portion of the costs of servicing loans will be.

Rates may be used to fund low value capital projects, these may be district wide funding or a targeted rates depending on the activity the capital project relates to.

Some of the groups of activities use separate reserves to fund upgrades/growth to achieve stated levels of service. Once reserves are fully used, any remaining balance is funded by borrowing. These activities include stormwater, water treatment and supply, wastewater treatment and disposal, and roads and footpaths.

Funding for capital works will depend on the nature of the work, in particular the reasons (cost drivers) which have made the work necessary. There are three main cost drivers recognised by Council:

- a) Growth.
- b) Level of service improvements.
- c) Renewal.

As outlined in the introduction section of this policy, Section 101(3) of the Act requires Council to consider a range of matters (using a two-step process) to determine what funding sources are appropriate. Responses to these requirements in relation to all methods of funding capital expenditure are illustrated in the tables below:

**Table 120: Capital expenditure community outcomes**

	Community outcomes			
	Economically progressive	Environmental and cultural champions	Connected with our community	Socially responsible
Capital expenditure	Y	Y	Y	Y

Table 121: Capital expenditure funding principles

	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Capital expenditure due to growth	High	High	High	High
Capital expenditure – levels of service improvement, statutory requirements or other reasons	Low	High	Low	High
Capital expenditure due to renewals	Low	High	Low	High

**Capital expenditure due to growth**

The district’s population and local economy is growing. The development generated from the growth places pressure on the assets and services provided by Council. Investment in additional assets is required to meet the demands of growth.

Council intends to entirely fund the portion of capital expenditure (CAPEX) that is attributable to growth by Development Contributions where it is legally, fairly, reasonably and practically possible to do so. It is considered that Development Contributions are the best mechanism available to ensure that the cost of growth sits with those who have created the need for that cost. Refer to the Development Contributions Policy, which is a separate policy that provides full details around the rationale for, and level of, contributions.

***Funding sources for growth capital expenditure***

The funding sources for growth capital expenditure in order of priority are:

- a) Vested assets
- b) Development Contributions
- c) Capital grants and subsidies attributable to growth portion
- d) Borrowing

### Capital expenditure due to changes in levels of service

The cost driver for a significant portion of capital works within the Waipā District relates to increasing levels of service for the community. In some cases, these improvements are required because of changes to legislation or resource consent conditions, which means there is often little discretion with regard to the decision<sup>88</sup>. In other cases, the increase in level of service is a community driven decision.

#### *Funding sources for levels of service improvement capital expenditure*

The funding sources for levels of service improvement capital expenditure in order of priority are:

- a) Capital grants and subsidies
- b) Asset sales
- c) Capital reserves
- d) Borrowing
- e) Rates for small value capital projects

### Capital expenditure due to renewals

Renewal capital works are those capital expenditure costs that are incurred in restoring an asset to previous service levels, usually reflected in the amount that an asset has depreciated. Therefore, by using depreciation funds Council is maintaining infrastructural networks to their existing service level.

The funding of depreciation is an implied requirement of the “balanced budget” provision of the LGA. It requires that the Council fully fund all operating costs, including reductions in the useful life or quality of assets.

#### *Funding sources for renewal capital expenditure*

The funding sources for renewal capital expenditure in order of priority are:

- a) Depreciation reserves
- b) Borrowing
- c) Rates for small value capital projects.

Depreciation reserves are used to fund projects relating to renewals. Borrowing is used to fund projects where there insufficient depreciation reserves are available.

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<sup>88</sup> For example, upgrades to water treatment plants due to water treatment standards.

## STATEMENT OF ACCOUNTING POLICES

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### Reporting entity

Waipa District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, Waipa District Council, and the Waipa Community Facilities Trust. Council is not presenting group forecast financial statements as the parent statements are considered to be more relevant to users. The main purpose of these statements is to provide users with information about the core services that Council intends to provide ratepayers, the expected cost of those services and the consequent requirement for rate funding.

The primary objective of Council and group is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

### Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and the local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R,), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

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.

### Summary of significant accounting policies

#### 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 (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Income tax**

The Council is tax exempt for income tax purposes.

### **Budget figures**

The budget figures have been prepared in accordance with the 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 significant activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable and charged to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities using appropriate cost drivers such as computer equipment used, staff numbers and floor area.

### **Revenue**

Revenue may be derived from either exchange or non-exchange transactions.

### **Exchange transactions**

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Specific accounting policies for major categories of exchange revenue transactions are listed below.

### **Interest and dividends**

Interest income is recognised using the effective interest method.

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

### Pensioner housing revenue

Rental revenue arising from tenancy agreements is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of revenue and expenditure due to its operating nature.

### Other gains and losses

Other gains and losses include fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties and realised gains and losses on the sale of Property, Plant and Equipment (PPE) held at cost.

### Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

### Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner.

Specific accounting policies for major categories of non-exchange revenue transactions are listed below.

### Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.

- Revenue from water-by-meter rates is recognised on an actual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction in rates revenue when the Council has received an application that satisfies its rates remission policy.

### Development contributions

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide the service.

### New Zealand Transport Agency roading subsidies

Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

### Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

### Direct charges

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licencing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such services is recognised when the Council or Group issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council or Group has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council or Group for the service) if the service is not completed.

### Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.



### Entrance fees

Entrance fees are fees charged to users of the Council's local facilities, such as the pools. Revenue from entrance fees are recognised upon entry to such facilities.

### Infringement fees and fines

Infringement fees and fines mostly relate to animal infringements and parking infringements and are recognised when the revenue is received. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

### Vested or donated physical assets

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.

The fair value of vested assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is either based on construction price information provided by the property developer or values as per the last revaluation.

For long-lived assets that must be used for a specific purpose (e.g. land must be used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is only recognised if Council expects that it will need to return or pass the asset to another party.

Council is required by the New Zealand Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by that Council for which those other Local Authorities rate.

### Personnel costs

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

## Other expenses

### 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.

### Finance costs

In accordance with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

## 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 Revenue and Expense as a grant.

A provision between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Comprehensive Revenue and Expense 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.

## Other financial assets

Council classifies its investments in the following categories:

- Financial assets at fair value through surplus or deficit;
- Loans and receivables;
- Held-to-maturity investments; and
- Financial assets at fair value through other comprehensive revenue and expense.

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 Revenue and Expense.

## Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit. 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 their fair values with gains or losses on re-measurement recognised in the surplus or deficit. 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. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. 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. Gains or losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the 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 revenue and expense, 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 revenue and expense 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.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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, furniture 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 through a non-exchange transaction, it is recognised at its 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 Revenue and Expense. 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.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

**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:

**Table 122: Useful lives and associated depreciation rates of major classes of assets**

	Components	Years
Water Treatment	Structures	25 – 100
	Plant	10 – 60
	Pipes	60

	Components	Years
Water Reticulation	Pipes	25 – 130
	Fittings	10 – 30
Sewage Treatment	Structures	25 – 100
	Plant	10 – 60
	Pipes	60
Sewerage Reticulation	Pipes	50 – 130
	Fittings	25 – 80
	Manholes	50 – 80
Stormwater	Structures	15 – 80
	Pipes	50 – 130
	Manholes	50 – 80
Formation/carriageway and shoulder		Infinite
Pavement structure		30 – 150
Pavement surface (seal)		10 – 20
Catchpits and culverts		30 – 80
Bridges		20 – 120
Kerb and channel		30 -50
Lighting		10 – 50
Footpaths		15 – 100
Signs		5 – 35
Railings		20 – 35
Islands		35 - 100
Buildings – not componentised		20 – 100

	Components	Years
Building – structure		30 – 100
Building – fit-out		25 – 80
Building – services		25 – 80
Plant/motor vehicles		3 – 15
Furniture, fittings and equipment		3 – 15
Computer equipment		3 – 15
Intangibles		3 – 15
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 Operational Land and Buildings, which is valued every three years. All other asset classes are carried at depreciated historical cost.

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

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### 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 (DRC) basis by an independent valuer.

### Land under 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 Revenue and Expense. Any subsequent increase in revaluation that offsets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### Impairment of property, plant and equipment and intangible assets

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.

### *Value in use for non-cash-generating assets*

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.



For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

#### *Value in use for cash-generating assets*

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

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

#### **Impairment of revalued assets**

In April 2017 the XRB issued *Impairment of Revalued Assets*, which now scopes in revalued property, plant and equipment into the impairment accounting standards. Previously, only property, plant and equipment assets measured at cost were scoped into the impairment accounting standards.

Council has early adopted this amendment in preparing its 30 June 2017 financial statements. Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. Council can therefore impair a revalued asset without having to revalue the entire class of an asset to which the asset belongs.

#### **Intangible assets**

##### **Software acquisition and development**

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. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website 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 Revenue and Expense. The useful lives and associated amortisation rates of computer software have been estimated at 3-10 years (33% - 10%).

### Impairment of 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 life are reviewed for indicators of impairment and tested annually for impairments each balance date.

### Emissions trading scheme

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the New Zealand Units (NZU). Gains and losses on disposals are reported in the surplus or deficit. If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. NZUs are not amortised and have an indefinite life.

### Forestry assets

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 Revenue and Expense. The costs to maintain the forestry assets are included in the Statement of Comprehensive Revenue and Expense.

### 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 Revenue and Expense.

### 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 and is included in “finance costs”.

## Employee benefit liabilities

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.

## Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

## 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.

Derivative 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 Revenue and Expense. 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 Revenue and Expense, 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 Revenue and Expense.

Amounts accumulated in equity are recycled in the Statement of Comprehensive Revenue and Expense 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 transactions is ultimately recognised in the Statement of Comprehensive Revenue and Expense.

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 Revenue and Expense.

### *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 Revenue and Expense.

## 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. 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.

### Revaluation reserves

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

### Cash flow hedge reserves

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flows hedges.

## 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:

- Estimating the landfill 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.

- Estimating the fair value of land, buildings, and infrastructural assets – there are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over land, buildings and infrastructural assets. These include:
  - The physical deterioration and condition of an asset, for example 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.
  - 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 Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk 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 Council’s asset management planning activities, which gives Council further assurance over its useful life estimates.
  - Experienced independent valuers perform Council’s land, buildings and infrastructural asset revaluations.
    - Land is valued as vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.
    - Assumption of an open market “willing buyer willing seller” scenario. This is effectively the price an informed purchaser would have to pay to acquire a similar property.
    - Where there is a designation held against the land, adjustments have been made to reflect that designation.
    - All buildings have been valued on either a fair market basis or depreciated replacement cost approach.
    - Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.
    - The highest and best use of the property is considered when formulating which approach to undertake the building valuation. Where market-based evidence exists, structures have been valued on a market basis in relation to market-based net rates per square metre.

## TREASURY MANAGEMENT POLICY

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### Introduction

Waipa District Council (Council) undertakes liability management (borrowing), investment, cash and associated risk management activity (in total referred to in this document as treasury activity). Council's borrowing and investment activities are carried out within the requirements of the Local Government Act 2002 (the Act) and its various amendments, which define the operating environment for local authorities in relation to borrowing, investment and treasury risk management activity.

This Treasury Management Policy (the Policy) document includes the Liability Management Policy and Investment Policy as required by Part 6, sections 104 and 105 of the Act. The policy provides the framework for all of Council's treasury activities and defines key responsibilities and the operating parameters within which treasury activity is to be carried out.

The scope of this policy covers treasury activity at the Council level and is formally reviewed and updated from time to time, but at least once every three years, although the review is normally in conjunction with the review of the 10-Year Plan.

Council's borrowing activity is largely driven by its capital expenditure programme.

Council also manages a portfolio of investments comprising equity, forestry, property and treasury investments.

### Treasury objectives and philosophy

#### Treasury objectives and philosophy

Council's broad objectives in relation to treasury activity are as follows:

- a) Compliance with the Act and any other relevant local authority legislation.
- b) To manage Council's investments according to its strategic and commercial objectives and optimise returns within these objectives.
- c) Avoidance of capital losses. For treasury investments this is achieved by investing on a hold to maturity basis (unless circumstances otherwise dictate) with creditworthy counter parties.
- d) Maintain funding mechanisms with an appropriate maturity profile to ensure adequate liquidity is available at margins and costs appropriate to Council's credit standing.
- e) To manage the operational cash position and ensure that any surplus cash is invested in approved liquid instruments, or where appropriate is used to minimise debt.

- f) Mitigate potential adverse interest rate risk and minimise financing costs within acceptable risk management parameters.
- g) Develop and maintain professional relationships with Council's bankers and the financial markets in general.
- h) Provide timely and accurate reporting of treasury activity and performance.

In meeting the above objectives, Council acknowledges that there are financial risks such as funding, liquidity, interest rate, credit and operational risks arising from its treasury activities.

Council is a risk averse entity and does not wish to incur undue risk from its treasury activities. Accordingly, Council's finance function in relation to its treasury activities is a risk management function focused on protecting Council's budgeted interest costs and interest income and stabilising Council's cash flows. Council seeks to prudently manage these risks, and activity that is unrelated to its underlying cash flows or may be construed as speculative in nature is expressly forbidden.

## Borrowing policy

### General Policy

Section 104 of the LGA 2002 provides that the Liability Management Policy required under Section 102(2)(b) must state the local authority's policies in respect of liability management, including:

- a) Interest rate exposure
- b) Credit exposure
- c) Liquidity
- d) Debt repayment

Council's infrastructure and community assets generally have long economic lives and long term benefits. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to Council's assets and investments, as well as assisting Council in meeting the infrastructure demands of its ratepayers on a timely basis. Council borrows as it considers appropriate within the flexible and diversified borrowing powers contained within the Local Government Act 2002. Borrowings not included in the current 10-Year Plan must be approved by Council resolution.

A resolution of Council is not required for hire purchase or equipment lease if goods or services are obtained in the ordinary course of operations on normal commercial terms for amounts not exceeding in aggregate \$100,000.

Council raises debt for the following primary purposes:

- a) General debt to fund Council's balance sheet



- b) Specific debt associated with “special one-off” projects and capital expenditure
- c) To fund assets with intergenerational qualities

Council is able to borrow through a variety of market mechanisms including borrowing from the LGFA, the issue of bonds via the domestic capital markets or direct bank borrowing.

Council has a general preference to firstly use available internal reserves for its borrowing requirements and thereafter utilise external funding sources.

Given the relative advantages to each funding mechanism, Council may have a mix of LGFA, bank and capital markets borrowing over time. Generally, a bank facility is most appropriate to provide working capital and core funding where there is uncertainty regarding timing and amount of borrowing. When there exists a degree of certainty in terms of amount and term, the LGFA or bonds via the domestic capital markets are likely to provide an appropriate source of funding.

### **New Zealand Local Government Funding Agency Limited Investment**

Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- a) contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- b) provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- c) commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- d) subscribe for shares and uncalled capital in the LGFA; and
- e) secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

### **Borrowing Limits**

In managing debt, Council will adhere to the following limits:

- a) The gross interest expense on external debt for the year equal or are less than 15% of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) for the year<sup>89</sup>
- b) Net cash flows from operating activities will exceed gross annual interest expense by a minimum four times
- c) Net external debt will not exceed 175% of Total Revenue.

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<sup>89</sup> Local Government (Financial Reporting and Prudence) Regulations 2014, Section 21

Council will adhere to the borrowing limit that is reached first and provides the lowest level of debt capacity. Council reports compliance to these limits on an annual basis.

### Liquidity and funding risk management

Liquidity risk management refers to the timely availability of funds when needed without incurring penalty costs. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and terms of existing facilities.

Council's ability to readily attract cost effective borrowing is largely driven by its ability to maintain a strong balance sheet, levy rates and manage its relationships with capital market investors, the LGFA and its bankers. Where practical, Council seeks a diversified pool of external borrowing and ensures bank borrowings and incidental arrangements (risk management products) are only sought from strongly rated New Zealand registered banks. This helps ensure that funds are available when required and amounts owing are paid in full on the due date.

Council minimises its liquidity risk by:

- a) Matching expenditure to its revenue streams and managing cash flow timing differences through its bank facilities and/or maintaining a liquidity buffer
- b) Ensuring that any liquidity buffer investments are liquid and readily negotiable instruments
- c) Having in place a committed bank facility that allows headroom of at least \$5 million compared to projected peak borrowing requirements over the next 12 months as detailed in the latest Annual/10-Year Plan.

The matching of longer term expenditure and revenue requirements is monitored through the cash flow forecast prepared during the annual planning and 10-Year Plan process and reviewed through the quarterly forecast reports.

In relation to funding risk management, Council aims to minimise the risk of debt maturing or being reissued in foreseeable periods of illiquidity or where credit margins are high, where practical, by maintaining access to multiple sources of funding, such as banks, loan stock funding and the LGFA and across a range of maturities.

Council manages funding risk by avoiding a concentration of debt maturity dates and manages this specifically by ensuring that:

- a) No more than \$30 million of outstanding external debt is subject to refinancing over the next 12 months or any rolling 12 month period thereafter.

The maximum term for external debt is 20 years unless approved by Council.

### Internal Borrowing

Council uses its reserves and external borrowing to internally fund capital expenditure as identified in the 10-Year Plan and Annual Plan and approved by Council resolution. The finance function is responsible for administering Council's internal loan portfolio.

The primary objective in funding internally is to use reserves and external borrowing effectively, by establishing a portfolio that provides funding to internal activity centres. This creates operational efficiencies as savings may be created by eliminating the negative margin that would be incurred through Council separately investing and borrowing externally.

The following operational parameters apply in relation to the management of Council's internal loan portfolio:

- a) The finance function uses the internal loan portfolio as an input into determining its external debt requirements. In most cases, Council's reserves are used firstly to reduce external debt requirements, as this would normally reduce Council's net interest cost
- b) All internal borrowing activities are consistent with the principles and parameters outlined throughout this policy
- c) In determining an activity centre's internal loan amount, any depreciation reserve or other related amount is firstly allocated to that centre. Any additional funding is then provided through internal loans
- d) The maximum term of the internal loan is the lesser of either 60% of the projected economic life of the underlying asset or 30 years.
- e) A notional internal loan is set up for all new capital projects, and operating projects in special circumstances, which would require Council resolution, and allocated to the activity centre incurring the expenditure. External interest is apportioned across all internal loan balances
- f) Loans can be on an interest only basis if it is expected that the underlying asset may be sold or transferred to another party in the future and is strategic in nature. Development contribution loans can also be on an interest only basis. However, the maximum term for such loans is 5 years.
- g) Unless specified otherwise principal repayments required in relation to internal loans will be on a table mortgage basis over the expected life of the loan.

### Interest Rate Risk Management

Council's borrowing gives rise to a direct exposure to interest rate movements. Generally, given the long term nature of Council's assets, projects, intergenerational factors and Council's objective to avoid any adverse impact on rates, there is a preference to have an appropriate level of long term fixed rate or hedged debt taking into account Council budget requirements, the nominal level of interest rates and other appropriate factors. In any case interest rate risk must be managed within the parameters detailed below unless an exception is approved by Council.

**Table 123: Interest rate risk management**

Timeframe	Policy Parameters	
	Minimum	Maximum
0 – 1 year	50%	100%
1 – 3 years	30%	80%
3 – 5 years	10%	60%

Timeframe	Policy Parameters	
	Minimum	Maximum
5 years or greater (*)	0%	40%

(\*) Hedging beyond 10 years can only be by way of bond issuance or hedging that is directly linked to an underlying debt instrument already in place (for example floating rate note).

Interest rate risk management objectives are reflected in the table above and outline the minimum fixed or hedged rate requirements allocated to various time bands. Debt is regarded as fixed or hedged, where the interest rate is protected for a period of at least one year. The Group Manager - Business Support has discretion within the control parameters to set interest rate risk management hedging levels.

However, if total outstanding external debt (excluding short term working capital requirements) is less than \$25 million, actual interest rate risk management hedging levels are at the discretion of the Group Manager - Business Support and can be outside the above bands.

### Approved Instruments

Council can only enter into interest rate hedging transactions by way of the following instruments:

- a) Interest rate swaps for a maximum of 10 years
- b) Interest rate collars where the nominal value of the cap bought is the same as the floor sold, for a maximum term of 10 years

### Credit Risk Management

Council can only enter into hedging transactions, with approved counterparties. Unless specifically approved by the Council, counterparties must be a New Zealand registered bank with a long term credit rating of A+ or better from S&P, or the Moody's or Fitch equivalent.

### Debt Security

Council's current security arrangements consist of a charge over rates by way of a debenture trust deed. Council generally does not offer assets, other than a charge over rates or rates revenue, as security for any loan or performance of any obligation under an incidental arrangement.

### Loan Repayment

The Council repays borrowings from refinancing or surplus general funds. Borrowings may be refinanced by further borrowings within the maximum 20 year term.

### Contingent Liabilities

Council provides financial guarantees to community and service organisations. This is by application and after ensuring that the Business Plan of the guaranteed party is consistent with the strategic objectives of Council and that the organisation has the means to service and repay the debt. Should the guarantee be called up, Council takes immediate action to recover the money.

Individual guarantees are limited to \$1 million and total guarantees will not exceed \$5 million. This is supported by section 2.2.5 (Community Grants and Guarantees) of the Procedural Policy Manual. Granting of any guarantees is by Council resolution.

### Investment policy

Section 105 of the Act provides that the Investment Policy required to be adopted under Section 102(2)(c) must state the local authority's policies in respect of investments, including:

- a) The mix of investments
- b) The acquisition of new investments
- c) An outline of the procedures by which investments are managed and reported
- d) An outline of how risks associated with investments are assessed and managed

Council investments may be maintained to meet specific strategic and economic objectives outlined in the 10-Year Plan. The finance function monitors the investments and reports performance on a regular basis to the Chief Executive and Council. The types of investments held include:

- a) Equity Investments
- b) Loan Advances
- c) Property Investments
- d) Forestry Investments
- e) Treasury Investments

### Equity Investments

Council maintains equity investments in:

- a) Waikato Regional Airport Limited
- b) New Zealand Local Government Funding Agency Limited

- c) Local Authority Shared Services Limited
- d) New Zealand Local Government Insurance Corporation Limited (Civic Assurance)

Other than to achieve strategic objectives, it is not Council's intention to undertake new equity investments. Council may periodically review investments with a view to exiting at a time when market conditions are favourable and overall strategic objectives are not compromised.

Any dividend income is included as part of general revenue.

Any purchase or disposition of equity investments not identified in the 10-Year Plan is by Council resolution.

At the time of disposal, Council determines the most appropriate use of sale proceeds.

### **New Zealand Local Government Funding Agency Limited Investment**

Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

Council's objective in making any such investment will be to:

- a) obtain a return on the investment; and
- b) ensure that the LGFA has sufficient capital to maintain an appropriate credit rating so that it continues as a source of attractively priced debt funding for the Council sector.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

### **Loan Advances**

Council provides financial guarantees to community and service organisations but generally does not make loan advances, except in special circumstances, which would require Council resolution. Council has existing outstanding community loans which it will manage until repayment is complete.

### **Property Investments**

Council owns property to achieve its operational and strategic objectives. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements that could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services.

The purchase or disposition of property not identified in the 10-Year Plan is approved by Council resolution. A precondition of all property purchase is the obtaining of a current registered valuation. Property holdings are sold at market values that are at least equivalent to 90% of a current registered valuation. Vendor financing may be provided to facilitate a sale, in special circumstances, which would require Council resolution.

Except where Council has identified a rental subsidy appropriate to the end use for which the property is held, all properties will be leased on commercial terms at market rates. Rental subsidies, not identified in the 10-Year Plan will be by Council resolution. All income, including rentals and ground rent from property held, except Pensioner Housing and Own Your Own properties where revenue is ring-fenced, is included as part of general revenue.

Net proceeds from the sale of property, unless subject to statutory constraints, will form part of the reserves of the District, to be reinvested in new assets or the betterment of existing assets for the benefit of the present and future residents of the District. A resolution of Council is required for expenditure from the asset sales reserve accounts.

### Forestry Investments

Council's investment in forestry on Pirongia Mountain is to assist with water conservation objectives and to provide a scenic reserve. The investment is managed by a specialist consultant and is expected to deliver positive cash flow over the long term.

New investment or the disposition of existing investments not identified in the 10-Year Plan is by Council resolution.

At time of harvest, Council determines the most appropriate use of both the sale proceeds and the land.

### Treasury Investments

Council may maintain treasury investments for the following purposes:

- a) Provide cash in the event of a natural disaster
- b) Invest amounts allocated to special funds and reserves
- c) Invest amounts allocated for approved future expenditure, to implement strategic initiatives or to support intergenerational allocations
- d) Invest the proceeds from the sale of assets
- e) Invest surplus cash

Council’s primary investment objective is capital protection. It utilises its surplus funds through internal lending to various activity centres within Council and through external investment to approved counter-parties.

Within the above credit constraints, Council also seeks to:

- a) Ensure investments are in liquid instruments
- b) Maximise investment return
- c) Match investment maturities to projected cash flow requirements to avoid realisations prior to maturity
- d) Manage potential capital losses due to interest rate movements if investments need to be liquidated prior to maturity

Council is also able to undertake short-term investments funded by external borrowings that mature within the current financial year, with approved Counterparties, if it is able to earn a positive margin between the borrowing and investment interest rates. This is called positive arbitrage.

The amount that Council can borrow this way can, when added to existing external debt, be no more than the peak projected debt levels for the financial year as outlined in the latest 10-year plan.

In relation to Treasury Investments credit exposure is minimised by limiting exposure to any investment sector or counter-party and from monitoring compliance against set limits as detailed in the table below:

**Table 124: Treasury investments credit exposure**

Institution	Minimum S&P <sup>90</sup> Short Term Credit Rating	Minimum S&P <sup>*1</sup> Long Term Credit Rating	Total Exposure Limit for each Counter-party	Investment Portfolio Limit (up to)
Central Government	N/A	N/A	\$500 million	100%
NZ Registered Bank	A1	A+	\$40 million	100%
Local Authorities (including LGFA issues)	Rates as security	Rates as security	\$10 million	50%
Strongly Rated Corporates & SOEs	A2	A- (BBB+ for SOEs)	\$5 million	30%

<sup>90</sup> Minimum Standard & Poor’s or Moody’s or Fitch equivalent.



### Foreign Exchange Policy

From time to time Council may have foreign exchange exposure through the occasional purchase of foreign currency denominated plant, equipment and services.

All exposures over NZD100,000 equivalent are recognised and hedged when the exact timing and amount of the exposure is known following the Group Manager - Business Support's approval. Exposures are hedged using foreign exchange contracts.

Exposures of less than NZD100,000 equivalent are transacted at the prevailing spot rate on the day.

Council does not borrow or enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

### Approved Instruments

Council can only enter into foreign exchange hedging transactions by way of the following instruments:

- a) Spot foreign exchange or forward foreign exchange contracts with a maturity date aligned with the timing of the confirmed exposure.

## REMISSION AND POSTPONEMENT OF RATES AND WATER CHARGES

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### Remission of Rates and Water Charges

#### 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 Waipā District. The purpose of granting rates remission to an organisation is to:

- a) assist the organisation's survival; and
- b) make membership of the organisation more accessible and affordable to Waipā 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, sewage disposal or waste collection including recycling:

- a) A remission of the 50% residual rates will be given to those societies and associations who qualify for the 50% non-rateable category under Schedule 1, Part 2 of the Local Government (Rating) Act 2002.
- b) 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 New Zealand 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, sewage disposal or waste collection including recycling.

## Remission of Uniform Annual General Charge

### Objective

The Local Government (Rating) Act 2002 Section 20 states that 2 or more rating units must be treated as 1 unit for setting a rate that is applied per rating unit.

The objective of this part of the remission policy is to provide relief for land that is in common ownership but no longer eligible for application of Section 20 as the Uniform Annual General Charge will be applied on a separately used or inhabited part of a rating unit (SUIP) basis.

### Conditions and criteria

The remission applied will be 100 percent of the Uniform Annual General Charge where the following criteria is met:

- a) The land must be owned by the same person or persons; and
- b) Used jointly as a single unit; and
- c) Contiguous or separated only by a road, railway, drain, water race, river or stream; and
- d) Not have a dwelling, flat or unit recorded as improvements.

## Remission Relating to Covenanted Land

### Objective

To provide for relief for land where an open-space covenant 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% of all rates other than targeted rates for water supply, sewerage disposal or waste collection including recycling.

## Postponement of Rates

### Postponement Policy

#### 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 rates 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 ratepayer's 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 the 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:

- a) The death of the ratepayer; or
- b) Until the ratepayer ceases to be the owner of the rating unit; or
- c) Until the ratepayer ceases to use the property as his/her residence ;or
- d) 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's 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.

## Remission of Penalties

### Penalty remission policy

#### 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 and water invoices, 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 or water invoices within the preceding 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

### Sewerage charges remission

#### 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.

## Remission of Water Charges

### Water charges remission

#### Objective

The Objective of this part of the policy is to assist people in situations where water usage is high and attributed to a water leak

#### Conditions and criteria

The ratepayer (or authorised agent) must make an application to Council for consideration.

Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter. The leak has been repaired within one month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period). Proof of the leak being repaired has been provided to Council promptly after repair of the leak.

The amount of the remission will be the difference between the average consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above that average.

Remission for any particular property will generally be granted only once every year. Where a remission for a water leak has been granted to a property within the last year, the further remission is to be at the discretion of the Finance Manager.

## Policy on the Remission and postponement of rates on Māori freehold land

### Remission of rates

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.

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by the Maori 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.

This Policy aims to:

- a) contribute to the fair and equitable collection of rates from all sectors of the community recognising that certain Maori lands have particular conditions, features, ownership, structures or other circumstances that make it appropriate to provide relief from rates; and
- b) put in place a means of providing relief on rating for Maori 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:

- a) to recognise situations where there is no person or owner gaining an economic or financial benefit from the land;
- b) to set aside land that is better set aside for non-use because of its natural features;
- c) to recognise matters related to the physical accessibility of the land;
- d) to recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes;
- e) where part only of a block is occupied, to grant remission for the portion of the land not occupied; and
- f) 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:

- a) that, as defined in section 91 of the Local Government (Rating) Act 2002, Maori freehold land is liable for rates in the same manner as if it were general land;
- b) that Council is required to consider whether it should have a policy which provides for remission of rates on Maori freehold land;
- c) 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;
- d) that applications for relief meet the criteria set by Council; and
- e) 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 Maori 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:

- a) Details of the property.
- b) The objectives that will be achieved by providing a remission.
- c) Documentation proving that the subject land is Maori 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 property where any one or more of its objectives a) through to e) as set out above will be met. Where a remission is granted this will, to the extent that the objective relates to the entire property, be a 100% 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 f) 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% of all rates except targeted rates for water supply, sewage disposal or waste collection including recycling and will reflect a measure of the difference between rates as assessed and the rates that would be assessed based on actual use.

For the purposes of this Policy, rates are deemed to include penalties.

### Postponement of rates

This policy aims to:

- a) contribute to the fair and equitable collection of rates from all sectors of the community recognising that certain Maori lands have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates; and
- b) put in place a means of providing relief on rating for Maori land pursuant to Section 108 of the Local Government Act 2002 by way of postponement of rates.

### Objectives

The objectives of this policy are:

- a) to encourage the economic development of the land by a new occupier, where there are rate arrears; and
- b) 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:

- a) that, as defined in Section 91 of the Local Government (Rating) Act 2002, Maori freehold land is liable for rates in the same manner as if it were general land;
- b) that Council is required to consider whether it should have a policy which provides for the postponement of rates or rates relief on Maori freehold land;
- c) that applications for postponement or remission meet the criteria set by Council; and
- d) 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 application should include the following information in their applications:

- a) Details of the property.
- b) The objectives that will be achieved by providing a remission.
- c) Documentation proving that the subject land is Maori freehold land.

Any postponement granted and the extent thereof is at the sole discretion of Council.

No postponement will be granted on targeted rates for water supply, sewage disposal or waste collection including recycling.

## DEVELOPMENT CONTRIBUTIONS POLICY

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### Policy Overview

Section 102(2)(d) of the Local Government Act 2002 (LGA) requires Waipa District Council (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.

This policy has been prepared in accordance with the LGA and summarises and explains the capital expenditure identified in the 10-Year Plan Council expects to incur to meet the increased demand for infrastructure resulting from growth in the District.

This 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.

The purpose of this policy is to:

- a) provide predictability and certainty to stakeholders in how infrastructure for growth is to be funded, and provide transparency of what is to be funded and what has already been delivered in anticipation of growth.
- b) support and facilitate the wider outcomes of Council including those reflected in Council's District Plan.
- c) provide for those involved in development to make fair payments to Council to reflect the expected demand their developments will have on Council infrastructure and the expected benefits residents and businesses occupying these developments will derive from Council infrastructure.
- d) present this policy simply and clearly to enable a greater understanding and awareness of what Council intends to fund and how this applies to a particular development.
- e) set contribution charges at levels that help achieve the scale, type, quality and location of development that the District Plan aspires to.

Contributions will be required for capital expenditure on a relatively small number of Council activities that are seen as strongly connected to new development. Contribution amounts are set out clearly and unambiguously in this policy, assisting those undertaking development to assess the financial viability of their projects early in their process.

There is the opportunity for contributions to be payable later in the development cycle for some developments to take account of the funding realities facing developers. Council has retained the statutory enforcement powers set out in the legislation to offset the risks of non-payment.

Capital expenditure projects will be transparent and details accessible for those wishing to understand the infrastructure Council is planning to provide for growth.

## Policy Background

Council's first development contribution policy (DCP) was adopted in June 2006, when Council decided to principally fund the growth related costs of development via development contributions (DCs) under the LGA, rather than relying solely on financial contributions (FCs) under the Resource Management Act 1991 (RMA).

The DCP was subsequently revised during each 10-Year Plan cycle in 2009, 2012, 2015 and 2018.

There is a need for Council to deliver infrastructure to accommodate growth and a need for this to be funded appropriately. Council has therefore determined that growth should generally pay for the cost of growth. This is considered to achieve financial equity between existing ratepayers and those undertaking development.

In terms of this policy in addition to Council, the key stakeholders are developers and ratepayers.

Additional commentary on these stakeholders is included in the paper: *'Methodology for the development contribution policy 2015 (incorporating a review and analysis of options)'*<sup>91</sup> ("the methodology and options paper").

Further information supporting the DCP is contained within the development contribution (DC) model, and the methodology and options paper, which are both available from Council on request.

## Definitions

The following definitions are used throughout this policy:

**Table 125: Development Contributions Policy definitions**

Term	Definition
Activity	A grouping of Council functions required for development contributions.
Allotment	Has the same meaning as defined in 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.

<sup>91</sup> Refer to Appendix 1: Documents referenced in this policy..

Term	Definition
Catchment or funding area	A geographical area used to accumulate the cost of activities and define a part of Waipā District for development contribution purposes. This includes any future development which extends the area served by a catchment.
Commercial accommodation	Any accommodation units other than dwelling units, such as hotels, motels, holiday flats, which are offered at a tariff, on a per-unit basis and student accommodation where this is located on the grounds of an educational institution.
Commercial	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	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Community infrastructure	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Council	Waipa District Council.
Developer	Means a developer who undertakes development, and means a person for the purposes of sections 199A to 199E of the Local Government Act 2002.
Development	Has the same meaning as defined in section 197 of the Local Government Act 2002.
'Development agreement' or 'DA'	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Development contribution commissioner	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Development contribution objection	Has the same meaning as defined in section 197 of the Local Government Act 2002.
District-wide catchment	Means the entire District.
Dwelling [or dwelling unit]	A building or part of a building capable of being used as an independent residence and includes dwelling apartments, semi-detached or detached 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"> <li>▪ 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.</li> <li>▪ A 'sleep out' is considered to be any building or part of a building which is 35m<sup>2</sup> or less (excluding garaging), anything in addition to this will be considered to be a household unit/minor household unit.</li> </ul> But does not include any unit of commercial accommodation.
Funded growth cell	Means a catchment or part thereof that Council has resolved to fund or part fund through its 10-Year Plan.

Term	Definition
GFA	Gross floor area (including mezzanine floors). For the purpose of calculating impervious surface areas for non-residential developments, GFA means the footprint of all impermeable surfaces of the site.
Household equivalent unit [or HEU]	A unit of demand representing one average household.
Impervious surface area [or ISA]	The area of any site which is not capable of absorbing rainwater.
Minor dwelling unit	A household unit not exceeding 70m <sup>2</sup> in Gross Floor Area (GFA), provided that attached garaging and open deck areas are not included in the 70m <sup>2</sup> GFA calculation.
Network infrastructure	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Non-residential development	Means any development that is a commercial, industrial or retail development.
Residential development	Means any subdivision, building, land use or work, but excludes non-residential development.
Retirement unit	Any dwelling unit in a retirement village. For the avoidance of doubt, this does not include aged care rooms in a hospital (or similar) building/s.
Retirement village	Has the meaning in section 6 of the Retirement Villages Act 2003.
Service connection	Has the same meaning as defined in section 197 of the Local Government Act 2002.
District Plan	Means the Operative Waipā District, or any subsequent operative version of the Plan.

## Policy Details

This is a policy of Council adopted under section 102(1) and required by section 102(2)(d) of the LGA. This section of the policy describes the considerations of Council in making this policy and covers all matters required to be included in a policy on development contributions by section 106 of the LGA.

### Use of development contributions or financial contributions

Council considered the options available to it for funding the capital expenditure it is planning to incur as a result of, or in anticipation, of growth in Waipā. Council considered the purposes of and reasons for development and financial contributions and other funding sources and determined that:

- a) development and financial contributions are the primary sources available to it for funding growth related infrastructure under current legislation.
- b) development contributions should be used as the main funding tool for growth related infrastructure provided by Council.

This does not preclude Council from using and investigating other funding sources as appropriate.

This policy is distinct from, and in addition to, section 18 of the District Plan that provides Council with discretion to require financial contributions under the RMA.

Where a development results in Council incurring capital expenditure that is not covered by this policy, Council may impose a financial contribution as a condition/s of resource consent in accordance with the requirements of the District Plan, and Council's powers under the RMA.

### Significant assumptions

Section 201(1)(b) of the LGA requires this policy to set out the significant assumptions underlying the calculation of the schedule to the development contributions policy, including an estimate of the potential effects if there is a significant level of uncertainty as to the scope and nature of the effects.

Table 126 below sets out a summary of the significant assumptions underlying this policy. Further detail on specific assumptions relating to growth are included in the sections on [Residential growth assumptions](#), [Non-residential growth assumptions](#), [Growth HEUs by activities \(asset class\)](#) and [Historic capital expenditure](#) below.

**Table 126: Development Contributions Policy significant assumptions**

Significant assumption	Estimate of potential effects	Level of uncertainty
<p>The rate, level, location and type of residential growth will occur as is forecast by the National Institute of Demographic and Economic Analysis (NIDEA) report '2016 update of area unit population, household and Labour Force Projections for the Waikato Region for the period 2013-2061. The growth forecasts are based on a medium population and household growth scenario.</p> <p>The rate, level, location and type of non-residential growth will occur as is forecast in the <i>Waipa District Business Land Study (May 2017)</i> prepared by Property Economics (and informed by Council).</p> <p>Growth can be influenced by a wide range of factors including: changes in demographics, changes in social and economic conditions, the performance of the economy and the effect of local, national and international forces.</p>	<p>If development is lower than that forecast by the growth reports, the amount of revenue generated through this policy will be reduced.</p> <p>Council may need to review the growth forecasts to reflect a longer take up period than anticipated. This will affect the ability of Council to fund growth related infrastructure, which itself may need to be deferred.</p> <p>As a result Council needs to be flexible with the timing of works and be able to quickly react to changes in the market or to non-active as well as active developers.</p>	Significant
<p>The proportion of capital expenditure projects for growth is based on the best available information and aligned with the forecast growth, the District Plan and active developers.</p>	<p>There is the potential for capital expenditure projects to alter over time. This can be as a result of changes in demand by developers – either faster or slower, or a significant industrial/commercial demand for infrastructure.</p> <p>Where significant changes occur to capital expenditure projects through an annual plan, it may be appropriate for Council to determine whether to revise the schedule of charges within this policy.</p>	Significant

Significant assumption	Estimate of potential effects	Level of uncertainty
	<p>Provision of growth infrastructure in a period of low or uncertain growth can create a cost burden on the existing rating base as growth is not arriving to share the increased cost.</p> <p>Council allocates the cost of capital to ratepayers, and although this can create rating impacts it means that development contributions are not negatively impacted by slowed growth.</p>	
<p>No significant changes to service standards are expected to occur other than those planned within asset management plans.</p>	<p>Changes to service standards will affect both the level of on-site works required by those undertaking development and the scale and type of infrastructure provided by Council.</p> <p>If significant changes occur Council will need to reassess the effect on capital expenditure projects and determine the materiality of change to the schedule of charges within this policy.</p>	<p>Medium</p>
<p>The cost of growth incorporated in the contributions charge is calculated net of all third party income. This policy assumes that the level of third party funding will not change over the life of the 10-Year Plan 2018-28, and the eligibility criteria will remain the same.</p>	<p>If the level of third party funding is reduced, Council will have understated the cost to be recovered through this policy. If the level of third party funding is increased, Council will have overstated the cost to be recovered through this policy.</p> <p>In either case Council will be at liberty to assess the materiality of the difference and determine whether to revise the schedule of charges within this policy and provide for a lower or higher expectation of third party income.</p>	<p>Low</p>
<p>Developments will in general exhibit common demand characteristics that enable Council to consider them as part of a simple overall classification of development types.</p>	<p>All residential development will be attributed with the average demand as set out in this policy.</p> <p>Developments individually may create a lower or higher demand on infrastructure than the average demand for their development type.</p> <p>Development overall and in time, will create the demand levels required to recover the cost of infrastructure for growth.</p>	<p>Medium</p>
<p>Developers are only required to pay development contributions on additional development that is the subject of a consent application.</p> <p>Any existing lawfully established allotments or land uses on the development site are assumed to have either:</p> <ul style="list-style-type: none"> <li>▪ paid development or financial contributions under relevant legislation at the time; and/or</li> <li>▪ have been exempt from paying contributions.</li> </ul>	<p>The assumption that lawfully established allotments are deemed to have paid for development contributions requires all new subdivisions to pay for one unit of demand (HEU) at the point of subdivision.</p> <p>In addition, this would result in Council recovering less development contributions than originally anticipated.</p>	<p>Low</p>



### Residential growth assumptions

All planned growth projects in this policy are in the 10-Year Plan 2018-28.

A report on population and dwelling projections was produced by the National Institute of Demographic and Economic Analysis (NIDEA) as background to this policy. The population projections included high, medium and low variants. For the purposes of this policy, the medium variant for both population and household projections was considered appropriate, subject to some modification to account for the current economic climate. The modification to the growth projections does not alter the total growth expected, just its timing over the next ten years. Council considers this a prudent and realistic basis for decision-making related to growth.

The household occupancy has been calculated as 2.58 persons per household.

For the purposes of assessing growth, Council has used the traffic demand modelling set out in the report by Gray Matter titled '*Growth Component of Roads and footpaths Projects*' and dated August 2014.

Refer to the methodology and options paper for further information on the residential growth assumptions.

### Non-residential growth assumptions

The non-residential growth assumptions are based on the *Waipa District Business Land Study* (May 2017) prepared by Property Economics with input from Council.

There are greenfield non-residential land areas planned for Hautapu and Bond Road. These areas are in addition the land already zoned but in the case of Hautapu, will now be fully serviced. An increase in non-residential HEUs has been assumed in asset management planning and development contribution fee setting on the basis of an additional equivalent of 1,256 HEU's over the ten year period 2018-2028.

Refer to the methodology and options paper for further information on the non-residential growth assumptions.

### Growth HEUs by activities (asset class)

Growth HEUs by asset class have been calculated on a District-wide basis and for specific catchments, and are based on projections prepared by the National Institute of Demographic and Economic Analysis (NIDEA) at the University of Waikato<sup>92</sup>. The forecast for the District population is for around 64,200 by 2031 at the medium projection.

The population projections were converted to households in the same manner as previously undertaken by NIDEA. For further information on growth HEUs by catchment and asset class, refer to the DC model.

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<sup>92</sup> Refer to Appendix 1: Documents referenced in this policy.

Water, wastewater and stormwater catchment data have been based on Council asset manager's demand estimates, using the population projections and predictions of development that will 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 such as Cambridge North and Piquet Hill in Te Awamutu.

Further information on assumptions for growth projects are contained with the methodology and options paper.

### Historic capital expenditure

Historic capital expenditure has been recognised where there is a direct link to a capacity upgrade that will enable services to be provided for growth, and therefore costs should be recovered from developers.

Historic capital expenditure includes expenditure that has been made prior to the 10-Year Plan 2018-28, and where projects will require further expenditure for completion during the 2018-28 timeframe (i.e. partially completed projects).

Council does not include the cost of capital in its methodology for the cost of the completed projects.

Further information on historical capital expenditure is available in the methodology and options paper. Information on the historical capital expenditure projects is contained within the DC model, or within the relevant project business cases (available on request).

### Interest and GST

All costs from projects in the 10-Year Plan used in this policy are based on current estimates of infrastructure construction prices in 2018-dollar terms and then inflated using the inflation rates as per the 10-Year Plan 2018-2028. Fees set in the 2018 DCP will change over the period of the 10-Year Plan to reflect inflation, based on BERL inflation rates.

No cost of capital, or compensation for Council for taking the risk of building infrastructure in advance of demand, is included in growth cost calculations, other than interest on net Development Contribution loans.

All capital expenditure noted in this policy is exclusive of GST. However the development contribution fee summary in Table 127 is inclusive of GST.

### Transitional provisions

The development contribution amounts applying to a development will depend on the date on which the consent or service connection application was lodged and the date on which it was granted.

Applications lodged prior to 30 June 2018 but not granted (or issued in terms of the Building Act 2004) by 30 June 2018 will be assessed under the development contribution policy that requires the lowest overall development contribution charge (i.e. either the 2015 DCP or the 2018 DCP).

Applications lodged and granted (with existing assessed development contribution notices) prior to 30 June 2018 will also be assessed under the development contribution policy that requires the lowest overall development contribution charge (i.e. either the 2015 DCP or the 2018 DCP).

For the avoidance of doubt, if a development contribution notice has been issued, the HEUs per activity will remain as per the original assessment. Upon payment of the required development contribution, the activity catchment rates will be applied to the already assessed HEUs. This does not apply to activities that have increased their demand, which will be subject to a new assessment.

Applications lodged on or after 30 June 2018 will be assessed under this policy, or any later version of this policy (as specified in that later policy).

### **Adoption and amendment of this policy**

This policy was adopted and takes effect on 1 July 2018 and will remain in effect until 30 June 2021. This policy may be reviewed and amended earlier in accordance with the requirements of the LGA, including reviewing only the annual adjustments to the development contributions rates.

### **Development contribution fee summary**

The following table sets out the development contribution fee summary per catchment, per HEU for 2018/19.

Table 127: Development Contribution Policy fee summary per HEU by catchment (all costs include GST)

Funding Areas	Stormwater	Water Supply	Wastewater	Roading & Transport	Parks & Reserves	Community Infrastructure	Total
Te Awamutu	-	2,313	7,717	147	568	54	10,799
Picquet Hill	158	3,275	8,210	6,106	568	54	18,371
Bond Rd	1,016	4,845	7,717	147	-	-	13,725
T1	-	2,313	8,808	1,828	568	54	13,571
T3	912	4,585	7,717	147	568	54	13,982
T6	-	7,154	-	2,333	568	54	10,109
T7	-	2,313	10,573	147	568	54	13,655
T8	-	2,313	7,717	513	568	54	11,165
Kihikihi	4,246	1,141	7,717	4,685	568	54	18,411
Pirongia	-	2,313	-	1,411	568	54	4,346
Cambridge / Karapiro	431	2,053	699	4,211	1,399	54	8,847
Cambridge North	30,118	5,319	6,662	4,289	1,506	737	48,631
Hautapu	5,610	3,047	5,330	7,694	-	-	21,682
C1	28,330	11,613	4,203	10,715	1,353	54	56,267
C2	26,621	10,166	5,305	10,588	3,024	304	56,008
C3	26,621	10,166	5,305	12,177	3,024	54	57,347
C4	431	2,925	699	338	568	54	5,015
C6	-	3,571	-	180	568	54	4,372
Rural	-	-	-	34	568	54	655

Note SW for C1, C2 and C3 are treated as one catchment, except C1 has additional interest due to timing of its development

### Calculation of schedule to development contribution policy

Section 201(1) of the LGA requires this policy to include, in summary form, an explanation of, and justification for, the way each development contribution in the schedule to this policy<sup>93</sup> (Table 127 above) is calculated. This is explained in the following paragraphs.

In accordance with section 106(3) of the LGA, the full methodology, including the DC model, the methodology and options paper, and the project plans for each activity are available for public inspection on request.

<sup>93</sup> As per section 202 of the LGA.

Calculation of the development contribution amounts (if any) payable for any project or programme line in the model have been calculated in accordance with the methodology set out in schedule 13 of the LGA, by using the following process:

**Table 128: Development Contributions Policy summary of LGA process steps**

Step	Explanation	LGA Reference
1	<p><b>Define catchments.</b></p> <p>For network based services, a catchment is the area served by the network.</p> <p>Funded growth cells located within a catchment are deemed sub-catchments of the respective catchment.</p> <p>For community infrastructure and reserves the catchment is the Waipā District.</p>	LGA Schedule 13(1)(a) Section 197AB(g)
2	<p><b>Identify ten year capital expenditure resulting from growth.</b></p> <p>Capital expenditure already incurred in anticipation of growth, net of any previous third party contributions.</p> <p>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.</p> <p>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 ten year capital costs budgeted in the 10-Year Plan, the other two components being level of service improvements and renewals. These other two costs are met from funding sources other than development contributions.</p> <p>Justification for the level of growth capital expenditure is supported by financial management funding considerations and show significant assumptions and impacts of uncertainty.</p>	LGA Schedule 13(1)(b)
3	<p><b>Identify the percentage of growth related ten year capital expenditure to be funded by development contributions.</b></p> <p>100% of the growth related capital expenditure will be funded by development contributions because:</p> <ul style="list-style-type: none"> <li>▪ It directly relates to the planned capital expenditure set out in the 10-Year Plan and detailed in Council’s asset management plans; and</li> <li>▪ The capital expenditure identified for growth can be reasonably identified.</li> </ul> <p>Council has decided that cost of capital (interest) will be developer funded as growth pays for growth.</p>	LGA 106(2)(b)
4	<p><b>Identify the appropriate units of demand.</b></p> <p>The selected unit of demand is the HEU calculated as follows:</p> <p>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 (subject to specific considerations for minor household units and retirement units, refer to assessment section below).</p> <p>For non-residential development, development contributions are assessed once defined ‘trigger levels’ are met. The actual demand assessed is then converted into HEUs based on the expected demand placed on network infrastructure. The assessment is based on vehicle movements per day for roading and transport, m<sup>3</sup> use for water and wastewater, and impervious surface areas (ISA) for stormwater (which is assessed on additional ISA per m<sup>2</sup>).</p>	LGA Schedule 13(1)(b)

Step	Explanation	LGA Reference
	In cases where the demand demonstrably varies from demand anticipated by this DCP, a special assessment is likely to be required.	
5	<p><b>Identify the designed capacity (in units of demand) provided for growth.</b></p> <p>The designed capacity may vary between different types of infrastructure. In some cases it may be considered economically prudent to provide growth capacity considerably beyond current ten year expectations of growth.</p> <p>Costs are applied to usable growth capacity to be provided. Projected growth in HEUs over the ten year period of the 10-Year Plan will be relevant to Council’s budgeting of revenue but not to the calculation of the development contribution per HEU.</p>	LGA Schedule 13(1)(b) and (2)
6	<p><b>Allocate the costs to each unit of demand for growth.</b></p> <p>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).</p>	LGA Schedule 13(1)(b)
7	<p><b>Prepare schedule of fees.</b></p> <p>A detailed schedule has been prepared as part of this policy that enables the development contributions to be calculated by infrastructure type and catchment. The schedule of fees includes the interest on net Development Contribution loans.</p> <p>This 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>	LGA 201(2) LGA 201(1)(a) LGA 201(1)(b), (c) and (d)

## Development Contribution Assessments

### Test for development contributions/when development contributions are required

Under section 198 of the LGA, Council may require a development contribution to be made when:

- a) A resource consent is granted under the RMA for a development.
- b) A building consent is granted under the Building Act 2004 for building work.
- c) An authorisation for a service connection is granted.

However, development contributions can only be required where a development as defined by section 197 of the LGA is to occur. Section 197 of the LGA defines development as follows:

- "(a) any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) does not include the pipes or lines of a network utility operator."

On receiving an application for resource consent (subdivision or land use consent), building consent or service connection, Council will first:

- a) Test that the application represents a development under section 197;
- b) Determine whether alone or in combination with other developments the application under consideration will have the effect of requiring new or additional assets or assets of increased capacity and, as a consequence, Council will incur capital expenditure to provide appropriately for this; and
- c) Ensure that any development contribution that may be required is provided for in this policy.

If Council is satisfied that the application meets the legal requirements above, it will assess contributions following the process set out in this development contribution assessment section.

Where a resource consent or building consent is required, but does not generate additional demand for reserves or infrastructure (such as a minor boundary adjustment), no development contribution will be required.

For the avoidance of doubt, this 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 Council in anticipation of development.

### **Catchments/funding areas**

Development contributions will be required from development across the whole of the Waipā District using geographic demand catchments. Development occurring within each catchment/area will be required to pay contributions applicable in that catchment.

Any development which connects into a catchment from outside that catchment will be required to pay the applicable catchment rate for the activity connected to.

The catchments are identified in the schedule to the development contributions policy (i.e. the development contribution fee summary per HEU in table 3), and on the maps in Appendix 2: Development contribution catchment maps.

For the avoidance of doubt, any area in the Waipā District which is not specifically shown to be within a catchment on the catchment maps shall be deemed to be in the rural catchment.

Refer to the methodology and options paper for further information on how the catchments have been determined.

### **How do I assess what development contributions I have to pay?**

The following table explains how to undertake an assessment of what development contributions you may have to pay for a development.

Table 129: Undertaking an assessment of development contributions

Step		What to do	Where do I find it?
1	Identify catchment.	Go to the development contribution catchment maps and identify where the property subject to the development is located. The catchment your property is located within is the catchment fees that will be applied to your development.	<a href="#">Appendix 2 of this policy.</a> The development contribution catchment maps are also located on Council’s online maps program ‘maps online’. Go to <a href="http://www.waipadc.govt.nz">www.waipadc.govt.nz</a>
2	Calculation of units of demand (household equivalent units (HEUs)) your development will generate.	Go to the sections of this policy identified below, and in the adjoining column and identify the number of HEUs your development will generate. For subdivisions, the unit of demand = 1 HEU per additional lot created. For proposals to erect additional dwelling/s on your property the unit of demand is dependent on the size of your proposed dwelling, please refer to the <a href="#">third paragraph</a> in the <a href="#">General information section</a> , and the <a href="#">Residential developments</a> section for further information. For non-residential developments refer to Table 131 for the threshold levels which trigger an assessment.	Refer to the <a href="#">Assessment of Development Contributions</a> section below. Also note the definition of “household unit” (dwelling), and “minor household unit”.
3	Calculation of credits.	In some circumstances a credit will apply to the site you are developing on. Calculate the number of credits (if any) that apply to your development, and deduct the credits from the number of HEUs identified under step 2.	Refer to the <a href="#">Credits</a> section.
4	Identification of development contribution payable per HEU	Go to the schedule of development contribution fees and identify the catchment your development relates to. The total amount payable per HEU is shown per activity, per catchment.	Refer to Table 127.
5	Calculate total development contribution payable.	Multiple the numbers of HEUs (less credits in step 3) by the development contribution fee per HEU identified in step 4. This is the total development contribution payable for the development.	

### Assessment of development contributions

#### General information applicable to all developments

Development contributions will be required and will be subject to an assessment on all applications for building consent, land use (resource) consent, subdivision (resource) consent and service connection.



Development contributions will be calculated on a development's first application for consent or service connection authorisation, and re-calculated on any subsequent application in relation to the same development.

Development contributions will not be payable for normal residential extensions or alterations to existing dwellings, unless these create an additional household unit (including the addition of a kitchen), or alter a feature that was used to claim an earlier reduction in development contribution fees payable.

A reassessment may be made on each and every event described in [Timing of assessment section](#) and the [second paragraph](#) of the [Payment and enforcement powers](#) section of this policy; or in accordance with section 106(2C) of the LGA, which enables Council to amend the development contributions.

The development contribution fee summary per HEU by catchment is contained in table 127 of this policy.

The definitions are contained in table 125 of this policy.

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 the following table:

**Table 130: Development Contributions Policy 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	622 litres	241 litres/person/day @2.58 persons/dwelling.
Wastewater	Litres/dwelling/day	435 litres	70% of 241 litres per day supplied multiplied by 2.58 persons/dwelling.
Stormwater	ISA (m <sup>2</sup> )	390	60% impervious area (assumes 390m <sup>2</sup> of impervious area from an average 650m <sup>2</sup> residential allotment).
Parks and reserves	-	-	-
Community infrastructure	-	-	-

**Residential developments**

Residential developments will be assessed on the number of additional HEUs created by development, on the basis of anticipated demand. For the avoidance of doubt, residential development includes residential subdivisions.

A minor household unit shall be assessed at 0.5 of an HEU per additional household created by the development.

Where a minor household unit is erected first on a site, and a subsequent dwelling is erected on the same site, the new dwelling will be required to pay an additional 0.5 HEU.

Retirement units in a retirement village will be assessed at 0.5 of an HEU per retirement unit.

**Non-residential developments**

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.

Non-residential subdivisions will pay 1 HEU per additional lot, excluding community infrastructure and parks and reserves.

A development contribution for a non-residential development (excluding non-residential subdivisions, which are subject to the preceding paragraph will only be assessed and required when any one or more of the thresholds in the following table are met. If the threshold is met for any one activity, then development contributions will be calculated for all activities.

**Table 131: Development Contributions Policy non-residential thresholds**

Activity	Threshold
Roading & transport	The development will generate $\geq 100$ vehicle movements per day attributable to growth (VMPD), except traffic that has already been assessed for residential development within the catchment. <i>Notes:</i> (a) 1 vehicle visiting = 2 vehicle movements. (b) 10 heavy vehicles = 100 VMPD. (c) 'Heavy vehicle' means a motor vehicle that has a gross vehicle mass (GVM) exceeding 3500 kilograms. (d) Any subsequent expansion or redevelopment that increases the VMPD will be re-assessed.

Activity	Threshold
Water supply	The development (or expansion/redevelopment) requires a water connection from the water main into the development greater than 20mm diameter. The assessment will be calculated by analysing the water use of similar developments as well as any information supplied by the developer. <i>Note: Where a water connection greater than 20mm diameter is required solely for firefighting purposes this will not trigger an assessment.</i>
Wastewater	The development (or expansion/redevelopment) requires a water connection from the water main into the development greater than 20mm diameter. The assessment will be calculated by analysis of the water supply use.
Stormwater	The development (or expansion/redevelopment) increases the impervious surface area (ISA) on a site and there is an increase in stormwater flow off the site in a 2% Annual Exceedance Probability (AED) event. The assessment will be calculated using a factor of 0.35 HEU's per 100m <sup>2</sup> impervious surface area only.

## Administration of Policy

### Special assessments

Where Council considers the level of demand for any development (residential or non-residential) 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,

Council will undertake a 'special assessment' of the units of demand.

Council may require the developer to provide additional information in relation to the development to inform the special assessment process.

Subject to the requirements of the preceding paragraph, developers may elect, at their own cost, to submit a special assessment for consideration by Council.

For development in a funded growth cell, Council may undertake a special assessment of the units of demand. 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 12 lots per hectare of gross land area<sup>94</sup>. Developers in growth cells may also elect, at their own cost, to submit a special assessment for consideration by Council.

### Exempt and partially exempt developments - Council developments

<sup>94</sup> Also refer to the section on development agreements.

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 park, 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 developments - Crown developments

The Crown is exempt from the provisions of this policy by virtue of section 8 of the LGA.

If an developer considers that it is the Crown for the purposes of avoiding liability to pay a development contribution, Council may require the developer to provide written evidence outlining the basis on which the developer considers that it is the Crown.

### Cross boundary issues

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, Council will only assess the development for that part of the development that is within the Waipā District.

### Timing of assessments

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

Subject to the following paragraph, except as otherwise provided in any signed development agreement; a developer must 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, including any adjustment in accordance with the latest fees.

The development contribution must be paid as follows:

- Subdivision consent: Prior to the issue of Section 224(c) certificate;

- Land use consent: Prior to the commencement of the consent;
- Building consent: Prior to the uplifting of the Building Consent;
- Service connection: Prior to connection.

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

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.

Credits can only be used for developments on the same site and for the same activity. Provided that roading and transport, water and wastewater credits for non-residential developments may be transferred between sites within the same catchment only where the trigger thresholds in table 131 are exceeded.

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. 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.

Credits cannot be used to reduce the number of units of demand to less than zero.

Existing vacant allotments are considered to have an historical credit of one HEU.

For the avoidance of doubt, historical credits will only be applied in relation to a parcel of land contained in one certificate of title, regardless of the number of allotments included in a certificate of title.

For residential developments, historical credits will generally only apply where a household unit was removed less than five years before the new consent application, or service connection was lodged.

For non-residential developments, historical credits will apply as follows:

- a) Non-residential historical credits shall be granted for stormwater on the basis of the gross floor area of the existing development, and for other activities on the actual demand of the specific use (e.g. m<sup>3</sup> per day for water use); and
  - b) 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
  - c) In the event a non-residential development is proposed on a vacant brownfield site Council will, for assessment purposes, consider the land uses that have taken place on the site prior to the proposed development; and
  - d) Where a non-residential development is relocating to a new site within the same development contribution catchment, the development may transfer its credits to the new site. In these circumstances, a 1 HEU credit will be applied to the existing site that the non-residential development has vacated.
  - e) 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.
1. 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, or service connection, and will be undertaken on an incremental effects basis.
  2. In order to be subject to a credit, the prior use of the site must have been lawfully established. It is the responsibility of the developer to provide sufficient proof to Council to establish this if required, such as a certificate of existing use pursuant to the RMA.

## Reconsideration of development contribution

### Right for reconsideration pursuant to sections 199A of the Local Government Act 2002

At the request of a developer required to make a development contribution, Council must reconsider the development contributions required.

The developer must make the request for reconsideration in writing within 10 working days after the date on which the developer lodging the request receives notice from Council of the level of development contribution that Council is proposing to require.

### How to apply for a reconsideration

The request can be lodged with Council in the following ways:

- a) by email to [DCenquiry@waipadc.govt.nz](mailto:DCenquiry@waipadc.govt.nz)

*Note: The email heading should state: 'request for reconsideration of development contribution'. Please also include the application reference number.*

b) by writing to Council at the following address:

Manager Infrastructure Development  
Private Bag 2402  
Te Awamutu 3840

(or deliver to 101 Bank Street, Te Awamutu)

*Note: Please include the consent application reference number, or the development contribution notice number.*

A developer may not apply for a reconsideration of a requirement if the developer has already lodged an objection under Section 199C and Schedule 13A of the Local Government Act 2002 (refer to [Objection to assessed amount](#) section for further information on this process).

A right of objection may be lodged rather than a request for reconsideration. Refer to the [Objection to assessed amount](#) section for further information.

### Reconsideration process

The following diagram sets out the reconsideration process:

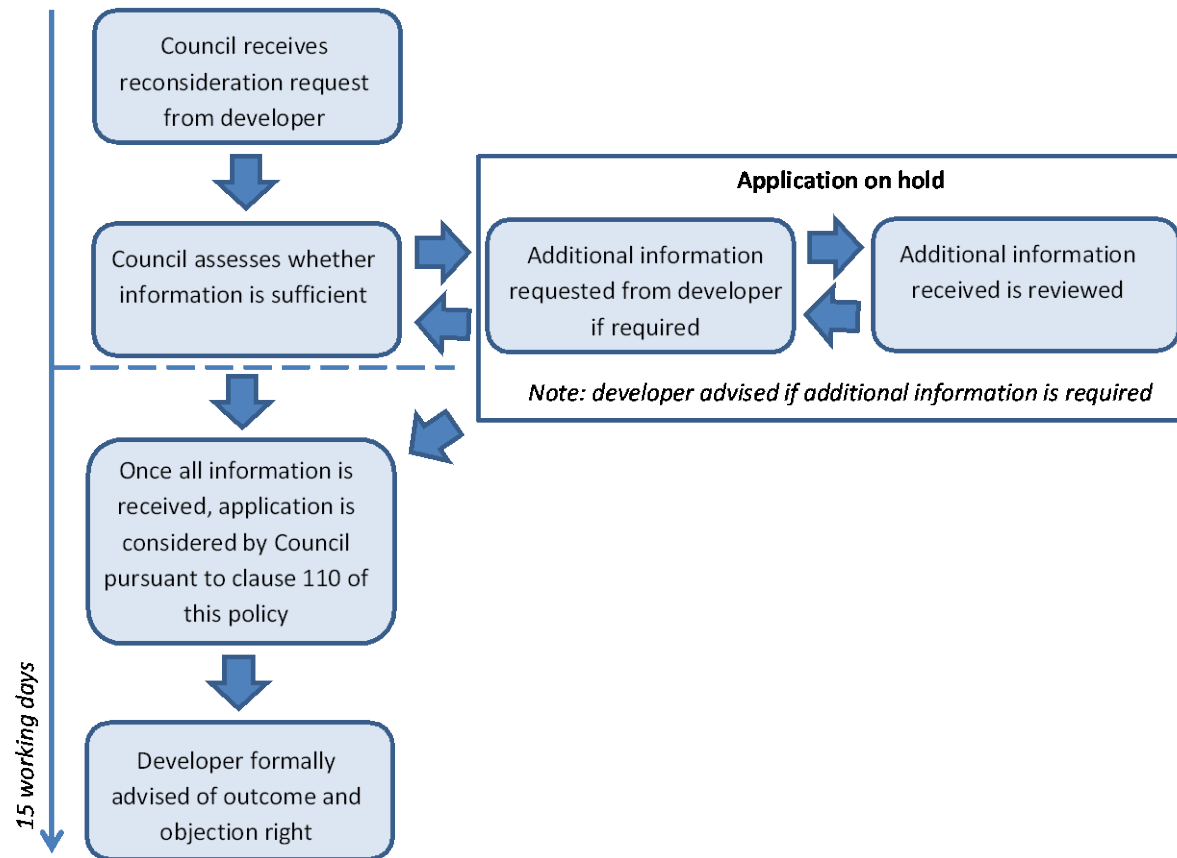


Figure 2: Reconsideration process

Within 15 working days after the date on which Council receives all required relevant information related to a request, Council must give written notice of the outcome of the reconsideration to the developer who made the request.

The developer who receives written notice from Council of the outcome of the reconsideration may lodge a development contribution objection within 15 working days of receiving the notice of the outcome.

*Note: The 15 working day period begins on the day after the date on which the developer received the notice of the outcome.*



### Matters Council will consider in a reconsideration

When considering a reconsideration request Council will take the following matters into account:

- a) Whether, based on the information received by the developer, the development contribution was incorrectly calculated or assessed under this policy, or Council incorrectly applied this policy; and
- b) The purpose of development contributions, and the development contribution principles, as set out in sections 197AA and 197AB of the Local Government Act 2002 respectively; and
- c) Council's financial modelling; and
- d) Council's Funding and Financial Policy; and
- e) The extent to which the value and nature of the works proposed by the developer reduces the need for works proposed by Council in its capital works programme; and
- f) The level of existing development on the site; and
- g) Whether Council determines that the development contributions are manifestly excessive in relation to:-
  - i. the scale of the development;
  - ii. the value of the development;
  - iii. the viability of the development;
  - iv. the impact of the development on infrastructure;
  - v. whether the development supports Council's wider objectives; and
  - vi. any other matter Council considers to be relevant.

### Objection to assessed amount of development contribution in accordance with Sections 199C and 199D of the Local Government Act 2002

A developer may, on any grounds set out in section 199D of the Local Government Act 2002 (LGA), object to the assessed amount of the development contribution that Council has required advised in either:

- a) A notice given to the developer for that purpose by Council; or
- b) If notice has not been given, such other formal advice of the requirement that the territorial authority has given to the developer.

The objection must be made in writing by the developer serving notice of the objection on Council within 15 working days after the date on which the developer received notice from Council of the level of development contribution that Council has required; or in accordance with the [third paragraph](#) of the [Reconsideration process](#) section.

The objection must set out the grounds and reasons for the objection, the relief sought, and state whether the objector wishes to be heard on the objection.

The objection process is set out in Schedule 13A of the LGA. Further information is also available on Council's website at [www.waipadc.govt.nz/dcs](http://www.waipadc.govt.nz/dcs)

### Refunds

Sections 209 and 210 of the LGA apply to refunds of development contributions paid to Council, where:

- a) Resource consents lapse or are surrendered; or
- b) Building consents lapse; or
- c) The development or building does not proceed; or
- d) Council does not spend the money on the purpose for which the development contribution was required; or
- e) Previous overpayment has been made (for whatever reason).
- f) 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

Council will consider any request to postpone a development contribution in accordance with the section below on development agreements.

### Development agreements

Where it is in the best interests of all parties (and all parties agree), Council may enter into a development agreement (DA) with the developer, at the developer's expense, unless the agreement is for Council's benefit.

The quantum of development contributions assessed pursuant to a Development Agreement will be in accordance with the level of demand.

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, and this is agreed in a DA.

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 DA.

Without limiting Council's discretion to enter into a DA and to agree such terms as it sees fit, a DA may allow the deferral of development contributions in accordance with the general principles below:

- a) For subdivisions  $\geq 10$  lots, or developments with  $\geq 10$  dwellings per title:
  - i. Development contributions for subdivisions may be deferred until individual sections are sold;
  - ii. Development contributions for dwellings may be deferred until individual building consents are issued by Council;
  - iii. Any such deferral will be subject to a maximum timeframe of 24 months.
- b) For non-residential developments:
  - i. Water and wastewater development contributions may generally only be deferred for 12 months from the occupation of a development. At or after the 12-month anniversary, Council will review the  $m^3$  water use per day, and apply a development contribution assessment based on the average  $m^3$  use per day for the preceding 12-month period.

For developments specifically in the Cambridge North and Cambridge West catchments, Council will consider an assessment based on a per hectare rate for comprehensive residential development, compact housing (or similar density residential developments).

Where there is any conflict between a DA and this (or any replacement DC Policy) the DA will prevail. For the avoidance of doubt, a DA may permit a complete contracting out of the DC Policy for a specific development where both Council and the Developer agree.

### Goods and services tax

All assessments are inclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985.

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.

GST will be added to an invoice at the time of supply as required by the Goods and Services Tax Act 1985.

### Schedule to the Development Contribution Policy

The following table sets out how this policy complies with sections 201 and 202 of the LGA.

Table 132: Development Contributions Policy compliance with sections 201 and 202 of the LGA

Section 201 – contents of development contributions policy	Section reference in development contribution policy
<p>(1) If a territorial authority has determined to seek funding for community facilities under this subpart, the policy required by section 102(1) must include, in summary form, in addition to the matters set out in section 106,—</p> <p>(a) an explanation of, and justification for, the way each development contribution in the schedule required by subsection (2) is calculated; and</p> <p>(b) the significant assumptions underlying the calculation of the schedule of development contributions, including an estimate of the potential effects, if there is a significant level of uncertainty as to the scope and nature of the effects; and</p> <p>(c) the conditions and criteria (if any) that will apply in relation to the remission, postponement, or refund of development contributions, or the return of land; and</p> <p>(d) the basis on which the value of additional allotments or land is assessed for the purposes of section 203(1).</p>	<p>Refer to the <a href="#">Significant Assumptions</a> section, table 126, and the <a href="#">Residential growth assumptions</a>, <a href="#">Non-residential growth assumptions</a> and <a href="#">Growth HEUs by activities</a> sections.</p> <p>Refer to table 127, table 128 and table 129, and the <a href="#">Development contribution fee summary</a>, <a href="#">Calculation of schedule to development contribution policy</a> and the <a href="#">Development Contribution Assessments</a> sections.</p> <p>Remissions/objections: <a href="#">Reconsideration of development contribution</a> and <a href="#">Objection to assessed amount</a> sections.</p> <p>Postponements: <a href="#">Postponements</a> section.</p> <p>Refunds/return of land: <a href="#">Refunds</a> section.</p>
Section 202 – contents of schedule to development contribution policy	Section reference in development contribution policy
<p>1) 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"> <li>i. parks and reserves; and</li> <li>ii. network infrastructure; and</li> <li>iii. community infrastructure</li> </ul>	<p>Refer to table 127, table 133, and <a href="#">Appendix 2: Development Contribution Catchment Maps</a>.</p>
<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"> <li>i. a resource consent under the Resource Management Act 1991; or</li> <li>ii. a building consent under the Building Act 1991; or</li> <li>iii. an authorisation for a service connection.</li> </ul>	<p>Refer to <a href="#">Development Contribution Assessments</a> and <a href="#">Assessment of development contributions</a> sections.</p>
<p>2) If different development contributions are payable in different parts of the District, subsection 1 applies in relation to the parts</p>	<p>Refer to table 127, table 133, <a href="#">Appendix 2:</a></p>

Section 202 – contents of schedule to development contribution policy	Section reference in development contribution policy
of the District.	<a href="#">Development Contribution Catchment Maps</a> .
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.	Also refer to <a href="#">Appendix 3: Schedule of Assets</a> for which Development Contributions will be used.

**Summary of total cost of capital**

The following table summarises the total cost of capital as required by section 106 and schedule 13 of the LGA.

**Table 133: Development Contributions Policy summary of total cost of capital**

LGA reference	106(2)(a)	106(2)(a)	106(2)(b)(ii)	106(2)(b)(i) (ii) & (iii)	106(2)(d)		
					DCs	FCs	Other
Purpose for which contributions may be required	Capital expenditure expected to be incurred to meet growth demand	Capital expenditure already incurred to meet growth demand	Explanation of capital expenditure	Proportion of capital expenditure for growth that will be funded by DCs or FCs	Total amount of funding during the 10-Year Plan period to be sought from:		
Roading and Transport	\$31,337,033	\$10,309,965	Used to provide capacity within the transport network.	Refer to <a href="#">Appendix 3: Schedule of Assets</a> for which Development Contributions will be used	\$41,646,998	-	Refer to <a href="#">Appendix 3: Schedule of Assets</a> for which Development Contributions will be used
Water supply	\$31,099,384	\$10,880,385	Used to provide capacity within the water supply networks.		\$41,979,769	-	
Wastewater	\$29,738,219	\$9,803,400	Used to provide capacity within the wastewater networks.		\$39,541,619	-	
Stormwater	\$88,802,257	\$9,419,854	Used to provide capacity within the stormwater network at the planned levels of service.		\$98,222,111	-	

LGA reference	106(2)(a)	106(2)(a)	106(2)(b)(ii)	106(2)(b)(i) (ii) & (iii)	106(2)(d)		
Purpose for which contributions may be required	Capital expenditure expected to be incurred to meet growth demand	Capital expenditure already incurred to meet growth demand	Explanation of capital expenditure	Proportion of capital expenditure for growth that will be funded by DCs or FCs	Total amount of funding during the 10-Year Plan period to be sought from:		
					DCs	FCs	Other
Community infrastructure	\$702,300	\$1,390,123	Used to provide new or expanded library, community centres or halls <sup>95</sup> .		\$2,092,423	-	
Parks and reserves	\$6,576,442	\$1,867,888	Used to provide capacity within parks and reserves.		\$8,444,329	-	

**Specific information on calculation methodologies for the activities**

The development contributions calculation methodology for all activities is contained in the DC model, which is available from Council on request. Information is also contained in the methodology and options paper<sup>96</sup>.

**Compliance with Section 203 – Maximum development contributions not to be exceeded**

Section 203(1)(a) of the LGA requires Council to demonstrate for reserve contributions, that it has not exceeded the greater of:

- a) 7.5% of the value of additional allotments created by a subdivision; and
- b) The value equivalent of 20 square metres of land for each additional household unit or accommodation unit created by the development.

Using a subdivision development in Cambridge North as an example, it is assumed that an allotment would have an average sale price of \$280,000 - \$320,000 (incl. GST). The reserve contribution per HEU in Cambridge North is \$1,506 (GST inclusive). The following table demonstrates that section 203(1)(a) of the LGA is complied with.

<sup>95</sup> Note: This activity includes historical projects which comply with section 8 of Schedule 1AA (transitional provisions) of the LGA.

<sup>96</sup> The methodology and options paper is available on Council’s website. The DC model is available on request.

Table 134: Development Contributions Policy compliance with Section 203 of the LGA

Sale price	7.5% of value:	Comment
\$280,000	\$21,000	The reserve contribution per HEU is 0.54% of \$280,000.
\$320,000	\$24,000	The reserve contribution per HEU is 0.47% of \$320,000.

## Development Contribution Policy Appendices

[Appendix 1: Documents referenced in this policy](#)

[Appendix 2: Development contribution catchment maps](#)

[Appendix 3: Schedule of Assets for which Development Contributions will be used](#)

### Appendix 1: Documents referenced in this policy

The following documents are referenced in this policy.

Table 135: Development Contributions Policy documents referenced

Document reference	Availability
Methodology for the Development Contribution Policy 2015 (incorporating a review and analysis of options) – November 2014.	Available on Council’s website, and at Council’s offices and libraries.
Development Contribution Model.	Available from Council on request
2016 update of area unit population, household and Labour Force Projections for the Waikato Region for the period 2013-2061.	Available from Council on request.
Small-area population, household, and labour force projections for the Waikato Region to 2051.	Available from Council on request.
National Institute of Demographic and Economic Analysis, University of Waikato Commissioned Research Report Prepared for Waikato Regional Council, Final Report September 2014.	Available from Council on request.
‘Waipa District Business Land Study’ – Property Economics, May 2017.	Available from Council on request.

Report by Gray Matter ‘Growth Component of Roads and footpaths Projects’, August 2014.

Available from Council on request.

**Appendix 2: Development Contribution Catchment Maps**

Cambridge and Karapiro ..... 265

Kihikihi and St Ledger (T6) ..... 269

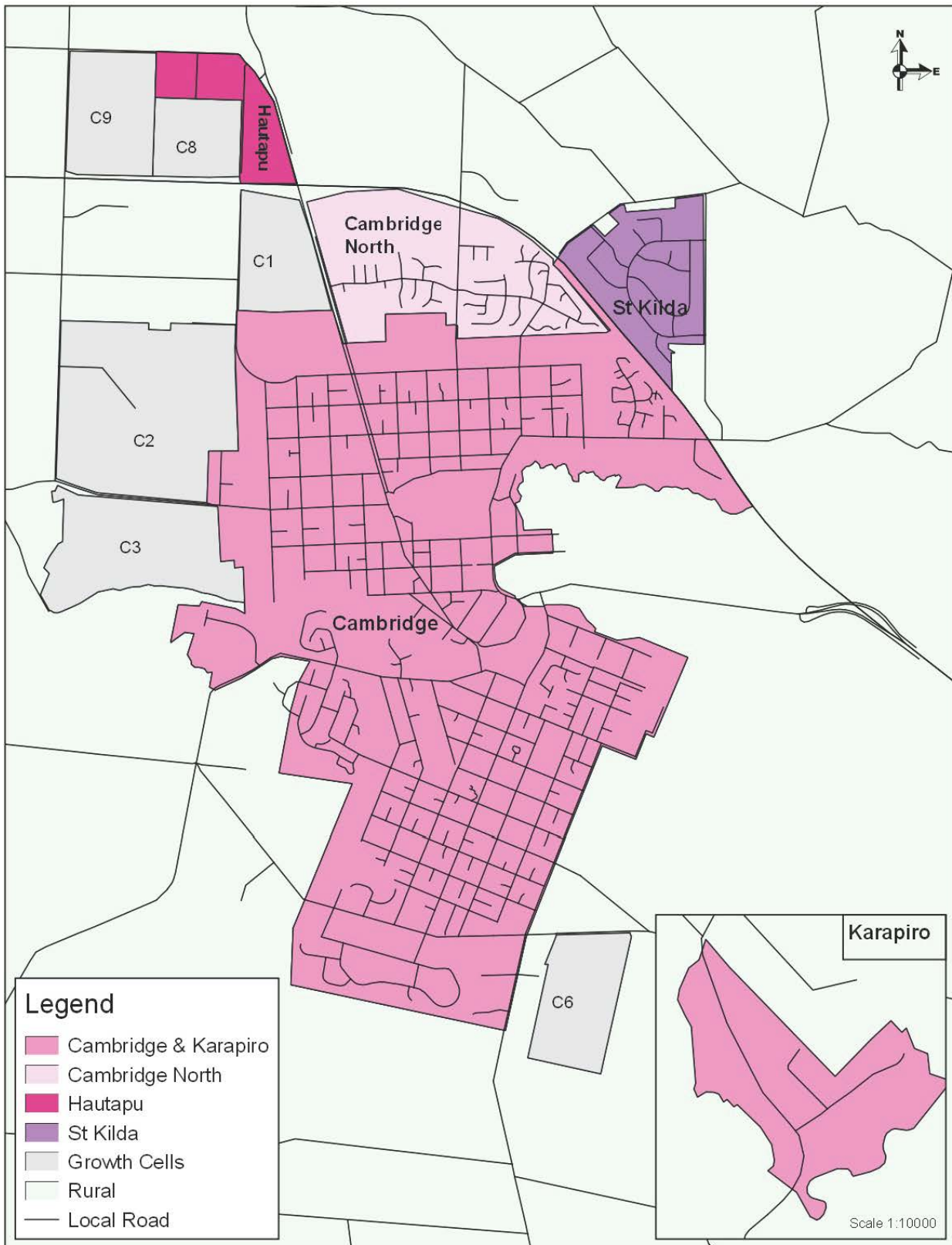
Pirongia ..... 270


Te Awamutu..... 272

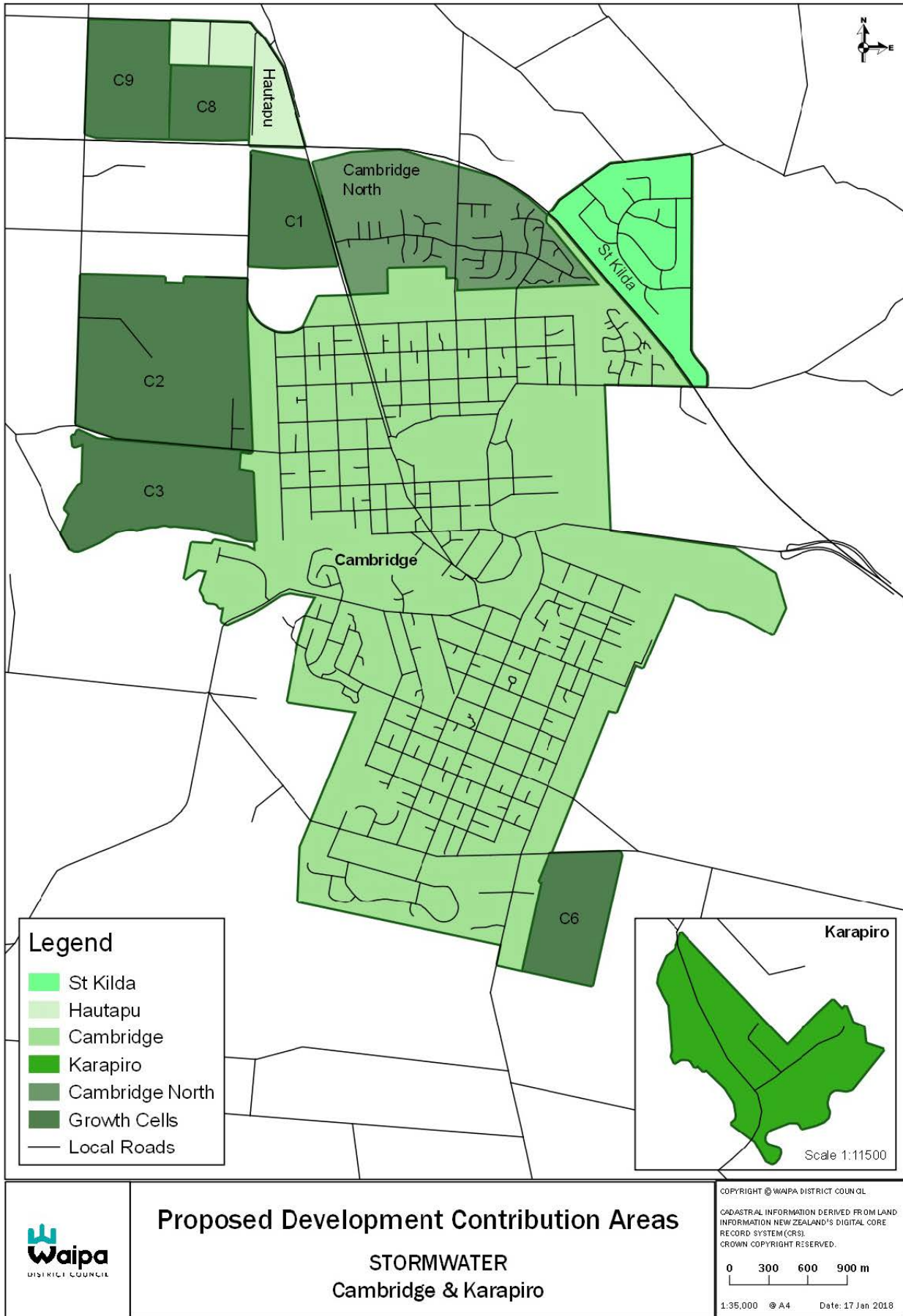
Waipa District..... 275

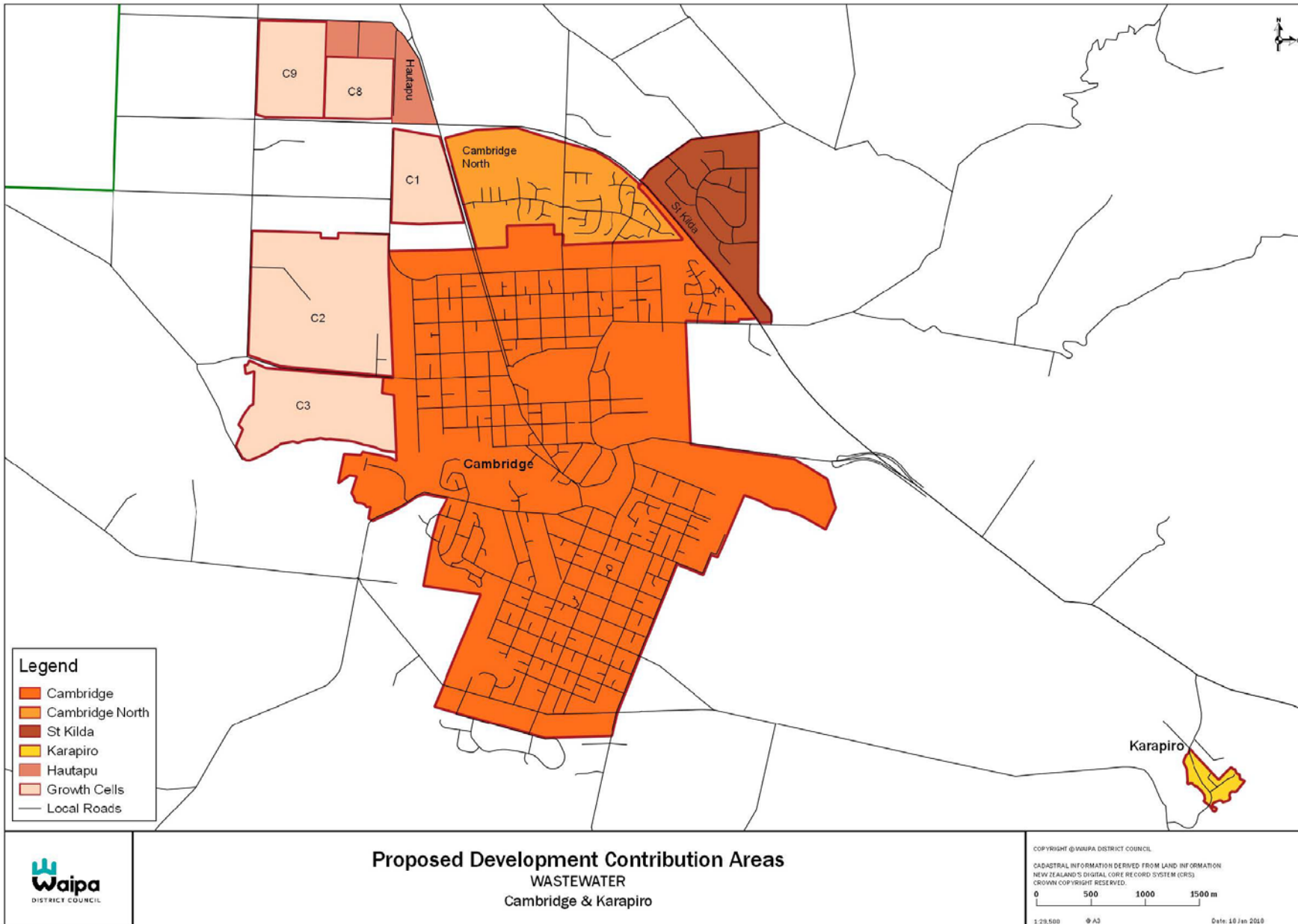


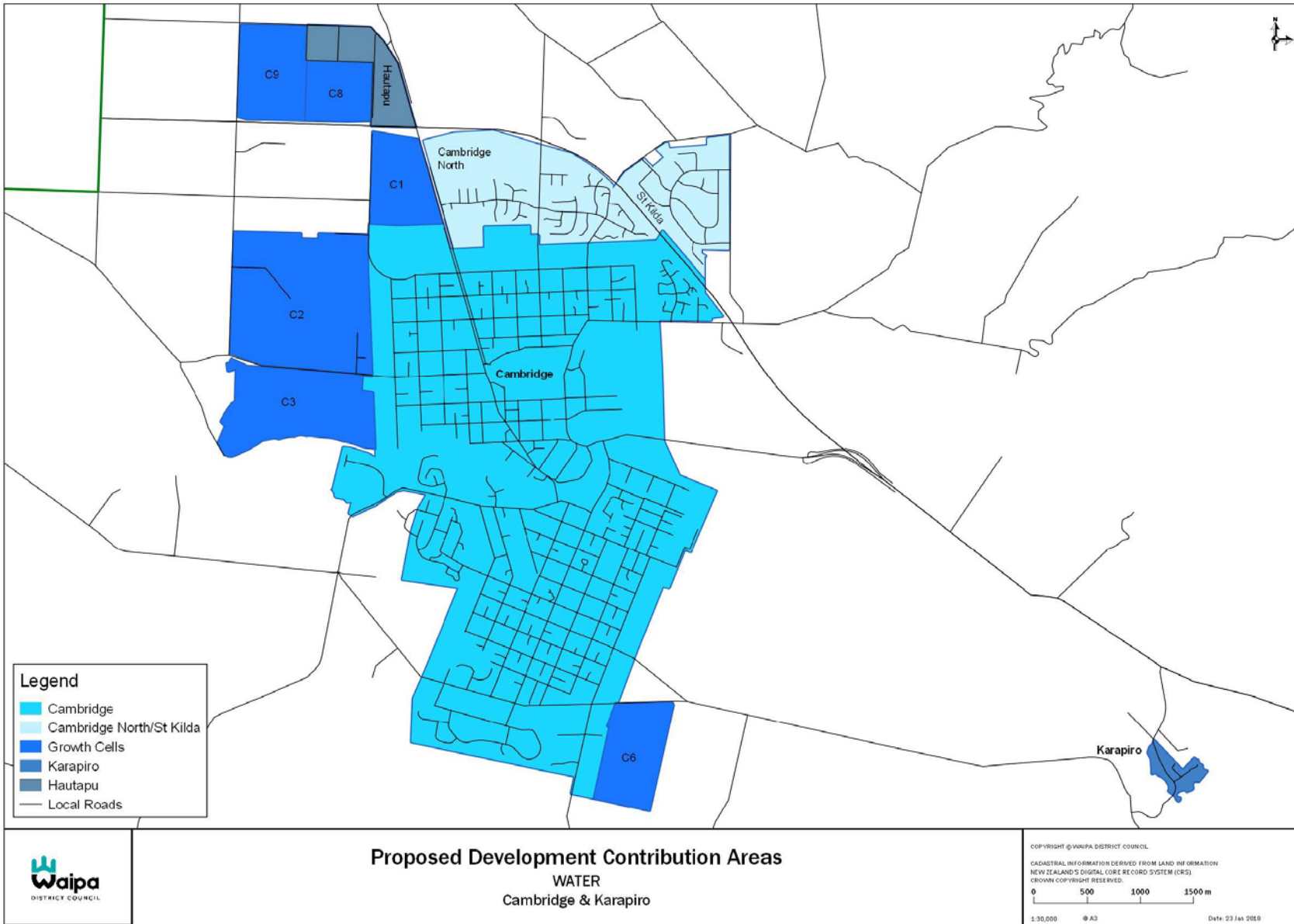
Cambridge and Karapiro



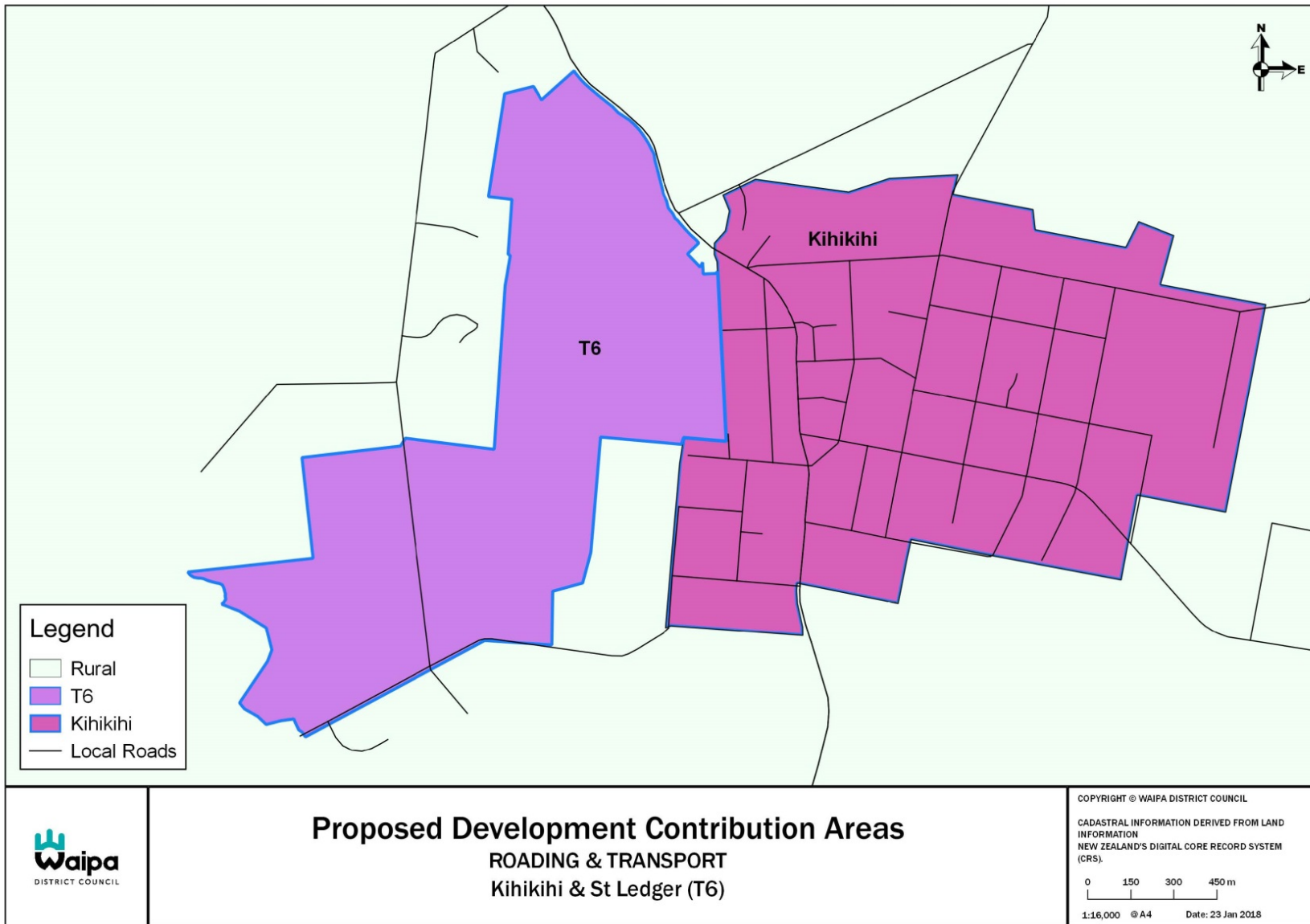
	<p><b>Proposed Development Contribution Area</b></p> <p>ROADING &amp; TRANSPORT</p> <p>Cambridge &amp; Karapiro</p>	<p><small>COPYRIGHT © WAIPĀ DISTRICT COUNCIL</small></p> <p><small>CADASTRAL INFORMATION DERIVED FROM LAND INFORMATION NEW ZEALAND'S DIGITAL CORE RECORD SYSTEM (CRS). CROWN COPYRIGHT RESERVED.</small></p> <p><b>1:35,000 @ A4</b></p> <p><small>Date: Jan 2018</small></p>
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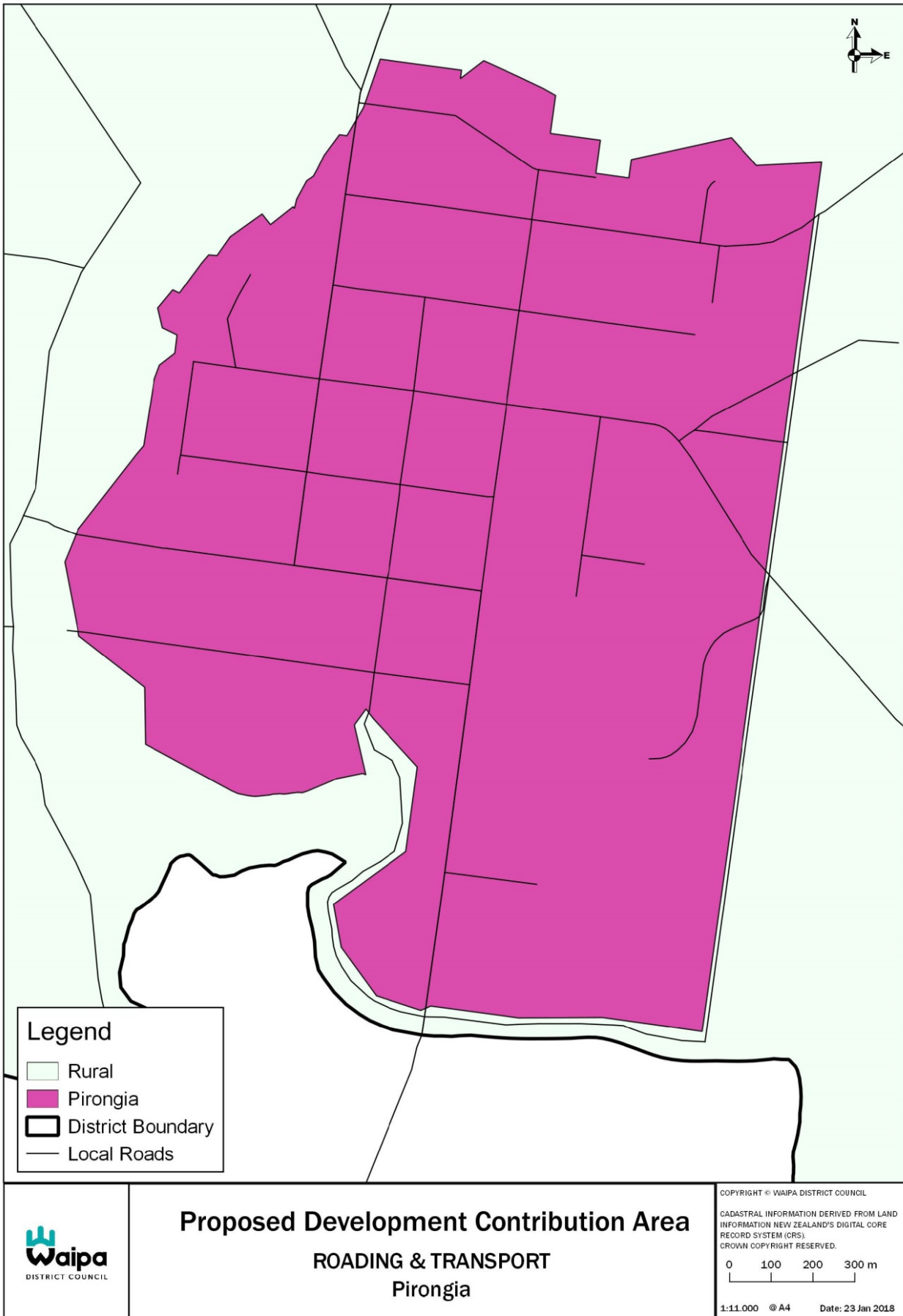


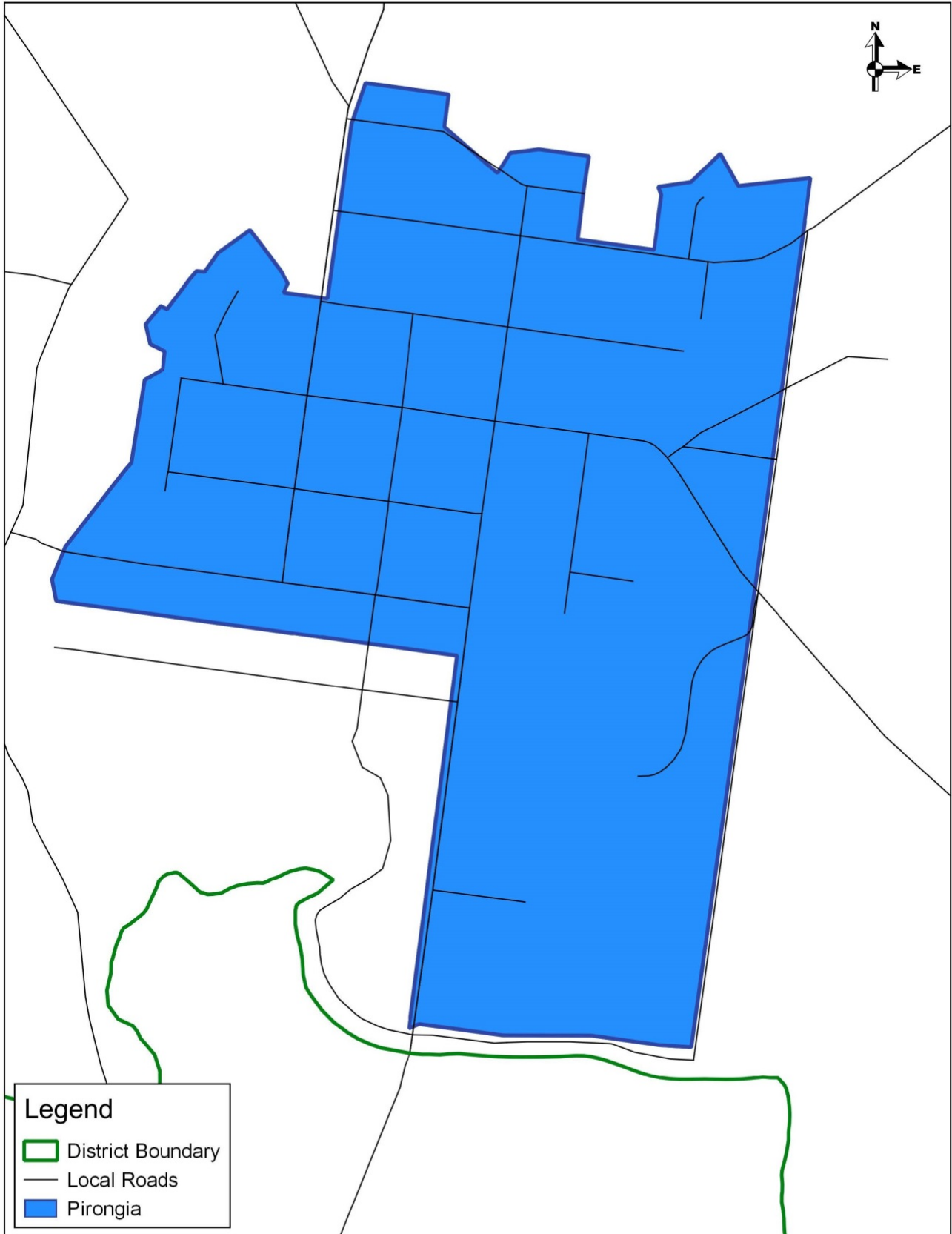


Kihikihi and St Ledger (T6)



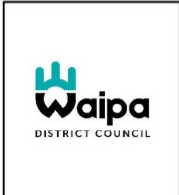
Pirongia





**Legend**

-  District Boundary
-  Local Roads
-  Pirongia



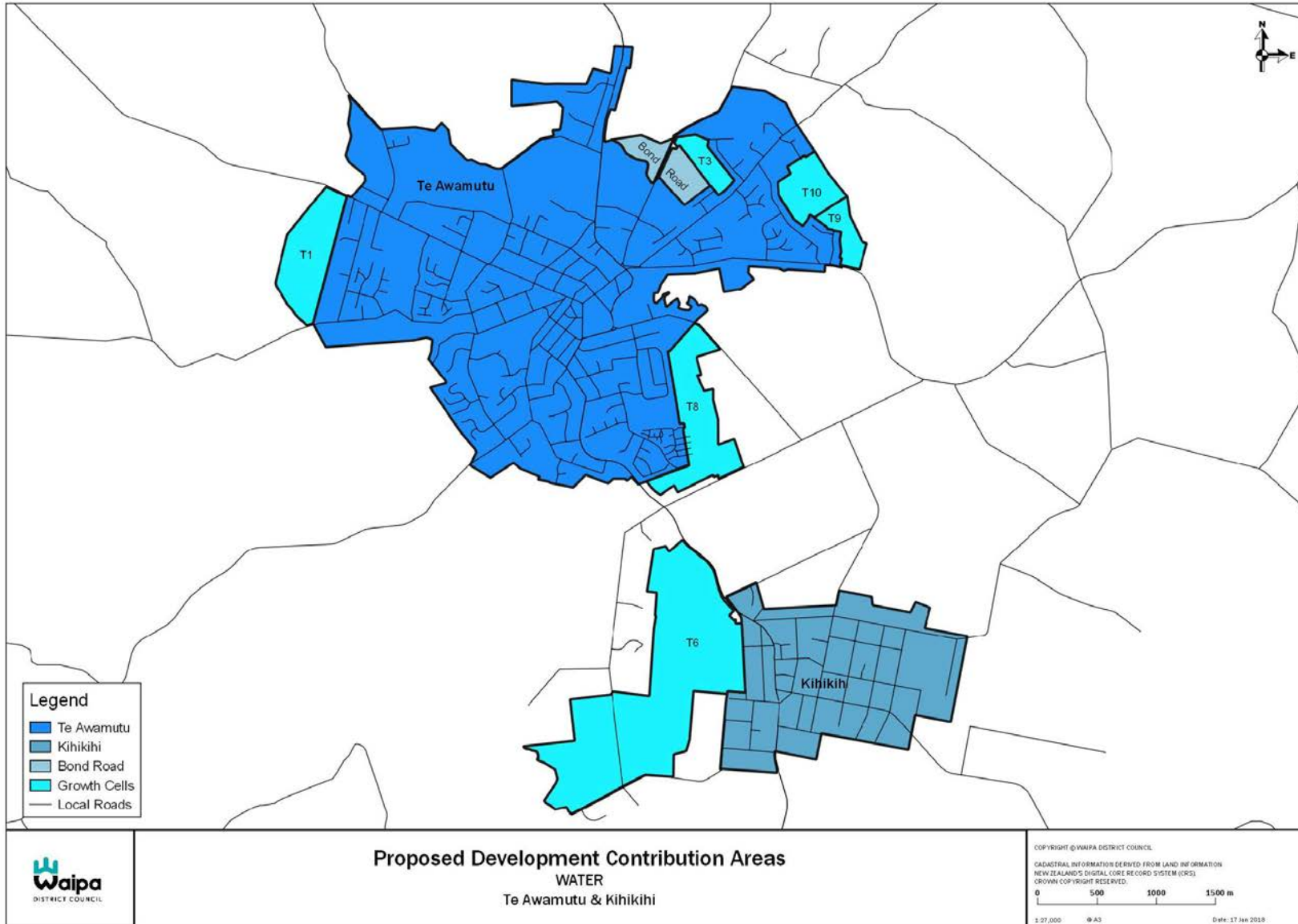
**Proposed Development Contribution Area**  
**WATER**  
**Pirongia**

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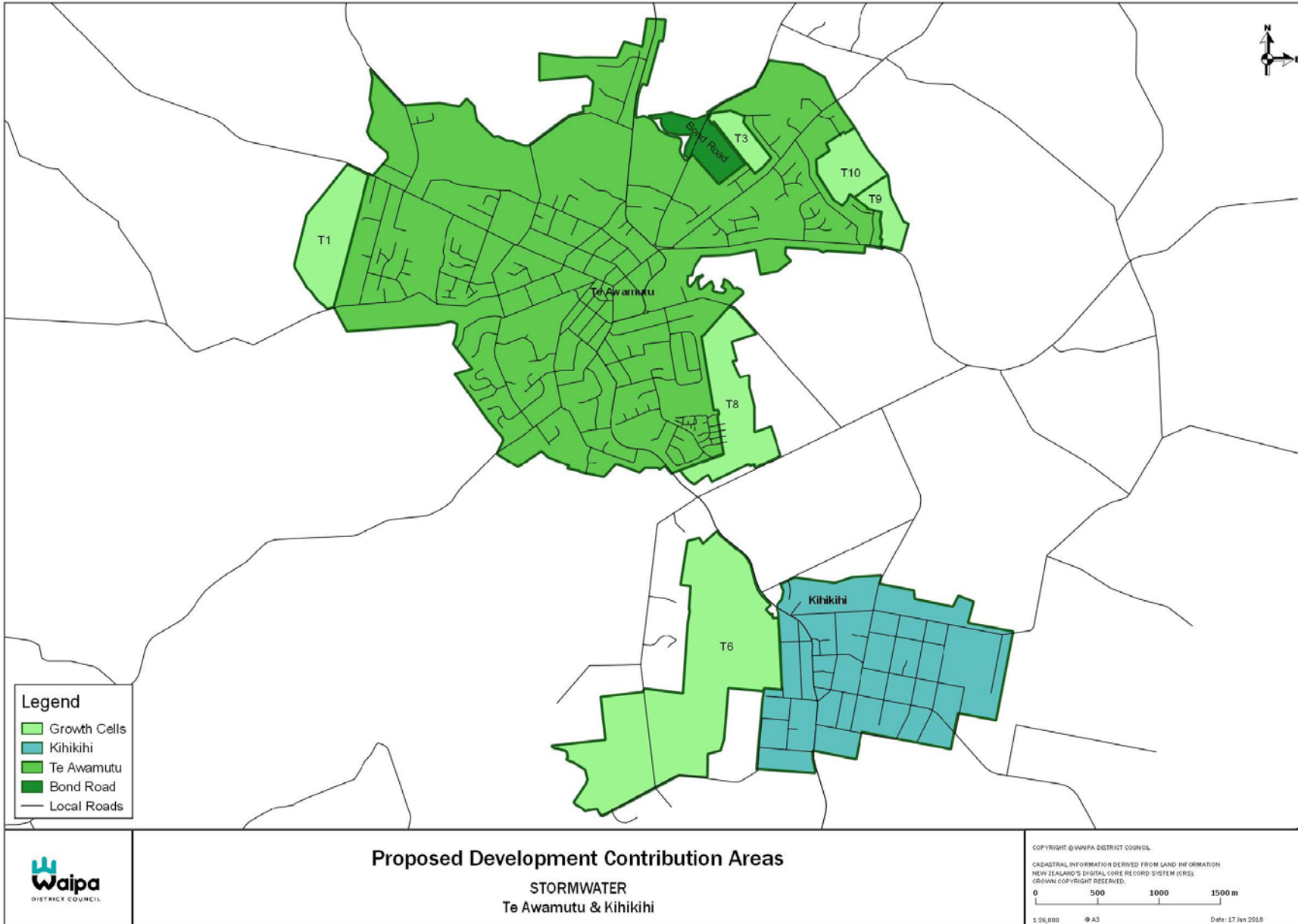
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Te Awamutu



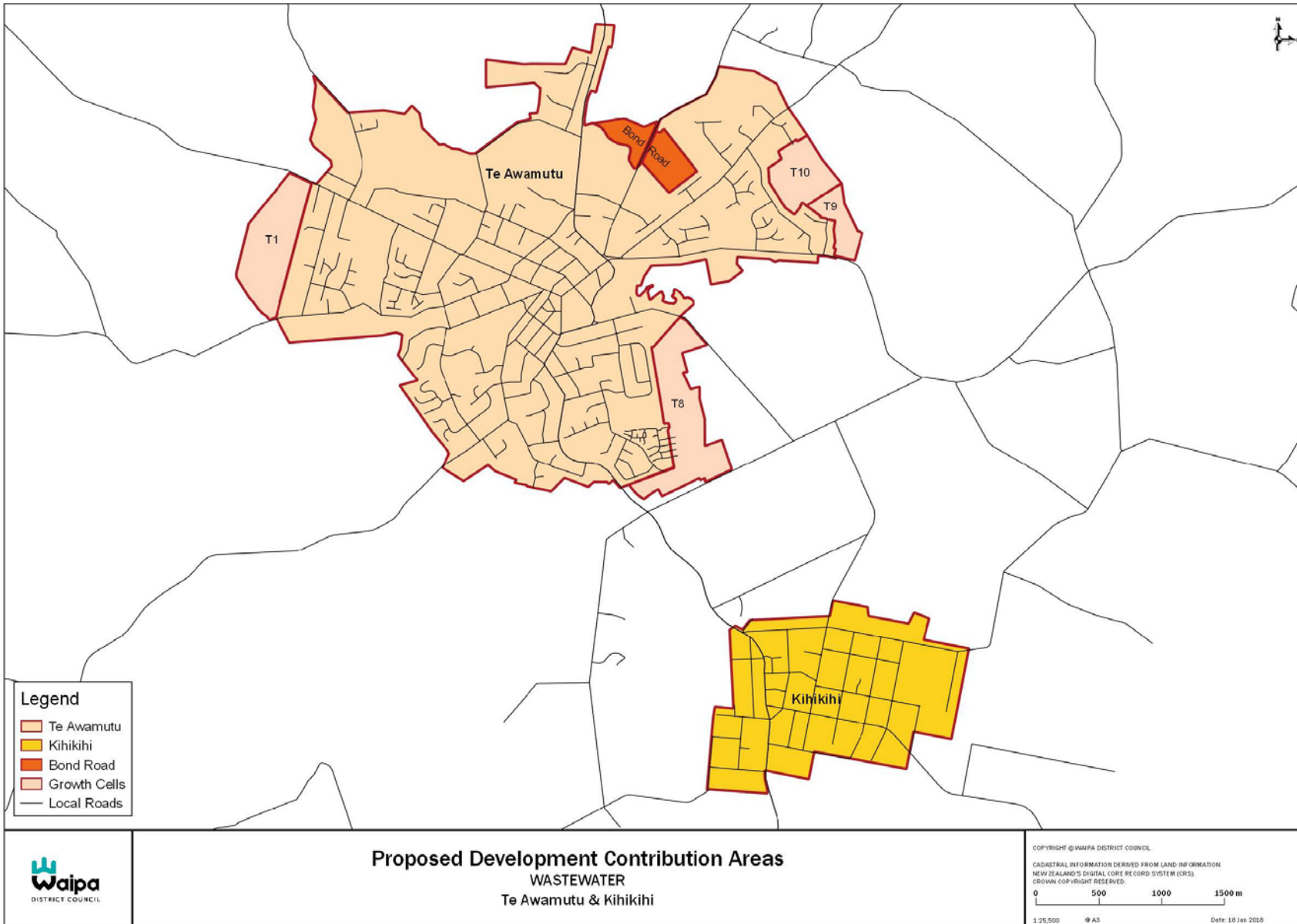




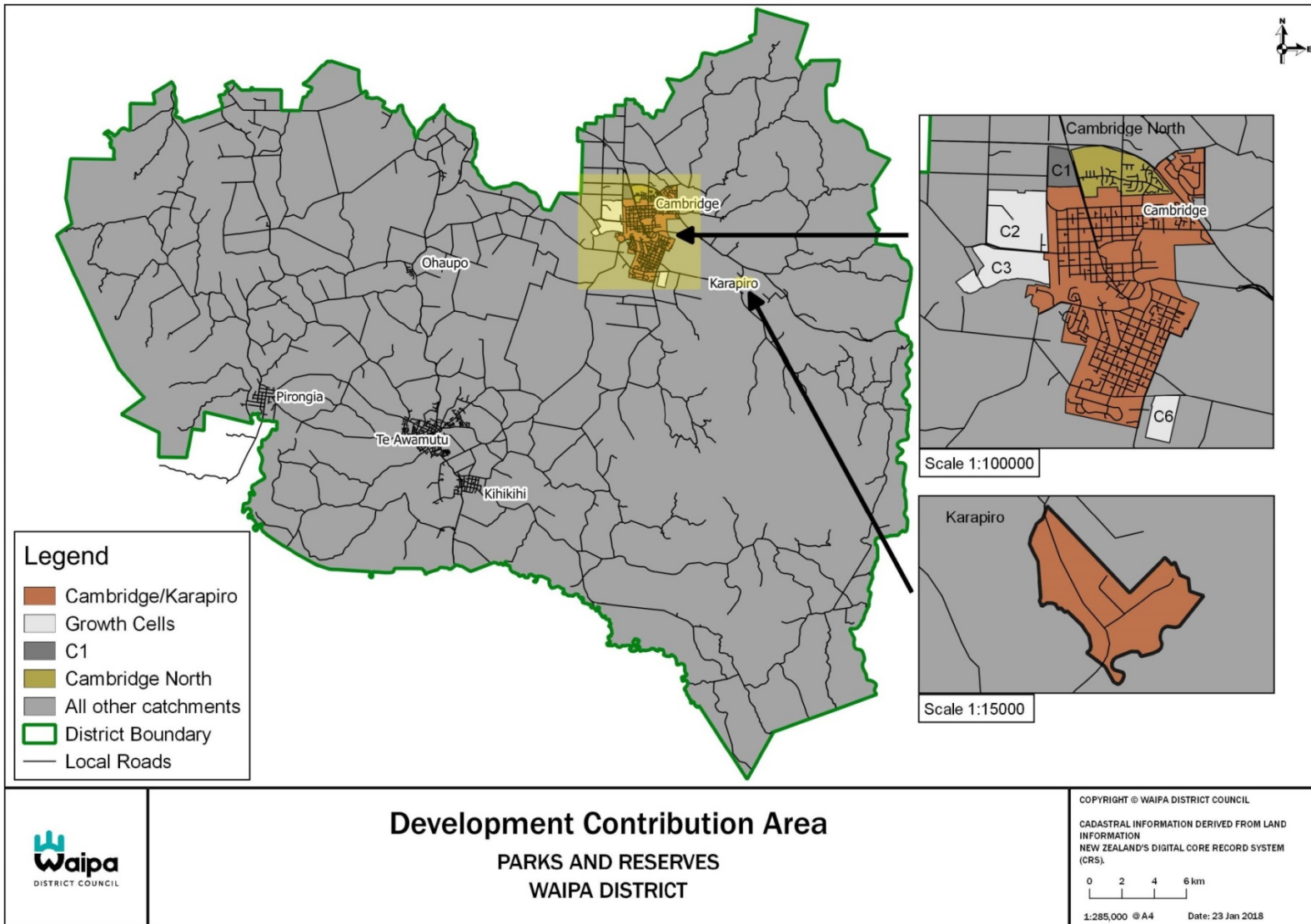
**Proposed Development Contribution Areas**

STORMWATER  
Te Awamutu & Kihikihī





Waipa District



### Appendix 3: Schedule of Assets for which Development Contributions will be used

The following tables provide a schedule of assets for which development contributions will be used, as required by Section 201A of the Local Government Act 2002.

*Note: Projects with a "\*\*\*" have a capacity life greater than ten years.*

District Wide .....	277
Te Awamutu .....	278
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Kihikihi .....	279
Bond Road / T3 .....	279
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C1 (growth cell) .....	283
C2 (growth cell) .....	284
C3 (growth cell) .....	284
C6 (growth cell) .....	285
Pirongia .....	285

Table 136: District wide schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
3062	Urban Upgrades - Development Related		202,417	556,400	90%	10%
3166	Village Growth Transportation Programme			431,500	100%	0%
4065	Lake Ngaroto Bridge		1,255,089	-	8%	34%
<b>Water</b>						
			-			
<b>Wastewater</b>						
			-			
<b>Stormwater</b>						
			-			
<b>Community Infrastructure</b>						
1917	TA Library		4,289,838	-	10%	90%
2115	Library Fitout		251,393	-	10%	90%
	Karapiro Domain		4,680,000	-	20%	80%
<b>Parks and Reserves</b>						
1224	Buffer Reserve Land Purchase		68,756	-	100%	0%
1224	Buffer Reserve Land Purchase		689,057	-	100%	0%
2113	Reserve Purchases - Development Agreements		167,717	1,655,550	100%	0%

Table 137: Te Awamutu schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
1078	Footpaths improvements KK / TA	Bond Rd, Kihikihi, Picquet Hill, T1, T3, T6, T7, T8	135,703	-	13%	87%
<b>Water</b>						
1114	TA Water source & TP upgrd Option 2	Bond Rd, Picquet Hill, Pirongia, T1, T3, T6, T7, T8	407,778	-	27%	73%
1114	TA Water source & TP upgrd Option 2	Bond Rd, Picquet Hill, Pirongia, T1, T3, T6, T7, T8	302,181	-	100%	0%
1114	TA Water Source & T Plant upgrade	Bond Rd, Picquet Hill, Pirongia, T1, T3, T6, T7, T8	24,994	-	100%	0%
1456	TA Water Supply - new water source	Bond Rd, Picquet Hill, Pirongia, T1, T3, T6, T7, T8	46,513	-	85%	15%
1563	Te Tahī Bore Water & Treatment	Bond Rd, Picquet Hill, Pirongia, T1, T3, T6, T7, T8	4,123	-	100%	0%
1841	Te Tahī - UV's etc part of DW Compliance	Bond Rd, Picquet Hill, Pirongia, T1, T3, T6, T7, T8	769,507	-	20%	80%
2022	Parallel Rd Water Treatment Plant Upgrade	Bond Rd, Picquet Hill, Pirongia, T1, T3, T6, T7, T8	500,000	13,156,000	23%	77%
2023	Parallel Rd to Taylors Hill Pipeline	Bond Rd, Picquet Hill, Pirongia, T1, T3, T6, T7, T8	421,400	12,739,800	23%	77%
2025	TA Active Reticulation Control	Bond Rd, Picquet Hill, Pirongia, T1, T3, T6, T7, T8		575,880	23%	77%
2048T	Standby Generators for Treatment Plants (TAW)	Bond Rd, Picquet Hill, Pirongia, T1, T3, T6, T7, T8	68,415	124,130	27%	73%
<b>Wastewater</b>						
1441	Vaile / Sloane St TA WW Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T3, T7, T8	395,215	-	30.0%	70%
1447	Factory Rd TAW Pipe Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T3, T7, T8	1,022,858	-	30.0%	70%
1806	TAW 3 Wastewater Treatment Plant Consent & Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T3, T7, T8	431,119	-	30.0%	70%
1806	Te Awamutu 3 Wastewater Treatment Plant Consent & Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T3, T7, T8	5,557,172	12,116,108	37%	63%
1811	TA Sewer Trunk Main Daphne St to WWTP	Bond Rd, Kihikihi, Picquet Hill, T1, T3, T7, T8	280,559	-	20.0%	80%
2032	Te Awamutu 3 Wastewater Pipe Upgrades	Bond Rd, Kihikihi, Picquet Hill, T1, T3, T7, T8	566,903	245,050	100%	0%
2294	Waikeria Prison Expansion - Waipa DC Upgrades	Bond Rd, Kihikihi, Picquet Hill, T1, T3, T7, T8	15,000	6,148,500	50%	50%
<b>Stormwater</b>						
9150	Additional Capacity (formed from projects 9150 & 1731)	Bond Rd, Kihikihi, Picquet Hill, T1, T3, T6, T7, T8	187,316	-	40.0%	60%

Table 138: Piquet Hill schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
3041	Picquet Hill Plan Change Roading		176,500	572,550	100%	0%
<b>Water</b>						
2034	T9 Te Rahu - Picquet Hill Water Reticulation			189,900	100%	0%
<b>Wastewater</b>						
1622	Picquet Hill Plan Change 3 Wastewater		35,416	-	100%	0%
<b>Stormwater</b>						
1912	Picquet Hill Plan Change Stormwater		19,855	-	100%	0%

Table 139: Kihikihi schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
3160	Kihikihi Growth Infill Housing Roading Upgrades			896,400	5%	95%
3171	Kihikihi Brown Field Roading Works			516,500	100%	0%
<b>Water</b>						
1140	KK Reservoir		345,000	-	60%	40%
<b>Wastewater</b>						
				-		
<b>Stormwater</b>						
2273	Kihikihi Brown Field SW Works			518,500	100%	0%

Table 140: Bond Road / T3 schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
				-		
<b>Water</b>						
2035	Bond Rd/T3-T10 Water Reticulation			681,370	100%	0%
<b>Wastewater</b>						
				-		
<b>Stormwater</b>						
2153	Bond Rd SW Culvert Upgrade			300,000	67%	33%

Table 141: T1 (growth cell) schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
3143	Frontier Road Plan Change Roading			563,640	100%	0%
<b>Water</b>						
				-		
<b>Wastewater</b>						
2159	T1 Development WW Provision			328,050	100%	0%
<b>Stormwater</b>						
				-		

Table 142: T6 (growth cell schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
3079	T6 St Leger Rd Network Upgrades Roading Concept Plan		95,746	-	100%	0%
3079	T6 St Leger Road Network Upgrades Roading Concept Plan			1,551,600	70%	30%
3080	T6 St Leger / SH3 Intersection Network Upgrades			3,516,620	20%	80%
<b>Water</b>						
2271	T6 St Leger Water			2,174,000	100%	0%
<b>Wastewater</b>						
1916	T6 ST Leger Rd Stormwater Network Upgrade			-	100.0%	0%

Table 143: T7 (growth cell) schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
				-		
<b>Water</b>						
				-		
<b>Wastewater</b>						
1809	Additional capacity upgrades TAW South		1,082,575	-	50.0%	50%



Table 144: Cambridge / Karāpiro schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
1079	Footpaths improvements CAM		79,979	-	20%	80%
3072	Swayne Rd Urban Upgrade & Traffic Calming		459,209	-	60%	40%
3082	Laurenson Park Development - Growth Project		18,500	-	100%	0%
3099	Appleby Road Extension - includes Walkway / Cycleway		209,303	-	52%	48%
3116	Albert Street Urban Amenity			692,900	5%	95%
4053	CB CBD upgrade	C1, C2, C3, C4, C6, CBN	4,800,177	-	18%	82%
4250	WDC Contribution Victoria St Interchange	C1, C2, C3, C4, CBN	1,600,000	-	21%	21%
4268	Thornton - Albert - Robinson Intersections		19,175	-	5%	43%
4274	Albert - Duke Intersection			2,060,800	5%	95%
4333	Lamb Carlyle Street Intersection Upgrade			1,509,400	90%	10%
<b>Water</b>						
1100	Cambridge Reservoir	C1, C2, C3, C4, C6, CBN, Hautapu		1,227,500	40.0%	60%
1260	Karapiro WTP HL Pump Suction & Del Manifold	C1, C2, C3, C4, C6, CBN, Hautapu	123,097	-	25%	75%
1395	Karapiro Rising Main	CBN	1,004,428	-	90%	10%
1395	Karapiro High Lift Rising Main	CBN	2,921	-	50%	50%
2020	Alpha St Water Treatment Plant Upgrade	C4		3,201,330	100%	0%
2021	Karapiro Water Treatment Plant Upgrade	C1, C2, C3, C4, C6, CBN, Hautapu	6,687,575	-	100%	0%
2029	Cambridge Water Reticulation Active Control	CBN		645,880	88%	12%
2045	Cambridge upgrade Pipe Bridge Water Portion	CBN	200,000	-	50%	50%
2046	Cambridge Water Reticulation Growth (C1, C2, C3, C4 & C7)	C1, C2, C3, C4		1,908,910	100%	0%
9152	Water main from Karapiro to Leamington	CBN	1,679,012	-	50%	50%
9163	Karapiro WTP Upgrade - pr 1615, 9163	C1, C2, C3, C4, C6, CBN, Hautapu	21,379	-	100%	0%
2048C	Standby Generators for Treatment Plants (CB)	CBN	68,415	124,130	27%	73%
<b>Wastewater</b>						
1436	CB WW treatment Plant Pr 1436	C1, C2, C3, C4, CBN, Hautapu	824,285	-	30.0%	70%
1436	CB WW treatment Plant Pr 1436	C1, C2, C3, C4, CBN, Hautapu	374,422	-	21.0%	79%
1436	Cambridge New WW Treatment Plant - Stage 1	C1, C2, C3, C4, CBN, Hautapu	1,025,260	22,301,400	26%	74%
1439	Cambridge Upgrade Pipe Bridge	C1, C2, C3, Hautapu	6,708,370	2,500,000	10%	90%
1439	CB Upgrade Pipe Bridge	CBN	283,850	-	60.0%	40%
2031	Cambridge 3 Wastewater Pipe Upgrades	CBN	470,696	-	16%	84%
2082	Cambridge 3 Wastewater Pipe Upgrades stage 2	CBN	406,444	-	70%	30%
2083	CB 3 Wastewater Pipe Upgrades Stage 3	CBN		2,410,930	35%	65%
2084	Cambridge New 3 Wastewater Treatment Plant Stage 2	C1, C2, C3, C4, CBN, Hautapu		5,101,620	50%	50%
<b>Stormwater</b>						
2154	Cambridge Park SW Provision	C4		256,250	100%	0%
9150	Additional Capacity (pr 9150 & 1731)	C4	165,564	-	40.0%	60%
<b>Parks and Reserves</b>						
1224	Reserve Land Purchase - St Kilda		507,000	-	100%	0%

Table 145: Cambridge north schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
1347	SP4654 JLK Constructed Assets		784,395	-	100%	0%
1350	SP4600 Transland Constructed		248,300	-	100%	0%
3070	Victoria Rd Upgrade	CB/KP, C1, C2, C3, C4	-	7,341,520	10%	90%
3071	Victoria/Norfolk Intersection Construction	CB/KP	2,450,959	-	80%	20%
3072	Swayne Rd Tulip Drive Roundabout	CB/KP	496,861	-	100%	0%
3072	Swayne Rd Urban Upgrade & Traffic Calming	CB/KP	25,527	-	70%	30%
3072	Swayne Rd Urban Upgrade & Traffic Calming		932,333	-	60%	40%
3074	Cambridge Deferred Residential Land Acquisition	CB/KP	395,424	-	70%	30%
3075	CB Deferred Residential Collector Rd (Norfolk Drive Extn)	CB/KP	873,666	-	70%	30%
3130	Swayne Rd / Rose Leigh Drive Intersection		827,292	-	100%	0%
4096	CBN Deferred Res		602,370	-	51%	0%
	Cambridge North - per CB NE Reconciliation		1,429,966	-	100%	0%
<b>Water</b>						
1463	Water CBN Deferred Res		45,138	-	100%	0%
2011	CB North Deferred Residential Water - Water Pipe		116,570	-	50%	50%
2019	Cambridge North Water Provision		276,180	309,990	100%	0%
2026	Dedicated Cambridge North Water Main		552,091	-	80%	20%
2151	Dedicated Main Leamington to CB North	C1, Hautapu	200,000	2,000,000	80%	20%
	Cambridge North - 2006/07		221,403	-	100%	0%
<b>Wastewater</b>						
1129	CB 3 Wastewater DRZ Rising Main	CB 3	1,707,071	-	100.0%	0%
1453	Sewerage CBN Deferred Residential		280,282	-	100.0%	0%
2018	Cambridge North 3 Wastewater Provision		1,503,340	747,300	100.0%	0%
	CB North - replace historic 2009 with JLK actuals, transland actuals & saffron		701,597	-	100.0%	0%
<b>Stormwater</b>						
2086	Land Victoria Rd Swale		105,500	-	74%	27%
2087	Norfolk Rd Trunk Reticulation		1,095,316	-	69%	31%
2089	Construct Victoria Rd Swale		1,070,492	-	74%	27%
2090	Construct 50% Western Basin		2,260	1,877,730	68.75%	31%
2091	Construct balance of Western Storage Basin			2,122,530	68.75%	31%
2092	Land Western Swale			229,300	100%	0%
2093	Construct Western Swale			1,068,605	100%	0%
2094	Trunk Reticulation Connector Road		1,842	3,398,680	100%	0%
2095	Land Western Outlet Alignment			153,750	80%	20%
2096	Construct Western Outlet to the Stream		2,389	3,419,830	80%	20%
2097	North Eastern Trunk Reticulation		256,295	-	100%	0%
2100	Construct North Eastern Storage (Appleby Pond)		2,733,506	20,000	68%	32%
2101	Land - NE Swale		152,152	-	100%	0%
2102	Construct NE Swale		503,315	1,361,810	100%	0%
2104	Land Victoria Rd Swale (part 2)			382,500	100%	0%
2105	Construct Victoria Rd Swale			1,014,200	90%	10%
2106	Surcharge Chamber & Overflow Path to Stream			315,700	80%	20%
2116	Land Purchase Northwest SW Pond from NZTA		658,000	-	100%	0%
2128	North Western Trunk Reticulation		495,870	-	100%	0%
9149	CB Deferred Residential Works SW (incl 1461)		1,150,884	-	100%	0%
2116	Land Purchase Northwest SW Pond from NZTA		1,937,000	-	70%	30%
	Cambridge North Deferred Res Zone		1,204,956	-	100.0%	0%
<b>Community Infrastructure</b>						
2120	Playground Reserve Land Cambridge North			430,800	100%	0%
<b>Parks and Reserves</b>						
1224	Reserve Land Purchase - St Kilda		169,000	-	100%	0%
1224	Buffer Reserve Land Purchase - CBN		36,663	-	100%	0%
2119	Playground on Neighbourhood Reserve in CBN			175,830	68.30%	32%
2092R	Land Western Swale	CB/KP		229,300	100%	0%
2104R	Land Victoria Rd Swale (part 2)	CB/KP		382,500	100%	0%
	Land - NE Swale	CB/KP		152,152	100%	0%
	Land Victoria Rd Swale	CB/KP		105,500	74%	27%

Table 146: Hautapu schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
3076	Hautapu Structure Plan Rooding			6,156,670	85%	15%
3170	Hautapu - Cycleway connection Victoria to Hannon			300,000	100%	0%
	Hautapu - Rooding		600,000	-	100%	0%
<b>Water</b>						
2027	Cambridge North to Hautapu Pipeline and C8	Cambridge North	2,325	3,040,853	100%	0%
<b>Wastewater</b>						
2158	Hautapu Industrial WW Provision			6,837,450	100%	0%
<b>Stormwater</b>						
2156	Hautapu Industrial SW Provision			6,610,800	100%	0%

Table 147: C1 (growth cell)<sup>97</sup> schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
3117	Cambridge Deferred Residential Collector Road -Norfolk West	C2, C3, CB/KP, CBN		1,581,380	100%	0%
3151	CB growth construction c1	C2, C3, CB/KP, CBN		2,081,380	100%	0%
3167	Cambridge Growth Cell Rooding Land Purchases C1	C2, C3, CB/KP, CBN		1,022,000	100%	0%
<b>Water</b>						
2303	C1 water			1,575,000	100%	0%
<b>Wastewater</b>						
2301	C1 3 Wastewater			950,000	100%	0%
<b>Stormwater</b>						
2253	Cambridge Growth Cell SW Development Provision C1			2,720,500	100%	0%
2269	Stormwater Land Purchases - C1			1,100,000	100%	0%
<b>Parks and Reserves</b>						
2268	land to reserves			1,000,000	100%	0%

<sup>97</sup> SW within C1 C2 and C3 cells is treated as one catchment except C1 has additional interest cost as development is over a longer time period

Table 148: C2 (growth cell) schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
3168	Cambridge Growth Cell Roading Land Purchases C2 & C3	C3		5,770,000	100%	0%
3169	C2 & C3 Structure Plan Roading	C3		1,328,900	100%	0%
3164	Kelly Road Urbanisation			992,480	20%	80%
3165	Cambridge Road Urbanisation	C3		6,728,600	100%	0%
<b>Water</b>						
2302	Cambridge c2/c3 Wtr System Development/Provision	C3		8,900,000	100%	0%
<b>Wastewater</b>						
2230	Cambridge Growth Cell WW System Development/Provision	C3		3,630,160	100%	0%
<b>Stormwater</b>						
2266	Cambridge Growth Cell SW Development Provision C2 & C3	C1, C3		44,203,529	100%	0%
2270	Stormwater Land Purchases - C2 & C3	C1, C3		19,962,800	100%	0%
<b>Community Infrastructure</b>						
2267	Playground C2			271,500	100%	0%
<b>Parks and Reserves</b>						
2268	Reserves - C2	C3		3,189,000	100%	0%

Table 149: C3 (growth cell) schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
4270	Hamilton Intersection (Avantidrome)		2,430	4,435,960	10%	39%
<b>Water</b>						
				-		
<b>Wastewater</b>						
				-		
<b>Stormwater</b>						
				-		

Table 150: C6 (growth cell) schedule of assets for which Development Contributions will be used

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
				-		
<b>Water</b>						
2231	Water Supply Provision Cambridge (C6)			303,140	100%	0%
<b>Wastewater</b>						
				-		
<b>Stormwater</b>						
				-		

Table 151: Pirongia schedule of assets for which Development Contributions will be used

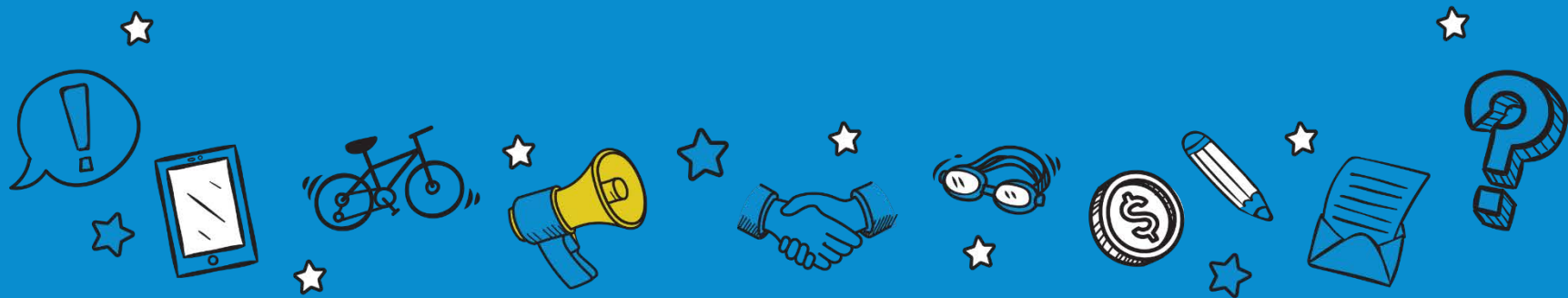
Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Roading and Transport</b>						
	<i>Refer to the district wide roading and transport catchment projects which are included in this catchment</i>					
<b>Water</b>						
	<i>Refer to the Te Awamutu and district wide water catchment projects which are included in this catchment</i>					
<b>Wastewater</b>						
		-	-	-	-	-
<b>Stormwater</b>						
		-	-	-	-	-

Table 152: s.201A (1) Assets for which development contributions will be used – growth related expenditure for past community infrastructure projects with residual capacity

Project #	Project Description	Capital expenditure for planned and historic projects	Expenditure from DCs	Expenditure from other sources	Capital expenditure still to be recovered From DCs	Recovery expected to be completed by end of financial year
	Karāpiro Domain Development	\$8,890,000	\$936,000	\$7,954,000	\$183,178	2029/30
	Te Awamutu Library	\$4,541,231	\$454,123	\$4,087,108	\$54,348	2030/31

*Note: These projects are also included in the 'schedule of assets for which development contributions will be used' (above) for completeness.*

# INFRASTRUCTURE STRATEGY



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## EXECUTIVE SUMMARY

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In recent years Waipā District has enjoyed strong growth. Populations forecasts now suggest Waipā will, in the next 20 years, experience a rate and quantum of population growth not previously experienced in its history. Central to this Infrastructure Strategy is Council's response to this high growth environment and its associated risks and challenges. The forecast growth creates exciting opportunities for the district and will have very positive effects on our economy. At the same time growth brings challenges, most notably our exposure and sensitivity to unforeseen, out of our control legislative, social, environmental and economic changes that will still need to be mitigated.

We are also in an environment of increasingly stringent compliance requirements (especially those relating to water consents), as well as increasing central government and local community expectations for resilience in the face of environmental hazards. Tolerance for any incidents that render our infrastructure network as ineffective or non-compliant will not be well tolerated given the lessons already learned from issues with water supply in Havelock North and earthquakes in the South Island.

The details of the Infrastructure Strategy contained in the following pages outline how Council will provide adequate infrastructure to meet the projected increase in demand. This includes, given our status as a high growth district, provision for the National Policy Statement on Urban Development Capacity's (NPS-UDC) requirement to allow for an extra 15 - 20% planned enabled (zoned) land area above what our population projections otherwise suggests we will require.

The Strategy is underpinned by the growth projection figures compiled by the University of Waikato that are being used by the three sub-regional Future Proof partners, Waipa District Council, Waikato District Council and Hamilton City Council. Given the scale of the forecast growth, any deviation from these forecasts presents a greater than usual financial and reputational risk to Waipa District Council if not adequately managed. In practise any significant deviations of actual growth from forecast growth will be managed by deferring or accelerating network expansion within new growth cells. Where possible, we have also sought to make our key water and wastewater treatment plant upgrades modular or staged in nature. This allows for some ability to align plant upgrades to real demand.

Council retains some head room with forecast debt below prudent limits. In the scenario of higher than expected growth Council will more likely be constrained by contractor procurement reasons rather than financial constraints. Council has limited ability to mitigate this eventuality. If growth is faster than projected we will receive associated development contributions at an equally fast rate to help fund further development. Supply of land is unlikely to be a constraint due to our response to the NPS-UDC which requires Council to over-supply land through our Waipā 2050 Growth Strategy. Council's Financial Strategy shows how the 10-Year Plan budget demonstrates resilience should forecast growth, interest rates or inflation deviate from the plan.

In the short term, two key infrastructure projects are required to unlock growth in the district: the development of the Parallel Road water treatment plant to supply additional water for Te Awamutu; and provision of a stormwater solution for the planned development in the Cambridge growth cells, C1, C2 and C3. The Parallel Road treatment plant upgrade will relieve constraints on water supply in Te Awamutu for both residential and industrial development. The costs of implementing the full stormwater solution in Cambridge west (growth cells C1, 2, 3) is around \$69m which will be implemented in stages to help mitigate any financial risk should development be slower than forecast.

For the long term the population is forecast to maintain its strong current rate of growth until approximately 2041, after which the growth rate is expected to slow but not stop. During this time it is expected the construction market, as well as Council's Service Delivery team, will have adjusted to the demand and responded accordingly. The

key project of note from years 11 to 30 (2029 to 2048) of our Infrastructure Strategy is the development of a third bridge in Cambridge, the precise date and future demand is yet to be determined.

Otherwise in the long term, this Infrastructure Strategy shows an ongoing programme of “business as usual” plant upgrades and renewals. Our philosophy is to stage incremental plant upgrades rather than large singular upgrades to reduce the financial risk of under-utilised assets. With the tension and focus created by responding to growth pressures, this strategy outlines a plan that generally maintains a steady level of service. For our asset renewal programme, Council pursues an on-going continuous improvement process to enhance our understanding of the current state and performance of our assets as well as a smarter ‘criticality analysis’ in order to make better decisions with beneficial financial and risk management outcomes.

## INTRODUCTION

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The Infrastructure Strategy aims to ensure that our district remains a great place to live, work, and play well into the future. It provides a clear outline of the challenges facing Council in achieving our vision.

The 10-Year Plan 2018-2028 highlights the Waipā community outcomes that align to the four goals that support Council’s vision of “Building Champion Communities”. These outcomes are:

- To be economically progressive;
- To be environmental and cultural champions;
- To be socially responsible; and
- To be connected with our community.

In developing this Infrastructure Strategy Council has taken a good look at what infrastructure would be required to enable the desired outcomes while responding to the forecast population growth. The Strategy also explains what Council considers the best approach to managing our assets given their inherent significant upfront capital cost and typically long useful life.

Given the volatile political, environmental, social, technical, economic and legal world in which we plan, with growing uncertainty the further into the future we look, the approach to planning projects is to apply a high degree of confidence and accuracy for projects scheduled in years 1 to 3, a moderate level for projects scheduled in years 4 to 10, and generally more indicative estimates for years 11 to 30.

Council’s strategic planning ensures that in responding to the population distribution and growth challenges the significant infrastructure issues are identified, along with the principle options, timing and implications for managing them.

This strategy builds upon the Infrastructure Strategy published in 2015 in signalling Council’s intended direction for the provision of core water and roading infrastructure over the next 30 years to 2048. However, it now also includes Waste Management services which, although not currently managing assets, foresees a role in developing future assets in response to a growing population with a growing demand for waste disposal and recycling services.

## KEY STRATEGIC INFRASTRUCTURE ISSUES

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### Strategic issue 1: Responding to Waipā's forecast population growth

#### What this means

Waipā District is currently subject to high population growth rates, at a rate that is unprecedented in recent history. This strong growth is forecast to continue out to around 2041 before tapering off. It is critical to the economic development of the district that infrastructure is provided for in a timely manner to avoid unnecessary constraints for residential, commercial and industrial development.

#### Principal approaches Council is, and will be taking, for tackling it

- Updated planning guidance from the Waipā 2050 Growth Strategy (2017);
- Respond to the National Policy Statement on Urban Development Capacity requiring 20% extra land supply above forecast population;
- Having an agile District Plan that allows a rapid process to uplift suitable land zoned as deferred;
- Securing a new water supply for Te Awamutu to remove constraints for residential and industrial development;
- Developing a comprehensive stormwater solution for the expansion of residential development into western Cambridge;
- New infrastructure upgrades and network extension across the district; and
- Ongoing upgrade and renewal programme for existing plant and network infrastructure.

#### Alternative approaches

Given the requirements of the NPS-UDC for Council to make land available for development, and the Local Government Act 2002 requirements for Council to provide infrastructure services, doing anything other than providing required infrastructure in line with projected demand is not feasible. The projects that are designed to tackle this issue, together with any alternative options, are highlighted in chapters 6 to 10.

## Strategic issue 2: Managing financial risk

### What this means

Our capital programme for the next ten years is approximately three times as large as what has historically been delivered by our Council. Growth projections suggest this level of capital spend will need to continue in line with this for the majority of the 30 year outlook of this strategy. Consequently, we face increased exposure to financial and reputational risks associated with such programmes should our planning assumptions not hold true. It is quite likely that at least some assumptions will not materialise as expected. It is therefore critical that our capital programme is able to respond swiftly to these changing external drivers and avoid unnecessary exposure to risk.

In particular, we are more exposed than usual to changes against forecast for:

- Population growth;
- Interest rates;
- Inflation rates;
- National and regional economic performance; and
- Natural disaster.

### Principal approaches Council is, and will be, taking for tackling it

- Demonstrated capacity via sensitivity analysis that Council can accommodate increases in interest rates or inflation (refer to the *Assumptions* section of the 10-Year Plan).
- Respond to the NPS-UDC by developing an improved monitoring process of market conditions for residential, commercial and industrial activity.
- Change our Development Contribution Policy so developers carry interest costs instead of rate payers.
- Extend the term for level of service debt and use table loans to free up cash flow.
- Review capital programmes annually and fully recast every 3 years with each 10-Year Plan, amending scale and timing of projects in response to growth occurring at a faster or slower rate than forecast.
- For a higher than expected growth scenario, accelerated development contribution revenue will help advance infrastructure delivery.
- Design the treatment plant upgrades in a modular fashion where suitable. This allows incremental spend that reduces financial outlay and the risk of under-utilised assets in the event of slower than expected growth.
- Retain capacity in our debt prudence limits to accommodate unplanned inflationary pressure (refer to Assumptions on page 361).

- Insurance: reliance on a combination of long-standing arrangements with the Crown, a layered approach to insurance cover, ready liquidity and various self-insurance mechanisms to address the risk of natural disaster.

### Alternative approaches

Because the NPS-UDC requires Council to supply land for growth, and by extension enable associated development, there are limited options with deferring capital spend for growth projects. In the case of residential development, Council could place the onus on the private sector to co-ordinate new development to reduce Council's financial exposure. However due to the multitude of landowners involved, ensuring a fair process with an optimal outcome for the community would be very difficult.

The community has previously indicated that a reduction in level of service for our Water treatment and supply is not very palatable, and deferring our renewal program in the short term to alleviate financial pressure for growth projects will introduce reputational risk to Council and health and safety risks to the public.

## Strategic issue 3: Capacity to deliver large capex programme

### What this means

Potential capacity constraints exist both within Council's in-house resource and within the regional construction industry. In the short term, a key issue for the Council is working through the growing pains to managing a substantially increased capital programme that responds to the forecast growth. Council has limited ability to mitigate the construction industry constraints, and will rely on market forces to establish a demand-supply equilibrium. Our focus is to manage our in-house capacity.

### Principal approaches Council is, and will be, taking for tackling it

- Developing a supply of labour agreement with professional service providers.
- A project management department focus and re-organisation to streamline large project activity and minimise cross departmental inefficiencies.
- Increased focus on internal organisational process to enhance the rigour around project management planning and procurement.

### Alternative approaches

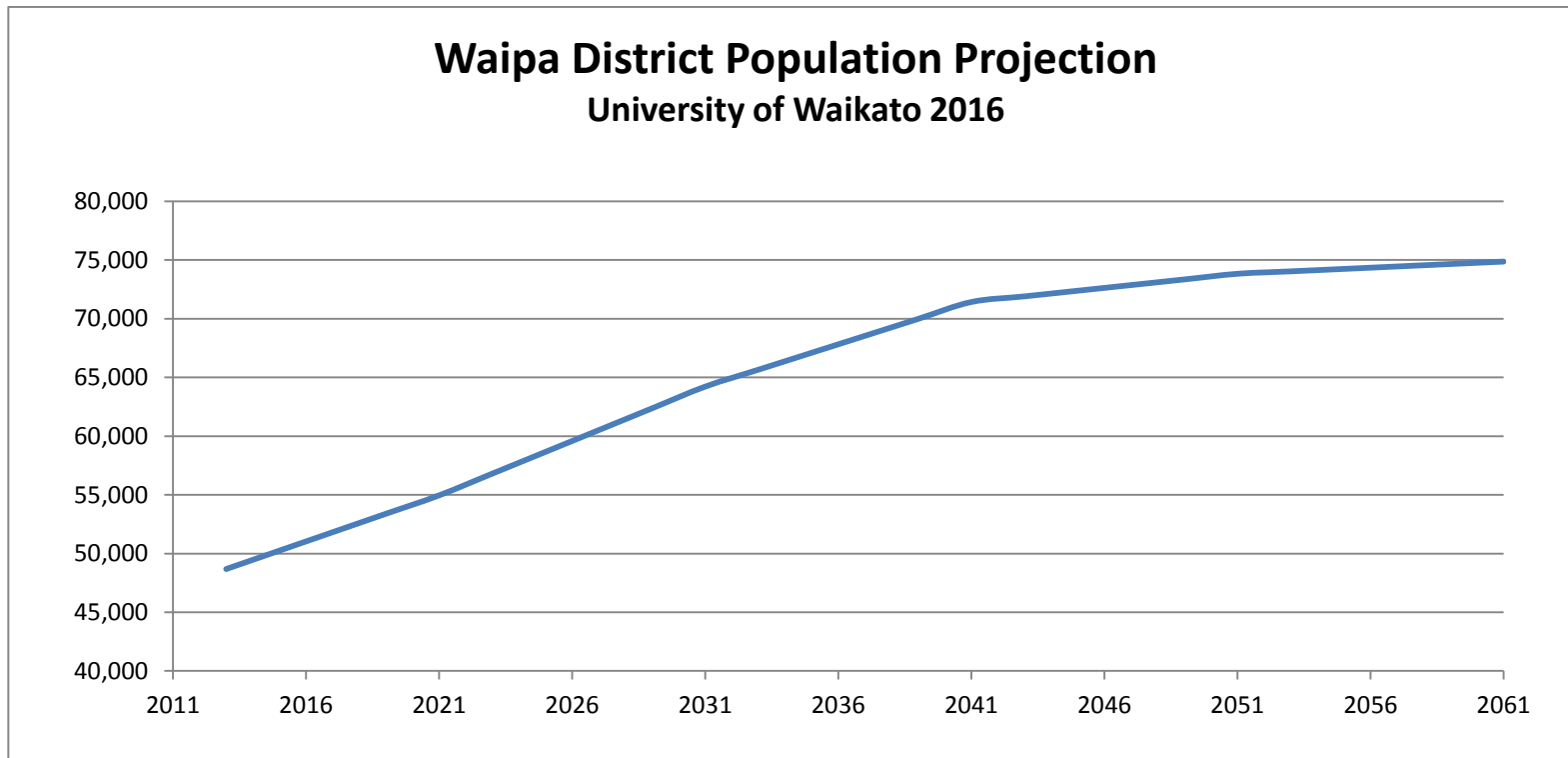
Deferring projects will relieve this pressure. This would require either reducing levels of service, constraining growth or increased risk of failure with overdue renewals. Rather than offering this as our default solution, Council would re-examine projects on a case by case basis if capacity constraints were realized and forced the issue. Council will take a risk based approach to determining projects most suitable for deferral.

The other alternative is to hire substantially more full time staff. This solution is constrained as there is not a large pool of suitably qualified engineers seeking work in the public sector. Further, Council must keep a view to the long term staffing implications once the high growth environment wanes.

**POPULATION GROWTH ANALYSIS**

The population of Waipā District is expected to grow throughout the next thirty years, initially at an increasing rate until the early 2040s, but later slowing although still growing; negative growth is not anticipated in any part of the district.

Waipā District growth projections below are derived from the “2016 Update of area unit, household and labour force projections for the Waikato region 2013-2063” report written by the University of Waikato. This was commissioned by the Future Proof Sub-Regional Growth Strategy Technical Advisory on behalf of the Future Proof Partner councils.



**Graph 5: Waipā District population projection**

Population changes due to births and deaths are predictable. It is the more volatile inward and outward migration from the district that drives the main population changes. The *Waipā 2050 Growth Strategy* is Council’s response to the projected population increases.



## Population demographics<sup>98</sup>

- Population growth in Waipā District is expected to continue;
- The population change is not likely to be consistent across all age groups, resulting in a significant change in the District's age structure;
- Both the 0-14 and 15-39 age groups are projected to decline, both in real terms and as a percentage of total population;
- The biggest expected change is in the population aged 65 plus: this group is predicted to change from being the smallest group in 2013 at 16% to the dominant group in 2043 at 39% of the population;
- The total number of households across the district is predicted to increase by over 80% between 2013 and 2063; this equates to an increase from 18,167 to 33,642 households across this entire 50 year period; most of the new households will be connected to reticulated water supply and Wastewater treatment and disposal. The *Waipā 2050* Growth Strategy indicates where most of these new dwellings will be accommodated;
- Within this growth, there are likely to be changes to the composition of households: the number of 2-parent families is predicted to peak in 2043 before declining;
- The number of 1-parent families is likely to peak in 2050 before declining;
- The number of households without children (couples as well as single people) will continue to grow throughout the period to 2063.

## Industrial growth

- The demand for more industrial land is expected to be catered for by growth areas which have already been identified including Bond Road (Te Awamutu), Hautapu and Titanium Park (near the airport);
- Industrial use of water currently accounts for about half of all water supplied by Council;
- Industrial areas produce less than half of the wastewater and stormwater flows as not all is discharged to Council systems. The treatment and storage capacity of these systems will need to be maintained as industrial demand grows.

**Table 153 : NIDEA medium household projects 2013-2061**

	Base		Household Projection					
	2013	2017	2021	2031	2041	2050	2051	2061
Cambridge	6,147	7,008	7,870	11,140	12,774	13,456	13,532	13,813
Kihikihi	753	818	882	964	1,031	1,019	1,018	1,028

<sup>98</sup> Source: Cameron, M.P. & Cochrane, W. (2016), *Update of Population, Family and Household, and Labour Force Projections for the Waikato Region 2013-2063*, University of Waikato.

Ōhaupō	193	204	216	261	307	305	305	308
Pirongia	532	568	604	661	705	715	716	724
Te Awamutu	4,277	4,898	5,519	6,449	7,595	7,728	7,743	7,845
Rest of District	6,265	6,598	6,931	7,851	8,670	9,228	9,290	9,718
	<b>18,167</b>	<b>20,095</b>	<b>22,022</b>	<b>27,325</b>	<b>31,082</b>	<b>32,451</b>	<b>32,603</b>	<b>33,435</b>

### Summary of impacts of growth and demographics on infrastructure

The following impacts of growth and population demographic change are anticipated:

- c) Increased demand for all infrastructure services
- d) Increase in the number of assets vested in Council;
- e) The need for Council to provide major infrastructure in advance of development;
- f) The average number of people per household is expected to decline; therefore the growth in demand for new water and wastewater connections is likely to be greater than at present;
- g) Increase in motor vehicles in the district will lead to greater demand for road capacity which could lead to areas of congestion in peak periods, and greater demand for parking;
- h) Potentially additional requirements of an aging population, such as additional wastewater treatment plant facilities or car parking provisions.

## MANAGING RISK

### Key strategic risks

Table 154: Key strategic risks

Description of risk	Risk consequence	Risk control/mitigation
<b>Growth forecasting risks</b>		
Population growth is less than forecast <ul style="list-style-type: none"> <li>▪ Rate of growth is slower</li> <li>▪ Actual population is less</li> <li>▪ Growth cell development is delayed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Under-utilised capacity</li> <li>▪ Income to repay debt is less than projected</li> <li>▪ Debt requires more years to service</li> </ul>	<ul style="list-style-type: none"> <li>▪ Infrastructure developed/upgraded in modular fashion where possible responsive to growth</li> <li>▪ Defer further infrastructure development</li> </ul>
Population growth is greater than forecast <ul style="list-style-type: none"> <li>▪ Rate of growth is faster</li> <li>▪ Actual population is greater</li> <li>▪ Growth cells are developed earlier</li> </ul>	<ul style="list-style-type: none"> <li>▪ Growth potentially hindered if infrastructure development fails to keep pace with demand</li> <li>▪ Debt incurred for a project may be paid down sooner</li> <li>▪ Council and construction sector struggle to deliver infrastructure</li> <li>▪ Pressure to develop infrastructure diverts attention from other asset renewals</li> <li>▪ Demand for water supply exceeds consented volumes</li> <li>▪ Greater volumes of treated, discharged water may exceed consented volumes</li> <li>▪ Increased demand on current systems may reduce asset lifecycles</li> <li>▪ More CBD traffic congestion</li> <li>▪ Reduced environmental quality and road safety</li> <li>▪ Reduced levels of service</li> <li>▪ Poor reputation/public image</li> </ul>	<ul style="list-style-type: none"> <li>▪ Flexible capital programmes, reviewed in each Annual Plan and 10-Year Plan</li> <li>▪ Infrastructure development projects brought forward</li> <li>▪ Continuous review of Asset Management Plans and asset renewal programmes</li> <li>▪ Introduce more stringent water saving and education</li> <li>▪ Liaison meetings with Waikato Regional Council</li> </ul>
<b>Asset management risks</b>		
Inadequate project management input into significant projects	<ul style="list-style-type: none"> <li>▪ Project fails to deliver on objectives, cost expectations not met</li> <li>▪ Public reputation risk</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project briefs developed for LTP which identify resource requirements</li> </ul>

Description of risk	Risk consequence	Risk control/mitigation
		<ul style="list-style-type: none"> <li>▪ Follow project management framework requirements.</li> <li>▪ Renewal programme coordinated with maintenance and other renewal activities</li> <li>▪ Communications Plan developed for significant projects</li> </ul>
<p>Costs increase at a higher rate than anticipated</p>	<ul style="list-style-type: none"> <li>▪ Higher construction costs</li> <li>▪ Higher operational costs</li> <li>▪ Reduced programmes of work delivered</li> </ul>	<ul style="list-style-type: none"> <li>▪ Closely monitor cost escalation figures</li> <li>▪ Programme flexibility maintained to accommodate any fluctuations</li> <li>▪ Current costs monitored monthly to enable agile response if needed.</li> </ul>
<p>Inadequate asset management/infrastructure strategy planning</p>	<ul style="list-style-type: none"> <li>▪ Insufficient planning undertaken to understand future renewal need for agreed LOS,</li> <li>▪ Maintenance and renewal budgets under or over funded</li> <li>▪ Audit non-compliance</li> <li>▪ Sub optimal programmes delivered</li> <li>▪ 30 year Infrastructure Strategy incorrect</li> </ul>	<ul style="list-style-type: none"> <li>▪ AMP reviews</li> <li>▪ NZTA/Office of Auditor General audits completed</li> <li>▪ Commitment to regional and sub-regional shared services initiatives</li> </ul>
<p>Extreme natural event (Major flood, storm or earthquake)</p> <ul style="list-style-type: none"> <li>▪ District Wide – multiple occurrences</li> <li>▪ Multiple wash out of treatment plants and roads</li> <li>▪ Multiple Bridges Damaged or Unusable</li> <li>▪ Liquefaction to networks, road base or foundations</li> <li>▪ Exposure of networks and pipe fractures</li> </ul>	<ul style="list-style-type: none"> <li>▪ Water reticulations, roads/bridges unusable or reduced capacity</li> <li>▪ Loss of treated water supply</li> <li>▪ Delays to users</li> <li>▪ Diverted traffic on unsuitable roads</li> <li>▪ Risk of injury/death to road user</li> <li>▪ Repair cost – impact on budget</li> <li>▪ 3rd party damage - utilities</li> <li>▪ Insurance claims</li> <li>▪ Restricted network availability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Declaration of Civil Defence Emergency and external resources in a very large event</li> <li>▪ Maintenance of treatment plants, culverts, water ways, &amp; water tables</li> <li>▪ Risk based bridge and waterway condition inspections</li> <li>▪ High risk culverts renewed prior to failure</li> <li>▪ Bank stability maintenance.</li> <li>▪ Proactive preventative maintenance and inspections</li> <li>▪ Network recovery methodology in maintenance contract</li> </ul>
<b>Organisational strategic risks</b>		
<p>Poorly-based estimates of population growth</p>	<ul style="list-style-type: none"> <li>▪ Assumptions, capital project plans and financial forecasts contained in the 10 Year Plan requiring significant later amendment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Population projections overseen by collaborative Futureproof effort.</li> <li>▪ External consultant commissioned by Futureproof in 2016 to critically review the robustness of the process and the data with focus on ensuring that past issues were</li> </ul>

Description of risk	Risk consequence	Risk control/mitigation
		<p>addressed.</p> <ul style="list-style-type: none"> <li>▪ Review and adjust programmes via Annual Plan or future LTP</li> </ul>
<p>The failure to deliver the principal outcomes of time, cost and quality for a major infrastructure project(s)</p>	<ul style="list-style-type: none"> <li>▪ Lack of ownership</li> <li>▪ Appropriate systems and tools for management not used</li> <li>▪ Poor monitoring and/or reporting.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establishment of the Project Delivery unit to focus on project management, and project delivery.</li> <li>▪ Routine Reporting (quarterly) to the Service Delivery Committee.</li> </ul>
<p>Failure to construct infrastructure to meet growth demands and have Development Agreements in place that ensure growth.</p>	<ul style="list-style-type: none"> <li>▪ No structure plan in place.</li> <li>▪ Unclear governance and ownership structure to set expectations, monitor and make key decisions</li> <li>▪ Property owners unwilling to sell land</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular meetings with the Project Control Group (PCG) regarding this project</li> <li>▪ Identified as a key Long Term Plan project and therefore reported to Exec quarterly</li> <li>▪ Structure Plans in place</li> </ul>
<p>Critical staff skills shortages that impact Council's ability to deliver its objectives.</p>	<ul style="list-style-type: none"> <li>▪ Misalignment between Council's existing workforce and the workforce required to deliver on growth/LTP expectations and business as usual work.</li> <li>▪ Failure to consider: <ul style="list-style-type: none"> <li>▪ Likely skill shortages</li> <li>▪ Impending retirements</li> <li>▪ Increased workloads</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Department redesigns based on most appropriate department structure to achieve respective workloads</li> <li>▪ Leadership Development project</li> <li>▪ Strategic framework - LTP project planning – Department Business Planning resource</li> <li>▪ Increase the organisation's ability to assess internal processes and systems that enable better efficiencies – additional resources provided to OPA <ul style="list-style-type: none"> <li>▪ Where required, contract in external resource</li> </ul> </li> </ul>
<p>Significant deterioration in the global economy</p>	<ul style="list-style-type: none"> <li>▪ Changed global economic circumstances impact on liquidity, interest rates, inflation or business confidence and GDP in New Zealand and the Waipā district to the extent that Council must review its financial plans.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor economic indicators and take appropriate action as and when required.</li> </ul>
<p>Increases in interest rates for loans or increase in inflation rate</p>	<ul style="list-style-type: none"> <li>▪ Current capital programmes become unaffordable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Defer capital spend</li> <li>▪ Take on debt allowed for in headroom with existing debt versus prudent debt limits.</li> </ul>

## The Infrastructure Policy environment

Council needs to be responsive to changing environmental conditions and risks. These include a regulatory regime that increasingly requires higher quality standards, improved public health and a cleaner natural environment. Council also has to consider how to plan for more extreme weather events arising from changing climate conditions but without knowing the frequency or precise effects of those changes. Similarly, Council is required to plan for seismic events and the strengthening of buildings; this is done with the expectation that such events will occur even though the timing and magnitude of such events is not known in advance.

Council does not deliver its services in isolation, but in response to statutes, policies, strategies, regulations, standards and agreements produced at national, regional and local levels. These are aimed at ensuring that Council services are provided that are safe, resilient, sustainable and which meet the economic, social and environmental needs of the community.

### Water quality management

Council's approach to improving its treated water quality is to ensure more stringent water management and compliance with the NZ Drinking Water Standards and the Health Act 1956 by:

- a continuous appraisal of water quality standards, monitoring of compliance and development of projects to ensure on-going compliance;
- regular negotiation with consent authorities to monitor and manage consent conditions and compliance; and
- taking action to mitigate, and improve on, any instances of non-compliance.

Council's aim in treating wastewater is to reduce the amount of bacteria and viruses, nutrients and suspended solids entering water courses and ensuring compliance with discharge consent conditions by:

- upgrades to wastewater treatment plants;
- environmental monitoring of water quality downstream of point discharges;
- regular negotiation with consent authorities to monitor and manage consent conditions and compliance; and
- taking action to mitigate, and improve on, any instances of non-compliance.

In managing stormwater, Council's approach is to reduce over time the amount of sediment, pollutants and nutrients entering water bodies in the Waikato and Waipā River catchments by:

- developing new stormwater management infrastructure to manage stormwater flows prior to it entering the receiving environment;
- regular negotiation with consent authorities to monitor and manage consent conditions and compliance; and
- taking action to mitigate, and improve on, any instances of non-compliance.

## Climate change

Council considers and plans for the effects of climate change as part of the detailed planning with respective infrastructure projects. New infrastructure assets are designed taking climate change into account. The new Regional Infrastructure Technical Specifications (which are agreed by participating Councils within the Waikato Region and which are expected to be adopted in 2018) include design guidelines and specifications taking account of anticipated climate change effects. Application of these specifications using the climate forecasts available at the time of infrastructure investment planning should reduce any legal risk for Council arising from any greater-than-anticipated weather events that may be attributed to climate change.

Council's current plans to improve the security of water supplies by increasing consented volumes, treatment and storage capacities, reticulation and water management planning, will reduce the actual and legal risks of water shortages in periods of extreme drought.

No maintenance regimes for assets have been altered as a result of climate change. Instead Council is adopting a "watching brief", scheduling additional maintenance if required, identified either by events or by consideration of the Regional Infrastructure Technical Specifications.

## Earthquake resilience

Waipā District's seismic risk has been identified as "medium". Consequently Council has until July 2022 to conduct engineering assessments and identify priority buildings that are potentially earthquake prone. All potentially "earthquake-prone" buildings - as defined in the Buildings (Earthquake-prone Buildings) Amendment Act 2016 - need to be assessed by July 2027.

Where Council is the owner of a potentially earthquake prone building, it will need to undertake the required seismic work by 2030 (priority buildings) and 2042 (all other buildings). The resource requirements and individual project timescales to undertake such remedial works will be considered in future 10-Year Plans and Infrastructure Strategies once the engineering assessments have been carried out and requirements are known.

## Legislation, policy and strategy

Council is required to provide water supply, wastewater, stormwater and Roads and footpaths infrastructure services under the Local Government Act 2002.

**Table 155: National legislation and strategies, policies and guidelines**

Infrastructure service	National legislation	Strategies, policies and guidelines
<b>Water supply, Wastewater and Stormwater drainage</b>	<ul style="list-style-type: none"> <li>▪ Health Act 1956</li> <li>▪ Health (Drinking Water) Amendment Act 2007</li> </ul>	<ul style="list-style-type: none"> <li>▪ Drinking-Water Standards for New Zealand 2005 (revised 2008)</li> <li>▪ National Policy for Freshwater Management 2014</li> </ul>

Infrastructure service	National legislation	Strategies, policies and guidelines
	<ul style="list-style-type: none"> <li>▪ Resource Management Act 1991</li> <li>▪ Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010</li> <li>▪ Ngāti Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010</li> <li>▪ Nga Wai o Maniapoto (Waipā River) Act 2012</li> <li>▪ Land Drainage Act 1908</li> </ul>	<ul style="list-style-type: none"> <li>▪ Water NZ publications</li> </ul>
<b>Roads and footpaths</b>	<ul style="list-style-type: none"> <li>▪ Local Government Act 1974</li> <li>▪ Transport Act 1962</li> <li>▪ Land Transport Act 1998</li> <li>▪ Land Transport Management Act 2003</li> <li>▪ Government Roding Powers Act 1989</li> <li>▪ Road User Charges Act 2012</li> <li>▪ Utilities Access Act 2010</li> <li>▪ Land Transport (Road User) Rule 2004</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government Policy Statement/ National Infrastructure Plan</li> <li>▪ NZ Transport Agency Strategic Direction and other publications</li> <li>▪ Connecting New Zealand</li> <li>▪ National Land Transport Plan</li> <li>▪ Safer Journeys</li> <li>▪ National Code of Practice for Utility Operators' Access to Transport Corridors</li> <li>▪ Safer Journeys – Safer Speeds Action Plan</li> </ul>

During the course of the 30 years covered by this Infrastructure Strategy, the composition and policy priorities of the New Zealand government may change several times, requiring Council to frequently adapt to the changing political and legal environment.

Council’s infrastructure services are influenced by the Waikato Regional Policy Statement and the following regional strategies, policies and guidelines, any of which can be amended following discussion and consultation:

**Table 156: Regional legislation, strategies, policies and guidelines**

Infrastructure service	Regional legislation strategies, policies and guidelines
<b>Water supply, Wastewater and Stormwater drainage</b>	<ul style="list-style-type: none"> <li>▪ Waikato Regional Plan</li> <li>▪ Sub-regional Three Waters Strategy</li> </ul>



Infrastructure service	Regional legislation strategies, policies and guidelines
	<ul style="list-style-type: none"> <li>▪ Waikato-Tainui Environmental Plan</li> <li>▪ Raukawa Environmental Management Plan</li> <li>▪ Maniapoto Iwi Environmental Plan</li> <li>▪ Healthy Rivers Forum</li> </ul>
<b>Roads and footpaths</b>	<ul style="list-style-type: none"> <li>▪ Regional Transport Strategy</li> <li>▪ Regional Land Transport Plan</li> <li>▪ Regional Public Transport Plan</li> <li>▪ Road Safety Strategy for the Waikato Region</li> <li>▪ Walking and Cycling Strategy for the Waikato Region</li> <li>▪ Waikato Expressway Network Plan</li> </ul>

## MANAGING COUNCIL'S INFRASTRUCTURE ASSETS

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### Council's assets

Council's assets are its resources that have long term financial value, that are created or purchased for a single cost, are maintained to extend their useful life and which are renewed or replaced after a period of years.

Most of Waipa District Council's infrastructure assets are required for delivering the following services:

- Water treatment and supply (bores, treatment plants, pumps and pump stations, pipelines, reservoirs, meters etc.);
- Wastewater reticulation and the treatment and disposal of wastewater (treatment plants, pumps, pipelines etc.);
- Stormwater drainage (pipes, connections, manholes, treatment devices, soak holes, silt traps, trenches, detention ponds and swales);
- Access to a quality vehicle and freight road network, plus footpaths, cycleways and passenger transport bus stops.

Council does not have any infrastructure assets for its waste management services.

Note that under the Local Government Act 2002, flood protection and control works are also considered infrastructure assets. This activity is not included in this Infrastructure Strategy as Waipa District Council does not own or manage flood protection and control works. Instead, responsibility for managing flood protection infrastructure rests with the Waikato Regional Council.

In addition, Council manages a number of other assets most of which are not covered in this Infrastructure Strategy unless they help Council to manage key strategic issues in the next 30 years. These assets include:

- Parks and reserves
- Mighty River Domain (on Lake Karāpiro)
- Libraries
- Museums and heritage
- Swimming pools
- Public toilets
- Community halls
- Pensioner housing

- Cemeteries
- Civil defence emergency management and rural fire infrastructure

### Activity Management Plans

Principal documents for managing our assets is the Activity Management Plan (AMPs), of which Council has nine. These guide how services are delivered and the assets managed to ensure the delivery to the community of Council's stated levels of service.

The Activity Management Plans take account of Council's strategic documents that identify the goals and activities required to achieve Council's objectives. However, they also take account of this 10-Year Plan. The AMPs are also important contributors to developing the 10-Year Plans, identifying asset development, renewal or upgrade projects that will be needed during those ten years.

Figure 3: Organisational strategic context



From the Activity Management Plans, and reflecting each year of the 10-Year Plan, fall the Business Plans for each council service. These set the year's priorities and goals to enable delivery of the service and Council's stated levels of service to the community.

The hierarchy of Council's strategic alignment, the key to Council's asset management approach, is shown in the example figure above.

### Balancing asset management responses

Council needs to find an optimum balance between maintaining and renewing assets. A single approach is not suitable for all assets: for example, to maintain levels of service a major road will be renewed rather than maintained, whereas a minor road will be maintained rather than renewed.

Maintenance helps ensure the assets reach expected life, as well as ensuring the delivery of the required LOS. Maintenance activities include:

- Reactive (unplanned) maintenance that needs to be completed quickly to ensure levels of service are not compromised. Reactive maintenance is normally undertaken in response to a customer service request, asset failure or weather events.
- Pro-Active maintenance that is planned work carried out at regular intervals to ensure performance (preventative maintenance) and to prevent failure (predictive/condition driven maintenance). This approach is adopted for critical assets where consequences of failure are great.
- Condition assessments.
- Analysis and reporting of asset condition.

Asset renewals cover the progressive replacement of existing assets as they reach the end of their useful life. The rate of asset renewal is intended to maintain the overall condition of the asset system at a standard that ensures the community's investment in infrastructure is maintained. If existing assets are not replaced with assets of similar standard the ability of the service to deliver the required levels of service may be reduced.

The physical renewal works carried out historically has been adequate for water supply assets, suggesting current levels of renewal are appropriate. Council has increased expenditure in future years (beyond year four of the LTP) to reflect renewal levels based on asset age.

Ongoing condition inspection programmes will continue to further inform the renewal profiles, as Council moves away from basing renewal projections purely on the age of the assets as the only criterion, towards incorporating a multi-criteria assessment of condition, criticality, risk and age of assets to ensure that the network is maintained in the most cost efficient and effective manner.

The risk to Council is that condition assessment may result in highlighting issues within the network that require higher expenditure beyond what has been allowed for in the 10-Year Plan. Should this occur Council will evaluate the options available to continue to manage the asset and maintain service to the community. A combination of strategies is possible based on the following options:

- Review of the levels of service, particular focus on critical vs. non-critical assets, and possible impacts on the customer through reduced services.
- Increased capital expenditure to accelerate renewals and hence debt servicing costs impact on consumer.
- Increase operational costs to defer capital expenditure, and again having a direct impact on the consumer.

Water treatment and supply assets require cyclic renewal strategies intended to provide for the progressive replacement of individual assets that have reached the end of their useful life. The rate of asset renewal is intended to maintain the overall condition of the asset system at a set standard or level of service. Adopted remaining life, asset criticality and condition profiles of the Water treatment and supply systems are used to determine the forward renewal programme.

Failure to maintain an adequate cyclic renewal programme will be reflected in a greater decline in the overall standard of the system of assets than would be expected from the age profile of the asset system. Council currently has a small backlog of upgrades, renewals and maintenance projects across the three Water treatment and supply; the scope of most of these projects has not yet been finalised nor costs estimated.

For Roads and footpaths activities there is no backlog of renewal or maintenance works but Council recognises that it is providing a higher-than-necessary level of service for pavement renewals. The intention is to reduce the pavement renewal works and accept a lower – but more appropriate – level of service based on traffic volumes. Guidance on a fit-for-purpose level of service is provided by the One Network Road Classification (ONRC). Other Roads and footpaths activities remain unchanged. Over the next three years Council will undertake analysis of what this means for our district and what the gap is between the existing level of service provided, or asset conditions, and comparison with peers through the ONRC performance measurement tools.

The general principles used for identifying renewal needs are listed in the table below.

**Table 157:Renewal Identification & Prioritisation Principles**

Identification and Prioritisation Principles	
Renewal Identification	Identification through staff knowledge of individual assets and associated analysis.
	Condition reports, maintenance records (asset failure and expenditure history), request for service (RFS) records, and observations of staff and contractors.
	Assessment of remaining asset lives.

**How do we prioritise our projects and asset renewals?**

Priority projects are identified on the basis of:

- the age of the asset,
- the time elapsed since its installation or upgrade or renewal,
- its current condition (based on regular condition surveys) and
- the risk of asset failure or risk of its condition contributing adversely to road user safety.

Prioritisation projects for the renewal of three waters assets are identified for assets that represent a higher risk due to:

- criticality\*,

- condition,
- age and
- performance.

Other considerations for project timing and location include:

- the ability to align Water treatment and supply renewals with the Roads and footpaths *forward works plan*,
- district growth pressures for both renewals and increases in asset capacity,
- the opportunity to solve multiple issues within one project,
- achieving efficiencies in time and cost.

\* *Criticality*

Identification of criticality of assets allows for condition assessments, preventative maintenance and renewal programmes to be prioritised based on that criticality. If a disaster were to strike, this information will also help in the prioritisation of our infrastructure programmes to return to normal levels of service.

Council's most critical assets are those whose failure would have major implications for emergency services' access and travel for many people (Roads and footpaths), or which would impede or prevent the supply of other lifeline services such as drinking water supply and wastewater.

Criticality of infrastructure plays a role in the prioritisation of planning for the renewal of assets: those that have a higher criticality score are prioritized over lower criticality assets. As part of the 2018-2028 Long Term Plan development of a strategy for asset renewals, planning and budgeting for Water treatment and supply has involved consideration of criticality as well as age, condition, maintenance activity, hydraulic modelling results, risk and growth activity.

Council's process to determine asset criticality in the Water treatment and supply results in a grade from one (1) to five (5) for each asset. The criticality grades are as follow;

- 1) Very High
- 2) High
- 3) Medium
- 4) Low
- 5) Very Low

To date this objective assessment has been undertaken for pipes only; it is intended that other asset types will also be similarly assessed during 2018 to 2023.

The asset types that are currently and subjectively assessed as “critical” are as follows:

**Table 158:Water Supply critical asset types**

System Component	Asset Type	Why is this Asset Critical?
Treatment Plant	Treatment Plants	These assets are our facilities that are constructed to meet our drinking water standards. This is a legal requirement under the H& S act. During summer when consumption is increased the plants become critical as if there are any plant failures at this time, they may impact on our ability to supply water.
Storage	Reservoirs	The amount of storage that we have meets the requirements for drinking water standards, if a reservoir was to fail, we would be unable to meet these standards
	Pumps	The majority of our reservoirs rely on pumps to distribute water into the reticulation, without these pumps disruption to supply or reduction in pressure would be felt by all customers serviced by the reservoir .
Reticulation	Trunk mains & valves	Our trunk/bulk and ring main feeds reservoirs and the network, if these were to fail interruptions to supply or reduction in pressure would be felt by all customers within the District.
	Pipes & valves	Pipes that provide water to our significant customers such as hospitals are considered to be critical
	Fire Hydrants	Our fire hydrants must be operational at all times to ensure that they are available for fire fighting

**Table 159:Wastewater critical asset types**

System Component	Asset Type	Why is this Asset Critical?
Network	Pipes/Manholes located adjacent to streams and rivers	This is due to their location. A failure of these assets will result in direct wastewater spills to a stream or river.
	Connections	These provide a service to our key customers who provide a district wide service i.e. hospitals
	Pipes with restricted/limited capacity	All pipes that are at greater than 50% full during dry weather are considered to be critical as it is more likely that these will overflow during a rain event
	Interceptors	These provide conveyance of wastewater from large areas of the district to the wastewater treatment plant. If these fail, large amounts of wastewater will spill into private property, public areas, streams and rivers.
Pump Stations	Pump Stations	These are considered to be critical as they are located in the low points of our network and therefore are at a high risk of wastewater spills and odour. Some pump stations are more critical than others, depending on their size and/or location.
Treatment	Treatment Plants	The wastewater treatment plants are considered to be critical as they are our main form of treatment. However some areas of each plant are more critical than others.

Table 160:Stormwater critical asset types

System Component	Asset Type	Why is this Asset Critical?
Network	Pipes	Any of these assets that is damaged or blocked at the time of a storm event is considered to be critical as its inability to transfer stormwater may result in flooding.
	Manholes	
	Inlets	
Treatment	Ponds	These assets are required to protect our streams and the Waikato River from the effects of pollution from urbanisation.
	Wetlands	
	Treatment Devices	

Table 161:Roads and footpaths critical asset types

System component	Asset type	Why is this asset critical?
Network	Bridges crossing rivers: Fergusson Bridge and Victoria Street bridge (Waikato River)	Catastrophic failure of any one bridge would be difficult to manage, severely impeding movement with economic and social impacts.
	Achilles Avenue (Karāpiro Stream)	These bridges service large areas and high traffic volumes and also carry essential utility services including water, telecommunications and gas.  Bridges have relatively high replacement costs. All these bridges were in average-good condition in 2016, performance is good or satisfactory and each has at least 30-50 years of remaining life; current resilience studies will guide Council in planning for resilience improvement work if necessary.

Council’s Asset Management Plans each consider critical asset condition assessments, performance monitoring and management. Where asset performance declines, Council’s response will be to plan and finance appropriate works to improve asset condition, performance and confidence in addition to business-as-usual programmes of asset renewals.

**Levels of service**

- Levels of service sit at the heart of asset and activity management.
- They define the quantity and/or the quality of the services that Council aim to provide for the community.



- Once defined Council can develop or adapt meaningful service delivery operations, maintenance, renewal, capital development, and service development programmes. Meaningful financial forecasts also become possible.

The Long Term Plan is an overview of what Council intends to do over the next ten year period and contains key information about Council's activities levels of service, assets and cost of providing its services. The desirable outcome is the delivery of those services to the agreed levels of service in a cost-effective way that is sustainable for present and future customers.

Activity Management Plans document the long term management approach in regard to the life cycle of the assets and the levels of service they deliver. Performance indicators are set at operational, service and corporate levels within Council. They show what is to be recorded and the performance measures show how it is to be done. They tell Council how well it is meeting its agreed levels of service. The results indicate where Council needs to invest more resources in order to improve service delivery as well as where services are being successfully provided. Customer satisfaction surveys also provide Council with similar information but more directly from the community about how well Council is perceived to be delivering its services.

Good information about the condition and performance of our assets will allow us to make decisions to ensure investment levels are optimal for meeting the levels of service as demonstrated by the performance measure results.

Council's challenge is to balance the current customer and service delivery requirements with the need to avoid unsustainable debts and other problems for future ratepayers.

The levels of service issues that Council currently faces are:

- Population growth – maintaining levels of service for all in times of expanding services.
- Ageing population – dealing with particular level of service issues as a consequence of have more aged people in the community.
- Consent compliance - compliance needs to be raised and maintained simultaneously with expanding infrastructure.
- Increasingly restrictive consent conditions – consent conditions are expected to become more stringent as environmental standards are raised.
- Sanitary assessment actions – health and hygiene remains a priority in Council's public health responsibilities.
- Climate change – how does Council plan for an uncertain size and frequency of weather events and still maintain levels of service and cost-effectiveness?
- Increasing number of stormwater ponds and swales – as part of Council's climate change and stormwater management response, more detention ponds and swales require more upkeep to maintain levels of service.

The current levels of service for the services covered by this Infrastructure Strategy are shown in table 5.6 below:

**Table 162: Key levels of service**

Infrastructure service	Key level of service
Water supply	<ul style="list-style-type: none"> <li>Provision of wholesome potable water within specified areas via a safe and reliable treatment and supply system.</li> <li>Water supply and demand is managed to ensure prudent use of water.</li> </ul>
Wastewater (sewerage and the treatment and disposal of sewage)	<ul style="list-style-type: none"> <li>Provision of a safe and reliable system for the treatment and disposal of wastewater which minimises public health risks and environmental impact.</li> </ul>
Stormwater drainage	<ul style="list-style-type: none"> <li>Provision of a safe and reliable stormwater system which minimises flooding and environmental impact.</li> </ul>
Roads and footpaths	<ul style="list-style-type: none"> <li>Roads are designed, and managed to reduce the risk of harm to users</li> <li>The existing network is well maintained</li> <li>We are responsive to roading issues raised by the community</li> <li>Alternative transport options are available and promoted</li> </ul>
Waste management	<ul style="list-style-type: none"> <li>Provision of an effective waste minimisation education programme</li> <li>Provision of a reliable kerbside recycling service</li> </ul>

Our strategic direction is to reach intermediate asset management practices. In order to achieve this there is a need for improvements in asset data capture and management, condition assessments and predictive modelling.

### Financing assets

Asset renewals are funded through depreciation reserves. This means that a proportion of Council’s revenue is set aside each year specifically to renew assets. The amount is calculated annually and is based on the value of Council’s assets and the estimated life left.

All operational expenditure and renewals for roads and footpaths are funded on average 49% by Council and 51% by New Zealand Transport Agency (NZTA). There is no NZTA funding available for footpaths, bus stops, shelters or car parks.

Council’s debt level is set to rise substantially, peaking in year 7 (refer to the *debt profile* in the Finance Strategy) in order to finance the infrastructure development required to enable the forecast residential and industrial growth. The Finance Strategy sets out how debt remains within prudent limits. Debt associated with growth projects is paid down as development contributions are received (including the debt’s interest component), so effectively “growth pays for growth”.

The maximum debt term for capital spend associated with maintaining or improving levels of service has recently changed from 20 years to 30 years, the same timescale as this Infrastructure Strategy. This recognises the long-term planning involved and the intergenerational benefits of the assets being created by this debt and the need for all those who benefit from them to contribute to their costs. Refer to the Financial Strategy for more details on how Council manages asset finances.

### Staged development of new assets

Council needs to provide core infrastructure to new growth areas to enable growth to commence. However, there is a risk Council will develop and finance new infrastructure and then soon after the forecast growth fails to materialise. This can have the consequence of reduced development contribution revenue to service the debt.

There will always be a degree of redundancy within networks as they are expanded and before the maximum utilisation of that service is achieved, but enlarging networks too far and too quickly risks the costs of development being incurred many years before those costs can be recovered. Some other councils have had difficulties repaying the costs of new infrastructure when growth did not occur as expected.

To manage this risk, wherever possible, Council will try to develop new infrastructure capacity in a staged or modular fashion: adding just enough new capacity to cater for medium term, rather than long term growth. This is straightforward for reticulated systems, but less so for existing treatment plants or reservoirs. Treatment and storage facilities generally service larger areas of population and growth cells and may therefore not require frequent modular development: a single upgrade may suffice in some circumstances.

## WATER SUPPLY SERVICES

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### What we do

- Collection and treatment of water for drinking by managing bores and treatment plants.
- Storage of drinking water for distribution to customers by managing reservoirs.
- Distribution of drinking water to customers by managing pumps, pump stations and pipelines.
- Encourage water use efficiency and fair pricing through water meters, leak reduction and education.
- Plan and install new water supply networks and capacity to cater for new residential and commercial growth.

### Key water supply focus

- Catering for growth.
- Upgrade at Parallel Road treatment plant and connection to Te Awamutu town supply.
- Maintaining level of service to comply with NZ drinking water standards.
- Maintaining level of service to meet fire-fighting requirements.
- Obtaining and renewing resource consents.
- Improving renewal programme with better understanding of asset condition and performance.

Council is faced with the following three significant demand issues which are addressed by the projects below to ensure there is adequate water supply, treatment, storage and distribution in the future:

- Future growth forecast (From Waipā 2050) will result in a significant increase in demand in future across the District.
- Te Awamutu and Cambridge water supplies are close to capacity during peak demand periods.
- Currently there is a consent capacity across the district but in 2030 the consent at Te Tahi will be reduced from 21,000 to 4,300m<sup>3</sup>/day. A new source would then be required for Te Awamutu.

Council recognises the benefits of water conservation and demand management and committed funds in the 2015-25 Long Term Plan for a Demand Management Campaign. The project has publically campaigned for better water demand management from all users of Council water supplies, including non-residential (commercial and industrial). The project has included the appointment of a Water Demand Management Officer as the Council “champion” for water conservation and water demand

management. The role manages and enforces the day-to-day operation of the Council's water bylaws and policies, in particular developing, implementing and monitoring water management and conservation strategies such as the recently completed programme to install water meters.

The Education Strategy and action plan within Council's Three Waters Strategy aims to deliver:

- Proactively prepare and disseminate consistent messaging to communities;
- Explore ways of improving efficiency of water takes and use;
- Council water values are understood and incorporated into decision making;
- Includes Kaitiakitanga (guardianship values) in decision making; and
- Iwi and hapū engagement.

Industrial specific/targeted controls on water use:

- Metered connections and volumetric pricing;
- Water diagnostic sessions;
- Water management plans; and
- Water supply agreements (where appropriate).

Following a large outbreak in August 2016 of *Campylobacter* associated with the Havelock North water supply, a government enquiry was conducted in 2016-2017 and two reports released in May and December 2017. A number of short term and long term recommendations have been made in these reports. The recommendations if implemented fully by the Government have the potential to significantly change the regulatory environment for managing water supplies. Council has been fully monitoring the process and the outcomes of the enquiry to ensure that the district's water supplies are being managed appropriately and to prepare Council for changes that may need to occur.

To date the most significant recommendation that could require extra capital investment is the possibility of redefining the current "secure water" status of the Kihikihi water supply as "insecure", and consequently requiring installation of a protozoa barrier. "Secure water" is water that is protected from pathogens due to the conditions in which it is naturally stored including the length of time it is in the aquifer and also the condition of the bore it is abstracted through. The Kihikihi water supply is a deep bore and currently does not require any treatment. The risk associated with this supply has not changed and a risk approach would assess this as an extremely low risk supply. However, if legislation requires treatment to be installed then the council would be obliged to do this. The costs of installing such treatment is unlikely to be significant and could probably be managed within existing Council budgets.

Constant quality improvement was also a focus of the enquiry. Council already has ongoing review processes in place and will continue to ensure improvements are made to the processes and documentation related to its water supplies.

Waipā is in a good position with regard to the safety and treatment of its water supplies. Whilst not costed as it is not yet clear if it will be required, the potential installation of extra equipment and additional monitoring to ensure compliance with any new regulations is deemed to be substantially less than \$1million which will not impact significantly on water supply costs for consumers.

### Overview of assets

Table 163: Summary of Water Treatment & Supply Assets (July 2017)

	Asset Description	Unit	Quantity	Replacement Cost	ODRC*
Above Ground Assets	Pipe Bridges	qty	17	\$389,202	\$234,982
	Monitors	qty	30	\$1,155,442	\$857,993
	Pump Stations	qty	137	\$1,647,787	\$640,456
	Reservoirs	qty	17	\$14,762,394	\$9,672,483
	Treatment Plants	qty	7	\$24,601,161	\$13,101,947
In Ground Assets	Connection	qty	15,042	\$29,360,879	\$11,139,940
	Hydrants	qty	1,797	\$4,519,455	\$1,920,235
	Pipes	km	582.2	116,269,469	61,176,187
	Valves	qty	3,649	\$5,722,140	\$3,003,116
<b>Totals</b>				<b>\$198,427,930</b>	<b>\$101,747,338</b>

\*Optimised Depreciated Replacement Cost

### Projects 2018 to 2048

Note: where no alternative to the most likely scenario has been provided, the only other option so far identified is to do nothing and retain the status quo. In all cases this is likely to result in failure to comply with regulatory requirements, and/or loss of water supplies, hindered growth and reduced levels of service to current and new customers, or maintained levels of service at a higher cost or longer timescale.

Table 164: Water treatment and supply asset projects 2018 - 2048

Project WS1: Alpha Street Water Treatment Plant		Area:	Cambridge
<p><b>Most likely scenario:</b> Upgrade the Alpha St water treatment plant to meet Drinking-water Standards, levels of service and comply with resource consent conditions providing increased connectivity between water supply schemes across the district.</p> <p>This will increase the capacity of the Alpha Street treatment plant (currently 3000 m3) up to current abstraction consent levels (6500m3) to help meet the water demand projections.</p>			
<p><b>Alternative scenario 1:</b> Address local water supply issues locally with no connectivity between schemes. Upgrades to water sources and treatment plants occur in isolation.</p>			
<p><b>Alternative scenario 2:</b> Connectivity between schemes with all upgrades concentrated at Parallel Road; able to meet growth in demand across the district from this additional supply.</p>			
<p><b>Anticipated project date:</b> 2028 to 2033</p>	<p><b>Estimated costs (including inflation):</b> \$17.1 million (alternative options would be greater)</p>	<p><b>Funding Source</b> Growth</p>	
Project WS2: Cox Road reservoir with supplementary supply to Ōhaupō		Area:	Cambridge & Ōhaupō
<p><b>Most likely scenario:</b> Upgrade the Cox Road Reservoir - Increase storage from 800m<sup>3</sup> to 2000m<sup>3</sup>. Provide supplementary supply to Ōhaupō. To meet current water use rates and projected population increases as well as increasing the availability of water for major emergencies.</p>			
<p><b>Anticipated project date:</b> 2028 to 2038</p>	<p><b>Estimated costs (including inflation):</b> \$7.7 million</p>	<p><b>Funding Source</b> Growth</p>	
Project WS3: New Cambridge reservoir		Area:	Cambridge
<p><b>Most likely scenario:</b> Construct new reservoir for Cambridge to meet current water use rates and projected population increases. It will also increase the availability of water for major emergencies.</p>			
<p><b>Anticipated project date:</b> 2038 to 2043</p>	<p><b>Estimated costs (including inflation):</b> \$10.8 million</p>	<p><b>Funding Source</b> Growth</p>	

<b>Project WS4: Reticulation expansion for Cambridge growth cells</b>		<b>Area:</b> Cambridge
<p><b>Most likely scenario:</b> Provide water to Cambridge growth cells: C1, C2, C3, C4 &amp; C7.                  Significant current and future growth will place significant stress on existing water assets. New and upgraded infrastructure is also needed to support new developments.</p>		
<b>Project date:</b>	<b>Estimated costs (including inflation):</b>	<b>Funding Source</b>
2018 to 2021	\$3.7million	Growth
2021 to 2028	\$6.8 million	
2028 to 2038	\$9.5 million	

<b>Project WS5: Reticulation expansion for Te Awamutu growth cells</b>		<b>Area:</b> Te Awamutu
<p><b>Most likely scenario:</b> Provide extra reticulation capacity to Te Awamutu Growth Cells:</p> <ul style="list-style-type: none"> <li>▪ T8 Kihikihi Rd / Golf Rd/T13/T5;</li> <li>▪ T12, T4 and T 2;</li> <li>▪ T14, T15.</li> </ul> <p>To provide reticulated, treated water to growth cells and also address low water pressure and flow issues.</p>		
<b>Anticipated project dates:</b>	<b>Estimated costs (including inflation):</b>	<b>Funding Source</b>
2033 to 2038	\$2.0 million	Growth
2038 to 2043	\$2.0 million	
2043 to 2048	\$1.9 million	

<b>Project WS6: Cambridge dedicated main reticulation</b>		<b>Area:</b> Cambridge
<p><b>Most likely scenario:</b> Provide extra reticulation capacity Cambridge North to Hautapu Pipeline and growth cell C8; plus security of supply from the Watkins reservoir to the Fonterra Hautapu reservoir.                  Maintain the current levels of service (LOS) to existing users and reduce operational difficulties (minimizing pressure fluctuations) whilst facilitating growth in the north of Cambridge.                  The proposal is that the Hautapu reservoir would be used to service the new C8 and industrial zones in addition to the present factory demand.</p>		
<p><b>Alternative scenario 1:</b> Do nothing. There would be an increased risk of system failure, non-compliance with regulatory requirements and a significant increase in operational costs to fix failed assets and deal with third party issues.</p>		
<p><b>Alternative scenario 2:</b> provide water to Fonterra only. This would provide security of supply to Fonterra but still increases the risk of system failures, non-compliance with regulatory</p>		



requirements and a significant increase in operational costs to fix failed assets and deal with third party issues elsewhere in Cambridge north and Hautapu.

**Alternative scenario 3:** provide the most likely scenario (above) plus additional water to Fonterra. However, Fonterra has indicated that the additional costs would be too high.

Project date:	Estimated costs (including inflation):	Funding Source
2018 to 2021	\$3 million	Growth

#### Project WS7: Parallel Road Water Treatment Plant

**Area:** Ōhaupō, Mystery Creek, Hamilton Airport, Pukerimu, Te Awamutu

**Most likely scenario:** Upgrade the Parallel Rd water treatment plant to meet Drinking-water Standards, levels of service and comply with resource consent conditions providing increased connectivity between water supply schemes across the district and supplementing the supply to Te Awamutu.

Increase the treatment capacity of the Parallel Road Treatment Plant in this LTP period by 5 Mld, and then by a further 12.5Mld in 2030 and beyond.

Necessary due to the reduction in the water take for Te Awamutu. It is critical to the future of the district.

**Alternative scenario 1:** Address local water supply issues locally with no connectivity between schemes. Upgrades to water sources and treatment plants occur in isolation.

**Alternative scenario 2:** Connectivity between schemes with all upgrades concentrated at Parallel Road; able to meet growth in demand across the district from this additional supply.

**Alternative scenario 3:** For Te Awamutu re-consent the water take to enable 100% take during drought conditions and provide a local Te Awamutu supplementary supply of 6ML/day via bores or surface water source.

Project date:	Estimated costs (including inflation):	Funding Source
2018 to 2021	\$13.2 million (more for alternative options)	Growth and Levels of service

#### Project WS8: Parallel Road Water Treatment Plant reticulation

**Area:** Te Awamutu

**Most likely scenario:** Install a pipeline and associated pumps from the Parallel Rd WTP to the reticulation in Te Awamutu providing increased connectivity between water supply schemes across the district.

The Te Tahi Water Treatment Plant (WTP) consented water take is set to significantly reduce in 2030 meaning significant supply and demand issues and imbalances for Te Awamutu.

Necessary due to the reduction in the water take for Te Awamutu. It is critical to the future of the district as it adds resilience provided to the Te Awamutu water supply area.

**Alternative scenario 1:** Address local water supply issues locally with no connectivity between schemes. Upgrades to water sources and treatment plants occur in isolation.

**Alternative scenario 2:** Connectivity between schemes with all upgrades concentrated at Parallel Road; able to meet growth in demand across the district from this additional supply.

**Alternative scenario 3:** For Te Awamutu re-consent the water take to enable 100% take during drought conditions and provide a local Te Awamutu supplementary supply of 6ML/day via bores or surface water source.

<b>Project date:</b> 2018 to 2021	<b>Estimated costs (including inflation):</b> \$12.7 million (more for alternative options)	<b>Funding Source</b> Growth and Levels of service
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**Project WS9: Water main renewal and pump installation**

**Area:** Te Awamutu

**Most likely scenario:** Renew and increase the intake capacity of the Parallel Road treatment plant to help meet the present water supply and levels of service to the Pukerimu scheme plus future water demand projections.

Current and future growth will place significant stress on existing water assets. This project removes need for a new water source with associated consenting, land purchase, construction costs. It will ensure a consistent, safe and adequate water supply to our communities, meet our Level of Service agreements, reduce disruption from unplanned service outages and promote community development and growth.

<b>Project date:</b> 2018 to 2020	<b>Estimated costs (including inflation):</b> \$7.9 million	<b>Funding Source</b> Levels of service
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**Project WS10: Duplication of Te Tahi trunk main**

**Area:** Te Awamutu and Pirongia

**Most likely scenario:** Te Tahi - Papesch Rd Trunk Duplication & Renewal to maintain the level of service and provide additional security of supply.

The trunk mains from the Te Tahi WTP to Papesch Road booster pump station have reached the end of their useful life and the number and value of repairs are increasing.

<b>Anticipated project date:</b> 2022 to 2026	<b>Estimated costs (including inflation):</b> \$6.6 million	<b>Funding Source</b> Renewals
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**Water supply asset renewals**

Asset renewals are programmes of work consisting of several projects to maintain assets. The sum of individual project costs results in significant total programme costs both annually and for 2018-2048.

Table 165: Water supply asset renewals

**Project WS11: Water supply network renewals programme** **Area:** District

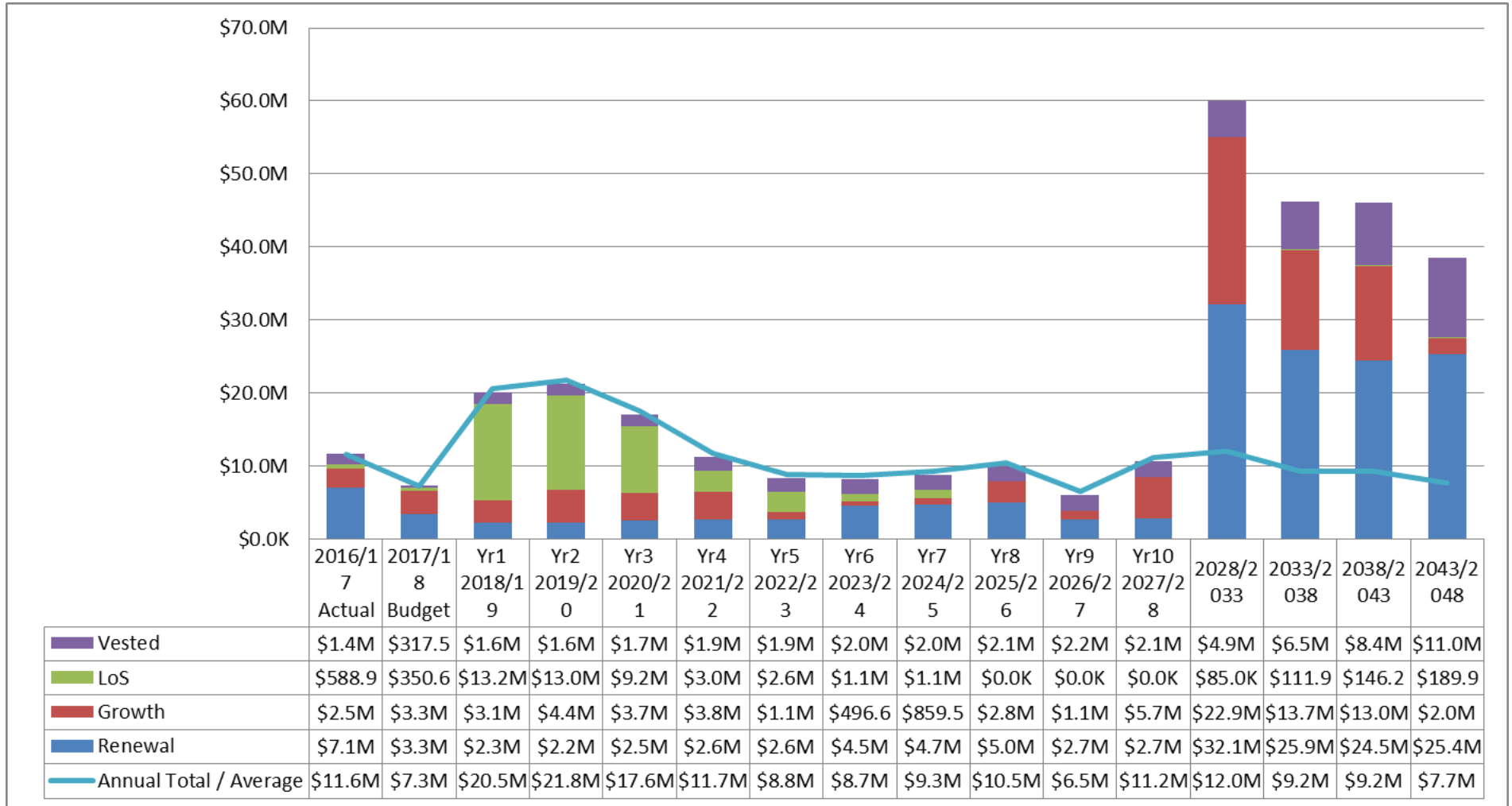
**Most likely scenario:** Renew the water treatment plants, pipes, valves, hydrants and pump stations. Replacement and prioritised renewal of water supply pipeline and associated assets i.e. mains, valves, hydrants, connections and rider mains, predicted for renewal within the Asset Management System

**Alternative scenario:** Do less resulting in fewer renewals. This increases the risk of asset failure. No renewal and capital development will result in loss of supply, hindered growth. Levels of service will not be met.

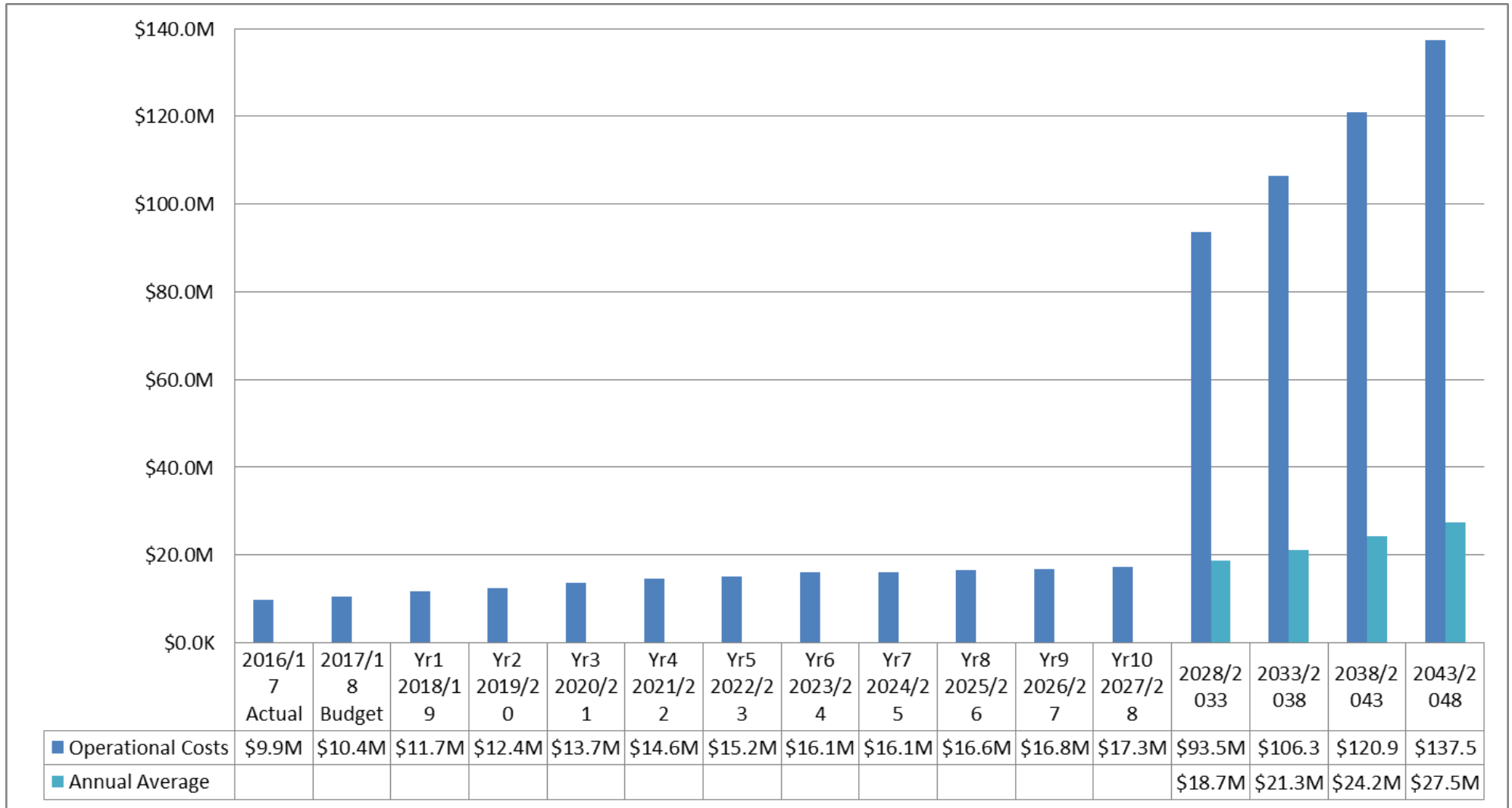
<b>Anticipated project date:</b> Annually 2018 to 2048	<b>Estimated costs (including inflation):</b> Average \$4.9 million annually (\$146.3 million over 30 years)	<b>Funding Source</b> Renewals
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Financial analysis

Graph 6: Water supply capital works programme



Graph 7: Water supply operational works programme



Operational project expenditure is related to leak detection, condition investigation, demand management campaigns and modelling. Inflation adjustments (2.60% per year) contribute to steadily increasing operation costs in the last twenty years of the Infrastructure Strategy.

## Service delivery mechanisms

The Water Supply service is managed internally by Council. Operations and maintenance work is typically undertaken by Council staff. Simple renewals are carried out in-house with the larger/more complex renewals being contracted as they exceed the Council's in-house capacity. Development work is contracted out as necessary as the volume of work is outside WDC's internal capacity. Network Modelling is also undertaken by specialist external suppliers.

As part of its involvement in the *Future Proof* Three Waters Working Group, Waipa District Council has reviewed its service delivery model. A recent review by Council examined the option of a joint-owned Council-Controlled Organisation (CCO) with Hamilton City Council which would have managed water supply services but not owned the infrastructure assets; these would remain vested with each council. Council resolved not to proceed with the motion for a shared Water treatment and supply company in December 2017.

## Shared Services

The shared services approach has already been used for the development of a sub-region Three Waters Strategy across Hamilton City, Waikato and Waipa District Councils under the *Future Proof* umbrella. Activities undertaken under shared services include trade waste, sampling and laboratory testing, and water conservation (*Smart Water*).

Waipa District Council has a shared service agreement with neighbouring councils Hamilton City Council and Waikato District Council. Under the current agreement, sampling and sample analysis is undertaken. The *Smart Water* (demand management) campaign is also part of a shared service agreement with the same councils. Further opportunities to expand the scope of works undertaken under a shared services agreement will be considered under section 17A Local Government Act 2002.

## Effect on levels of service

All projects, regardless of the driver, aim to at least maintain existing levels of service as a minimum.

Projects that are directly related to population growth in particular aim to ensure that new growth cells receive at least the same levels of service as the existing communities. Those projects that seek to address the consequences of growth on surrounding areas aim to continue providing current levels of service for all into the future.

Projects will also be designed to incorporate the most recent operational and technological improvements necessary to cost-effectively achieve full and consistent compliance with the NZ Drinking Water Standards, Resource Management Act requirements and to maintain public health.

Alternatives to the most likely scenarios for each project will also maintain levels of service and achieve compliance by an equivalent amount but may entail additional costs or time to do so.

**Monitoring Performance**

How levels of service are achieved or maintained following the completion of projects will be the measure of the success of projects. Council has several performance indicators by which the efficiency and effectiveness of services are measured. Many of these, particularly in the areas of water and Roads and footpaths services, are statutory measures and will be used to determine whether Council’s infrastructure developments have been effective for the community.

## WASTEWATER TREATMENT AND DISPOSAL

### What we do

- Collect sewage and transfer it to wastewater treatment plants by managing pumps, pump stations and pipelines.
- Treat sewage by managing wastewater treatment plants.
- Disposal of treated wastewater and bio-solids in line with resource consents.
- Plan and install wastewater network services for areas of new residential and commercial growth.

### Key Wastewater Focus

- Maintaining current level of service with forecast growth.
- New Cambridge wastewater plant.
- Upgrading Te Awamutu wastewater plant.
- Wastewater connection to Waikeria Prison.
- Improving renewal programme with better understanding of asset condition and performance.

### Overview of assets

Table 166: Summary of Wastewater Treatment & Disposal Assets (June 2017)

	Asset Description	Unit	Quantity	Replacement Cost	ODRC*
Above Ground Assets	Pump Stations	Qty	57	\$9,674,719	\$5,851,905
	Treatment Plants	Qty	2	\$21,279,886	\$12,329,883
	Pipe Bridges	Qty	4	\$2,359,389	\$73,818
In Ground Assets	Connections	Qty	12,048	\$23,842,986	\$15,194,719
	Pipes	km	263.0	\$72,082,353	\$39,387,680
	Valves	Qty	76	\$266,942	\$158,142



	Asset Description	Unit	Quantity	Replacement Cost	ODRC*
	Manholes	Qty	4,638	\$25,495,826	\$14,637,054
	<b>Totals</b>			<b>\$155,002,100</b>	<b>\$87,633,202</b>

Data as at 30<sup>th</sup> June 2017 Valuation  
 \*Optimised Depreciated Replacement Cost

### Projects 2018 to 2048

Note: where no alternative to the most likely scenario has been provided, the only other option so far identified is to do nothing and retain the status quo. In all cases this is likely to result in failure to comply with regulatory requirements, and/or hindered growth and reduced levels of service to current and new customers, or maintained levels of service at a higher cost or longer timescale.

**Table 167: Wastewater treatment projects 2018 to 2048**

Project WW1: Cambridge Wastewater Treatment Plant upgrade		Area:	Cambridge
<b>Most likely scenario:</b> Upgrade the Cambridge wastewater treatment plant using an on-site, in-tank mechanical biological nutrient removal (BNR) process to cater for growth, meet levels of service and comply with current and future resource consent conditions.			
<b>Alternative scenario 1:</b> Upgrade on-site processes using an algae-based enhanced pond system. This has been determined not to be favourable compared to the BNR process for the Cambridge situation to achieve effluent discharge consent compliance.			
<b>Alternative scenario 2:</b> Achieve existing consent requirements for Stage 1 effluent parameters using a clarifier, recycling and UV treatment. This will not achieve consent requirements beyond 2022.			
<b>Alternative scenario 3:</b> Off-site mitigation of environmental effects requiring no upgrade at the treatment plant; includes a complete review of the current resource consent. In reality this is a “do nothing” alternative.			
<b>Project date:</b>	<b>Estimated costs (including inflation):</b>	<b>Funding Source</b>	
2018 to 2023	\$10.1 million	Growth, Levels of service and Renewals	
2021 to 2028	\$17.5 million		

**Project WW2: Te Awamutu Wastewater network expansion and Waikeria Prison pipeline**

**Area:** Te Awamutu

**Most likely scenario:** This project has two elements; increasing wastewater network capacity in Te Awamutu and also provides a dedicated pipeline to cater for Waikeria Prison. It should be noted that this project is independent from the treatment plant upgrade outline in ‘Project WW3’ below. The upgrades funded by the Waikeria prison to accommodate their waste water focuses on network upgrades, rather than plant upgrades, which will happen regardless of the Waikeria project.

The Department of Correction’s Waikeria Prison has an existing treatment facility that needs upgrading and is also not capable of accepting additional flows from an expanded prison. Waikeria Prison requires a new wastewater system as part of the expansion project, and in December 2016, council was asked and agreed, via a contract, to accept the wastewater to the Te Awamutu Wastewater Treatment Plant.

The cost of this system was estimated at \$25.6m, with Correction’s contribution \$19.5m and council has included \$6.1m towards level of service improvements and increased capacity for growth, as it made economic and practical sense to do these works at the same time.

Immediately prior to confirming this plan the Department of Corrections announced a reduced scope of around 600 new beds. No associated project costs revisions have been developed, so the estimated costs remains unchanged. This assumption is reasonable because potential reduced costs will be within the error margin of the cost estimate. Material procurement (such as pipe size) is a not a major cost driver for such projects, rather the installation costs are most significant.

The assumptions for this project are outlined under Significant Forecasting Assumptions on page 39.

*Note on funding type: This project for the installation of a dedicated pipeline between Waikeria and plant is not deemed as growth because although it is an expansion to our network, no Waipā ratepayers, now or in the future, will be able to take advantage of this part of the network. We will not be able to grow our population or economy as a result of this pipeline. Instead we view this as a service offering to a party outside our district with our rate payers not seeing a material level of service improvement themselves.*

<b>Project date:</b> 2018 to 2021	<b>Estimated costs (including inflation):</b> \$25.6 million ((\$19.5million to be financed by Department of Corrections)	<b>Funding Source</b> Levels of service (but with a proportion funded as growth)
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**Project WW3: Te Awamutu Wastewater Treatment Plant upgrade**

**Area:** Te Awamutu

**Most likely scenario:** The Te Awamutu WWTP’s discharge resource consents are in the process of being renewed. A review of the plant, as part of this process, identified some plant elements that needed to be upgraded to cater for growth. As some are due for replacement anyway, larger ones have been allowed for, e.g. pumps and aerators. An Ultra Violet Plant is also being installed to improve the quality of the discharge and therefore the level of service.

The capacity upgrades will also cater for the increased flows from the Waikeria Prison expansion.

The Department of Corrections will contribute to the costs of the capacity upgrades via a payment based on the Development Contributions Policy, as their additional flows reduce the available capacity for growth in Te Awamutu.

<b>Project date:</b>	<b>Estimated costs (including inflation):</b>	<b>Funding Source</b>
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2018 to 2027	\$12.1 million	Growth (and some level of service)
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**Project WW4: Te Awamutu Wastewater Treatment Plant renewals and upgrade**
**Area:** Te Awamutu

**Most likely scenario:** Continuously improve asset condition, predictive and preventative maintenance to ensure that WWTP remain operational and to improve asset renewal programme to replace an asset before it fails whilst maximizing the asset's economic life.

This project will reduce overloading on the infrastructure and ensure effective asset management principles are used to meet wastewater levels of service.

Anticipated project date:	Estimated costs (including inflation):	Funding Source
2028 to 2033	\$14 million	Renewals

**Project WW5: Growth cell reticulation and sewer provision for Te Awamutu growth cells**
**Area:** Te Awamutu

**Most likely scenario:** Provide Wastewater reticulation to Growth Cells:

- T8 Kihikihi Rd / Golf Rd & T13 & T5 Kihikihi
- T12 & T4 Rewi Street & T2 - Pirongia/Frontier Road
- T14 & T15 Sewer provision

Significant current and future growth will place significant stress on existing water assets.

New and upgraded infrastructure is also needed to support new developments.

Anticipated project date:	Estimated costs (including inflation):	Funding Source
2033 to 2038	\$2.1 million	Growth
2038 to 2043	\$2.3 million	
2043 to 2048	\$2.5 million	

Wastewater asset renewals

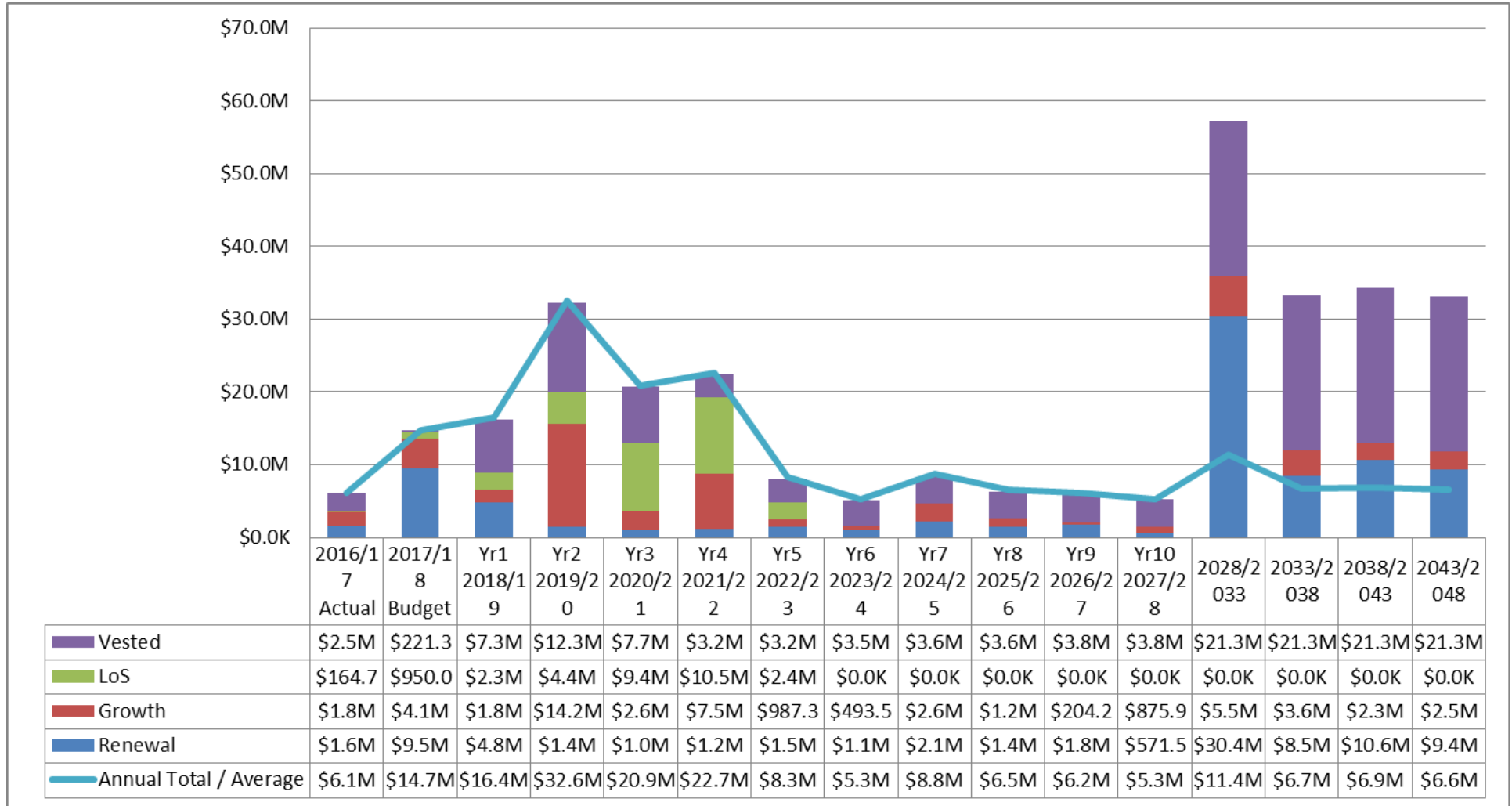
Asset renewals are programmes of work consisting of several projects to maintain assets. The sum of individual project costs results in significant total programme costs both annually and for 2018-2048.

Table 168: Wastewater asset renewals

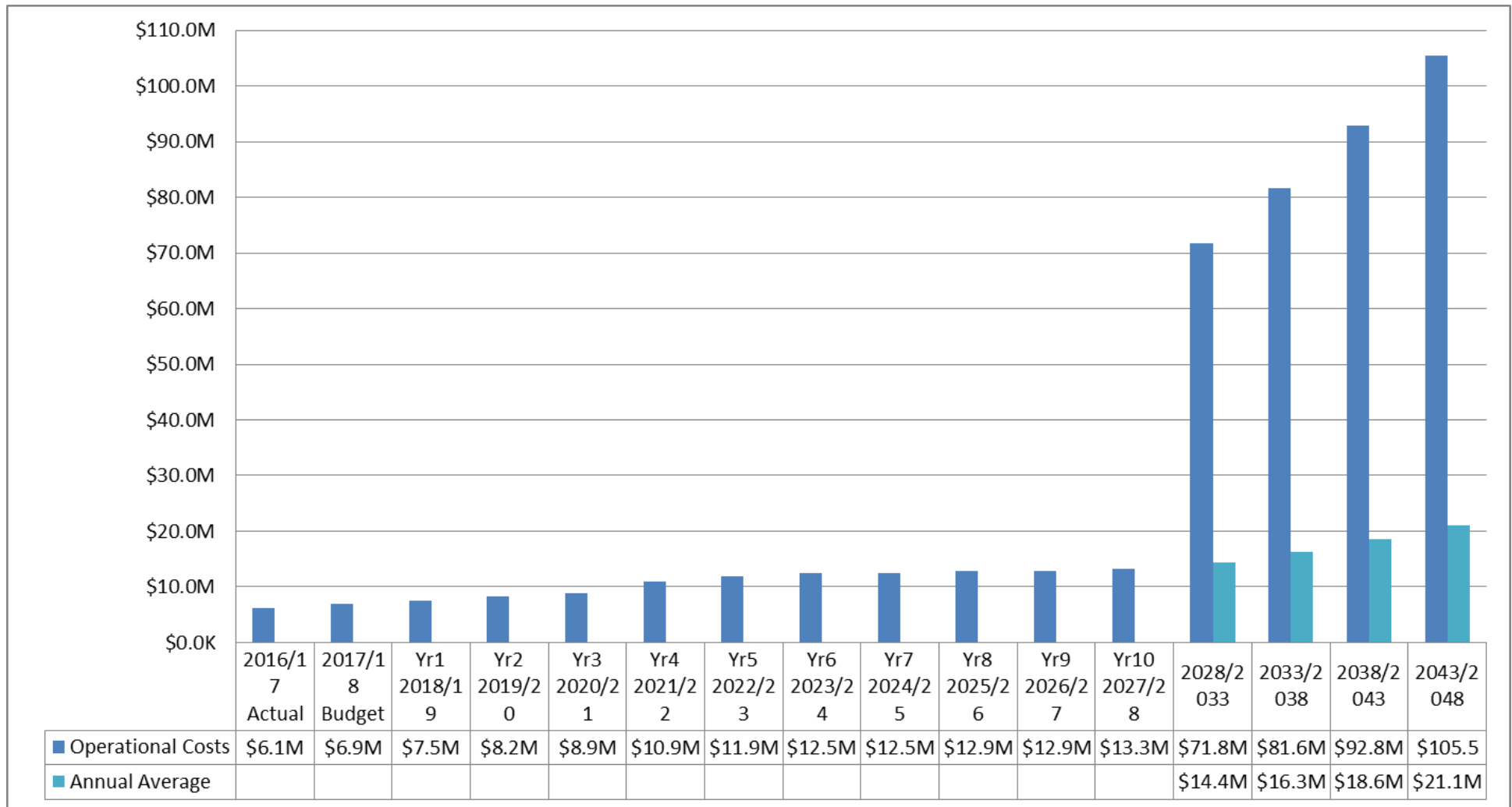
<b>Project WW5: Wastewater system renewals programme</b>		<b>Area:</b> District
<p><b>Most likely scenario:</b> Renew the wastewater pipes, pump stations and treatment plants.</p> <p>A number of wastewater assets have either reached, exceeded or are approaching their useful life and are either causing detriment to current levels of service or pose high risk to the organisation if not acted-on.</p> <p>Ensure effective asset management principles meeting wastewater levels of service district wide.</p> <p>Reduce overloading on the infrastructure.</p>		
<p><b>Alternative scenario:</b> Do less resulting in fewer renewals. This increases the risk of asset failure. Levels of service may not be met.</p>		
<p><b>Anticipated project date:</b> Annually 2018 to 2048</p>	<p><b>Estimated costs (including inflation):</b> Average \$2.5 million annually (or \$76 million over 30 years)</p>	<p><b>Funding Source</b> Renewals</p>

Financial analysis

Graph 8: Wastewater capital works programme



Graph 9: Wastewater operational works programme



Operational project expenditure is related to infiltration studies, condition investigation, and modelling. Increased operational costs from 2021/22 are related to the Te Awamutu wastewater treatment plant upgrade. Inflation adjustments (2.60% per year) contribute to steadily increasing operational costs in the last twenty years of the Infrastructure Strategy.

## Service delivery mechanisms

The Wastewater service is managed internally by Council.

Waipa District Council currently has a shared services agreement with Waikato District Council and Hamilton City Council. In relation to Wastewater treatment and disposal, this Shared Services agreement covers the administration and management of Trade Waste connections, and sampling and analysis of wastewater. Opportunities to extend the activities of the Shared Services agreement for wastewater will be explored in the future.

As part of its involvement in the *Future Proof* Three Waters Working Group, Waipa District Council has reviewed its service delivery model. A recent review by Council examined the option of a joint-owned Council-Controlled Organisation (CCO) with Hamilton City Council which would have managed Wastewater treatment and disposal but not owned the infrastructure assets; these would remain vested with each council. Council voted in December 2017 against the proposal and alternative strategies and approaches are being developed for Water treatment and supply within Waipā, including reviewing shared services activities.

## Effect on levels of service

All projects aim to at least maintain existing levels of service. In circumstances where Council has previously had greater difficulties in complying with levels of service or environmental standards, these projects are designed to help attain those levels of performance consistently for treatment and discharges.

Projects that are directly related to population growth in particular aim to ensure that new growth cells receive at least the same levels of service as the existing communities and that compliance with discharge consent conditions is not compromised by the increased volume of wastewater to be treated and discharged.

Those projects that seek to address the consequences of growth on surrounding areas aim to continue providing current levels of service for all into the future.

Alternatives to the most likely scenarios for each project will also maintain or attain levels of service and improve compliance by an equivalent amount but may entail additional costs or time to do so.

## Monitoring performance

How levels of service are achieved or maintained following the completion of projects will be the measure of the success of projects. Council has several performance indicators by which the efficiency and effectiveness of services are measured. Many of these, particularly in the areas of water and Roads and footpaths services, are statutory measures and will be used to determine whether Council's infrastructure developments have been effective for the community.

## STORMWATER

### What we do

- Collect surface stormwater run-off by managing soak holes, catchpits, pipes, trenches and detention ponds
- Reduce surface stormwater contaminants by installing and managing detention ponds, treatment devices, silt traps and swales
- Direct surface stormwater to receiving waterways and land by managing pipes and resource consents
- Plan the Stormwater needed in areas of the district where residential and commercial growth is occurring

### Key Stormwater Focus

- Catering for growth, particularly the planned residential development north and west of Cambridge
- Responding to climate change with increased incidence and severity of high rainfall events
- Increasing number of ponds and swales requiring maintenance of the desired levels of service
- Increasingly tougher resource consent requirements

### Overview of assets

**Table 169: Stormwater summary of Stormwater Drainage Assets (June 2017)**

System Component		Asset Type	Unit	Quantity	Replacement Cost	ODRC*
Primary System	Network	Connections	qty	1168	\$1,554,047	\$1,315,146
		Pipes	Km	158.6	\$66,465,247	\$43,125,331
		Manholes	qty	2,944	\$16,509,328	\$9,310,612
	Treatment	Treatment Devices	qty	3.0	\$197,819	\$171,079
		Silt Traps	qty	38	\$806,678	\$652,926
		Soak Holes	qty	168	\$839,224	\$507,112
		Soakage Trenches	qty	53	\$472,014	\$424,449
	Assets	Outlets & Inlets	qty	431	\$2,086,658	\$1,727,885



System Component		Asset Type	Unit	Quantity	Replacement Cost	ODRC*
Land Drainage	within streams and rivers	Structures				
		Retention Ponds & Swales	qty	65	\$1,963,853	\$1,728,039
		Rural Drains	km	138	\$7,742,997	-
<b>Totals</b>					<b>\$98,637,864</b>	<b>\$58,962,578</b>

\*Optimised Depreciated Replacement Cost

### Projects 2018 to 2048

Note: where no alternative to the most likely scenario has been provided, the only other option so far identified is to do nothing and retain the status quo. In all cases this is likely to result in failure to comply with regulatory requirements, and/or hindered growth and reduced levels of service to current and new customers, or maintained levels of service at a higher cost or longer timescale.

Table 170: Stormwater projects 2018 to 2048

<b>Project SW1: Stormwater management projects for Cambridge North</b>		<b>Area:</b> Cambridge
<b>Most likely scenario:</b> Cambridge North Development group of projects to manage stormwater to meet future growth needs and levels of service. Current and future growth will place significant stress on existing stormwater assets. New and upgraded infrastructure is required to support the new development. New assets required to minimise impact on the Cambridge stormwater network and maintain current Levels of Service		
<b>Project date:</b> 2018 to 2021 2021 to 2028	<b>Estimated costs (including inflation):</b> \$ 10.5 million \$ 5.6 million	<b>Funding Source</b> Growth and Levels of Service

<b>Project SW2: Cambridge stormwater reticulation growth</b>		<b>Area:</b> Cambridge
<b>Most likely scenario:</b> Provide Stormwater reticulation to Growth Cells C1, C2 & C3. Significant current and future growth will place stress on existing Stormwater assets. New and upgraded infrastructure is needed to support the new development. This project will facilitate growth in Cambridge whilst ensuring levels of service are maintained for present and future customers.		
<b>Project date:</b>	<b>Estimated costs (including inflation):</b>	<b>Funding Source</b>

2018 to 2021	\$ 18.8 million	Growth
2021 to 2027	\$ 48.9 million	

**Project SW3: Te Awamutu stormwater reticulation growth**

**Area:** Te Awamutu

**Most likely scenario:** Provide Stormwater reticulation to Growth Cells:

- T8 Kihikihi Rd / Golf Rd/T13/T5;
- T12, T4 and T 2;
- T14, T15.

Significant current and future growth will place stress on existing Stormwater assets. New and upgraded infrastructure is needed to support the new development. This project will facilitate growth in Te Awamutu whilst ensuring levels of service are maintained for present and future customers.

Anticipated project dates:	Estimated costs (including inflation):	Funding Source
2033 to 2038	\$2.8 million	Growth
2038 to 2043	\$3.0 million	
2043 to 2048	\$2.3 million	

**Project SW4: Hautapu industrial stormwater provision**

**Area:** Cambridge

**Most likely scenario:** Provide the extra reticulation capacity and to support industrial growth in Hautapu.

Planned growth in the Hautapu industrial area will place significant stress on existing stormwater infrastructure. New and upgraded stormwater infrastructure is therefore needed to support the new development. Additionally, the upgrade of Hautapu Road will include managing stormwater.

Project date:	Estimated costs (including inflation):	Funding Source
2018 to 2021	\$2.7 million	Growth
2021 to 2023	\$3.9 million	

**Stormwater asset renewals**

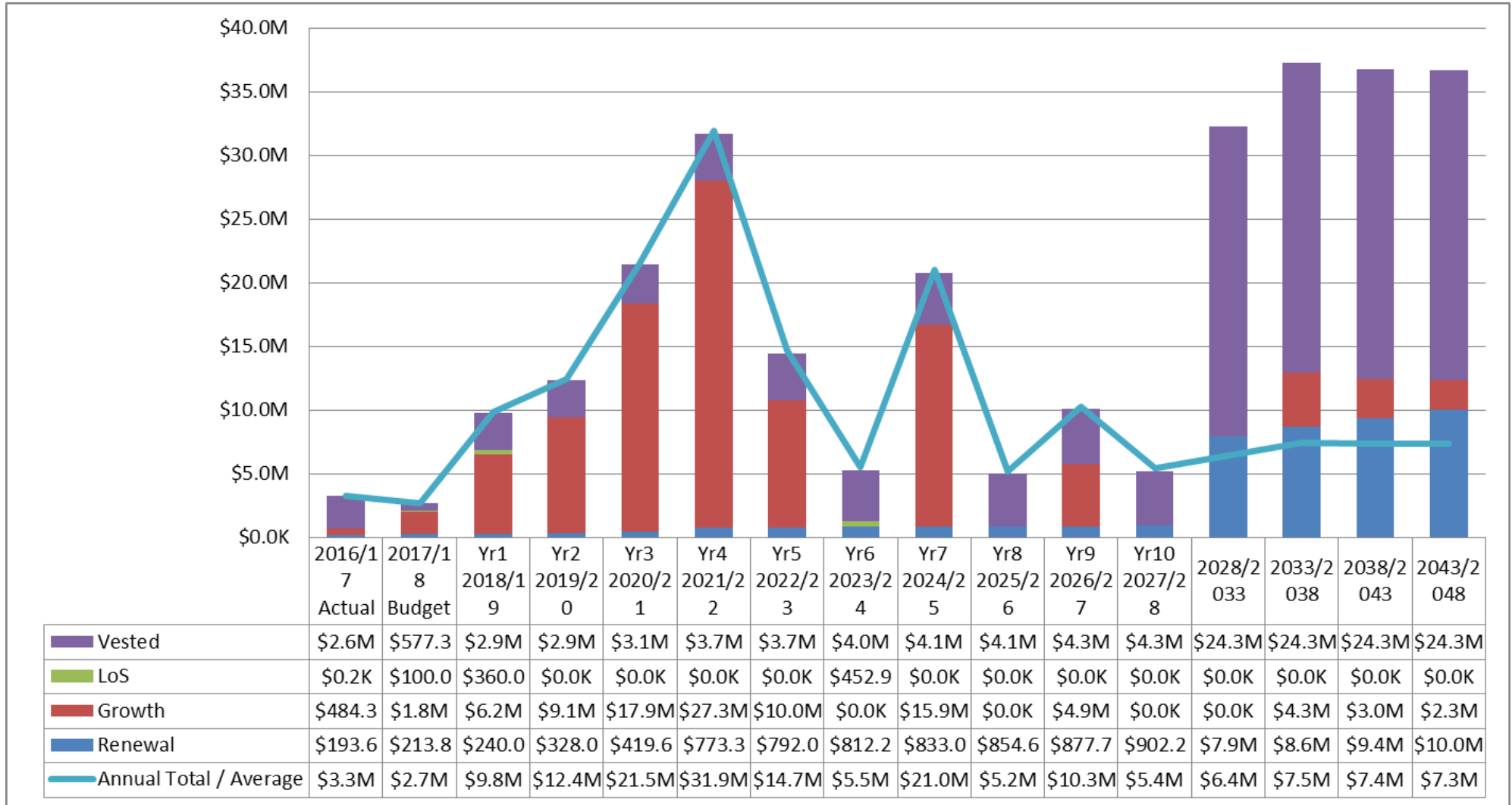
Asset renewals are programmes of work consisting of several projects to maintain assets. The sum of individual project costs results in significant total programme costs both annually and for 2018-2048.

Table 171: Stormwater asset renewals

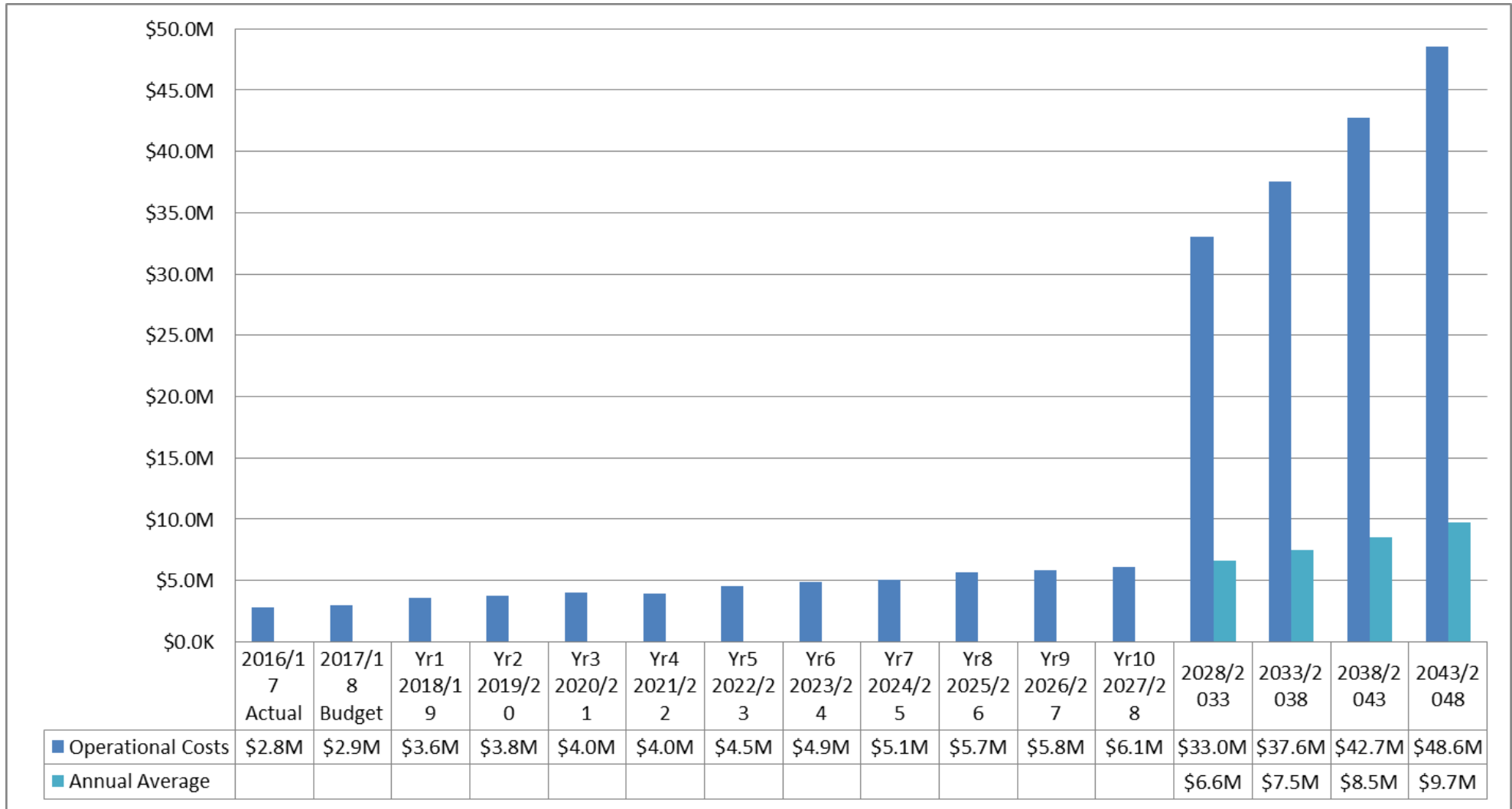
<b>Project SW5: Stormwater infrastructure renewals programme</b>		<b>Area:</b> District
<p><b>Most likely scenario:</b> Renew the stormwater network assets.                  A number of stormwater assets have either reached, exceeded or are approaching the end of their useful life and are either causing detriment to current levels of service or pose high risk to the organisation if not acted-on.</p>		
<p><b>Alternative scenario:</b> Do less resulting in fewer renewals. This increases the risk of asset failure. No capital development will result in hindered growth. Levels of service will not be met.</p>		
<p><b>Anticipated project date:</b> Annually 2018 to 2048</p>	<p><b>Estimated costs (including inflation):</b> Average \$1.42 million annually (\$42.7 million over 30 years)</p>	<p><b>Funding Source</b> Renewals</p>

Financial analysis

Graph 10: Stormwater capital works programme



Graph 11: Stormwater operational works programme



Operational expenditure for stormwater increases gradually due to inflation and the effects of growth. Operational project expenditure is related to condition investigation and modelling. Inflation adjustments (2.60% per year) contribute to steadily increasing operational costs in the last twenty years of the Infrastructure Strategy.

## Service delivery mechanisms

The Stormwater service is managed internally by Council. Operations and maintenance work is typically undertaken by Council staff. Simple renewals are carried out in-house with the larger/more complex renewals being contracted as they exceed the Council's in-house capacity.

The shared services approach has already been used for the development of a sub-region Three Waters Strategy across Hamilton City and Waikato and Waipa District Council's under the *Future Proof* umbrella.

Currently the tasks associated with stormwater management within the Waipā District undertaken by a shared services agreement are limited to sampling and laboratory analyses, carried out by the shared services samplers.

As part of its involvement in the *Future Proof* Three Waters Working Group, Waipa District Council has reviewed its service delivery model. A recent review by Council examined the option of a joint-owned Council-Controlled Organisation (CCO) with Hamilton City Council which would have managed Stormwater but not owned the infrastructure assets; these would remain vested with each council. Council voted in December 2017 against the proposal and alternative strategies and approaches are being developed for Water treatment and supply within Waipā, including reviewing shared services activities.

## Effect on levels of service

All projects are designed specifically to minimise the risks from flooding for new and existing communities including business areas. They are also designed to reduce the environmental impact of stormwater by flooding and its discharge into receiving environments. Any alternatives to the most likely scenarios for each project will either achieve the same levels of service but entail additional costs or time, or will have a less beneficial effect on communities and the environment.

## Monitoring performance

How levels of service are achieved or maintained following the completion of projects will be the measure of the success of projects. Council has several performance indicators by which the efficiency and effectiveness of services are measured. Many of these, particularly in the areas of water and Roads and footpaths services, are statutory measures and will be used to determine whether Council's infrastructure developments have been effective for the community.

## ROADS AND FOOTPATHS SERVICES

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### What we do

- Manage access to a quality local road network for vehicles and freight (roads other than the State Highways)
- Manage footpaths, cycleways and passenger transport bus stops and contribute subsidy to passenger transport services run by Regional Council.
- Repair and maintain road, footpath and cycleway surfaces.
- Plan to service the local Roads and footpaths needs of a growing residential, visitor and commercial population.

### Key Roads and footpaths Services Focus

- Waikato Road Asset Technical Accord (RATA), to optimize maintenance spend on roads in collaboration with Councils in the Waikato region
- Waikato Regional Transport Model predicts less individual travel in the future even as population grows.
- Managing consequences of population growth such as provision and costs of parking; intersection configurations; walking and cycling facilities; road safety.
- Revocation of former State Highways into the local road network.
- Demand for infrastructure development in the Upper North Island resulting in high demand/reduced availability of contractors to deliver projects; high contractor demand could lead to higher cost inflation for infrastructure construction projects.

One effect of high population growth and economic development in the upper North Island is increasing volumes of traffic and freight on the Waipā road network, whether generated locally or passing through. This has an environmental impact where large trucks pass through urban areas; e.g. SH3 through Kihikihi, Te Awamutu, Ōhaupō, SH39 through Pirongia and Ngāhinapōuri, but also a safety effect as it becomes harder for pedestrians to cross busy roads or for local traffic to enter intersections at peak times. There is also an increased road maintenance cost where heavy traffic diverts from highways to use local roads; e.g. Tuhikaramea Road 400 trucks/day, Cambridge Road 500 trucks/day. It is important to manage these effects to ensure that we retain a safe and high quality urban environment for our residents.

By 2041, 70% or approximately 50,000 residents will live in Waipā's urban areas and 33% of the population may be over 65. It is expected that older residents will drive less and will see more demand for other modes of transport. We will see greater demand for good footpaths, street lighting, cycleways, and road crossings, and the removal of barriers presented by steps and steep path grades. We are already seeing a demand for better local public transport services. If we do not respond to this challenge then Waipā residents will remain dependent on private vehicle travel and an increasing portion of the community will have limited transport choices.

We are also expecting an increased demand for parking in our town centres.

Overview of Roads and footpaths assets

Table 172: Summary of Road Corridor Assets

Asset Type	Component	Unit	Quantity	Replacement Cost	ODRC*
Road	Formation /Sub-Grade	m <sup>2</sup>	10,016,240	\$210,323,993	\$210,323,993
		km	1,141		
	Sub-Base (Sealed)	m <sup>2</sup>	9,376,425	\$156,105,627	\$156,105,627
		km	1,141		
	Sub-Base (Unsealed)	m <sup>2</sup>	374,150	\$4,992,888	\$4,992,888
		km	58		
	Basecourse	m <sup>2</sup>	8,836,538	\$270,507,980	\$166,916,763
		km	1,114		
	Surfacing	m <sup>2</sup>	8,860,151	\$51,690,577	\$23,900,102
		km	1,289		
Road Islands	qty	98	\$1,932,903	\$1,767,317	
Drainage	Surface Water Channel	km	1,946	\$21,552,584	\$11,942,915
	Catchpit	qty	2,666	\$6,222,371	\$4,342,565
Structures	Bridge	qty	227	\$87,154,659	\$29,846,474
	Culverts	m	41,253	\$17,260,939	\$8,447,660
		qty	2943		
	Retaining Wall	m	2,767	\$1,573,693	\$1,227,936
		qty	73		
Bus Shelters	qty	14	\$94,995	\$50,656	
Traffic Facilities	Signs	qty	17	\$335,922	\$197,565
	Railings	m	11,473	\$3,052,853	\$1,653,384
Street Lights	Lamps	qty	3,111	\$1,637,504	\$678,540



Asset Type	Component	Unit	Quantity	Replacement Cost	ODRC*
	Mounts	qty	2,875	\$3,865,692	\$2,392,485
Pedestrian	Footpath	m <sup>2</sup>	379,926	\$35,266,966	\$23,008,427
		km	190		
<b>Totals</b>				<b>\$737,060,511</b>	<b>\$541,376,205</b>

\*Optimised Depreciated Replacement Cost

## Projects 2018 to 2048

Note: where no alternative to the most likely scenario has been provided, the only other option so far identified is to do nothing and retain the status quo. In all of those projects this is likely to result in failure to comply with regulatory requirements, and/or hindered growth and reduced levels of service to current and new customers, or maintained levels of service at a higher cost or longer timescale.

**Table 173: Roads and footpaths projects 2018 to 2048**

<b>Project T1: meeting growth needs in Cambridge north and west</b>			<b>Area:</b> Cambridge
<b>Most likely scenario:</b> New roads are planned and developed to meet future housing needs, levels of service and safety targets. Structure plans for these areas identify urbanisation of existing roads and development of primary collector routes.			
<b>Project dates:</b> 2018 to 2021 2021 to 2028	<b>Estimated costs (including inflation):</b> \$5.5 million \$23.1 million	<b>Funding Source</b> Growth and Levels of service	
<b>Project T2: Urban growth projects – Cambridge (long term)</b>			<b>Area:</b> Cambridge
<b>Most likely scenario:</b> Cambridge growth cell related projects to plan and install roads and footpaths to meet long term future housing needs, levels of service and road safety targets. There will be projects required to meet expected growth beyond the 2018-2028 10-Year Plan. Timing will be dependent on development impetus around Cambridge.			
<b>Anticipated Project dates:</b> 2028 to 2038	<b>Estimated costs (including inflation):</b> \$28.6 million (across all decisions)	<b>Funding Source</b> Growth	
<b>Project T3: Enabling industrial growth in Cambridge</b>			<b>Area:</b> Cambridge

**Most likely scenario:** Construct roads and intersection improvements in the industrial growth cells on Hautapu and Victoria Roads to safely accommodate increased traffic. The structure plan prepared for the area’s development includes existing road upgrades to make the area suitable for increased volumes and turning traffic. The projects may be fully developed in 10yr period.

Project dates:	Estimated costs (including inflation):	Funding Source
2018 to 2021	\$2.2 million	Growth
2021 to 2023	\$4 million	

**Project T4: Urban growth projects – Te Awamutu and villages (medium-long term)**

**Area:** District

**Most likely scenario:** New roads are planned and developed to meet growing housing needs, levels of service and safety targets in towns outside Cambridge. Provides for housing growth around other towns such as Te Awamutu, Kihikihi, Pirongia, and Ngāhinapōuri. The timing of projects will be subject to development progress.

Project dates:	Estimated costs (including inflation):	Funding Source
2018 to 2021	\$2.1 million	Growth and Levels of service
2021 to 2028	\$11.0 million	

**Project T5: Urban growth projects - Te Awamutu (long term)**

**Area:** Te Awamutu

**Most likely scenario:** New roads are planned and developed to meet growing housing needs, levels of service and safety targets in Te Awamutu. Precise projects, costs and timescales will be responsive to events and cannot be determined at this time. Some level of project planning and implementation is likely to be continuous across a range of projects. Provides for housing growth around Te Awamutu and Kihikihi. The timing of projects will be subject to development progress.

Anticipated project dates:	Estimated costs (including inflation):	Funding Source
2028 to 2048	\$ 18.6 million	Growth

**Project T6: Urban growth projects – villages (long term)****Area:** District

**Most likely scenario:** New roads are planned and developed to meet growing housing needs, levels of service and safety targets in towns outside Cambridge and Te Awamutu. Precise projects, costs and timescales will be responsive to events and cannot be determined at this time. Some level of project planning and implementation is likely to be continuous across a range of projects.

Provides for housing growth around villages such as Ōhaupō, Pirongia and Ngāhinapōuri. The timing of projects will be subject to development progress.

<b>Anticipated project dates:</b> 2023 to 2043	<b>Estimated costs (including inflation):</b> \$ 9.8 million	<b>Funding Source</b> Growth
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**Project T7: Tourism provision****Area:** District

**Most likely scenario:** Improvements to airport and urban transport to cater for increased visitor numbers such as improving passenger transport connections to Hamilton airport and urban centres, visitor parking and amenities.

Precise projects, costs and timescales will be responsive to events and cannot be determined at this time. Some level of project planning and implementation is likely to be continuous across a range of projects.

<b>Anticipated project dates:</b> 2028 to 2048	<b>Estimated costs (including inflation):</b> \$ 7.8 million	<b>Funding Source</b> Growth
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**Project T8: Te Awamutu western arterial route****Area:** Te Awamutu

**Most likely scenario:** Te Awamutu Western Arterial Heavy Traffic Route is constructed to reduce truck traffic in CBD streets.

The arterial route is already designated and Council may be required to purchase further designated properties in the LTP period and beyond.

**Alternative scenario 1:** Do nothing. This option risks increasing conflict with local traffic, and lower amenity value or environmental quality of the CBD.

**Alternative scenario 2:** Intersection changes which direct traffic around the CBD may provide medium term relief.

<b>Anticipated project dates:</b> 2028 to 2033(possible intersection changes) 2038 to 2048	<b>Estimated costs (including inflation):</b> \$ 58 million (total)	<b>Funding Source</b> Levels of service
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<b>Project T9: Town centre vehicle parking</b>		<b>Area:</b> Cambridge and Te Awamutu
<p><b>Most likely scenario:</b> Improved parking provision and management on roadsides and in Council car parks. Maintaining vibrant and accessible town centres requires continued improvement in parking provision and operation.</p>		
<p><b>Alternative scenario:</b> No additional provision. This will lead to private provision of parking within commercial buildings; and parking charges introduced to manage demand and fund parking provision.</p>		
<p><b>Anticipated project dates:</b> 2028 to 2033</p>	<p><b>Estimated costs (including inflation):</b> \$ 4.1 million</p>	<p><b>Funding Source</b> Levels of service</p>

<b>Project T10: Road safety improvements</b>		<b>Area:</b> District
<p><b>Most likely scenario:</b> Road corridor and intersection improvements that will reduce the risk of crashes. Individually these are low cost projects that benefit all road users. Works are subsidised by NZTA. The projects all respond to traffic growth pressures, crash risk and needs of vulnerable road users particularly pedestrians and cyclists. Precise projects, costs and timescales will be responsive to events and cannot be determined at this time. However our Levels of Service for Roads and footpaths include year on year reductions in the number of deaths and serious accidents.</p>		
<p><b>Alternative scenario:</b> Do nothing. The risk of crashes, fatalities and serious injuries is not reduced.</p>		
<p><b>Anticipated project dates:</b> 2028 to 2048</p>	<p><b>Estimated costs (including inflation):</b> \$ 46.6 million (average \$2.33 million per year)</p>	<p><b>Funding Source</b> Renewals</p>

<b>Project T11: Repurposing revoked state highways</b>		<b>Area:</b> Cambridge
<p><b>Most likely scenario:</b> A group of projects to bring the revoked State Highways [those replaced by the Waikato Expressway] into the local road network; to bring them to Council’s level of service standards; to improve pedestrian and cycle facilities at intersections; and to align these roads with the Cambridge Town Concept Plan (each LTP from 2018 to 2027). Sections of current State Highways will become part of the Council-managed local road network. Some intersections, principally those at Hanlin Road, Albert/Queen Streets, Albert/Duke Streets, Shakespeare/ Tirau intersections, will in time require transformation to create urban local road functionality and amenity.</p>		
<p><b>Anticipated project dates:</b> 2018 to 2021 2021 to 2028 2028 to 2033</p>	<p><b>Estimated costs (including inflation):</b> \$4.4 million \$2.1 million \$3.4 million</p>	<p><b>Funding Source</b> Levels of service</p>

**Project T12: Cycling and walking projects****Area:** District

**Most likely scenario:** Combining urban and recreational Cycling/Walking Projects from Council's Integrated Transport Strategy in each subsequent LTP.

There have been community requests for good urban and recreational cycling opportunities. Projects are included in Council's adopted Integrated Transport Strategy. Council has already committed to developing the Te Awa Cycleway project.

Precise projects, costs and timescales will be responsive to events and cannot be determined at this time. However our Levels of Service include targets to increase the percentage of roads that have footpaths on at least one side and build between two and four kilometers of cycle way annually (between 2018 and 2018).

**Alternative scenario:** Do nothing resulting in more traffic conflicts with cyclists and pedestrians on existing roads and river crossings; there would be no consequential reduction in carbon and nitrous oxide emissions.

Anticipated project dates:	Estimated costs (including inflation):	Funding Source
2018 to 2021	\$1.8 million	Growth and Levels of service
2021 to 2028	\$6.2 million	
2028 to 2048	\$8.3 million	

**Project T13: A third bridge crossing the Waikato River****Area:** Cambridge

**Most likely scenario:** Council investigates timing and location options, secures land on either side of the Waikato River and constructs a third bridge.

Population and traffic volume growth will result in increasing congestion on Cambridge's existing bridges. The timing of this project is very dependent on actual population growth, particularly on the south bank of the Waikato River in Cambridge.

**Alternative scenario:** Do nothing, but this will result in increased congestion in peak periods and vulnerability to major disruption should the historic Victoria Bridge need to be closed for repair.

Anticipated project dates:	Estimated costs (including inflation):	Funding Source
2018 to 2021	\$208,000	Levels of service
2021 to 2028	\$6.2 million	
2028 to 2048	\$57.4 million	

**Roads and footpaths asset renewals**

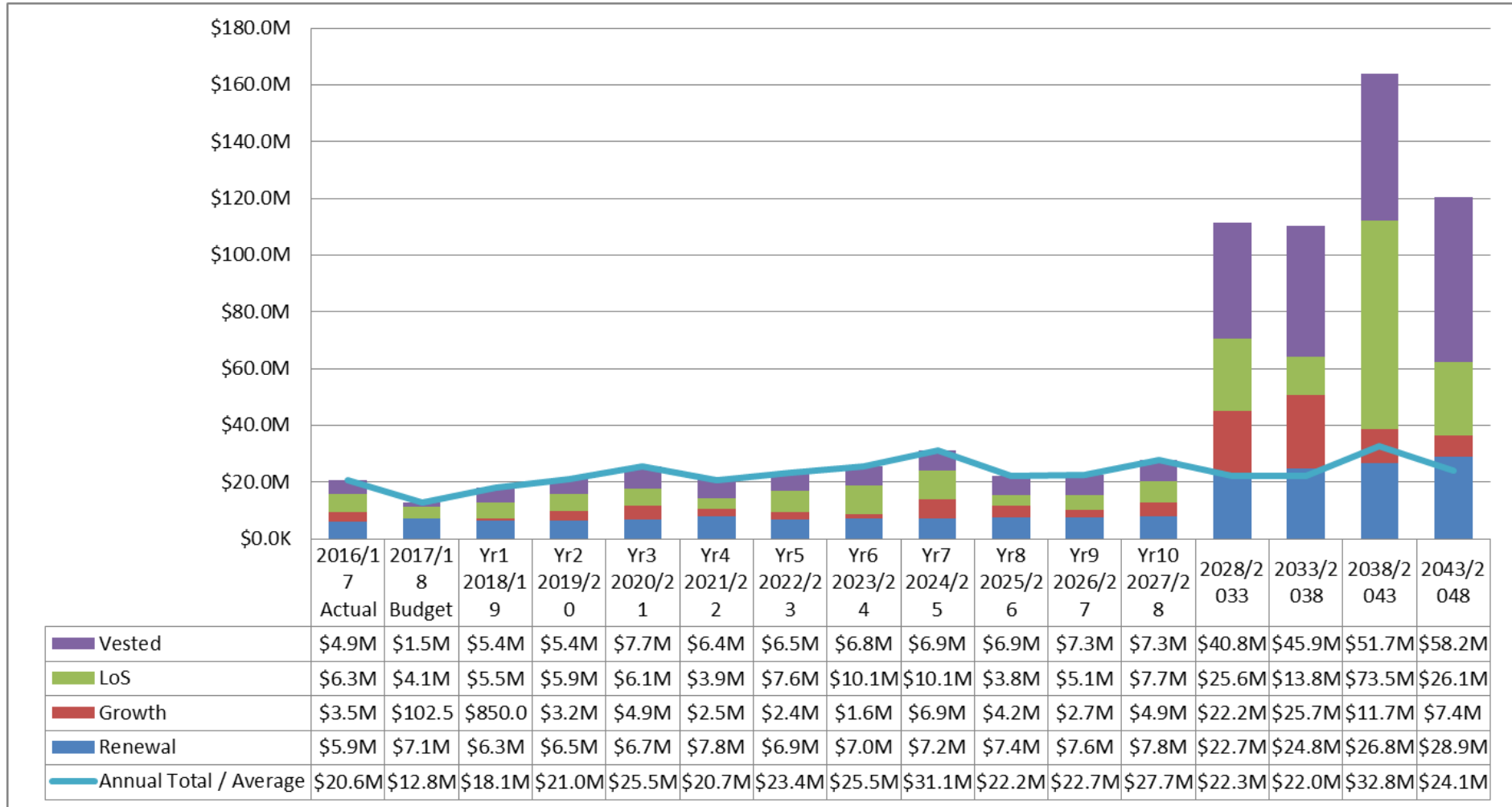
Asset renewals are programmes of work consisting of several projects to maintain assets. The sum of individual project costs results in significant total programme costs both annually and for 2018-2048.

Table 174: Roads and footpaths asset renewals

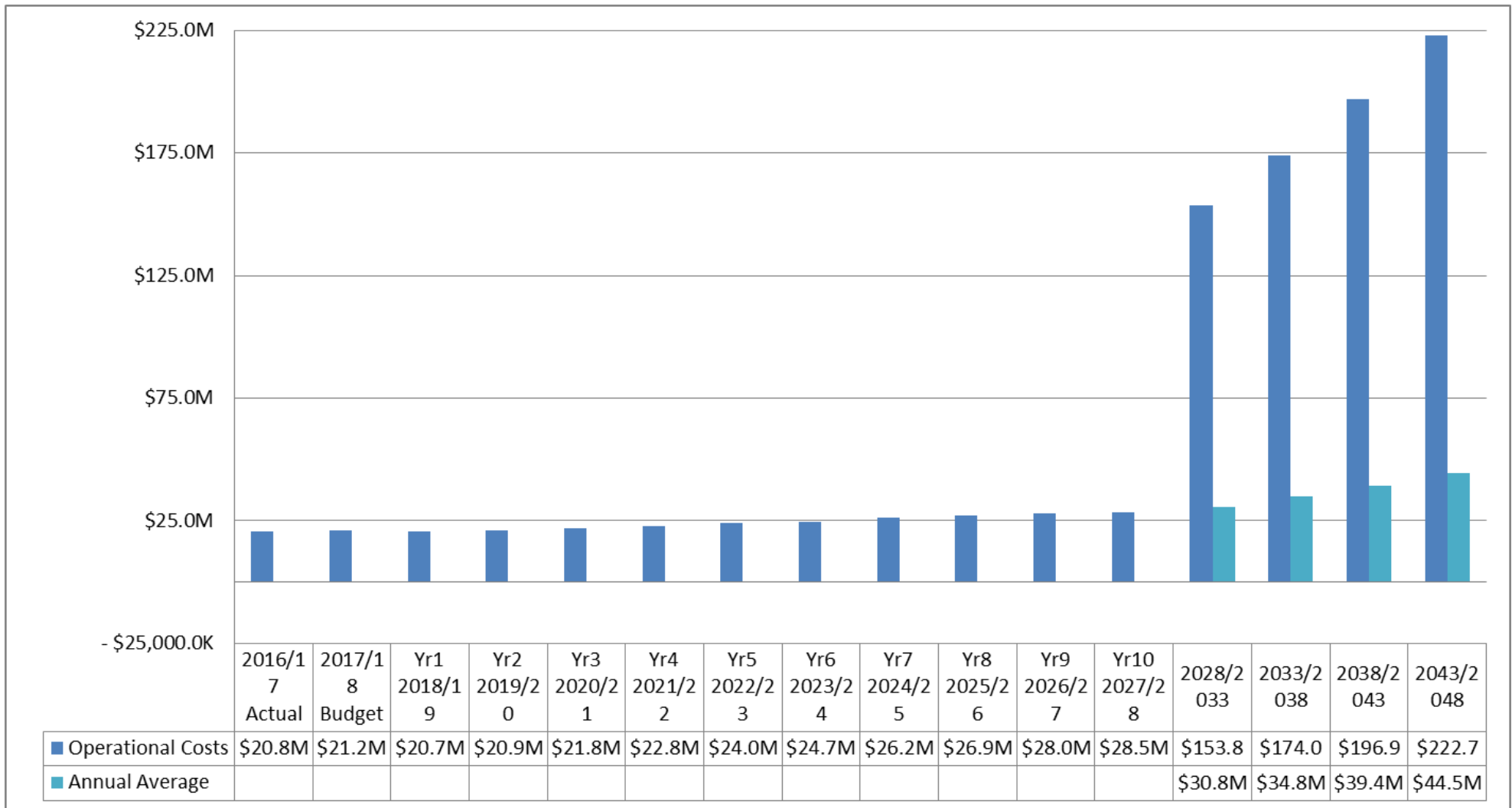
<b>Project T14: Roads and footpaths asset renewals programme</b>		<b>Area:</b> District
<p><b>Most likely scenario:</b> Roads and footpaths network assets are renewed in line with Council’s Activity Management Plans. This includes all Roads and footpaths assets with timing of individual projects being dependent on the asset condition.</p>		
<p><b>Alternative scenario 1:</b> Do less resulting in fewer renewals. This will result in deteriorating assets and increases the risk of asset failure, reduced road safety and a general lowering of standards and levels of service.</p>		
<p><b>Alternative scenario 2:</b> Extend asset lives, and accept reduced levels of service.</p>		
<p><b>Anticipated project dates:</b> 2018 to 2048</p>	<p><b>Estimated costs (including inflation):</b> Average \$ 5.8 million per year (\$174.4 million over 30 years)</p>	<p><b>Funding Source</b> Renewals</p>
<b>Project T15: Extending road seals programme</b>		<b>Area:</b> District
<p><b>Most likely scenario:</b> Seal remaining unsealed rural roads. Council’s adopted policy is to progress seal extensions.</p>		
<p><b>Alternative scenario 1:</b> Do less resulting in roads remaining unsealed for longer. This increases the risk of asset failure. Levels of service may not be met.</p>		
<p><b>Alternative scenario 2:</b> Seal highest priority roads and leave very low use roads until such time as use increases.</p>		
<p><b>Anticipated project dates:</b> 2028 to 2038</p>	<p><b>Estimated costs (including inflation):</b> \$ 7.9 million (\$0.790m per year)</p>	<p><b>Funding Source</b> Levels of service</p>

Financial analysis

Graph 12: Roads and footpaths capital works programme



Graph 13: Roads and footpaths operational works programme



The increase in operational budgets reflect the growth in the network due to vested assets, increased population and traffic volumes due to growth. Inflation adjustments (2.50% per year) contribute to the steadily increasing operational costs in the last twenty years of the Infrastructure Strategy.



## Service delivery mechanisms

There are a number of shared services initiatives between Waikato roading authorities, including in the area of Roads and footpaths asset management. Waipa District Council leads the initiative for bridge and structural asset inspections with the costs shared equally between the councils. The shared services agreement was last reviewed in early 2014 with agreement to continue as there are significant benefits to the participants in sharing of knowledge and experience, as well as reduced costs.

By section 17A Local Government Act 2002 this arrangement will require a further review in 2020.

## Effect on levels of service

All the above projects aim to at least maintain existing levels of service as far as possible within the RATA process of optimising the levels of service in use across all the participating councils. As such, some assets may be renewed to a slightly lower level of service.

Projects that are related to population growth in particular aim to ensure that new growth cells receive at least the same levels of service as the existing communities. Those projects that seek to tackle the consequences of growth will aim to continue the agreed levels of service for all into the future.

Alternatives to the most likely scenarios for each project, where applicable, will be designed to also maintain levels of service but to do so may entail additional costs or time.

## Monitoring performance

How levels of service are achieved or maintained following the completion of projects will be the measure of the success of projects. Council has several performance measures by which the efficiency and effectiveness of services are measured. Many of these, particularly in the areas of water and Roads and footpaths services, are statutory measures and will be used to determine whether Council's infrastructure developments have been effective for the community.

## WASTE MANAGEMENT SERVICES

### What we do:

- Manage a contract that delivers a kerbside recycling service to 19,000 households (weekly for urban and bi-weekly for rural properties). Service includes glass, tin & aluminium cans, plastics (1-7), cardboard and paper. Each household recycles approximately 195 kgs per year.
- Maintain contact with the community, monitoring needs and desires for increase resource recovery options.

### Overview of assets

Since divesting from solid waste management Council does not own any transfer stations, landfills or run any services. Council contracts a service to operate a recycling collection from all properties in the district, but does not own any assets for this service.

### Projects 2018 to 2048

Table 175: Waste management projects 2018 to 2048

<b>Project WM1: Expanding waste recovery facilities in Cambridge; and Project WM2: Expanding waste recovery facilities in Te Awamutu</b>		<b>Area:</b> Cambridge and Te Awamutu
<p><b>Most likely scenario:</b> Expansion of Waste Recovery Centres to divert more waste streams and volume from landfill. Cambridge is currently served by a basic refuse transfer station with limited waste recovery. Te Awamutu/ Kihikihi/ Pirongia/ Ōhaupō are currently served by two basic refuse transfer stations with limited waste recovery. Neither transfer station is a fit-for-purpose service in the long term.</p>		
<p><b>Alternative scenario:</b> Do nothing - not an option as there is a legislative requirement and increasing expectation from the community for options. Private recovery centres may operate if sufficient volume and revenue is available and public/ private delivery is possible.</p>		
<p><b>Anticipated project dates:</b> 2028 to 2033</p>	<p><b>Estimated costs (including inflation):</b> \$ 8.2 million total (\$ 4.1 million per project)</p>	<p><b>Funding Source</b> Levels of service</p>

### Service delivery mechanisms

The kerbside recycling service is managed via a contract. Future contract models are currently being assessed for suitability and outcomes. Waikato District Council, Hamilton City Council and Waipa District Council work together informally, and on one co-funded project per year to increase waste minimisation and reduce waste to landfill.

### Effect on levels of service

These projects aim to at least maintain existing levels of service. They seek to tackle the consequences of growth aim to continue current levels of service for all into the future.

The alternatives to the most likely scenarios for both of these projects will probably also maintain or raise levels of service by an equivalent amount but may entail additional costs or time to do so.

### Monitoring performance

How levels of service are achieved or maintained following the completion of projects will be the measure of the success of projects. Currently Council has performance measures for managing the efficiency and effectiveness of its waste and recycling contract and for measuring the quantity of materials being recycled.

**EXPENDITURE SUMMARY**

In addressing the issues identified in the Infrastructure Strategy, Council expects to spend \$1.670 billion from 2018 to 2048 on new or replacement infrastructure. Approximately \$2.272 billion is expected to be spent from 2018 to 2048 on operating costs, labour, depreciation, materials and maintenance.

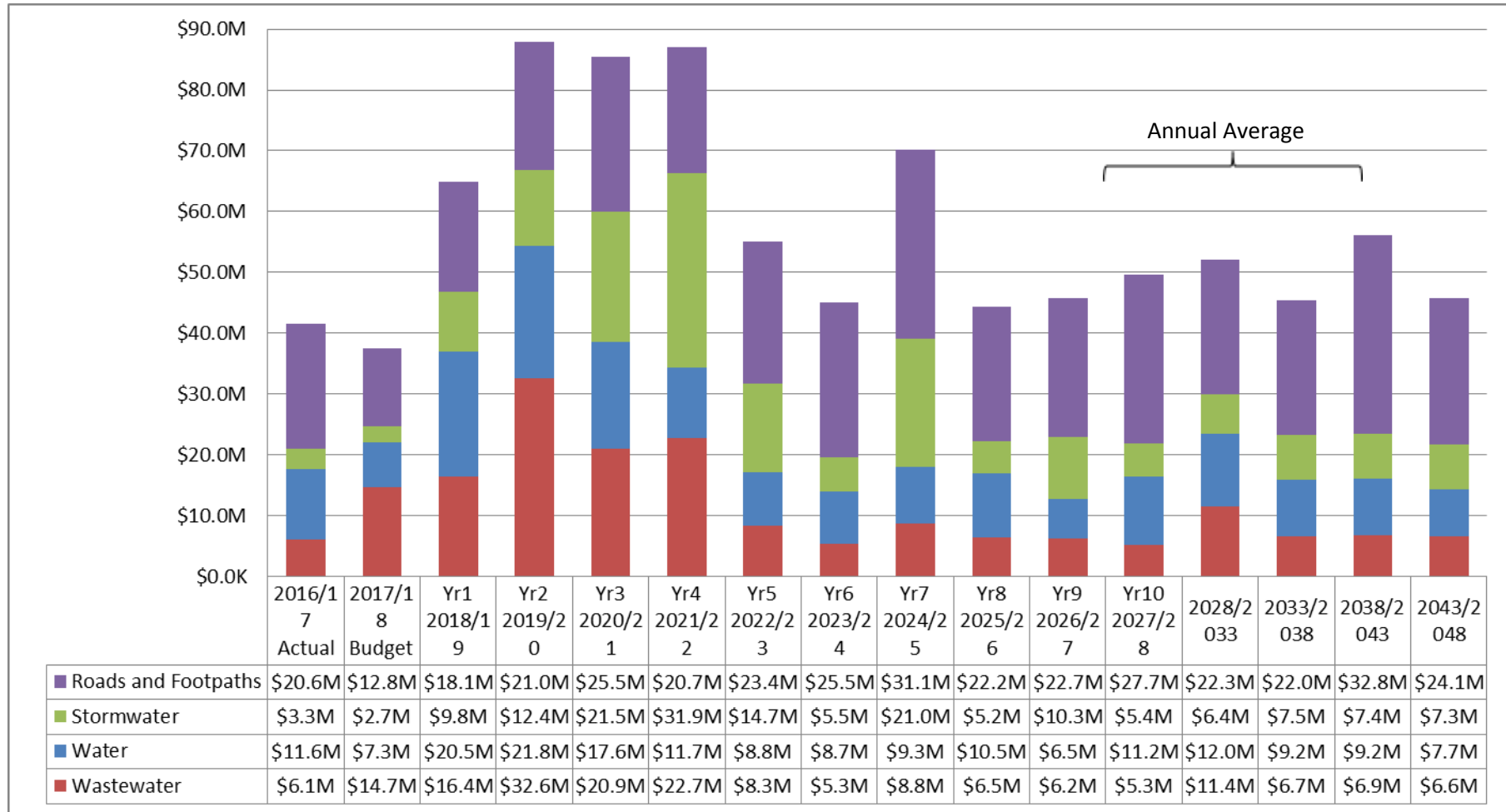
These areas are anticipated to be spread across the infrastructure activity areas as outlined in the table below:

**Table 176: Infrastructure Strategy expenditure summary**

Infrastructure Activity	Capital Expenditure (million)	Operational Expenditure (million)
Water	\$317M	\$610M
Wastewater	\$290M	\$464M
Stormwater	\$280M	\$210M
Roads and Footpaths	\$748M	\$992M
<b>TOTAL</b>	<b>\$1,635M</b>	<b>\$2,276M</b>

The following figures show the expected overall annual capital (including vested) and operational expenditure for the four infrastructure services from 2018 to 2048, by activity:

Graph 14: Infrastructure Strategy expected overall annual capital and operational expenditure



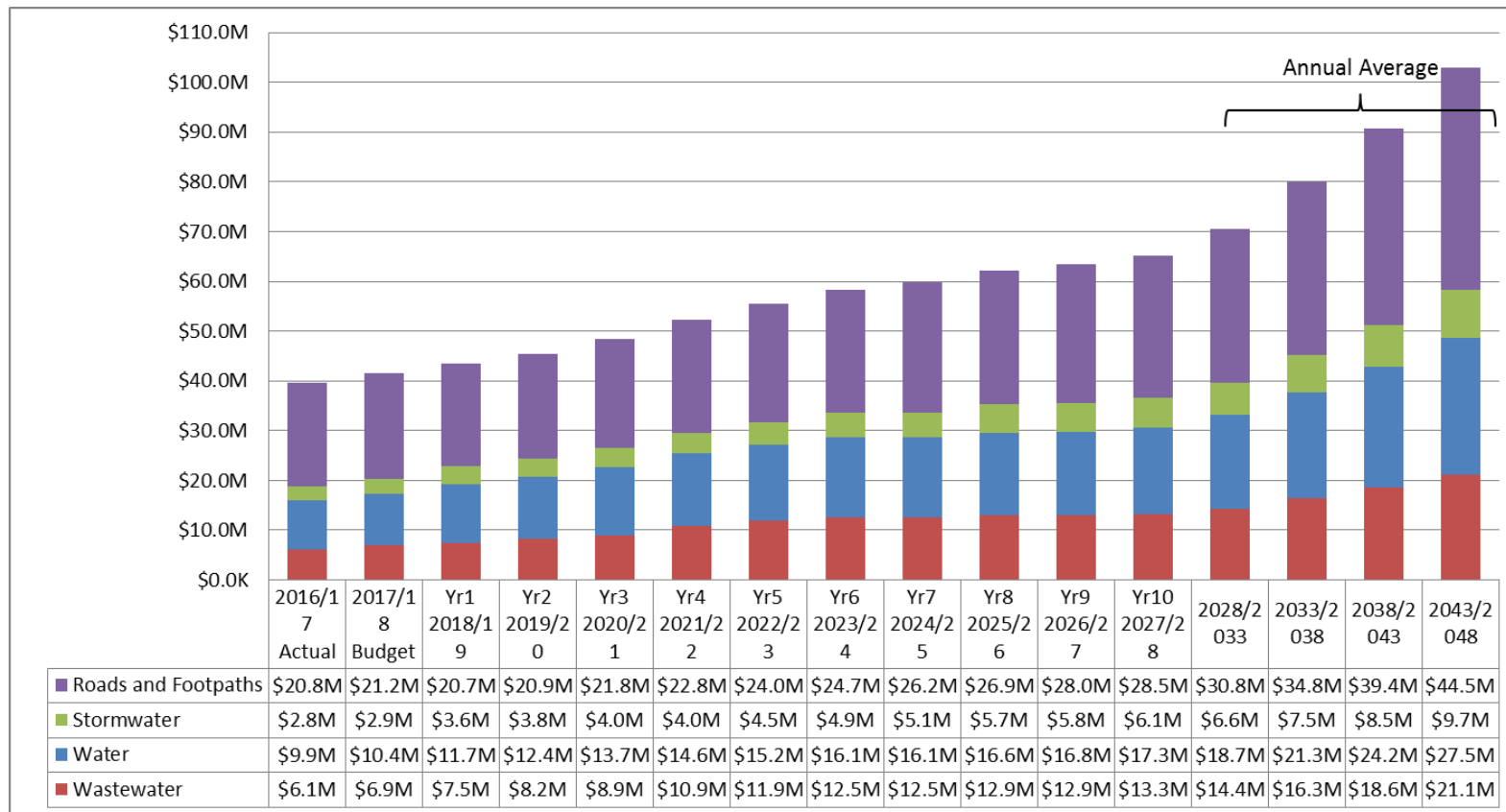
Water, wastewater and stormwater capital expenditure is focussed on the first ten years of the Infrastructure Strategy. This is a continuation of work predicted in the initial Infrastructure Strategy (2015/25) of upgrades and new builds in the treatment plants and reticulation, to provide for the large growth occurring in the district. These upgrades are expected to provide sufficient capacity for growth for the next thirty years.

Roads and Footpaths expenditure in the first ten years is focussed on the impacts of growth being experienced in the district and to maintain a consistent renewal programme that provides a safe and efficient roading network within the Waipā district.

**Operational Expenditure Overview**

The following figures show the expected overall annual operational expenditure for the four infrastructure services from 2018 to 2048, by activity:

**Graph 15: Infrastructure Strategy expected operational expenditure**



Operational costs steadily increase over the thirty years of the Infrastructure Strategy in response to inflation adjustments, the impact of growth and additional costs associated with treatment plant upgrades required for environmental and public health compliance.

## PROJECT TIMELINES

Key decision dates for infrastructure projects 2018 to 2048.

Table 177 : Infrastructure Strategy key decision dates for infrastructure projects

			10-Year Plan 2018 - 2021	10-Year Plan 2021 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 - 2048
Meeting growth needs in Cambridge north and west (T1)			\$5.5m	\$23.1m				
Cambridge stormwater reticulation growth (SW2)			\$18.8m	\$48.9m				
Stormwater management projects for Cambridge North (SW1)			\$10.5m	\$5.6m				
Cambridge dedicated main reticulation (WS6)			\$3m					
Reticulation expansion for Cambridge growth cells (WS4)			\$3.7m	\$6.8m	\$5.5m	\$4m		
Enabling industrial growth in Cambridge (T3)			\$2.2m	\$4m				
Hautapu industrial stormwater provision (SW4)			\$2.7m	\$3.9m				
Repurposing revoked state highways (T11)			\$4.4m	\$2.1m	\$3.4m			
Water main renewal and pump installation (WS9)			\$7.9m					
Parallel Road Water Treatment Plant & reticulation (WS7 & 8)			\$25.9m					
Cambridge Wastewater Treatment Plant upgrade (WW1)			\$10.1m	\$17.5m				
Te Awamutu Wastewater Treatment Plant expansion (WW2)			\$25.6m					
Urban growth projects for Te Awamutu and villages (T4,5,6)	}		\$2.1m	\$11.5m				
	}				\$4.1m	\$4.5m	\$4.8m	\$5.2m
	}					\$4.5m	\$4.8m	
Reticulation expansion for Te Awamutu growth cells (WS5)						\$2m	\$2m	\$1.9m
A third bridge crossing the Waikato River (T13)	Research/land purchase	}	\$208k	\$6.2m	\$1.4m	\$7.5m		
	Construction	}					\$48.5m	
Duplication of Te Tahī trunk main (WS10)				\$6.6m				
Road safety improvements (T10)					\$10.2m	\$11.2m	\$12.1m	\$13.1m

			10-Year Plan 2018 - 2021	10-Year Plan 2021 - 2028	2028 - 2033	2033 - 2038	2038 -2043	2043 - 2048
Expanding waste recovery facilities (WM1 & 2)					\$8.2m			
Alpha Street Water Treatment Plant (WS1)					\$17.1m			
Cox Road reservoir (WS2)					\$100k	\$7.6m		
Urban growth projects – Cambridge (T2)					\$13.7m	\$14.9m		
Town centre vehicle parking (T9)					\$4.1m			
Te Awamutu Wastewater Treatment Plant renewals and upgrade (WW3)	}				\$14m			
	}							
Growth cell reticulation and sewer provision for Te Awamutu growth cells (WW4)	}					\$2.1m		
	}						\$2.3m	
	}							\$2.5m
Te Awamutu western arterial route (T8)					\$11m		\$22.6m	\$24.4m
	}					\$2.8m		
Te Awamutu stormwater reticulation growth (SW3)	}						\$3m	
	}							\$2.3m
New Cambridge reservoir (WS3)							\$10.8m	
Cycling and walking projects (T12)			\$1.8m	\$6.2m	\$2m	\$2.2m	\$2.4m	\$1.7m
Tourism provision (T7)					\$1.7m	\$1.9m	\$2m	\$2.2m



## ASSUMPTIONS AND UNCERTAINTIES

Significant forecasting assumptions are discussed in the section commencing on page 23. The following relate more specifically to the operational assumptions required to deliver the Infrastructure Strategy, that are not otherwise mentioned in Council's 'Strategic Risk Register' which is revised every 4 months as part of Council's 4-monthly reporting against the Annual Plan. Over the thirty year life of this Infrastructure Strategy the conditions upon which these assumptions are based are likely to change due to economic, political, social, legal, demographic, physical circumstances. Therefore Council is conscious of the following levels of uncertainty and potential impacts involved in using these assumptions in activity management planning.

### Internal Assumptions, Uncertainties and Potential Impacts

Table 178: Infrastructure Strategy internal assumptions, uncertainties and potential impacts

Assumption	Uncertainty	Potential Impact (if assumption incorrect)
3 Waters asset information held within <i>AssetFinda</i> is true and correct and will continue to improve in reliability.	<i>AssetFinda</i> provides a priority list based on set criteria which drives the renewals programme and budgets, there is certainty regarding the assets whose conditions have recently been assessed, there is less certainty regarding the current condition of older assets. Asset performance has not been formally assessed.  <u>Uncertainty = Medium</u>	Budgets available for asset renewals are either too low or too high. If too low asset renewals will be insufficient and risk of failure increases. <u>Potential Impact = Medium</u>
Roading asset information held within <i>RAMM</i> is true and correct and will continue to improve in reliability.	<i>RAMM</i> drives the renewals programme and budgets, it has been in use since 1988 so the level of uncertainty within that system is low. <u>Uncertainty = Low</u>	Budgets available for asset renewals are either too low or too high. If too low asset renewals will be insufficient and risk of failure increases. <u>Potential Impact = Medium</u>
It is assumed that the improved data and condition information will result in reductions in the renewal profiles as that information shows asset condition to be generally better than expected for a given age; current budgets are closer to these assumed lower requirements than current renewal profiles.	The improved data may not result in the anticipated reduction in renewal requirements.  <u>Uncertainty (Waters) = Medium</u> <u>Uncertainty (Roads and footpaths) = Medium</u>	Improved data and information confirms or increases the renewal profiles, requiring additional budget or increasing the risk of asset failure and an inability to maintain levels of service.  <u>Potential Impact = Medium</u>

Assumption	Uncertainty	Potential Impact (if assumption incorrect)
<p>Adequate resources available internally to deliver the program of works.</p>	<p>Council needs to be able to recruit project managers of sufficient ability to manage the capital works programme successfully. However the quantum of work required is well understood.</p> <p><u>Level of uncertainty = Medium</u></p>	<p>There are competing demands for similarly qualified and experienced staff and consultants from other councils.</p> <p>If Council is unable to recruit the required resourcing infrastructure for growth might fall behind market demand and the additional costs of debt will increase.</p> <p><u>Potential Impact = High</u></p>
<p>As a complete programme of works, the total project costs each year are close to the forecast total cost estimate</p>	<p>Individual projects have medium to high uncertainty for projects planned beyond year 3 of the 10-Year Plan. However, as a collective the total cost uncertainty is proportionally less as individual projects will be a mix over under and over budget.</p> <p><u>Uncertainty: Medium.</u></p>	<p>Rates increases or debt position could be higher than planned if project costs are higher than forecast. Impact can be mitigated by either deferring, reducing scope, reviewing the 10-Year Plan to align works and levels of service to mitigate future costs in the medium term. In the short term Council would loan fund costs until corrective action could be taken.</p> <p><u>Potential Impact = Medium</u></p>
<p>It is assumed Council is meeting the community's expectations for levels of service.</p>	<p>While Council seeks feedback from the community of its services the potential exists that community expectations may differ from what Council is currently, and planning, to deliver.</p> <p><u>Uncertainty = Low.</u></p>	<p>Unplanned costs incurred through additional operational and/or capital activities required to meet community expectations of LOS.</p> <p><u>Potential Impact = Medium</u></p>
<p>It is assumed that no additional costs consequent upon a natural disaster will be incurred beyond the routine costs of insurance or additional bank credits</p>	<p>While insurance cover is set at a level deemed appropriate, whether it is sufficient will to a degree to be dictated by the nature and severity of the event.</p> <p><u>Uncertainty = Medium</u></p>	<p>Costs incurred to rebuild our infrastructure following an event exceeds the funds available from insurance.</p> <p><u>Potential Impact= High.</u></p>

Assumption	Uncertainty	Potential Impact (if assumption incorrect)
It is assumed the current management and delivery structure will be retained throughout the 30-year planning period	Reviews of delivery mechanism may identify viable alternatives that offer more cost effective delivery of services. Uncertainty = LOW.	Unplanned costs incurred through the process of switching delivery mechanism. Funding and level of service changes resulting from revised delivery mechanism.  Potential Impact = Low
It is assumed that assets will remain in Council ownership throughout the 30-year planning period.	Council could change its Policy with regard to assets such as pensioner housing Uncertainty = LOW.	Increased operating costs to procure, divest or manage more assets. Increased debt to acquire more assets.  Potential Impact = Low

An assessment of the accuracy and corresponding confidence levels in Council's asset data has been undertaken as part of the asset management process. The resulting data confidence grades and the grading systems detailed in the appropriate Activity Management Plans.

## External assumptions, Uncertainties and Potential Impacts

**Table 179: Infrastructure Strategy external assumptions, uncertainties and potential impacts**

Assumption	Uncertainty	Potential Impact (if assumption incorrect)
The district population will increase with an additional 25,000 residents by 2050. The focus of this will remain in Cambridge and Te Awamutu, with the bulk of the growth within Cambridge.	Growth rates may diverge away from those projections, the predicted growth may occur but at different rates and at different times.  <u>Level of uncertainty = Medium.</u>	Council's capital programme will need to change to reflect revised growth and reduce financial exposure. This can be achieved through retaining flexibility in the capital programme and funding, and staging infrastructure development where possible, in order to manage such changes most efficiently. Higher growth will require extra financial and labour resource.  <u>Potential Impact low growth = Medium</u>  <u>Potential Impact high growth = Medium</u>

Assumption	Uncertainty	Potential Impact (if assumption incorrect)
<p>Planned development of growth cells will occur as per Waipā 2050 and approved Structure Plans</p>	<p>Growth cells need to have the infrastructure services available, or planned and funded for connection before development can commence. The timing of development of each growth cell will be driven by developers and the development of the relevant structure plans; consequently, the sequence of growth cell development has been designed to accommodate flexibility in settlement patterns in <i>Waipā 2050</i>. Council has a reasonable knowledge of various key landowners desire and timing for development.</p> <p><u>Level of uncertainty = Low.</u></p>	<p>If demand changes away from currently identified areas then some of Council’s projects will need to reprioritized, new projects may be needed and other existing ones may not be required.</p> <p><u>Potential Impact = Medium</u></p>
<p>There will be an increasing need to conserve water and promote and provide for improved water quality in Waipā’s lakes, rivers and streams.</p>	<p>The degree to which the RMA, The National Environmental Standard for Sources of Human Drinking Water, WRC requirements and the Vision and Strategy for Waikato River impacts upon Councils operations may be greater or lower than anticipated. <u>Level of uncertainty = Low.</u></p>	<p>Planned projects to meet the anticipated increases mean water related conservation and quality requirements are not required, alternatively requirements are higher meaning additional unbudgeted projects are required.</p> <p><u>Potential Impact = Low.</u></p>
<p>New building standards in relation to earthquake protection will have a financial implication on above ground assets, such as treatment plant buildings, reservoirs etc. in order to meet standards</p>	<p>Assessment on earthquake resilience for current assets yet to be complete.</p> <p><u>Level of uncertainty = High</u></p>	<p>Legislation requires ‘priority’ Council buildings to be brought up to earthquake standard by 2029 and other buildings by 2041. There is time to allocate funding as part of the next 10-Year plan in 2021 once assessment has been complete. Projected debt levels will allow room to fund once quantum is assessed.</p> <p><u>Potential Impact = Medium</u></p>
<p>New infrastructure development will not spatially “leapfrog” undeveloped land in order to minimize financial exposure to unrecovered costs.</p>	<p>Land owner willingness to develop land in a predictable order for Council.</p> <p><u>Level of uncertainty: = Medium.</u></p>	<p>Loan interest costs are incurred by developers, but delayed cost recovery could tie up Council capital and inhibit other development.</p> <p><u>Potential Impact = Medium</u></p>

Assumption	Uncertainty	Potential Impact (if assumption incorrect)
Developers provide connecting reticulation to the existing / new Council assets.	All growth cells require structure plans to be prepared and adopted by Council in advance of development beginning. All structure plans will include a requirement to connect to Council's existing or new network assets.  <u>Level of uncertainty: = Low.</u>	Additional unbudgeted costs are incurred by Council to connect developments to the network, cost to be recovered through development fees or directly off the developer where applicable.  <u>Potential Impact = Low</u>
Council and existing landowners mutually agree on relevant land purchases required	Where project locations are currently unknown (e.g. Third bridge crossing in Cambridge) the land required for purchase may not be known; once land has been identified the negotiation for the purchase may be protracted or may not be achieved.  <u>Level of Uncertainty = Low.</u>	Project costs increase and timelines extended due to protracted negotiations; alternatively new locations may be required again increasing costs and timeframes. In extreme cases projects may not be able to proceed at all.  <u>Potential Impact = Medium</u>
Investment in arterial roading networks will occur, including completion of the Waikato Expressway; Southern Links to the north of the district linking with Hamilton City; potential revocation of SH39.	Changes to government Roads and footpaths policies and funding may affect investment in Southern Links and the Waikato Expressway, affecting the quantum and value of changes required to revoked State Highways.  <u>Levels of uncertainty (SH1 revocation) = Low</u> <u>Levels of uncertainty (Southern Links) = Low</u> <u>Levels of uncertainty (SH39 revocation) = Medium</u>	Council will need to manage deviations from forecast plans by regularly reviewing and adjusting its capital works programme to ensure projects and budgets remain appropriate.  <u>Potential Impact = Low</u>
The Comprehensive Stormwater Discharge Consent due for renewal in 2020 can be renegotiated to include the new growth cells and the stormwater solutions as presented in the associated structure plans.	Negotiations for a new consent will need to meet Waikato Regional Council's requirements; these may be greater than anticipated.  <u>Uncertainty = Medium</u>	Regional Council's requirements result in additional management than currently identified in the structure plans incurring additional costs to achieve the required compliance.  <u>Potential Impact = Medium</u>

Assumption	Uncertainty	Potential Impact (if assumption incorrect)
The majority of Council’s Roading level of service align with NZTA’s One Network Road Classification and associated fit for purpose levels of service	Council’s ability to secure co-investment from the NZTA, and therefore the affordability of the current level of service delivered by the Roads and footpaths network would be reduced if NZTA’s fit for purpose levels of service are altered.  <u>Level of uncertainty: = Low.</u>	Additional Council funding required to maintain current levels of service, or levels of service have to be reduced to national levels to ensure NZTA funding.  <u>Potential Impact = Medium</u>
The assumption is that climate change will result in the district experiencing more frequent extreme weather events	While the science of weather patterns analysis and prediction continues to improve there remains a degree of uncertainty.  <u>Level of uncertainty: = Low.</u>	If climate change forecasts are too conservative then the frequency of which Council’s infrastructure is insufficient will increase leading to more flooding events and associated costs.  If climate change forecasts are excessive some parts of the infrastructure networks may have surplus capacity.  <u>Potential Impact = Medium</u>

## Economic Assumptions

### Inflation projections

Council uses the inflation projections developed by Business and Economic Research Limited (BERL) for the Local Government Sector for years 1-10. These BERL price adjusters can be found in the AMPs. Inflation projections for years 11-30 are based on the average inflation rate over the previous ten years for the relevant infrastructure (2.5% for roads and footpaths and 2.6% for the three Water treatment and supply) which are accumulated out for the full thirty years of the Infrastructure Strategy. Council will monitor projections against actuals, with significant variances and associated responses reflected in budget forecasts and annual reviews.

### Interest rate projections

Historically there have been interest rate fluctuations during any 30 year period, requiring re-assessment of the affordability or timeframe of individual future projects. Interest rates rely on national, regional and global economic conditions and are therefore outside Council’s control. The impact of interest rates higher than projected will be to defer or re-design individual projects, or to reschedule other Council programmes to enable key projects (e.g. for growth) to be funded. Lower than anticipated interest rates will provide Council with further options such as repaying debt more quickly.

### Confidence in asset information

An assessment of the accuracy and corresponding confidence levels in the asset data has been undertaken as part of the asset management process. This confidence data helps to inform the level of uncertainty outlined above in Table 178 and Table 179. The data confidence grades have been assessed using the grading systems detailed in Table 180 to Table 182:

**Table 180: Confidence grades**

Confidence grade	Description	
A	Highly Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented and recognised as the best method of assessment.
B	Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented, but has minor shortcomings. For example the data is old, some documentation is missing and reliance is placed on unconfirmed reports or some extrapolation.
C	Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete, unsupported, or extrapolated from a limited sample for which confidence grade A or B applies.
D	Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspection and analysis.
E	Unknown	None or very little data held

Table 181 and Table 182 show the confidence levels of Council's infrastructure asset data.

**Table 181: Water supply, wastewater & stormwater infrastructure asset data confidence levels**

Asset Data	Confidence grade	Accuracy	Comment
Asset quantity	B		Data reconciled between <i>FinanceOne</i> and <i>AssetFinda</i> . Asset valuation includes a sample field validation of asset quantity.
Asset type	A-B		As above.
Asset material	B		Material type data is reliable; it is acknowledged that data on older in-ground assets is often based on historic records which may not be as accurate as more recent data.
Asset location	A-B		Location of above ground asset is highly reliable, for in-ground assets this drops to reliable as data on older assets is often based on historic plans which may not be as accurate as more recent plans.

Asset Data	Confidence grade	Accuracy	Comment
Asset depth	C		Data confidence is increasing: where depths have been obtained, the data confidence level is A. Depths are obtained from As Built plans and on-going surveys/validation checks in the field. Otherwise, depths are generally assumed; water mains are not laid to grade but max/min depths.
Soil types	C		Economic lives not yet adequately assessed to soil types. But soil types are considered a minor issue and are captured as-and-when pipe sampling is undertaken. Soil types are not currently mapped in the asset system.
Asset age	B		There is reasonable confidence in asset ages
Asset condition	B		Programmed condition assessments are being undertaken and results. The extent of coverage varies across asset types based on levels of importance and ease of accessibility for assessment.
Asset performance	C		Network models have been developed to assess performance issues and are factored into renewal programmes. There is on-going updating of these models to improve identification of performance issues. As models mature and data improves, so asset confidence will increase.
Unit costs	B		Costs are reviewed at each valuation with the valuers reviewing recent local contract rates, industry norms and inflation rates to determine appropriate unit rates.
Deterioration rates	C		Now well established and supported by local knowledge; Council continues to review deterioration curves, consistent with industry averages, as part of its on-going, bi-annual valuation process.

Data confidence levels will also increase as Council continues to improve its asset management practices including upgrading the asset database *Assetfinda*. Aspirationally, Council would like to begin treating data as an asset in its own right. This would lead to improvements in the collection, management and use of data.

**Table 182: Transportation infrastructure asset data confidence levels**

Asset Type		Confidence Grade	Comment
Road	Formation	B	Data generally complete for formation records, but some short-comings identified with apparent gaps and duplicated or overlapping records.
	Subbase (sealed)	B	Data generally complete for subbase records, but some short-comings identified including apparent gaps and duplicated or overlapping records
	Subbase (unsealed)	A-	Good data for unsealed pavements, with only minor dimensional inaccuracy identified during field audit.



Asset Type		Confidence Grade	Comment
	Basecourse	B	Data generally complete for base course records, but some short-comings identified including apparent gaps and duplicated or overlapping records.
	Surfacing	B-	Data generally complete for pavement surfacing records, but some short-comings identified including apparent gaps and duplicated or overlapping Records. Field audit highlighted large proportion of duplicated records on one road.
	Roading Islands	B+	Good data record completeness. Notable inaccuracies in dimensions of both field audited assets
Drainage	Surface Water Channel	B	Data generally complete for surface water channel records, but some short-comings identified. Field audit identified location recording inaccuracies for records, but current units used for valuation largely lined up with field findings on a road section basis.
	Catchpits	B+	Data generally complete for catchpit records, but some short-comings identified. Field audit indicated some missing assets and some non-existent records.
Structures	Bridge	A	Data for bridges based on sound records and procedures. Minor dimensional data issues which will have limited impact on valuation.
	Culverts	B+	Data generally complete for catchpit records, but some short-comings identified. Field audit indicated some missing assets and some non-existent records.
	Retaining Walls	A	Good data for all retaining walls. No assets in field audited sections
	Bus Shelters	A	Good data for all bus shelter records. None in field audit sections.
Traffic Facilities	Signs	A	Good data for provided high value signs. It is noted that low value signs and related posts/structures are not included in the valuation. None in field audit sections
	Railings	B	Data generally complete for railing records, but some short-comings identified. Field audit identified some material or length inaccuracies, but largely short and low cost items.
Street Lights	Lamps	C+	Data found to be incomplete. Field audit indicated many lamps either not found or not recorded. Additionally location data was largely incorrect and inconsistent with recorded mount locations
	Mounts	C+	Data found to be incomplete. Field audit indicated many mounts both not found or not recorded. Additionally location data was largely incorrect.
Pedestrian	Footpaths	B	Data generally complete for footpath records, but some short-comings identified. Field audit identified location recording inaccuracies for records, but current units used for valuation largely lined up with field findings on a road section basis.



# RELATED POLICIES



## VARIATION FROM THE ASSESSMENT OF WATER AND SANITARY SERVICES & THE WASTE MANAGEMENT AND MINIMISATION PLAN

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Section 6, Schedule 10 of the Local Government Act 2002 states that the long-term plan for a territorial authority must identify and explain any significant variation between the proposals outlined in the long-term plan and the territorial authority's—

- a) assessment of water and other sanitary services under section 125:
- b) waste management and minimisation plans adopted under section 43 of the Waste Minimisation Act 2008.

### Assessment of Water and Sanitary Services

Part 7 Section 125 of the Local Government Act 2002 states that a territorial authority must, from time to time, assess the provision within its district of Water treatment and supply and other sanitary services. The purpose of such an assessment is to assess, from a public health perspective, the adequacy of water and other sanitary services available to communities within a territorial authority's district, in light of:

- a) the health risks to communities arising from any absence of, or deficiency in, water or other sanitary services; and
- b) the quality of services currently available to communities within the district; and
- c) the current and estimated future demands for such services; and
- d) the extent to which drinking water provided by water supply services meets applicable regulatory standards; and
- e) the actual or potential consequences of stormwater and sewage discharges within the district.

### Variation from Assessment of Water treatment and supply - 2004

There are three (3) significant variations between the assessments and the 10 Year Plan 2018-2018 as listed below;

- The Te Rore rural water supply scheme has been transferred to the Te Rore Rural Water Supply Group who now operate and maintain the scheme as a private water supply.
- Council is in the process of supplying the Hicks Road water supply scheme via the newly upgraded Karāpiro Water Treatment Plant to meet the Drinking Water Standards for New Zealand. Council will seek to transfer the water allocation at Hicks Springs to the Karāpiro water supply take.
- During the 2015-2025 LTP process and as per the District Wide Water Supply Strategy 2014, council investigated the option of seeking a local solution for the Te Awamutu water supply due to consent condition reducing the water take from the Mangauika Stream commencing in 2030. The supplementary supply will be

sourced from a new bore supply on Frontier Road with the additional water sourced from the Waikato River via the Parallel Road water treatment plant and a pipeline laid across the Taylors Hill reservoir to feed Te Awamutu. All strategic planning for the district's water supplies now revolve around this.

The 2018 – 2028 LTP reflects the current District Wide Water Supply Strategy adopted by council in 2014.

As per the assessment Council intends to continue to monitor water supply and sewage disposal across the district to ensure that all residents have access to an appropriate level of service to ensure their health and wellbeing is maintained.

### Variation from Sanitary Services Assessment (Cemeteries) - 2004

There is no significant change from the assessment intended as part of the 2018-2028 long term plan. Council will continue to operate and manage the current facilities which remain adequate for predicted demand.

### Variation from Sanitary Services Assessment (Public Toilets) - 2008

There is no significant change from the assessment intended as part of the 2018-2028 long term plan. Council will continue to operate and manage a network of public toilets to meet the needs of residents and visitors using parks, reserves, shopping centres and other key leisure destinations in the district.

As per the assessment Council intends to ensure that demonstrated needs for public toilets within the district are met. That need will be confirmed by a needs analysis and the timing determined as part of the Council's project prioritisation process.

### Waste Management and Minimisation Plan – 2017

The Waste Management and Minimisation Plan 2017-2023 details the activities to be undertaken towards the Council's vision of building zero waste and sustainable communities. Those activities are focused on meeting the first four goals of the Waste Strategy, they are:

- Reduced waste and increased resource recovery
- Collect waste information for informed decision making, in line with the National Waste Data Framework
- Connect with our community by developing collaborative and enduring partnerships with key stakeholders
- Progressive and effective waste minimisation and management services and facilities, without unreasonably burdening future ratepayers

### Variation from Waste Management and Minimisation Plan– 2017

The 2018-2028 long term plan reflects the current Waste Management and Minimisation Plan which was adopted by Council during 2017.

## WASTE MANAGEMENT POLICY

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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 Waipā 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 Waipā’**

The goals for waste management and minimisation in Waipā district are:

- a) To reduce the harmful effects of waste generation and disposal; and
- b) To improve the efficiency of resource use.

The following objectives will assist the district to achieve its waste management and minimisation goals:

- a) To promote and encourage cost effective, efficient and sustainable waste management practices within the Waipā district; and
- b) To minimise the quantity of waste being generated and disposed of within the Waipā 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.

There is no significant variation between the Waste Management and Minimisation Plan 2011-17 and the 10-Year Plan 2015-25.

## 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 holds many 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.

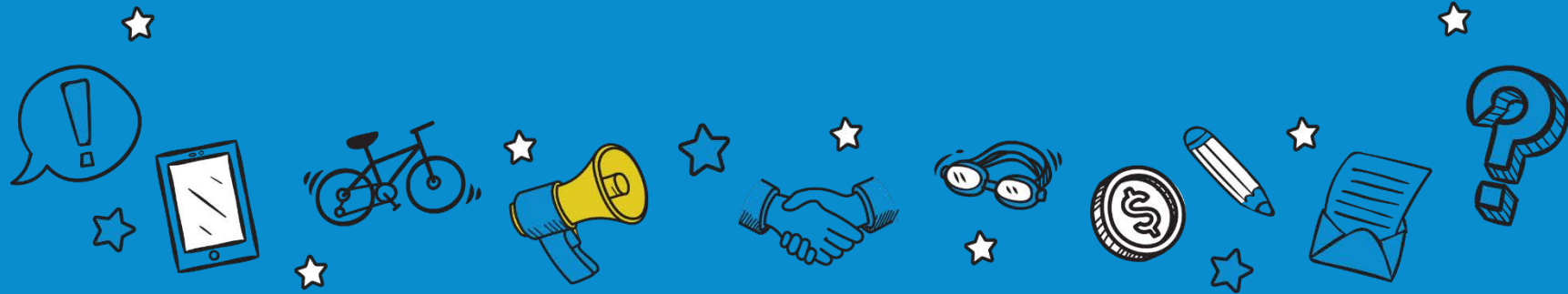
A 2006 amendment to the Local Government Act 2002 removes the requirement to identify the potential surplus land in the LTP. However Waipa District Council has decided that it is in the interest of Waipā District residents that where Council is contemplating the sale of any endowment property, then these will be identified within the plan. The table below describes these properties.

**Table 183: Endowment properties**

Location	Legal Description	Land Area (HA)
Addison St	Allotment 8, Town of Cambridge West	1.6187
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
Kane St	Section 517, Town of Pirongia East	6.0096
Baffin St	Section 123, Town of Pirongia East	0.3541
Bath St	Allotment 600a, Town of Cambridge East	1.4063
Bath St	Allotment 601a, Town of Cambridge East	0.7765
3853 Cambridge Rd	Lot 5, DPS 72654	0.2095
McAndrew St	Allotment 283, Town of Kihikihi	0.3915



# COUNCIL CONTROLLED ORGANISATIONS



## INTRODUCTION

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The Local Government Act 2002 requires Council to include in the 10-Year Plan information on Council-controlled organisations (CCOs) in which it is a stakeholder. In particular, 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.

Council is 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.

The Finance and Corporate Committee monitors Council's interests in our CCOs including reviewing and approving Statements of Intent, receiving reports and authorising the signing of shareholder documents.

## 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. Hamilton & Waikato Tourism Limited (HWT) and Titanium Park Limited (TPL) are fully owned subsidiaries. Waipa District Council's shareholding is 15.6% and equity securities are listed as a strategic asset as defined by the Local Government Act.

### Objectives

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

### Nature and scope of activities

- a) Operate an efficient and compliant airport.
- b) Enhance the traveller experience.
- c) Maintain a viable aeronautical business.
- d) Maximise revenue diversification through non-aeronautical business opportunities.
- e) Ensure appropriate internal and external resource to enable a commercially driven and high performing organisation
- f) Capital Expenditure
  - i. 2019- \$1,100k
  - ii. 2020 - \$1,400k
  - iii. 2021 - \$1,500k
- g) Strategic Activities
  - i. Optimise domestic passenger services and the customer experience
  - ii. Maximise property lease income
  - iii. Implement the comprehensive property business plan that will address development and investment opportunities to grow long term property income for the Group.

**Table 184 : Waikato Regional Airport Limited Key Performance Targets**

	Year Ended 30 June		
	2019	2020	2021
Earnings before interest, taxation & depreciation	\$3,000k	\$3,200k	\$3,400k
Net profit after tax <i>of no less than</i>	\$75k	\$150k	\$200k
Net cash flow ( <i>operating &amp; investing</i> )			
Net operating cash flow	\$1,600k	\$1,800k	\$2,000k
Net investing cash flow	(\$3,050k)	(\$1,800k)	(\$1,950k)
Funding Titanium Park Limited	(\$200k)	\$100k	\$100k
Total net cash flow	(\$1,650k)	\$100k	\$150k
Net debt <i>a maximum of</i>	\$18,000k	\$18,000k	\$18,000k
Total liabilities/shareholders' funds ( <i>debt/equity ratio</i> )	35:65	35:65	35:65
Percentage of non-landing charges revenue	74%	74%	74%
Interest cover of at least ( <i>Ratio of EBITDA to interest payable</i> )	5.0x	5.0x	5.0x

Table 185: Waikato Regional Airport Limited non-financial performance targets

## Non-financial performance targets

**Health & Safety**

- Facilitate Health & Safety meetings every 2 months with representatives from each company department
- Zero Work Safe notifiable accidents/injuries
- Implement the company's Health & Safety framework to align with the requirements of the Health and Safety at Work Act 2015 and independently review and audit the system each year.

**Operational Compliance**

- To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by Civil Aviation Authority audit reports
- Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events)
- Facilitate noise management meetings every 4 months in accordance with the Noise Management Plan

**Customer Satisfaction**

- Collect, document and act (where viable) on customer feedback forms to continuously monitor and improve the customer experience. Maintain a database to ensure recurring negative feedback is promptly acted upon

## NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

The Local Government Funding Agency Limited (LGFA) 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. Waipa District Council's shareholding is 0.4%.

### Primary objective

LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:

- a) Providing estimated savings in annual interest costs for all participating local authorities of at least 30 basis points, based on the methodology set out in LGFA's Annual Report 2012-2013.
- b) Making longer-term borrowings available to participating local authorities.
- c) Enhancing the certainty of access to debt markets for participating local authorities, subject always to operating in accordance with sound business practice.

### Principal objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- a) Achieve the objectives and performance targets of the shareholders (Shareholders) in LGFA (both commercial and non-commercial) as specified in the Statement of Intent.
- b) Be a good employer.
- c) 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.
- d) Conduct its affairs in accordance with sound business practice.

**Table 186: New Zealand Local Government Funding Agency Limited Key Performance Targets**

	Year Ended 30 June		
	2019	2020	2021
The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities will not exceed:	0.10%	0.10%	0.10%
LGFA's annual issuance and operating expenses (excluding AIL) will not exceed:	\$5.58m	\$5.71m	\$5.83m
Total lending to Participating Local Authorities will be greater than:	\$8,020m	\$8,261m	\$8,297m
Savings on borrowing costs for council borrowers: LGFA will demonstrate the savings to council borrowers on a relative basis to other sources of financing. This will be measured by maintaining or improving the prevailing secondary market spread between LGFA bonds and those bonds of a similar maturity issued by			
(i) registered banks and			
(ii) Auckland Council and Dunedin Council as a proxy for single name issuance of council financing.			

### Nature and scope of activities

LGFA will raise and provide debt funding to New Zealand local authorities, and may undertake any other activities considered by the Board of LGFA to be reasonably related that business. The LGFA will only lend to local authorities that enter into all the relevant arrangements with it and comply with the LGFA's lending policies.

In lending to Participating Local Authorities, LGFA will:

- a) Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- b) Educate and inform Participating Local Authorities on matters within the scope of LGFA's operations;
- c) Provide excellent service to Participating Local Authorities;
- d) Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- e) Ensure its products and services are delivered in a cost-effective manner.

## CIVIC FINANCIAL SERVICES LIMITED

Civic Financial Services Limited is wholly owned by New Zealand city, district and regional councils. It provides superannuation and risk-financing solutions to the local government sector. Waipa District Council's shareholding is 1.33%.

### Objectives

The specific goals of the New Zealand Local Government Insurance Corporation are:

- a) To operate as a sound and successful business.
- b) To be the primary supplier of risk-financing and superannuation services to the local government sector.
- c) To investigate and facilitate, as appropriate, new products and markets in risk-financing and superannuation and such other markets that it believes could prove beneficial to its shareholders and the local government sector.
- d)

### Nature and scope of activities

- a) The Company provides superannuation services for local government and local government staff via SuperEasy and the SuperEasy KiwiSaver Superannuation Scheme.
- b) The Company provides administration, reinsurance, accounting, and a range of other services to LAPP, Riskpool, CLP (Civic Liability Pool) and CPP (Civic Property Pool).
- c) The Company investigates and facilitates as appropriate such new risk-financing and superannuation services and/or markets that it believes will prove beneficial to its shareholders and the local government sector.
- d) In a modest and selective way the Company provides sponsorship for a range of local government activities at regional and national level.

**Table 187: Civic Financial Services Limited Key Performance Targets**

	Year Ended 30 June		
	2019	2020	2021
Fee Income	\$2,155k	\$2,129k	\$2,223k
Investment Income	\$416k	\$291k	\$140k
Revenue	\$2,571k	\$2,420k	\$2,363k
Expenses	\$2,123k	\$2,081k	\$2,108k
<b>Surplus before tax</b>	<b>\$448k</b>	<b>\$339k</b>	<b>\$255k</b>
To provide superannuation services to at least 90% of local authorities.			
To continue to be an efficient and effective administration manager for LAPP, CLP and CPP.			

## WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED

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Established in 2005, the Waikato Local Authority Shared Services Limited (WLASS) is jointly owned by 12 local authorities to provide a co-ordinated approach to the provision of services, and improvements to quality of services at reduced costs. It achieves economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

### Council policies and objectives relating to Council controlled organisations

The Constitution of Local Authorities Shared Services Limited sets 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 Waipā 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

WLASS oversees nine work streams, plus plays a support role for the collaborative work streams of the Waikato Mayoral Forum.

- **Shared Valuation Data Service (SVDS).** This system provides timely and accurate valuation data to 10 of the member Councils and has become the accepted valuation database for the region, significantly reducing costs.
- **Road Asset Technical Accord (RATA).** RATA was initially established as a centre of excellence for road asset planning in 2014, improving capability, capacity and outcomes through effective collaboration and collection of good quality data. Waipā currently acts as the host council for RATA, providing accommodation and overheads (which are fully recovered from the nine participating councils).
- **Waikato Regional Roads and footpaths Model (WRTM).** Established in 2010 and jointly funded by the NZ Transport Agency, the WRTM provides accurate information to Councils and to external users (for a charge) for their transport modelling requirements. It has been managed by RATA since 1 July 2016.
- **Waikato Building Consent Group (WBCG).** The WBCG comprises of eight councils foster co-operation, collaboration and consistency in building functions, legislative interpretation and process documentation. The Group has developed a common quality assurance system with associated supporting documentation and media that meets legislative requirements.



- **Future Proof.** This is a collaborative partnership between Hamilton City, Waikato and Waipā Districts, Waikato Regional Council and Tāngata whenua, with assistance from the New Zealand Transport Agency. The Future Proof Growth Strategy and Implementation Plan is a 50-year vision and implementation plan specific to the sub-region.
- **Energy Management.** WLASS entered into a Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA) in 2016. This arrangement will bring \$210,000 in revenue from EECA over three years, subject to meeting specific energy saving targets.
- **Joint Procurement Initiatives.** WLASS is a party to numerous joint procurement contracts between the company, shareholding Councils and suppliers. A review of procurement opportunities will assist in determining the future direction of WLASS procurement activities.
- **Historic Aerial Photos.** In 2015, WLASS began working with LINZ to scan the Waikato Historic Aerial Photos archive containing over 500,000 historic photos from between 1936 and 2005; the project is expected to be completed in 2018.
- **Waikato Regional Aerial Photography Service (WRAPS).** WRAPS was set up in the 1990s and became a WLASS project in 2014 for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region.
- **Aligned Resource Consent Planning.** This is a toolkit to provide regional consistency and best practice processes in the administration of resource consenting.
- **Regional Infrastructure Technical Specifications (RITS).** The RITS document sets out how to design and construct Roads and footpaths, water supply, wastewater, stormwater and landscaping infrastructure in the eight participating councils' areas (Hamilton City, Hauraki, Waikato, Waipa, Matamata-Piako, Otorohanga, Waitomo, and South Waikato District Councils).
- **Local Government Contractor Health & Safety Pre-qualification Scheme.** An online system where contractors are able to register, which enables them to be pre-qualified to work for any of the participating councils.

## Key Performance Targets

Table 188: Waikato Local Authority Shared Services Limited key performance targets

Target	Method	Measure
<b>Procurement;</b> Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented.	Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.	Implement the recommendations of the Procurement review, as approved by the Board. New suppliers are awarded contracts through a competitive tender process.
<b>Collaborative Projects;</b> Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.	The focus is on shared services which will benefit all councils.	A minimum of three priority projects for collaboration are identified per annum. If considered of value, business cases are developed for approval by the Board, and the projects are implemented.

Target	Method	Measure
<b>Existing WLASS Contracts;</b> Existing contracts are managed and renegotiated as required.	Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.	The WLASS Contracts Register is maintained and managed. Contracts which are due for renewal are tested for competitiveness and either renegotiated or re-tendered through a competitive process.
<b>Cashflow;</b> The company shall maintain a positive cashflow position.	The Financial Accountant reviews cashflow monthly.	The WLASS Board reviews the financial statements quarterly.
<b>Cost Control;</b> Administration expenditure shall be managed and monitored.	The Financial Accountant and Chief Executive review expenditure monthly. The WLASS Board reviews the financial statements quarterly.	Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.
<b>Reporting;</b> Six monthly reports provided to Shareholders.	The Chief Executive prepares a written report for the WLASS Board every meeting.  One 6-monthly and one Annual Report are prepared for shareholders.	The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months. Every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the WLASS are being adhered to.
<b>Waikato Mayoral Forum;</b> The company shall provide administrative support to the Mayoral Forum work streams and to the Mayoral Forum.	Mayoral Forum projects shall be managed financially through the WLASS.	Approved invoices for Mayoral Forum projects are paid by the 20 <sup>th</sup> of the month following their receipt.
<b>Shared Valuation Data Services (SVDS);</b> The SVDS is reliable, well maintained and available to all users.	A Contract Manager is appointed for SVDS.  The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group.  Risks associated with the SVDS are well managed.  The long-term provision of SVDS services is achieved.	The SVDS is available to users at least 99% of normal working hours.  The SVDS Advisory Group meets at least 6-monthly.  The Annual Business Plan is accepted by the Advisory Group by 31 March 2019, and includes consideration of strategic and operational risks, a disaster recovery plan, and a business continuity plan.  The timetable and milestones for implementing the long-term provision of SVDS Services (as agreed by the Board), are being achieved.
<b>Insurance;</b> Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.	The Insurance Broker delivers on the terms of their contract and provides value to the participating councils.	Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.  The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.

Target	Method	Measure
<p><b>RATA;</b> Deliver better data for decision making across the Waikato Region, enabling more consistent best practice</p>	<p>Quarterly update reports are provided to all stakeholders participating in the Data Collection contracts.</p> <p>Data supplied by contractors is of good quality and meets all of the participating councils' requirements.</p> <p>Innovation: Identify opportunities to modify standard approaches and/or develop new approaches that will lead to optimal asset management.</p> <p>Leadership: Lead engagement and increase capability within the sector.</p>	<p>Reports are presented to stakeholders in October/January/April and July each year.</p> <p>Reports on progress presented to WLASS Board as at 30 December and 30 June.</p> <p>All data are reviewed for compliance and all good practice requirements are met.</p> <p>Procurement of services complies with WLASS and NZTA's procurement requirements.</p> <p>Present to a national conference on RATA innovations at least once per year.</p> <p>At least two RATA guidance documents detailing good practice are produced each year.</p> <p>RATA Forums are held 2-monthly to share learnings and experience.</p>
<p><b>Waikato Regional Transport Model (WRTM);</b> The WRTM is reliable, well maintained and available to all users.</p>	<p>RATA manages the WRTM on behalf of the participating councils, and monitors the performance of the model supplier (currently Traffic Design Group).</p> <p>RATA reports quarterly to the WRTM Project Advisory Group.</p>	<p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p> <p>A report from RATA on any new developments and on the status of the model is provided to the WLASS Board at least every six months.</p> <p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.</p>

Target	Method	Measure
<p><b>Waikato Building Consent Group;</b> Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.</p>	<p>Implement the strategic priorities detailed in the “Build Waikato” May 2017 strategic review document.</p> <p>Fulfil the roles and responsibilities set out in clause 9 of the WBCG’s Memorandum of Understanding, 2016.</p>	<p>Milestones for the five strategic review work streams are achieved for:</p> <ul style="list-style-type: none"> <li>▪ Digital experience and technology: a common online customer experience. Success is defined as user friendly, convenient, quick, end-to end management and communication, measured by customer surveys and systems comparisons.</li> <li>▪ People capability. Success is defined as a successful recruitment and training programme, measured by compliance with BCA Reg. 8 -11.</li> <li>▪ Quality assurance. Success is defined as continued accreditation and increased service consistency, measured by accreditation outcomes, BCA annual audits, and customer surveys.</li> <li>▪ Lift industry competency and compliance. Success is measured by increased industry compliance, with reduced RFIs, and reducing percentages of application or building consent rejection.</li> <li>▪ Central government: engagement and legislative influence. Success is measured by legislative submissions and outcomes.</li> </ul> <p>Risk management is visible through regular reviews of the Risk Register.</p> <p>All funding requirements are met by each of the participating councils.</p> <p>Minimum of two reports presented to the WLASS Board on the Group’s activities.</p> <p>There is a common understanding and buy-in by all BCAs for the WBCG vision and actions that are taken to achieve this vision, measured by:</p> <ol style="list-style-type: none"> <li>i. Full participation in WBCG projects and programmes</li> <li>ii. Audits demonstrating implementation and compliance with the agreed QA systems</li> <li>iii. Consistency in service delivery, measured by customer surveys.</li> </ol>
<p><b>Future Proof;</b> Planning for growth in the sub-region is co-ordinated and collaborative.</p> <p>The Future Proof budget is well managed and monitored.</p>	<p>Joint preparation and input into Phase 2 of the Strategy update.</p> <p>Bi-monthly reports presented to Waikato Plan and Future Proof Chief Executive Group, and six monthly and annual reports to WLASS Board.</p>	<p>Phase 2 of the Future Proof Strategy is adopted by the Future Proof Implementation Committee no later than December 2018.</p> <p>The overall Future Proof work programme is delivered within the approved budget.</p>

Target	Method	Measure
Future Proof influences and inputs into District Plan, Regional Plan, growth strategy and any other planning processes which manage growth within the sub-region and neighbouring regions.	Future Proof works collaboratively and provides input into the planning work undertaken by all FP partners and any other relevant planning authorities.	Future Proof makes submissions (using RMA and Local Government processes), on District Plans, LTPs, growth management planning documents, and any central government initiatives which have the potential to impact growth management planning in the sub-region.
<b>Shareholder Survey;</b> Shareholders are satisfied with the performance of WLASS.	An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.	A survey of shareholders is undertaken each year, and the results are reported to all shareholders
<b>Review of Benefits;</b> Shareholders are informed of the benefits being provided to shareholding councils by WLASS.	The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.	Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders. The WLASS website is regularly maintained and updated.



# COMMUNITY ENGAGEMENT



## DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO DECISION-MAKING PROCESSES

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Council is committed to the on-going development of opportunities and the capacity of Māori to contribute to Council's decision-making processes as per sections 4 and 81 of the Local Government Act 2002. This is reflected in the *Policy on Liaison with Maori and Joint Management Agreements* published in Council's Governance Statement 2017.

Council is committed to decision-making processes that are robust, effective, transparent and as reflective of the community as possible.

The present arrangements for Maori contributions are through specific Council committees:

- a) The Iwi Consultative Committee considers all matters impacting on the interests of Tāngata Whenua including but not limited to historical, cultural, recreational, health, housing, environmental and resource management. The Committee advises Council and the various Iwi on Treaty of Waitangi implications for policies and activities of Council.
- b) Ngā Iwi Toopū O Waipā (NITOW), translated as The Assembled People of Waipā, is a group that represents all hapū in the Waipā District. They meet monthly and consider resource consent applications. They also consider other issues that are brought directly to Iwi by Council for consultation and consideration. NITOW also nominates members on to the Iwi Consultative Committee.
- c) We further promote the decision-making capacity of Māori through the appointment of an Iwi representative to the Strategic Planning & Policy Committee and Regulatory Committee.

At the time of writing, Council is considering how Maori capacity and contributions to Council decision-making at a governance level might be further improved. Options yet to be considered by Council could include: appointing iwi representatives to other committees of Council; formally appointing iwi speaking rights in Council and Community Board meetings in addition the general public's right to be heard; reconsidering the role of the Iwi Consultative Committee; reconsideration of the establishment of a Maori electoral ward at a future date (recognising that this option was rejected in October 2017 as part of Council's statutory review of its representation arrangements). Council might also consider how Maori might contribute to specific programmes or project management where appropriate. Any changes to the way in which Maori participates in Council decision making is expected to be ratified by 2019.



## SIGNIFICANCE AND ENGAGEMENT POLICY SUMMARY

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Significance is one of the most important concepts in the Local Government Act 2002. The aim of the 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 full Significance and Engagement Policy is available to the public on Council's website or from Council offices and libraries. This is a summary for information purposes only.

### Purpose and scope

- a) To enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
- b) To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
- c) To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

### Policy

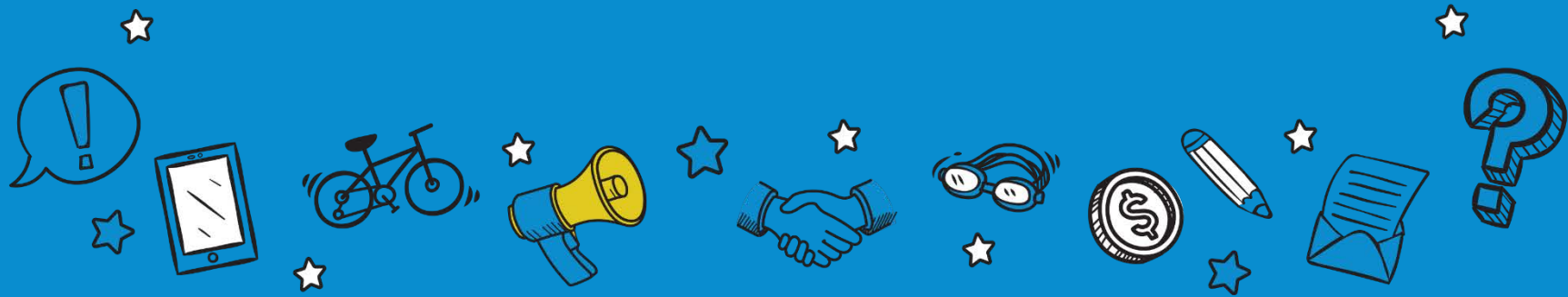
- a) Engaging with the community is needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision.
- b) An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.
- c) Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:
  - i. Whether there is a legal requirement to engage with the community.
  - ii. The level of financial consequences of the proposal or decision.
  - iii. Whether the proposal or decision will affect a large portion of the community.
  - iv. The likely impact on present and future interests of the community.
  - v. The likely impact on Māori cultural values and their relationship to land and water.
  - vi. Whether the proposal affects the level of service of a significant activity.
  - vii. Whether community interest is high.
  - viii. Whether the likely consequences are controversial.
  - ix. Whether community views are already known, including the community's preferences about the form of engagement.
  - x. The form of engagement used in the past for similar proposals and decisions.
- d) If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.
- e) In general, the more significant an issue, the greater the need for community engagement.

- f) Council will apply a consistent and transparent approach to engagement.
- g) Council is required to undertake a special consultative procedure as set out in section 83 of the Local Government Act 2002, or to carry out consultation in accordance with or giving effect to section 82 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy).
- h) For all other issues requiring a decision, Council will use the policy to determine the appropriate level of engagement on a case-by-case basis.
- i) The Community Engagement Guide (attached to the policy) identifies the form of engagement Council may use to respond to some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision making process.
- j) Joint Management Agreements, Memoranda of Understanding or any other similar high level formal agreements with Māori will be considered as part of this process.
- k) When Council makes a decision that is significantly inconsistent with this policy, the steps identified in section 80 of the Local Government Act 2002 will be undertaken.

### Council's strategic assets

- a) Pensioner housing:
  - i. Dallinger Court, Cambridge.
  - ii. Wallace Court, Cambridge.
  - iii. Dr Tod Court, Cambridge.
  - iv. Vaile Court, Cambridge.
  - v. Lyon Street, Te Awamutu.
  - vi. Palmer Street, Te Awamutu.
  - vii. Churchill Street, Te Awamutu.
  - viii. Mangapiko Street, Te Awamutu.
- b) Equity securities in the Waikato Regional Airport Ltd.

# AUDITORS REPORT



## To the reader:

### Independent auditor's report on Waipa District Council's 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Waipa District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 26 June 2018.

### Opinion

In my opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 53 to 59 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select

appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

## **Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

## Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of *Professional and Ethical Standard 1 (Revised)*; and
- quality control requirements, which incorporate the quality control requirements of *Professional and Ethical Standard 3 (Amended)*.

In addition to this report and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council or any of its subsidiaries.

A handwritten signature in black ink, appearing to read 'D Walker' with a date '12/18' written below it.

David Walker, Audit New Zealand  
On behalf of the Auditor-General, Auckland, New Zealand