

TE MĀHERE TEKAUTAU 2021 – 2031 10 YEAR PLAN 2021-2031



Waitomo – a vibrant district

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HE KŌRERO WHAKATAKI
INTRODUCTION



HE KUPU NĀ TE MEA

FROM THE MAYOR

E mihi ana ki te rangi, e mihi ana ki te whenua. Whakahōnoretia a Kīngi Tūheitia Pōtatau Te Wherowhero Te Tuawhiti. Haere atu rā e ngā mate o te wā. E ngā hapū maha, e ngā marae huhua o Ngāti Maniapoto, e ngā hau e whā e noho nei ki tēnei takiwā, tēnā koutou katoa.

Tēnā koutou,

I am pleased to present Waitomo District Council's 10 Year Plan 2021-2031.

The document outlines the direction for the Waitomo district for the next ten years. It sets a pathway for Council to work towards achieving its community outcomes through strategies and actions.

The plan is about you

This plan is about business as usual. We made a number of choices for the journey ahead. We carefully considered Council's infrastructure challenges alongside matters relating to community aspirations, debt levels, and affordability of rates.

Rates affordability is a serious consideration for Council. Over the life of the 10 Year Plan the average annual rates increase is 2.2%. The average annual rate change in year 1 is a reduction of 0.54%, then an increase of 2.06% in year 2.

While we keep our eye on day to day business, we have not lost sight of our future. We are determined to improve the lives of our existing residents through better access to public amenities, grant funding and new ways of working together with our partners.

This 10 Year Plan sought feedback on the proposal to defer harmonisation of water supply rates to year 4 the 10 Year Plan. Council's preferred option was to defer the harmonisation and the majority of the submitters that submitted on this proposal agreed with Council's proposal.

On the Horizon

We have formed the 10 Year Plan in a climate of uncertainty; a time when the COVID-19 pandemic continues to hurt the economic fabric of parts of our community, the housing market is under stress, and Central Government is considering significant reform of Council operations.

Kotahi te kohao o te ngira e kuhuna ai te miro ma, te miro pango, te miro whereo. I muri, kia mau ki te aroha, ki te ture, ki te whakaponu.

Through the eye of the needle pass the white threads, the black threads, and the red threads. Afterwards, looking to the past as you progress, hold firmly to your love, the law, and your faith

It is important to keep in mind that while the first two to three years of the financial part of this Plan will be reasonably reliable, the forecasts for later years are likely to be revised as we work through Central Government's Three Waters Reform Programme and the recently proposed Local Government Reform.

A year ago, Council's public debt sat at \$37.3 million. This 10 Year Plan forecasts debt dropping to \$30.7 million by 2027 and dropping further to \$15.1 million by 2031. Debt reduction is important to mitigate the impacts of future interest rate increases.

We will continue to invest in our core infrastructure. A well-maintained road network is especially important to our rural economy. Looking after all community assets and ensuring that they are well maintained, and fit-for-purpose, is a priority under this 10 Year Plan.

Our 10 year forecasts will be revisited by the next Council in preparation for the 10 Year Plan 2024-2034. By then there should be more certainty around Central Government's Three Waters Reform Programme and the future role of Local Government, as well as the effects of COVID-19. We will also know better where borrowing costs and pressures on the cost of capital works are heading.

I would like to thank all of you who provided feedback on our consultation document. Your views are always welcome and help in our decision making. Ultimately our collective views will shape the journey ahead for our District.

John Robertson, QSO

Mayor of Waitomo District

YOUR COUNCIL



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SUMMARY

OUR 10 YEAR PLAN

Every three years all councils must provide a detailed plan setting out their direction for the next ten years. This document outlines our community outcomes, priorities, plans and budgets for the Waitomo District for the next ten years, with a specific focus on the next three years.

We are still recovering from the impacts of the COVID-19 pandemic on our District. We operate within a heavily regulated environment with constant changes and the imposition of new requirements. We have pending legislative changes coming through such as the local government reform, three waters reform, and reform of the resource management legislation.

This 10 Year Plan 2021-2031 (10YP) does not shy away from these challenges. However, we have kept affordability at the forefront of our planning, making most of what we have already got. Included in this 10YP is:

- A renewals and maintenance programme to look after and replace existing assets when needed.
- Supporting our community through grant funding.

This 10 Year Plan 2021-2031 also includes an update to our Financial Strategy. Council is still committed to reducing debt over the duration of this 10 Year Plan. The changes we make to our Financial Strategy will allow us to reduce the debt servicing burden on ratepayers and give us the option of using future debt to further invest in our District.

- We are planning more emphasis on users paying for the services they receive. This lessens the burden on ratepayers. Our fees and charges schedule has been

reviewed to closely align to the costs associated with providing those services.

- We are not forecasting any revenue from dividends.
- We are not going to be funding depreciation fully for newly-built assets (Te Kuiti Water Supply Network and the Te Kuiti Wastewater Network), in the first four years of the 10YP. The shortfall in depreciation funding will be recovered in the remaining years of the 10YP after taking rates affordability into account.
- We will only fund the depreciation of roads and footpaths to the extent of the local share of renewals (25%) and loan repayments.
- We have deferred the funding of the principal repayment for the Solid Waste Activity in the initial years of the 10YP. We will start phasing this from year 4.
- We have removed accelerated debt repayment from subsidised roads.
- We will be increasing the overall depreciation reserve balance by approximately \$9 million.
- We are projecting to reduce external debt by \$24.5 million.

We have engaged with our community in preparing this 10YP. In the following pages you will see more detail about the challenges we have considered, what the community has had to say about them and how we have responded through this Plan.

OUR CHALLENGING STRATEGIC ISSUES

A CHALLENGING REGULATORY ENVIRONMENT

Council operates within a heavily regulated environment. Laws, regulations, and other requirements are constantly changing. As these requirements change, we must incorporate them into our policies and processes, and in some cases, undertake work to meet new requirements. This can mean increased costs and can sometimes mean expensive infrastructure upgrades.

In recent years, we have been required to respond to a number of regulatory changes, including:

- New Drinking Water Standards for New Zealand.
- Earthquake-prone Building Standards; a national framework for identifying and remediating high-risk, earthquake-prone buildings.
- National Policy Statement on Freshwater Management; provides direction to councils on managing the activities that affect the health (and) quality of freshwater.
- More stringent consent requirements, for the management of resources, for example, discharge consents for wastewater.

Additionally, we have further impending regulatory changes coming through such as the introduction of a new Water Services Regulator, Taumata Arowai, which comes into effect in the second half of 2021.

Over the next few years, the Government's Three Waters Reform Programme will create uncertainty around the delivery of the three water services, including whether this responsibility will continue to remain with councils or be transferred to another agency.

THREE WATERS REFORM

Over the past three years, Central and Local Government have been considering how best to regulate the delivery of the three water services (water supply, wastewater, and stormwater). New legislation has created a new Water Services Regulator, Taumata Arowai. This Regulator will oversee and enforce new drinking water regulations and oversee wastewater and stormwater networks.

Options for new service delivery arrangements are still being considered. The Government's preference is for a considerably reduced number

of new, larger water entities. Those entities would replace 67 separate councils (or their agencies) which currently manage their district three waters services independently.

A three-year reform programme for three waters service delivery has been developed by Central Government. All Councils, including Waitomo District Council, are part of this, and as a result, Waitomo District Council has received Government funding of \$3.5 million to support water supply and wastewater projects in the District.

A decision on whether our Council opts into the new three waters entity model proposed by Central Government will be made towards the end of 2021. This will involve a public consultation process. If Council does opt in, it would mean ownership, management and delivery of its water supply and wastewater services, and possibly stormwater, would transfer to a new larger water entity.

The Three Waters Reform Programme creates uncertainty around how water supply, wastewater and stormwater services will be delivered to our community in the future. Our 30-year Infrastructure Strategy and our 10-year Financial Strategy assume the status quo (that we could continue to own and deliver services) as no decisions have been made by Central Government at this point in time. Should this change, Council would have to revisit its position.

LOCAL GOVERNMENT REVIEW

On 24 April 2021, the Minister of Local Government announced that she had established a Ministerial Inquiry into the Future for Local Government.

The overall purpose of the review is to "identify how our system of local democracy needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, and actively embody the treaty partnership."

The review includes, but is not limited to, the following:

- roles, functions, and partnerships
- representation and governance and
- funding and financing

The following are the key steps in the review

- **April 2021:** Inquiry begins.

- **30 September 2021:** An interim report will be presented to the Minister signalling the probable direction of the review and key next steps.
- **30 September 2022:** Draft report and recommendations to be issued for public consultation.
- **30 April 2023:** Review presents final report to the Minister and Local Government New Zealand.

While the review could recommend significant change to what local government is and does, there is no information available on the likely direction for the review at this time.

Council considers it unlikely that any recommendations could take effect before 1 July 2024 – particularly for changes to roles or functions. Any changes that are made will be incorporated in the 2024-34 long-term plan.

Unless specifically stated otherwise, Council has prepared this 10 Year Plan on the assumption its existing role and functions will continue for the life of the Plan.

CLIMATE CHANGE

In December 2020, the Government declared a climate emergency, noting the devastating impact that volatile and extreme weather will have on New Zealand. The declaration included a requirement for the public sector (which includes councils) to lead by example and reduce their own emissions to achieve carbon neutrality by 2025.

Current predictions of the effects of climate change on the west coast of New Zealand include:

- **Increased frequency and intensity of extreme rainfall.** Intensity of extreme rainfall may increase by up to 8% by 2040 and up to 16% by 2090. The risk of localised flooding will increase.
- **Changes in average annual rainfall.** In the Waitomo District average annual rainfall is expected to increase by up to 2.5% by 2040. We might expect increases in winter rainfall and decreases in spring rainfall, with the potential for extended drought periods during summer.
- **Sea-level rise.** New Zealand tide records show an average rise in the relative mean sea level of 1.7 mm per year over the 20th Century. Globally, the rate of rise has increased, and further rise is expected in the future.

Climate change is likely to present challenges, along with potential opportunities, for Council and the community.

Challenges:

- **Water Supply:** Climate change is one of the main drivers of future demand for Council's water supply services. Extended drought periods over summer may impact on water storage capacity and increase the risk of water supply shortages, particularly for Te Kuiti.
- **Wastewater:** Increased frequency of heavy rain during winter could eventually impact the amount of inflow and infiltration entering our wastewater networks. This could overload pump stations and treatment plants.
- **Stormwater:** Increases in rainfall intensity and higher flows might reduce the stormwater system's ability to cope, particularly if outlets are within tidal zones. This may trigger demand for increased and improved stormwater control systems.
- **Roads and Footpaths:** Climate change will lead to a rise in sea levels that will affect several coastal roads in our District.
- **Coastal Communities:** Rising sea levels and storm surges will increase the risk of inundation in low-lying coastal areas.
- **Emissions from the Landfill:** The Climate Change Act 2002 established the NZ Emissions Trading Scheme. Further regulations for auctioning of emission units came into force in January 2021.

Climate Change – What we are doing

It is not yet certain how climate change will impact our District, so we are considering a range of possible futures for assessing how to respond. It is important we consider climate change when we plan and design for core infrastructure.

We currently allow for the effects of climate change (including natural hazards) within our Asset Management Plans. These plans focus on structures with a remaining life of 25 years or longer which we will likely have to renew or replace.

We will keep assessing how best to manage these challenges, but we are already planning:

- **Water Supply:** Options for alternative water sources or raw water storage for Te Kuiti to mitigate the effects of climate change and ensure security of supply.

- **Wastewater:** We are making provision for a temporary coffer dam and causeway to protect the Piopio Wastewater Treatment Plant from flooding, followed by construction of a new treatment plant when required.
- **Stormwater:** The longer-term consequences of climate change will be considered when our stormwater resource consent is renewed in 2024. Our consent discharge volume may need to be increased to accommodate extreme weather (i.e., more rainfall).
- **Roads and Footpaths:** It is predicted that in the next 80-100 years parts of Kawhia Harbour Road, Marokopa Road, Soundy Road and Te Mahoe Road will be below sea level. Council will consult with affected communities and may need to either raise the level of these roads or re-route them to higher ground.
- **Landfills:** The Climate Change Act 2002 established the NZ Emissions Trading Scheme and requires landfill owners to purchase emission trading units to cover emissions. Our 10 Year Plan forecasts include \$5.89 million over 10 years to meet our obligations relating to landfill emissions (previously budgeted at \$300K per annum). This is a huge financial burden for our community, and we need to find alternatives for the disposal of waste.
- **Electric Vehicles:** Council will support the establishment of public charging stations for electric vehicles.

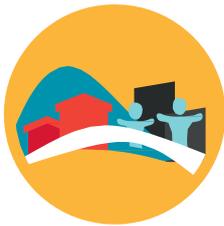


OUR STRATEGIC DIRECTION

Our Vision: Waitomo – a vibrant district

Our Community Outcomes

What we want for our community



A prosperous district

We will continue to enable a thriving and sustainable economy.



A district for people

We welcome all to a district that is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.



A district that cares for its environment

We plan for the wise use and management of all land and resources, now and for future generations.



A district that works with you

We work with you to collectively focus on the right things at the right time for the greater benefit of the District.

Our Priorities for the next three years

Provide value for money

Residents and ratepayers get best value for money because we find efficient and effective ways to deliver fit-for-purpose infrastructure, assets and services that meet legislative requirements.

Support our communities

We will continue to support a safe, vibrant community where people want to live and feel safe.

Enable a thriving community

We will continue to enable the growth of our local economy by effectively promoting our District's local businesses and projects.

FOSTERING MĀORI PARTICIPATION IN COUNCIL DECISION MAKING

Council acknowledges that Treaty of Waitangi obligations rest with the Crown and seeks to uphold the mana of the Treaty of Waitangi Settlements by continuing to build relationships with iwi. There are numerous pieces of legislation under which Council operates that recognise the Treaty of Waitangi and recognise or acknowledge iwi and Māori.

Council believes that by working in partnership with iwi and Māori it will create benefits for the whole community.

Fundamental principles and values that guide relationships between the Waitomo District Council, Ngāti Maniapoto me ōna hapū maha and mātāwaka include mana atua (spiritual authority), mana whenua (customary authority), mana tangata (individual authority), rangatiratanga (authority), kaitiakitanga (guardianship) and manaakitanga (hospitality).

Council is constantly working on its processes around community engagement and part of this is facilitating Māori participation in Council's decision making.

Waitomo District Council's partnership with Māori is based on the following principles: recognition of the contribution of Māori, common ground and interests shared by Council and the Tangata whenua of this area. Council's responsibilities towards Māori are set out in a variety of legislation.

There are two distinctly different relationships between Council and Māori. The first is a partnership with the local iwi, and the second is democratic consultation with all Māori living in the Waitomo District.

The statutory responsibilities Council exercises under the Treaty of Waitangi Settlement is derived from Ngā Wai o Maniapoto (Waipā River) Act 2012 and the 2012 Co-Management Deed. We are responsible jointly to implement the Waipā River Joint Management Agreement with Waikato District Council, Waipā District Council, Ōtorohanga District Council and the Waikato Regional Council.

As part of its current processes, Council seeks to identify any issues of particular interest to Māori, seek information on Māori perspectives on any significant work programmes and continue to build relationships.

Council intends to continue with its current initiatives to foster the development of Māori capacity in the following ways:

- Implementation of the Waipā River Joint Management Agreement.
- Encouragement of the Youth Council, of which Māori are a part, to put forward their views and ideas and contribute to decision making.
- Work with iwi and Te Arawhiti (the office for Māori Crown Relations) where required.
- Engagement during the drafting stage of the Proposed District Plan.
- Provide information to local Māori, through the Maniapoto Māori Trust Board and other channels to enable, in a practicable manner, the provision of inputs during consultation processes carried out for key aspects of Council work such as future planning (10 Year Plans).
- Invite Māori representatives to be part of any groups established by Council for the purpose of seeking community feedback or understanding community views.
- Be available to engage on issues important for iwi and Māori on the range of Council activities and issues.
- Participation and support for the national Tuia Māori rangatahi (youth) leadership programme. Tuia is an intentional, long term, intergenerational approach to develop and enhance the way in which rangatahi Māori contribute to communities throughout New Zealand. It looks to build a network of support for rangatahi to help them serve their communities well. This is through developing relationships between a diverse range of rangatahi throughout the country that recognises, accepts, and celebrates diversity.
- Commitment to grow and support the revitalisation and normalisation of Te Reo Māori

LISTENING TO OUR COMMUNITY

CONTINUING OUR JOURNEY

Over the last 10 years, Council has invested heavily in core infrastructure (roads, water supply, wastewater, stormwater) to ensure we deliver health and wellbeing outcomes for our residents as well as complying with legislation. Council has worked hard to invest in our District in a way which is affordable for ratepayers, while still ensuring we have a great place to live, work and play.

Water Supply and Wastewater

In the last decade, Council has invested proactively in core infrastructure, committing \$78.4 million into our Capital Works Programme. Government funding has been used to invest in water supply and wastewater infrastructure. Those decisions have reduced the costs to our ratepayers and means we do not have to keep investing the same amount of funding in the future.

Finances

In the last three years Council has significantly improved its financial position, doing better than what it had forecast. Because of this, Council will require lower rates than previously envisaged.

We know ratepayers are concerned about debt, so Council has also been very careful in the way it has used debt to help spread the costs of operations.

Reducing our debt is a key focus of our Financial Strategy. Our forecasts predict that we can reduce debt by \$24 million (a 62% reduction over the 10-year period).

Managing affordability

The cost of doing business is increasing and as a result there is a lot of pressure on Council's budget.

We know that paying rates is challenging, especially for those on fixed or low incomes. We do our best to keep rates as low as possible, while still providing services and facilities the community expects and enjoys.

However, while Council can (and does) fund some activities in other ways, rates are a reality that cannot be avoided. In some circumstances,

we can help (see Council's Rates Remission Policy).

We have recognised the ongoing impact of COVID-19, especially on local businesses and employment, and have made a conscious effort to keep proposed rates as low as possible for Years 1 and 2 of this 10 Year Plan.

The total amount of rates required to operate Council business for Year 1 is \$111,000 less than this year (equivalent to a rates reduction of 0.54%.) The rates increase required for Years 2 and 3 are 2.06% and 4.37% respectively.

The proposed rates in Year 3 reflect the increased operating costs of water supply and wastewater services and the development cost of the next 10 Year Plan. We will review this when more information about the Government's Three Waters Reform Programme is available.

Council has proposed an average rate increase of 2.3% in Years 4-10, but this may change when the 10 Year Plan is reviewed and updated for 2024-2034.

OUR PROPOSAL

Through the last Long Term Plan 2018-2028, it was agreed to harmonise the wastewater and the water supply rate. The wastewater rates were harmonised in 2019 and we began harmonising rates for water supply over four years. The first three years has been completed but we proposed to postpone the last year of harmonising the water supply costs until Year 4 of this 10 Year Plan. This is because there is uncertainty about the future of water services and postponing the change will lessen the rating impact on ratepayers of Te Kuiti.

21 submissions were received supporting the option 1 to defer completion of harmonisation of water supply rates until year 4. Five submissions were received in support of option 2, retaining the status quo of completing this work in year 1 of the 10YP. In consideration of the submissions Council will defer harmonisation of water supply rates to year 4 of the 10YP.

There were a number of submissions received outside of the consultation proposal and the consultation document. Council will consider these issues as part of work programme planning and established processes such as the grant framework.

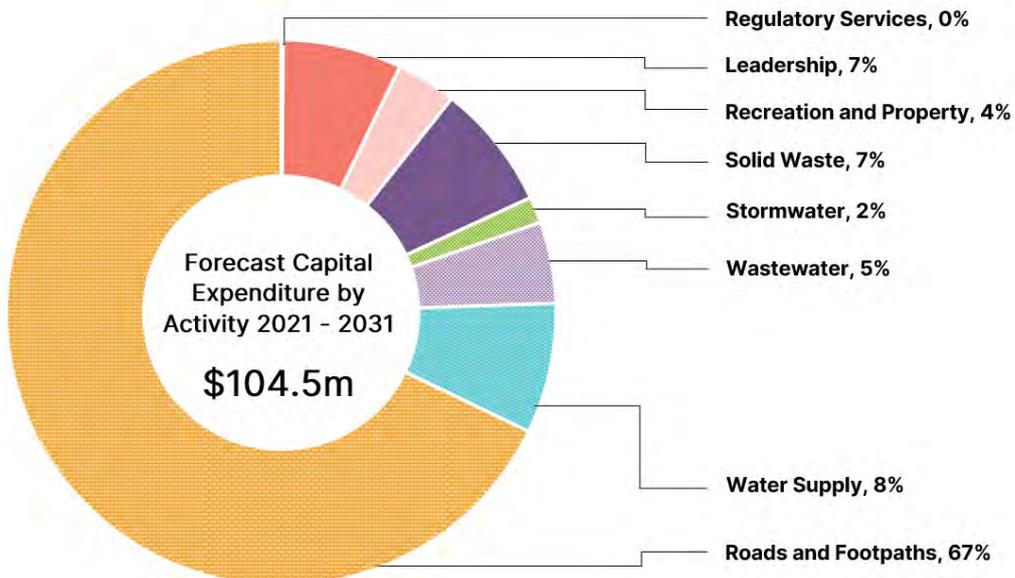
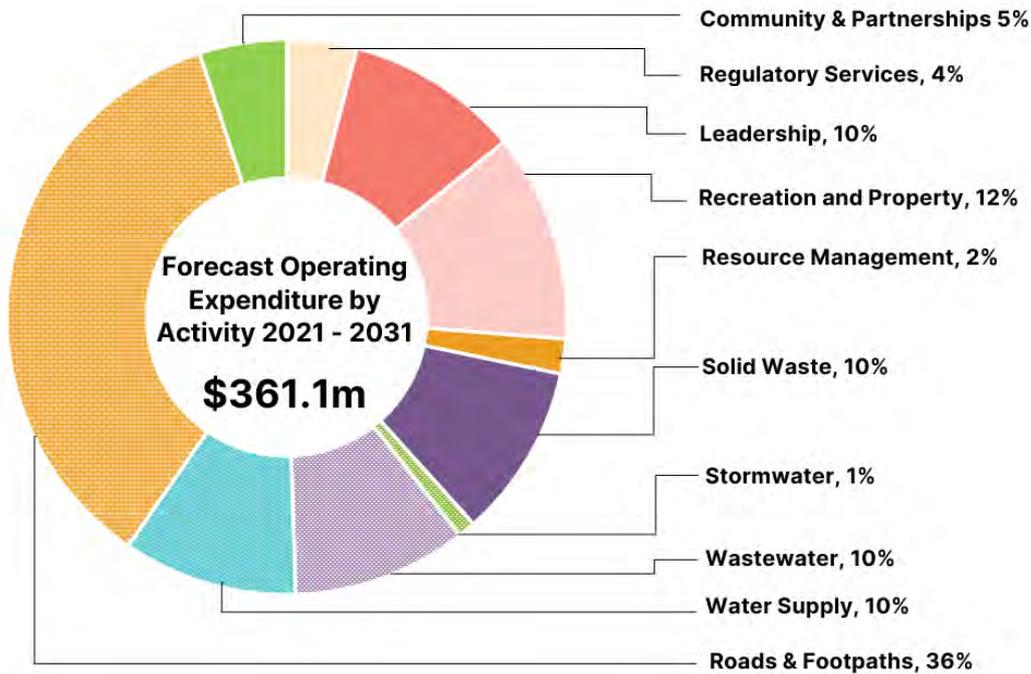
FINANCIAL SUMMARY

WHAT WILL IT COST?

Council looks after about \$362.7 million worth of infrastructure, assets and facilities. That includes our wastewater, stormwater, water supply and roading networks, right down to the pipes we use.

We also undertake the massive task of managing, regulating and monitoring all the activities that contribute to where and how you live, work and play in our District. That includes things like playgrounds, dog control, community halls, libraries, swimming pool and more.

We estimate it will cost around \$465.6 million over the next 10 years to look after what we already have and to provide the services necessary for our District.



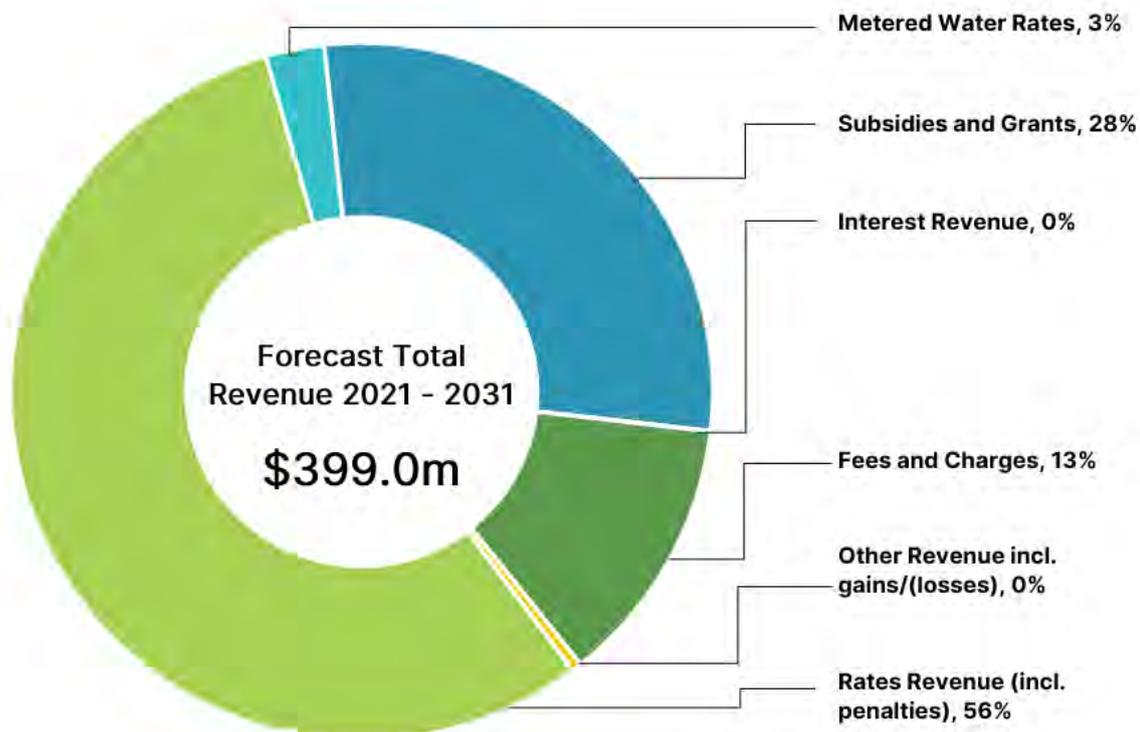
WHERE DOES THE MONEY COME FROM?

The amount we ask our community to contribute towards our mahi needs to be reasonable. We know some people in our District struggle to afford to pay rates. That is always top of mind.

The income we receive from rates is not enough to cover the costs to complete all the work we propose to deliver in this 10 Year Plan, so we will use subsidies, loans and reserves to fund our capital projects. We will also proactively seek to obtain income from other sources wherever possible.

We will increase current or add new fees and charges as appropriate to cover a greater portion of the cost it takes to administer some services and monitor consents.

Rates revenue (including metered water rates) together with subsidies and grants are our two largest sources of revenue and collectively make up 87% of our forecast revenue. Fees and charges are the third largest source at 13%. Interest revenue and other revenue make up the remainder of forecast revenue.



DEBT

Council's financial performance has improved significantly over the last 10 years. In the five years since July 2015, Council has reduced debt by \$8.8 million from \$46.1 million to \$37.3 million as at June 2020.

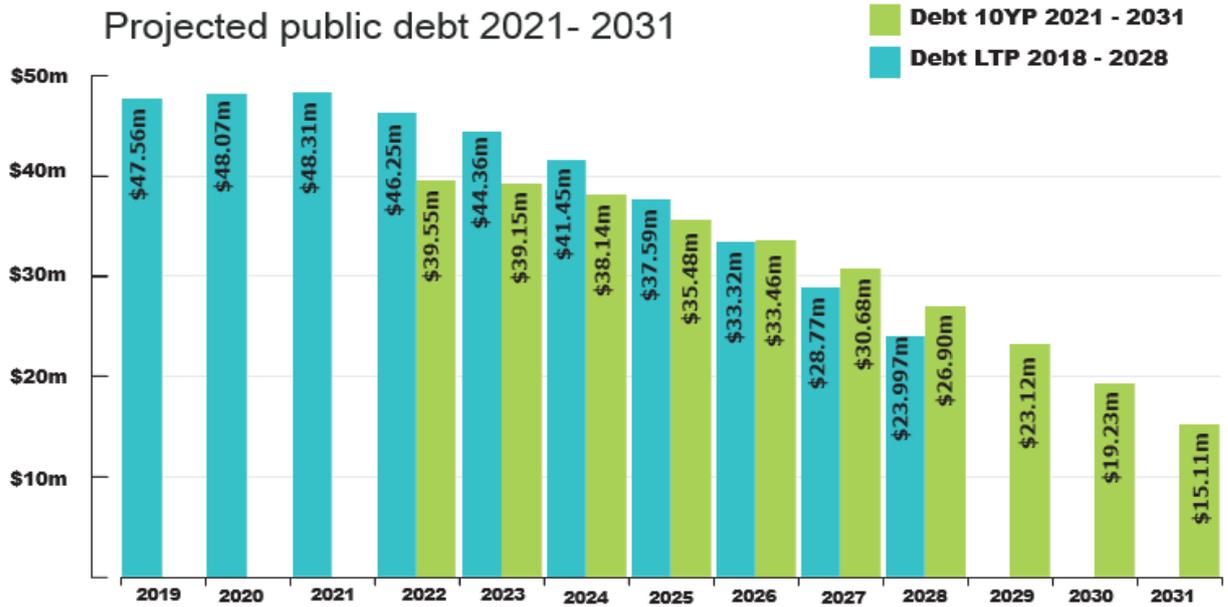
This is despite a significant investment (and the need to borrow \$20.5 million) to upgrade our water supply and wastewater network components.

External debt is the money borrowed to pay for the construction of infrastructure assets (like upgrading a water or wastewater treatment plant). Debt can also help pay for some operational expenditure with long-term benefits, such as the District Plan review.

The repayment of this debt spreads the cost over many years – meaning that all residents who receive benefit from the investment help pay for it. This is fair because it means that the cost of major infrastructure does not fall solely on current ratepayers.

The positive progress is because Council has taken a multi-pronged approach to increasing operating income where possible (particularly from grants and subsidies), improving its reserves balance, efficiency in spending and a focus on reducing cost of borrowing.

Council is still committed to reducing external debt over the duration of this 10 Year Plan. This will allow us to reduce the debt servicing burden on ratepayers and also give the option of using future debt to further invest in our District.



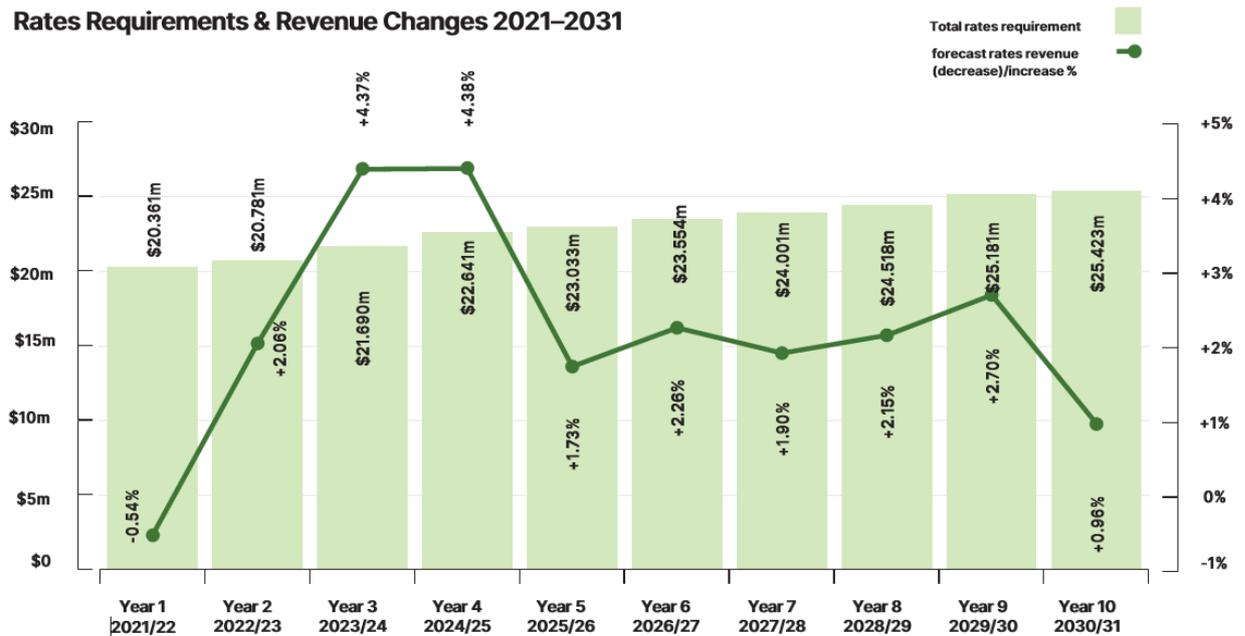
The borrowing costs will be 37% less per rateable property over this period from \$201 in 2022 to \$127 in 2031.

WHAT DOES IT MEAN FOR YOUR RATES?

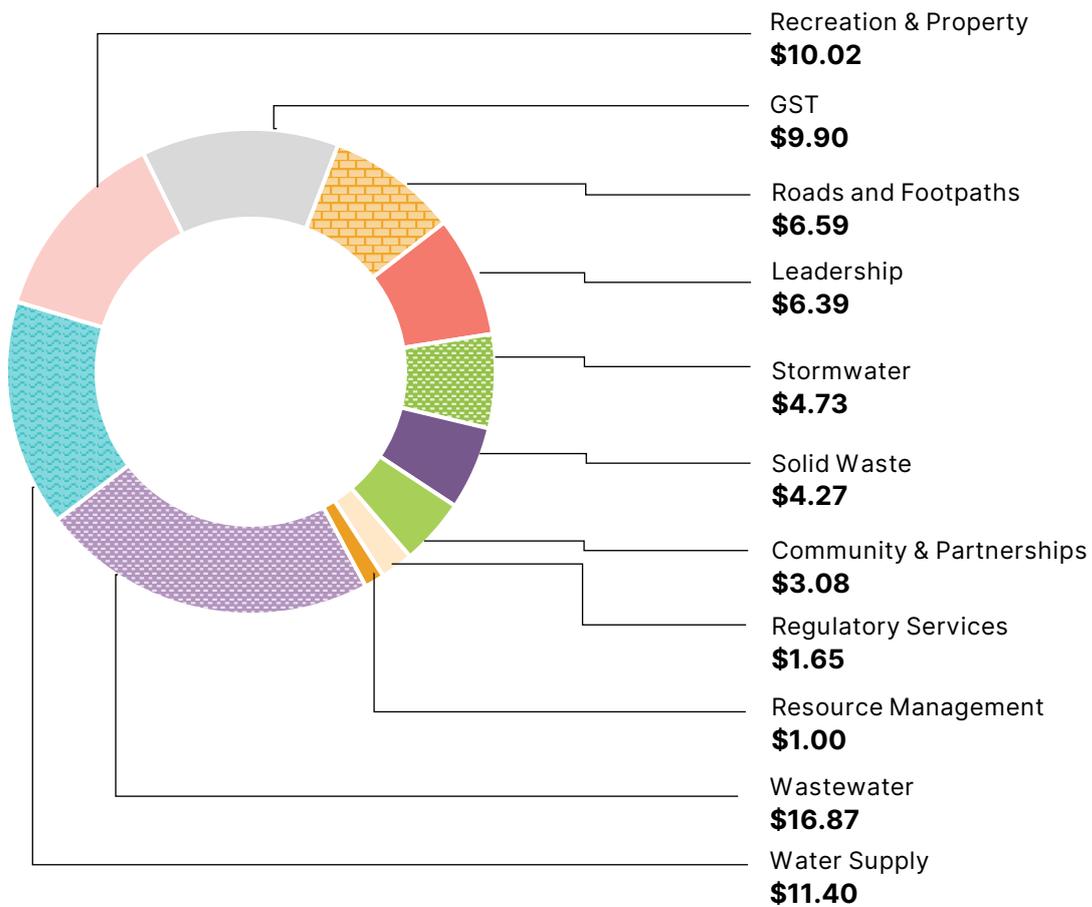
We will be collecting rates each year to cover the costs in our budget, pay back debt and store some away for future renewals (depreciation).

It means a change to your rates annually.

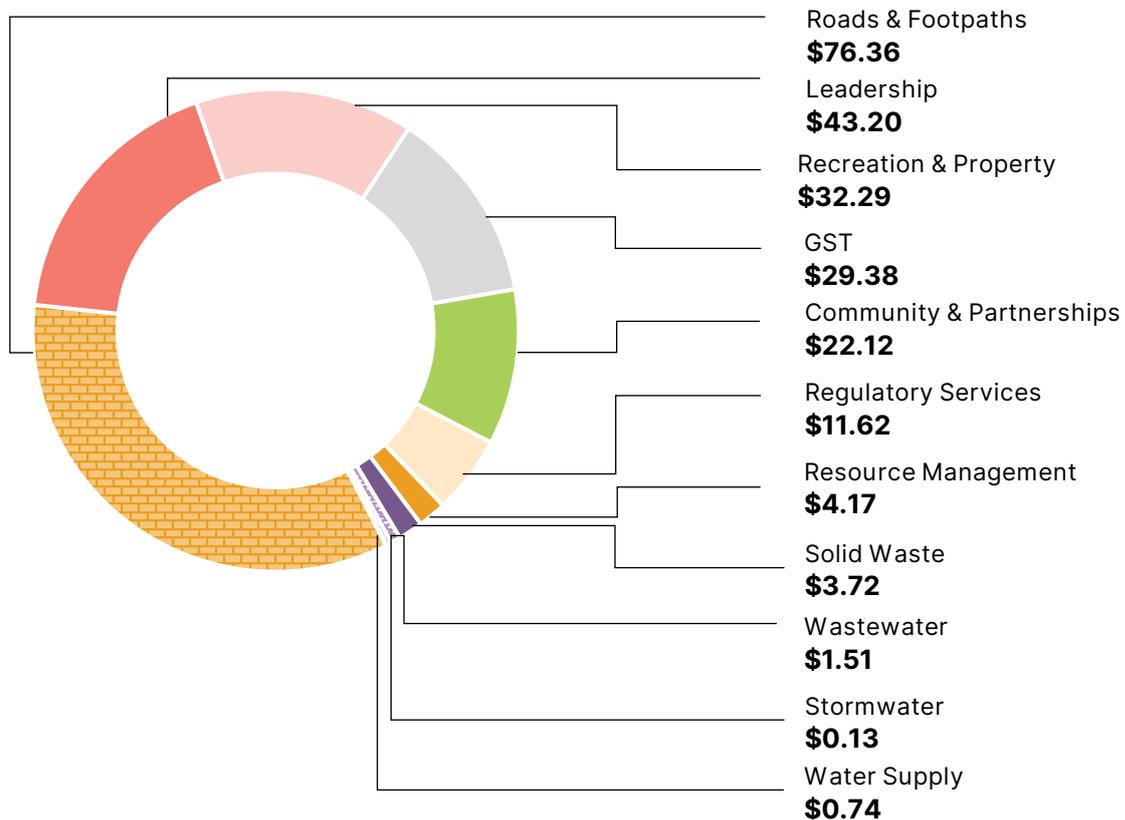
Rates Requirements & Revenue Changes 2021–2031



Te Kuiti residential property with CV of \$270,000 paying \$75.90 per week



Rural Drystock Property with a CV of \$3.1m paying \$225.24 per week



NGĀ RATONGA A TE KAUNIHERA

SERVICES WE PROVIDE



In the following pages we look at the 10 services areas that contribute to the delivery of our community outcomes.

We outline what we do, our plans, what you can expect from us, how much it will cost and show how we will measure our progress.

Note:

the targets included in the tables have been endorsed by Council.

The use of survey results is inherently at risk of low response rates, unintentionally unrepresentative sampling or inappropriate question setting. The surveys used in this Statement of Service Performance have been developed over a number of years and they are independently run.

LEADERSHIP

WHAT WE DO AND WHY

Our Activities:

- Representation
- Strategy and Engagement
- Investments
- Emergency Management

In carrying out this activity we enable, promote, and support local democracy by providing governance advice and democratic services to elected members, the public and staff.

We support public engagement with the mayor, councillors and with our democratic processes. This includes facilitating local government elections, by-elections, council and committee meetings and official information requests. This activity also includes providing induction, training and administration support for the mayor and councillors, as well as civic functions.

This activity involves research, analysis, and policy development, and provides advice to support development of the District. We focus on strategies, plans, policy, and bylaws to address the top issues facing our community. We also coordinate and undertake community engagement and consultation on a variety of issues.

We provide leadership to Council's investment portfolio which oversees the investment in Waikato Local Authority Shared Services, Civic Financial Services Ltd, Inframax Construction Ltd and Council owned quarries.

The range of emergencies that occur in New Zealand are mostly related to flooding or earthquakes and in more recent times the COVID-19 Pandemic. Council must not only react to the immediate emergency to counteract the immediate effect of any disaster, but also must manage the medium and long-term recoveries in the District to help residents live their lives as normally as possible after an emergency. Through emergency management we work to help the community be resilient and ready to deal with an emergency. We also support the Waikato Region Civil Defence and Emergency Management Group.

CONTRIBUTION TO COMMUNITY OUTCOMES

PRIMARY

A district that works with you



We work with you to collectively focus on the right things at the right time for the greater benefit of the District.

SECONDARY

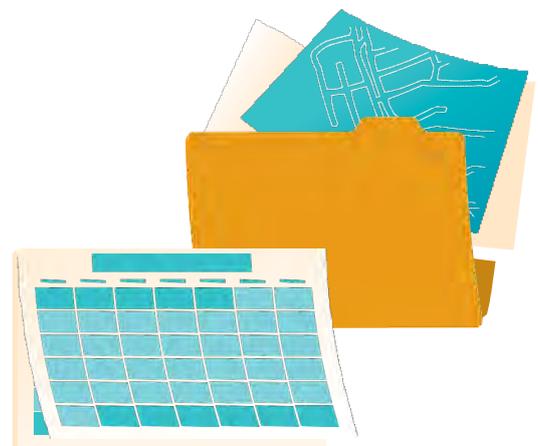
A district for people



We welcome all to a district that is accessible safe, affordable, and inclusive. We promote health, wellbeing, and participation.

LOOKING AHEAD

- Conduct the Triennial Local Government elections every three years beginning October 2022.
- Draft, consult and adopt Annual Plans in interim years of the 10 Year Plan.
- Prepare Annual Reports for each year demonstrating performance against the plans set in the 10 Year Plan.
- Draft, consult and adopt the 10 Year Plan 2024 – 34 (10YP).



We provide and promote governance processes that are robust and transparent for our community.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|--------------------------|-----------------|-----------------|-----------------|--------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The percentage of Council agendas that are publicly available two working days or more before the meeting. | New measure | 100% | 100% | 100% | 100% |

We communicate effectively with our community.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|--|-----------------|-----------------|-----------------|--------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Percentage of residents satisfied with the effectiveness and usefulness of Council communications. | Target: ≥ 90% Result: 87% Not achieved | ≥ 90% | ≥ 90% | ≥ 90% | ≥ 90% |

We support emergency preparedness through community based emergency management

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|--------------------------|---------------------|------------------|------------------|------------------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The evaluation of annual exercise as a measure of effectiveness of training. | New measure | Baseline assessment | Increasing trend | Increasing trend | Greater than 60% (advancing) |

SIGNIFICANT NEGATIVE EFFECTS

| Effect | Mitigation |
|--|---|
| It is possible that decisions made for the community have a negative impact on the wellbeing of some individuals and groups within the district. | Council tries to ensure that it adequately weighs up the competing demands of the different interest groups and makes decisions that will be in the best interest of the District as a whole. |



PROSPECTIVE FUNDING IMPACT STATEMENT | LEADERSHIP

| \$000's | Adjusted EAP 20/21 | 10YP Yr1 21/22 | 10YP Yr2 22/23 | 10YP Yr3 23/24 | 10YP Yr4 24/25 | 10YP Yr5 25/26 | 10YP Yr6 26/27 | 10YP Yr7 27/28 | 10YP Yr8 28/29 | 10YP Yr9 29/30 | 10YP Yr10 30/31 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 2,892 | 3,365 | 3,517 | 3,712 | 3,068 | 3,215 | 3,334 | 3,290 | 3,380 | 3,570 | 3,447 |
| Targeted rates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 0 | 0 | 20 | 20 | 22 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees and charges | 76 | 76 | 78 | 80 | 82 | 84 | 86 | 88 | 91 | 93 | 96 |
| Internal charges and overheads recovered | 19,616 | 20,517 | 21,090 | 21,683 | 22,358 | 22,787 | 23,262 | 23,454 | 23,811 | 24,360 | 24,536 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 15 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Total operating funding (A) | 22,599 | 23,967 | 24,714 | 25,504 | 25,539 | 26,095 | 26,691 | 26,841 | 27,291 | 28,032 | 28,088 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 9,831 | 10,325 | 10,475 | 10,759 | 10,547 | 10,838 | 11,357 | 11,236 | 11,533 | 12,168 | 12,019 |
| Finance costs | 1,411 | 1,103 | 1,100 | 1,088 | 1,369 | 1,277 | 1,203 | 1,102 | 965 | 828 | 691 |
| Internal charges and overheads applied | 10,819 | 12,012 | 12,475 | 12,964 | 12,696 | 13,001 | 13,319 | 13,500 | 13,789 | 14,186 | 14,385 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 22,061 | 23,440 | 24,050 | 24,811 | 24,612 | 25,116 | 25,879 | 25,838 | 26,287 | 27,182 | 27,095 |
| Surplus (deficit) of operating funding (A-B) | 538 | 527 | 664 | 693 | 927 | 979 | 812 | 1,003 | 1,004 | 850 | 993 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 42 | 0 | 41 | 42 | 43 | 44 | 45 | 47 | 48 | 49 | 50 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | 42 | 0 | 41 | 42 | 43 | 44 | 45 | 47 | 48 | 49 | 50 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 20 | 28 | 113 | 5 | 3 | 6 | 6 | 6 | 6 | 6 | 6 |
| Capital expenditure - to replace existing assets | 703 | 588 | 662 | 847 | 682 | 691 | 815 | 675 | 752 | 773 | 788 |
| Increase (decrease) in reserves | (143) | (89) | (70) | (117) | 285 | 326 | 36 | 369 | 294 | 120 | 249 |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 580 | 527 | 705 | 735 | 970 | 1,023 | 857 | 1,050 | 1,052 | 899 | 1,043 |
| Surplus (deficit) of capital funding (C-D) | (538) | (527) | (664) | (693) | (927) | (979) | (812) | (1,003) | (1,004) | (850) | (993) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

COMMUNITY AND PARTNERSHIPS

WHAT WE DO AND WHY

Our Activities:

- Community Development
- District Promotion
- Economic Development

Supporting our community to be increasingly more connected, resilient and to develop and express themselves in ways that help build their identity is fundamental to a thriving community.

The Community Development activity supports the wellbeing of our communities. This is done by enabling local organisations and private providers to deliver a variety of community-based services and activities to meet the needs of our community. This includes providing grants to community groups through the Community and Partnerships Fund Policy.

We work in collaboration with a range of community partners via the Vibrant Safe Waitomo framework. Vibrant Safe Waitomo is a community led collaboration that provides leadership and direction, with everyone working in partnership to create a safer community for all. We strive for, and want:

- A safe place for our tamariki to be nurtured, our rangatahi to grow and our whanau to thrive.
- A place where business prospers, and enterprise is encouraged.
- A place where social, cultural and recreational opportunities abound.

Our youth are our future and we will continue to support the Waitomo District Youth Council in their role to promote youth leadership, sound social responsibility and positive action for youth within the District.

Sport, active recreation, physical activity, and play have a crucial role in building communities that are healthy, connected and vibrant. It provides people with opportunities to improve their physical health while also creating a sense of community and connection that helps improve mental, social, and emotional health. We work in partnership with Sport Waikato for the delivery of programmes and services that support access to sport, recreation and physical activity opportunities within the Waitomo district.

We manage the District i-SITE to provide residents and visitors to the District access to quality, up to date information and booking services for activities, attractions, accommodation and events. We also have a partnership arrangement in place with the Regional Tourism Organisation, Hamilton and Waikato Tourism Limited to promote our District.

We also support Regional and Economic Development opportunities and outcomes, specifically through a partnership arrangement with Te Waka, the Regional Economic Development Agency.

CONTRIBUTION TO COMMUNITY OUTCOMES

PRIMARY

A DISTRICT FOR PEOPLE



We welcome all to a district that is accessible safe, affordable, and inclusive. We promote health, wellbeing, and participation.

PRIMARY

A PROSPEROUS DISTRICT



We will continue to enable a thriving and sustainable economy.

SECONDARY

A DISTRICT THAT WORKS WITH YOU



We work with you collectively, focus on the right things at the right time for the greater benefit of the District.

LOOKING AHEAD

- We will continue to work closely with our Regional Coalition Partners in the delivery of activities and projects outlined in the Vibrant Safe Waitomo Strategy Action Plans.
- Enabling communities to achieve their own visions in their own way is key to growing a vibrant District. We are focusing on making sure that individuals and groups have access across the District to a wide range of community support and services that help them in their development. We want these services to be responsive to how the

community and service users want to use them. Our community grants are structured in a way to support our communities.

- We are investing with a range of partners in the delivery of some of our district promotion and economic development programmes in addition to investigating the development of a Marketing Strategy for the District.

- We will continue to support our rangatahi through our Youth Council and Youth Liaison programmes of work.
- We will continue to promote and support an active and healthy community in partnership with Sport Waikato by enabling delivery of the Waitomo District Play, Active Recreation and Sport Plan.

WHAT YOU CAN EXPECT FROM US

We provide funding for community assistance and activities that contribute to community outcomes.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--|--------------|--------------|--------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Contestable grant funding is disseminated through a robust process. | Target: percentage of grants funding available is disseminated New measure | 75% | 80% | 80% | 85% |

We will encourage and support sustainable economic development and promotional opportunities within the District.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|---|--------------|--------------|--------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Involvement in economic development initiatives and promotional opportunities. | Target: ≥5 (initiatives or promotional opportunities) New measure | ≥5 | ≥5 | ≥5 | ≥5 |

We will support the positive development of youth initiatives within the District.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--|--------------|--------------|--------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Council supports the delivery of youth related projects by the Youth Council. | Target: 2 Result: 2 Achieved | 2 | 2 | 2 | 2 |

SIGNIFICANT NEGATIVE EFFECTS

| Effect | Mitigation |
|--|--|
| Potential for groups to become reliant on Council funding support. | Encourage community groups to apply for funding from multiple sources. |
| Insufficient funding support could limit the support to community led initiatives. | |

PROSPECTIVE FUNDING IMPACT STATEMENT | COMMUNITY AND PARTNERSHIPS

| \$000's | Adjusted EAP 20/21 | 10YP Yr1 21/22 | 10YP Yr2 22/23 | 10YP Yr3 23/24 | 10YP Yr4 24/25 | 10YP Yr5 25/26 | 10YP Yr6 26/27 | 10YP Yr7 27/28 | 10YP Yr8 28/29 | 10YP Yr9 29/30 | 10YP Yr10 30/31 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 1,493 | 1,405 | 1,426 | 1,455 | 1,500 | 1,522 | 1,545 | 1,558 | 1,577 | 1,605 | 1,616 |
| Targeted rates | 360 | 312 | 317 | 326 | 341 | 348 | 354 | 359 | 364 | 372 | 375 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees and charges | 32 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total operating funding (A) | 1,887 | 1,721 | 1,747 | 1,785 | 1,845 | 1,874 | 1,903 | 1,921 | 1,945 | 1,981 | 1,995 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 2,109 | 953 | 965 | 976 | 998 | 1,009 | 1,020 | 1,033 | 1,044 | 1,059 | 1,071 |
| Finance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal charges and overheads applied | 765 | 716 | 731 | 759 | 797 | 815 | 833 | 838 | 851 | 872 | 874 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 2,874 | 1,669 | 1,696 | 1,735 | 1,795 | 1,824 | 1,853 | 1,871 | 1,895 | 1,931 | 1,945 |
| Surplus (deficit) of operating funding (A-B) | (987) | 52 | 51 | 50 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 995 | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | 995 | (50) |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to replace existing assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in reserves | 8 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 8 | 2 | 1 | 0 |
| Surplus (deficit) of capital funding (C-D) | 987 | (52) | (51) | (50) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

RECREATION AND PROPERTY

WHAT WE DO AND WHY

Our Activities:

- Parks and Recreation
- Housing and Property
- Community Facilities
- Public Facilities

The District has a range of recreation facilities and open green spaces for the community to enjoy. We provide and maintain 421.31 hectares in the District. These areas include recreation facilities such as playgrounds, play spaces (i.e., skate parks), natural areas, open spaces, and community amenities such as public toilets and furniture.

We provide and maintain cemeteries. As part of this management, we make burial records available to the public.

We provide a swimming pool in the District, which is dedicated to promoting health and recreation through swimming and water related activities. We also provide the District library which promotes literacy, including an online e-book collection. Services and programmes include provision of books and other materials in a range of formats.

We own facilities that may be booked and used by local organisations, private providers and communities.

We acknowledge that we have an ageing population in the District and therefore ensure that we provide some elder persons housing.

CONTRIBUTION TO COMMUNITY OUTCOMES

PRIMARY

A DISTRICT FOR PEOPLE



We welcome all to a district that is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.

SECONDARY

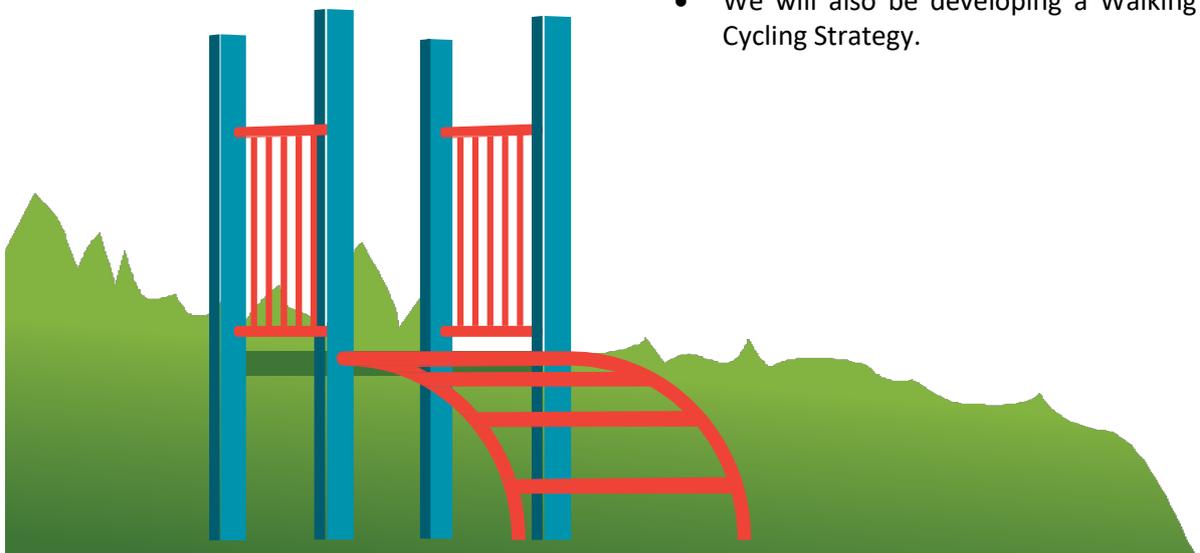
A DISTRICT THAT CARES FOR ITS ENVIRONMENT



We plan for the wise use and management of all land and resources, now and for future generations.

LOOKING AHEAD

- The focus of our recreation and parks activity is to make sure our communities have good access to well-maintained parks, open spaces, and recreation facilities wherever they are in the District.
- We are planning to undertake a number of improvement and maintenance works over the period of this plan including investigating options for holiday parks, improving playgrounds, renewals, and upgrades of some of our public facilities and amenities, such as the public library, the Aquatic Centre and Les Munro Centre.
- We will also be developing a Walking and Cycling Strategy.



WHAT YOU CAN EXPECT FROM US

We provide parks and open spaces across our district.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|-----------------------|--------------------|---|---|---|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Percentage of residents satisfied with our parks and open spaces. | New measure | Establish baseline | Maintain or increase from the previous rating | Maintain or increase from the previous rating | Maintain or increase from the previous rating |

We provide pools and community facilities that are compliant with legislative standards.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|--------------|--------------|--------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Current Building Warrant of Fitness (BWOFF) for facilities with compliance schedules. | Target: Achieve Result: Achieved | Achieve | Achieve | Achieve | Achieve |

We provide a comprehensive library facility for our community.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|--------------|--------------|--------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Percentage of residents satisfied with the quality of the library facility and service. | Target: ≥ 85% Result: 97% Achieved | ≥ 85% | ≥ 85% | ≥ 85% | ≥ 85% |

We provide public toilets for our community and visitors to the Waitomo district.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|--------------|--------------|--------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Percentage of residents satisfied with the quality of public toilets. | Target: ≥ 85% Result: 93% Achieved | ≥ 85% | ≥ 85% | ≥ 85% | ≥ 85% |

SIGNIFICANT NEGATIVE EFFECTS

| Effect | Mitigation |
|--|--|
| Legislative constraints through the Public Works Act (1977) can limit Council's ability to move quickly to maximise market opportunities during land dealings. | The relevant activity management plan provides the mechanism for forecasting future requirements ahead of need. |
| Discharge of chemicals for swimming pool water – impact on the environment. | Procedure and infrastructure in place to neutralise and safely dispose of potential contaminants. |
| Noise of the activity e.g., Aerodrome. | Facilities have been located in appropriate planning zones. E.g., the airport is located in the rural zone, with sufficient buffer distance from the main population of Te Kuiti, is compatible with the nature of the operation and is protected by a designation in Council's District Plan. |
| Potential pollution from burial grounds. | Potential adverse effects from cemeteries are mitigated by locating cemeteries with sufficient separation distance from waterways and protecting the location and land use through an appropriate designation in Council's operative District Plan. |

PROSPECTIVE FUNDING IMPACT STATEMENT | RECREATION AND PROPERTY

| \$000's | Adjusted EAP 20/21 | 10YP Yr1 21/22 | 10YP Yr2 22/23 | 10YP Yr3 23/24 | 10YP Yr4 24/25 | 10YP Yr5 25/26 | 10YP Yr6 26/27 | 10YP Yr7 27/28 | 10YP Yr8 28/29 | 10YP Yr9 29/30 | 10YP Yr10 30/31 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 3,415 | 3,195 | 3,123 | 3,187 | 3,314 | 3,385 | 3,461 | 3,532 | 3,606 | 3,679 | 3,729 |
| Targeted rates | 287 | 269 | 270 | 273 | 285 | 291 | 298 | 303 | 310 | 319 | 324 |
| Subsidies and grants for operating purposes | 27 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Fees and charges | 547 | 504 | 535 | 566 | 592 | 617 | 632 | 647 | 664 | 681 | 698 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 |
| Total operating funding (A) | 4,279 | 3,972 | 3,932 | 4,030 | 4,195 | 4,297 | 4,395 | 4,487 | 4,586 | 4,685 | 4,757 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 1,662 | 1,312 | 1,229 | 1,269 | 1,281 | 1,312 | 1,343 | 1,376 | 1,411 | 1,448 | 1,484 |
| Finance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal charges and overheads applied | 1,865 | 1,784 | 1,830 | 1,893 | 2,009 | 2,044 | 2,081 | 2,102 | 2,136 | 2,183 | 2,206 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 3,527 | 3,096 | 3,059 | 3,162 | 3,290 | 3,356 | 3,424 | 3,478 | 3,547 | 3,631 | 3,690 |
| Surplus (deficit) of operating funding (A-B) | 752 | 876 | 873 | 868 | 905 | 941 | 971 | 1,009 | 1,039 | 1,054 | 1,067 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 247 | 25 | (228) | (123) | (246) | (259) | (268) | (276) | (288) | (277) | (196) |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | 247 | 25 | (228) | (123) | (246) | (259) | (268) | (276) | (288) | (277) | (196) |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 235 | 289 | 112 | 115 | 134 | 65 | 67 | 68 | 70 | 72 | 74 |
| Capital expenditure - to replace existing assets | 552 | 453 | 223 | 276 | 232 | 238 | 243 | 248 | 255 | 260 | 267 |
| Increase (decrease) in reserves | 212 | 159 | 310 | 354 | 293 | 379 | 393 | 417 | 426 | 445 | 530 |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 999 | 901 | 645 | 745 | 659 | 682 | 703 | 733 | 751 | 777 | 871 |
| Surplus (deficit) of capital funding (C-D) | (752) | (876) | (873) | (868) | (905) | (941) | (971) | (1,009) | (1,039) | (1,054) | (1,067) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

REGULATORY SERVICES

WHAT WE DO AND WHY

Our Activities:

- Building Services
- Alcohol Licensing
- Environmental Health
- Bylaw Administration
- Animal and Dog Control

We undertake many activities that contribute to keeping our community safe (wellbeing) and help to make Waitomo District a safe place to be.

Our regulatory activities are governed and directed by national legislation, regional and local policies, and bylaws.

Building Services - responsible for processing and monitoring building consents and issuing Code of Compliance Certificates pursuant to the Building Act. This activity also covers the monitoring and enforcement of earthquake-prone building requirements, and swimming pools.

Alcohol Licensing - responsible for administering the Sale and Supply of Alcohol Act 2012 at a local level by way of the Waitomo District Licensing Committee on behalf of the Alcohol Regulatory and Licensing Authority, which encourages the responsible sale and use of alcohol through licensing, monitoring of premises and enforcement of the Act.

Environmental Health - provides a range of services to ensure food outlets maintain high food safety standards, and that noise and nuisance complaints, hazardous substances and contaminated sites are all managed.

Bylaw Administration – involves managing a range of bylaws to allow Council to manage issues associated with community nuisance, protect public health and manage Council's assets.

Animal and Dog Control - delivers animal control services in the areas of dog registration,

complaint response, wandering stock, and general animal control, as required by the Dog Control Act 1996, Impounding Act 1955 and Council's Dog Control Policy and Bylaw. This is achieved through active enforcement of requirements and via the education of dog owners and the general public.

CONTRIBUTION TO COMMUNITY OUTCOMES

PRIMARY

A DISTRICT FOR PEOPLE



We welcome all to a district that is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.

SECONDARY

A DISTRICT THAT WORKS WITH YOU



We work with you collectively, to focus on the right things at the right time for the greater benefit of the District.

SECONDARY

A PROSPEROUS DISTRICT



We will continue to enable a thriving and sustainable economy.

LOOKING AHEAD

- We will continue to undertake regulatory services as required by legislation.
- We will continue to monitor the various legislative review processes, with significant changes considered and responded to as part of future annual and ten-year plans.



WHAT YOU CAN EXPECT FROM US

Building Consents are processed in a timely fashion.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--------------------------|-----------------|-----------------|-----------------|--------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| All building consents are processed within 20 working days. | Achieved | Achieve | Achieve | Achieve | Achieve |

We ensure the public sale and supply of alcohol is undertaken safely and responsibly.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|--------------------------|-----------------|-----------------|-----------------|--------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| All premises that sell alcohol are licensed. | 100% | 100% | 100% | 100% | 100% |

We provide Land Information Memorandum Services (LIMs) efficiently.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--------------------------|-----------------|-----------------|-----------------|--------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| LIMs are processed within statutory timeframes. | 100% | 100% | 100% | 100% | 100% |

We process, inspect, and certify building work in the Waitomo District.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| WDC maintains building control systems and process to meet IANZ Audit requirements. | Achieved | BCA accreditation maintained | BCA accreditation maintained | BCA accreditation maintained | BCA accreditation maintained |

We provide an effective Animal Control service.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|-----------------|-----------------|-----------------|--------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Percentage of residents satisfied with the provision of the Animal Control service. | Target: ≥75% Result: 86% Achieved | ≥75% | ≥75% | ≥75% | ≥75% |

SIGNIFICANT NEGATIVE EFFECTS

| Effect | Mitigation |
|--------|------------|
|--------|------------|

Legislation, Bylaws and Policies may be seen by some members of the Community as restrictive.

Council endeavours to resolve enforcement issues by utilising the minimum enforcement necessary to achieve the required outcome where possible.

PROSPECTIVE FUNDING IMPACT STATEMENT | REGULATORY SERVICES

| \$000's | Adjusted EAP 20/21 | 10YP Yr1 21/22 | 10YP Yr2 22/23 | 10YP Yr3 23/24 | 10YP Yr4 24/25 | 10YP Yr5 25/26 | 10YP Yr6 26/27 | 10YP Yr7 27/28 | 10YP Yr8 28/29 | 10YP Yr9 29/30 | 10YP Yr10 30/31 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 780 | 825 | 893 | 966 | 1,005 | 1,060 | 1,049 | 1,103 | 1,083 | 1,147 | 1,131 |
| Targeted rates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees and charges | 450 | 431 | 447 | 457 | 472 | 481 | 494 | 504 | 521 | 532 | 543 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 15 | 23 | 24 | 24 | 25 | 25 | 26 | 26 | 27 | 28 | 28 |
| Total operating funding (A) | 1,245 | 1,279 | 1,364 | 1,447 | 1,502 | 1,566 | 1,569 | 1,633 | 1,631 | 1,707 | 1,702 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 309 | 320 | 333 | 370 | 349 | 385 | 364 | 406 | 380 | 425 | 397 |
| Finance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal charges and overheads applied | 929 | 952 | 978 | 1,112 | 1,142 | 1,170 | 1,193 | 1,215 | 1,237 | 1,268 | 1,290 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 1,238 | 1,272 | 1,311 | 1,482 | 1,491 | 1,555 | 1,557 | 1,621 | 1,617 | 1,693 | 1,687 |
| Surplus (deficit) of operating funding (A-B) | 7 | 7 | 53 | (35) | 11 | 11 | 12 | 12 | 14 | 14 | 15 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | 0 | 0 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to replace existing assets | 0 | 10 | 10 | 10 | 11 | 11 | 11 | 11 | 12 | 12 | 12 |
| Increase (decrease) in reserves | 6 | (4) | 42 | (46) | (1) | (1) | 0 | 0 | 1 | 2 | 3 |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 6 | 6 | 52 | (36) | 10 | 10 | 11 | 11 | 13 | 14 | 15 |
| Surplus (deficit) of capital funding (C-D) | (7) | (7) | (53) | 35 | (11) | (11) | (12) | (12) | (14) | (14) | (15) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

RESOURCE MANAGEMENT

WHAT WE DO AND WHY

Our Activities:

- District Planning
- District Plan Administration

The District Planning activity involves setting the direction, form, and shape of our urban and rural communities to ensure growth and development is sustainably managed, while protecting our cultural and historic heritage, outstanding landscapes, and significant natural features. We also undertake District Plan reviews when required. We cover planning functions under the Resource Management Act 1991, including the processing, issuing, and monitoring of resource consents, designations, and other application types. This activity also includes monitoring compliance with the Waitomo District Plan and the Resource Management Act 1991.

CONTRIBUTION TO COMMUNITY OUTCOMES

PRIMARY **A DISTRICT THAT CARES FOR ITS ENVIRONMENT**



We plan for the wise use and management of all land and resources, now and for future generations.

SECONDARY **A DISTRICT FOR PEOPLE**



We welcome all to a district that is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.

SECONDARY **A PROSPEROUS DISTRICT**



We will continue to enable a thriving and sustainable economy.

LOOKING AHEAD

The single biggest project being undertaken within this Group is the review of the Waitomo District Plan. During this 10 Year Plan, a Proposed District Plan will be notified, and the District Plan Review will be completed.

It is anticipated that the District Plan Administration functions undertaken within this activity will remain relatively static over the term of this 10 Year Plan. However, central government is reforming the resource management system, and this will need to be addressed in the 10 Year Plan 2024-34 (10YP).



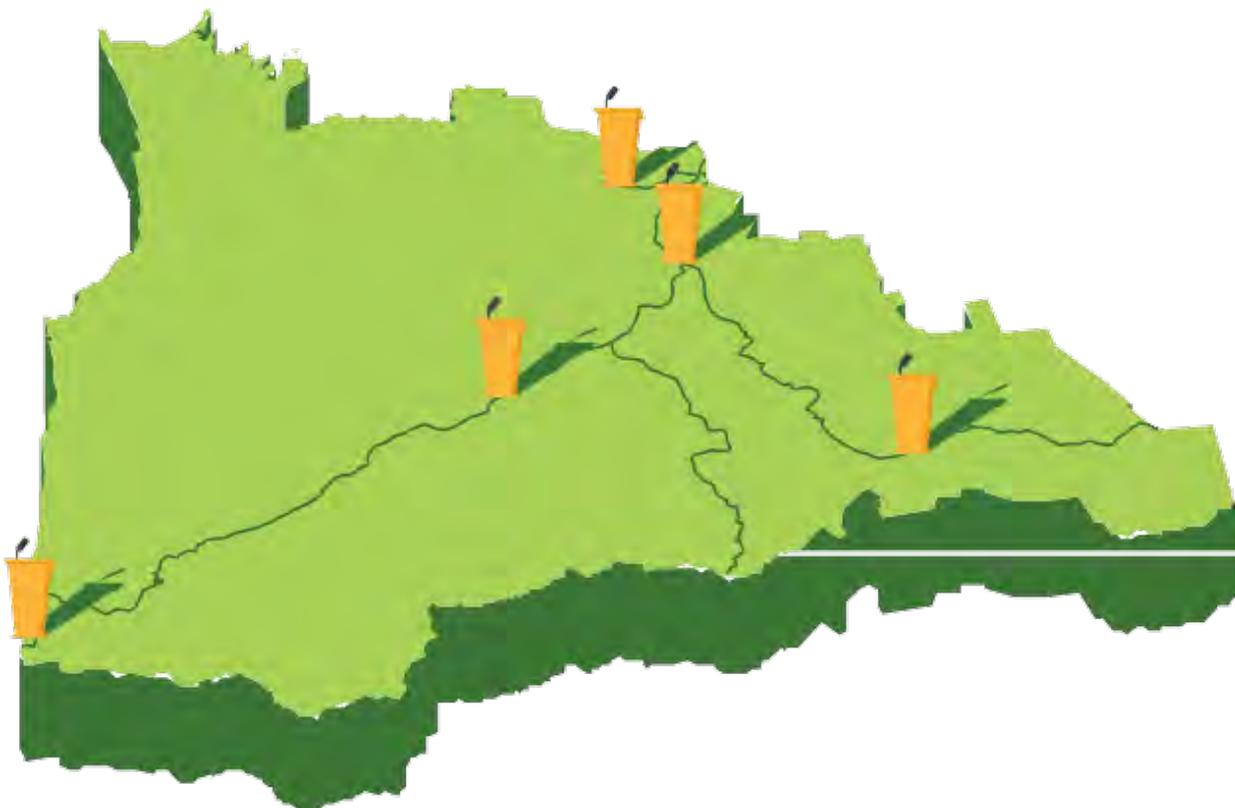
WHAT YOU CAN EXPECT FROM US

Resource Consents are processed in accordance with legislation.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--|-----------------|-----------------|-----------------|--------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| All non-notified resource consents are processed within statutory timeframes. | Target: Achieve Result: 100% | Achieve | Achieve | Achieve | Achieve |

SIGNIFICANT NEGATIVE EFFECTS

| Effect | Mitigation |
|---|--|
| Customers may have unreasonable expectations on levels of service provided, or cost of compliance with regulatory requirements. | Council will have adequate staff resources and where required resource management consultants will be engaged to meet additional resourcing demands. |
| Central Government could introduce additional legislative requirements which impose a further regulatory burden on Council. | Council endeavours to minimise costs by having effective and efficient systems and processes in place. |
| The conditions of resource consents approved may not be adhered to, leading to adverse environmental effects. | Council has a programme for the regular monitoring of resource consents. |
| The time taken to process resource consent and other applications may be considered excessive by applicants. | Council meets the timelines required by legislation. Processes are reviewed for continuous improvement opportunities. |



PROSPECTIVE FUNDING IMPACT STATEMENT | RESOURCE MANAGEMENT

| \$000's | Adjusted EAP 20/21 | 10YP Yr1 21/22 | 10YP Yr2 22/23 | 10YP Yr3 23/24 | 10YP Yr4 24/25 | 10YP Yr5 25/26 | 10YP Yr6 26/27 | 10YP Yr7 27/28 | 10YP Yr8 28/29 | 10YP Yr9 29/30 | 10YP Yr10 30/31 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 376 | 397 | 515 | 615 | 664 | 668 | 673 | 675 | 679 | 686 | 691 |
| Targeted rates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees and charges | 165 | 180 | 185 | 189 | 193 | 197 | 202 | 206 | 211 | 215 | 220 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total operating funding (A) | 541 | 577 | 700 | 804 | 857 | 865 | 875 | 881 | 890 | 901 | 911 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 892 | 1,052 | 340 | 217 | 195 | 200 | 205 | 209 | 213 | 217 | 222 |
| Finance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal charges and overheads applied | 675 | 664 | 700 | 437 | 397 | 395 | 395 | 392 | 391 | 392 | 391 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 1,567 | 1,716 | 1,040 | 654 | 592 | 595 | 600 | 601 | 604 | 609 | 613 |
| Surplus (deficit) of operating funding (A-B) | (1,026) | (1,139) | (340) | 150 | 265 | 270 | 275 | 280 | 286 | 292 | 298 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 1,026 | 1,139 | 340 | (150) | (265) | (270) | (275) | (280) | (286) | (292) | (298) |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | 1,026 | 1,139 | 340 | (150) | (265) | (270) | (275) | (280) | (286) | (292) | (298) |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to replace existing assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Surplus (deficit) of capital funding (C-D) | 1,026 | 1,139 | 340 | (150) | (265) | (270) | (275) | (280) | (286) | (292) | (298) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

SOLID WASTE

WHAT WE DO

Our Activities:

- Kerbside Collection
- Waste Disposal
- Waste Minimisation

We are responsible for the kerbside collection and safe management of domestic rubbish, and recycling. Weekly rubbish and recycling collections are provided to the residents of Te Kuiti, Piopio, Awakino, Mokau and Waitomo Village area.

We operate a landfill at Te Kuiti and waste transfer stations are provided at the communities of Maniaiti/Benneydale, Piopio, Marokopa, Kinohaku and Mokau/Awakino.

We work hard to minimise waste and to encourage more recycling and reuse through education programmes and promoting waste minimisation. Effective and efficient waste minimisation is a requirement of all councils under a range of legislation.

CONTRIBUTION TO COMMUNITY OUTCOMES

PRIMARY

A DISTRICT THAT CARES FOR ITS ENVIRONMENT



We plan for the wise use and management of all land and resources, now and for future generations

SECONDARY

A PROSPEROUS DISTRICT



We will continue to enable a thriving and sustainable economy.

LOOKING AHEAD

- We will be continuing to implement our Waste Minimisation and Management Plan which will include waste minimisation education and accessing relevant grants. We will also commence the review of our Waste Minimisation and Management Plan during this 10 Year Plan.
- A significant focus will be on continuing the cell development project at the Te Kuiti Landfill over the first four years of this Plan.



WHAT YOU CAN EXPECT FROM US

We will provide a reliable kerbside rubbish collection to stop rubbish becoming a health risk*

**services offered in Te Kuiti, Waitomo Village, Piopio and Mokau*

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--------------------------|-----------------|-----------------|-----------------|--------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| There are no more than 10 justifiable complaints per week about uncollected kerbside rubbish. | New measure | <10 per week | <10 per week | <10 per week | <10 per week |

We provide reliable safe solid waste facilities within the District.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|--------------------------|--------------------|---|---|---|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Percentage of users that are satisfied with the rural transfer service stations. | New measure | Establish baseline | Maintain or increase from the previous rating | Maintain or increase from the previous rating | Maintain or increase from the previous rating |

SIGNIFICANT NEGATIVE EFFECTS

| Effect | Mitigation |
|---|--|
| Public health impacts are increased in the absence of a well-managed and accessible waste collection and disposal system. | Maintain and improve public health and well-being by providing access to essential waste management services and facilities. |
| User charges can be a disincentive to responsible social behaviour, leading to fly-tipping. | Waste reduction promoted by various education programmes. |
| High volumes of waste disposal reduces the life of landfills and minimises opportunity for resource recovery. | Good planning and design contribute to maximum resource recovery and minimises the impact of waste disposal on the environment energy resources. |
| Cost of compliance with applicable standards. | Provide an effective and efficient collection and disposal service for residual solid wastes. |
| Malodour from landfill can impact on quality of life and amenity. | Daily processing and covering of landfill waste. |
| Leachate from landfills and transfer stations sewers has the potential for negative impact on the environment. | Leachate collections systems installed. |
| Additional costs of Emissions Trading Scheme will impact on viability of district landfill. | Through waste reduction to the landfill promoted by various education programmes and ensuring that the increased cost is transferred to the user (user pay principle). |

PROSPECTIVE FUNDING IMPACT STATEMENT | SOLID WASTE

| \$000's | Adjusted EAP 20/21 | 10YP Yr1 21/22 | 10YP Yr2 22/23 | 10YP Yr3 23/24 | 10YP Yr4 24/25 | 10YP Yr5 25/26 | 10YP Yr6 26/27 | 10YP Yr7 27/28 | 10YP Yr8 28/29 | 10YP Yr9 29/30 | 10YP Yr10 30/31 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 38 | 69 | 31 | 32 | 42 | 43 | 44 | 45 | 46 | 47 | 48 |
| Targeted rates | 840 | 1,075 | 924 | 898 | 1,039 | 1,099 | 1,099 | 1,112 | 1,142 | 1,129 | 1,159 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees and charges | 1,512 | 1,677 | 2,011 | 2,297 | 2,480 | 2,554 | 2,623 | 2,707 | 2,797 | 2,894 | 2,983 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 39 | 35 | 36 | 37 | 38 | 39 | 40 | 42 | 43 | 45 | 46 |
| Total operating funding (A) | 2,429 | 2,856 | 3,002 | 3,264 | 3,599 | 3,735 | 3,806 | 3,906 | 4,028 | 4,115 | 4,236 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 1,735 | 2,158 | 2,332 | 2,563 | 2,685 | 2,749 | 2,768 | 2,815 | 2,893 | 2,924 | 2,975 |
| Finance costs | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Internal charges and overheads applied | 605 | 602 | 613 | 635 | 777 | 790 | 791 | 788 | 785 | 788 | 787 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 2,355 | 2,775 | 2,960 | 3,213 | 3,477 | 3,554 | 3,574 | 3,618 | 3,693 | 3,727 | 3,777 |
| Surplus (deficit) of operating funding (A-B) | 74 | 81 | 42 | 51 | 122 | 181 | 232 | 288 | 335 | 388 | 459 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 567 | (207) | 228 | 175 | 213 | (406) | (449) | (476) | (447) | (364) | (368) |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | 567 | (207) | 228 | 175 | 213 | (406) | (449) | (476) | (447) | (364) | (368) |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 0 | 0 | 0 | 0 | 49 | 18 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to replace existing assets | 1,181 | 704 | 1,174 | 1,146 | 1,162 | 606 | 606 | 607 | 607 | 608 | 608 |
| Increase (decrease) in reserves | (540) | (830) | (904) | (920) | (876) | (849) | (823) | (795) | (719) | (584) | (517) |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 641 | (126) | 270 | 226 | 335 | (225) | (217) | (188) | (112) | 24 | 91 |
| Surplus (deficit) of capital funding (C-D) | (74) | (81) | (42) | (51) | (122) | (181) | (232) | (288) | (335) | (388) | (459) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

STORMWATER

WHAT WE DO AND WHY

Our Activities:

- Stormwater Network

We provide the collection, diversion and disposal of surface water runoff following rainfall.

The stormwater network covers the urban stormwater infrastructure, which includes the associated reticulation network, treatment processes and disposal systems.

The majority of Council's stormwater infrastructure is located at Te Kuiti with limited infrastructure available at our rural townships. Rural area coverage includes Maniaiti/Benneydale, Piopio, Mokau, Awakino, Marokopa and Te Waitere.

To meet our obligations to minimise the effects of stormwater on the environment, we regularly maintain and check the stormwater network.

Investment in infrastructure has been made to improve public safety of manholes and outlets.

CONTRIBUTION TO COMMUNITY OUTCOMES

PRIMARY A DISTRICT FOR PEOPLE



We welcome all to a district that is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.

SECONDARY A DISTRICT THAT CARES FOR ITS ENVIRONMENT



We plan for the wise use and management of all land and resources, now and for future generations.

LOOKING AHEAD

Through our comprehensive asset management planning, we will be working towards maintaining the resilience, sustainability and compliance of the stormwater network over the next ten years.

We will be putting forward an application to renew our comprehensive stormwater consent in 2024, which is likely to require more stringent reporting and compliance.

We anticipate that we will need to comply with increased legislative and regulatory requirements in terms of our existing assets.

To meet these requirements, we will focus on our asset and catchment planning.

WHAT YOU CAN EXPECT FROM US

We maintain and operate the stormwater network in a way that minimises the likelihood of stormwater entering habitable buildings.

**flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. Habitable floor refers to the floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.*

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The number of flooding events* that occur in the district in a financial year. | Target: 0 Result: 0 Achieved | 0 | 0 | 0 | 0 |
| For each flooding event* the number of habitable floors affected in a financial year. | Target: ≤ 1 per 1,000 properties Result: 0 Achieved | ≤ 1 per 1,000 properties |

We comply with our resource consent conditions and minimise the impact of stormwater on the environment.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--|--|--|--|---|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The number of abatement notices, infringement notices, enforcement orders and convictions related to the management of the stormwater system. | Target ≤ 2 infringement notices Result: 0 Achieved | ≤ 2 infringement notices | ≤ 2 infringement notices | ≤ 2 infringement notices | ≤ 2 infringement notices |
| | Target: 0 Abatement, enforcement or conviction actions Result: 0 Achieved | 0 abatement, enforcement or conviction actions | 0 abatement, enforcement or conviction actions | 0 abatement, enforcement or conviction actions | 0 abatement, enforcement or conviction action |

We will respond within a reasonable timeframe to flooding.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--|----------------------|----------------------|----------------------|----------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The median response time to attend a flooding event*, (measured from the time that the notification is received to the time that service personnel reach the site). | Target: ≤ 180 minutes (3hrs) Result: 0 Achieved | ≤ 180 minutes (3hrs) |

We provide a reliable stormwater system.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The number of complaints received about the performance of the Council’s urban stormwater system per 1,000 properties connected. | Target: ≤ 4 complaints per 1,000 properties (2,056 connections) Result: 1.95 per 1000 connections Achieved | ≤ 4 complaints per 1,000 properties |

SIGNIFICANT NEGATIVE EFFECTS

| Effect | Mitigation |
|--|--|
| Open drains in urban areas can lead to infestations of insects and vermin and can become a safety hazard. | Maintaining / improving community health and wellbeing by providing effective surface drainage of urban land and property. |
| Carbon emissions, dust and spillages of contaminants on urban roading carriageways can enter the drainage network and have an adverse effect on the receiving water. | Good stormwater drainage planning and design mitigates the effects of the discharge on the environment. |
| Road flooding and property inundation can result in delays to the supply of goods and daily access to places of employment. | Effective drainage facilitates the use of land for commercial and industrial development. |

PROSPECTIVE FUNDING IMPACT STATEMENT | STORMWATER

| \$000's | Adjusted EAP 20/21 | 10YP Yr1 21/22 | 10YP Yr2 22/23 | 10YP Yr3 23/24 | 10YP Yr4 24/25 | 10YP Yr5 25/26 | 10YP Yr6 26/27 | 10YP Yr7 27/28 | 10YP Yr8 28/29 | 10YP Yr9 29/30 | 10YP Yr10 30/31 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Targeted rates | 404 | 456 | 473 | 483 | 496 | 514 | 526 | 544 | 566 | 578 | 595 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees and charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total operating funding (A) | 404 | 456 | 473 | 483 | 496 | 514 | 526 | 544 | 566 | 578 | 595 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 100 | 168 | 173 | 144 | 131 | 171 | 159 | 176 | 212 | 188 | 194 |
| Finance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal charges and overheads applied | 108 | 94 | 96 | 99 | 122 | 124 | 128 | 131 | 133 | 135 | 136 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 208 | 262 | 269 | 243 | 253 | 295 | 287 | 307 | 345 | 323 | 330 |
| Surplus (deficit) of operating funding (A-B) | 196 | 194 | 204 | 240 | 243 | 219 | 239 | 237 | 221 | 255 | 265 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | (23) | (24) | (25) | (16) | (7) | 82 | 82 | (14) | (15) | (15) | (15) |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | (23) | (24) | (25) | (16) | (7) | 82 | 82 | (14) | (15) | (15) | (15) |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to replace existing assets | 133 | 125 | 129 | 170 | 136 | 230 | 237 | 149 | 154 | 159 | 164 |
| Increase (decrease) in reserves | 40 | 45 | 50 | 54 | 100 | 71 | 84 | 74 | 52 | 81 | 86 |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 173 | 170 | 179 | 224 | 236 | 301 | 321 | 223 | 206 | 240 | 250 |
| Surplus (deficit) of capital funding (C-D) | (196) | (194) | (204) | (240) | (243) | (219) | (239) | (237) | (221) | (255) | (265) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

WASTEWATER

WHAT WE DO

Our Activities:

- Wastewater collection, treatment, and disposal.

Wastewater drains from showers, baths, sinks, washing machines, dishwashers and toilets is collected and transferred through a network of pipes and pump stations to the Wastewater Treatment Plants at Te Kuiti, Piopio, Maniaiti/Benneydale and a soakage field at Te Waitere.

Each wastewater scheme comprises a reticulation network, pump stations, treatment plant or process and effluent disposal system. Te Kuiti is the largest of the four schemes, containing 77% of the total length of reticulation which is approximately 51km.

CONTRIBUTION TO COMMUNITY OUTCOMES

PRIMARY

A DISTRICT THAT CARES FOR ITS ENVIRONMENT



We plan for the wise use and management of all land and

resources, now and for future generations.

SECONDARY A DISTRICT FOR PEOPLE



We welcome all to a district that is accessible safe, affordable, and inclusive. We promote health, wellbeing, and participation.

LOOKING AHEAD

- Back-up power generators at each wastewater treatment plant.
- Te Kuiti Treatment Plant renewals – reactor liner and UV replacements.
- Maniaiti/Benneydale Wastewater Treatment Plant renewals.
- Te Waitere additional soakage field.
- Piopio additional storage tank.

WHAT YOU CAN EXPECT FROM US

Our wastewater system is optimised to reduce the risk of harm to the community and environment.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|---|--|--|--|--|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Number of dry weather overflows in a financial year. | Target: Total complaints per 1,000 connections ≤ 10 (Total number of connections 1,966) Result: 6.61 per 1000 connections Achieved | Total complaints per 1,000 connections ≤ 10 |

Our wastewater system is operated and maintained to minimise odour and blockages.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|--|--|--|--|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with its wastewater system. | Target: Total complaints per 1,000 connections ≤ 35 (Total number of connections 1,966) Result: 71.72 per 1000 connections Not achieved | Total complaints per 1,000 connections a) Piopio ≤ 35 b) Rest of the District ≤ 35 | Total complaints per 1,000 connections a) Piopio ≤ 35 b) Rest of the District ≤ 35 | Total complaints per 1,000 connections a) Piopio ≤ 35 b) Rest of the District ≤ 35 | Total complaints per 1,000 connections a) Piopio ≤ 35 b) Rest of the District ≤ 35 |

We comply with our resource consent conditions and minimise the impact of wastewater on the environment.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--|-----------------|-----------------|-----------------|--------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The number of abatement notices, infringement notices, enforcement orders and convictions issued for overflow from the wastewater system. | Target: 0 Abatement, infringement, enforcement or conviction actions Result: 0 Achieved | 0 | 0 | 0 | 0 |

We will attend and resolve issues with the wastewater system within a reasonable timeframe.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|--|--|--|--|--|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The median attendance time for call-outs, from the time that we received notification to the time that our service personnel reach the site. | Target: ≤180 minutes (3hrs) Result: 167 minutes (2.29 hrs) Achieved | ≤180 minutes | ≤180 minutes | ≤180 minutes | ≤180 minutes |
| The median resolution time of call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved. | Target: Piopio ≤ 660 minutes (11hrs) Rest of Waitomo District ≤ 540 minutes (9hrs) Result: 847 minutes (14:07 hours) Not achieved <i>Separating out Piopio is new</i> | Piopio ≤ 540 minutes (9hrs) Rest of WD ≤ 540 minutes (9hrs) | Piopio ≤ 540 minutes (9hrs) Rest of WD ≤ 540 minutes (9hrs) | Piopio ≤ 540 minutes (9hrs) Rest of WD ≤ 540 minutes (9hrs) | Piopio ≤ 540 minutes (9hrs) Rest of WD ≤ 540 minutes (9hrs) |

SIGNIFICANT NEGATIVE EFFECTS

| Effect | Mitigation |
|--|--|
| Malodour from pumping stations and treatment plants can impact on quality of life and amenity. | Health and wellbeing maintained / improved through the provision of an effective wastewater collection, treatment, and disposal system. |
| Sewage overflows from pumping stations or blocked sewers and impacts of the final effluent quality at the point of discharge, have the potential for negative impact on the environment. | Robust wastewater planning and design avoids adverse effects on the environment and ensures efficient use of non-renewable energy resources. |
| Cost of compliance with applicable standards plus the cost of sewerage rates and fees can be a significant burden for local industry. | Council sewerage schemes provide an efficient and effective option for the disposal of trade wastes compared with individual, on-site treatment. |
| Discharges from sewage treatment plants can have a damaging effect on both the physical and cultural attributes of the receiving environment. | Adverse effects can be mitigated through careful design and operation of the treatment and disposal system. |

PROSPECTIVE FUNDING IMPACT STATEMENT | WASTEWATER

| \$000's | Adjusted EAP 20/21 | 10YP Yr1 21/22 | 10YP Yr2 22/23 | 10YP Yr3 23/24 | 10YP Yr4 24/25 | 10YP Yr5 25/26 | 10YP Yr6 26/27 | 10YP Yr7 27/28 | 10YP Yr8 28/29 | 10YP Yr9 29/30 | 10YP Yr10 30/31 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Targeted rates | 2,115 | 2,176 | 2,200 | 2,378 | 2,672 | 2,787 | 2,855 | 2,920 | 2,993 | 3,048 | 3,099 |
| Subsidies and grants for operating purposes | 0 | 104 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees and charges | 821 | 821 | 850 | 872 | 896 | 922 | 948 | 977 | 1,011 | 1,045 | 1,077 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total operating funding (A) | 2,936 | 3,101 | 3,050 | 3,250 | 3,568 | 3,709 | 3,803 | 3,897 | 4,004 | 4,093 | 4,176 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 1,157 | 1,292 | 1,365 | 1,368 | 1,399 | 1,472 | 1,478 | 1,524 | 1,638 | 1,630 | 1,680 |
| Finance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal charges and overheads applied | 950 | 1,005 | 973 | 998 | 1,187 | 1,196 | 1,220 | 1,212 | 1,213 | 1,226 | 1,214 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 2,107 | 2,297 | 2,338 | 2,366 | 2,586 | 2,668 | 2,698 | 2,736 | 2,851 | 2,856 | 2,894 |
| Surplus (deficit) of operating funding (A-B) | 829 | 804 | 712 | 884 | 982 | 1,041 | 1,105 | 1,161 | 1,153 | 1,237 | 1,282 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 480 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | (326) | (232) | (347) | (217) | (179) | 320 | (354) | (330) | (153) | (356) | (258) |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | (326) | 248 | (347) | (217) | (179) | 320 | (354) | (330) | (153) | (356) | (258) |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 0 | 480 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to replace existing assets | 378 | 403 | 339 | 417 | 450 | 997 | 332 | 348 | 563 | 334 | 476 |
| Increase (decrease) in reserves | 125 | 169 | 26 | 250 | 353 | 364 | 419 | 483 | 437 | 547 | 548 |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 503 | 1,052 | 365 | 667 | 803 | 1,361 | 751 | 831 | 1,000 | 881 | 1,024 |
| Surplus (deficit) of capital funding (C-D) | (829) | (804) | (712) | (884) | (982) | (1,041) | (1,105) | (1,161) | (1,153) | (1,237) | (1,282) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

WATER SUPPLY

WHAT WE DO AND WHY

Our Activities:

- Water treatment, storage, and distribution

We treat, store, distribute and manage the District's water supply. We make sure that water is properly treated to provide a high standard of drinking water.

We operate and maintain water schemes in Te Kuiti, Maniaiti/Benneydale, Piopio and Mokau. We look after the treatment plants, water storage reservoirs, pump stations, hydrants pipelines and water meters.

Monitoring and managing risks to the quality and safety of water is an important part of this service. We undertake planning to manage future capacity needs.

Legally, we must ensure our water is used sustainably. We do this in many ways including water conservation when demand is high, encouraging residents to conserve our precious water resource. We also invest in infrastructure to improve monitoring of water quality and doing things more efficiently and effectively.

CONTRIBUTION TO COMMUNITY OUTCOMES

PRIMARY

A DISTRICT THAT CARES FOR ITS ENVIRONMENT



We plan for the wise use and management of all land and resources, now and for future generations

SECONDARY

A DISTRICT FOR PEOPLE



We welcome all to a district that is accessible safe, affordable, and inclusive. We promote health, wellbeing, and participation.

LOOKING AHEAD

- District wide backflow prevention installations.
- Back-up power generators for each water treatment plant.
- New water source for Te Kuiti.
- New pumping line to Piopio reservoir.
- Watermain renewals for Mokau and Maniaiti/Benneydale.



WHAT YOU CAN EXPECT FROM US

We provide water that is safe to drink and hygienic to use which meets the drinking water standards.

The New Zealand Drinking Water Standards are monitored by Taumata Arowai as a national standard for public safety.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--|--|--|--|--|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Water quality complies with the drinking water standards for (a) bacteria and for (b) protozoa. | Target: a) Achieve b) Achieve Result: a) Achieved Compliance b) Not Achieved Compliance | a) Achieve Compliance b) Achieve Compliance |

We provide an efficient and effective water supply. We will achieve this by undertaking activities such as water leakage detection and maintaining the network of water pipes.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|--------------|--------------|--------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| Percentage of real water loss from Council's networked reticulation system. ('Water Losses' includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption). | Te Kuiti Target: ≤ 25% Result: 16.14% Achieved | ≤ 20% | ≤ 20% | ≤ 20% | ≤ 20% |
| | Mokau Target: ≤ 25% Result: 1.76% Achieved | ≤ 5% | ≤ 5% | ≤ 5% | ≤ 5% |
| | Piopio Target: ≤ 25% Result: 0.34% Achieved | ≤ 5% | ≤ 5% | ≤ 5% | ≤ 5% |
| | Maniaiti / Benneydale Target: ≤ 15% Result: 5.72% Achieved | ≤ 10% | ≤ 9% | ≤ 8% | ≤ 8% |

We will respond within a reasonable timeframe to issues with the water supply.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The median attendance time for urgent call-outs, from the time that we received notification to the time that our service personnel reach the site. | Target: ≤ 180 minutes (3hrs) Result: 1:50 hrs Achieved | ≤ 180 minutes (3hrs) |
| The median resolution time of urgent call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved. | Target: ≤ 540 minutes (9 hrs) Result: 6:30 hrs Achieved | ≤ 540 minutes (9 hrs) |

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|------------------------|------------------------|------------------------|------------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The median attendance time, in working days, for non-urgent call-outs, from the time that we received notification to the time that our service personnel reach the site. | Target ≤ 660 minutes (11 hrs) Result: 5:46 hrs Achieved | ≤ 660 minutes (11 hrs) |
| The median resolution time, in working days, of non-urgent call-outs, from the time we received notification to the time that our service personnel confirm the fault or interruption has been resolved. <i>(working days are defined as Monday – Friday, excluding public holidays. If notification is received on the weekend or public holiday the timeframes starts from the next working day)</i> | Target: ≤ 96 hours (4 days) Result: 1d/4:20hrs Achieved | ≤ 96 hours (4 days) |

We provide efficient management of demand for water for our community.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The average consumption of drinking water per Waitomo District resident, per day. | Target: ≤ 400 litres per person per day Result: 385.75L Achieved | ≤ 400 litres per person per day | ≤ 400 litres per person per day | ≤ 375 litres per person per day | ≤ 350 litres per person per day |

We provide water that is wholesome and is reliably supplied. The measure indicates customers and community satisfaction with the quality of the water.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The number of complaints received relating to drinking water about clarity. | Target: clarity ≤ 5 per 1000 connections Result: 11.06 per 1000 connection Not Achieved | ≤ 20 per 1000 connections | ≤ 20 per 1000 connections | ≤ 15 per 1000 connections | ≤ 10 per 1000 connections |
| The number of complaints received relating to drinking water about taste and odour. | Target: taste ≤ 5 per 1000 connections Result: 1.52 per 1000 connection Target: odour ≤ 5 per 1000 connections Result: 0.76 per 1000 connection Achieved | ≤ 5 per 1000 connections |

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The number of complaints received relating to drinking water continuity of supply and water pressure flow. | <p>Target: ≤30 per 1000 connections</p> <p>Result: 13.34 per 1000 connection</p> <p>Target: ≤ 30 per 1000 connections</p> <p>Result: 0.38 per 1000 connection</p> | ≤20 per 1000 connections | ≤15 per 1000 connections | ≤15 per 1000 connections | ≤10 per 1000 connections |
| The number of complaints received relating to drinking water about Council's response to any of these issues. | New measure | ≤20 per 1000 connections | ≤20 per 1000 connections | ≤20 per 1000 connections | ≤15 per 1000 connections |

SIGNIFICANT NEGATIVE EFFECTS

| Effect | Mitigation |
|--|---|
| Inadvertent contamination of public water supplies from microbiological organisms can adversely impact on public health. | Public health protected from water borne diseases through the identification of risks and implementation of measures and monitoring systems to avoid, remedy or mitigate those risks. |
| Excessive abstraction of raw water at the point of intake has the potential for negative impact on the environment. | Robust assessment of effects carried out in support of resource consent application to take water. Rate of abstraction and impact. |
| Cost of compliance with applicable standards plus the cost of water supply rates and fees can be a significant burden for local industry. | Council water supply schemes provide an efficient and effective option for the provision and management of potable water supply systems. |
| Council provided water supplies can adversely affect the effluent disposal capacity of unsewered areas, leading to potentially damaging effects on both the physical and cultural attributes of the receiving environment. | Reticulated wastewater disposal systems should be developed in parallel with reticulated public water supply systems to ensure that onsite wastewater systems are not placed under unacceptable strain. |
| Accidental discharge. | Procedures in place to shut extraction down until contaminant has passed. |



PROSPECTIVE FUNDING IMPACT STATEMENT | WATER SUPPLY

| \$000's | Adjusted EAP 20/21 | 10YP Yr1 21/22 | 10YP Yr2 22/23 | 10YP Yr3 23/24 | 10YP Yr4 24/25 | 10YP Yr5 25/26 | 10YP Yr6 26/27 | 10YP Yr7 27/28 | 10YP Yr8 28/29 | 10YP Yr9 29/30 | 10YP Yr10 30/31 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Targeted rates | 2,719 | 2,711 | 2,847 | 3,101 | 3,390 | 3,558 | 3,694 | 3,857 | 3,989 | 4,130 | 4,258 |
| Subsidies and grants for operating purposes | 0 | 259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees and charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total operating funding (A) | 2,719 | 2,970 | 2,847 | 3,101 | 3,390 | 3,558 | 3,694 | 3,857 | 3,989 | 4,130 | 4,258 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 1,137 | 1,312 | 1,173 | 1,210 | 1,258 | 1,273 | 1,315 | 1,373 | 1,395 | 1,450 | 1,487 |
| Finance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal charges and overheads applied | 1,056 | 1,138 | 1,108 | 1,149 | 1,404 | 1,412 | 1,437 | 1,437 | 1,434 | 1,439 | 1,420 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 2,193 | 2,450 | 2,281 | 2,359 | 2,662 | 2,685 | 2,752 | 2,810 | 2,829 | 2,889 | 2,907 |
| Surplus (deficit) of operating funding (A-B) | 526 | 520 | 566 | 742 | 728 | 873 | 942 | 1,047 | 1,160 | 1,241 | 1,351 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 1,076 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 522 | (43) | 375 | 464 | (162) | 451 | 226 | (168) | (377) | (189) | (150) |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | 522 | 1,033 | 375 | 464 | (162) | 451 | 226 | (168) | (377) | (189) | (150) |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 373 | 1,115 | 523 | 536 | 41 | 343 | 352 | 6 | 6 | 6 | 7 |
| Capital expenditure - to replace existing assets | 673 | 494 | 401 | 484 | 379 | 699 | 543 | 562 | 428 | 637 | 653 |
| Increase (decrease) in reserves | 2 | (56) | 17 | 186 | 146 | 282 | 273 | 311 | 349 | 409 | 541 |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 1,048 | 1,553 | 941 | 1,206 | 566 | 1,324 | 1,168 | 879 | 783 | 1,052 | 1,201 |
| Surplus (deficit) of capital funding (C-D) | (526) | (520) | (566) | (742) | (728) | (873) | (942) | (1,047) | (1,160) | (1,241) | (1,351) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

ROADS AND FOOTPATHS

WHAT WE DO AND WHY

Our Activities:

- Subsidised roading
- Unsubsidised roading

Our transport network integrates different modes of transport including heavy vehicles, cars, biking and walking.

We manage and operate the transport network within the District to ensure the maintenance and renewal of existing transport infrastructure as well as plan and invest in new transport infrastructure. We currently maintain 459.2km of sealed roads and 546.5km of unsealed roads.

The Government, through Waka Kotahi (New Zealand Transport Agency), partners with us in operating the State Highways running through the District, as well as co-investing in our transport infrastructure services.

However, Council has sole financial responsibility towards services such as maintaining amenity lights, street cleaning and maintenance of on-street car parks.

CONTRIBUTION TO COMMUNITY OUTCOMES

PRIMARY A PROSPEROUS DISTRICT



We will continue to enable a thriving and sustainable economy.

SECONDARY A DISTRICT FOR PEOPLE



We welcome all to a district that is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.

SECONDARY A DISTRICT THAT CARES FOR ITS ENVIRONMENT



We plan for the wise use and management of all land and resources, now and for future generations.

SECONDARY A DISTRICT THAT WORKS WITH YOU



We work with you collectively, focus on the right things at the right time for the greater benefit of the District.

LOOKING AHEAD

In addition to the routine maintenance of the transport network there are four main objectives that are the focus for the next 10 years:

Economy

- Increasing heavy maintenance including sealed road resurfacing.
- Increase grading cycle on key routes.

Safety

- Increased unsealed road metalling.
- Continue to support the National 'Road to Zero' strategy.
- Removal of hazardous trees.
- Increased funding for bridge replacement, structural upgrades and components.

Resilience

- Increase culvert maintenance.
- Increased budget for emergency first response.

Access

- Continue with additional footpaths and widening programmes to improve the footpath network.
- Rail crossing warning device increased maintenance.

WHAT YOU CAN EXPECT FROM US

We are working towards a safe network with a vision of a decreasing trend of deaths and serious injuries on Waitomo District roads within ten years. We aim to achieve this by delivering projects that are focused on maintaining, upgrading or changing the conditions of the roading environment to keep our community safe.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|---|--|--|--|--|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The change from the previous financial year in the number of fatalities and serious injury crashes on Waitomo District's local road network. | Target: 1 Result: 0 Change in serious injury crashes: 0 Change in fatal crashes: 0 Achieved | Maintain or decrease from previous year. |

We aim for a smooth road that provides comfort for road users and improves the safety of the roads.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|----------------|----------------|----------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The average smooth travel exposure rating across the sealed road network (Percentage of measured sealed road lane kilometres not exceeding a NAASRA* roughness count rating of 150 to be at least 90%.) | Target: 90% (of total) Result: 91.2% Achieved | 90% (of total) | 90% (of total) | 90% (of total) | 90% (of total) |

We will maintain the road network by resealing it as needed. Resurfacing is only undertaken as required depending on the condition of the surface in that financial year.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|--|---------------|---------------|---------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The percentage of Waitomo District's sealed local road network that is resurfaced each year. | Target: 7% (of total) Result: 5.72% Not achieved | 7% (of total) | 7% (of total) | 7% (of total) | 7% (of total) |

We will provide footpaths that are well maintained. The measure is the percentage of footpaths that meet the service level.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|--|---|--------------|--------------|--------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The percentage of footpaths that fall within a condition rating of 3 | Target: 90% Result: 94.35% Achieved | 90% | 90% | 90% | 90% |

We will investigate and respond to the customer about their request for service relating to road and footpath issues.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|--|--------------|--------------|--------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The percentage of customer service requests relating to roads and footpaths responded to within ten working days. | Target: 80% Result: 84% Achieved | 85% | 85% | 85% | 90% |

We will maintain the overall condition of the unsealed roads to a specified adequate standard.

| WHAT WE WILL MEASURE | LATEST RESULT 2019/20 | TARGETS | | | |
|---|---|----------------|----------------|----------------|-----------------|
| | | YR 1 2021/22 | YR 2 2022/23 | YR 3 2023/24 | YR 4-10 2024/31 |
| The percentage of unsealed road metalled each year. | Target: 10% (of total) Result: 9.34% Not Achieved | 10% (of total) | 10% (of total) | 10% (of total) | 10% (of total) |

SIGNIFICANT NEGATIVE EFFECTS

| Effect | Mitigation |
|--|---|
| Road safety related impacts include loss of life and serious injury and associated financial costs. Road blockages and slips impact on everyday movements of people between home and schools, work and recreation. | Provision of a safe and efficient roading network. |
| Carbon emissions, noise, dust and consumption of non-renewable energy resources. | Good transport planning and design contributes to efficient use of non- renewable energy resources. |
| Cost of compliance with applicable standards. | Increased efficiencies through improved design and construction techniques offset the costs of compliance. Compliance costs are a necessary by-product of environmental enhancement. |
| Road blockages and damage can result in delays to the supply of goods and daily access to places of employment. | Responding to damage and blockages in a timely and appropriate manner. |
| The reverse effect of an efficient land transport network is the regionalisation of employment related opportunities. | Promotion and marketing of the District as a desirable place to live, work and for recreation. Support the roll-out of high speed broad band into the District. |

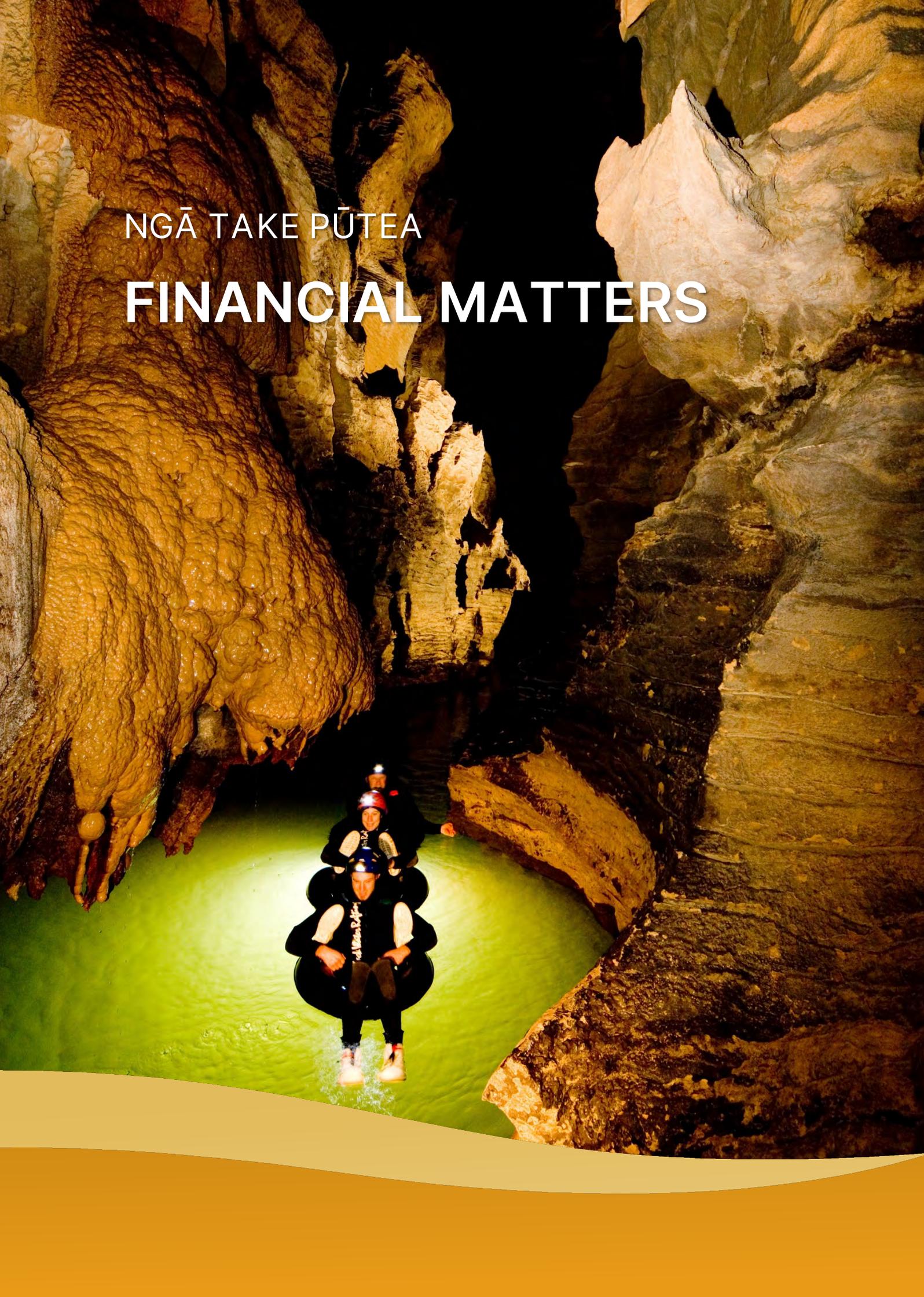


PROSPECTIVE FUNDING IMPACT STATEMENT | ROADS AND FOOTPATHS

| \$000's | Adjusted EAP 20/21 | 10YP Yr1 21/22 | 10YP Yr2 22/23 | 10YP Yr3 23/24 | 10YP Yr4 24/25 | 10YP Yr5 25/26 | 10YP Yr6 26/27 | 10YP Yr7 27/28 | 10YP Yr8 28/29 | 10YP Yr9 29/30 | 10YP Yr10 30/31 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 88 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Targeted rates | 5,118 | 4,346 | 4,492 | 4,517 | 5,084 | 4,809 | 4,894 | 4,982 | 5,070 | 5,165 | 5,253 |
| Subsidies and grants for operating purposes | 4,757 | 5,116 | 5,270 | 5,454 | 5,762 | 5,919 | 6,121 | 6,247 | 6,420 | 6,647 | 6,784 |
| Fees and charges | 114 | 125 | 129 | 132 | 135 | 139 | 142 | 146 | 150 | 154 | 158 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 135 | 100 | 103 | 106 | 109 | 113 | 116 | 119 | 123 | 126 | 130 |
| Total operating funding (A) | 10,212 | 9,687 | 9,994 | 10,209 | 11,090 | 10,980 | 11,273 | 11,494 | 11,763 | 12,092 | 12,325 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 5,270 | 5,922 | 6,096 | 6,288 | 6,343 | 6,515 | 6,731 | 6,905 | 7,109 | 7,352 | 7,541 |
| Finance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal charges and overheads applied | 1,781 | 1,552 | 1,586 | 1,636 | 1,827 | 1,839 | 1,866 | 1,838 | 1,842 | 1,870 | 1,833 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 7,051 | 7,474 | 7,682 | 7,924 | 8,170 | 8,354 | 8,597 | 8,743 | 8,951 | 9,222 | 9,374 |
| Surplus (deficit) of operating funding (A-B) | 3,161 | 2,213 | 2,312 | 2,285 | 2,920 | 2,626 | 2,676 | 2,751 | 2,812 | 2,870 | 2,951 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 4,965 | 4,118 | 4,592 | 4,115 | 5,034 | 5,181 | 5,329 | 5,485 | 5,647 | 5,812 | 5,978 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | (1,260) | (703) | (647) | (769) | (575) | (627) | (632) | (637) | (695) | (757) | (823) |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | 3,705 | 3,415 | 3,945 | 3,346 | 4,459 | 4,554 | 4,697 | 4,848 | 4,952 | 5,055 | 5,155 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 232 | 299 | 309 | 318 | 327 | 336 | 346 | 356 | 367 | 377 | 388 |
| Capital expenditure - to replace existing assets | 6,736 | 5,362 | 5,989 | 5,350 | 6,571 | 6,763 | 6,956 | 7,161 | 7,370 | 7,588 | 7,803 |
| Increase (decrease) in reserves | (102) | (33) | (41) | (37) | 481 | 81 | 71 | 82 | 27 | (40) | (85) |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 6,866 | 5,628 | 6,257 | 5,631 | 7,379 | 7,180 | 7,373 | 7,599 | 7,764 | 7,925 | 8,106 |
| Surplus (deficit) of capital funding (C-D) | (3,161) | (2,213) | (2,312) | (2,285) | (2,920) | (2,626) | (2,676) | (2,751) | (2,812) | (2,870) | (2,951) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

NGĀ TAKE PŪTEA

FINANCIAL MATTERS



FINANCIAL STRATEGY

The Financial Strategy outlines how Council will manage its finances over the ten years of its 10 Year Plan (10YP). It sets out the general approach and principles that will be followed, and it provides a guide to assess spending proposals. The financial strategy includes limits on rates levels, rates rises and borrowing and aims to promote financial stability, affordability and value for money over the short, medium and long term.

The strategy also helps Council to engage transparently with the community about the impact of our proposals on service levels, rates, debt and investments.

Council's guiding principles underpinning the strategy strive to:

- Provide amenities, facilities and services to the District community that contribute to and align with Council's vision
- Undertake good asset stewardship and management to ensure all community and infrastructure assets are fit for purpose and available for future generations
- Maintain affordable rates increases
- Ensure financial sustainability - by ensuring that our revenue is sufficient to cover an efficient operating expense base, all funding sources are being used optimally and financial management is prudent

STRATEGIC CONSIDERATION

Factors expected to have a significant impact on Waitomo District over the 10YP period include the following:

POPULATION AND LAND USE CHANGES

Planning Assumptions for the 2021-2031 period show that the usually resident population of Waitomo District as a whole will continue to decline at an average rate of -0.3% per year through to 2048. Similar to the rest of New Zealand, the proportion of people aged over 65 is projected to increase from 13% in 2013 to over 25% in 2048 and the number of people aged between 15 and 64 years of age is projected to decrease. This may have a flow-on effect on the make-up of the work force in the district. Factors such as the ageing population will contribute to a decline in the average household size, from approximately 2.6 residents per household in 2013 to under 2.3 in 2048.

In terms of geographic spread of growth, the Te Kuiti Ward is expected to experience a small growth in dwellings while the population and number of dwellings is projected to grow in the Waitomo Rural Ward. Population and dwelling growth flows through to rating units.

The District's rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories. Therefore, any rating unit growth is heavily dependent on dwelling growth. The number of Commercial and Industry rating units is projected to increase in Mokau, Piopio, and Te Kuiti with no growth elsewhere. No significant land use changes are expected over the 10 year planning horizon.

Population and development projections are important in the context of rating and rates affordability. Whilst a static or declining population does not necessarily translate to a reduction in the number of rateable properties (the number of rateable properties in the Waitomo District has increased despite a declining population), it can impact on a community's ability to pay and affordability concerns which Council will need to carefully manage.

It is also projected that the current pattern of limited subdivision and building development will continue over the 10 year period. Overall, there is projected to be little change in demand for Council provided services through population or land use changes. The possible exception is the impact of forestry harvest operations on parts of the roading network, scheduled to occur over the planning period. It has been assumed that current road pavement maintenance and rehabilitation funding levels can be prioritised to maintain current levels of services on the affected sections of local roads.

INFRASTRUCTURE STRATEGY FOR MAINTAINING CURRENT LEVELS OF SERVICE

Network infrastructure

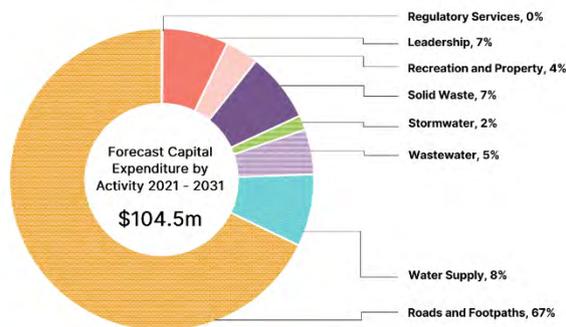
The purpose of the Infrastructure Strategy is to identify the significant network infrastructure issues (roading and 3 waters) facing Waitomo district and options for managing them over a period of at least 30 years.

As a result of the concerted effort on infrastructure upgrades over the last 10 years and with little projected growth in demand, there are no capacity-based infrastructure improvements that the District will need to provide for, moving forward.

However, it will be important to consistently meet renewal needs of network assets in a timely manner, to ensure there is no loss of service due to condition deterioration over time. Some investigations have been programmed in the 2021-31 period in order to identify options for improving the resilience of our infrastructure and for risk mitigation reasons.

The forecast capital expenditure profile is steady over the life of the infrastructure strategy. The emphasis on asset renewals is consistent with the objective of maintaining current levels of service over the life of the 10YP.

The inflated 10 year capital expenditure planned for 2021-2031 period includes \$104.5 million (mostly renewals). The following figure differentiates the capital expenditure by activity.



OTHER FACTORS

The projected decline in population does not consider other factors that may well influence the future look and feel of the Waitomo Community (for instance, Central Government policy, global and national trends) and the effective delivery of Council’s own strategies can and will influence the economic shape and profile of the Waitomo Community over time.

Factors such as housing affordability in metropolitan areas, an improved national state highway network, increased use of public transport, central government strategies around regional development, and local government’s efforts in the provision of networks and community services and community development could well see the smaller regions becoming more desirable places to live and work, in the future. All other factors detailed in the Planning Assumptions for the 10YP have been considered in the development of this Financial Strategy.

Three Waters Reform

Council has opted to participate in tranche one of Central Government’s Three Waters (water supply, wastewater and stormwater) Reform Programme. There are two further tranches. Council retains the option to continue with the

Three Waters Reform process or opt out at the conclusion of tranche one and not form part of a new multi-regional scale, water authority, and the Government’s funding assistance expected with that. The 10YP has therefore been developed as a “business as usual” approach, due to the limited information available on the actual process and the impacts of the likely future model on local management and control over the delivery of the three waters services.

Economic Impacts of COVID-19

COVID-19 presents the greatest economic shock in living memory, although the full extent of the shock is still to play out. The speed with which the economic outlook changed during March 2020 far exceeded anything experienced during the Global Financial Crisis of 2008/09. The COVID-19 pandemic brought about the sharpest decline in economic activity on record. Nationally, gross domestic product (GDP) in the June 2020 quarter declined by 12.4% compared to the June 2019 quarter. In Waitomo, the decline in GDP in June 2020 was less than the national average. With the country returning to Alert Level 1, activity in most industries resumed and the District’s economy rebounded somewhat, ending up only 2.8% smaller than the previous year – once again performing slightly better than the national economy.

Consumer spending in Waitomo had broadly recovered to the 2019 levels, following the Level 3 and 4 lockdowns in April 2020. However, job seeker support and COVID-19 Income Relief Payment recipients increased. Job losses have been concentrated in the tourism focused industries (accommodation and food services) also rental, hiring and real estate services industries. On a positive note, small numbers of jobs have been created in industries such as wholesale trade, mining and education and training.

One of the most unexpected aspects of the COVID-19 recessions has been the resilience of the New Zealand housing market.

The impact of COVID-19 affects the ability of our economy to perform at its full potential. Construction is one of the key contributors to the District’s economy. As a result of Central Government’s Three Waters Reform Programme stimulus funding, we will see a number of construction projects get underway. Council’s own construction projects have been prioritised including roading investments. It is likely that these projects will stimulate building activity in the District.

Delivering on council’s vision and Maintaining affordability

The purpose of the LGA is to enable democratic local decision-making and action by, and on

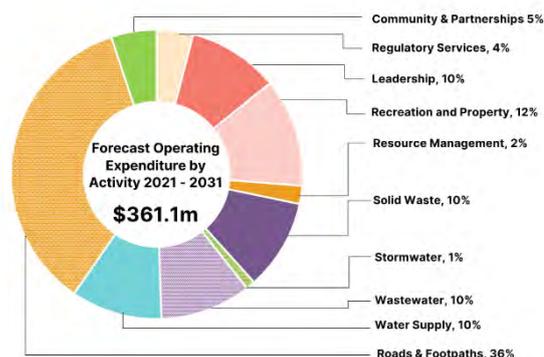
behalf of, communities; and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Council through its strategic direction set a vision for the District as 'Waitomo – a vibrant District'. At the heart of the vision is the intent to make the District an attractive place that people would want to visit, work and live in. Council agreed to a focus on effective place making and place shaping initiatives to create a strong sense of place for our community. Town Concept Plans have been prepared and adopted following an intensive process of community engagement during 2018/19. In addition, the Vibrant Safe Waitomo Strategy has been adopted and is currently being implemented with multiple partners.

The strategic direction has been reviewed for the 10YP, retaining the principles and values of the previous community outcomes and priority areas. The 10YP recognises that the effective delivery of Council's strategies can and will influence the make-up and wellbeing of the community over time.

Council is also clear that all this has to be achieved in a financially prudent and affordable manner. This is one of the guiding principles that the 10YP proposals will be assessed against. Council's view is to take a 'crawl, walk, run' approach in this direction and therefore it avoids a substantial overall increase in investment in financial terms. Rather, it represents the next step in Council's journey on which Council intends to make incremental gains.

The following figure shows Council's forecast levels of operating expenditure over the 2021 - 2031 period.



Balanced budget

Over the life of the 10YP, Council's objective is to set total operating income at a level that meets, or is greater than, total operating expenditure. This is to ensure that there is access to enough funding to enable the services to continue to be provided long term, and to meet additional demand for services within rates limits.

However, there are activities where this approach may not be practical or prudent on a year-by-year basis due to the activity's long term nature, e.g., wastewater, roads and footpaths, water supply. Over the next ten years Council intends to:

- Temporarily run activity deficits/ surpluses in order to avoid large variations in rates increases:
- Use operational reserves and/or activity balances to fund some specific operational expenditure where appropriate.
- Council considers this to be a 'prudent' approach to financial management in that it provides for assets to be maintained and renewed, debt levels kept reasonably conservative, and rate increases limited to an affordable level now and in future.

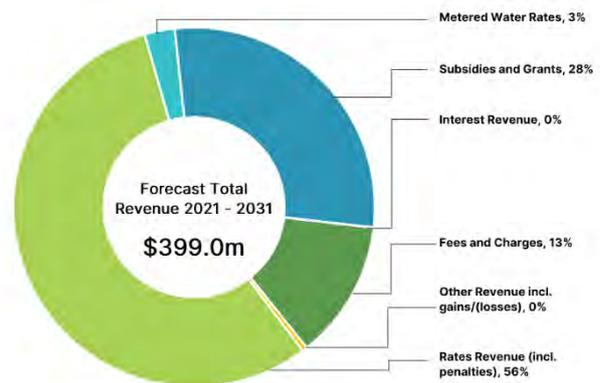
The following table illustrates that Council's planned expenditure as a proportion of planned operating expenses has met the balanced budget benchmark as planned revenue is greater than planned operating expenses.

| | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Total operating expenditure | 32,812 | 32,982 | 33,919 | 34,498 | 35,534 | 36,619 | 37,236 | 38,188 | 39,456 | 39,858 |
| Total operating revenue | 35,743 | 35,366 | 36,351 | 38,800 | 39,631 | 40,647 | 41,539 | 42,577 | 43,815 | 44,535 |
| Revenue as a % of Expenditure | 109% | 107% | 107% | 112% | 112% | 111% | 112% | 111% | 111% | 112% |

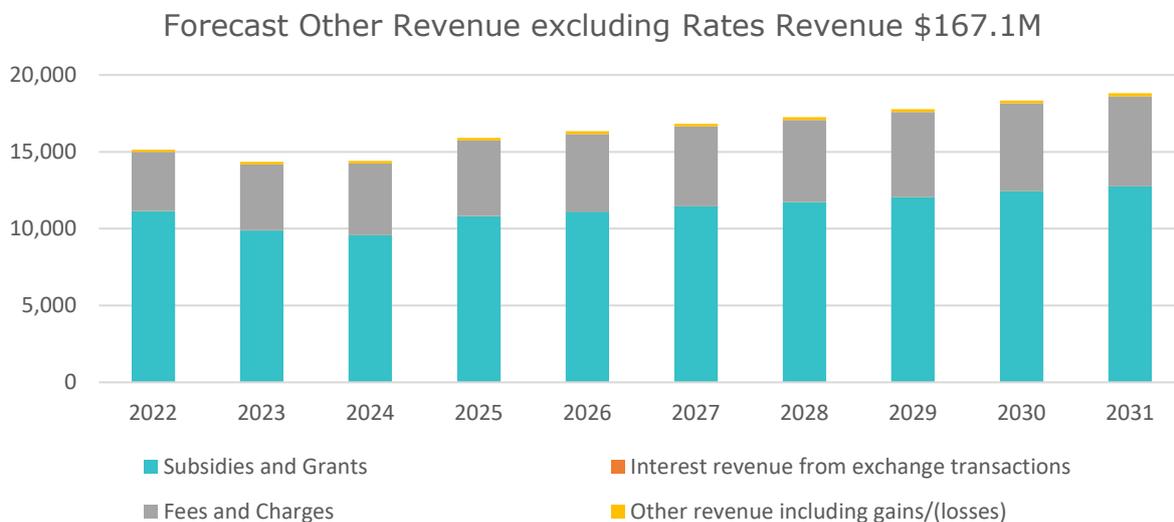
COUNCIL'S PLANNED FINANCIAL FUTURE

REVENUE STREAMS

Sources of funding for the planned services and operations in the 2021-2031 period are shown in the graph below.



The following graph shows the forecast other revenue (excluding rates and penalties) to be received over the 10 year period:



RATES

Council recognises the need to keep rates sustainable and increases in rates affordable over time and will endeavour to keep the income required from rates steady. Council's direction for achieving affordability of rates are:

- Limiting the level of rates income to a percentage of operating expenditure.
- Managing costs through efficiency gains and increasing other revenue sources e.g., user fees and charges, subsidies and grants.
- Specific considerations for funding of depreciation (detailed in the following section).

Funding depreciation

Council funds depreciation to allow for the replacement of Council's capital assets. Over the life of the 10YP we are forecasting \$85.1 million

of depreciation. The cost of depreciation is a substantial part of the total rates requirement over the 10YP. In keeping with Council's focus on prudent financial management, and ensuring that rates are affordable and sustainable, Council will apply the following to the funding of depreciation:

- To fund depreciation for Community Halls and Housing for Elderly only to the extent required for minor renewals. This is because Council considers that future renewals would be from community sources and/or grants and subsidies. These facilities are community occupied, have a life in excess of 50 years and renewals would be dependent on future choices.
- To defer depreciation or fund only to the level required to meet annual loan repayments on some newly built assets for the first 4-10 years of the asset life and fully recovering that unfunded depreciation over the life of these assets. Council does not

intend to build up surplus depreciation reserves in the initial years because of the assets being brand new, meaning they have extended lives and low risk of failure. Council has primarily considered this from an affordability perspective for the current ratepayers and considers this fair and equitable since the current ratepayers are carrying the debt servicing costs anyway.

- c) To fund depreciation equal to WDC’s share of the renewal expenditure projects for the subsidised road network and annual loan repayments for Subsidised Roads. Waka Kotahi - NZ Transport Agency will fund 75% of asset improvements, renewals and maintenance for the local roading network, from 1 July 2021.

Council considers that the above approach to depreciation is not likely to lead to a deferred burden on future rates caused by deferred depreciation funding as is evident from the forecast rates increase over the 10YP (which is consistent).

The following table illustrates the forecast rates increases over the 2021-2031 period and tests these against the rates limit set by Council.

| | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|---|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Rates increase limit | 3.5% | 4.9% | 4.5% | 4.5% | 4.6% | 4.5% | 4.6% | 4.7% | 4.7% | 4.6% |
| Forecast rates revenue (decrease)/ increase % | (0.54)% | 2.06% | 4.37% | 4.38% | 1.73% | 2.26% | 1.90% | 2.15% | 2.70% | 0.96% |

The following table shows the planned total rates revenue is within the quantified limit that total rates revenue will be limited to an average of 75% of total operating expenditure.

| | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Rates revenue limit | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% |
| Forecast rates revenue as a % of expenditure | 62% | 63% | 64% | 66% | 65% | 64% | 64% | 64% | 64% | 64% |

Ability to maintain levels of service

The service levels for all other services including core infrastructure are not expected to change over the 2021-2031 period. The sealed and unsealed road network (which is the largest expenditure area for Council) is currently in reasonable condition because of current investment in maintenance, rehabilitation and reseals. Current levels of service are a minimum in terms of an effective, efficient, and safe local roading network.

In making these proposals (pursuant to section 100(2) of the LGA), Council has considered the overall impact of its financial management policies, levels of service and ensured the cash flow is positive over the life of the 10YP (excluding major projects).

Limits on rates and rates increases

Council has set the following limits on rates revenue and rates increases for the 2021- 31 period.

- Rates revenue will be limited to an average of 75% of total operating expenditure
- Rate increases will be limited to no more than forecast LGCI for that year + 2%

The limit on annual rate increases will not apply where there is an increase in the existing level(s) of service (LoS) of any activity in consultation with the community. This exclusion includes unforeseen events that may occur during the period of the 10YP.

municipal supply in New Zealand under current legislation and regulation.

Many of the other public services provided by Council (particularly in the areas of regulation, resource management and solid waste) are also governed by legislation, regulation, and industry standards and as a result there are limited options for changes to scale and scope in response to changes in population and development.

The provision of community services such as parks and reserves, housing and property, community facilities, public facilities, community development, community promotion and economic development are the very services that make communities desirable in terms of a place to work, live and play. Throughout the period of this 10YP, Council aims to focus on community and economic development to attract more residents and visitors to the District. In short, a retraction or reduction in scope of desirable public services would work against the Council's vision of 'Waitomo - a vibrant District'.

BORROWING

External borrowing (public debt) is used by Council to fund assets or services that will provide benefit well into the future. This is in accordance with the principle of intergenerational equity. However, the use of borrowing has to be prudent and sustainable and limited to the ability to service and repay the debt. Council approves borrowing by resolution through the Annual Plan or the 10YP.

Council recognises the need to manage its finances in a sustainable and affordable manner and has therefore established borrowing parameters to ensure that investment priorities are carefully managed and affordable for the District community. Council has set the following borrowing limits in its Treasury Policy:

- The ratio of net debt to total revenue will not exceed 165%.
- Net interest will not exceed 20% of annual rates.

The following tables illustrate that Council is well within these limits in the 2021-2031 period.

| | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Net debt to Total Revenue Limit | 165% | 165% | 165% | 165% | 165% | 165% | 165% | 165% | 165% | 165% |
| Net Debt to Total Revenue % | 98% | 98% | 93% | 80% | 73% | 65% | 54% | 44% | 34% | 24% |

| | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Net Interest to Annual Rates Limit | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Net Interest to Annual Rates % | 5% | 5% | 5% | 6% | 6% | 5% | 5% | 4% | 3% | 3% |

Debt reduction

Council is committed to reducing external debt over the duration of the 10YP, in order to reduce the debt servicing burden on the District community and make headroom for investing in increasing the 'liveability' of the Waitomo district.

Council's financial performance has progressed significantly over the last 10 years. This is despite a significant investment in upgrading the

water supply and wastewater networks. This has been the result of Council's multi-pronged approach of increasing operating income where possible (particularly from grants and subsidies), improving its reserves balance, efficiency in spending and a focus on reducing cost of borrowing.

The reduction of Council's total debt levels is shown in the following graph. Since 2015 Council has reduced debt by \$8.9 million.

| \$'000's | 30 June | | | | | |
|--------------------|---------|--------|--------|--------|--------|--------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Actual Public Debt | 46,139 | 44,786 | 43,419 | 41,737 | 40,261 | 37,260 |
| Decrease | | 1,353 | 1,367 | 1,682 | 1,476 | 3,001 |
| % Decrease | | 2.9% | 3.1% | 3.9% | 3.5% | 7.5% |

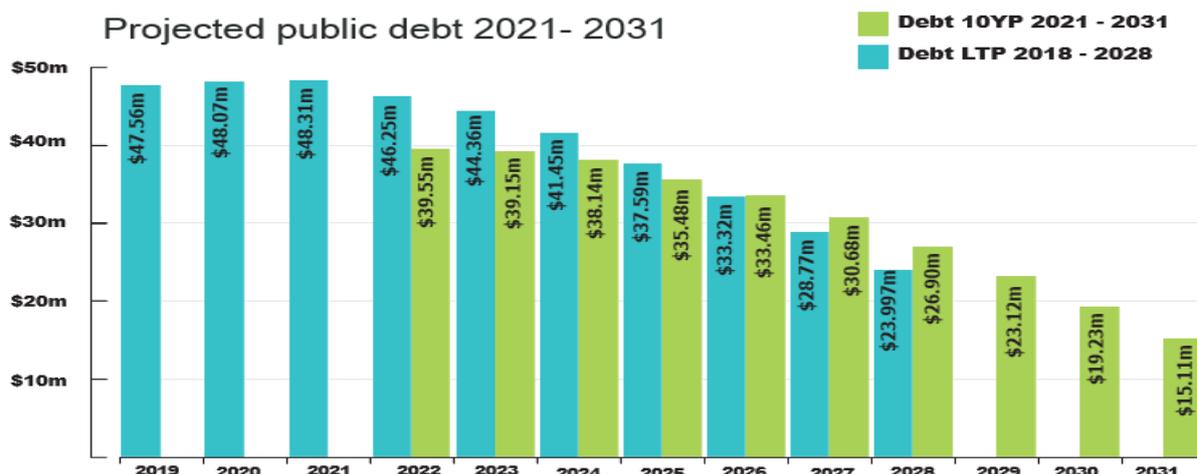
Council has set a target to **reduce public debt by \$10 million** to \$30 million by 2031. However, the forecast reduction in public debt of \$24 million (a 62% reduction over the 10 year period) is significantly higher than the target set. This forecast assumes net principal repayments of \$14 million and the application of the underlying cash from increased reserve balances (primarily sourced from rate-funded depreciation) of \$10 million over the life of the 10YP. This approach has reduced the need to borrow externally.

The forecast principal repayments for the Solid Waste capital improvements loans have been deferred to 2024/25. The funding of these

repayments will be phased in over the remainder of the 10YP.

Council has conservatively forecast for no dividend/subvention revenue from its shareholding investment over the life of the 10YP, however if any unbudgeted dividend and/or subvention income is received, it will be utilised to repay debt.

The following graph illustrates the reduction in public debt over the life of the 10YP, compared to the forecast debt from the previous Long Term Plan 2018-2028.



The borrowing cost per rateable property are forecast to reduce by 37% over this period from \$201 in 2022 to \$127 in 2031.

| | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| Borrowing cost per rateable property | \$ 201 | \$ 200 | \$ 198 | \$ 249 | \$ 232 | \$ 219 | \$ 201 | \$ 176 | \$ 151 | \$ 127 |

COUNCIL'S POLICIES ON GIVING SECURITIES ON ITS BORROWING

Council borrowings are secured over annual rates on every rateable property within the Waitomo District. From time to time, security may be offered over specific assets with Council approval or infrastructural assets where special rating provisions apply.

Council will not borrow, underwrite or guarantee loans on behalf of any other person, association

or organisation except the Local Government Funding Agency (LGFA) for which, under various Deeds and a guarantee and indemnity Council guarantees the indebtedness of the LGFA and other guarantors (a requirement of joining the LGFA) and Council offers deemed rates as security for general borrowing programmes.

Any issue of debt securities must be approved by Council and will be in compliance with the relevant legislation.

Securities are not provided for Councils own internal borrowing.

FINANCIAL INVESTMENTS AND EQUITY SECURITIES

Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to achieve an acceptable rate of return on all its investments. It recognises that, as a responsible local authority, any investments that it does hold will be low risk and that generally lower risk means lower returns. Also, that sometimes investments will need to be held for purposes other than financial returns.

Council's objectives for holding investments or making any new strategic or equity investments are/will be (one or more):

- a) The expected financial return.
- b) Contribution of the investment in furthering the Waitomo District's community outcomes as documented in the 10YP.
- c) How the investment 'fits' within the existing investment portfolio in terms of Council's preference to spread and minimise risk.
- d) Contribution towards the good of the local government sector either nationally, regionally or within a sub group of Councils.

The following table lists Council's shareholding investments, the objectives these align with, and the target rate of return.

| Investment | Objective of Holding Equity | Target rate of return |
|---|---|-----------------------|
| Inframax Construction Limited | Economic benefits like job creation thereby furthering community outcomes | 0% |
| Waikato Local Authority Shared Services (WLASS) | To ensure WLASS remains viable as a provider of shared services within the Waikato region | 0% |
| Civic Financial Services Ltd | Contribution towards the local government sector | 0% |



SIGNIFICANT FORECASTING ASSUMPTIONS

INTRODUCTION

The Local Government Act 2002 requires us to disclose all significant forecasting assumptions underpinning our 10 Year Plan. These assumptions reflect the best knowledge that we have at the time the plan is prepared and have been subject to audit.

GLOBAL IMPACT

CLIMATE CHANGE

Projected climatic changes present significant implications for Waitomo District’s environment, economy and the safety of our communities. Over the next century the Waitomo District can expect:

- rising sea levels,
- more extreme weather,
- more droughts in the east,
- more intense rainfall and increased wind in the west,
- warmer, drier summers, milder winters and shifting seasons.

It is also expected that there will be increased risks to communities from natural hazards such as river and coastal flooding, coastal erosion and severe weather.

Through the 10 Year Plan 2021-2031 (10YP) and asset management planning process, Waitomo District Council has made provisions through its activity and asset planning to consider the consequences arising from climate change, including the consequence of new capital work occurring in areas with the potential to be impacted by climate change. The Infrastructure Strategy explicitly considers the resilience of infrastructure in the event of natural disasters, identifies and provides for the management of risks relating to such disasters, and makes appropriate financial provision for those risks.

As part of the review of the Waitomo District Plan, Council is evaluating the potential risk of climate change on coastal areas and in respect of flood events. The purpose of this work is to help build intergenerational resilience to Climate Change within the District. Initial assessment indicates that an adaptive management strategy is required for coastal townships. Climate change scenarios have been used to model coastal erosion and coastal inundation, and flooding in Te Kuiti and Piopio. The Proposed District Plan provisions will be drafted to guide and manage the response which will further inform the planning and management phases.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|---|----------------------|-----------------------------|
| The impacts of climate change will be minimal over this 10YP planning period. | Low - Medium | Low |

TECHNOLOGICAL CHANGE

Technology is progressing quickly, at a rate that is, worldwide, overwhelming society’s ability to adapt. Whereas technology in the past replaced muscle, today technology is replacing cognition, which may affect how the workforce of the future is structured through a shift in the demand of skills. Adaption of new technology by the Council and our communities will require support to remove barriers to desirable change.

Use of new technology will be necessary to help provide communities with data, and a way to engage with Council. Through technology, subject to cost, communities will be able to be increasingly involved in the Council’s work in different ways and be empowered to take action. It is important to note, it is the nature of technology that some of the downstream effects of innovation can be unexpected, and this uncertainty is where the potential for risk lies.

Disruption is, by definition, uncertain. The nature or timing of any disruption is unexpected and is outside the control of the Council. However, Council can manage this uncertainty by fostering a working environment which allows for agility in decision making and change at both a governance and operational level. For the purposes of these 2021-31 10 Year Plan planning assumptions, this represents a low risk for Waitomo District Council.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|--|----------------------|-----------------------------|
| That the impact of technological change or disruption will not adversely affect Council’s ability to deliver services. | Medium | Low |

GLOBAL PANDEMIC

The full impact of the COVID-19 pandemic in New Zealand and specifically in the Waitomo District is as yet unknown. Even if the COVID-19 pandemic does not end up having a significant impact on the Council's activities and levels of service, it is unknown when another pandemic or other crisis might occur. This is evident by the resurgence of community transmission in August 2020.

Council has systems and procedures in place for many staff to be able to work remotely if needed, however some of the Council's activities simply cannot be performed remotely. Council may also be required to stop or reduce many of its business-as-usual activities to focus resources on an Emergency Management response.

Further widespread self-isolation, quarantine or new lockdowns would have an impact on customer-facing, direct contact activities. There would also likely be a significant impact on some ratepayers' ability to pay their rates, therefore affecting Council's income.

Council's investments would be negatively affected by national and global economic downturn due to pandemic responses.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|---|----------------------|-----------------------------|
| (a) Council will be able to deliver its core services at the levels or at a reduced level (depending on the alert level) during a global crisis or pandemic, with sufficient systems and procedures in place to ensure business continuity. | Medium-High | Low-Medium |
| (b) Council will be able to adequately resource and support any Emergency Management response in the event of a global crisis or pandemic. | | |

NATIONAL IMPACT

FUTURE PRICE CHANGES – RATES OF INFLATION

For the first year of the 10YP (2021/22), all financial statements have been prepared using 2021 dollars. Price level adjustments for inflation, as prepared by Business and Economic Research Limited (BERL) in their report dated September 2020, have been included in all financial statements for the following nine years of the 10YP.

The figures in the table below shows the per annum escalation adjustments applied to particular cost groups from year 2-10 of the 10YP and reflect the mid-scenario of the BERL Report.

| Planning Year | Category adjustor | | | | Price indices | | Overall Local Government Cost Index (LGCI) |
|---------------------|--------------------------------|---------|--|---|--|---------------------------------|--|
| | Planning and regulation | Roading | Community activities | Water and Environmental | All salary and wage rates - Local Government | Local Government administration | |
| Group of Activities | Regulation Resource management | Roads | Recreation and Property Community and Partnerships | Water, Wastewater, Stormwater Solid Waste | | Leadership | |
| 2022/23 | 2.5 | 3.1 | 2.7 | 3.5 | 2.4 | 2.0 | 2.9 |
| 2023/24 | 2.3 | 3.0 | 2.5 | 2.6 | 1.5 | 2.0 | 2.5 |
| 2024/25 | 2.2 | 2.9 | 2.4 | 2.7 | 1.7 | 1.9 | 2.5 |
| 2025/26 | 2.2 | 2.9 | 2.5 | 2.9 | 2.0 | 1.8 | 2.6 |
| 2026/27 | 2.2 | 2.9 | 2.4 | 2.8 | 2.2 | 1.8 | 2.5 |
| 2027/28 | 2.2 | 2.9 | 2.5 | 3.2 | 2.3 | 1.7 | 2.6 |
| 2028/29 | 2.2 | 2.9 | 2.6 | 3.3 | 2.4 | 1.7 | 2.7 |
| 2029/30 | 2.2 | 2.9 | 2.6 | 3.4 | 2.6 | 1.7 | 2.7 |
| 2030/31 | 2.2 | 2.9 | 2.4 | 3.1 | 2.7 | 1.6 | 2.6 |

The inflation assumptions have been applied to capital and operating cost forecasts, as the indices include a combined forecast of operating and capital costs. Because of this combination in the composition of the indices, they may either understate or overstate changes in the prices of operating and capital expenditure.

The above inflation forecasts do not make allowance for spikes in pricing that traditionally occur during re-tendering or renewal processes for medium to long term operating and maintenance contracts. These movements can be as large as 10% in the year immediately following contract re-tendering/renewal, due partly to the inherent increase in levels of service that are introduced to the new contract specifications, either consciously as a change to the scope of works or as a consequence of contract interpretation over previous years.

The risk associated with this assumption is that the rates of inflation may increase at a rate different to that forecast. Rates of inflation greater than those assumed will impact in particular on future cost estimates and the ability of the community to afford the consequential rate increases. This risk may be mitigated by revising budget estimates in conjunction with preparation of each Annual Plan and inflation estimates when the 10YP is reviewed every three years.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|--|----------------------|-----------------------------|
| Actual rates of inflation will be consistent with the projected inflation adjustors. | Low | Low |

NZ TRANSPORT AGENCY FINANCIAL ASSISTANCE

The Financial Assistance Rate (FAR) received by the Council from the New Zealand Transport Agency (Waka Kotahi) for qualifying road and footpaths expenditure has been confirmed at 75% for years 1,2 and 3 of the 10YP.

The risk associated with this assumption is that Waka Kotahi may reduce the FAR contribution level to less than the 75% in years 4 to 10 of the 10YP. This may result in a lower level of service or delay in the work programme and may ultimately lead to a deterioration of the districts road and footpath network. A reduction in the FAR contribution level would increase the local share of funding required from ratepayers.

We have assumed operating and capital expenditure programmes which have in the past received Waka Kotahi subsidies will continue to meet the criteria for funding.

In late May 2021, Waka Kotahi reduced the value of the local roads maintenance category from Council's initial planned 3 year programme of \$34.6 million to \$32 million for years 1 -3. This was a reduction in local roads maintenance programme of \$2.6 million from what was included in the Consultation Document. The operating and capital expenditure budgets for subsidised roads have been updated in the final 10YP for years 1 to 3 to reflect the reduced programme. We have assumed that the operating and capital expenditure programme for local roads maintenance will revert back to a level consistent with Council's original planned programme for the remaining years of the 10YP.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|---|----------------------|-----------------------------|
| Waka Kotahi Financial Assistance Rates will continue to be received at 75% on qualifying road and footpath expenditure. | Low | Medium |

EXTERNAL BORROWING

Council joined the Local Government Funding Authority (LGFA) in 2017 as a borrower and guarantor and borrows substantially all its debt funding needs through the LGFA. Council's borrowing options include bank borrowing and obtaining funds from the LGFA.

If Council were not able to borrow any additional funding this would result in either project delays or reduced levels of service. Council considers the risk of not being able to access borrowing is minimal as security is provided through its ability to generate an income from rates. Council has a credit facility in place which is renewed annually, and Council is able to borrow through commercial banks and the LGFA.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|--|----------------------|-----------------------------|
| Council is able to access external borrowing at levels forecast in the 10YP. | Low | Low |

EXPECTED INTEREST RATES ON BORROWING

Interest rates are expected to remain at historic lows for the foreseeable future. This is primarily due to policy settings to keep interest rates low to cushion the economic impact of the COVID-19 pandemic and low economic outlook prevalent prior to the pandemic. The outlook is for a sustained period of low interest rates with some upward pressure in the later years of the 10YP.

Interest costs are estimated taking into account both forecast interest rates and projected debt levels. The forecast interest rates are calculated using the following inputs namely; the current debt portfolio, the projected movement in the size of that portfolio over time, interest rate swaps, the Local Government Funding Agency's floating rate note and fixed rate bonds, the inclusion of a margin for risk over future Local Government Funding Agency secured debt, an assumed market forward track for the 3 month BKBM (Bank Bill Benchmark Rate) together with a conservative margin for risk. The conservative margin assumed for in Years 1 through 3 is 2 basis point and in Years 4 through 10 is 25 basis points.

The risk associated with this assumption is that interest rates may be different to those forecasts. Any increases in the interest rates above the interest rate forecast may result in increased operational costs and the rates funding requirement in those years or alternatively a delay in the start date of some projects in order to keep overall costs contained within the annual budgets.

Council's Treasury Policy contains the parameters for external borrowings to limit interest rate risk and provides for the use of interest rate risk management instruments such as interest rate swaps to deliver greater certainty over interest costs. To further mitigate the impact, a margin has been included in the forecast interest rate to ensure that there is sufficient capacity to offset any unexpected increases. Council's commitment to debt reduction sees overall forecast debt to decrease significantly over the 10YP.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|---|----------------------|-----------------------------|
| The annual interest rate on borrowings will be 2.75% for years 2021/2022 to 2023/2024 and 3.58% for years 2024/2025 to 2030/2031. | Medium | Low |

CENTRAL GOVERNMENT CHANGES TO POLICY OR LEGISLATION

The details of future legislative changes are unable to be anticipated with any level of certainty. The information that has been made available through various policy announcements to date suggests that the potential risks to materially impact this 10YP are medium to high in scale, particularly in regard to the government's proposed Three Waters Reform Programme.

Changes to regulations or rules that affect how we operate (usually through requiring compliance with new and higher standards) cannot be anticipated at this point, especially the unknown details of the Three Waters Reform Programme and its impact on Council. As a result, given the lack of detail available on future legislative changes and their timing cost to Council, the 10YP projects have been planned based on the current legislation, regulations, rules and policy.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|--|----------------------|-----------------------------|
| Impact of Central Government changes to policy or legislation on local government income or expenditure. | Medium - High | Medium |

WAITOMO DISTRICT IMPACT

PROJECTED GROWTH AND SOCIETAL CHANGE FACTORS

The census data from 2001, 2013 and 2018 shows that, the District had a higher proportion of children and teenagers than the rest of New Zealand. The proportion of the population in the 50 to 64-year-old categories was also above the national average.

The key points are:

- The age distribution of age groups for the projected population is similar, with only the projected total population differing.
- The trend toward an aging population continues. The proportion of people aged 65+ is forecast to increase from 13% in 2013 to between 25% and 29% by 2048.
- The proportion of the population under 15 years of age is forecast to decline from around 24% in 2013 to between 17% and 23% in 2048.

The result of this changing age structure is that the proportion of people aged between 15 and 64 years of age is forecast to decline from 63% to around 53%. This may have a flow-on effect to the make-up of the work force in the District. Council considers these changes have been adequately catered for in its 10YP 2021-31. Any departure from this assumption can be addressed during the 3-yearly review of the Plan.

In terms of geographic spread of growth, Te Kuiti township is expected to experience a population decline with only a small growth in dwellings. The population and number of dwellings for the rural area of the District is projected to grow.

Population and dwelling growth flows through to rating units. The District's rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories. Therefore, any rating unit growth is heavily dependent on dwelling growth. The number of Commercial and Industry rating units is projected to increase in Piopio, and Te Kuiti with no growth elsewhere.

The demographic and development trends show that there is no demand for growth related infrastructure at the present time or in the foreseeable future. For the past few years Council has been working on improving the condition of its core infrastructure assets, particularly in the Water Supply and Sewerage activity areas, in order to support public health outcomes and to meet its resource consent and other legislative requirements.

The growth and development trends support an approach of continuing to upgrade and maintain existing assets as opposed to the development of new capacity driven infrastructure. There is currently enough capacity in the infrastructure network to allow for minimal growth should it occur. Council does not anticipate any significant land-use changes during the period of the 10YP 2021-31.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|---|----------------------|-----------------------------|
| The impact of population and societal change has been adequately provided for in the financial estimates. | Low | Low |

FORECAST RETURN ON INVESTMENTS

The financial annual return on Council's investment in Inframax Construction Limited (ICL) is assessed at zero for the term of the Plan. Any investment income will be utilised prudently to accelerate retirement of term debt.

Due to the uncertainty in determining the future value of the investment, no increase or decrease in the value of the investment has been recognised over the life of the Plan.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|---|----------------------|-----------------------------|
| The annual financial return on investments is assessed at zero. | Medium | Low |

RESOURCE CONSENTS

Council has assumed that the resource consents it requires for its infrastructural activities will be obtained and/or renewed within the nominated time frames with conditions that can be met within expenditure estimates.

The expenditure estimates have been prepared based on experience and trends with past consent processes and standards. If the consent conditions are more stringent than expected then the levels of rating, debt, capital and maintenance expenditures will be higher and may require compensating reallocation of other expenditure priorities. Similarly, consent application processes that take longer than estimated could result in additional costs due to

the need to extend existing operational arrangements.

The financial impact of consent issues is considered to be minor with time delays required to complete consent processes more likely to be a greater issue than additional costs over what has already been allowed for in the financial estimates.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|--|----------------------|-----------------------------|
| Resource consent acquisition and compliance processes are within estimated timeframes and expenditure estimates. | | |
| 3 Waters | Medium | Medium |
| Landfill and Other Activities | Low | Low |

RATING BASE

It has been assumed that there will be no material increase or decrease in Council’s rating base (number of rateable assessments) over the term of the 10YP 2021-31. This assumption is conservative to minimise the risk of understating average prospective rate increases. Any actual increase in the rating base will help to absorb average rate increases.

| | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Rating Units | 5,876 | 5,876 | 5,876 | 5,876 | 5,876 | 5,876 | 5,876 | 5,876 | 5,876 | 5,876 |

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|--|----------------------|-----------------------------|
| There is no change in the rating base over the 10YP. | Low | Low |

REVENUE FOR WATER AND TRADE WASTE SERVICES

There are two major users of Council services built into the financial forecasts. These are the metered water revenue and trade waste revenue received from the two large meat processing companies within the District. The underlying assumption in Council’s financial forecasts is that the companies will continue to operate within the District.

The risk associated with this assumption is that the loss of one or both of these companies would reduce the revenue forecast in the 10YP. There is no information to suggest the likelihood of the companies closing during the life of the 10YP.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|---|----------------------|-----------------------------|
| The two major users of water and trade waste services will continue to operate within the District. | Low | Low |

TRANSFER OF OWNERSHIP OF STRATEGIC ASSETS

For the purpose of the 10YP 2021-31 period, Council has assumed that there will be no transfer of ownership of significant assets. However, Central Government’s Three Waters Reform Programme and Council’s commitment to Tranche 1 of that programme, has increase the uncertainty in the later years of the 10YP. Council also intends to assess its investment portfolio for optimal use as part of its regular management practice.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|--|----------------------|-----------------------------|
| There is no transfer of ownership of significant assets. | High | High |

ASSET REVALUATION

Asset revaluation amounts are based on the assumed rates of inflation within this Plan.

Infrastructure and Land and Building assets are revalued by an independent valuer on a 3-yearly basis in accordance with the Accounting Policies. Asset revaluation cycles differ for each class of asset and the projections within this 10YP assume a three yearly staggered revaluation cycle of asset classes.

No provision has been made in the Plan for changes in value for investment properties or assets held for sale as there will be no cash flow implications or any impact on the levels of service provided by the Council's Groups of Activities due to the valuation.

If the value of the asset class increases at a higher rate than the assumed level of inflation this may require an increase in rates funding to ensure we fund the increased depreciation charge or alternatively may impact on the level of services able to be delivered within the forecast funding limits. If the value of the asset class increases at lower rate than the assumed level of inflation this may reduce the rates funding requirement as depreciation costs would be less.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|--|----------------------|-----------------------------|
| Asset revaluation amounts are based on the assumed rates of inflation. | Low | Low |

USEFUL LIVES OF ASSETS

Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is included in the Statement of Accounting Policies. The useful lives assumed in the 10YP 2021-31, are consistent with the NZ Infrastructure Asset Valuation and Depreciation Guidelines prepared by the National Asset Management Steering (NAMS) Group and adjusted for local conditions based on past

experience. Experienced independent valuers review and confirm the useful lives for existing assets in the three yearly asset revaluation.

The risk associated with this assumption is that variations may occur between actual and assumed useful asset lives. An incorrect assumption of the useful life will impact on depreciation expense and the relevant asset replacement programme. If the asset useful life assumptions are incorrect, this may lead to asset failure or premature asset replacement. This risk is mitigated by physical inspection of assets, asset replacement programs and ongoing improvement to asset data quality. Council has developed an Infrastructure Strategy detailing the level of investment need to replace, renew or upgrade existing assets over the next 30 years.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|--|----------------------|-----------------------------|
| Assets will deliver the required level of service over their document useful life. | Low | Low |

SOURCES OF FUNDING FOR THE FUTURE REPLACEMENT OF STRATEGIC ASSETS

The funding needed for the future replacement of significant assets is set by Council's Revenue and Financing Policy, that incorporates the balanced budget and intergenerational principles. The funding sources used by Council for the renewal or replacement of assets are subsidies and grants, depreciation reserves and loan funding. The Council has over the term of the 10YP set revenue levels sufficient to fully fund consumption on its assets (unless stated otherwise).

The risk associated with this assumption is that the required actual asset renewal funding varies from the forecast funding required. If asset consumption calculations are insufficient to cover the costs of renewing or replacing the asset, it may lead to reduction in service levels, additional loan funding or a higher rating requirement. This risk may be mitigated through review of work programmes and revising budget estimates in conjunction with each Annual Plan. Council has also built depreciation reserves over time and generally these reserves have positive balances, so should be sufficient to fund renewals at least in the short term. Council has developed an Infrastructure Strategy detailing the level of investment need to replace, renew

or upgrade existing assets over the next 30 years.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|---|----------------------|-----------------------------|
| Subsidies and depreciation reserves will generally be adequate to fund asset renewal expenditure. | Low | Low |

DEVELOPMENT/FINANCIAL CONTRIBUTIONS

A Development Contribution Policy (DCP) pursuant to the Local Government Act 2002 is only appropriate where Council proposes to undertake significant new growth-related capital projects. In the absence of growth, the costs of developing and implementing a DCP significantly outweighs the benefits.

The growth projections indicate that there is likely to be a small amount of growth in dwellings and in rating units, despite a decrease in population. This is, however, over the 30-year projection, less than 0.5% increase/decrease across these measures, therefore general stability can be anticipated, and the impact of growth is assumed to be low.

The Resource Management Amendment Act 2020 re-enacted the ability for Councils to collect financial contributions from 1 July 2020, therefore financial contributions will be incorporated into the Proposed District Plan.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|---|----------------------|-----------------------------|
| No material growth related capital expenditure is expected. | Low | Low |

AVAILABILITY OF CONTRACTORS TO COMPLETE CAPITAL PROGRAMME

It is assumed there is sufficient capacity within the professional services and physical works contractor market to undertake the capital programme.

There is a medium degree of uncertainty around this assumption as there are high levels of forecasted capital expenditure from other Central and Local Government Agencies in the North Island as well as strong ongoing demand for new housing and development nationally. The impact of this on supply and demand on the contracting sector may impact on price competitiveness. Against that, the Civil Construction Sector is seeing spill-over of out of District contractors seeking to establish local market foothold. Procurement processes are well subscribed at the proposal stage, with the impact of Government funded "shovel ready" projects relatively short-term and minor compared with longer term core services delivery.

| Assumption | Level of Uncertainty | Impact on Integrity of 10YP |
|--|----------------------|-----------------------------|
| Availability of contractors to complete capital programme. | Medium | High |



FORECAST FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEARS ENDING 30 JUNE

| \$000's | Adjusted EAP 20/21 | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|--|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Revenue | | | | | | | | | | | |
| Rates revenue including rates penalties | 20,030 | 19,651 | 20,045 | 20,934 | 21,864 | 22,232 | 22,730 | 23,149 | 23,636 | 24,266 | 24,479 |
| Metered water rates | 892 | 950 | 983 | 1,009 | 1,036 | 1,067 | 1,096 | 1,131 | 1,169 | 1,209 | 1,246 |
| Subsidies and grants | 9,749 | 11,154 | 9,883 | 9,590 | 10,819 | 11,101 | 11,451 | 11,734 | 12,069 | 12,461 | 12,764 |
| Interest revenue | 15 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Fees and charges | 3,765 | 3,826 | 4,288 | 4,647 | 4,905 | 5,050 | 5,185 | 5,335 | 5,507 | 5,678 | 5,839 |
| Other revenue including gains/(losses) | 187 | 153 | 158 | 162 | 167 | 172 | 176 | 181 | 187 | 192 | 198 |
| Total Revenue and Gains/(Losses) | 34,638 | 35,743 | 35,366 | 36,351 | 38,800 | 39,631 | 40,647 | 41,539 | 42,577 | 43,815 | 44,535 |
| Expenditure | | | | | | | | | | | |
| Employee benefit expenses | 5,884 | 6,367 | 6,520 | 6,556 | 6,667 | 6,801 | 6,950 | 7,110 | 7,281 | 7,470 | 7,672 |
| Depreciation and amortisation expense | 6,108 | 6,878 | 7,386 | 7,653 | 7,928 | 8,319 | 8,660 | 9,067 | 9,380 | 9,753 | 10,082 |
| Finance costs | 1,426 | 1,118 | 1,115 | 1,103 | 1,384 | 1,292 | 1,218 | 1,117 | 980 | 843 | 706 |
| Other expenses | 18,249 | 18,449 | 17,961 | 18,607 | 18,519 | 19,122 | 19,791 | 19,942 | 20,547 | 21,390 | 21,398 |
| Total Expenditure | 31,667 | 32,812 | 32,982 | 33,919 | 34,498 | 35,534 | 36,619 | 37,236 | 38,188 | 39,456 | 39,858 |
| Surplus/(Deficit) | 2,971 | 2,931 | 2,384 | 2,432 | 4,302 | 4,097 | 4,028 | 4,303 | 4,389 | 4,359 | 4,677 |
| Other Comprehensive Revenue and Expense | | | | | | | | | | | |
| Gains/(losses) on revaluation of property, plant and equipment | 4,291 | 0 | 19,311 | 9,836 | 0 | 25,063 | 8,075 | 0 | 27,197 | 10,062 | 0 |
| Total Other Comprehensive Revenue and Expense | 4,291 | 0 | 19,311 | 9,836 | 0 | 25,063 | 8,075 | 0 | 27,197 | 10,062 | 0 |
| Total Comprehensive Revenue and Expense for the year | 7,262 | 2,931 | 21,695 | 12,268 | 4,302 | 29,160 | 12,103 | 4,303 | 31,586 | 14,421 | 4,677 |

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR YEARS ENDING 30 JUNE

| \$000's | Adjusted EAP 20/21 | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|---|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Opening balance at 1 July | 331,131 | 339,439 | 342,370 | 364,065 | 376,333 | 380,635 | 409,795 | 421,898 | 426,201 | 457,787 | 472,208 |
| Revaluation of property, plant and equipment | 4,291 | 0 | 19,311 | 9,836 | 0 | 25,063 | 8,075 | 0 | 27,197 | 10,062 | 0 |
| Net Income recognised directly in equity | 4,291 | 0 | 19,311 | 9,836 | 0 | 25,063 | 8,075 | 0 | 27,197 | 10,062 | 0 |
| Net Surplus/(Deficit) for the year | 2,971 | 2,931 | 2,384 | 2,432 | 4,302 | 4,097 | 4,028 | 4,303 | 4,389 | 4,359 | 4,677 |
| Total Recognised Income for the years ending 30 June | 2,971 | 2,931 | 2,384 | 2,432 | 4,302 | 4,097 | 4,028 | 4,303 | 4,389 | 4,359 | 4,677 |
| Total Comprehensive Revenue and Expense for the year | 7,262 | 2,931 | 21,695 | 12,268 | 4,302 | 29,160 | 12,103 | 4,303 | 31,586 | 14,421 | 4,677 |
| Balance at 30 June | 338,393 | 342,370 | 364,065 | 376,333 | 380,635 | 409,795 | 421,898 | 426,201 | 457,787 | 472,208 | 476,885 |

PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

| \$000's | Adjusted EAP 20/21 | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|---|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Equity | | | | | | | | | | | |
| Accumulated funds | 224,958 | 225,513 | 227,878 | 229,996 | 232,928 | 235,783 | 238,769 | 241,543 | 244,478 | 247,270 | 250,001 |
| Council created reserves | 16,845 | 20,048 | 20,067 | 20,381 | 21,751 | 22,993 | 24,034 | 25,563 | 27,018 | 28,585 | 30,531 |
| Investment Reserves | 11,439 | 8,829 | 8,829 | 8,829 | 8,829 | 8,829 | 8,829 | 8,829 | 8,829 | 8,829 | 8,829 |
| Hedging reserves | (2,343) | (2,763) | (2,763) | (2,763) | (2,763) | (2,763) | (2,763) | (2,763) | (2,763) | (2,763) | (2,763) |
| Revaluation reserve | 87,494 | 90,743 | 110,054 | 119,890 | 119,890 | 144,953 | 153,029 | 153,029 | 180,225 | 190,287 | 190,287 |
| Total Equity | 338,393 | 342,370 | 364,065 | 376,333 | 380,635 | 409,795 | 421,898 | 426,201 | 457,787 | 472,208 | 476,885 |
| Current Assets | | | | | | | | | | | |
| Cash and cash equivalents | 570 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 |
| Other financial assets | 3 | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 87 |
| Inventory | 93 | 75 | 77 | 79 | 81 | 83 | 86 | 88 | 90 | 93 | 95 |
| Receivables under exchange transactions | 157 | 279 | 287 | 295 | 302 | 310 | 318 | 326 | 335 | 344 | 353 |
| Receivables under non exchange transactions | 5,041 | 3,983 | 4,099 | 4,203 | 4,308 | 4,420 | 4,532 | 4,648 | 4,776 | 4,907 | 5,035 |
| Total Current Assets | 5,864 | 8,667 | 8,793 | 8,907 | 9,021 | 9,143 | 9,266 | 9,392 | 9,531 | 9,674 | 9,813 |
| Current Liabilities | | | | | | | | | | | |
| Payables and deferred revenue under exchange transactions | 3,178 | 2,907 | 2,990 | 3,068 | 3,143 | 3,226 | 3,308 | 3,391 | 3,483 | 3,578 | 3,674 |
| Payables and deferred revenue under non exchange transactions | 750 | 664 | 684 | 701 | 719 | 737 | 756 | 775 | 797 | 819 | 840 |
| Current portion of borrowings | 23,482 | 19,545 | 13,153 | 16,137 | 20,480 | 9,462 | 7,682 | 10,904 | 9,117 | 8,230 | 6,106 |
| Provisions | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| Employee entitlements | 623 | 816 | 840 | 861 | 882 | 905 | 928 | 952 | 978 | 1,005 | 1,031 |
| Derivative financial instruments | 677 | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 895 |
| Total Current Liabilities | 28,713 | 24,830 | 18,565 | 21,665 | 26,122 | 15,228 | 13,573 | 16,921 | 15,274 | 14,531 | 12,550 |
| Net Working Capital | (22,849) | (16,163) | (9,772) | (12,758) | (17,101) | (6,085) | (4,307) | (7,529) | (5,743) | (4,857) | (2,737) |
| Non Current Assets | | | | | | | | | | | |
| Property, plant and equipment | 368,549 | 370,477 | 391,572 | 402,622 | 404,184 | 431,223 | 440,421 | 440,837 | 468,554 | 478,931 | 479,396 |
| Intangible assets | 1,152 | 375 | 600 | 818 | 916 | 1,036 | 1,178 | 1,303 | 1,404 | 1,580 | 1,689 |
| Investment property | 897 | 1,014 | 1,014 | 1,014 | 1,014 | 1,014 | 1,014 | 1,014 | 1,014 | 1,014 | 1,014 |
| Other financial assets | 495 | 415 | 415 | 415 | 415 | 415 | 415 | 415 | 415 | 415 | 415 |
| Investment in CCO and Civic Financial Services Ltd | 11,455 | 8,845 | 8,845 | 8,845 | 8,845 | 8,845 | 8,845 | 8,845 | 8,845 | 8,845 | 8,845 |
| Total Non Current Assets | 382,548 | 381,126 | 402,446 | 413,714 | 415,374 | 442,533 | 451,873 | 452,414 | 480,232 | 490,785 | 491,359 |
| Non Current Liabilities | | | | | | | | | | | |
| Borrowings | 19,000 | 20,000 | 26,000 | 22,000 | 15,000 | 24,000 | 23,000 | 16,000 | 14,000 | 11,000 | 9,000 |
| Provisions | 461 | 547 | 563 | 577 | 592 | 607 | 622 | 638 | 656 | 674 | 691 |
| Derivative financial instruments | 1,845 | 2,046 | 2,046 | 2,046 | 2,046 | 2,046 | 2,046 | 2,046 | 2,046 | 2,046 | 2,046 |
| Total Non Current Liabilities | 21,306 | 22,593 | 28,609 | 24,623 | 17,638 | 26,653 | 25,668 | 18,684 | 16,702 | 13,720 | 11,737 |
| Net Assets | 338,393 | 342,370 | 364,065 | 376,333 | 380,635 | 409,795 | 421,898 | 426,201 | 457,787 | 472,208 | 476,885 |

PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEARS ENDING 30 JUNE

| \$000's | Adjusted EAP 20/21 | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|--|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Cashflows from Operating Activities | | | | | | | | | | | |
| Cash forecast to be provided from: | | | | | | | | | | | |
| Rates revenue (including penalties) | 20,922 | 20,476 | 20,903 | 21,831 | 22,788 | 23,178 | 23,706 | 24,156 | 24,669 | 25,334 | 25,590 |
| Subsidies and grants | 9,749 | 11,154 | 9,883 | 9,590 | 10,819 | 11,101 | 11,451 | 11,734 | 12,069 | 12,461 | 12,764 |
| Property rentals | 543 | 535 | 567 | 599 | 626 | 652 | 667 | 684 | 702 | 720 | 738 |
| Petroleum tax | 135 | 100 | 103 | 106 | 109 | 113 | 116 | 119 | 123 | 126 | 130 |
| Interest revenue | 15 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Receipts from other revenue | 3,274 | 3,344 | 3,775 | 4,104 | 4,337 | 4,458 | 4,578 | 4,712 | 4,870 | 5,024 | 5,169 |
| | 34,638 | 35,618 | 35,240 | 36,239 | 38,688 | 39,511 | 40,527 | 41,414 | 42,442 | 43,674 | 44,400 |
| Cash forecast to be applied to: | | | | | | | | | | | |
| Payments to suppliers and employees | 23,706 | 23,614 | 23,307 | 24,035 | 24,038 | 24,722 | 25,573 | 25,857 | 26,572 | 27,634 | 27,821 |
| Elected members | 427 | 471 | 442 | 411 | 432 | 476 | 442 | 465 | 513 | 478 | 503 |
| Interest paid on borrowings | 1,426 | 1,118 | 1,115 | 1,103 | 1,384 | 1,292 | 1,218 | 1,117 | 980 | 843 | 706 |
| | 25,559 | 25,203 | 24,864 | 25,549 | 25,854 | 26,490 | 27,233 | 27,439 | 28,065 | 28,955 | 29,030 |
| Net Cash Inflows from Operating Activities | 9,079 | 10,415 | 10,376 | 10,690 | 12,834 | 13,021 | 13,294 | 13,975 | 14,377 | 14,719 | 15,370 |
| Cashflows from Investing Activities | | | | | | | | | | | |
| Cash forecast to be provided from: | | | | | | | | | | | |
| Repayment of advance to community groups | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 4 | 4 | 0 |
| Cash forecast to be applied to: | | | | | | | | | | | |
| Purchase and development of property, plant and equipment | 10,784 | 9,621 | 9,170 | 8,867 | 9,490 | 10,294 | 9,783 | 9,482 | 9,901 | 10,067 | 10,547 |
| Purchase of intangible assets | 432 | 729 | 814 | 807 | 687 | 709 | 731 | 715 | 689 | 765 | 699 |
| | 11,216 | 10,350 | 9,984 | 9,674 | 10,177 | 11,003 | 10,514 | 10,197 | 10,590 | 10,832 | 11,246 |
| Net Cash Outflow from Investing Activities | (11,212) | (10,346) | (9,984) | (9,674) | (10,177) | (11,003) | (10,514) | (10,197) | (10,590) | (10,832) | (11,246) |
| Cashflows from Financing Activities | | | | | | | | | | | |
| Cash forecast to be provided from: | | | | | | | | | | | |
| Cash was provided from borrowings | 27,133 | 24,931 | 29,608 | 21,984 | 23,343 | 27,982 | 16,220 | 9,222 | 13,213 | 11,113 | 9,876 |
| | 27,133 | 24,931 | 29,608 | 21,984 | 23,343 | 27,982 | 16,220 | 9,222 | 13,213 | 11,113 | 9,876 |
| Cash forecast to be applied to: | | | | | | | | | | | |
| Repayment of borrowings | 25,000 | 25,000 | 30,000 | 23,000 | 26,000 | 30,000 | 19,000 | 13,000 | 17,000 | 15,000 | 14,000 |
| | 25,000 | 25,000 | 30,000 | 23,000 | 26,000 | 30,000 | 19,000 | 13,000 | 17,000 | 15,000 | 14,000 |
| Net Cash Inflows/(Outflows) from Financing Activities | 2,133 | (69) | (392) | (1,016) | (2,657) | (2,018) | (2,780) | (3,778) | (3,787) | (3,887) | (4,124) |
| Net increase/(decrease) in cash and cash equivalents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash and cash equivalents at the beginning of the year | 570 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 |
| Cash and cash equivalents at the end of the year | 570 | 4,243 |
| Cash at the end of the year represented by: | | | | | | | | | | | |
| Cash at bank and in hand | 570 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 | 4,243 |

PROSPECTIVE STATEMENT OF PUBLIC DEBT FOR THE YEARS ENDING 30 JUNE

| \$000's | Adjusted EAP 20/21 | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|------------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Opening Balance | 40,349 | 39,614 | 39,545 | 39,153 | 38,137 | 35,480 | 33,462 | 30,682 | 26,904 | 23,117 | 19,230 |
| Loans raised | 27,133 | 24,931 | 29,608 | 21,984 | 23,343 | 27,982 | 16,220 | 9,222 | 13,213 | 11,113 | 9,876 |
| Loans repaid | (25,000) | (25,000) | (30,000) | (23,000) | (26,000) | (30,000) | (19,000) | (13,000) | (17,000) | (15,000) | (14,000) |
| Closing Balance | 42,482 | 39,545 | 39,153 | 38,137 | 35,480 | 33,462 | 30,682 | 26,904 | 23,117 | 19,230 | 15,106 |

PROSPECTIVE STATEMENT OF RESERVE FUND MOVEMENTS FOR COUNCIL CREATED RESERVES FOR THE YEARS ENDING 30 JUNE

| \$000's | Adjusted EAP 20/21 | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|---------------------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Council Created Reserves | | | | | | | | | | | |
| Opening Balance | 16,911 | 20,095 | 20,048 | 20,067 | 20,381 | 21,751 | 22,993 | 24,034 | 25,563 | 27,018 | 28,585 |
| Transfer to/(from) Reserves | (66) | (47) | 19 | 314 | 1,370 | 1,242 | 1,041 | 1,529 | 1,455 | 1,567 | 1,946 |
| Closing Balance | 16,845 | 20,048 | 20,067 | 20,381 | 21,751 | 22,993 | 24,034 | 25,563 | 27,018 | 28,585 | 30,531 |

PROSPECTIVE DEPRECIATION AND AMORTISATION EXPENSE

| Depreciation Expense | Adjusted EAP 20/21 | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|----------------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Leadership | 540 | 626 | 706 | 791 | 843 | 897 | 880 | 920 | 917 | 913 | 908 |
| Recreation and Property | 980 | 987 | 1,039 | 1,042 | 1,074 | 1,112 | 1,146 | 1,188 | 1,219 | 1,252 | 1,275 |
| Community and Partnerships | 13 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Regulatory Services | 8 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 14 | 14 |
| Solid Waste | 81 | 68 | 64 | 70 | 73 | 80 | 84 | 86 | 87 | 88 | 91 |
| Stormwater | 196 | 195 | 203 | 210 | 211 | 218 | 227 | 237 | 246 | 256 | 262 |
| Wastewater | 828 | 855 | 913 | 934 | 963 | 1,001 | 1,045 | 1,071 | 1,063 | 1,097 | 1,107 |
| Water Supply | 626 | 693 | 762 | 791 | 823 | 843 | 878 | 918 | 947 | 976 | 994 |
| Roads and Footpaths | 2,836 | 3,445 | 3,690 | 3,805 | 3,930 | 4,156 | 4,387 | 4,633 | 4,886 | 5,156 | 5,430 |
| | 6,108 | 6,878 | 7,386 | 7,653 | 7,928 | 8,319 | 8,660 | 9,067 | 9,380 | 9,753 | 10,082 |

PROSPECTIVE FUNDING IMPACT STATEMENT FOR 2021-2031 FOR WHOLE OF COUNCIL

| \$000's | Adjusted EAP 20/21 | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Yr5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|---|-----------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| Sources of operating funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 9,081 | 9,256 | 9,505 | 9,967 | 9,593 | 9,893 | 10,106 | 10,203 | 10,371 | 10,734 | 10,662 |
| Targeted rates | 11,841 | 11,345 | 11,523 | 11,976 | 13,307 | 13,406 | 13,720 | 14,077 | 14,434 | 14,741 | 15,063 |
| Subsidies and grants for operating purposes | 4,784 | 5,480 | 5,291 | 5,475 | 5,785 | 5,920 | 6,122 | 6,249 | 6,422 | 6,649 | 6,786 |
| Fees and charges | 3,717 | 3,818 | 4,239 | 4,597 | 4,854 | 4,998 | 5,131 | 5,279 | 5,449 | 5,618 | 5,779 |
| Interest and dividends from Investments | 15 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 193 | 161 | 166 | 170 | 175 | 180 | 185 | 190 | 197 | 203 | 208 |
| Total operating funding (A) | 29,631 | 30,069 | 30,733 | 32,194 | 33,723 | 34,406 | 35,273 | 36,007 | 36,882 | 37,954 | 38,507 |
| Applications of operating funding | | | | | | | | | | | |
| Payments to staff and suppliers | 24,202 | 24,814 | 24,481 | 25,164 | 25,186 | 25,924 | 26,740 | 27,053 | 27,828 | 28,861 | 29,070 |
| Finance costs | 1,426 | 1,118 | 1,115 | 1,103 | 1,384 | 1,292 | 1,218 | 1,117 | 980 | 843 | 706 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 25,628 | 25,932 | 25,596 | 26,267 | 26,570 | 27,216 | 27,958 | 28,170 | 28,808 | 29,704 | 29,776 |
| Surplus (deficit) of operating funding (A-B) | 4,003 | 4,137 | 5,137 | 5,927 | 7,153 | 7,190 | 7,315 | 7,837 | 8,074 | 8,250 | 8,731 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 4,965 | 5,674 | 4,592 | 4,115 | 5,034 | 5,181 | 5,329 | 5,485 | 5,647 | 5,812 | 5,978 |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 1,747 | (96) | (355) | (687) | (1,272) | (760) | (1,721) | (2,232) | (2,312) | (2,300) | (2,158) |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 42 | 0 | 41 | 42 | 43 | 44 | 45 | 47 | 48 | 49 | 50 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | 6,754 | 5,578 | 4,278 | 3,470 | 3,805 | 4,465 | 3,653 | 3,300 | 3,383 | 3,561 | 3,870 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure - to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital expenditure - to improve the level of service | 860 | 2,211 | 1,057 | 974 | 554 | 768 | 771 | 436 | 449 | 461 | 475 |
| Capital expenditure - to replace existing assets | 10,356 | 8,139 | 8,927 | 8,700 | 9,623 | 10,235 | 9,743 | 9,761 | 10,141 | 10,371 | 10,771 |
| Increase (decrease) in reserves | (459) | (635) | (569) | (277) | 781 | 652 | 454 | 940 | 867 | 979 | 1,355 |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 10,757 | 9,715 | 9,415 | 9,397 | 10,958 | 11,655 | 10,968 | 11,137 | 11,457 | 11,811 | 12,601 |
| Surplus (deficit) of capital funding (C-D) | (4,003) | (4,137) | (5,137) | (5,927) | (7,153) | (7,190) | (7,315) | (7,837) | (8,074) | (8,250) | (8,731) |
| Funding Balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

FINANCIAL REPORTING AND PRUDENCE BENCHMARKS

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.

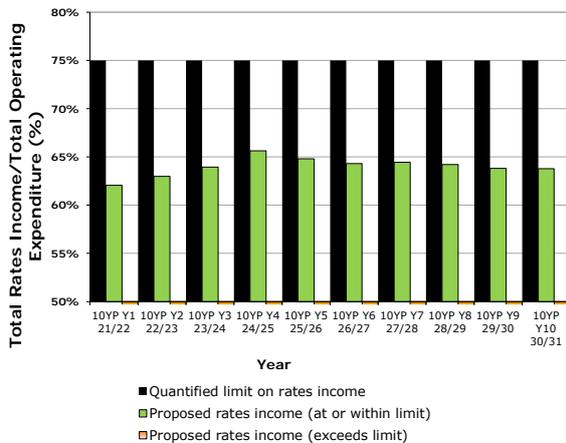
RATES AFFORDABILITY BENCHMARK

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 increases.

RATES (INCOME) AFFORDABILITY

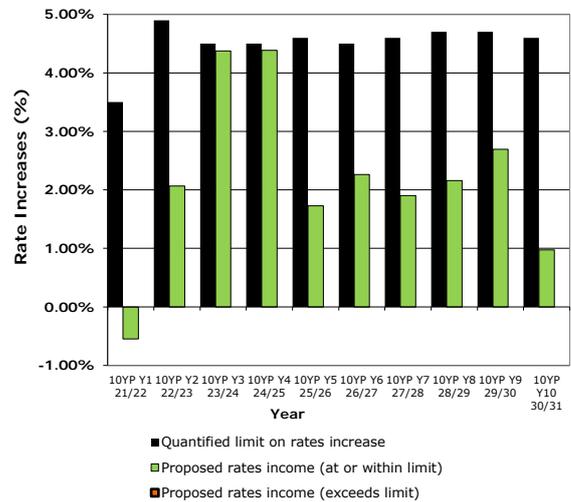
The following graph compares the Council’s planned rates with a quantified limit on rates contained in the Financial Strategy included in this long-term plan. The quantified limit is total rates revenue will be limited to an average of 75% of total operating expenditure.



RATES (INCREASES) AFFORDABILITY

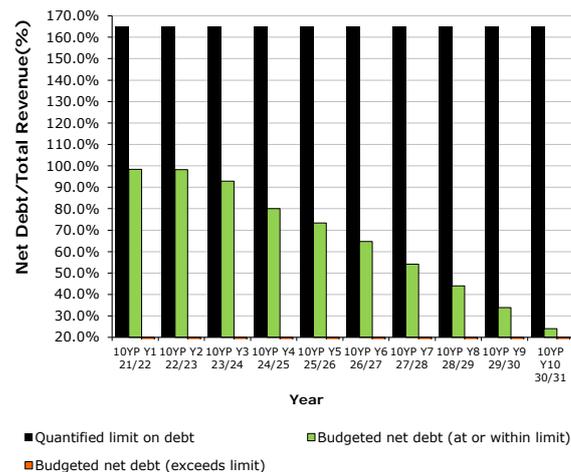
The following graph compares the Council’s planned rates increases with a quantified limit on rates increases contained in the Financial

Strategy included in this long-term plan. The quantified limit is total rate increases will be limited to a cap of the forecast Local Government Cost Index for that year plus 2%.

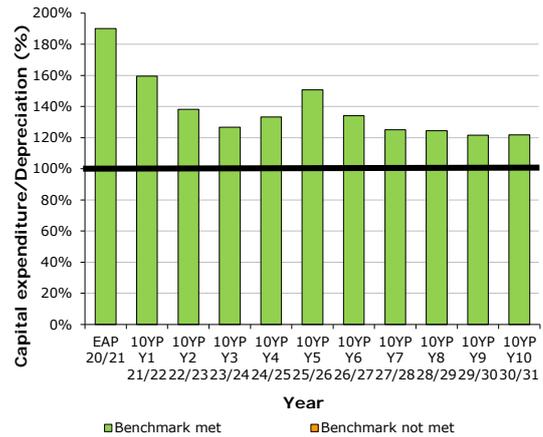
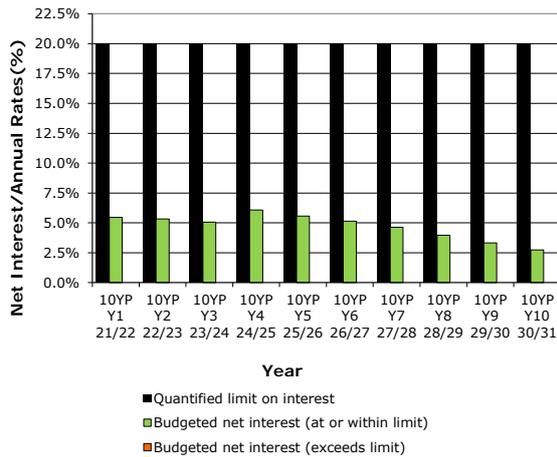


DEBT AFFORDABILITY BENCHMARK

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 total net debt will not exceed 165% of total revenue.



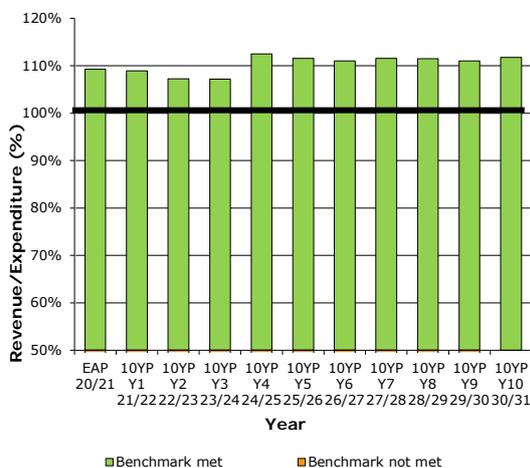
The following graph compares the Council’s planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this long-term plan. The quantified limit is the ratio of net interest will not exceed 20% of annual rates.



BALANCED BUDGET BENCHMARK

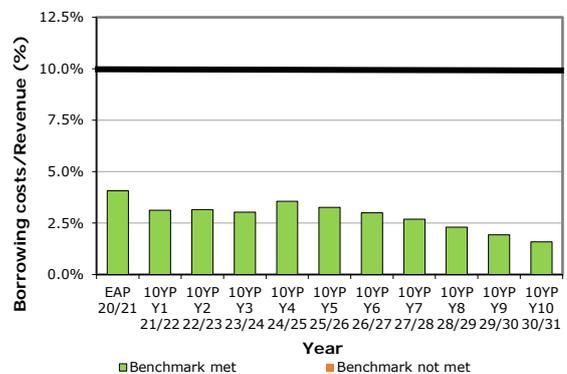
The following graph displays the Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative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



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 more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



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.

PROSPECTIVE STATEMENT OF RESERVE FUNDS

The Council maintains reserves as a sub-part of its equity. Schedule 10(16) Local Government Act 2002 requires certain information on Reserve Funds to be included in the Council's 10 Year Plan. The following represents a Summary of Reserve Funds over the period of the plan and provides information on:

- the purpose of the Reserve Fund
- the activity to which the fund relates
- the amount expected to be in the fund at:
 - the commencement of the first year to which the 10 Year Plan relates; and
 - the end of the last year to which the 10 Year Plan relates; and
- the amount expected to be deposited in the fund in the period to which the 10 Year Plan relates; and
- the amount expected to be withdrawn from the fund in the period to which the 10 Year Plan relates.

1 OPERATIONAL RESERVES

Operational Reserves are created to hold short-term funding surpluses (or deficits) arising from the various activities of Council.

This occurs when:

- Operating expenditure exceeds budget;
- Operating income is less than budget; or
- A combination of both.

A balance held in an operational reserve forms part of the Council's funding considerations for a particular activity in each subsequent year's budget.

For example, the balance in an operational reserve will determine whether more or less income is required in the subsequent year's budget to clear that balance.

Council ensures that rates collected for a particular activity from an identified group of ratepayers are used only for that activity and for the benefit of that identified ratepayer group.

2 DEPRECIATION RESERVES

The Council sets aside accumulated funds from rates in specific Depreciation Reserves to fund repayments on loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives. Each major activity e.g., water, roading, wastewater, stormwater, solid waste, etc. has its own Depreciation Reserve so that the funds from each can be applied to the appropriate activity.

Council ensures that funds accumulated for a particular activity from an identified group of ratepayers can only be used for that activity and for the benefit of that identified ratepayer group. The purpose of accumulating specific Depreciation Reserves is to ensure that Council's ability to provide services to the District's communities is maintained.

3 SPECIAL PURPOSE RESERVES

There are two special purpose reserves

District Development Special Purpose Reserve:

Funds were received from the Development King Country Trust in April 2012 with the intention of setting up a Waitomo District Economic Development Board (or similar entity) to assist with a more integrated strategic focus on sustainable delivery of economic development initiatives within the District.

Waste Minimisation Special Purpose Reserve:

Funds received from the Ministry for the Environment under Section 31 of the Waste Minimisation Act 2008 can only be spent on activities that promote or achieve waste minimisation and in accordance with Council's waste management and minimisation plan. This special purpose reserve is a net accumulation of levy monies received and expenditure on waste minimisation activities that meet the aforementioned purpose and Council approval.

| Prospective Statement of Reserve Funds (\$000's) | Projected Reserve Balance 30 June 2021 | Forecast Reserve Deposits | Forecast Reserve Withdrawals | Forecast Reserve Balance 30 June 2031 |
|---|---|---------------------------------|------------------------------------|--|
| Operational Reserves (1) | | | | |
| Leadership | | | | |
| Representation, Strategy and Engagement | 175 | 161 | (443) | (107) |
| Investments | 1,000 | 0 | 0 | 1,000 |
| Emergency Management | 453 | 0 | 0 | 453 |
| | 1,628 | 161 | (443) | 1,346 |
| Recreation and Property | | | | |
| Parks and Recreation | 772 | 0 | 0 | 772 |
| Housing and Property | 944 | 0 | 0 | 944 |
| Community Facilities - Library | (117) | 61 | 0 | (56) |
| Community Facilities - Aquatic Centre | (45) | 0 | 0 | (45) |
| Community Facilities - Les Munro Centre | 276 | 0 | 0 | 276 |
| Community Facilities - Aerodrome | 128 | 0 | 0 | 128 |
| Public Facilities | 599 | 0 | 0 | 599 |
| | 2,557 | 61 | 0 | 2,618 |
| Community and Partnerships | | | | |
| Community Partnerships | 531 | 0 | 0 | 531 |
| | 531 | 0 | 0 | 531 |
| Regulatory Services | | | | |
| Regulatory Services | 238 | 45 | (45) | 238 |
| | 238 | 45 | (45) | 238 |
| Solid Waste | | | | |
| Kerbside Collection | 156 | 0 | 0 | 156 |
| Waste Disposal | 183 | 0 | 0 | 183 |
| Waste Minimisation | (41) | 39 | 0 | (2) |
| | 298 | 39 | 0 | 337 |
| Stormwater | | | | |
| Te Kuiti | (64) | 78 | (25) | (11) |
| Rural | 185 | 0 | 0 | 185 |
| | 121 | 78 | (25) | 174 |
| Resource Management | | | | |
| Resource Management | 278 | 0 | 0 | 278 |
| | 278 | 0 | 0 | 278 |
| Wastewater | | | | |
| Waitomo | (15) | 0 | 0 | (15) |
| Te Kuiti | 4,958 | 2,909 | 0 | 7,867 |
| Te Waitere | (9) | 0 | (544) | (553) |
| Benneydale | (357) | 0 | (886) | (1,243) |
| Piopio | 183 | 0 | (1,362) | (1,179) |
| | 4,760 | 2,909 | (2,792) | 4,877 |
| Water Supply | | | | |
| Te Kuiti | (338) | 5,026 | 0 | 4,688 |
| Mokau | (957) | 0 | (2,340) | (3,297) |
| Piopio | (684) | 0 | (1,819) | (2,503) |
| Benneydale | (151) | 0 | (778) | (929) |
| Waitomo | (36) | 0 | 0 | (36) |
| | (2,166) | 5,026 | (4,937) | (2,077) |
| Roads and Footpaths | | | | |
| Subsidised Rooding | (1,229) | 907 | (36) | (358) |
| Unsubsidised Rooding | 569 | 0 | 0 | 569 |
| | (660) | 907 | (36) | 211 |
| Business Support | | | | |
| Gratuities | 71 | 0 | 0 | 71 |
| Long Service Leave | 26 | 0 | 0 | 26 |
| Natural Disaster | 426 | 0 | 0 | 426 |
| | 523 | 0 | 0 | 523 |
| Total Operational Reserves | 8,108 | 9,226 | (8,278) | 9,056 |

| Prospective Statement of Reserve Funds (\$000's) (Continued) | Projected Reserve Balance 30 June 2021 | Forecast Reserve Deposits | Forecast Reserve Withdrawals | Forecast Reserve Balance 30 June 2031 |
|--|---|---------------------------------|------------------------------------|--|
| Depreciation Reserves (2) | | | | |
| Leadership | | | | |
| Investments | (1) | 266 | 0 | 265 |
| | (1) | 266 | 0 | 265 |
| Recreation and Property | | | | |
| Parks and Recreation | (56) | 1,121 | (651) | 414 |
| Housing and Property - Housing | 232 | 63 | (63) | 232 |
| Housing and Property - Community Halls | 808 | 0 | 0 | 808 |
| Housing and Property - Land and Buildings | 244 | 1,671 | (1,531) | 384 |
| Housing and Property - Railway Station Buildings | (112) | 0 | 0 | (112) |
| Community Facilities - Library | 580 | 998 | (643) | 935 |
| Community Facilities - Aquatic Centre | (32) | 501 | (274) | 195 |
| Community Facilities - Arts and Culture | 398 | 2,296 | (393) | 2,301 |
| Community Facilities - Aerodrome | 34 | 424 | (349) | 109 |
| Public Facilities | 196 | 1,644 | (1,169) | 671 |
| | 2,292 | 8,718 | (5,073) | 5,937 |
| Community and Partnerships | | | | |
| Te Kuiti i-SITE | 5 | 3 | 0 | 8 |
| | 5 | 3 | 0 | 8 |
| Regulatory Services | | | | |
| Animal and Dog Control | (42) | 115 | (119) | (46) |
| | (42) | 115 | (119) | (46) |
| Solid Waste | | | | |
| Waste Disposal | (227) | 785 | (2,686) | (2,128) |
| | (227) | 785 | (2,686) | (2,128) |
| Stormwater | | | | |
| Te Kuiti | 892 | 2,162 | (1,561) | 1,493 |
| Rural | 40 | 103 | (60) | 83 |
| | 932 | 2,265 | (1,621) | 1,576 |
| Wastewater | | | | |
| Te Kuiti | 294 | 8,569 | (5,983) | 2,880 |
| Te Waitere | (2) | 54 | (51) | 1 |
| Maniaiti / Benneydale | 235 | 465 | (243) | 457 |
| Piopio | 156 | 1,156 | (488) | 824 |
| | 683 | 10,244 | (6,765) | 4,162 |
| Water Supply | | | | |
| Te Kuiti | 475 | 6,544 | (4,192) | 2,827 |
| Mokau | (185) | 1,156 | (1,262) | (291) |
| Piopio | 163 | 947 | (821) | 289 |
| Maniaiti / Benneydale | 143 | 432 | (435) | 140 |
| | 596 | 9,079 | (6,710) | 2,965 |
| Roads and Footpaths | | | | |
| Subsidised Roothing | 7,382 | 25,295 | (25,279) | 7,398 |
| Unsubsidised Roothing | 158 | 250 | (631) | (223) |
| | 7,540 | 25,545 | (25,910) | 7,175 |
| Business Support | | | | |
| Business Support | (224) | 5,448 | (3,462) | 1,762 |
| Plant | 252 | 2,682 | (3,249) | (315) |
| | 28 | 8,130 | (6,711) | 1,447 |
| Total Depreciation Reserves | 11,806 | 65,150 | (55,595) | 21,361 |

| Prospective Statement of Reserve Funds (\$000's) (Continued) | Projected Reserve Balance 30 June 2021 | Forecast Reserve Deposits | Forecast Reserve Withdrawals | Forecast Reserve Balance 30 June 2031 |
|--|---|---------------------------------|------------------------------------|--|
| Special Purpose Reserves (3) | | | | |
| Community and Partnerships | | | | |
| District Development | 16 | 0 | 0 | 16 |
| | 16 | 0 | 0 | 16 |
| Solid Waste | | | | |
| Carbon Credits Reserve | 103 | 5,889 | (5,891) | 101 |
| Waste Minimisation Reserve | 62 | 401 | (466) | (3) |
| | 165 | 6,290 | (6,357) | 98 |
| Total Special Purpose Reserves | 181 | 6,290 | (6,357) | 114 |
| Total Reserves | 20,095 | 80,666 | (70,230) | 30,531 |

| Summary Prospective Statement of Reserve Funds | Projected Reserve Balance 30 June 2021 | Forecast Reserve Deposits | Forecast Reserve Withdrawals | Reserve Balance 30 June 2031 | Net Movement in Reserve |
|---|---|---------------------------------|------------------------------------|------------------------------------|-------------------------------|
| Leadership | 1,627 | 427 | (443) | 1,611 | (16) |
| Recreation and Property | 4,849 | 8,779 | (5,073) | 8,555 | 3,706 |
| Community and Partnership | 552 | 3 | 0 | 555 | 3 |
| Regulatory Services | 196 | 160 | (164) | 192 | (4) |
| Solid Waste | 236 | 7,114 | (9,043) | (1,693) | (1,929) |
| Stormwater | 1,053 | 2,343 | (1,646) | 1,750 | 697 |
| Resource Management | 278 | 0 | 0 | 278 | 0 |
| Wastewater | 5,443 | 13,153 | (9,557) | 9,039 | 3,596 |
| Water Supply | (1,570) | 14,105 | (11,647) | 888 | 2,458 |
| Roads and Footpaths | 6,880 | 26,452 | (25,946) | 7,386 | 506 |
| Business Support | 551 | 8,130 | (6,711) | 1,970 | 1,419 |
| | 20,095 | 80,666 | (70,230) | 30,531 | 10,436 |

| Reconciliation between Prospective Funding Impact Statement and Prospective Statement of Reserve Funds | | | | | | |
|--|--------------------------------------|--|---------------------------------------|-----------------------|--|----------|
| | Prospective Funding Impact Statement | | | | Net Movement in Reserve Funds | Variance |
| | Net Movement FIS | Transfer to Business Support Reserves | Less Carbon Credits Surrendered | Total Net Movement | | |
| Leadership | (1,403) | 1,419 | | 16 | (16) | 0 |
| Recreation and Property | (3,706) | | | (3,706) | 3,706 | 0 |
| Community and Partnership | (3) | | | (3) | 3 | 0 |
| Regulatory Services | 4 | | | 4 | (4) | 0 |
| Solid Waste | 7,818 | | (5,889) | 1,929 | (1,929) | 0 |
| Stormwater | (697) | | | (697) | 697 | 0 |
| Resource Management | 0 | | | 0 | 0 | 0 |
| Wastewater | (3,596) | | | (3,596) | 3,596 | 0 |
| Water Supply | (2,458) | | | (2,458) | 2,458 | 0 |
| Roads and Footpaths | (506) | | | (506) | 506 | 0 |
| Business Support | | (1,419) | | (1,419) | 1,419 | 0 |
| Whole of Council | (4,547) | 0 | (5,889) | (10,436) | 10,436 | 0 |

ACCOUNTING POLICIES

STATEMENT OF RESPONSIBILITY

The Prospective Financial Statements, which form part of the 10 Year Plan 2021-2031 (10YP), was adopted by Council on 29 June 2021.

The purpose of the 10YP is to provide a roadmap to the Council and community on the planned activities and expenditure of Council over the next ten years. The use of this information for purposes other than for which it is prepared may not be appropriate.

The Council is responsible for the Prospective Financial Statements presented, including the appropriateness of the underlying assumptions and related disclosures. The Prospective Financial Statements have been prepared in compliance with the PBE FRS 42 Prospective Financial Statements.

The Council, who is authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, adopted the Prospective Financial Statements on 29 June 2021.

No actual financial results have been incorporated within the Prospective Financial Statements.

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Waitomo 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 activities are the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Prospective Financial Information contained within the 10YP may not be appropriate for purposes other than those described.

Basis of Preparation

The Prospective Financial Statements are for Waitomo District Council (the Council) as a separate legal entity. Consolidated Prospective Financial Statements comprising the Council and its controlled entities and associates have not been prepared.

STATEMENT OF COMPLIANCE

The Prospective Financial Statements have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The Prospective Financial Statements have been prepared in accordance with Tier 1 PBE accounting standards.

The Accounting Policies set out below have been applied consistently to all periods presented in these Prospective Financial Statements.

PRESENTATION CURRENCY AND ROUNDING

The reporting period for these Prospective Financial Statements is the 10 year period ending 30 June 2031. The Prospective Financial Statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000's), unless otherwise stated.

MEASUREMENT BASIS

The measurement basis applied is historical cost, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments and investment property. The accrual basis of accounting has been used unless otherwise stated.

For the Assets and Liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. For Investment Property, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

STANADARDS ISSUED AND NOT YET EFFECTIVE BUT ADOPTED EARLY

At adoption of the 10YP 2021-31 the following standard was on issue but not yet effective, however it includes an option for early adoption.

PBE IPSAS 41 Financial Instruments will become effective for reporting periods beginning on or after 1 January 2022. Council has elected to apply the standard early and will apply it to the financial year ending 30 June 2022, being the first year of this 10YP 2021-31.

The new standard changes the classification of financial instruments, but has no impact on the recognition or measurement of the instruments currently held or forecast to be held within this plan.

REVENUE

Revenue comprises rates, revenue from operating activities, grant revenue, interest revenue, and other revenue and is measured at the fair value of consideration received or receivable.

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Council and the revenue can be reliably measured.

Revenue may be derived from either exchange or non-exchange transactions. These are defined as:

Exchange Transactions

Exchange Transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange Transactions

Non-exchange Transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

The following specific recognition criteria must also be met before revenue is recognised.

RATES REVENUE

Rates are set annually by resolution of the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates arising from late payment penalties are recognised when rates become overdue. Rates revenue is classified as non-exchange revenue.

WAKA KOTAHĪ ROADING SUBSIDIES

The Council receives funding assistance from Waka Kotahi, 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. Roothing subsidies are classified as non-exchange revenue.

OTHER SUBSIDIES AND GRANTS RECEIVED

Other subsidies and 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 grants are satisfied. Other grants received are classified as non-exchange revenue.

FEES, LEVIES AND CHARGES

Other fees, levies and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence. Fees, levies and charges are classified as non-exchange revenue.

INTEREST REVENUE

Revenue is recognised using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument. Interest revenue is classified as exchange revenue.

SALE OF GOODS

The sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer. This revenue is classified as exchange revenue.

PROPERTY RENTAL REVENUE

Rental revenue arising on property owned by the Council is accounted for on a straight-line basis over the lease term. Property rental revenue is generally classified as non-exchange with the exception of certain market based lease rentals.

DONATED, SUBSIDISED OR VESTED ASSETS

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised when the control of the asset is transferred to Council. The fair value of this asset is recognised as revenue, unless there is a use or return condition attached to the asset and is classified as non-exchange revenue.

RENDERING OF SERVICES AND CONSTRUCTION CONTRACTS

Revenue from construction contracting services includes revenue from building and civil contracting services. Revenue and profit are recognised on the basis of value of work completed. Percentage of completion is measured by reference to the value of work performed which is independently certified each month by the customer's engineer to the contract. Expected losses are recognised in full as soon as they become apparent.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Group's construction activities in general.

Rendering of services is classified as exchange revenue.

EXPENDITURE

Expenditure is recognised when the Council has been supplied with the service or has control of the goods supplied.

GRANT EXPENDITURE

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

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

BORROWING COSTS

Borrowing costs are recognised in the period in which they are incurred.

DEPRECIATION AND AMORTISATION

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated

using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

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

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

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

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

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

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.

INVENTORY

Inventory held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

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

FINANCIAL INSTRUMENTS

Financial instruments are recognised on the Council's balance sheet when Council becomes party to the contractual provisions of the instrument.

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

FINANCIAL ASSETS

Purchases and sales of investments are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or waived or have been transferred and the Council has transferred substantially all the risks or rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- Financial assets subsequently measured at amortised cost,
- Financial assets subsequently measured at fair value through other comprehensive revenue and expense,
- Financial assets subsequently measured at fair value through surplus or deficit,

The classification depends on the Council's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The amortised cost of a financial instrument is the amount at which the financial instrument is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that

initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The three categories of financial assets are:

Financial assets subsequently measured at amortised cost

Financial assets subsequently measured at amortised cost are financial assets held within a management model whose objective is to hold the financial asset in order to collect contractual cash flows and the cash flows consist solely of payments of principal and interest.

Financial assets subsequently measured at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method.

Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

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

Receivables under exchange and non-exchange transactions are classified as financial assets subsequently measured at amortised cost. A provision for impairment of receivables is established when there is objective evidence that the 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.

LGFA Borrower Notes, Advances to Community Groups and cash and cash equivalents are classified as financial assets subsequently measured at amortised cost.

Financial assets subsequently measured at fair value through other comprehensive revenue and expense

Financial assets subsequently measured at fair value through other comprehensive revenue and expense are those that are designated into the category at initial inception.

Financial assets subsequently measured at fair value through other comprehensive revenue and expense comprise equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.

The Council's investment in Inframax Construction Limited and shareholdings in Waikato Local Authority Shared Services Limited and Civic Financial Services Limited are included in this category.

After initial recognition these investments are measured at their fair value.

Gains and losses arising from changes in fair value are recognised in other comprehensive revenue and expenses and accumulated as a separate component of equity in the revaluation reserve with the exception of impairment losses, which are recognised directly in surplus or deficit.

Where the Investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the revaluation reserve is reclassified from equity to the surplus or deficit (as a reclassification adjustment).

Financial assets subsequently measured at fair value through surplus or deficit

This category includes all financial assets not classified as subsequently measured at amortised cost or subsequently measured at fair value through other comprehensive revenue and expense.

IMPAIRMENT OF FINANCIAL ASSETS

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

Financial assets subsequently measured at amortised cost

Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the assets carrying value and the present value of estimated future cash flows, discounted using the original effective interest rate.

Financial assets subsequently measured at fair value through other comprehensive revenue and expense

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

If impairment evidence exists, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset already recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

DERIVATIVE FINANCIAL INSTRUMENTS

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. 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.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

The Council designates certain derivatives as either:

- hedges of highly probable forecast transactions (cash flow hedge) or
- derivatives that do not qualify for hedge accounting

The Council documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current, if the remaining

maturity of the hedges items is less than 12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

CASH FLOW HEDGE

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expenses are classified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

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 instruments that do not qualify for hedge accounting are immediately recognised in surplus or deficit.

FINANCIAL LIABILITIES

All financial liabilities are classified as financial liabilities as subsequently measured through amortised cost, except for derivative financial

instruments which will be classified as financial liabilities at fair value through revenue and expense, unless it is a designated an effective hedging instrument.

Council derecognises financial liabilities, when, and only when, the Council's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in revenue and expense.

PAYABLES

Payables are recognised at their face value when the Council becomes obligated to make future payments resulting from the purchase of goods or services.

Payables may be derived from either exchange or non- exchange transactions. These are defined as:

Exchange Transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Payables from exchange transactions include payables to suppliers, retention monies and payables for elected members and directors' fees.

Non-exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Non exchange payables include payables for GST, deposits and bonds held and deferred grant revenue.

BORROWINGS

Borrowings are initially recognised at their fair value net of transaction costs.

After initial recognition, all borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Borrowings are classified as current liabilities unless Council has unconditional right to defer settlement of the liability for at least 12 months after balance date.

GOODS AND SERVICES TAX (GST)

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

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

Where the Council is not in possession of or issued a valid tax invoice at balance date, the GST portion is not accounted for in either Receivables or Payables.

Commitments and contingencies are disclosed exclusive of GST.

PROVISIONS

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 an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the 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.

LANDFILL POST CLOSURE COSTS

The Council has a legal obligation under the resource consents for open and closed landfills to provide for ongoing maintenance and monitoring services at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure expenditure arises. The provision is a measure based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and

known improvements in technology. The provision includes all costs associated with landfill post closure.

Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

EMPLOYEE ENTITLEMENTS

Short-Term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and entitlements expected to be settled within 12 months, and sick leave.

A liability for sick leave 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 the Council anticipates it will be used by staff to cover those future absences.

LEASES

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

A finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards

incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of operational assets, infrastructural assets and restricted assets.

Operational Assets

Operational assets are tangible assets, able to be dealt with as part of the operating strategy and include land, buildings, furniture and fittings, computer hardware, plant and equipment, library books, motor vehicles, and finance leases for office equipment.

Infrastructural Assets

Infrastructural assets are the fixed utility systems providing an ongoing service to the community, but are not generally regarded as tradeable. They include infrastructural land, roads, water reticulation systems, solid waste systems, wastewater reticulation systems, stormwater systems, and land under roads.

Restricted Assets

Restricted assets cannot be disposed of because of legal and other restrictions but provide a benefit or service to the community. These are mainly assets associated with reserves vested under the Reserves Act, endowments and other property held in Trust for specific purposes.

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

ADDITIONS

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

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

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

DISPOSALS

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

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the 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, land under roads and work in progress at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, archive books, certain road asset components, some resource consents and work in progress are not depreciated.

Operational Assets

Operational assets are depreciated on a straight line basis. The estimated useful lives are as follows:

| | |
|------------------------|-----------------|
| Operational Buildings | 15-100 years |
| Plant and Equipment | 4-13 years |
| Motor Vehicles | 5-7 years |
| Furniture and Fittings | 5-30 years |
| Computers | 4-5 years |
| Library Books | 7 years |
| Archive Books | Not depreciated |

Infrastructural Assets

Infrastructural assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Roads and Footpaths

| | |
|--------------------|----------------------------------|
| Pavement Formation | Not depreciated |
| Pavement Subbase | 120-160 years or not depreciated |
| Pavement Base | 60-120 years or not depreciated |
| Sealed Surface | 12-22 years |

| | |
|---------------------------------------|--|
| Metal Surface | Not depreciated |
| Bridges and Major Culverts | 60-100 years |
| Retaining Walls and Other Structures | 20-100 years |
| Footpaths and Footpath Crossings | 19-80 years |
| Drainage and Culverts | 70-80 years |
| Kerb and Channel, Stormwater Channels | K & C 80 years, SWC; Not depreciated |
| Guard Rails | 50 years |
| Streetlights and Poles | Lanterns 20-25 years, poles and brackets 15-60 years |
| Road Signs | Signs 15-20 years, Signposts; 30 years |
| Resource Consents | 3-24 years |

Water Supply Assets

| | |
|----------------------|--------------------------------|
| Pipes | 60-120 years |
| Fire Hydrant Valves | 75 years |
| Meters | 30 years |
| Tobies | 60 years |
| Pump Stations | 20-100 years |
| Dam Structures | 100 years |
| Reservoir Structures | 80 years |
| Treatment Plants | 5-100 years |
| Resource consents | 11-35 years or not depreciated |

Wastewater Assets

| | |
|-------------------|--------------|
| Pipes | 50-120 years |
| Manholes | 100 years |
| Separator Tanks | 50 years |
| Pump Stations | 15-100 years |
| Treatment Plants | 15-100 years |
| Resource Consents | 15-35 years |

Stormwater Assets

| | |
|-----------------------|--------------|
| Pipes | 60-120 years |
| Manholes and Cesspits | 100 years |
| Resource Consents | 20 years |

Solid Waste Assets

| | |
|----------------------------------|-----------------|
| Landfill Cells and Earthworks | Not depreciated |
| Building and Shelters | 20-60 years |
| Oxidation Ponds | 80 years |
| Roading and Driveways | 12-80 years |
| Weighbridges and Automatic Gates | 15-50 years |
| Bins and Containers | 15-80 years |
| Retaining Walls | 25-100 years |
| Fencing and Other Assets | 15-35 years |

| | |
|-------------------|--------------|
| Resource Consents | 30 -34 years |
|-------------------|--------------|

The depreciation rates are applied at a component level and are dependent on the remaining useful life for each component. The residual value and useful life on an asset is reviewed and adjusted where applicable at each balance date.

Restricted Assets

Restricted assets are depreciated on a straight line basis as follows:

| | |
|----------------------|----------------|
| Restricted Buildings | 15 – 100 years |
|----------------------|----------------|

REVALUATIONS

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

Land and buildings (operational and restricted) and infrastructural assets (except for land under roads) are revalued with sufficient regularity to ensure that their carrying value does not materially differ from fair value and at least every three years. The carrying values of revalued items are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then that asset class is revalued earlier than the three yearly planned revaluation.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to a property revaluation reserve in equity for that class of asset. Where this should result in a debit balance in the 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 in other comprehensive revenue and expense.

REVALUATION OF RESTRICTED ASSETS

Land and buildings in restricted assets are subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for with the assets can be used).

INTANGIBLE ASSETS

Computer Software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and

bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense as incurred. The costs associated with the development and maintenance of the Council's website are recognised as an expense as incurred. Staff training costs are recognised in the surplus or deficit when incurred.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are de-recognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life for software. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for software have been estimated as follows:

| | |
|-------------------|--------------|
| Computer Software | 2 to 5 years |
|-------------------|--------------|

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. This condition is regarded as met only when the sale is highly probable and the assets (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within 12 months from the date of classification. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value less costs to sell are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

INVESTMENT IN UNLISTED SHARES

Council has an interest (1.6%) in a Council Controlled Organisation (CCO), Waikato Local Authority Shared Services Limited and an interest (0.04%) in New Zealand National Mutual Riskpool. Council has no significant influences on operational or financial policies of either entity.

As these investments are not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investments are therefore measured at cost.

INVESTMENT PROPERTY

Investment property consists of miscellaneous housing properties. Investment property are held primarily for capital growth, rental or similar revenue. Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, it is measured at fair value, determined annually by an independent valuer. Gains or losses arising from a change in fair value are recognised within surplus or deficit.

CAPITALISED QUARRY DEVELOPMENT COSTS

The costs of stripping activity which provides a benefit in the form of improved access to rock is recognised as a 'stripping activity asset' where it is probable that the future economic benefit associated with the stripping activity will flow to the Group, the Group can identify the component of the rock for which access has been improved and the costs relating to the stripping activity associated with that component can be measured reliably.

A stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the rock that becomes more accessible as a result of the stripping activity using the units of production method.

COST ALLOCATION

The Council has derived the cost of service for each significant activity. Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These costs are allocated to Council activities using appropriate cost drivers such as resource use,

staff numbers and floor area. All overhead costs have been allocated to significant activities.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

For assets not carried at a revalued amount, the total 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 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.

EQUITY

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

- accumulated funds,
- other reserves and
- property revaluation reserves.

Other Reserves

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

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

Council created reserves are a combination of depreciation reserves and transfers of surplus or deficit from operations. The purpose of the reserves is to maintain balances of funded depreciation for future renewal of assets and to hold revenue streams in separate balances as required by Council.

Investment reserves consists of valuation gains associated with Council's investments, classified as financial assets subsequently measured through other comprehensive revenue and expense.

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

Property Revaluation Reserves

Property revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

EMISSIONS TRADING SCHEME (ETS)

The regulations for landfill methane emissions under the New Zealand Emissions Trading Scheme (NZ ETS) require waste disposal facility operators to surrender New Zealand Units (NZU's) by 31 May of each year to match the remission from 1 January to 31 December of the preceding calendar year. The cost of meeting ETS obligations is mandatory and Council is required to surrender NZU's for the landfill

methane emissions associated with the Waitomo District Landfill. NZU's that are purchased to meet these liabilities are recognised at cost and subsequently recognised at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy. The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates. Further information on the forecasting assumptions used in the prospective financial statements can be found under the section called Significant Forecasting Assumptions.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

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 years are discussed below:

Landfill Aftercare Provision

The Council has a legal obligation under resource consents for open and closed landfills to provide ongoing maintenance and monitoring service at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

Infrastructural Assets

There are a number of assumptions and estimates used when performing discounted replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset. For example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater,

wastewater and water supply pipes situated underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- Estimating any obsolescence or surplus capacity of an asset; and;
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ 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 and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset valuations on a three year basis.

Property, plant and equipment useful lives and residual values

At each balance date the Council reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Council to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Council, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the prospective financial statement of financial position. The Council minimises the risk of this estimation uncertainty with:

- physical inspection of assets;
- asset replacement programs;

- review of second hand market prices for similar assets; and
- analysis of prior asset sales

Council has not made significant changes to past assumptions concerning useful lives and residual values.

Valuation of Investment in Inframax Construction Limited

The investment in Inframax Construction Ltd was revalued at 30 June 2020 resulting in a loss on revaluation of \$2.6 million. The valuation report indicated a valuation range of \$7.7 million (lower) and \$9.9 million (higher) for the investment. Council recognised the investment at the mid-point of \$8.8 million. After consideration of the subsidiary's financial statements and financial forecasts, Council considers the mid-point of \$8.8 million to fair value at 30 June 2020.

Experienced independent valuers perform the valuation of the investment in Inframax Construction Ltd. The valuers have used the capitalisation of earnings approach for the valuation which is consistent with the previous valuation. There are a number of estimates and assumptions used when performing the valuation of an investment. These include assessing a suitable level of earnings and capitalising the earnings using a market-derived multiple. The valuation is also prepared using information from historical financial performance and forecast.

In deriving the valuation of the investment, the valuers noted that it was not possible to assess with any certainty the implications of COVID-19 on the subsidiary's financial performance or the economy as a whole, both generally in terms of how long the current crisis may last and more specifically in terms of its impact on the subsidiary or the wider economy. The valuers' advice is subject to significant caveats and caution due to the uncertainty that exists for businesses including (amongst other matters) access to capital, supply chain disruption, the demand for products or services and the extent and duration of the measures implemented by various governments and authorities to contain or prevent spread of COVID-19.

It has been assumed that there has been no change in the value of the investment in Inframax Construction Ltd over the life of the 10YP.

COMPARATIVES

To ensure consistency with the current year, certain comparative information is reclassified where appropriate. This could occur where:

- classifications have changed between periods;
- the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- there has been a change of accounting policy.

The 20/21 year comparative forecast has been adjusted to remove the WDC rates paid/received on Council owned properties from revenue and expenditure. The reason for this is to align the forecast budgets with the same treatment adopted in the annual report where these entries are eliminated.

PUBLIC BENEFIT ENTITY FINANCIAL REPORTING STANDARD 42 PROSPECTIVE FINANCIAL STATEMENTS (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

(i) Description of the nature of the entity's current operation and its principal activities

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this 10YP.

(ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 10 years and include them within the 10YP. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties

The prospective financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within the 10YP.

(iv) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented and the variations may be material.

(v) Other Disclosures

The prospective financial statements were authorised for issue on 29 June 2021 by Waitomo District Council.

The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The information in the 10YP is prospective and as such contains no actual operating results.



COUNCIL FUNDING IMPACT STATEMENT AND RATING INFORMATION

INTRODUCTION

Council is required under clause 15 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement in relation to each year covered by the 10 Year Plan. Funding Impact Statements are outlined in the respective Groups of Activities Section.

The Funding Impact Statement provides a summary of Council's funding sources and how the funds are to be applied, as well as the detailed rate requirement for the 2021/22 financial year.

The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is on page 113 of this 10YP and is available on Council's website www.waitomo.govt.nz

Rates Remissions and Postponements

Remissions

Council has developed a Rates Remissions Policy as per LGA (section 102 (3)(a), 108 and 109) and Local Government (Rating) Act 2002 (Section 85). Remission categories include Properties Used Jointly as a Single Unit, Community Organisations and Clubs and Societies, Penalties, Financial Hardship, Organisations Providing Care for the Elderly, New Residential Subdivisions, Maori Freehold Land, Cases of Land Affected by Natural Calamity, New Businesses and Rates and/or Penalties following a rating sale or abandoned land sale. The estimated value of these rates remissions is \$262,000 for the 2021/22 year.

Postponements

Under the Policy on Remission of Rates, Council will not offer any permanent postponements of rates.

Separately Used or Inhabited Part of a Rating Unit (SUIP)

Council has resolved that the basis of calculating liability for the Uniform Annual General Charge (UAGC) and for certain targeted fixed rates (TFRs), will be the number of 'separately used or inhabited parts' (SUIPs) of rating units.

Council sets TFRs in all rating areas of the District on a SUIP basis for provision of:

- Water Supplies
- Wastewater Systems
- Solid Waste

- Solid Waste Collection
- Aquatic Centre
- Marokopa Community Centre
- Rural Stormwater

Definition of SUIP

A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

1. STATEMENT OF FUNDING SOURCES

The table on page 98 provides a summary of the funding sources for the 2021/22 year. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecasts. The table is produced on a GST exclusive basis.

Explanation of Rates adjustment between General Rate and UAGC

The Statement of Funding Sources and the associated Funding Impact Statement provide for an overall funding adjustment. That adjustment is made after consideration of the overall impact on the community (as provided for by section 101 (3) (b) of the LGA) and applies to the 2021/22 financial year. This adjustment results in the transfer of \$734,735* from the Uniform Annual General Charge to the General Rate in an effort to maintain a funding equity between urban and rural ratepayers within the Waitomo District and their respective contribution to those services with a high element of public good. The above adjustment is reflected in the Funding Impact Statements.

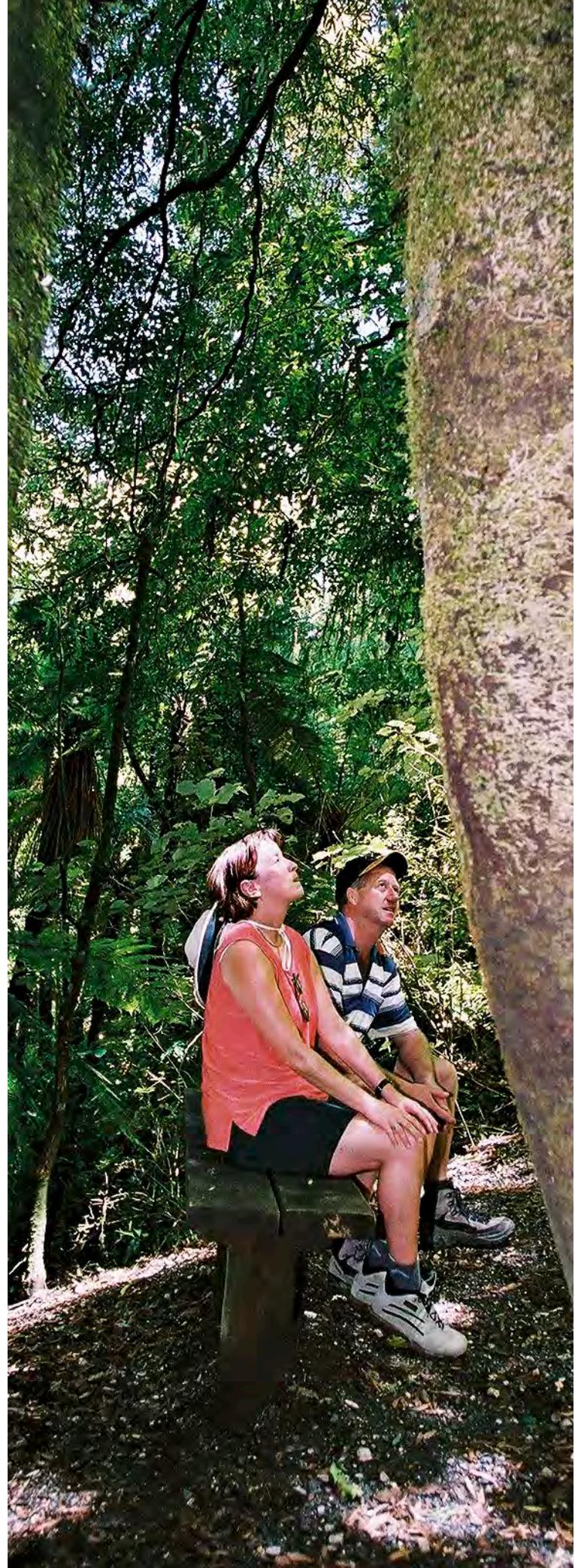
| | Year 2021/22 | |
|--|-------------------------|-----------------|
| | General Rate \$000's | UAGC \$000's |
| Rate requirement before application of Section 101 (3)(b) adjustment | 4,802 | 4,214 |
| *Section 101(3)(b) Adjustment | 735 | (735) |
| Subtotal | 5,537 | 3,479 |
| Add – GST @ 15% | 830 | 521 |
| Total Requirement (inc GST) (as per Sections 3 and 4 – Funding Impact Statement) | 6,367 | 4,000 |

2. FUNDING CAP FOR UNIFORM CHARGES

Section 21 of the Local Government (Rating) Act 2002 (LGRA) requires that revenue from certain rates must not exceed 30% of total rates revenue. Those rates include Uniform Annual General Charges and Targeted Rates that are set on a uniform basis.

Council is not in breach of the Funding Cap over the life of the 10 Year Plan. The uniform charges for 2021/22 are 23.9% of the total rates revenue (27.7% before Section 101 (3) (b) adjustment). For the remaining 9 years of the 10 Year Plan the funding cap is an average of 23.2%.

*Note: in the table on the next page - *The Targeted Services rate has been renamed to the Aquatic Centre rate for 21/22 onwards. Historically the Targeted Services rate funded both the Aquatic Centre and Unsubsidised Roads. For the 2021-31 10YP, Unsubsidised Roads is now funded by the District Roding rate.*



PROSPECTIVE STATEMENT OF FUNDING SOURCES

| \$000's | Adjusted EAP 20/21 | 10YP Y1 21/22 | 10YP Y2 22/23 | 10YP Y3 23/24 | 10YP Y4 24/25 | 10YP Y5 25/26 | 10YP Y6 26/27 | 10YP Y7 27/28 | 10YP Y8 28/29 | 10YP Y9 29/30 | 10YP Y10 30/31 |
|--|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Targeted Rates and Service Charges | | | | | | | | | | | |
| Wastewater | 2,115 | 2,176 | 2,200 | 2,378 | 2,672 | 2,787 | 2,855 | 2,920 | 2,993 | 3,048 | 3,099 |
| Water supply | 1,826 | 1,761 | 1,864 | 2,092 | 2,354 | 2,491 | 2,598 | 2,726 | 2,820 | 2,921 | 3,012 |
| Metered water rates | 892 | 950 | 983 | 1,009 | 1,036 | 1,067 | 1,096 | 1,131 | 1,169 | 1,209 | 1,246 |
| Aquatic centre*(renamed from Targeted Services) | 389 | 265 | 270 | 273 | 285 | 291 | 298 | 303 | 310 | 319 | 324 |
| District development rate | 344 | 296 | 301 | 309 | 324 | 330 | 336 | 340 | 345 | 352 | 355 |
| Piopia retirement village contribution | 16 | 16 | 16 | 17 | 17 | 18 | 18 | 19 | 19 | 20 | 20 |
| District roading rate | 5,012 | 4,346 | 4,492 | 4,517 | 5,084 | 4,809 | 4,894 | 4,982 | 5,070 | 5,165 | 5,253 |
| Solid waste | 628 | 852 | 693 | 661 | 788 | 841 | 835 | 841 | 863 | 841 | 864 |
| Solid waste collection | 213 | 223 | 231 | 237 | 251 | 258 | 264 | 271 | 279 | 288 | 295 |
| Stormwater | 404 | 456 | 473 | 483 | 496 | 514 | 526 | 544 | 566 | 578 | 595 |
| Marokopa Community Centre rate | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Forecast Total Targeted Rates and Service Charges | 11,843 | 11,345 | 11,523 | 11,976 | 13,307 | 13,406 | 13,720 | 14,077 | 14,434 | 14,741 | 15,063 |
| General rates | 5,175 | 5,537 | 5,679 | 6,049 | 5,578 | 5,776 | 5,887 | 5,877 | 5,932 | 6,178 | 5,988 |
| UAGC | 3,454 | 3,479 | 3,579 | 3,665 | 3,756 | 3,851 | 3,947 | 4,047 | 4,152 | 4,262 | 4,372 |
| Forecast Total Rates Requirement | 20,472 | 20,361 | 20,781 | 21,690 | 22,641 | 23,033 | 23,554 | 24,001 | 24,518 | 25,181 | 25,423 |
| Change in Rates Requirement | | (111) | 420 | 909 | 951 | 392 | 521 | 447 | 517 | 663 | 242 |
| Percentage Change | | -0.54% | 2.06% | 4.37% | 4.38% | 1.73% | 2.26% | 1.90% | 2.15% | 2.70% | 0.96% |
| Other Revenue Sources | | | | | | | | | | | |
| Subsidies and grants | 9,749 | 11,154 | 9,883 | 9,590 | 10,819 | 11,101 | 11,451 | 11,734 | 12,069 | 12,461 | 12,764 |
| Interest revenue | 15 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Rates penalties | 450 | 240 | 247 | 253 | 259 | 266 | 272 | 279 | 287 | 294 | 302 |
| Fees and charges | 3,953 | 3,979 | 4,446 | 4,809 | 5,072 | 5,222 | 5,361 | 5,516 | 5,694 | 5,870 | 6,037 |
| Total Other Revenue | 14,167 | 15,382 | 14,585 | 14,661 | 16,159 | 16,598 | 17,093 | 17,538 | 18,059 | 18,634 | 19,112 |
| Other Funding Sources | | | | | | | | | | | |
| Internal loans raised | 5,074 | 2,835 | 2,869 | 2,487 | 1,813 | 2,535 | 1,688 | 1,265 | 1,328 | 1,340 | 1,484 |
| Total Funding Sources | 39,713 | 38,578 | 38,235 | 38,838 | 40,613 | 42,166 | 42,335 | 42,804 | 43,905 | 45,155 | 46,019 |
| Funding Applied to | | | | | | | | | | | |
| Operating expenditure | 31,667 | 32,812 | 32,982 | 33,919 | 34,498 | 35,534 | 36,619 | 37,236 | 38,188 | 39,456 | 39,858 |
| Capital expenditure | 11,216 | 10,350 | 9,984 | 9,674 | 10,177 | 11,003 | 10,514 | 10,197 | 10,590 | 10,832 | 11,246 |
| Internal loan repayments | 3,327 | 2,931 | 3,224 | 3,174 | 3,085 | 3,295 | 3,409 | 3,497 | 3,640 | 3,640 | 3,642 |
| Reserve transfers | (6,497) | (7,515) | (7,955) | (7,929) | (7,147) | (7,666) | (8,207) | (8,126) | (8,513) | (8,773) | (8,727) |
| Total Funding Used | 39,713 | 38,578 | 38,235 | 38,838 | 40,613 | 42,166 | 42,335 | 42,804 | 43,905 | 45,155 | 46,019 |

3. GENERAL RATE

Description and Use

The General Rate set on every rating unit across the District is assessed as a rate per \$100 of capital value. The General Rate is not set differentially. The rationale for assessing the General Rate using Capital Value is contained in the Revenue and Financing Policy.

The General Rate will contribute to the funding of:

- Leadership
- Other Land and Buildings
- District Libraries
- Aquatic Centre
- Les Munro Centre
- Aerodrome
- Public Facilities
- Parks and Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Development
- Economic Development
- District Promotion
- Emergency Management
- Regulatory Services
- Waste Minimisation
- Resource Management

Requirement in 2021/22 (incl. GST)

| General Rate | Rate per \$100 capital value | Total Revenue Requirement (\$000) |
|----------------------------------|------------------------------|-----------------------------------|
| All rating units in the district | 0.18583 | 6,367 |

4. UNIFORM ANNUAL GENERAL CHARGE

Description and Use

Council will set a Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District under Section 15(1) (b) of the LGRA. The rationale for use of the UAGC is contained in the Revenue and Financing Policy.

The UAGC will contribute to the funding of:

- Leadership
- Parks and Reserves
- District Libraries
- Aquatic Centre
- Les Munro Centre
- Other Land and Buildings
- Public Facilities
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Aerodrome
- Community Development

- Emergency Management
- Regulatory Services
- Resource Management
- Waste Minimisation

Requirement in 2021/22 (incl. GST)

| UAGC | Charge per SUIP | Total Revenue Requirement (\$000) |
|----------------------------------|-----------------|-----------------------------------|
| All rating units in the district | \$728 | 4,000 |

5. TARGETED RATES

Description and Use

Targeted Rates are set on categories of land defined by some factor, such as geographic location or provision of service.

The titles of 'Targeted Rate' (TR) and Targeted Fixed Rate (TFR) are used by this Council. Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value or water consumption.

5.1. Targeted Rates Differentiated on Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Aquatic Centre TFR, Piopio Retirement Village Contribution TFR, Rural Stormwater TFR, Te Kuiti Urban Stormwater TFR and targeted rate, and the Marokopa Community Centre TFR.

The following location definitions for the respective rating areas will apply:

| | |
|---|--|
| Te Kuiti Urban Rating Area | <i>All rating units situated within the Te Kuiti Urban Rating Area (Refer to Revenue and Financing Policy (RFP) for further details)</i> |
| Te Kuiti Urban and Periphery Rating Area | <i>All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town), in Te Kuiti. (Refer to RFP for further details)</i> |
| Rural Rating Area | <i>All rating units situated within the Rural Rating Area (Refer to RFP for further details)</i> |
| Piopio Township | <i>All rating units connected or with the ability to connect to the Piopio Wastewater System (Refer to RFP for further details)</i> |

| | |
|--|---|
| Piopio Wider Benefit Rating Area | All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIPs connected or with the ability to connect to the Piopio Wastewater System) that are deemed to indirectly benefit from the Piopio Wastewater reticulation network. (Refer to RFP for further details) |
| Marokopa Community Centre Rating Area | Any separately used or inhabited part of a rating unit within the defined Marokopa Community Centre area (as contained in the RFP). |

(a) Aquatic Centre TFR

Description and use

Council will set an Aquatic Centre TFR per separately used or inhabited part of a rating unit in the District, differentiated by rating areas, to part fund the Aquatic Centre Activity. The rating areas for the purpose of assessing the Aquatic Centre TFR will be the Te Kuiti Urban and Periphery Rating Area and Rating Units in the District not in the Te Kuiti Urban and Periphery Rating area.

Requirement in 2021/22 (incl. GST)

| Aquatic Centre (TFR) | Charge per SUIP | Total Revenue Requirement (\$000) |
|--|-----------------|-----------------------------------|
| Te Kuiti Urban and Periphery Rating Area | \$104 | 244 |
| Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area | \$19 | 61 |

(b) Piopio Retirement Village Contribution TFR

Description and Use

Council will set a TFR per rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Board through the remission of service charges. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2021/22 (incl. GST)

| Piopio Retirement Village Contribution (TFR) | Charge per Rating Unit | Total Revenue Requirement (\$000) |
|--|------------------------|-----------------------------------|
| Piopio Wider Benefit Rating Area and Piopio Township | \$25 | 19 |

(c) Rural Stormwater TFR

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit in the Rural Rating

Area of the District to fund the Rural Stormwater Activity.

Requirement in 2021/22 (incl. GST)

| Rural Stormwater (TFR) | Charge per SUIP | Total Revenue Requirement (\$000) |
|------------------------|-----------------|-----------------------------------|
| Rural Rating Area | \$8 | 28 |

(d) Te Kuiti Urban Stormwater TFR and Targeted Rate

Description and Use

- (i) Council will set a TFR per rating unit in the Te Kuiti Urban Rating Area to partly fund the Te Kuiti Urban Stormwater Activity.
- (ii) Council will set a Targeted Rate to partly fund the Te Kuiti Urban Stormwater Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kuiti Urban Rating Area excluding those in respect of which there is a current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

Requirement in 2021/22 (incl. GST)

| Te Kuiti Urban Stormwater (TFR) | Charge per Rating Unit | Total Revenue Requirement (\$000) |
|---------------------------------|------------------------|-----------------------------------|
| Te Kuiti Urban Rating Area | \$169 | 302 |

Requirement in 2021/22 (incl. GST)

| Te Kuiti Urban Stormwater Targeted Rate (TR) | Rate per \$100 Capital Value | Total Revenue Requirement (\$000) |
|---|------------------------------|-----------------------------------|
| Te Kuiti Urban Rating Area (excluding rating units not using network) | 0.04225 | 194 |

5.2. Marokopa Community Centre TFR

Description and Use

Council will set a TFR assessed per separately used or inhabited part of a rating unit within the defined Marokopa Community Centre Rating Area (as contained in the Revenue and Financing Policy).

Requirement in 2021/22 (incl. GST)

| Marokopa Community Centre (TFR) | Charge per SUIP | Total Revenue Requirement (\$000) |
|---------------------------------------|-----------------|-----------------------------------|
| Marokopa Community Centre Rating Area | \$22 | 5 |

5.3. Water Supply Rates

Description and Use

Council will set a TFR for Water Supply differentiated on the basis of supply area.

The TFR is set per separately used or inhabited part of a rating unit within Te Kuiti and Rural Communities (Piopio, Maniaiti / Benneydale and Mokau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

Requirement in 2021/22 (incl. GST)

| Water Supply (TFR) | Charge | | Total Revenue Requirement (\$000) |
|-----------------------|--------------------|----------------------|-----------------------------------|
| | Per connected SUIP | Per serviceable SUIP | |
| Te Kuiti | \$638 | \$319 | 1,312 |
| Piopio | \$880 | \$440 | 215 |
| Maniaiti / Benneydale | \$880 | \$440 | 103 |
| Mokau | \$880 | \$440 | 192 |

Council will set a TR per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP, differentiated by supply area that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw).

Requirement in 2021/22 (incl. GST)

| Water Supply Rate (TR) | 2021/22 Charge per cubic metre (including GST) above 292m ³ |
|-----------------------------------|--|
| Te Kuiti | \$2.77 |
| Piopio | \$3.03 |
| Maniaiti / Benneydale | \$3.34 |
| Mokau | \$4.44 |
| Total Revenue Requirement (\$000) | 1,093 |

Metered Water Supply Due Dates

| | Reading Period | Due Date |
|---|------------------------------|---|
| Te Kuiti Meat Companies | Monthly | 15 th of the month following invoice |
| Te Kuiti, Piopio, Mokau and Maniaiti / Benneydale | Jul-Dec 2021 Jan-Jun 2022 | 15 th of the month following invoice |

5.4. District Wide Benefit Rate for Water Supply

Description and Use

Council will set a TFR on every rating unit within the District to part fund the water supply

activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2021/22 (incl. GST)

| District Wide Benefit Rate Water Supply (TFR) | Charge per Rating Unit | Total Revenue Requirement (\$000) |
|---|------------------------|-----------------------------------|
| All Rating Units in the District | \$44 | 202 |

5.5. Wastewater Rates

Description and Use

Council will set a TFR to provide for the collection and disposal of sewage. The TFR is set per separately used or inhabited part of a rating unit within the District, with liability calculated based on whether the SUIP is connected to the wastewater network, or merely serviceable (Serviceable means the rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council).

Requirement in 2021/22 (incl. GST)

| Wastewater (TFR) | Charge | | Total Revenue Requirement (\$000) |
|-----------------------|--------------------|----------------------|-----------------------------------|
| | Per connected SUIP | Per serviceable SUIP | |
| Maniaiti / Benneydale | \$919 | \$460 | 101 |
| Te Waitere | \$919 | \$460 | 15 |
| Te Kuiti | \$919 | \$460 | 1,545 |
| Piopio | \$919 | \$460 | 194 |

Wastewater rates for non-residential properties in Te Kuiti

Description and Use

For all non-residential properties in Te Kuiti, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following categories:

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

Requirement in 2021/22 (incl. GST)

Base Charge:

| Non – residential Targeted Rate (TFR) | Base Charge per SUIP (up to 4 pans) | Per serviceable SUIP | Total Revenue Requirement (\$000) |
|---------------------------------------|-------------------------------------|----------------------|-----------------------------------|
| Category 1 | \$460 | \$460 | 94 |
| Category 2 | \$460 | \$460 | 17 |
| Category 3 | \$919 | \$460 | 7 |

Pan Charge:

| Non – residential Targeted Rate (TFR) | Number of Pans | Charge per pan (pan charge) | Total Revenue Requirement (\$000) |
|---------------------------------------|------------------------------|-----------------------------|-----------------------------------|
| Category 1 | 5 th pan and over | \$644 | 66 |
| | 5-10 Pans | \$276 | 2 |
| Category 2 | Over 10 Pans | \$184 | 22 |
| | 5 th Pan and over | \$644 | 29 |

The rationale for the use of this rate is contained in the Revenue and Financing Policy.

5.6. Trade Waste Contribution TFR

Description and Use

A Trade Waste Contribution TFR will be set per rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kuiti Wastewater Network. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2021/22 (incl. GST)

| Trade Waste Contribution (TFR) | Charge per Rating Unit | Total Revenue Requirement (\$000) |
|----------------------------------|------------------------|-----------------------------------|
| All Rating Units in the District | \$39 | 180 |

5.7. District Wide Benefit Rate for Wastewater

Description and Use

Council will set a TFR on every rating unit within the District to part fund the wastewater activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2021/22 (incl. GST)

| District Wide Benefit Rate Wastewater (TFR) | Charge per Rating Unit | Total Revenue Requirement (\$000) |
|---|------------------------|-----------------------------------|
| All Rating Units in the District | \$51 | 232 |

5.8. District Rooding Rate

Description and Use

Council will set a District Rooding targeted rate as a rate per \$100 of capital value on every rating unit across the District to part fund the

Roads and Footpaths Activity. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2021/22 (incl. GST)

| District Rooding Rate (TR) | Rate per \$100 Capital Value | Total Revenue Requirement (\$000) |
|----------------------------------|------------------------------|-----------------------------------|
| All Rating Units in the District | 0.14588 | 4,998 |

5.9. Solid Waste Collection Rate

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kuiti, Piopio, Mokau (including Awakino) communities and Waitomo Village and some surrounding parts).

Requirement in 2021/22 (incl. GST)

| Solid Waste Collection (TFR) | Charge per SUIP | Total Revenue Requirement (\$000) |
|------------------------------|-----------------|-----------------------------------|
| Te Kuiti | \$66 | 132 |
| Waitomo | \$71 | 47 |
| Piopio | \$146 | 33 |
| Mokau | \$144 | 45 |

5.10. Solid Waste Rate

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit District wide to part fund the solid waste activity.

Requirement in 2021/22 (incl. GST)

| Solid Waste (TFR) | Charge per SUIP | Total Revenue Requirement (\$000) |
|----------------------------------|-----------------|-----------------------------------|
| All Rating Units in the District | \$179 | 979 |

5.11. District Development Rate

Description and Use

Council will set a District Development Targeted Rate as a rate per \$100 of capital value differentiated between Commercial and Industrial Businesses, and Rural Businesses, to part fund Economic Development, Visitor Information Centre, District and Regional Promotion and Event Co-ordination activities. Refer to the Revenue and Financing Policy for details.

Requirement in 2021/22 (incl. GST)

| District Development Rate (TR) | Rate per \$100 Capital Value | Total Revenue Requirement (\$000) |
|--------------------------------------|------------------------------|-----------------------------------|
| Commercial and Industrial Businesses | 0.04697 | 170 |
| Rural Businesses | 0.00767 | 170 |

6. RATES PAYMENTS

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing **1 July 2021** will be payable in four equal instalments with the due dates for payment being:

- 1st Instalment 31 August 2021 (Tuesday)
- 2nd Instalment 30 November 2021 (Tuesday)
- 3rd Instalment 28 February 2022 (Monday)
- 4th Instalment 31 May 2022 (Tuesday)

Note

The due date for payment of each instalment is the last working day in each of the months specified above.

Rates payments will be allocated to the oldest debt first.

Penalties

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2021 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

| | |
|--------------|------------------|
| Instalment 1 | 3 September 2021 |
| Instalment 2 | 3 December 2021 |
| Instalment 3 | 3 March 2022 |
| Instalment 4 | 3 June 2022 |
- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2021 that remains unpaid on 1 July 2021, to be added on 5 July 2021.
- (c) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.



RATES EXAMPLES 2021-2022

| (Including GST) Capital Value \$ as at September 2018 | Te Kuiti Residential | Te Kuiti Commercial | Te Kuiti Wider Rating Area | Waitomo Commercial | Maniaiti/Benneydale Residential | Piopio Residential | Piopio Wider Rating Area | Mokau Residential | Drystock Rural | Dairy Farm Rural | Te Waitere Residential |
|--|----------------------|--------------------------------|----------------------------|--------------------------------------|---------------------------------|----------------------|--------------------------|----------------------|------------------------|----------------------------------|------------------------|
| | \$270,000 2021/22 | \$330,000 2021/22 3 pans | \$810,000 2021/22 | \$1,590,000 2021/22 (2 parts) | \$60,000 2021/22 | \$205,000 2021/22 | \$460,000 2021/22 | \$385,000 2021/22 | \$3,130,000 2021/22 | \$5,850,000 2021/22 (4 parts) | \$270,000 2021/22 |
| Uniform Annual General Charge (UAGC) | 728 | 728 | 728 | 1,456 | 728 | 728 | 728 | 728 | 728 | 2,912 | 728 |
| General Rate | 502 | 613 | 1,505 | 2,955 | 111 | 381 | 855 | 715 | 5,816 | 10,871 | 502 |
| District Roding Rate | 394 | 481 | 1,182 | 2,319 | 88 | 299 | 671 | 562 | 4,566 | 8,534 | 394 |
| Aquatic Centre Rate (Urban) | 104 | 104 | 104 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Aquatic Centre Rate (Rural) | 0 | 0 | 0 | 38 | 19 | 19 | 19 | 19 | 19 | 76 | 19 |
| District Development Rate - Commercial | 0 | 155 | 0 | 747 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District Development Rate - Rural Business | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 240 | 449 | 0 |
| District Benefit Water | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 |
| District Benefit Wastewater | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 |
| Te Kuiti Urban Stormwater Fixed Charge | 169 | 169 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Te Kuiti Urban Stormwater Capital Value | 114 | 139 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rural Stormwater | 0 | 0 | 8 | 16 | 8 | 8 | 8 | 8 | 8 | 32 | 8 |
| Water Supply (Te Kuiti and Rural Communities) | 638 | 638 | 0 | 0 | 880 | 880 | 0 | 880 | 0 | 0 | 0 |
| Wastewater (Uniform) | 919 | 460 | 0 | 0 | 919 | 919 | 0 | 0 | 0 | 0 | 919 |
| Piopio Retirement Village Contribution | 0 | 0 | 0 | 0 | 0 | 25 | 25 | 0 | 0 | 0 | 0 |
| Te Kuiti Trade Waste Contribution | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 |
| Solid Waste - District | 179 | 179 | 179 | 358 | 179 | 179 | 179 | 179 | 179 | 716 | 179 |
| Solid Waste Collection & Recycling | 66 | 66 | 71 | 142 | 0 | 146 | 0 | 144 | 0 | 284 | 0 |
| Marokopa Community Centre | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22 | 0 | 0 |
| Proposed Total Rates 2021/22 | 3,947 | 3,866 | 3,911 | 8,165 | 3,066 | 3,718 | 2,619 | 3,369 | 11,712 | 24,008 | 2,883 |
| Total Rates (Actual) 2020/21 | 3,920 | 3,865 | 3,953 | 8,265 | 3,040 | 3,691 | 2,613 | 3,391 | 11,964 | 24,379 | 2,838 |
| Change (%) | 0.7% | 0.0% | -1.1% | -1.2% | 0.9% | 0.7% | 0.2% | -0.7% | -2.1% | -1.5% | 1.6% |

RATES EXAMPLES 2020-2021

| (Including GST) Capital Value \$ as at September 2018 | Te Kuiti Residential \$270,000 2020/21 | Te Kuiti Commercial \$330,000 2020/21 3 pans | Te Kuiti Wider Rating Area \$810,000 2020/21 | Waitomo Commercial \$1,590,000 2020/21 (2 parts) | Maniaiti/Benneydale Residential \$60,000 2020/21 | Piopio Residential \$205,000 2020/21 | Piopio Wider Rating Area \$460,000 2020/21 | Mokau Residential \$385,000 2020/21 | Drystock Rural \$3,130,000 2020/21 | Dairy Farm Rural \$5,850,000 2020/21 (4 parts) | Te Waitere Residential \$270,000 2020/21 |
|--|---|---|---|--|---|---|---|--|---|---|---|
| Uniform Annual General Charge (UAGC) | 718 | 718 | 718 | 1,436 | 718 | 718 | 718 | 718 | 718 | 2,872 | 718 |
| General Rate | 471 | 575 | 1,412 | 2,772 | 105 | 357 | 802 | 671 | 5,457 | 10,199 | 471 |
| District Roding Rate | 447 | 546 | 1,341 | 2,632 | 99 | 339 | 761 | 637 | 5,181 | 9,684 | 447 |
| Targeted Services Rate (Te Kuiti) | 141 | 141 | 141 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Targeted Services Rate (Rural) | 0 | 0 | 0 | 68 | 34 | 34 | 34 | 34 | 34 | 136 | 34 |
| District Development Rate - Commercial | 0 | 168 | 0 | 807 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District Development Rate - Rural Business | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 278 | 520 | 0 |
| District Benefit Water | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 |
| District Benefit Sewerage | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 |
| Stormwater Urban Fixed Charge | 167 | 167 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stormwater Urban Capital Value | 94 | 115 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stormwater (Rural) | 0 | 0 | 11 | 22 | 11 | 11 | 11 | 11 | 11 | 44 | 11 |
| Water Supply (Te Kuiti and Rural Communities) | 664 | 664 | 0 | 0 | 916 | 916 | 0 | 916 | 0 | 0 | 0 |
| Sewerage (Uniform) | 894 | 447 | 0 | 0 | 894 | 894 | 0 | 0 | 0 | 0 | 894 |
| Piopio Retirement Village Contribution | 0 | 0 | 0 | 0 | 0 | 24 | 24 | 0 | 0 | 0 | 0 |
| Te Kuiti Trade Waste Contribution | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| Solid Waste Management - District | 131 | 131 | 131 | 262 | 131 | 131 | 131 | 131 | 131 | 524 | 131 |
| Solid Waste Collection & Recycling | 61 | 61 | 67 | 134 | 0 | 135 | 0 | 141 | 0 | 268 | 0 |
| Marokopa Community Centre | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22 | 0 | 0 |
| Total Rates (Actual) 2020/21 | 3,920 | 3,865 | 3,953 | 8,265 | 3,040 | 3,691 | 2,613 | 3,391 | 11,964 | 24,379 | 2,838 |

RATES EXAMPLES 2021-2022 – RESIDENTIAL AND LIFESTYLE

| Capital Value \$ as at Sep 2018 | Te Kuiti Average Residential | Piopio Average Residential | Maniaiti / Benneydale Average Residential | Mokau Average Residential | Te Waitere Average Residential | Low Value Residential | High Value Residential | Low Value Lifestyle | Average Value Lifestyle | High Value Lifestyle |
|---|------------------------------|----------------------------|---|---------------------------|--------------------------------|-----------------------|------------------------|---------------------|-------------------------|----------------------|
| | \$215,000 | \$160,000 | \$60,000 | \$250,000 | \$270,000 | \$45,000 | \$460,000 | \$140,000 | \$300,000 | \$880,000 |
| | 2021/22 | 2021/22 | 2021/22 | 2021/22 | 2021/22 | 2021/22 | 2021/22 | 2021/22 | 2021/22 | 2021/22 |
| Uniform Annual General Charge (UAGC) | 728 | 728 | 728 | 728 | 728 | 728 | 728 | 728 | 728 | 728 |
| General Rate | 400 | 297 | 111 | 465 | 502 | 84 | 855 | 260 | 557 | 1,635 |
| District Rooding Rate | 314 | 233 | 88 | 365 | 394 | 66 | 671 | 204 | 438 | 1,284 |
| Aquatic Centre (Te Kuiti) | 104 | 0 | 0 | 0 | 0 | 0 | 104 | 0 | 104 | 104 |
| Aquatic Centre (Rural) | 0 | 19 | 19 | 19 | 19 | 19 | 0 | 19 | 0 | 0 |
| Te Kuiti Urban Stormwater Fixed Charge | 169 | 0 | 0 | 0 | 0 | 0 | 169 | 0 | 0 | 0 |
| Te Kuiti Urban Stormwater Capital Value | 91 | 0 | 0 | 0 | 0 | 0 | 194 | 0 | 0 | 0 |
| Stormwater (Rural) | 0 | 8 | 8 | 8 | 8 | 8 | 0 | 8 | 8 | 8 |
| Water Supply (Te Kuiti and Rural Communities) | 638 | 880 | 880 | 880 | 0 | 880 | 638 | 0 | 0 | 0 |
| Wastewater (Uniform) | 919 | 919 | 919 | 0 | 919 | 919 | 919 | 0 | 0 | 0 |
| Solid Waste - District | 179 | 179 | 179 | 179 | 179 | 179 | 179 | 179 | 179 | 179 |
| Solid Waste Collection & Recycling | 66 | 146 | 0 | 144 | 0 | 0 | 66 | 71 | 71 | 0 |
| Piopio Retirement Village Contribution | 0 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Te Kuiti Trade Waste Contribution | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 |
| District Wide Benefit Water | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 |
| District Wide Benefit Wastewater | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 |
| Proposed Total Rates 2021/22 | 3,742 | 3,568 | 3,066 | 2,922 | 2,883 | 3,017 | 4,657 | 1,603 | 2,219 | 4,072 |
| Total Rates (Actual) 2020/21 | 3,714 | 3,539 | 3,040 | 2,933 | 2,838 | 2,989 | 4,631 | 1,569 | 2,220 | 4,124 |
| Change (%) | 0.7% | 0.8% | 0.9% | -0.4% | 1.6% | 0.9% | 0.6% | 2.2% | 0.0% | -1.3% |

RATES EXAMPLES 2020-2021 – RESIDENTIAL AND LIFESTYLE

| Capital Value \$ as at Sep 2018 | Te Kuiti Average Residential | Piopio Average Residential | Maniaiti / Benneydale Average Residential | Mokau Average Residential | Te Waitere Average Residential | Low Value Residential | High Value Residential | Low Value Lifestyle | Average Value Lifestyle | High Value Lifestyle |
|---|------------------------------------|----------------------------------|--|---------------------------------|--------------------------------------|--------------------------|---------------------------|------------------------|-------------------------------|-------------------------|
| | \$215,000 | \$160,000 | \$60,000 | \$250,000 | \$270,000 | \$45,000 | \$460,000 | \$140,000 | \$300,000 | \$880,000 |
| | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 |
| Uniform Annual General Charge (UAGC) | 718 | 718 | 718 | 718 | 718 | 718 | 718 | 718 | 718 | 718 |
| General Rate | 375 | 279 | 105 | 436 | 471 | 78 | 802 | 244 | 523 | 1,534 |
| District Rooding Rate | 356 | 265 | 99 | 414 | 447 | 75 | 761 | 232 | 497 | 1,457 |
| Targeted Services Rate (Te Kuiti) | 141 | 0 | 0 | 0 | 0 | 0 | 141 | 0 | 141 | 141 |
| Targeted Services Rate (Rural) | 0 | 34 | 34 | 34 | 34 | 34 | 0 | 34 | 0 | 0 |
| Stormwater Urban Fixed Charge | 167 | 0 | 0 | 0 | 0 | 0 | 167 | 0 | 0 | 0 |
| Stormwater Urban Capital Value | 75 | 0 | 0 | 0 | 0 | 0 | 160 | 0 | 0 | 0 |
| Stormwater (Rural) | 0 | 11 | 11 | 11 | 11 | 11 | 0 | 11 | 11 | 11 |
| Water Supply (Te Kuiti and Rural Communities) | 664 | 916 | 916 | 916 | 0 | 916 | 664 | 0 | 0 | 0 |
| Sewerage (uniform) | 894 | 894 | 894 | 0 | 894 | 894 | 894 | 0 | 0 | 0 |
| Solid Waste Management - District | 131 | 131 | 131 | 131 | 131 | 131 | 131 | 131 | 131 | 131 |
| Solid Waste Collection & Recycling | 61 | 135 | 0 | 141 | 0 | 0 | 61 | 67 | 67 | 0 |
| Piopio Retirement Village Contribution | 0 | 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Te Kuiti Trade Waste Contribution | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| District Wide Benefit Water | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 |
| District Wide Benefit Sewerage | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 |
| Total Rates (Actual) 2020/21 | 3,714 | 3,539 | 3,040 | 2,933 | 2,838 | 2,989 | 4,631 | 1,569 | 2,220 | 4,124 |

RATES EXAMPLES 2021-2022 – PASTORAL, DAIRY AND COMMERCIAL

| Capital Value \$ as at Sep 2018 | Low Value Pastoral | Average Value Pastoral | High Value Pastoral | Low Value Dairy | Average Value Dairy | High Value Dairy | Low Value Commercial | Average Value Commercial | High Value Commercial | Average Value Forestry |
|---|-----------------------|---------------------------|-------------------------------------|------------------------|-------------------------------------|--------------------------------------|-------------------------|--|---|---------------------------|
| | \$780,000 2021/22 | \$2,260,000 2021/22 | \$8,951,000 2021/22 (4 parts) | \$1,060,000 2021/22 | \$3,620,000 2021/22 (3 parts) | \$15,200,000 2021/22 (7 parts) | \$225,000 2021/22 | \$650,000 2021/22 (3 parts & 13 pans) | \$9,000,000 2021/22 (2 parts & 11 pans) | \$450,000 2021/22 |
| Uniform Annual General Charge (UAGC) | 728 | 728 | 2,912 | 728 | 2,184 | 5,096 | 728 | 2,184 | 1,456 | 728 |
| General Rate | 1,449 | 4,200 | 16,634 | 1,970 | 6,727 | 28,246 | 418 | 1,208 | 16,725 | 836 |
| District Rooding Rate | 1,138 | 3,297 | 13,058 | 1,546 | 5,281 | 22,174 | 328 | 948 | 13,129 | 656 |
| Aquatic Centre (Te Kuiti) | 0 | 0 | 0 | 0 | 0 | 0 | 104 | 312 | 208 | 0 |
| Aquatic Centre (Rural) | 19 | 19 | 76 | 19 | 57 | 133 | 0 | 0 | 0 | 19 |
| District Development Rate - Commercial | 0 | 0 | 0 | 0 | 0 | 0 | 106 | 305 | 4,227 | 0 |
| District Development Rate - Rural Business | 60 | 173 | 687 | 81 | 278 | 1,166 | 0 | 0 | 0 | 35 |
| Te Kuiti Urban Stormwater Fixed Charge | 0 | 0 | 0 | 0 | 0 | 0 | 169 | 169 | 169 | 0 |
| Te Kuiti Urban Stormwater Capital Value | 0 | 0 | 0 | 0 | 0 | 0 | 95 | 275 | 3,803 | 0 |
| Stormwater (Rural) | 8 | 8 | 32 | 8 | 24 | 56 | 0 | 0 | 0 | 8 |
| Water Supply (Te Kuiti and Rural Communities) | 0 | 0 | 0 | 0 | 0 | 0 | 638 | 1,914 | 1,276 | 0 |
| Wastewater (Uniform) | 0 | 0 | 0 | 0 | 0 | 0 | 460 | 2,024 | 2,852 | 0 |
| Piopio Retirement Village Contribution | 25 | 0 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Solid Waste - District | 179 | 179 | 716 | 179 | 537 | 1,253 | 179 | 537 | 358 | 179 |
| Solid Waste Collection & Recycling | 0 | 0 | 0 | 71 | 0 | 497 | 66 | 198 | 132 | 0 |
| Te Kuiti Trade Waste Contribution | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 |
| District Wide Benefit Water | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 |
| District Wide Benefit Wastewater | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 |
| Marokopa Community Centre | 0 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Proposed Total Rates 2021/22 | 3,740 | 8,760 | 34,274 | 4,736 | 15,222 | 58,755 | 3,425 | 10,208 | 44,469 | 2,595 |
| Total Rates (Actual) 2020/21 | 3,770 | 8,930 | 34,950 | 4,790 | 15,439 | 59,872 | 3,418 | 10,176 | 44,792 | 2,596 |
| Change (%) | -0.8% | -1.9% | -1.9% | -1.1% | -1.4% | -1.9% | 0.2% | 0.3% | -0.7% | 0.0% |

RATES EXAMPLES 2020-2021 – PASTORAL, DAIRY AND COMMERCIAL

| Capital Value \$ as at Sep 2018 | Low Value Pastoral | Average Value Pastoral | High Value Pastoral | Low Value Dairy | Average Value Dairy | High Value Dairy | Low Value Commercial | Average Value Commercial | High Value Commercial | Average Value Forestry |
|---|--------------------|------------------------|---------------------|-----------------|---------------------|------------------|----------------------|--------------------------|-----------------------|------------------------|
| | \$780,000 | \$2,260,000 | \$8,951,000 | \$1,060,000 | \$3,620,000 | \$15,200,000 | \$225,000 | \$650,000 | \$9,000,000 | \$450,000 |
| | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 | 2020/21 |
| | | | (4 parts) | | (3 parts) | (7 parts) | | (3 parts & 13 pans) | (2 parts & 11 pans) | |
| Uniform Annual General Charge (UAGC) | 718 | 718 | 2,872 | 718 | 2,154 | 5,026 | 718 | 2,154 | 1,436 | 718 |
| General Rate | 1,360 | 3,940 | 15,606 | 1,848 | 6,311 | 26,501 | 392 | 1,133 | 15,692 | 785 |
| District Rooding Rate | 1,291 | 3,741 | 14,816 | 1,755 | 5,992 | 25,161 | 373 | 1,076 | 14,898 | 745 |
| Targeted Services Rate (Te Kuiti) | 0 | 0 | 0 | 0 | 0 | 0 | 141 | 423 | 282 | 0 |
| Targeted Services Rate (Rural) | 34 | 34 | 136 | 34 | 102 | 238 | 0 | 0 | 0 | 34 |
| District Development Rate - Commercial | 0 | 0 | 0 | 0 | 0 | 0 | 114 | 330 | 4,569 | 0 |
| District Development Rate - Rural Business | 69 | 201 | 796 | 94 | 322 | 1,351 | 0 | 0 | 0 | 40 |
| Stormwater Urban Fixed Charge | 0 | 0 | 0 | 0 | 0 | 0 | 167 | 167 | 167 | 0 |
| Stormwater Urban Capital Value | 0 | 0 | 0 | 0 | 0 | 0 | 78 | 226 | 3,132 | 0 |
| Stormwater (Rural) | 11 | 11 | 44 | 11 | 33 | 77 | 0 | 0 | 0 | 11 |
| Water Supply (Te Kuiti and Rural Communities) | 0 | 0 | 0 | 0 | 0 | 0 | 664 | 1,992 | 1,328 | 0 |
| Sewerage (Uniform) | 0 | 0 | 0 | 0 | 0 | 0 | 447 | 1,967 | 2,772 | 0 |
| Piopia Retirement Village Contribution | 24 | 0 | 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Solid Waste Management - District | 131 | 131 | 524 | 131 | 393 | 917 | 131 | 393 | 262 | 131 |
| Solid Waste Collection & Recycling | 0 | 0 | 0 | 67 | 0 | 469 | 61 | 183 | 122 | 0 |
| Te Kuiti Trade Waste Contribution | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| District Wide Benefit Water | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 |
| District Wide Benefit Sewerage | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 49 |
| Marokopa Community Centre | 0 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Rates (Actual) 2020/21 | 3,770 | 8,930 | 34,950 | 4,790 | 15,439 | 59,872 | 3,418 | 10,176 | 44,792 | 2,596 |

COUNCIL CONTROLLED ORGANISATIONS

We are involved with and are represented in a number of organisations that support the realisation of our vision for the Waitomo District. Council Controlled Organisations (CCOs) are any organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

We have interest in these CCOs:

- Waikato Local Authorities Shared Services Ltd
- Inframax Construction Ltd

The tables in this section explain what these organisations do, our objectives in regard to ownership, nature and scope of activities, key performance targets and outcomes.

We manage and monitor our investments in CCOs by setting a Statement of Expectation for Inframax Construction Ltd and reviewing and adopting Statements of Intent, six monthly and annual reports at our Council meetings.

| ORGANISATION | WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED (WLASS) |
|--|--|
| OWNERSHIP | Equal ownership with 11 other local authorities in the Waikato Region. |
| REPRESENTATION (TOTAL MEMBERS) | WLASS has 6 Directors, an Independent Chair and 5 Directors appointed by shareholding Councils. |
| SIGNIFICANT POLICIES AND OBJECTIVES | To make a regional leadership contribution and seek opportunities to operate more efficiently by participating with the region's local authorities on shared services, particularly in respect of information collection and management, with the aim of reducing the cost of those activities to the community at large. |
| NATURE AND SCOPE OF ACTIVITIES | The company has 12 major initiatives under the WLASS umbrella, plus a support role for the collaborative work streams of the Waikato Mayoral Forum. <ul style="list-style-type: none"> • Shared Valuation Data Service (SVDS) • Road Asset Technical Accord (RATA) • Waikato Regional Transportation Model (WRTM) • Waikato Building Consent Group (WBCG) • Future Proof • Regional Infrastructure Technical Specifications (RITS) • Energy management • Local Government Contractor Health & Safety Pre-qualification Scheme • Historic aerial photos • Waikato Regional Aerial Photography Service (WRAPS) • Aligned Resource Consent planning • Joint procurement initiatives |

KEY PERFORMANCE TARGETS

| Priority | Performance Measure | Target |
|--|--|---|
| Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives | <ul style="list-style-type: none"> • Business cases will include measurable benefits linked to one or more of the outcomes sought • Businesses cases are supported by councils (evidenced by take up of the opportunity) | Projected savings/increased revenue to councils of at least \$300k 75% of councils |
| Develop opportunities and deliver projects within agreed budgets and timelines ¹ | <ul style="list-style-type: none"> • Opportunities / projects are developed / delivered within agreed timelines • Opportunities / projects are developed / delivered, within approved budget • Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval | 80% ² 90% ² |
| Ensure projects realise their expected benefits | <ul style="list-style-type: none"> • Measurable benefits are actively monitored and reported against | Six-monthly |

| Priority | Performance Measure | Target |
|--|--|--|
| | <ul style="list-style-type: none"> Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised) | \$200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months 90% of the quantifiable benefits are realised |
| Ensure existing services are meeting the needs of councils | <ul style="list-style-type: none"> The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): <ul style="list-style-type: none"> RATA – roading & waters Waikato Building Cluster Regional Infrastructure Technical Specifications Energy & Carbon Management Professional Services Panel Health & Safety pre-qualification | 80% of councils |
| Foster and promote cross-council collaboration and network to share ideas on improving efficiencies and best practice. | <ul style="list-style-type: none"> Across these groups, ideas for future consideration and/or initiatives are identified each year | Four per annum |

¹Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery

²Time and cost targets for the development of opportunities and delivery of projects have been initially set based on what, in practical terms, are considered stretch goals, but achievable. However, we aspire to always better, or at least meet, timetables and budgets.

The targets are for the three-year forecast period.

| ORGANISATION | INFRAMAX CONSTRUCTION LIMITED (ICL) |
|--|---|
| OWNERSHIP | 100% ownership by Waitomo District Council. |
| REPRESENTATION (TOTAL MEMBERS) | ICL has 3 Directors |
| SIGNIFICANT POLICIES AND OBJECTIVES | The principle objective of Inframax Construction Limited is to operate as a successful business and to contribute to the wellbeing of the communities in which it operates. |
| NATURE AND SCOPE OF ACTIVITIES | <ul style="list-style-type: none"> The core business of the Company will be roading maintenance and construction, quarrying and crushing of aggregates and maintenance and construction of utilities and infrastructure assets. The company will compete for infrastructure contracts in the central western North Island Districts and in other areas where it is identified that such contracts will yield an appropriate rate of return or where the Company believes that there are sound commercial reasons for doing so. The Company may expand into other ventures and/or activities that are consistent with the Company's objectives and the provisions of the Local Government Act 2002. |

KEY PERFORMANCE TARGETS: FINANCIAL MEASURES

| Performance Measure | 30 June 22 | 30 June 23 | 30 June 24 |
|--|------------|------------|------------|
| Ratio of Shareholder's Funds to Total Assets The Ratio of Shareholder's Funds to Total Assets shall not be less than that set out in this Statement of Intent. | 61% | 63% | 66% |
| Current Ratio The Current Ratio measures solvency. The Company will maintain a positive Current Ratio. | Positive | Positive | Positive |
| EBITDA | \$2.2m | \$2.3m | \$2.5m |

| Performance Measure | 30 June 22 | 30 June 23 | 30 June 24 |
|---|---------------------|---------------------|---------------------|
| Earnings before interest, tax, depreciation and amortisation gives an indication on the underlying operational profitability of the business. | | | |
| Revenue Measuring revenue growth gives a good indication of the rate at which the Company has expanded the business. | \$34m | \$34m | \$36m |
| Bank Covenants The Company will meet all bank covenants | Unconditionally met | Unconditionally met | Unconditionally met |

KEY PERFORMANCE TARGETS: NON-FINANCIAL MEASURES

| Performance Measure | 30 June 22 | 30 June 23 | 30 June 24 |
|---|-------------------|-------------------|-------------------|
| Lost Time Injury Frequency Rate The lost time injury frequency rate will measure the number of lost time injuries for year ending 30 June 2022 relative to the number of hours worked in the same period. $\frac{\text{Total lost time injuries in 2022}}{\text{Total hours worked in 2022}} \times 1,000,000$ | Zero | Zero | Zero |
| Lost time injuries are occurrences that result in a fatality, permanent disability or time lost from work of one day/shift or more. | | | |
| ACC Weekly Compensation Days ACC weekly compensation days measures and gives an indication of workplace safety. It is also a measure of wellness in the workplace and indicates how a company cares for and rehabilitates employees injured at work. | 150 | 150 | 180 |
| ISO 9001 Accreditation ISO 9001 is a quality accreditation standard verifying that the Company has systems and processes in place to operate to industry best practices. It confirms that issues within the Company are identified, recorded and information used to generate continual business improvement. | Standard achieved | Standard achieved | Standard achieved |
| ISO 45001 Accreditation ISO 45001 is a global standard for Occupational Health and Safety (OH&S) Management Systems that provides a practical solution to improve the safety and health of both employees and other personnel by preventing work-related injury and ill health, as well as by proactively improving the Company's OH&S performance. | Standard achieved | Standard achieved | Standard achieved |
| Environmental Consent Compliance There are 3 measures of environment consent compliance- full, partial and non-compliance. Full compliance of consents held by the Company indicates that all conditions of consents are met in full and the organisation is acting in an environmentally responsible manner. | Full Compliance | Full Compliance | Full Compliance |
| Number of local events supported in operating area Number of local events supported by the Company indicates that the Company is acting in a socially responsible manner, supporting and adding value to local communities in its operating area. | 15 | 15 | 15 |

REVENUE AND FINANCING POLICY

INTRODUCTION

Under Section 102 of the Local Government Act 2002 (LGA 2002), all local authorities are required to adopt a Revenue and Financing Policy (RFP).

The RFP provides details of Council’s policies in respect of funding operating and capital expenditure, including how the policy was developed and what sources are used to fund the different activities. Total funding comprises a funding mix of rates, fees and charges, debt and other income.

The application of the Revenue and Financing Policy is reflected in the Funding Impact Statement for a particular financial year. To understand the rating impact of the policy it needs to be read in conjunction with the Funding Impact Statement.

This policy complies with the legislative requirements of section 103 the LGA 2002 which sets out a number of factors that Council has to consider in determining its RFP.

PURPOSE

The purpose of this Policy is to set out how the operating and capital expenditure of each of Council’s activities is to be funded – that is, who pays for what, how and why. The Policy outlines:

- Available funding mechanism (e.g., rates, fees, borrowings, etc),
- Council’s funding considerations (i.e., the decision about how each Council Activity is to be funded and the process followed to reach the decision), including
 - Funding of operating costs (i.e., the funding mix Council has chosen for each Activity’s operating costs), and
 - Funding of capital costs (i.e., the funding mix Council has chosen for each type of capital investment).

The application of this Policy is set out elsewhere:

- Rates charges and definitions are set out in the Funding Impact Statement,
- Fees and charges for all Activities are set out in the Fees and Charges Schedule.

DEFINITIONS

National Benefit: Benefits the nation and is public in nature.

District Benefit: Benefits the whole District and is public in nature.

Regional Benefit: Benefits the Region and is public in nature.

Commercial Benefit: Benefits the commercial sector and has elements of both public and private benefit.

Community Benefit: Benefits a particular Community of Interest and is public in nature.

User Benefit: Benefits an identifiable individual, group, or community segment.

Applicant: Benefits an identifiable individual, group or community segment.

Offender / Exacerbator: The cost is the result of offenders, or ones who exacerbate a problem.

SUIP: For the purposes of this Policy, the definition of SUIP / separately used or inhabited part of a rating unit shall be as set out in the Council’s Funding Impact Statement.

POLICY

FUNDING PRINCIPLES

In developing the Revenue and Financing Policy and determining the appropriate funding sources for each activity, Council considered each activity against the principles laid out in section 101 (3) of LGA 2002.

| PRINCIPLE | RATIONAL FOR ITS APPLICATION |
|---------------------------------|--|
| Community Outcomes | <p>These are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Section 101(3)(a)(i) of the LGA 2002 requires that in determining the funding sources, Council identify the community outcomes to which each activity primarily contributes.</p> <p>This Revenue and Financing Policy lists for each group of activities, the outcomes to which it primarily contributes, and states why each activity is undertaken.</p> |
| Distribution of Benefits | <p>Section 101(3)(a)(ii) of LGA 2002 requires costs to be allocated where the benefits lie. Council assessed the Distribution of Benefits for each activity, whether the benefits flowed to the District as a whole, or to individuals or identifiable parts of the community.</p> <p>In order to assess the Distribution of Benefits, it is necessary to first describe and define the different types of benefits that flow from Council activities.</p> |

| PRINCIPLE | RATIONAL FOR ITS APPLICATION |
|-----------|---|
| | <p>Period of Benefits</p> <p>Section 101(3)(a)(iii) requires the consideration of intergenerational equity – the principle that the costs of any expenditure should be recovered over the time that the benefits of the expenditure accrue. This principle applies particularly to the allocation of capital expenditure and results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it over that period.</p> <p>The principles of funding operating and capital expenditure are as stated in this policy. They are assumed to apply to each activity, unless otherwise stated in the individual Activity Analysis section.</p> <p>Operational expenditure is funded annually and therefore there are no intergenerational equity issues to be considered. Intergenerational equity issues arise in relation to capital expenditure and investments and identified in the individual activity analysis sections where relevant.</p> |
| | <p>Exacerbator Pays</p> <p>Section 101(3)(a)(iv) requires Council to assess the extent to which each activity is undertaken to remedy the negative effects of the actions or inaction of an individual or group. It is important to note that the actions themselves may not be negative or “bad” but they may have negative effects on the whole community.</p> <p>This principle (exacerbator or polluter pays principle) is particularly relevant to Council’s regulatory functions and other activities undertaken to mitigate the adverse effects of community behaviours on the environment.</p> <p>The Exacerbator Pays principle suggests that Council should, where it is practical, recover any costs directly from the individual or group that contributes to the deterioration of a situation or to a cost that is a direct result of their actions.</p> <p>Most activities do not exhibit exacerbator pays characteristics. This heading is only included in the analysis of those activities which do demonstrate such characteristics.</p> |
| | <p>Costs and Benefits</p> <p>This consideration includes transparency, accountability and some assessment of the cost efficiency and practicality of funding a particular activity separately.</p> <p>Transparency and accountability are most evident when an activity is totally distinctly funded. This allows ratepayers, or payers of user charges as the case may be, to see exactly how much money is being raised for and spent on the activity. However, funding every activity on an individual basis would be extremely administratively complex. The administrative costs and lack of materiality has led Council to fund a number of activities collectively. The individual Activity Analysis section of this policy does not repeat this argument for each activity.</p> |

EXPENDITURE TO BE FUNDED

Funding of Operating Expenditure

Where expenditure does not create a new asset for future use or extend the lifetime or usefulness of an existing asset, it is classed as operating expenditure.

Council funds operating expenditure from the following sources:

- General Rates
- Uniform Annual General Charge
- Targeted Rates
- Fees and Charges
- Interest and dividends from investments
- Grants and subsidies towards operating expenses
- Other sources.

Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The process used is as specified by the LGA 2002.

The Funding Impact Statement produced each year (as required by Schedule 10(20) LGA 2002) shows the impact of 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.

Funding of Capital Expenditure

Capital expenditure is the cost of creating or upgrading a new asset, or extending the lifetime of an existing asset. Capital expenditure can also be incurred to improve the level of service provided by the asset.

The following sources are available for Council under the LGA 2002 to fund capital expenditure:

- Grants and subsidies
- Depreciation reserves
- Loans
- Rates
- Proceeds from asset sales
- Financial contributions under the Resource Management Act 1991
- Development contributions under the Local Government Act 2002
- Other

Council makes use of all of the above sources of funding of capital expenditure, with the exception of Development Contributions. Population trends show that there is no demand for growth related infrastructure at the present time. There is currently enough capacity in the infrastructure networks to allow for nominal growth should it occur in an area. The RFP does not include a provision for growth related capital expenditure as it has been assumed that capital outlay to cater for growth will not occur until there is evidence that the assumed growth is taking place.

Council makes provision for capital expenditure for renewals and capital developments which relate to improvements to levels of service. Funding sources used by Council for capital expenditure for renewals in order of priority are, subsidies and grants (when available), depreciation funding, loan funding, and lastly, rate funding. Expenditure for capital developments for improvements to levels of service are funded in the following order of priority: subsidies and grants (when available), loan funding, and lastly, rate funding.

Loan funding is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and also to enable the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community at the time or over the period the benefits of that expenditure accrue.

SOURCES OF FUNDING

The funding sources available to a local authority are set out under the LGA 2002 and the LGRA 2002. Presented below are descriptions of the available funding sources.

General Rate

The General Rate is set under Section 13(2) (a) of the LGRA 2002 and has been used to part fund the activities of Leadership, Community and Partnerships, Recreation and Property, Regulatory Services, Resource Management and Solid Waste. It is set according to the Revenue and Financing Policy for these activities.

The General Rate is a rate per \$100 of capital value applied to all rateable properties in the District. A General Rate is used according to the Revenue and Financing Policy, when:

- Council considers that a capital value rate is fairer than the use of other existing rating tools for the service funded; and

- Council considers that the community as a whole should meet costs of the function; and
- Council is unable to achieve its user charge targets and must fund expenditure; or
- UAGC use would be a fair method but Council is constricted by the 30% cap (Section 21 LGRA 2002).

Uniform Annual General Charge (UAGC)

The UAGC, assessed on each separately used or inhabited part of a rating unit (SUIP), is set under Section 15 of the LGRA 2002 and has been used to part-fund some activities where overall District-wide benefit has been assessed (details are contained within the relevant activity funding sections).

UAGC is assessed on each separately used or inhabited part (SUIP) of a rating unit to:

- Ensure equity in bearing the cost liability of a service (or part of service) which is deemed equally beneficial to all
- Ensure that those with multiple uses pay a fair share
- Provide a consistent treatment between all uniform charges.

In setting the UAGC, based on the Revenue and Financing Policy, Council will consider the following aspects:

- Adherence to the legislative cap (UAGC to be maximum of 30% of total rates excluding any fixed rate charges for water or wastewater) and;
- Set the amount of UAGC such that it is as fair as possible to all ratepayers and in consideration of the principles of affordability and sustainability.

Council may consider 'capping' the amount of the UAGC at a certain value or that any increase in UAGC will be limited to a maximum of the Local Government Cost Indicator (LGCI) for that year (to be determined by Council through the annual rates setting process).

This consideration is primarily to maintain rates affordability and is in keeping with section 101(3) of LGA 2002 which explicitly requires that the funding needs be met by sources considered appropriate by local authorities, after giving consideration to, among other things, the impact of the funding allocations on the interests of the community.

Targeted Rates

A Targeted Rate is set under Sections 16 or 19 of the LGRA 2002 and has been used to part fund the groups of activities of Community and Partnerships, Recreation and Property,

Wastewater, Water Supply, Stormwater, Solid Waste and Roads and Footpaths. Targeted Rates are set according to the Revenue and Financing Policy for these services.

A Targeted Rate is used according to the Revenue and Financing Policy, when:

- Council considers that a Targeted Rate would enable a higher level of transparency in funding allocation; or
- Council considers that a Targeted Rate is fairer than the use of other existing rating tools for the service funded, in consideration of the benefit derived from the service. The percentage of benefit is determined by Council's Revenue and Financing Policy.

The LGRA 2002 allows for Targeted Rates to be assessed on land defined on the basis of use to which land is put, area of land, location of land, the value of land and the provision or availability of Council services. Targeted Rates may be imposed as a fixed rate or differentially based on property uses.

Council will use location (Schedule 2(6) of LGRA) to define the land liable for a number of targeted rates based on location. The following location definitions for the respective rating areas will apply:

Te Kuiti Urban Rating Area

All rating units situated within the Te Kuiti urban area, shown as shaded blue on the map attached in Appendix One.

Te Kuiti Urban and Periphery Rating Area

All rating units situated within a 5km radius, all around, from the i-SITE (deemed to be the centre of town) in Te Kuiti, shaded in grey and purple on the map attached in Appendix Two.

Council considers this boundary of Te Kuiti Urban and Periphery Rating Area (for the purpose of assessing the Aquatic Centre Fixed Rate to be fair in consideration that the benefit derived from the services funded by this Targeted Fixed Rate are accrued equally by those living within the 5km radius.)

Rural Rating Area

All rating units situated in the rural areas, shaded green on the map attached as Appendix Three in the district (excluding those rating units shaded blue on the map attached in Appendix One.)

Piopio Township

All rating units connected or with the ability to connect to the Piopio Sewerage System.

Piopio Wider Benefit Rating Area/PWBRA

All rating units situated in the rural areas around Piopio township (excluding rating units/SUIPs connected or with the ability to connect to the Piopio sewerage system) that are deemed to indirectly benefit from the Piopio sewerage reticulation network, shown as yellow on the map attached as Appendix Four.

Marokopa Community Centre Rating Area

Any separately used or inhabited part of a rating unit within the defined Marokopa Community Centre area, shaded blue on the map attached as Appendix Five.

Fees and Charges

Fees and Charges will be set according to Council's Revenue and Financing Policy where:

- It is assessed that the level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges; and
- There are identifiable and distinct user groups/exacerbators identified by Council's Revenue and Financing Policy; and
- User fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators.

The Revenue and Financing Policy includes the percentage of fees and charges Council aspires to collect for the relevant activity. The actual fees and charges collected by Council will vary dependent on a number of external factors.

Interest, Subventions and Dividends

Council receives limited interest from cash investments and borrower notes. Any interest received is used to offset the rate required in the year received.

Council has an investment in Inframax Construction Ltd. No dividends are forecast of the life the plan however if any dividends and/or subventions were to be received these would be used to repay debt.

Borrowing

Borrowing is managed by the provisions of Council's Treasury Policy. Council's use of

funding mechanisms to fund capital development is set out in the Funding of Capital Expenditure section of this policy.

Proceeds from Asset Sales

Funds from any asset sales are applied first to offset borrowing in the relevant activity from which the asset was sold and secondly for repayment of existing term debt (Treasury Policy).

Development and Financial Contribution Policy

Population trends show that there is no forecast demand on infrastructure created by growth, for the foreseeable future.

Currently Council does not require development contributions for development that triggers section 198(1) of the Local Government Act 2002.

Financial contributions are currently taken by Council as consent conditions for subdivision and land use activities approved under the Resource Management Act 1991("RMA") where possible. Formulae are specified in the District Plan for collecting financial contributions to remedy or mitigate the adverse effects of development on District.

Grants and Subsidies

Council receives a subsidy from Waka Kotahi to part-fund operations, renewal, and capital development in provision of roads and footpaths.

Council pursues other Grant and Subsidy funding available from Central Government wherever it is considered appropriate.

OVERALL IMPACT OF THE FUNDING MECHANISMS SELECTED

Following consideration of the matters referred to in Section 101(3)(a), a picture emerges of where the benefits of engaging in activities land. Once this is done and indicative cost allocation compiled, the final step in Council's process of developing this policy has been to consolidate the results of the individual activity analysis and consider these results in terms of Section 101(3)(b). Section 103(b) requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. The impact is assessed on the current and future wellbeing of the community.

Council has agreed that for most activities where a District benefit has been identified, funding that benefit allocation equally through the General Rate and UAGC would be the most efficient, equitable and transparent funding method. Both the General Rate and the UAGC

are appropriate funding sources when a District wide benefit is assessed.

Council's reasoning behind this decision was that for some activities, the UAGC would be the most appropriate method for funding the District allocation because of the 'equal benefit' nature of the activity, but Council needs to take into account the 'rates affordability' and 'ability to pay' considerations within the community and also the legislative 'cap' on the amount that can be funded through the UAGC.

This reasoning by Council has not been repeated in the rest of the policy except where Council has made exceptions to it.

BENEFITS ALLOCATION AND FUNDING MECHANISM

Council's Revenue and Financing Policy has been developed mostly at activity level however for some activities it has been necessary to develop the policy at function level. The benefit allocation and funding mechanism for each function is included under the relevant activity or function in sections 6 to 16 of this policy.

APPLICATION OF FUNDING PRINCIPLES TO THE FUNDING FOR EACH ACTIVITY

Council has determined the sources of funding for capital and operating expenditure for each of its activities after considering the principles set out in Section 1.0 and the rationale for the use of funding sources. The table below outlines a summary followed by a detailed explanation

| Activity | Fees and Charges | Other Revenue | Grants and Subsidies | General Rate | UAGC | Targeted Fixed Rate | Targeted Rate | Rate Type | Assessment basis: CV/Rating Unit/SUIP |
|---|------------------|---------------|----------------------|--------------|------|---------------------|---------------|---------------------------------|---|
| Leadership | | | | | | | | | |
| Representation | | | | | | | | | |
| Representation | 1% | 45% | | 27% | 27% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Strategy and Engagement | | | | | | | | | |
| Strategy and Engagement | | | | 50% | 50% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Investments | | | | | | | | | |
| Waikato Local Authority Shared Services | | | | 50% | 50% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Inframax Construction Limited | | | | 50% | 50% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Council Owned Quarries | 100% | | | | | | | | |
| Emergency Management | | | | | | | | | |
| Emergency Management | | | | 50% | 50% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Community and Partnerships | | | | | | | | | |
| Community Development | | | | | | | | | |
| Community Development | | | | 48% | 48% | 4% (approx) | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| | | | | | | | | TFR (Piopio Retirement Village) | Rating Unit – within Piopio Township and the Piopio Wider Benefit Rating Area |
| District Promotion | | | | | | | | | |

| Activity | Fees and Charges | Other Revenue | Grants and Subsidies | General Rate | UAGC | Targeted Fixed Rate | Targeted Rate | Rate Type | Assessment basis: CV/Rating Unit/SUIP |
|----------------------------------|------------------|---------------|----------------------|--------------|-------|---------------------|--|-----------|---|
| District Promotion | | | | 60% | | | 20% Commercial and Industrial Businesses 20% Rural Businesses | TR | CV |
| | | | | | | | | GR | CV |
| Economic Development | | | | | | | | | |
| Economic Development | | | | 60% | | | 20% Commercial and Industrial Businesses 20% Rural Businesses | TR | CV |
| | | | | | | | | GR | CV |
| Regulatory Services | | | | | | | | | |
| Environmental Health | | | | | | | | | |
| Environmental Health | 30% | | | 35% | 35% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Animal and Dog Control | | | | | | | | | |
| Animal and Dog Control | 60% | | | 20% | 20% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Building Control Services | | | | | | | | | |
| Building Control Services | 40% | | | 60% | | | | GR | CV |
| Alcohol Licensing | | | | | | | | | |
| Alcohol Licensing | 40% | | | 30% | 30% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Recreation and Property | | | | | | | | | |
| Parks and Recreation | | | | | | | | | |
| Parks and Reserves | | | | 50% | 50% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| | | | | | | | | UAGC | SUIP |
| Housing and Property | | | | | | | | | |
| Elderly Persons Housing | 100% | | | | | | | | |
| Community Halls | 3% | | | 47.5% | 47.5% | 2% | | TFR | SUIP – Marokopa Community Centre Rating Area (2021/22 only) |

| Activity | Fees and Charges | Other Revenue | Grants and Subsidies | General Rate | UAGC | Targeted Fixed Rate | Targeted Rate | Rate Type | Assessment basis: CV/Rating Unit/SUIP |
|-----------------------------|------------------|---------------|----------------------|--------------|-------|--|---------------|-----------|---------------------------------------|
| | | | | | | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Other Land and Buildings | 35% | | | 32.5% | 32.5% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Community Facilities | | | | | | | | | |
| District Libraries | 2% | | | 23% | 75% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Aquatic Centre | 15% | | | 5% | 5% | 60% (Te Kuiti Urban and Periphery Rating Area) 15% (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area) | | TFR | SUIP |
| | | | | | | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Les Munro Centre | 10% | | | 45% | 45% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Aerodrome | 100% | | | | | | | | |
| Public Facilities | | | | | | | | | |
| Cemeteries | 40% | | | 30% | 30% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Public Amenities | | | | 50% | 50% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Solid Waste | | | | | | | | | |
| Kerbside Collection | 40% | | | | | 60% | | TFR | SUIP |
| Waste Disposal | 60% | | | | | 40% | | TFR | SUIP |
| Waste Minimisation | | | 55% | 22.5% | 22.5% | | | GR | CV |

| Activity | Fees and Charges | Other Revenue | Grants and Subsidies | General Rate | UAGC | Targeted Fixed Rate | Targeted Rate | Rate Type | Assessment basis: CV/Rating Unit/SUIP |
|---|------------------|---------------|----------------------|--------------|------|---------------------|---------------|--|---|
| | | | | | | | | UAGC | SUIP |
| Stormwater | | | | | | | | | |
| Te Kuiti Stormwater | | | | | | 67% (Te Kuiti) | 33% | TFR | Rating Unit |
| | | | | | | | | TR | CV |
| Rural Stormwater | | | | | | 100% (rural areas) | | TFR | SUIP |
| Resource Management | | | | | | | | | |
| District Plan Administration | 40% | | | 30% | 30% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| District Planning | | | | 50% | 50% | | | GR | CV |
| | | | | | | | | UAGC | SUIP |
| Wastewater | | | | | | | | | |
| Te Kuiti Wastewater Treatment and Disposal | 25% | | | | | 65% + 10% | | TFR | Residential properties per SUIP –connected/ serviceable – District TFR (Harmonised) |
| | | | | | | | | TFR - Base charge | Non-residential Per SUIP |
| | | | | | | | | TFR – Pan Charge | Non –Residential Per Pan |
| | | | | | | | | TFR - Trade Waste Contribution | Rating Unit – District Wide |
| | | | | | | | | TFR - District-wide benefit allocation | Rating Unit – District Wide |
| Te Waitere, Piopio, Maniaiti/Benneydale Wastewater Treatment and Disposal | | | | | | 100% | | TFR - District-wide benefit allocation | Rating Unit – District Wide |
| | | | | | | | | TFR – collection and disposal | SUIP – connected/ serviceable – District TFR (Harmonised) |
| Water Supply | | | | | | | | | |

| Activity | Fees and Charges | Other Revenue | Grants and Subsidies | General Rate | UAGC | Targeted Fixed Rate | Targeted Rate | Rate Type | Assessment basis: CV/Rating Unit/SUIP |
|--|------------------|---------------|----------------------|--------------|------|---------------------|---------------|--|--|
| Te Kuiti, Mokau, Piopio, Maniaiti/Benneydale Treatment, Storage and Distribution | | | | | | 60%+10% | 30% | TFR | SUIP –connected / serviceable – District TFR (transition rate until 2024/25 when it is fully harmonised) |
| | | | | | | | | TR | Water meter / consumption |
| | | | | | | | | TFR - District-wide benefit allocation | Rating Unit – District Wide |
| Roads and Footpaths | | | | | | | | | |
| Subsidised Roding | 1% | | 50% | | | | 49% | TR | CV - Rating Unit |
| Unsubsidised Roding | 25% | | | | | | 75% | TR | CV - Rating Unit |

GROUP OF ACTIVITIES: LEADERSHIP

DESCRIPTION

In carrying out this activity

- We enable, promote and support local democracy by providing governance advice and democratic services to elected members, the public and staff. We support public engagement with the mayor, councillors and with our democratic processes.
- We consider research, analysis and policy development, and provide advice to support development of the District with a focus on strategies, plans, policy, and bylaws to address the top issues facing our community. We also coordinate and undertake community engagement and consultation on a variety of issues.
- We provide leadership to Council's investment portfolio which oversees the investment in Waikato Local Authority Shared Services, Civic Financial Services Ltd, Inframax Construction Ltd and Council owned quarries.
- Through emergency management we work to help the community be resilient and ready to deal with an emergency. We also support the Waikato Region Civil Defence and Emergency Management Group.

ACTIVITIES

The Leadership Group of Activity (GOA) provides for:

- Representation
- Strategy and Engagement
- Investments
- Emergency Management

COSTS AND BENEFITS

The merit of identifying and accounting for functions under this Group of Activities separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo district.
- Greater opportunity for the Waitomo district to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.

- Improved monitoring in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

ACTIVITY: REPRESENTATION

This Activity involves the provision of leadership and governance of the District and includes the Mayor's Office and Council's governance, including committees.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|--------------------------------|--------------------------------|
| A district that works with you | A district for people with you |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|---|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 100% | 27% | General Rate |
| | | 27% | UAGC |
| | | 1% | Fees and Charges |
| | | 45% | Other Revenue: Penalties and sundry revenue |

(a) Distribution of Benefits

District Benefit: The benefit of the Representation activity is considered to be District wide in nature as the benefits of good governance and representation benefit the District as a whole.

(b) Funding Mechanism

District Allocation: Council is not able to recover all the costs of this activity from penalties and fees and charges. The most appropriate method of funding the remainder of this activity is 50:50 between the UAGC and General Rate (GR). While the fairest method would be to fund this activity by UAGC, a combination of UAGC and General Rate is considered most appropriate, given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

ACTIVITY: STRATEGY AND ENGAGEMENT

This Activity includes:

- Carrying out long-term and annual planning for the District and producing plans which

reflect the outcomes desired by the community.

- Communicating and consulting with the community on projects, issues and various planning documents, as well as surveys to gauge community satisfaction with services provided.
- Development of policy to promote community outcomes at a local level, and to influence policy at a regional or national level.
- Monitoring the achievement of the levels of service.
- Preparation of Council's Annual Report comprising public information on achievement against the financial and key performance targets of the previous year.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|--------------------------------|--------------------------------|
| A district that works with you | A district for people with you |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|--------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 100% | 50% | General Rate |
| | | 50% | UAGC |

(a) Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of effective planning and policy development and the monitoring of Council activities and performance is of benefit to the entire District.

(b) Funding Mechanism

District Allocation: The most appropriate method of funding this activity is 50:50 between the UAGC and General Rate (GR). While the fairest method would be to fund this activity by UAGC, a combination of UAGC and General Rate is considered most appropriate, given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

ACTIVITY: INVESTMENT

Council has investments in land and other organisations that it manages for the benefit of the community and to generate income. The functions comprising this activity are:

1. Waikato Local Authority Shared Services (WLASS)
2. Council Owned Quarries
3. Inframax Construction Limited

Period of Benefit (Intergenerational Equity)

The total expenditure and income of Investment Activities needs to be specified over the proposed investment period as part of intergenerational funding decisions.

Investment in Waikato Local Authority Shared Services (WLASS)

This function represents Council's shareholding/investment in WLASS. The principle objective for the company is to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes and to be an umbrella for future development of shared services within the region.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|--------------------------------|--------------------------------|
| A district that works with you | A district for people with you |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|----------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 80% | 50% | General Rate |
| | | 50% | UAGC |
| Regional Benefit | 20% | 0% | No funding mechanism |

(a) Distribution of Benefits

District Benefit: The investment in WLASS are assessed to have a District wide benefit as it is either made to generate income or to explore opportunities for cost reduction/efficiencies, which are used for the benefit of the entire District, or Council is involved for a strategic reason which again is for the benefit of the District as a whole.

National Benefit: Gaining the most effective access to regional information and services of mutual value to the regional community is seen as having national benefit.

(b) Funding

District Allocation: The fairest method of funding this investment would be by way of UAGC. However, due to the 30% UAGC 'cap' and rates affordability issues, Council

resolved a combination of General Rate and UAGC to be the most efficient, effective and transparently lawful funding mechanism for this allocation.

National Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries Council resolved that the National Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

Investment in Inframax Construction Ltd (ICL)

This function represents Council’s investment in ICL. ICL is a provider of roading construction and maintenance and other civil engineering infrastructural services.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|--------------------------------|--|
| A district that works with you | A district for people A prosperous district |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|------------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 100% | 50% | General Rate |
| | | 50% | UAGC |
| | | 0% | Dividend or Subvention |

(a) Distribution of Benefits

District Benefit: ICL is assessed to have District wide benefit as it exists to give effect to social and economic outcomes that benefit the entire District. Council’s investment in ICL is considered to be strategic in nature and for the benefit of the wider District as a whole.

(b) Funding

Investment Income: Council resolved that as this investment has been entered into for social and economic purposes it would be equitable to fund the cost of this activity through Investment Income (i.e., dividend and/or subventions), when available.

Any surplus generated through this investment will be used to for repayment of term debt which benefits the wider community by enhancing the financial sustainability of the Waitomo District Council.

District Allocation: Any deficit resulting from Council’s investment in ICL will be funded by way of a combination of General Rate and UAGC which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

COUNCIL OWNED QUARRIES

This function involves the maintenance and management of Council owned quarries.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|--------------------------------|--|
| A district that works with you | A district for people A prosperous district |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|-------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 100% | 100% | Investment Income |

(a) Distribution of Benefits

District Benefit: Council owned quarries are assessed to have District wide benefit as they exist to give effect to social and economic outcomes for the benefit of the entire District. Council’s investment in quarries is considered to be strategic in nature and for the benefit of the wider District as a whole.

(b) Funding

Investment Income: Council resolved that as this investment has been entered into for social and economic purposes it would be most equitable to fund this activity through investment income (e.g., metal royalties/leases). Any net surplus income generated through this investment will be used to offset General Rate and UAGC rates income collected from the entire District.

District Allocation: Any deficit resulting from Council’s investment in Quarries will be funded from the General Rate and UAGC which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

ACTIVITY: EMERGENCY MANAGEMENT

Provision of emergency response capability includes public education and administering the Civil Defence Emergency Management Act 2002.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|--------------------------------|--------------------------------|
| A district that works with you | A district for people with you |

| Attributable Benefit | | Funding | |
|-------------------------------|--------------|---------|--------------------|
| Benefit Group | % of Benefit | % | Method |
| National and Regional Benefit | 10% | 0% | Government Subsidy |
| District Benefit | 90% | 50% | General Rate |
| | | 50% | UAGC |

(a) Distribution of Benefits

National and Regional Benefit: Emergency Management has been assessed to have a certain element of National and Regional benefit, in that this service provides safety and general well-being to the national public under a national civil defence and emergency management network. By way of example, any significant natural disaster has the potential to disrupt state highways and the rail system which might affect the Country as a whole.

District Benefit: Emergency Management is considered to have a high District benefit. The benefit of this function is for the safety and well-being of all people within the District.

(b) Funding

National and Regional Allocation: Council considers that given the element of national and regional benefit provided by the service, Central Government subsidy would be the most efficient and effective method of funding this allocation. However Central Government subsidies are no longer available so it was resolved that this allocation be re-allocated to District Benefit.

District Allocation: A combination of UAGC and General Rate is the most appropriate method of funding this activity given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of this activity.

GROUP OF ACTIVITIES: COMMUNITY AND PARTNERSHIPS

DESCRIPTION

The Community and Partnerships is a group of activities (GOA) where the Council, in a number of diverse roles, is actively involved in 'helping the community to help itself'. The Community Development service supports the wellbeing of our communities. This is done by enabling local organisations and private providers to deliver a variety of community-based services and activities to meet the needs of our community. This includes providing grants to community groups through community assistance grants, event funding and international sister city engagement.

We manage the District i-SITE to provide residents and visitors to the District access to quality, up to date information and a booking service for activities attractions and accommodation and events. In addition, we also provide funding to the Regional Tourism Organisation, Hamilton and Waikato Tourism Limited to promote our District.

We also support Regional and Economic Development opportunities and outcomes, specifically through funding towards Te Waka, the Regional Economic Development Agency.

ACTIVITIES

There are three activities under this GOA:

1. Community Development
2. District Promotions
3. Economic Development

COSTS AND BENEFITS

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

ACTIVITY: COMMUNITY DEVELOPMENT

As part of this Activity Council seeks to improve social outcomes within Waitomo District by working closely with the District community. It includes safe communities, making grants to the community, provision of service contracts, Council's Sister City relationship and Youth engagement.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|--|--------------------------------|
| A district for people A prosperous district | A district that works with you |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|---------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 96% | 48% | UAGC |
| | | 48% | General Rate |
| Community Benefit | 4% | 4% | Targeted Fixed Rate |

(a) Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of the activity of supporting the community by working to create a better quality of life is beneficial to the entire District.

Community Benefit: A small element of this activity benefits the Piopio Community specifically via support to the Piopio Retirement Village. The wider Piopio community consider the Piopio Retirement Village is an asset that should be retained.

(b) Funding

District Allocation: It is considered that after funding the Piopio Retirement Village the most appropriate method of funding the remainder of this activity is 50:50 between the UAGC and General Rate (GR). The Community Development activity aims to develop a more liveable and vibrant district which can have an effect on the prosperity of the entire District.

Community Allocation: In recognition of the unique situation that exists with Piopio Retirement Village and of the invaluable role it plays within the Piopio Community, both now and in the future, the Piopio Retirement Village will receive an annual rates remission as determined by Council's Rates

Remission Policy, to support the Trust in the continued delivery of elderly housing accommodation services.

The amount determined as the annual rates remission for the Piopio Retirement Village will be separately funded by way of a Targeted Fixed Rate assessed on all rateable units situated within the Piopio Township and the Piopio Wider Benefit Rating Area.

ACTIVITY: DISTRICT PROMOTIONS

This Activity encompasses three functions that serve to attract visitors to the District and contribute over time to the overall development of the District.

• Visitor Information Centre

We manage the District i-SITE to provide residents and visitors to the District access to quality, up to date information and a booking service for activities, attractions and accommodation and events.

• District and Regional Promotion

This activity involves regional tourism growth at both domestic and international levels, using Waikato regional branding rather than individual District brands. It also involves providing funding to the Regional Tourism Organisation, Hamilton and Waikato Tourism Limited to promote our District.

• Events

Co-ordination of major events in the District, including the Great NZ Muster and the Christmas Parade.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|--|--------------------------------|
| A district for people A prosperous district | A district that works with you |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|---|
| Benefit Group | % of Benefit | % | Method |
| National Benefit | 10% | 0% | No funding mechanism |
| District Benefit | 80% | 60% | General Rate |
| Community Benefit | 10% | 20% | Commercial and Industrial Businesses (Targeted) |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|---|
| Benefit Group | % of Benefit | % | Method |
| | | 20% | Capital Value Rate) Rural Businesses (Targeted Capital Value Rate) |

(a) Distribution of Benefits

National Benefit: There is an element of national and regional benefit that results from attracting visitors to the District. New Zealand as a whole and particularly the region will benefit from services and events which attract overseas and local visitors.

Increased visitor numbers to Waitomo District will have flow on effects for our neighbours and help in promoting other neighbouring Districts as well.

District Benefit: The Visitor Industry is considered to have a District wide benefit as the activity gives effect to the economic development and employment within the District as a whole. There are numerous examples that demonstrate tourism can contribute immensely to the whole economy in terms of increased employment, revenue generation and the like and that benefit will accrue to the overall District.

Community Benefit: The Visitor Industry provides a high degree of benefit to communities that provide meals, entertainment and accommodation.

(b) Funding

National/Regional Allocation: Council resolved that this allocation should be funded through Grants when available.

District/Community Allocation: Council considered that the overall District benefits to an extent from District Development Activities but also that specific beneficiaries can be identified (businesses) and therefore resolved a targeted District Development rate is the most efficient, effective and transparent method for funding this allocation. Council resolved that funding should be a rate per \$100 of capital value apportioned on the basis of 60% General Rate, 20% Commercial and industrial businesses (categorised as Commercial, Industrial and Utilities in the Rating Information Database) and 20% Rural Businesses (categorised as Dairy, Pastoral, Specialist, Forestry, Minerals and

Horticulture in the Rating Information Database).

ACTIVITY: ECONOMIC DEVELOPMENT

This Activity involves the development, support and promotion of business-related programmes and activities and new employment initiatives within the District. It also involves the maintenance of a high quality environment, input into the urban infrastructure, the need to recognise the importance of international relationships and the tourism industry and utilisation of the landscape and culture of the Waitomo District. We also support Regional and Economic Development opportunities and outcomes, specifically through funding towards Te Waka, the regional economic development agency.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|--------------------------------|
| A prosperous district | A district that works with you |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|--|
| Benefit Group | % of Benefit | % | Method |
| National Benefit | 10% | 0% | No funding mechanism |
| District Benefit | 80% | 60% | General Rate |
| Community Benefit | | 20 % | Commercial and Industrial Businesses (Targeted Capital Value Rate) |
| | 10% | | |
| | | 20 % | Rural Businesses (Targeted Capital Value Rate) |

(a) Distribution of Benefits

National Benefit: There is an element of national and regional benefit that results from attracting visitors and investment to the District.

District Benefit: The promotion of the district is considered to have a District wide benefit as the activity gives effect to the economic development and employment within the District as a whole.

Community Benefit: The commercial development within the district provides

increased employment, growth and supports the sustainability of the District.

(b) Funding

National Allocation: Council resolved that this allocation should be funded through Grants when available.

District/Community Allocation: Council considered that the overall District benefits to an extent from Economic Development Activities but also that specific beneficiaries can be identified (businesses) and therefore resolved a targeted District Development rate is the most efficient, effective and transparent method for funding this allocation. Council resolved that funding should be a rate per \$100 of capital value apportioned on the basis of 60% General rate, 20% Commercial and industrial businesses (categorised as Commercial, Industrial and Utilities in the Rating Information Database) and 20% Rural Businesses (categorised as Dairy, Pastoral, Specialist, Forestry, Minerals and Horticulture in the Rating Information Database).

GROUP OF ACTIVITIES: REGULATORY SERVICES

DESCRIPTION

The Regulatory Services Group of Activities works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of Central Government Legislation.

ACTIVITIES

The activities under this GOA are:

1. Environmental Health
2. Animal and Dog Control
3. Alcohol Licensing
4. Building Services.

COSTS AND BENEFITS

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.

- Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

ACTIVITY: ENVIRONMENTAL HEALTH

The provision of environmental health services, including licencing and inspection of food premises and noise control. Council has specific statutory responsibilities under each of these functions.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|---|
| A district for people | A district that works with you A prosperous district |

| Attributable Benefit | Funding | | |
|------------------------|--------------|-----|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 70% | 35% | General Rate |
| | | 35% | UAGC |
| User/Applicant Benefit | 20% | 30% | Fees and Charges |
| Exacerbator/Offender | 10% | | |

(a) Distribution of Benefits

District Benefit: Environmental Health delivers District benefits by ensuring minimum health standards, such as premises are licenced and safe, healthy and hygienic for the public to use, and providing general advice and education. Noise control services provided also contribute to healthy living. The investigation and notification of incidents of communicable diseases also provides benefit to the entire District.

User/Applicant Benefit: Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbator/Offender: These are the costs incurred in responding to the actions of offenders. This includes costs associated

with investigating complaints, non-compliance with licences and regulations and prosecution of offenders.

(b) Funding

User Allocation: Council resolved user fees and charges to be the most efficient, effective and transparently lawful available method for funding this allocation.

Exacerbator Allocation: User fees and charges are considered to be the most efficient, effective and transparently lawful available method for funding the Exacerbator allocation.

District Allocation: Council is not able to recover all the costs of this activity from fees and charges. The most appropriate method of funding the remainder of this activity is considered to be 35% UAGC and 35% General Rate (GR).

ACTIVITY: ANIMAL AND DOG CONTROL

Provision of an animal and dog control service for the District. This activity involves the registration of dogs as well as the prevention of harm to the community in cases of menacing or dangerous behaviour by dogs and dealing with roving stock.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|---|
| A district for people | A district that works with you A prosperous district |

| Attributable Benefit | | Funding | |
|------------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 20% | 20% | General Rate |
| | | 20% | UAGC |
| User/Applicant Benefit | 70% | 60% | Fees and Charges |
| Exacerbator | 10% | | |

(a) Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education and public safety. All residents have equal access to the use of the service.

User/Applicant Benefit: Individuals applying for and maintaining dog registration and receiving education are direct beneficiaries of this service. The allocation reflects the benefit to those individuals with animals.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, impounding of stock and prosecution of offenders.

(b) Funding

User Allocation: Council resolved that user fees and charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: Council resolved that education and monitoring would be the most effective method to promote good animal management and control. Council also proposes that user fees and charges (in the form of infringements and penalties) would be the most efficient, effective and transparently lawful method available for funding this allocation.

District Allocation: Council considers that given there is some benefit to the entire district in the form of public safety, the most appropriate method of funding this allocation is through an equal split between General Rate and UAGC.

ACTIVITY: BUILDING SERVICES

Provision of building services, including issuing and monitoring of building consents.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|---|
| A district for people | A district that works with you A prosperous district |

| Attributable Benefit | | Funding | |
|------------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 20% | 60% | General Rate |
| | | 40% | Fees and Charges |
| User/Applicant Benefit | 75% | 40% | Fees and Charges |
| Exacerbator | 5% | | |

(a) Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education, and public safety. This activity is mandatory for Council and has a District benefit by ensuring minimum building standards are met and that buildings are safe for use. This activity is also driven by Central Government policies and there is increased focus at the national

level around sustainable building development.

User/Applicant Benefit: Individuals and groups applying for a building consent, requiring building inspection, compliance certificates and advice, are the direct beneficiaries of this service.

Exacerbator: These are the costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consents and Warrants of Fitness.

(b) Funding

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be General Rate since any investment in and development of the District will have more positive economic impact on larger property owners.

User Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation. However, since not all of the recovery of this benefit can be done through Fees and Charges which would make the fees too high and could potentially impact on development, Council resolved to partly fund this benefit through General Rate.

Exacerbator Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation.

ACTIVITY: ALCOHOL LICENSING

The Alcohol Licensing function oversees the administration of the Sale and Supply of Alcohol Act 2012 at a local level acting as the District Licensing committee on behalf of the Alcohol Regulatory and Licensing Authority which encourages the responsible sale and use of alcohol through licensing, monitoring of premises and enforcement of the Act. It also involves ensuring bylaws are enforced and complied with for public safety and wellbeing.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|---|
| A district for people | A district that works with you A prosperous district |

| Attributable Benefit | | Funding | |
|------------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 35% | 30% | General Rate |
| | | 30% | UAGC |
| User/Applicant Benefit | 35% | 40% | Fees and Charges |
| Exacerbator | 30% | | |

(a) Distribution of Benefits

District Benefit: This activity is assessed at having a medium level of District benefit which occurs from ensuring Licenses are complied with, sellers of alcohol have certain qualifications, etc, which contributes towards public safety and wellbeing. General advice and education is also provided.

Applicant Benefit: The user benefit for this service is high. Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licenses and regulations and prosecution of offenders.

(b) Funding

User/Applicant Allocation: Council resolved user fees and charges to be the most equitable method for funding this portion of the benefit allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as the fees are set by legislation and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

Exacerbator Allocation: User fees and charges are considered to be the most efficient, effective and transparently lawful available method for funding the Exacerbator funding allocation for this activity.

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be 30% UAGC and 30% General Rate.

GROUP OF ACTIVITIES: RECREATION AND PROPERTY

DESCRIPTION

Council's Recreation and Property Group of activities provides recreation and community facilities with the aim of ensuring that basic ranges of recreational activities are available to meet the present and future needs of the Community, and that Council meets its statutory obligations under such acts as the Reserves Act 1977 and Burials and Cremations Act 1964.

This Activity also ensures that the Community has essential community facilities such as public toilets and cemeteries. These facilities are necessary to ensure that public health and safety is maintained.

ACTIVITIES

The Activities comprising this GOA are:

1. Parks and Recreation
2. Housing and Property
3. Community Facilities
4. Public Facilities

PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

COSTS AND BENEFITS

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

ACTIVITY: PARKS AND RECREATION

This activity involves the provision of parks and reserves in order to support the health and wellbeing of the community by supplying and maintaining areas for sport and recreation, as well as green places and landscapes that are restful and enhance the visual amenity.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|---|
| A district for people | A district that cares for its environment |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|--------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 100% | 50% | General Rate |
| | | 50% | UAGC |

(a) Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of providing recreational spaces and facilities for the community is of benefit to the entire District.

(b) Funding

District Allocation: The most appropriate method of funding this activity is 50:50 between the UAGC and General Rate given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

ACTIVITY: HOUSING AND PROPERTY

The functions comprising of this Activity are:

1. Elderly Persons Housing
2. Community Halls
3. Other Land and Buildings

Elderly persons housing

This function involves the provision of affordable housing for the elderly. There are currently 20 pensioner units owned by Council. This function also involves maintenance of these units.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|--------------------------------|
| A district for people | A district that works with you |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 5% | 100% | Fees and charges |
| User Benefit | 95% | | |

(a) Distribution of Benefits

District Benefit: Provision and maintenance of housing for the elderly provides a level of District wide benefit as it provides for the current and future social wellbeing of the District.

User Benefit: This service has a high degree of private benefit. The direct beneficiaries of Elderly Persons Housing are the occupants, and the family and friends of the occupants.

(b) Funding

District Allocation: Due to the minor nature of the District Benefit, Council resolved that this be reallocated to User Allocation. However it is recognised that the impact of fully funding this activity from fees and charges may be prohibitive if completed in one year and therefore agreed to transition the move to fully funding the activity from fees and charges. During the transition phase any shortfall will be funded by combination of General Rate and UAGC funding.

User Allocation: Council resolved Fees and Charges to be the most appropriate funding tool for this allocation as the users (tenants) are easily identifiable and excludable and the user charges can be easily administered. However, Council considered that not all of the recovery of this benefit can be undertaken through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

Community halls

This function involves the provision and maintenance of halls through the support of Hall Committees throughout the District.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|--------------------------------|
| A district for people | A district that works with you |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 100% | 47.5% | General Rate |
| | | 47.5% | UAGC |
| | | 2% | TFR |
| User Benefit | 0% | 3% | Fees and Charges |

(a) Distribution of Benefits

District Benefit: Provision of Community halls is assessed to provide benefit to the wider District as a whole as any member of the District can use the halls directly or as guests for functions, etc. Halls serve as places for meetings or functions, particularly where other options are unavailable.

(b) Funding

District Allocation: Given the element of general public benefit associated with this activity, the Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Council recognised that most community halls are operated and maintained by the different communities themselves and Council's expenditure on the activity was in the form of grants provided to the various hall committees towards operating costs.

In the case of Council assistance given for the development of Marokopa Community Centre, the same will be recovered over time as a Targeted Fixed Rate assessed on every SUIP within the Marokopa Community Centre Rating Area. This assistance will no longer be required from 1 July 2022 and the Marokopa Community Centre advance is forecast to be repaid by June 2022.

A small percentage of funding for this activity comes from fees and charges for hall hire to the community.

Other land and buildings

This function involves the maintenance and management of other miscellaneous Council owned properties.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|------------------------|
| A district for people | A prosperous district |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 30% | 32.5% | General Rate |
| | | 32.5% | UAGC |
| User Benefit | 70% | 35% | Fees and Charges |

(a) Distribution of Benefits

District Benefit: This activity is assessed to have a degree of District wide benefit as these land and buildings are retained and maintained by Council either with strategic intent or as investments which provide benefit to the District as a whole.

User Benefits: Lessees of these properties are the direct beneficiaries of the service. They are identifiable and able to be excluded.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved Fees and Charges to be the most efficient and transparently lawful method of funding this allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

ACTIVITY: COMMUNITY FACILITIES

The four functions comprising of this Activity are:

1. District Libraries
2. Aquatic Centre
3. Les Munro Centre
4. Aerodrome

District Libraries

This function involves the provision of library services to support culture, education, economic and personal development in the District. The main library is located at Te Kuiti.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|------------------------|
| A district for people | A prosperous district |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 20% | 23% | General Rate |
| | | 75% | UAGC |
| User Benefit | 80% | 2% | Fees and Charges |

(a) Distribution of Benefits

District Benefit: District libraries provide a degree of benefit to the wider District as a whole which relates to enhancing the knowledge and skills of the population and provides enjoyment. Benefits also include the promotion of knowledge building, social interaction and the provision of services to people with special needs (e.g. the visually impaired and people with disabilities).

User Benefit: Borrowers, information seekers and users of other library services are direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved that although the user benefit for this service is high, funding this allocation totally through Fees and Charges would be detrimental to usage as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC. Since libraries provide intangible benefits of promoting social and cultural development of the general population and also contribute to increasing literacy, it would be to the advantage of the District to promote their usage. It was resolved that 2% of the user benefit allocation be funded through Fees and Charges and the remaining be reallocated to District allocation.

Aquatic Centre

This function involves the provision and maintenance of the Waitomo District Aquatic Centre for leisure and competitive recreation opportunities for the community. Council's current aquatic asset is the public swimming pool in Te Kuiti.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|------------------------|
| A district for people | A prosperous district |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|--|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 10% | 5% | General Rate |
| | | 5% | UAGC |
| Community Benefit | 70% | 60% | TFR (Te Kuiti Urban and Periphery Rating Area) |
| | | 15% | TFR (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area) |
| User Benefit | 20% | 15% | Fees and Charges |

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that anyone wanting to use the facility has access to it. It is a facility that can be used by all and provides for the leisure, training or health needs of the entire District.

Community Benefit: The Aquatic Centre have a comparatively high degree of community benefit. It is assessed that people who live within the Community will benefit more than those who have to travel a longer distance to use the facility.

User Benefit: Individual users, clubs and schools are direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: Council discussed that a large proportion of the benefit of this service lay in the Te Kuiti urban area and resolved that the activity be funded through a Targeted Fixed Rate differentiated by rating area (Te Kuiti Urban and Periphery Rating Area/Rating units in the district not in the Te Kuiti Urban and Periphery Rating Area) assessed per SUIP.

User Allocation: Council discussed that although the user benefit of this service is high, not all of the recovery of this benefit can be done through Fees and Charges as charging higher for the use of the pool

would be detrimental to its usage. It would also impact on the purpose of promoting a healthy community and hence it was resolved that part of this allocation be transferred to Community Allocation.

Les Munro Centre

This function involves the maintenance and management of the Les Munro Centre.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|------------------------|
| A district for people | A prosperous district |

| Attributable Benefit | | Funding | |
|---------------------------|--------------|---------|----------------------|
| Benefit Group | % of Benefit | % | Method |
| National/Regional Benefit | 10% | 0% | No funding mechanism |
| District Benefit | 80% | 45% | General Rate |
| | | 45% | UAGC |
| User Benefit | 10% | 10% | Fees and Charges |

(a) Distribution of Benefits

National/Regional Benefit: We own facilities that may be booked by national or regional organisations, private providers. These have a small national benefit as they add benefit to the nation as a whole through having a large conference facility available in the District. They also help to add tourism value to the District.

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it contributes to the cultural wellbeing of the District as a whole. The facilities can also be enjoyed by all.

User Benefit: Individual users are direct beneficiaries of the service.

(b) Funding

National/Regional Allocation: A lawful funding method for this allocation is not available. Council resolved that this allocation be transferred to District Allocation.

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved user Fees and Charges to be the most appropriate funding tool for this allocation.

Aerodrome

This function involves the provision of an Aerodrome facility in Te Kuiti to provide leisure and recreational opportunities for residents and visitors to the District. Provision of a base for commercial aerial activities.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|------------------------|
| A district for people | A prosperous district |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 20% | 100% | Fees and Charges |
| User Benefit | 80% | | |

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it provides a facility that contributes to the District economy through commercial use.

User Benefit: Individual users, clubs and commercial users are direct beneficiaries of the service.

(b) Funding

District Allocation: Due to minor nature of District Benefit, Council resolved that this would be reallocated to User Allocation. However it is recognised that the impact of fully funding this activity from fees and charges may be prohibitive if completed in one year and therefore agreed to transition the move to fully funding the activity from fees and charges. During the transition phase any shortfall will be funded by combination of General Rate and UAGC funding.

User Allocation: Council resolved that user Fees and Charges would be the most appropriate funding tool for this allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

ACTIVITY: PUBLIC FACILITIES

The functions comprising of this Activity are:

1. Public amenities
2. Cemeteries

Public Amenities

This function involves the provision of:

- Public toilet facilities in the District to ensure visitors and residents have access to safe, clean and sanitary facilities.
- Street furniture, bins and other structures to visually enhance the town's environment and provide facilities for people to relax and enjoy the environment.
- Car park areas to ensure residents and visitors to the District can access conveniently located off street parking in our towns.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|------------------------|
| A district for people | A prosperous district |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 75% | 50% | General Rate |
| | | 50% | UAGC |
| User Benefit | 20% | 0% | Fees and Charges |
| Exacerbator | 5% | | |

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that all people from within and outside the District have the ability to come and use public toilets, car park facilities and benefit from the provision of street furniture, bins and the like.

User Benefit: Individual users are the direct beneficiaries of the service. These can be visitors, as well as people from within the District.

Exacerbator: These are costs associated with responding to offenders (vandals).

(b) Funding

District Allocation: A combination of UAGC and General Rate is considered the most appropriate method of funding this activity.

Exacerbator: Council resolved that as it is usually hard to identify or inefficient to

prosecute offenders this allocation be transferred to District Allocation.

User Benefit: Council agreed that although users are the direct beneficiaries of this service it would not levy fees and charges given the public health benefits of this service and the benefits to visitors of our district this service provides. Therefore, the user benefit allocation is transferred to District Allocation.

Cemeteries

This function involves the provision and maintenance of cemeteries in the District as required under the provisions of the Burials and Cremations Act 1964.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|------------------------|
| A district for people | - |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 10% | 30% | General Rate |
| | | 30% | UAGC |
| Community Benefit | 30% | 40% | Fees and Charges |
| User Benefit | 60% | | |

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole. District benefit results from the promotion of public health and sanitary disposal of the deceased. It also contributes to the cultural wellbeing of all people in the District.

Community Benefit: Cemeteries have a small degree of community benefit. The Community benefit results from the promotion of public health and sanitary disposal of the deceased. It is also assessed that those people who live within the Community will utilise the cemetery more than those outside the Community.

User Benefit: Families and friends of the deceased are direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: It was resolved that this allocation be reallocated to District Allocation as it was difficult to draw boundaries around the area serviced by a cemetery. Also, allocating the exact users of the cemeteries on a per community basis would be fraught with difficulties.

User Allocation: Council resolved user Fees and Charges to be the most efficient, effective and transparently lawful available method to fund this allocation. However, as it is difficult to accurately predict the fees and charges that will be generated from this activity and it can vary quite a bit from year to year, it was resolved that a portion should be reallocated to District Allocation.

GROUP OF ACTIVITIES: SOLID WASTE

DESCRIPTION

The Solid Waste Group of Activities manage the refuse collection, disposal and recycling services for the Waitomo District. The solid waste network involves a series of recycling and transfer stations throughout the District. Residual waste is deposited at the District Landfill in Te Kuiti.

ACTIVITIES

The Solid Waste GOA is made up of three functions:

1. Kerbside Collection
2. Waste Disposal
3. Waste Minimisation

People generate un-recyclable waste each day and the current trend of increasing amounts of packaging and waste material results in an ongoing challenge for waste management. If waste is not managed in an appropriate manner it may result in serious public health and environmental concerns.

PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

COSTS AND BENEFITS

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions,

proposals, issues and other matters through consultation.

- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

ACTIVITY: KERBSIDE COLLECTION

This activity involves the provision of kerbside collection and recycling services to residents of Te Kuiti, Piopio, Awakino, Mokau and Waitomo Village and some surrounding parts.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|---|---|
| A district that cares for its environment | A district for people A district that works with you |

| Attributable Benefit | | Funding | |
|----------------------------|--------------|---------|--|
| Benefit Group | % of Benefit | % | Method |
| Community/ User Benefit | 100% | 40% | Fees and Charges |
| | | 60% | TFR Per community where service is provided |

- (a) Distribution of Benefits
Community Benefit/User: Communities that are provided with kerbside collection and recycling services are the beneficiaries of this service.
- (b) Funding
Community Allocation/User Allocation: As users can be identified as a particular group (communities that are provided with the service) and also individuals that will benefit from the service, Council resolved that fees and charges and a Targeted Fixed Rate per separately used or inhabited part of a rating unit differentiated by Community receiving the service would be the most effective, efficient and transparent method for funding this allocation. Fees and charges

are applied in order to meet the Waste Minimisation objectives in the Solid Waste Management and Minimisation Plan.

The utilisation of fees and charges (including the cost of solid waste disposal in the cost of the rubbish bag) will ensure that the true cost of disposal is reflected in the right place and paid for by the beneficiary. Reflecting the true cost of disposal in the price of a rubbish bag is also expected to encourage waste minimisation.

ACTIVITY: WASTE DISPOSAL

This function involves the maintenance and management of the Waitomo District Landfill in Te Kuiti and Transfer Stations across the District.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|---|---|
| A district that cares for its environment | A district for people A district that works with you |

| Attributable Benefit | | Funding | |
|----------------------------|--------------|---------|----------------------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 45% | 40% | Solid Waste TFR District wide |
| Community/ User Benefit | 55% | 60% | Fees and Charges |

- (a) Distribution of Benefits
District Benefit: The provision of this service provides benefit to the entire District derived from the accessibility of landfill and transfer stations and in terms of maintaining public health standards within the District.
User Benefit: Users of the landfill and transfer stations are the direct beneficiaries of this service.
- (b) Funding
District Allocation: Council resolved that a Targeted Fixed Rate assessed on the basis of separately used or inhabited part of a rating unit across the entire District would be the most efficient and transparent method for funding this allocation.
User Allocation: Council resolved that user Fees and Charges would be the most efficient and transparent method to fund this allocation.

ACTIVITY: WASTE MINIMISATION

Preserves the environment and minimises potentially negative effects of the solid waste activity. Includes education programmes aimed at drawing attention to the benefits of waste minimisation and recovery.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|---|---|
| A district that cares for its environment | A district for people A district that works with you |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|---------------------------|
| Benefit Group | % of Benefit | % | Method |
| National Benefit | 10% | 0% | No funding mechanism |
| District Benefit | 90% | 22.5% | General Rate |
| | | 22.5% | UAGC |
| | | 55% | Waste Minimisation Rebate |

(a) Distribution of Benefits

National Benefit: Effective Waste Minimisation provides not only environmental, but economic benefits as well, that accrue to the nation as a whole. Effective and appropriate disposal of solid waste helps protect public health and the environment for all New Zealanders.

District Benefit: All residents of the District benefit from general advice and education provided as part of this service. This activity is driven by Central Government policies and there is increased focus on waste minimisation at a national level, the benefits and costs of which accrue to the wider District as a whole.

(b) Funding

National Allocation: There is no lawful funding method to fund this allocation and therefore Council resolved that it be transferred to District Allocation.

District Allocation: Since all residents of the District benefit from the provision of this service, Council resolved a combination of General Rate, UAGC and Ministry of the Environment Waste Minimisation Rebates (when available) to be the most efficient, effective and transparent funding mechanism available to fund this allocation.

GROUP OF ACTIVITIES: STORMWATER

DESCRIPTION

Stormwater is rain that runs over the ground on its way to a natural watercourse. When rain falls on buildings, carparks, driveways, roads and gardens, if it doesn't soak into the ground it follows its natural flow path downhill until it reaches a water course or is collected by a pipe system. Where there is development, runoff from properties and roads flow into stormwater systems. The greater the level of development in a catchment, the greater the level of impervious surfaces (e.g., roofs, driveways, paths etc), and therefore the greater the conversion of rainfall into runoff. If this runoff is not managed well, it will cause flooding. Generally, stormwater is channelled on to roads or into open watercourses, then down streams and rivers to lakes and then the sea.

The stormwater system manages runoff by collecting and removing the runoff, eventually disposing of it into natural streams and rivers. The Stormwater Activity involves maintaining and extending the capacity of the existing system and advocating for the appropriate management of rivers and streams within the Waitomo District.

PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

COSTS AND BENEFITS

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.
-

ACTIVITY: TE KUITI STORMWATER

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|---|
| A district for people | A district that cares for its environment |

| Attributable Benefit – urban areas | | Funding | |
|------------------------------------|--------------|---------|---|
| Benefit Group | % of Benefit | % | Method |
| Community Benefit | 90% | 67% | TFR |
| | | 33% | Targeted Rate (rate per \$100 of capital value) |
| User Benefit | 10% | 0% | Fees and Charges |

ACTIVITY: RURAL STORMWATER

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|---|
| A district for people | A district that cares for its environment |

| Attributable Benefit – rural areas | | Funding | |
|------------------------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| Community Benefit | 90% | 100% | TFR |
| User Benefit | 10% | 0% | Fees and Charges |

(a) Distribution of Benefits

Community Benefit: Communities that are provided with this service are the direct beneficiaries as it is their land and buildings that are protected from potential flooding. There are general public health benefits in providing a Stormwater system. A further significant community benefit from the Stormwater system is that roads remain passable during times of heavy rain and flooding.

User/Applicant Benefit: Individual land or property owners who can connect or are connected to the Stormwater network are the direct beneficiaries of the service.

(b) Funding

Community Allocation: Council resolved that the most effective, equitable and

transparent methods to fund this allocation is:

Te Kuiti Urban Rating Area

A combination of:

- a Targeted Fixed Rate assessed on a per rating unit basis (which will fund the standing charges associated with the provision of the service). This charge will be increased no more than annually to a maximum of the Local Government Cost Index for that year.
- the residual funding requirement will be met from a targeted rate assessed on a rate per \$100 of capital value per rating unit in the Te Kuiti Urban Rating Area.

Properties in the Te Kuiti Urban Rating Area that hold current resource consents to discharge stormwater directly into the Mangaokewa Stream, and which are not utilising any part of the urban reticulated Stormwater or drainage network, will not be assessed for the targeted rate based on property value. However, the TFR is associated with the overall provision of an urban Stormwater service. As such this component is deemed to relate to the public good element of an urban Stormwater service. Therefore, the TFR will be assessed on all properties in the Te Kuiti Urban Rating Area.

Rural Rating Area

A Targeted Fixed Rate will be assessed on the basis of every separately used or inhabited part of a rating unit within the Rural Rating Area.

In deciding the funding split between the Urban and Rural rating areas, Council recognised that most of the Stormwater network exists in the urban rating area and urban properties benefited most from the service.

User/Applicant Allocation: Given that minimal new growth is forecast, Council resolved that the Targeted Rate and the Targeted Fixed Rate differentiated by Te Kuiti and rural areas is the most efficient and transparently lawful available method for funding this allocation.

GROUP OF ACTIVITIES: RESOURCE MANAGEMENT

DESCRIPTION

The Resource Management Group of Activities work towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of the Resource Management Act 1991 (RMA 1991).

These activities involve the administration, application and enforcement of the Waitomo District Plan provisions including:

- Issuing of resource consents for land use and subdivisions
- Monitoring consents for compliance with conditions
- Making amendments to the District Plan.

ACTIVITIES

There are two functions under this activity:

1. District Plan Administration
2. District Planning

COSTS AND BENEFITS

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

ACTIVITY: DISTRICT PLAN ADMINISTRATION

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|---|--|
| A district that cares for its environment | A prosperous district A district for people |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|--------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 60% | 30% | General Rate |
| | | 30% | UAGC |

| Attributable Benefit | | Funding | |
|-------------------------|--------------|---------|------------------|
| Benefit Group | % of Benefit | % | Method |
| User/ Applicant Benefit | 35% | 40% | Fees and Charges |
| Exacerbator | 5% | | |

(a) Distribution of Benefits

District Benefit: There is a district wide benefit to this activity as ensuring that the sustainable management of physical and natural resources in the District are developed in a planned and orderly matter is beneficial to the entire District.

User/Applicant Benefit: Individuals and groups applying for Resource Consents requiring monitoring are direct beneficiaries of this service.

Exacerbators: These are costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consent conditions, and can result in expensive legal action and/or hearings.

(b) Funding

User/Applicant Allocation: Council resolved that user fees and charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: It is usually inefficient to prosecute offenders. Council agreed that it was not efficient or effective to separately fund this allocation due to the costs associated with prosecution, collection and administration and that education and monitoring are probably the most effective methods to promote a safe and sustainable environment in the District. It was resolved to reallocate this portion to User/Applicant Allocation.

District Allocation: The most appropriate method of funding the remainder of this activity is considered to be 30% UAGC and 30% General Rate given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

ACTIVITY: DISTRICT PLANNING

Involves the planning and strategy development around urban and District development with a view to promoting the principles of sustainable development.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|---|--|
| A district that cares for its environment | A prosperous district A district for people |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|----------------------|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 80% | 50% | General Rate |
| | | 50% | UAGC |
| Regional Benefit | 20% | 0% | No funding mechanism |

(a) Distribution of Benefits

District Benefit: District Planning benefits the wider District as a whole. Sustainable land use and growth planning seeks to uphold and protect outcomes that are important to the entire District. Every resident and ratepayer within the Waitomo District has the opportunity to be involved in Council's District Planning processes.

Regional Benefit: There is an element of Regional Benefit to Council's District Planning function in that Regional outcomes and priorities can be advanced at a local level. Further, there is a requirement in law that Council's District Plan is aligned with the regional policy statement.

(b) Funding Mechanism

District Allocation: Given the District wide benefit associated with District Planning, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Regional Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries, Council resolved that the Regional Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

GROUP OF ACTIVITIES: WASTEWATER

DESCRIPTION

The purpose of the Wastewater Activity is to collect, treat and dispose of sewage in an effective and environmentally friendly manner. Effective and efficient sewage collection, treatment and disposal is essential to protect the environment, maintain public health and to facilitate further economic development.

SCHEMES

Council provides wastewater schemes in the following communities, in order to ensure the effective treatment and disposal of sewage in an environmentally sustainable manner and to promote and protect public health.

1. Te Kuiti
2. Piopio
3. Maniaiti/Benneydale
4. Te Waitere.

PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

Capital works that are an improvement or addition to the asset are considered intergenerational.

COSTS AND BENEFITS

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

ACTIVITY: TE KUITI

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|---|--|
| A district that cares for its environment | A prosperous district A district for people |

| Attributable Benefit – Te Kuiti | | Funding | |
|---------------------------------|--------------|---------|--|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 10% | 10% | TFR – District Benefit TFR – Trade Waste Contribution |
| Community Benefit | 65% | 65% | TFR – residential TFR – Non residential Base Charge TFR – Non residential pan charge |
| User/Applicant Benefit | 25% | 25% | Fees and Charges |

(a) Distribution of Benefits

District Benefit: Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there is a District-wide benefit from provision of adequate wastewater services in preventing environmental pollution and achieving public health outcomes.

Council notes that the social, economic and environmental benefits of communities in the District having sustainable wastewater services accrue to the entire District and not just to those communities connected to a scheme.

Community Benefit: Wastewater collection and treatment reduces the possibility of health problems like spread of communicable diseases resulting from open sewer or inadequate septic tank facilities the benefits of which can be attributed to the community as a whole. Inadequate wastewater disposal facilities can also detract from the aesthetic nature of the community and impact on receiving waterways.

The Community benefit can vary depending upon the amount of demand present. High users include premises with multiple pans.

User Benefit: Individual users in the particular wastewater scheme who want to and are able to use the service can be identified as beneficiaries of the service.

(b) Funding

District Allocation: Given the District wide benefit assessed from the service, Council resolved a Targeted Fixed Rate assessed on each rating unit including those connected to an existing wastewater scheme to be the most efficient, effective and transparent method for funding this allocation. This allocation is assessed to be 10% of the total funding requirement.

Community Allocation: Council resolved a uniform (harmonised) Targeted Fixed Rate (TFR) across all scheme areas in the district and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a scheme area, the TFR will be differentiated by properties that are connected or have the ability to connect (serviceable). Any SUIP will be considered to have the ability to connect (serviceable) if in the opinion of Council it is practicably serviceable and its boundary is situated within 30 metres of Council's sewerage main, to which it is able to be connected but is not so connected.

User Allocation: Council resolved user Fees and Charges to be the most efficient method for funding this allocation for Te Kuiti, where revenue is received from connection fees and Trade Waste charges.

TE KUITI – NON RESIDENTIAL

For all non-residential properties in Te Kuiti, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the Categories (differentiated by the use to which land is put).

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.

- **Category 3** - Government Department use, Rest Homes and Hospitals.
- **Ability to connect** – Those non-residential properties which are not connected but have the ability to connect

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold

| Category | Base Charge | Pan Charge (per pan) |
|--------------------------------|--|---|
| Category 1 | 50% of District residential connected rate (for up to 4 pans) | 70% of District residential connected rate (for 5th pan and over) |
| Category 2 | 50% of District residential connected rate (for up to 4 pans) | 30% of District residential connected rate (for 5 – 10 pans) 20% of District residential connected rate (for over 10 pans) |
| Category 3 | 100% of District residential connected rate (for up to 4 pans) | 70% of District residential connected rate (for 5th pan and over) |
| Ability to connect base charge | 50% of the District residential connected rate | |

Trade Waste Charges

The Trade Waste Bylaw regulates the discharge of Trade Waste to a wastewater system operated by Council and sets out the mechanism for implementing trade waste charges.

Larger industrial meat processing industries (namely Te Kuiti Meats Ltd and Universal Beef Packers), who discharge trade waste into Council's sewerage system, play a major role in the local community. The very nature of their presence means that they contribute to economic and social wellbeing. They do that by virtue of the fact that they employ a large number of local people. There are a range of positive downstream impacts for the community as a result. There is an economic benefit in that the related employment results in economic activity with people living locally and investing in the local property market, sending their children to local schools and spending their earnings within the local economy. Social benefits also accrue with families becoming integrated within the local community, joining clubs and societies and reduced crime.

Council will continue with the 'exacerbator pays' principle for the large industrial meat processing companies as users of the sewerage network in Te Kuiti through the continued implementation of the Trade Waste Bylaw as it relates to Trade Waste Charges. However, Council will recognise the public good attached to the contribution these significant industries make to the social and economic wellbeing of the District Wide Community. This public good component is considered to be enjoyed by all in the community. By having such a large combined demand for a labour force means that these industries attract people to our community for work and lifestyle reasons. Having these people living and working in the community provides economies of scale for infrastructure and services that are then enjoyed by all in the District. Further, these industries not only provide employment opportunities but also largely exist to add value to products produced by primary industry within the Waitomo District.

Council has decided that the cost of receiving and treating Trade Waste from the two major industrial meat processing industries via the Te Kuiti sewerage network will be funded 80% by way of Trade Waste Charges (Exacerbator Pays) and 20% by way of Targeted Fixed Rate (Public Good) on a per rating unit basis across every rateable property in the District.

The continuation of the cap on Trade Waste Charges at 80% of full cost recovery for the two meat processors only is dependent on Te Kuiti Meats Limited and Universal Beef Packers providing a demonstrable commitment to an agreed level of on-site treatment of their Trade Waste prior to releasing it to the Te Kuiti Wastewater Network.

ACTIVITY: DISTRICT

| Attributable Benefit – Piopio, Te Waitere, Maniaiti/Benneydale | | Funding | |
|--|--------------|---------|--|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 10% | 10% | TFR – District Benefit |
| Community Benefit | 65% | 90% | TFR – Per community where service is provided (Harmonised) |
| User/Applicant Benefit | 25% | | Fees and Charges |

(a) Distribution of Benefits

District Benefit: Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there is a District-wide benefit from provision of adequate wastewater services in preventing environmental pollution and achieving public health outcomes.

Community Benefit: Wastewater collection and treatment reduces the possibility of health problems like spread of communicable diseases resulting from open sewer or inadequate septic tank facilities the benefits of which can be attributed to the community as a whole. Inadequate sewer disposal facilities can also detract from the aesthetic nature of the community and impact on receiving waterways.

User Benefit: Individual users in the particular wastewater scheme who want to and are able to use the service can be identified as beneficiaries of the service.

(b) Funding

District Allocation: Given the District wide benefit assessed from the service, Council resolved a Targeted Fixed Rate assessed on each rating unit including those connected to an existing wastewater scheme to be the most efficient, effective and transparent method for funding this allocation. This allocation is assessed to be 10% of the total funding requirement.

Community Allocation: Council resolved a uniform (harmonised) Targeted Fixed Rate (TFR) across all scheme areas in the district and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a scheme area, the TFR will be differentiated by properties that are connected or have the ability to connect (serviceable). Any SUIP will be considered to have the ability to connect (serviceable) if in the opinion of Council it is practicably serviceable and its boundary is situated within 30 metres of Council's sewerage main, to which it is able to be connected but is not so connected.

User Allocation: Council resolved user Fees and Charges to be the most efficient method for funding this allocation, where revenue is received from connection fees and Trade Waste charges.

GROUP OF ACTIVITIES: WATER SUPPLY

DESCRIPTION

The Water Supply activity provides for the environmentally safe collection, treatment and reticulation of Council's public water supplies. Water supply is essential to run households, maintain public health and sustain economic development. Council is committed to providing a water supply service that meets the diverse needs of the Waitomo District.

SUPPLY AREAS

Council provides water supply in the following communities:

1. Te Kuiti
2. Maniaiti/Benneydale
3. Mokau
4. Piopio

PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

COSTS AND BENEFITS

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|---|------------------------|
| A district that cares for its environment | A district for people |

| Attributable Benefit | | Funding | |
|------------------------|--------------|---------|--|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 10% | 10% | TFR – District Benefit |
| Community Benefit | 60% | 60% | TFR – Per community where service is provided (Te Kuiti and Rural areas). Transition rate – to be fully harmonised in 2024/25. |
| User/Applicant Benefit | 30% | 30% | Targeted Metered Water Rate |

(a) Distribution of Benefits

District Benefit: Council has assessed that there is a District-wide benefit from provision of adequate water supply services in its communities. Council notes that the social, economic and environmental benefits of communities in the District having sustainable Water Supply services accrue to the entire District and not just to those communities connected to services and assesses this district wide benefit to be 10%.

Community Benefit: Water treatment and supply contributes to providing a safe and healthy lifestyle and reduces the possibility of health problems resulting from contaminated water and inadequate supply. These benefits are attributable specifically to the community as a whole.

Provision of water supply ensures the maintenance of fire-fighting capability, the benefits of which accrue to the entire community. Factors such as the sensitivity of the surrounding environment on the availability of water at source are outside of a community's control.

All residents and properties in the area serviced by a particular water supply scheme can be identified as direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved that a Targeted Fixed Rate assessed on all rating units in the District including those connected to an existing Water supply scheme is the most transparent, equitable and appropriate method of funding this benefit allocation, as well as reflect the that the provision of adequate water supply services benefits the whole District as it is essential for maintaining public health and safety and protection of property from fire.

Community Allocation: In the previous 10YP, Council resolved that a uniform (harmonised) Targeted Fixed Rate across all supply areas in the district and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation,

Due to affordability considerations and uncertainty around future ownership of water supply assets, Council intends to pause the current transition to full harmonisation in the first three years of the plan. The activity is forecast to be fully harmonised in year 4 (2024/25). Within a water supply area, the TFR will be differentiated for properties that are connected or have the ability to connect (serviceable).

Any SUIP will be considered to have the ability to connect (serviceable) if, in the opinion of Council, it is practicably serviceable and its boundary is situated within 100 metres of a water main, to which it is able to be connected but is not so connected.

Any SUIP situated in Te Kuiti, Piopio, Maniaiti/Benneydale or Mokau that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw) will be charged a targeted fixed rate per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP.

GROUP OF ACTIVITIES: ROADS AND FOOTPATHS

DESCRIPTION

The Roads and Footpaths Group of activities involve the maintenance and development of roads, kerbs and channels, bridges, street lighting, footpaths and street cleaning for all of the Waitomo District, with the exception of the State Highways, which are managed by Waka Kotahi.

Council maintains its roads under contract to a standard that provides safe and

comfortable driving within the limitations of available funding.

ACTIVITIES

The functions comprising this activity are:

1. Subsidised Roading
2. Unsubsidised Roading

PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

COSTS AND BENEFITS

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of an Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

ACTIVITY: SUBSIDISED ROADING

Waka Kotahi the national road funding authority, provides a subsidy for works that meet the criteria for subsidy. The Activities currently subsidised by Waka Kotahi are:

- Sealed Pavement Maintenance
- Unsealed Pavement Maintenance
- Footpath Maintenance
- Footpath Renewals
- Routine Drainage Maintenance
- Structures Maintenance
- Environmental Maintenance
- Traffic Services Maintenance
- Level Crossing Warning Devices
- Emergency Reinstatement
- Network and Asset Management
- Professional Services.

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|--|
| A prosperous district | A district for people A district that cares for its environment A district that works with you |

| Attributable Benefit | | Funding | | |
|----------------------|--------------|---------|-------------------------------------|--|
| Benefit Group | % of Benefit | % | Method | |
| National Benefit | 58% | 50% | Subsidy | |
| District Benefit | 42% | 49% | Targeted Rate | Rate (rate per \$100 of capital value) |
| | | 1% | Petroleum Rebates and Contributions | Tax and |

(a) Distribution of Benefits

National Benefit: The District's roading network is part of the national and regional transport network. Efficient and sustainable development of the network within the District contributes to the economic and social wellbeing of the entire nation as it is used by travellers, goods transporters and others who may or may not live in the District.

Transport facilities are maintained and developed to provide safe and comfortable travel within and through the District.

District Benefit: All residents and properties within the District can be identified as direct beneficiaries of the service as provision of roads enables access and transport to people and organisations within the District.

The economic benefits of maintaining efficient transport facilities accrue to all residents of the District in one way or another.

(b) Funding

National Allocation: The National benefit portion is funded through the Waka Kotahi subsidy.

The amount of subsidy is decided by Waka Kotahi and is based on assessing costs and benefits therefore, Council resolved that the remainder of this allocation be transferred to District Allocation.

District Allocation: Council resolved that a combination of a Targeted Rate (rate per

\$100 of capital value) assessed on all rating units, Petroleum Tax Rebates and contributions to works would be the most efficient and transparently lawful method of funding this allocation.

the District's roads based on annual production

ACTIVITY: NON SUBSIDISED ROADING

These are activities carried out to ensure the safe and efficient travel within and through the District and are necessary for road or pedestrian safety and convenience but are not subsidised by Waka Kotahi and for which Council has sole financial responsibility.

These include:

- Amenity Lights
- Unsubsidised Miscellaneous work
- Street Cleaning
- Carpark maintenance (other than kerbside parking).

Level of alignment to community outcomes

| Primary Contribution | Secondary Contribution |
|-----------------------|--|
| A prosperous district | A district for people A district that cares for its environment A district that works with you |

| Attributable Benefit | | Funding | |
|----------------------|--------------|---------|---|
| Benefit Group | % of Benefit | % | Method |
| District Benefit | 100% | 75% | Targeted Rate (rate per \$100 of capital value) |
| | | 25% | Fees and Charges |

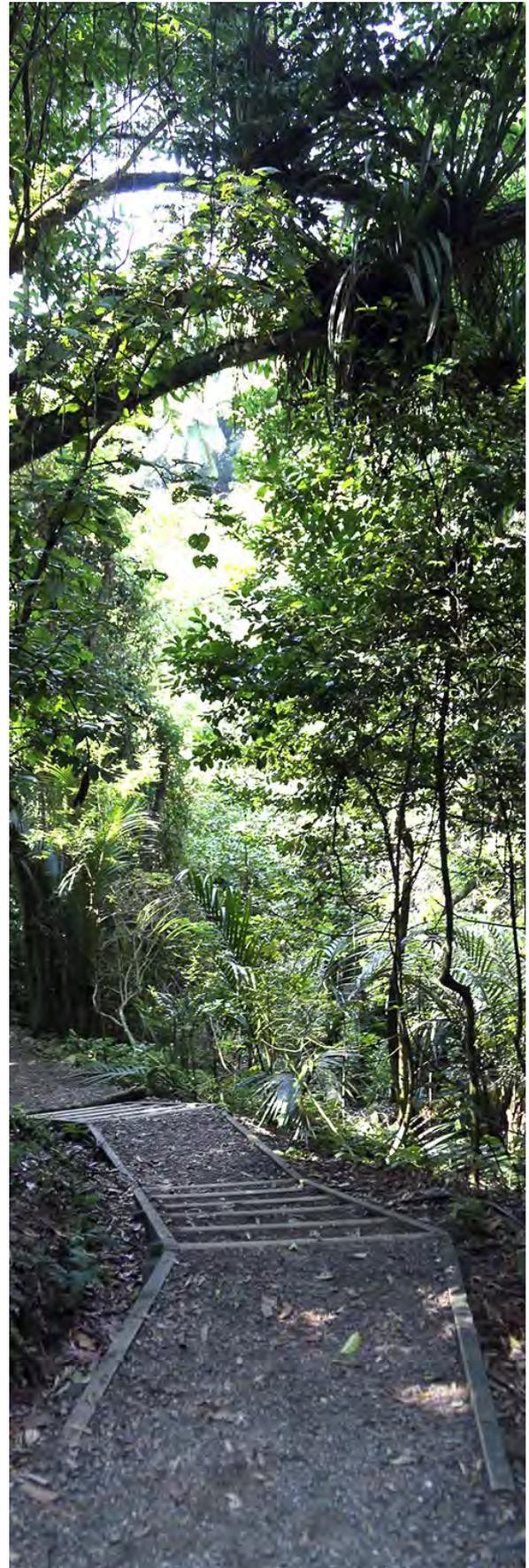
(a) Distribution of Benefits

District Benefit: Maintenance of transport services to provide for pedestrian safety and convenience has a District wide benefit in that all residents use or visit the urban centres.

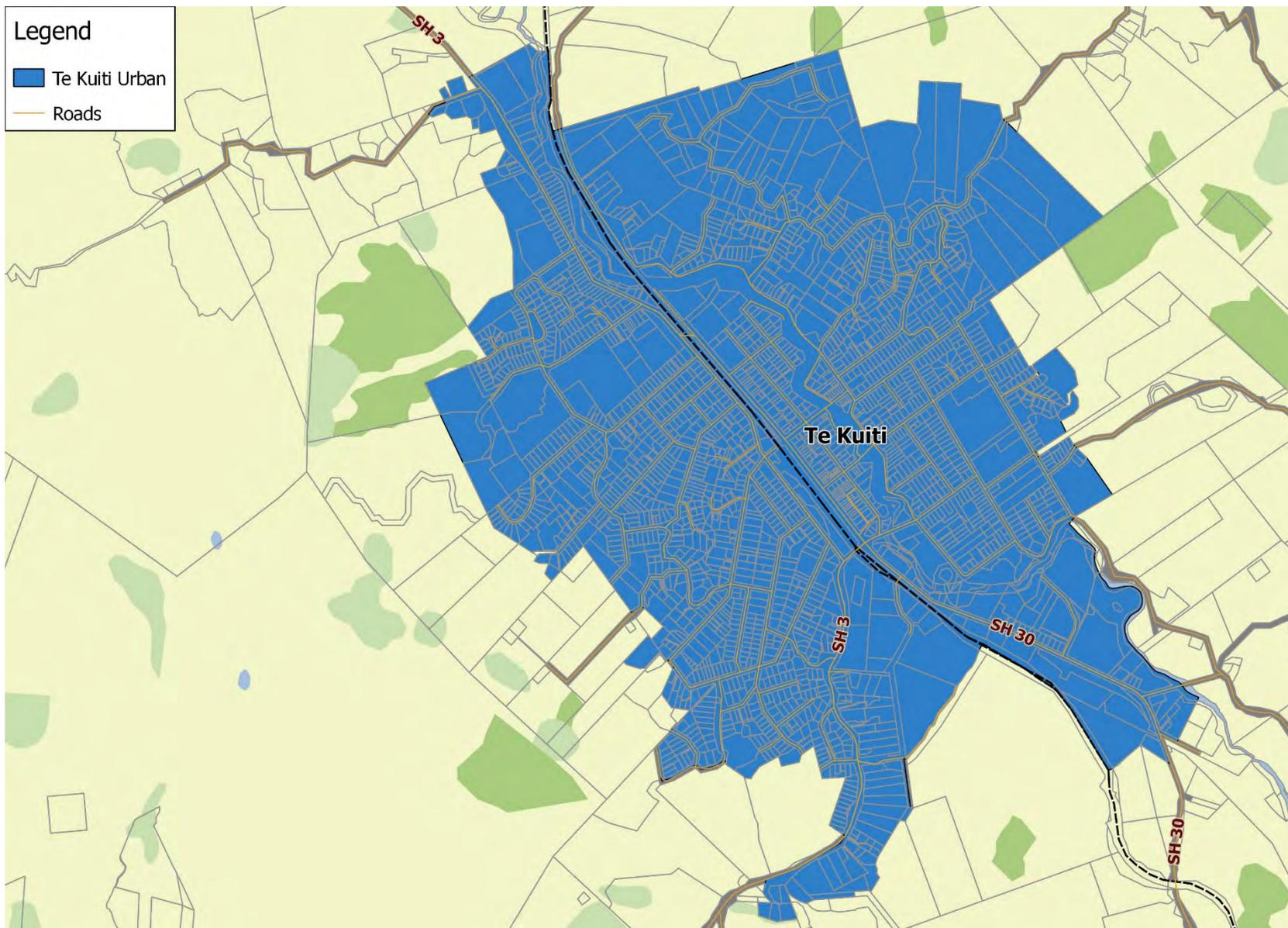
(b) Funding

District Allocation: Council resolved that a combination of a targeted rate (per \$100 of capital value) assessed on all rating units and fees and charges would be the most efficient method of funding this allocation.

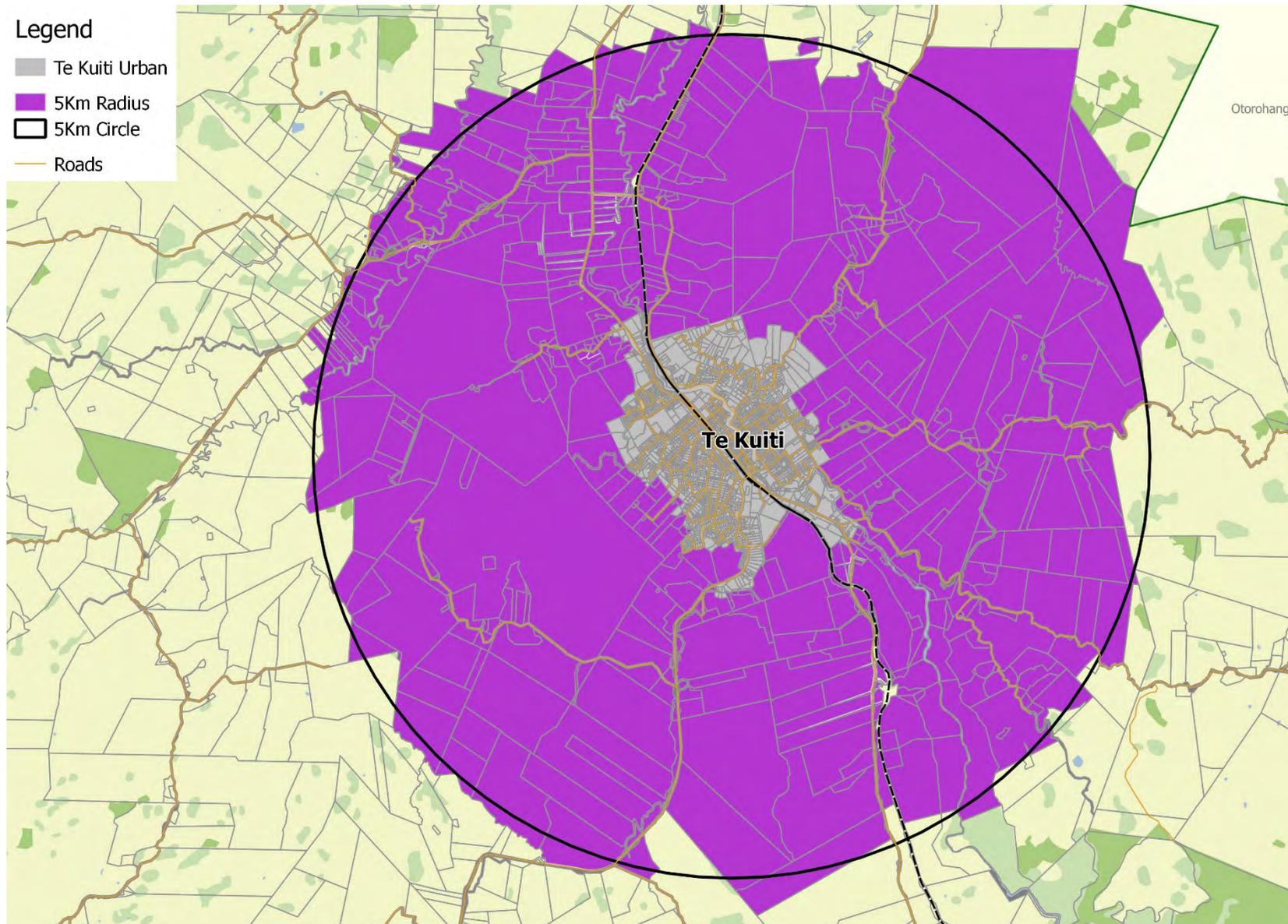
Fees and charges include receipts from road closures, overweight permits, etc. together with a long-standing contribution from Graymont NZ Ltd towards maintenance of



APPENDIX ONE: TE KUITI URBAN RATING AREA



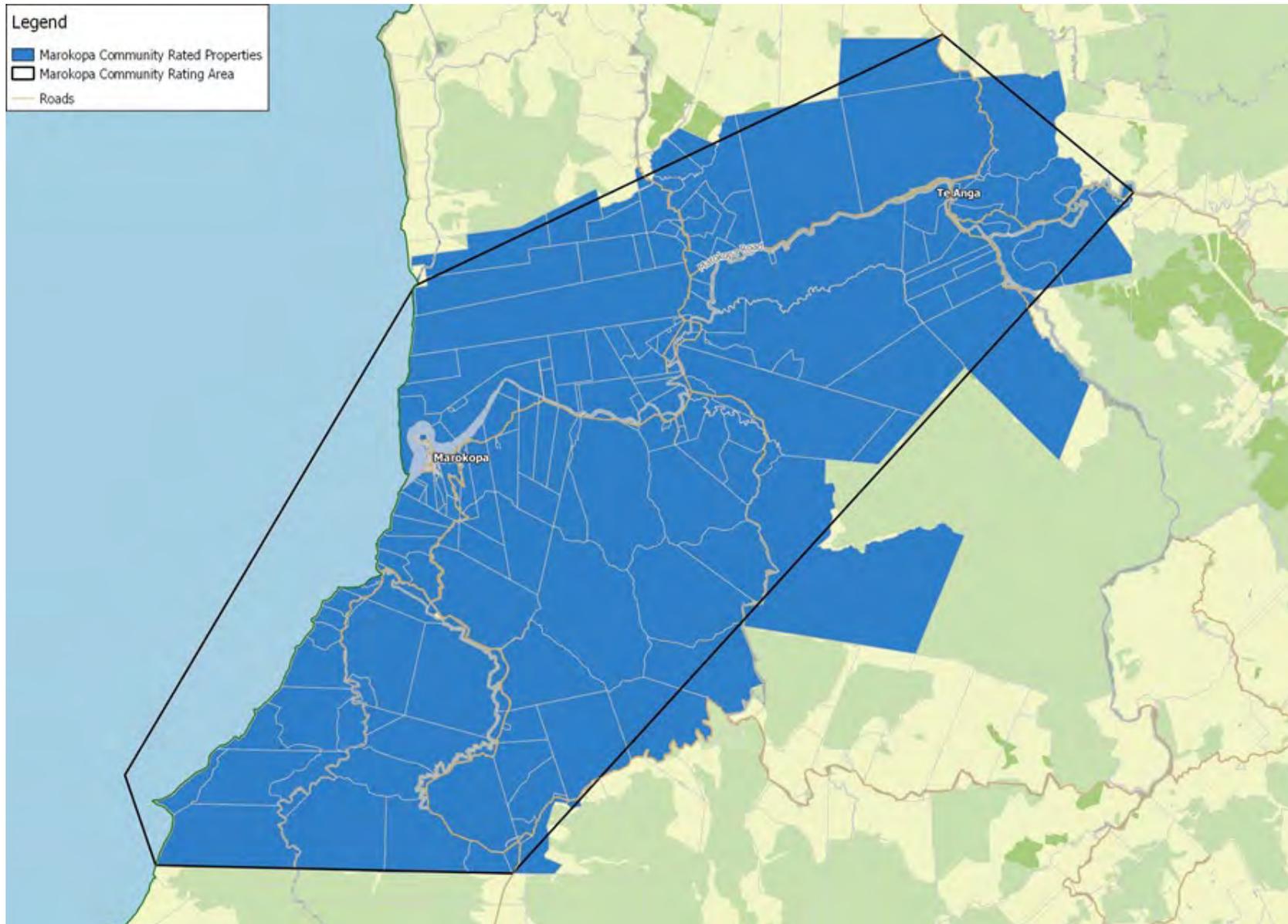
APPENDIX TWO: TE KUITI URBAN AND PERIPHERY RATING AREA



APPENDIX THREE: RURAL RATING AREA



APPENDIX FIVE: MAROKOPA COMMUNITY CENTRE RATING AREA



HE WHAKARĀPOPOTO I TŌ MĀTOU
HIRAHIRATANGA ME TE KAUPAPA HERE
KI TE KATO A

SUMMARY OF OUR SIGNIFICANCE AND ENGAGEMENT POLICY



WHAT IS A SIGNIFICANCE AND ENGAGEMENT POLICY?

The Local Government Act 2002 (LGA 2002) requires us to have a Significance and Engagement Policy * (the policy). This policy provides clear guidance for the community about:

- how we decide if a decision or proposal is significant
- when, and to what degree, the community can expect to be engaged on a decision or proposal.

* the full policy can be found on our website.

WHEN AND HOW DOES THIS POLICY APPLY?

Every formal decision we make will take this policy into account. The policy is applied in a two-step process:

1. identify the level of significance
2. decide the level of engagement and approach to be taken (if any).

HOW IS SIGNIFICANCE ASSESSED?

The level of significance of a proposal or decision is identified by assessing the impact of the decision against the following considerations.

- The level of financial consequences of the proposal or decision.
- Whether the proposal or decision will affect a large portion of the community.
- Whether the impact or consequences of the decision or proposal on the affected persons (being a number of persons) will, in Council's view, be substantial.
- The likely impact on present and future interests of the community.
- The likely impact on Māori cultural values and their relationship to land and water
- Whether the proposal affects the level of service of a significant activity
- Whether community interest is high
- Whether the likely consequences are controversial
- Whether community views are already known, including the community's preferences about the form of engagement
- The form of engagement used in the past for similar proposals and decisions
- There is a legal requirement to engage with the community

If the financial consequences of the proposal or decision exceed the following thresholds the proposal or decision will be considered significant. A possible increase in funding requirement in excess of:

- 20% of total Council operating budget costs, or
- Capital expenditure in excess of 2.5% of the total value of Council's assets

Notes

1. *Emergencies and emergency works of Council are excluded from these thresholds, as by their very nature, they are unplanned and must be responded to immediately.*
2. *The threshold for capital expenditure relates to new or development expenditure only. Asset renewal is an important and integral aspect of owning and managing assets.*
3. *The thresholds above are not mutually exclusive. Capital expenditure is likely to result in associated operating costs, which must also be tested for materiality.*

HOW DO WE DECIDE THE LEVEL OF ENGAGEMENT TO BE CARRIED OUT?

The level of engagement on a proposal or decision is guided by the level of significance.

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. In general, the more significant an issue, the greater the need for community engagement.

At any time, we may choose to engage at a higher level than required by the policy but not at a lower level.

We will apply the Principles of Consultation (s82 of the LGA 2002) and consider the communities preferences when deciding the engagement approach.

CAN WE MAKE A DECISION THAT IS INCONSISTENT WITH THIS POLICY?

If we choose to make a decision significantly inconsistent with the policy, we are obligated by section 80 of the Local Government Act 2002 to:

- make the inconsistency clear
- explain the reasons for the inconsistency
- explain how we plan to address the discrepancy.

TE RAUTAKI HANGARAU A TE KAUNIHERA INFRASTRUCTURE STRATEGY



SECTION 1 | PURPOSE

The purpose of this Infrastructure Strategy (IS) is:

- (a) To identify significant infrastructure issues for Waitomo District Council (WDC) over the period covered by the strategy, and
- (b) To identify the principal options for managing those issues and the implications of those options.

The IS addresses the above purpose by outlining how WDC intends to manage its infrastructural assets for the 30 year period 2021 - 2051, within the following four groups of activities:

- i. Water Supply
- ii. Wastewater (Sewerage)
- iii. Stormwater
- iv. Roads and Footpaths

The key issues impacting on future management of WDC's infrastructure assets have been highlighted taking account of asset renewal or replacement needs, impacts of changes in demand for services reliant on those assets, changes to levels of service (e.g. as a result of new resource consents), consideration of public health and environmental outcomes, and managing risks impacting on the resilience of the assets to natural hazards.

This strategy represents an accumulation of the corresponding asset management planning underpinning WDC's Ten Year Plan 2021 -2031 (10YP).

SECTION 2 | BACKGROUND

Clause 101B of the Local Government Act 2002 (LGA) requires Council to prepare and adopt an infrastructure strategy as part of its Long Term Plan (10YP).

WDC's first Infrastructure Strategy was prepared and adopted in 2015.

The second infrastructure strategy was adopted by Council in 2018.

This updated infrastructure strategy will form part of the 10YP 2021-2031 in accordance with Section 101B(1) and Schedule 10 of the LGA.

The strategy is required to provide an outline of "the most likely scenario" of how WDC intends to manage its infrastructure assets, taking account of the need to:

- renew and replace existing assets
- respond to growth or decline in demand for services reliant on those assets

- allow for planned increases or decreases in levels of service provided through those assets
- maintain or improve public health and environmental outcomes or mitigate adverse effects on them
- provide for resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.

SECTION 3 | STRATEGIC CONTEXT

CENTRAL GOVERNMENT POLICY

The following, updated, strategic environment has been taken into account in the 2021-2051 Infrastructure Strategy.

Three Waters Reform Programme

In the case of drinking water, additional regulatory measures will apply consequent to adoption of the Water Services Regulator Act in July 2020. The Act implements a new regulatory body – Taumata Arowai – which will be responsible for:

- administering and enforcing a new drinking water regulatory system
- complementary functions relating to improving the environmental performance of wastewater and stormwater networks.

A complementary Bill, the Water Services Bill, will contain all the details of the new drinking water regulatory system, provisions relating to source water protection, and Taumata Arowai's wastewater and stormwater functions. This latter Bill is due to be introduced in the second half of 2021, depending on the post-election Parliamentary timetable.

A Government led Three Waters Review has been considering solutions to wider affordability and capability challenges facing the three-waters sector. It has partnered with local government to consider options for transitioning councils to new service delivery arrangements, hopefully achieving safer, more affordable and reliable three waters services across the country. The Government's preference is for a much smaller number of new water entities of a multi-regional scale, to replace the current number (67) of territorial authority (TA) based providers.

A 3-year, 3-tranche reform programme has been developed, with Tranches 1 and 2 optional. Tranche 3 will be compulsory for territorial authorities opting-in to Tranche 2. All 65 TAs, plus Watercare and Wellington Water, have

opted-in to Tranche 1, at least because of the generous stimulus funding made available by the Government, to be expended on water and wastewater projects over the period 1 November 2020 to 31 March 2022. In the case of WDC, the stimulus funding is worth \$3.5M.

Tranche 1 (2020/21) of the Three Waters Reform Programme (TWR) involves detailed information sharing, to be followed by pre-establishment of multi-regional groupings under Tranche 2 (2021/22). Tranche 3 (2022/23), for those TAs that participated in Tranche 2, will entail formation and operationalising the new water entities.

The anticipated but yet to be developed new drinking water standards will impact on all water authorities regardless of the delivery entity.

The above changes will impact on the delivery of water services over the early years of the 10YP 2021-2031 and Infrastructure Strategy.

National Policy Statement for Freshwater Management

Central Government is committed to improving the quality of freshwater so that it is materially improving within five years, and to a healthy state within a generation.

To achieve the above it is proposing changes to the Resource Management Act, an updated National Policy Statement for Freshwater Management, an updated National Environmental Standard for sources of Human Drinking Water, and new national environmental standards for freshwater and wastewater.

For wastewater and stormwater discharges, management plans will be required to ensure that appropriate systems and practices are in place to protect water quality standards in the receiving waters.

A regional freshwater management strategy is in place, consistent with the NPS. A special feature of that relates to water resource allocation, giving the competing demands for and impacts on water bodies across parts of the Waikato Region.

Government Policy Statement (GPS) for Land Transport

The final Government Policy Statement on Land Transport 2021-31 (GPS 2021) was released in September 2020. It will come into effect from 1 July 2021.

GPS 2021 provides stronger guidance on what Central Government is seeking from land transport investments.

GPS 2018 was based on four strategic priorities, with safety and access the key priorities. The Government has maintained the priorities of GPS 2018, but:

- updated them to reflect policy work that has taken place since GPS 2018 was published, such as the development of Road to Zero (road safety strategy including speed management)
- separated access into better travel options and improving freight connections
- expressed value for money as a principle that applies to all investments, rather than a strategic priority that could change as Government changes
- no longer has a split between key or supporting priorities

The changes from GPS 2018 to GPS 2021 are summarised in the table below:

Table 1: Summary of changes between GPS 2018 and GPS 2021 for Land Transport

| GPS 2018 Priorities | GPS 2021 Priorities | Notes |
|--|---|--|
| Safety <ul style="list-style-type: none"> • a safe transport system, free of death and serious injury. | Safety Develop a transport system where no-one is killed or seriously injured. | <i>Safety remains a priority, with the wording updated to reflect the Road to Zero strategy.</i> |
| Access <ul style="list-style-type: none"> • providing increased access to economic and social opportunities • enabling transport choice and access • resilient | Better travel options Provide people with better travel options to access places for earning, learning, and participating in society. | <i>Access remains a priority but is now covered in two parts to provide clearer guidance. GPS 2021 continues to support better urban transport options and well-connected freight routes. The detailed descriptions of these priorities explain the role of choice, access and resilience.</i> |
| | Improving freight connections Improve freight connections to support economic development. | |
| Environment <ul style="list-style-type: none"> • reduces greenhouse gas emissions, as well as adverse effects on the local and public health. | Climate Change Transform to low carbon transport system that supports emissions reductions, aligned with national commitments, while improving safety and inclusive access. | <i>The environment remains a priority, with a focus on investments that align with Government's greenhouse gas reduction targets. Improvements to public health will be a co-benefit of investment</i> |

| GPS 2018 Priorities | GPS 2021 Priorities | Notes |
|--|---------------------|---|
| | | <i>decisions that support the transition to a low carbon transport system. There is no longer separation into 'key' and 'supporting' priorities.</i> |
| Value for money <ul style="list-style-type: none"> delivers the right infrastructure and service to the right level at the best cost. | | <i>GPS 2021 embeds value for money throughout the GPS as a principle that should always be expected from investments. GPS 2021 encourages co-benefits to be considered when developing business cases (e.g. for health, resilience, or environmental sustainability).</i> |

POPULATION PROJECTIONS

Rationale Limited was engaged by WDC to review and develop growth projections for WDC in June 2017. The purpose of the review was to provide population, dwelling and rating unit projections out to 2048. The projections considered elements such as historical and current trends, relevant land-use policies, and relevant national, regional and local level drivers. Council adopted the medium growth scenario from these growth projections.

Updated population forecasts covering the period 2021 – 2051 will not be available ahead of adoption of Council's 10YP, and will be based on a different statistical meshblock from the database used in 2017. In any event, there is unlikely to be significant variation from the 2017 planning scenarios, with the overarching long term forecast of a declining, usually resident population, prevailing. The variation between medium and high growth/low growth population forecasts is only modest – in the order of +/- 200 people, so the updated growth forecasts corresponding to the 2021-2051 planning period are likely to be within the range of the 2017 growth projections and consistent the overarching, long term trend.

The 2017 medium growth projection scenario prepared by Rationale Ltd has therefore been used for planning assessment purposes in this Infrastructure Strategy.

Medium Growth Scenario

Population - under the medium growth scenario, the district's population decreases at a lower rate than over the past 12 years, around 26 people or -0.3% per year. The population is projected to peak in 2018 but decline from there at increasingly greater rates. The population in the Waitomo Rural Ward increases by 2 people per year with the population in the Te Kuiti Ward declining by 28 people or -0.7% per year.

Since then, the 2018 Census (6 March 2018, amended 5 March 2020 by Statistics NZ) usually resident population for the district was 9,303, down 507 on the above 2017 projection for 2018.

Dwellings - the dwelling growth that flows from the above population is approximately 20% higher than the historical growth rate. The proportion of occupied dwellings decreases from 82% in 2013 to 74% in 2048. The number of dwellings in the Waitomo Rural Ward is projected to increase at a higher rate than the Te Kuiti Ward, at 16 and 2 dwellings per year respectively.

Rating Units - Population and dwelling growth flows through to rating units. The district's rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories. Therefore, any rating unit growth will be heavily dependent on dwelling growth. The number of Commercial and Industrial rating units was projected to increase in Mokauiti, Piopio, and Te Kuiti, with no growth elsewhere.

The impact on rating units is again slightly lower than the dwelling growth, around 0.2% per year. While most of this is due to residential related rating unit growth, Commercial and Industry rating units increase by six units by 2048 or 0.1% per year. Most of this business-related rating unit growth occurs in the Waitomo Rural Ward.

The projected dwelling and rating unit growth rate is higher than for population due to flow-on effects of changes in population structure. Most of the growth is forecast to occur in the first ten to fifteen years before the rate of growth slows towards 2038.

Overall -this scenario is the closest to recent trends and is therefore considered to be the most realistic. It provides a conservatively optimistic midpoint between the construction boom of the mid 2000s and the general economic uncertainty following the global financial crisis.

A summary of the key results is shown in Table 2 below for the medium growth scenario. The change to 2048, average annual change and average annual growth rate is included. These cover the period from 2013 to 2048 for resident population and dwellings. For total rating units, these cover the period from 2018 to 2048.

Table 2: Waitomo District Population and Dwelling Forecasts 2013-48

| Output | 2013 | 2018 | 2028 | 2038 | 2048 | Change (to 2048) | Average annual change | Annual average growth rate |
|---------------------|-------|-------|-------|-------|-------|------------------|-----------------------|----------------------------|
| Resident Population | 9,340 | 9,810 | 9,650 | 9,120 | 8,420 | -920 | -26 | -0.3% |
| Total Dwellings | 4,224 | 4,377 | 4,522 | 4,644 | 4,863 | 639 | 18 | 0.4% |
| Total Rating Units | n/a | 5,907 | 6,022 | 6,118 | 6,289 | 382 | 13 | 0.2% |

Population Structure

The district population structure in 2017 was found to have a similar age profile to the rest of New Zealand. In 2013, the proportion of people aged 20 to 44 was lower than the rest of New Zealand, however the proportion of people aged below 15 was higher. The proportion of people aged over 65 was projected to increase from 13% in 2013 to over 25% in 2048 and the number of people aged between 15 and 64 years of age is projected to decrease. This may eventually have a flow-on effect to the make-up of the work force in the district. Factors such as an aging population contribute to a decline in the average household size, decreasing from around 2.6 residents per household in 2013 to under 2.3 in 2048.

In terms of geographic spread of growth, the Te Kuiti Ward is expected to experience a population decline and only small growth in the number of dwellings. The population and number of dwellings is projected to grow in the Waitomo Rural Ward. The number of unoccupied dwellings is projected to increase significantly in Te Kuiti due to the declining population.

Current Pattern of Building and Subdivisional Development

Population growth for the district is projected to decline, while the number of dwelling and rating units is projected to grow slightly. Historic trends of pockets of land subdivision and building activity in the form of modest lifestyle development around Te Kuiti, Waitomo Village, Mokau, and Awakino are slowing. The subdivisional activity that was occurring in and around the Te Waitere area has also slowed in recent years.

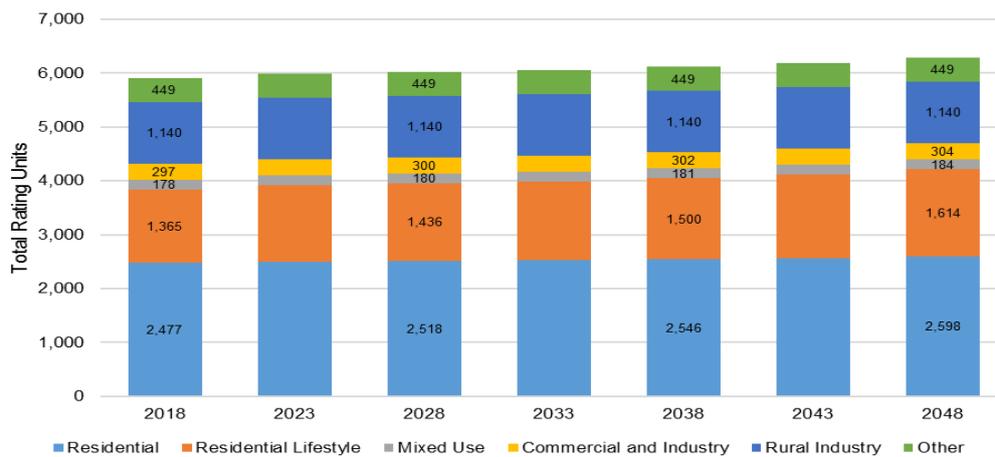
Recent work on WDC's Proposed District Plan has confirmed the availability of surplus land for future residential development, contiguous with existing urban and rural residential settlement areas. In other words, land availability for future growth is not a limiting factor over the term of this Infrastructure Strategy.

Future Development Activity

The graph below shows the 2017 projected growth in the number of rating units within the district sorted by category. As mentioned above, this shows the district's reliance on residential rating units - nearly two thirds of the total rating units are in the Residential or Residential Lifestyle category. Rural Industry rating units are around 20% of the total rating units. The remainder is spread between Commercial and Industry, Mixed Use, and Other rating units, each making up less than 10% of the total.



Figure 1: Projected Growth in Rating Units sorted by Category



From an infrastructure planning perspective, particularly in respect of the three water services provided to the larger residential communities in the district, demographic and development trends will not impact on the demand for these services at the present time or in the foreseeable future.

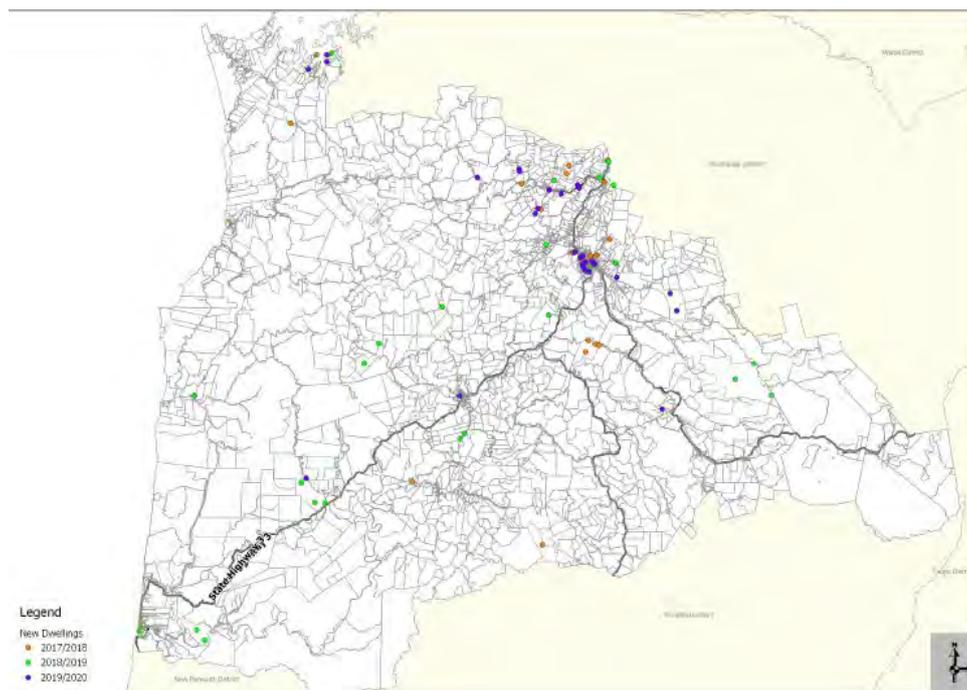
For roads and footpaths, there is a relationship between population and traffic volumes, but not linear due to the impact of age profile, incidence of car ownership and fuel prices. More relevant to roading infrastructure planning will be land use activities, and the numbers of heavy commercial vehicles attaching to that.

Previous (pre 2015) trends of pockets of sub divisional and building activity in the form of modest lifestyle development around Te Kuiti,

Waitomo Village, Mokau, Te Waitere and Awakino have slowed.

From a recent, informal, desktop planning exercise, drawing from development proposals which are known to officers and/or are in the early stages of consent processing, it has been identified that further growth is unlikely to place pressure on the provision of Council services. Indications are the recent trends of relatively slow development are likely to continue into the foreseeable future. An indication of that is the modest number of building consents issued for new dwellings in the district over the past three years (i.e., since 2017) – a total of 74 (compared to 33 over the 3-year period 2014 – 17). While the majority of these (approx. 40) were located in and around Te Kuiti, the distribution is otherwise diffuse. Figure 2 below illustrates this.

Figure 2: Waitomo District Distribution of Building Consents –2017-2020



GEOGRAPHY

Waitomo District encompasses 354,649 hectares of predominantly rural land on the west coast of the Central North Island. The western boundary is the Tasman Sea. It is adjacent to the Ōtorohanga District to the north, Taupo District to the east and Ruapehu and New Plymouth Districts to the south.

Te Kuiti is the administrative and main trading centre in the Waitomo district, with approximately 45% of the District population residing in this town. There are several other smaller settlements located throughout the district, including the popular beach settlements of Mokau, Awakino, Marokopa, Te Waitere and Taharoa. The main rural communities are Maniaiti/Benneydale, Piopio and Waitomo Village.

While the district is predominantly contained within the Waikato Region, the south-eastern corner of the District is within the Manawatu-Wanganui (Horizons) Regional Council's jurisdiction.

INFRASTRUCTURE CONTEXT

Council's asset management strategy over the past 10 years, particularly in respect of WDC's water supply and wastewater infrastructure, has been to focus on improving asset condition and performance in support of the community's public health and environmental outcomes, whilst at the same time taking a prudent approach to financial management. The declining demographic trend projected for the next 30-years will continue to impose pressure on the financial affordability of levels of service beyond the minimum required to meet its resource consent and other legislative requirements.

In the 10-year period between 2007/08 and 2017/18, WDC invested approximately \$80 million on various capital projects within the four groups of activities covered by this IS in meeting the infrastructure needs consistent with the above approach. Some of the key projects completed over this period included:

- Construction of raw water storage dam at Mokau
- Bacteriological treatment systems completed at Mokau and Maniaiti/Benneydale water supplies
- Te Kuiti wastewater treatment plant re-build
- Te Kuiti water treatment plant upgrade

- Maniaiti/Benneydale water and wastewater treatment plants upgrade
- Piopio sewerage system installation
- Piopio water treatment plant upgrade
- Critical renewal work to stormwater network (Ngati Street, George Street and Duke Street)
- 4,000 metres of stormwater reticulation system cleaned and surveyed
- Rora Street upgrades
- Structural metal placed on unsealed roads
- Road safety improvements
- Bridge replacements
- Footpath replacements
- Upgrading Waitomo Caves Road.

Whilst a projected decline in population is of concern in terms of affordability, there is little or perhaps no scope to scale back Council's involvement in the provision of core infrastructure, as historic and future investment is aligned to complying with minimum environmental and public health standards. For the three waters, the strategic back-drop for that includes increasing drinking water standards and improved environmental performance as a result of Central Government's Three-Waters Reform Programme, the Taumata Arowai - Water Services Regulator Act 2020, and National Policy Statement for Freshwater Management. For roading, the Government Policy Statement for Land Transport 2020, increasing vehicle weights and an increased number of heavy commercial vehicle loads on selected local roads as forestry plantations become due for harvest.

In summary, the projected reduction in population, and static new development, is forecast to have minimal or no impact on Council's delivery of core infrastructure, over time. Within that, however, is the need to focus on managing core infrastructure in a manner that ensures compliance with minimum standards and provides early identification of future investment needs so that all options can be carefully considered.

SECTION 4 | STRATEGIC RESPONSE TO MANAGING INFRASTRUCTURE ASSETS

Council has taken a strategic approach to sustainable management of its infrastructural assets to ensure, as a minimum, existing service levels are maintained for the foreseeable future. This approach means that decisions around

operation and maintenance, renewal and upgrade, demand and growth, etc. are taken in the context of optimising overall asset lifecycle costs and the provision of services, in perpetuity.

In respect of its three-waters infrastructure, it is important that Council continues to plan and deliver water services to agreed customer and technical levels of service irrespective of the Central Government led review of water service delivery. Any future changes to the current delivery model will be expected to maintain Council's aspirations for those services. This Infrastructure Structure will be an important mechanism for documenting those current and future expectations and planning needs.

Table 3: Asset values

| Activity | Valuation Date | ORC* | ODRC** | Accumulated Depreciation | Annual Depreciation |
|---------------------|----------------|-----------------|-----------------|--------------------------|---------------------|
| Water Supply | 30 June 2018 | \$28.6M | \$19.2M | \$9.4M | \$488.2k |
| Wastewater | 30 June 2018 | \$41.5M | \$29.6M | \$11.9M | \$810.7k |
| Stormwater | 30 June 2018 | \$16.9M | \$9.8M | \$7.2M | \$189.5k |
| Roads and Footpaths | 30 June 2020 | \$335.4M | \$253.9M | \$81.5M | \$3.3M |
| TOTAL | | \$422.4M | \$312.5M | \$110.0M | \$4.76M |

* = Optimised Replacement Cost

** = Optimised Depreciated Replacement Cost

Of interest is the comparative value between water supply assets and wastewater assets. While there are four wastewater and four water supply schemes across the district, with similar lengths of pipework, but daily wastewater discharge volumes nominally 70% of water consumption volumes, the wastewater asset value reflects the high level of investment required for treatment and storage of effluent before it is to an acceptable environmental standard before discharge to freshwater streams. Pipe sizes required for gravity wastewater reticulation pipes are also typically larger than for pressurised water supply reticulation.

In all cases, the annual and accumulated depreciation is an indicator of decline in asset condition, offset by annual renewals programmes.

ASSET RENEWAL STRATEGY

Asset renewal is a key driver in respect of the infrastructural assets within this IS, as the majority of Council's significant infrastructure has been upgraded to minimum service levels required by regulation or resource consents in recent years. Council's approach is largely based on the need for timely and effective asset

ASSET VALUES

Revaluation of WDC's infrastructure assets included in this IS is completed on a 3-yearly cycle, with roading and solid waste assets revalued a year ahead of the 3-waters to help spread the cost and workload.

The value of roads and footpath assets far outweighs the value of any other asset group, being some 3.9 times the combined value of the 3-waters assets. Wastewater assets have the second highest value. Table 2 below summarises the respective and total asset values of the four asset groups comprising this IS.

renewal over time, especially for reticulation assets, to ensure levels of service are maintained.

Asset renewal profiles, particularly for the three water assets, are based on theoretical useful lives, material type, length, age etc. A strictly theoretical approach to developing asset renewal programmes would result in projections for renewal funding fluctuating year to year as assets reach the end of their nominal useful lives and become due for replacement.

This IS takes into account a long term asset management approach to renewals programming including sound engineering judgment, actual asset condition where available, the optimisation of lifecycle costs, and community affordability to ensure that renewal programs are prioritised according to in-situ asset condition, asset criticality and failure history, over theoretical asset lives. This approach results in financial provision for asset renewals that is not only considered appropriate and affordable but can be refined according to more robust asset condition data as it improves over time.

Asset renewals programmes also take into account asset performance. Where additional

capacity is required, asset upgrading work is combined with asset renewals.

MANAGING GROWTH AND DEMAND

The main drivers of growth and demand for infrastructure assets are:

- Land use activities
- Changes in population and demographics
- Community needs

Changes in demand over the life of the IS are expected to be no more than minor. Possible exceptions include peak summer demand for services where capacity for certain services is already marginal and where large seasonal variations in population occur. With the exception of addressing specific capacity (storage) issues, it is expected that any additional demand concerns over the life of this strategy will be addressed through a reduction in usage (either voluntarily or through demand management) in the first instance.

Planning assumptions for growth and demand will be monitored on a regular basis so to ensure that any changes are reflected in the IS as and when they occur.

LEVELS OF SERVICE

Levels of service for both the current and future are largely dominated by regulatory and technical considerations. Generally, service levels have been improved in recent times, but only to maintain alignment with those considerations and are expected to be continued over the strategy period. Customer service levels are more discretionary and are considered in the context of the current planning assumptions which project a static or declining population, and the impact of that on ratepayer affordability.

Recent upgrades of WDC's infrastructural assets have been designed to address issues regarding public health and environmental protection. Council's long term approach is to maintain and improve its infrastructural assets as required to ensure compliance with the appropriate standards wherever possible. This also means ensuring that all infrastructural assets perform to current resource consent standards at all times.

RISK AND RESILIENCE

The natural hazards potentially impacting on WDC's infrastructure assets include earthquake, land slippage, inundation and the effects of climate change. The district is characterised by significant variations in climatic condition, from sub-alpine to coastal. The terrain is dominated

by soft volcanic sediments prone to instability in wet conditions. River and coastal environments are sensitive to erosion and rising sea level.

The approach taken to mitigating the risk of asset damage and interruption to the delivery of essential services due to the potential impact of natural hazards, involves identifying and managing risks relating to those hazards and making appropriate financial provision for managing those risks. Council is in the early stages of identifying hazard prone assets and this information will be used to inform future infrastructure strategies. The proposed district plan requires an adaptive management approach to both private property and Council infrastructure in areas prone to coastal erosion and coastal inundation.

Climate Change

Current predictions of the effects of global warming on coastal of New Zealand point to increased frequency and duration of high intensity rainfall events, with longer drought periods during summer months more likely to occur on the east coast. These are long-run predictions, with localised variations on the overall trend expected to continue at least over the term of the current planning period. Higher intensity rainfall has been recorded in recent years with a greater incidence of short duration heavy rain spells occurring.

Relevant examples include the vulnerability of Te Kuiti's single water source to soil instability within the wider catchment, the Mokau storage dam's susceptibility to stratification and algae blooms, and exposure of the roading network to damage and closures due to undersized culvert capacity, bank instability and stream and coastal erosion.

Recent modelling work done on the impacts of natural hazards for the Proposed District Plan has identified that in the Te Kuiti central business district area and in the coastal communities along the West Coast, there is infrastructure that is vulnerable to the effects of climate change. In Te Kuiti, the water treatment plant is located in a high risk flood zone and parts of the wastewater treatment plant are subject to inundation in major flood events. Along the west coast, the district roading network is at risk from storm surge inundation. In Awakino and Te Kuiti there is some risk to the stormwater systems. In Waitomo Caves Village, the privately owned and operated wastewater infrastructure is located in a flood prone area.

In some cases, the risk to Council's infrastructure from natural hazards is a pre-existing condition, pre-dating the effects of climate change. For instance, the Te Kuiti piped

stormwater network has a nominal design capacity equating to a 1 in 2-year storm event. Some parts of the network do not even achieve that. The Te Kuiti water treatment plant and wastewater treatment plant are already vulnerable to inundation in a less than 100-year flood event, irrespective of climate change.

In some latter instances, e.g. the urban piped stormwater network, Council is accepting of the level of risk and hence, the attendant level of service that Council has agreed to and can afford. The impacts of climate change will exacerbate the incidence of those situations, but in reality, the impact is academic.

Moving forward, Council plans to gain better information regarding the location, age and condition of its infrastructure in order to address the potential effects of climate change. This may affect capital expenditure forecasts but it is difficult to predict at this early stage what the impact will be without fully understanding the risk, the vulnerability of infrastructure to that risk, and the level of service Council is prepared to accept and fund.

The AMPs and the Infrastructure Strategy give consideration to matters relating to resilience in respect of climate change. At this stage, however, there is limited understanding (and a lack of wider guidance) of the longer term financial and non-financial effects that climate change may cause.

Nevertheless, the proposed district plan review work, that has modelled the impacts of climate change on Council utilities, has identified a number of critical Council assets that are potentially at risk or vulnerable to longer term climate change effects. The Piopio wastewater treatment plant and Te Kuiti water treatment plant are two examples of that. Provision has been made within and beyond the term of this strategy for improving the resilience of those installations.

Critical Assets

Critical assets are those having the highest consequence of failure. The strategy identifies mitigation actions including risk assessments, establishing the required level of resilience, and programme implementation of identified risk mitigation to increase the resilience of critical assets to natural hazards.

In general, a pragmatic approach has been taken to risk management in individual asset management plans, with identified risk events grouped into:

- Natural events, where there is no real control over the timing or extent of the event, although probabilities may be understood, e.g. floods, lightning strikes, earthquakes.
- External impacts, where other service providers are providing services which impact on WDC, e.g. power supply failures, material supply failures.
- Physical failure risks, where the condition of the asset or third party damage could lead to failure.
- Operational risks, where maintenance and/or management of the asset or asset management activities may impact adversely on the service.

Part of WDC's asset management practices includes risk management decision making tools used to prioritise long term renewal, upgrade and development expenditure for infrastructure.

SECTION 5 | SIGNIFICANT INFRASTRUCTURE ISSUES FOR WAITOMO DISTRICT

The tables on the following pages summarise the significant wastewater, water supply, stormwater drainage and roads and footpaths infrastructure issues facing WDC, the proposed response to those issues, and the implications of taking or not taking the action proposed by the response. In many instances, the same principal response option can address several infrastructure issues.

WDC WASTEWATER SCHEMES

WDC owns and manages four separate wastewater schemes in the district; at Te Kuiti, Piopio, Maniaiti/Benneydale, and Te Waitere. The largest of these is at Te Kuiti. All schemes have been upgraded over the past nine years and reconsigned. The Piopio wastewater scheme is the most recently constructed, commissioned in 2012.

A snapshot of the key design parameters for each scheme is shown in the table below:

Table 4: WDC Wastewater Schemes - Key Features

| Scheme | Pipe length (km) | Consented discharge volume (m ³ /d) | Avg. DWF (m ³ /d) | Max. WWF (m ³ /d) | Discharge consent expiry date |
|---------------------|------------------|--|------------------------------|------------------------------|-------------------------------|
| Te Kuiti | 51.0 | 7,000.0 | 2,395.0 | 6,951 | 30-Jan-40 |
| Piopio | 10.8 | 135.4 | 92.2 | 127 | 30-Jun-28 |
| Maniaiti/Benneydale | 3.1 | 85.0 | 48.0 | 122 | 01-May-25 |
| Te Waitere | 0.8 | 10.3 | 3.0 | - | 31-Jul-42 |
| Total | 65.7 | 7,230.7 | 2,538.2 | | |

Te Kuiti Wastewater Scheme

The Te Kuiti wastewater scheme comprises approximately 51km of reticulation of varying pipe diameters and materials, four secondary pump stations, a terminal pump station and a tertiary treatment plant. The treatment plant was subject to a major upgrade, completed in 2014. Features of the treatment plant include a stormwater bypass, clarifier, reactor, oxidation pond, sludge processing, sand filtration and UV disinfection. The final treated effluent is discharged to Mangaokewa Stream upstream of Te Kuiti airfield.

The upgraded treatment plant capacity is limited by the design flow of the reactor and clarifier of 4,000 and 4,500 m³ per day respectively. Flows of up to 7,000 m³ per day can be handled for short periods during winter months, to the required consent standards.

The Te Kuiti wastewater scheme is somewhat unique in that there are two major wet industries (in this case, abattoirs) discharging to the system. The total load on the WWTP is significantly impacted by the discharge from these two industries, even after the on-site pre-treatment that is in place at both premises (approx. 20% of total inflow, 45% BOD, 50% phosphorous, and 40 % total nitrogen).

Infrastructure management issues include:

Table 5: Te Kuiti Wastewater infrastructure issues

| Description | Principal options for response | Implications |
|---|---|---|
| ISSUE: Asset renewal or replacements | | |
| Much of the pipe reticulation is now dated, although infiltration rates entering network are relatively low. Direct inflow is more of an issue, impacting on peak inflow at the WWTP. | Condition assessment of pipe network followed by prioritised repair and renewal programme. | The financial impacts of deferred maintenance and renewals have been balanced against levels of service, consent compliance and ratepayer affordability. High inflow during storm events can result in surcharge of raw sewage onto residential property, with potential for serious public health impacts. |
| SCADA and electrical assets due for renewal at least once every 15 years. | Replacement expenditure "smoothed" to avoid significant variations in expenditure from one year to the next. | Reticulation renewals programme of \$290k per year identified for Years 1-3 of 10YP, reducing to \$190k on average per year from Year 4. |
| Certain treatment plant mechanical and material components will require renewal/replacement within the 30 year period. | Pump station renewal work includes pump, valve and guide rail replacements, and upgrading of switchboards. | From Year 4 of 10YP, a mechanical and electrical replacement budget of \$90k on average per year has been allowed. |
| Several pump stations become due for renewal over the period, including the terminal pump station. The latter is a critical asset. | Options for replacing the current sand filter at the WWTP are to be explored. Alternatively, the UV plant renewal will need to be brought forward to Year 10. | Electrical assets scheduled for replacement 2034-38 (\$2.4M). Treatment plant reactor liner scheduled for replacement in 2032/33 (\$262k) |
| | | Routine pump station renewals totalling \$91k over the first 10 years have been scheduled, increasing to \$52k per year |

| Description | Principal options for response | Implications |
|--|---|---|
| <p>The existing sand filter at the Te Kuiti WWTP is generating additional wear and tear on the downstream UV plant.</p> | | <p>thereafter. In addition, two significant pump station renewals have been scheduled for Years 4 and 8 at a combined cost of \$186k. An accelerated renewal programme for critical pump stations has also been scheduled for Year 1 (\$158.4k), funded from the Three Waters Reform Programme.</p> <p>The two UV units at the WWTP will require replacement by Year 10 of the 10YP at an estimated cost of \$131k.</p> |
| ISSUE: Response to demand | | |
| <p>Recent treatment (2014) upgrade provides for up to 4,500m³/day average, peak 7,000m³/day. Current average flow is 2,910m³/day, with average DWF of 2,395m³/d and WWF of 3,740 m³/d. Peak inflow was 6,951m³/day in July 2019. Includes inflow from two major wet industries.</p> <p>The population projection for Te Kuiti is for a decline over the term of this IS.</p> | <p>On-going I & I investigation and prevention programmes targeted to worst areas of reticulation will effect reduction to peak inflow and average wet weather flows.</p> <p>Future, modest, capacity increase could be achieved through a dedicated, on-site monitoring and control regime. Larger scale capacity increases would require significant additional capital investment at the WWTP.</p> <p>Control of industrial discharges is critical to managing capacity and performance of WWTP. Regular monitoring and enforcement of trade waste discharges is key to that.</p> <p>Larger scale treatment plant capacity can be achieved by increasing power supply and duplication of the clarifier/reactor process stream. It will also increase the resilience and operational contingency for this critical asset.</p> | <p>Deferring further investment aimed at increasing plant capacity can be realised by reducing unnecessary inflow sourced from groundwater infiltration and direct inflow.</p> <p>Duplication of clarifier/reactor is scheduled for 2033/34 at an estimated cost of \$722k.</p> |
| ISSUE: Levels of service (LoS) | | |
| <p>LoS is dominated by resource consent compliance for all discharges from treatment plant – air, water, groundwater etc. Customer LoS principally relate to sewer blockages, overflows, odour, and responsiveness to service requests. 2017 resident satisfaction survey identifies that 94% of respondents were satisfied with current LoS.</p> | <p>Continuation of current LoS achieves an effective balance between regulatory compliance, resident satisfaction, and cost. Modest increases in technical LoS are necessary to improve effectiveness of sludge handling and chemical dosing at the treatment plant.</p> | <p>Increasing current technical LoS will improve consent compliance and operational performance of treatment plant.</p> |
| ISSUE: Public Health and Environment | | |
| <p>The upgraded treatment plant (circa 2014) has improved the effects of the activity on the receiving environment.</p> | <p>Routine monitoring and analysis of plant operation and performance, followed by timely interventions, will ensure public health and environmental outcomes are maintained.</p> | <p>Managing the complete wastewater system from reticulation to disposal is fundamental to mitigation of adverse effects on public health and environmental outcomes.</p> |

| Description | Principal options for response | Implications |
|---|---|--|
| Mitigating adverse effects on the environment is achieved through effective operation of the WWTP. | <p>The effects of the activity on the environment are controlled through the resource consent. Consent renewal is due in 2040</p> <p>Effective WWTP performance relies on timely, routine maintenance and operation of mechanical and electrical equipment</p> | <p>The resource consent provides the legal right to operate the Te Kuiti WW treatment plant. The estimated cost of the 2040 renewal process is \$1.4M.</p> <p>Additional sludge management operational capacity has been provided in Year 1 (\$104k)</p> |
| ISSUE: Risk and Resilience¹ | | |
| <p>Wastewater service continuity and public health is threatened by the poor condition of sections of the wastewater network. Older pipes are brittle and prone to breakages and infiltration with natural ground movement, or in the event of ground movement caused by a seismic event.</p> <p>Most of the Te Kuiti CBD and parts of the residential area adjoining and to the west of Mangaokewa Stream are located within the 100-year flood plain. Climate change impacts will exacerbate the extent of flooding. Direct inflow to the wastewater network and inundation of parts of the WWTP will overload the hydraulic capacity of the reticulation and treatment plant, leading to widespread wastewater overflows.</p> <p>The five pump stations servicing the reticulation rely on continuity of energy supply to avoid wastewater overflow.</p> | <p>Rolling replacement of wastewater pipes in poor condition and at the end of their effective life with new, flexible, pipe materials.</p> <p>Routine property inspections to identify and remove illegal stormwater connections/stormwater runoff to the wastewater system.</p> <p>Raised pond embankments, effluent storage and elevated manhole risers at the WWTP, bypass pipework and high stormwater dilution during flood conditions are mitigating factors.</p> <p>Standby power generation is required to maintain continuity of service during power outages</p> | <p>Failure to complete this work will increase the risk of overloading the treatment plant during flood events, and the risk of pipe failure due to end of lifecycle or following an earthquake event. Such failures have the potential to breach the discharge consent and contaminate surrounding groundwater with untreated waste. The probability of this risk occurring is considered to be low to moderate within the term of this strategy, but the consequences are high.</p> <p>Wastewater overflow during a severe, 1 in 100 year, rainfall event is unavoidable due to the inundation of property gully traps and parts of the WWTP.</p> <p>Standby power generation has been provided in Year 1 at a budget cost of \$150k, funded from the Three Waters Reform Programme.</p> |

Piopio Wastewater Scheme

The Piopio wastewater scheme was installed in 2012 and comprises approximately 10.8km of reticulation of varying pipe diameters, 182 domestic pumps, one community pump station, and a packed-bed reactor treatment plant. A feature of the scheme is the use of small diameter, MDPE pipes to collect effluent from individual septic tanks from where it is pumped to the treatment plant. The final treated effluent is discharged to Mokau Stream via a rock filter.

Infrastructure management issues include:

¹ Note: The risk management processes used by the Waitomo District Council are consistent with Australian/New Zealand Standard AS/NZ 4360 which defines risk assessment and management. A fuller description of the risks identified in the tables can be found in Waitomo District Council asset management plans for each activity area.

Table 6: Piopio Wastewater Infrastructure Issues

| Description | Principal options for response | Implications |
|--|---|---|
| ISSUE: Asset Renewal or Replacements | | |
| <p>The infiltration rates entering the pipe network are low, corresponding to the recent construction of the scheme (in 2012).</p> <p>Inflow during heavy rain occurs due to surface flooding entering through tank access covers.</p> <p>SCADA and electrical assets due for renewal at least once every 15 years.</p> <p>Septic tank and pump maintenance costs escalating</p> | <p>Condition monitoring of pipe network followed by prioritised repair and renewal programme.</p> <p>Replacement expenditure “smoothed” to avoid significant variations in expenditure from one year to the next.</p> <p>Increased routine maintenance of the scheme and monitoring of plant operation and performance will ensure public health and environmental outcomes are maintained. Higher routine maintenance required.</p> | <p>Scheme capacity and consent compliance relies on condition of network. The current scheme has been operating for only 9 years so remaining life of assets is high. Routine condition assessments are an effective method of monitoring the rate of condition decay, and to inform planning processes.</p> |
| ISSUE: Response to demand | | |
| <p>Scheme is designed for 250 residential units equivalent. Residual capacity is approximately 20 residential units.</p> <p>Current average discharge measured over 2017-20 period was 92.2m³/d. Peak discharge was 127 m³/d.</p> <p>Consent discharge limit is 135.4 m³ /d.</p> <p>Residential population projection for Piopio is for a decline in the medium to long term.</p> | <p>Increased capacity could be achieved by adding the maximum number of treatment modules to the existing plant to accommodate an additional 50 residential units, or construct an additional treatment plant on a separate site to give capacity for a further 180 residential units. Monitoring of plant load and performance over time will provide earliest indication of the need for additional capacity.</p> <p>Monitoring and enforcement of trade waste discharges is critical to managing capacity and performance of WWTP.</p> | <p>The cost of increasing capacity by 50 residential units would be in the order of \$2.7M.</p> <p>The cost of increasing capacity by 180 residential units would be in the order of \$5M, including land purchase.</p> <p>There is no projected need for either option at the present time, but will form part of the consent renewal considerations in 2028.</p> <p>Control of industrial discharges.</p> |
| ISSUE: Levels of service | | |
| <p>LoS is dominated by resource consent compliance for all discharges from treatment plant – air, water, groundwater etc. Customer LoS principally relate to sewer blockages, overflows, odour, and responsiveness to service requests. Customer service requests indicate dissatisfaction with the frequency of system blockages.</p> | <p>The need for increased routine maintenance of individual tanks and the treatment plant has been identified. Also, regular education of scheme users to encourage avoidance of disposal of fats and other wastes that have been a contributing factor to pipe blockages.</p> | <p>Increased levels of service in the form of increased routine maintenance of the scheme has been necessary to achieve improved customer satisfaction and consent compliance.</p> |
| ISSUE: Public Health and Environment | | |
| <p>The Piopio WW scheme has addressed previous public health and environmental issues associated with high groundwater during winter months adversely impacting on ground soakage of effluent from the original private septic tanks.</p> <p>Prolonged heavy rain events can result in non-compliance as there is no additional storage capacity</p> | <p>The effects of the activity on the environment are controlled through the resource consent. Consent renewal is due in 2028.</p> <p>Increased maintenance of septic tank units may help reduce peak discharge flow rates. In addition, buffer storage is required to</p> | <p>Failure to achieve improved scheme performance could compromise the 2028 consent renewal.</p> <p>The resource consent provides the legal right to operate the Piopio WW treatment plant.</p> <p>Funding for renewal of discharge consent has been allowed in years 6 and 7 at a total cost of \$59k.</p> |

| Description | Principal options for response | Implications |
|---|--|--|
| available to manage the discharge rate within consent conditions. | accommodate peak discharge during heavy rain events. | Provision for additional buffer storage has been made in Year 5 at an estimated cost of \$112k. |
| ISSUE: Risk and Resilience | | |
| <p>Wastewater service continuity and community health is protected from seismic damage modern and type of construction of the network.</p> <p>The treatment plant is located within the outer limits of a high risk, 1 in 100 year, flood zone under a climate change scenario (RCP 8.5). Majority of reticulated residential area unaffected but would not be able to be serviced while WWTP inundated and discharge flow-path contaminating southern end of township. WWTP would not be accessible by road.</p> | <p>The network is already designed to provide high resilience to natural hazards through the use of small diameter, flexible pipes.</p> <p>Site contours and flood depth at WWTP to be confirmed. Stop banking may be practicable, or relocation of the WWTP to higher ground. The latter timed to coincide with renewal of existing WWTP in approx. 40 years' time. Affected properties would require evacuation during flood event.</p> <p>Mokau River will burst its banks during storm event. High dilution factor will help mitigate health risk.</p> | <p>The probability of system failure occurring due to natural hazards is considered to be low within the term of this strategy.</p> <p>Study of risk mitigation options has been allowed for in Year 11 (\$27k).</p> <p>Timing of WWTP replacement will fall outside this IS planning period, in 2060. The preliminary cost estimate to relocate the WWTP is \$2.5M.</p> <p>Interim construction of stop banks and an earthen access causeway at the WWTP has been allowed for in Year 11 (\$262k including inflation)</p> |

Maniaiti/Benneydale Wastewater Scheme

The Maniaiti/Benneydale scheme comprises approximately 3.1km of reticulation, predominantly AC pipe, and one pump station. The treatment plant consists of an old Imhoff tank and trickling filter, followed by a small constructed wetlands from where the final effluent discharges to a soakage field during November – April, and the Mangapehi Stream during the wetter months of the year.

Infrastructure management issues include:

Table 7: Maniaiti/Benneydale Wastewater infrastructure issues

| Description | Principal options for response | Implications |
|--|---|---|
| ISSUE: Asset Renewal or Replacements | | |
| <p>Approximately 50% of the reticulation has reached its theoretical design life. Condition assessment of the pipes comprising this portion of the network indicates that there is approximately 15 years of effective life remaining.</p> <p>The treatment plant was last upgraded in 2009. A small wetland system was added for winter discharge.</p> <p>Some components now require replacement, namely the trickling filter and Imhoff tank</p> <p>SCADA and electrical assets due for renewal at least once every 15 years.</p> | <p>Condition assessment of pipe network followed by prioritised repair and renewal programme.</p> <p>Replacement expenditure "smoothed" to avoid significant variations in expenditure from one year to the next.</p> <p>Align treatment plant replacement programme with outcome of consent renewal in May 2025. Replacement components to be consistent with new discharge quality standards.</p> | <p>The financial impacts of renewals have been balanced against condition assessment, levels of service, consent compliance and ratepayer affordability. Current LoS will be maintained.</p> <p>\$10k per year has been allowed in Years 2 and 3 to complete I & I investigations, followed by an average of \$144k every three years commencing in Year 5 for pipe replacements.</p> <p>Tank and filter replacements have been allowed for in Year 5 at an estimated cost of \$449k.</p> |
| ISSUE: Response to demand | | |
| Average plant inflow is 51 m ³ per day. Average DWF is currently 48 m ³ per day. The consented | Monitoring of actual demand on the Maniaiti/Benneydale scheme over time will provide the basis for | While there are no apparent demand related implications for the Maniaiti/Benneydale wastewater |

| Description | Principal options for response | Implications |
|--|---|--|
| discharge volume is up to 85 m ³ /day. Treatment plant capacity is nominally 165 m ³ /day. The scheme has spare capacity for an additional 27 residential connections, or the equivalent thereof. The population projection for Maniaiti/Benneydale is for a decline in the medium to long term. | <p>future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over term of this IS.</p> <p>Monitoring and enforcement of trade waste discharges.</p> | <p>scheme in the foreseeable future, routine monitoring of actual demand will provide early indication of the need to respond to any change to that assumption.</p> <p>Control of industrial discharges is critical to managing capacity and performance of WWTP.</p> |
| ISSUE: Levels of service | | |
| LoS is dominated by resource consent compliance for all discharges from the treatment plant – air, water, groundwater etc. Customer LoS principally relate to sewer blockages, overflows, odour, and responsiveness to service requests. The 2020 resident satisfaction survey identified that 93% of respondents were satisfied with current LoS. | Continuation of current LoS achieves an effective balance between regulatory compliance, resident satisfaction, and cost. | Maintaining current levels of service will achieve high customer satisfaction and consent compliance. The scheme is sensitive to increased expenditure |
| ISSUE: Public Health and Environment | | |
| The upgraded treatment plant (circa 2009) has improved the effects of the activity on the receiving environment. The next consent is likely to require additional environmental protection standards in light of the Governments NPS for Freshwater Management and the new Water Services Regulator – Taumata Arowai. | <p>Continuation of routine maintenance of the scheme and monitoring of plant operation and performance will ensure public health and environmental outcomes are maintained.</p> <p>The effects of the activity on the environment are controlled through the resource consent.</p> <p>Consent renewal is due in May 2025.</p> | <p>Failure to continue current routine maintenance levels could result in consent non-compliance.</p> <p>The resource consent provides the legal right to operate the Maniaiti/Benneydale WW treatment plant. A budget of \$75k has been provided over Years 3 and 4(2024-25) to prepare and submit the next consent application, followed by \$449k in Year 5 (2025/26) for treatment plant upgrade works (see renewals section above).</p> |
| ISSUE: Risk and Resilience | | |
| Wastewater service continuity and community health is threatened by the poor condition of sections of the wastewater network. Older pipes are brittle and prone to breakages and leaks with natural ground movement or in the event of ground movement caused by a seismic event. | <p>Rolling replacement of wastewater pipes in poor condition and at the end of their effective life with new plastic pipes and flexible joints.</p> <p>Replacement of the trickling filter and Imhoff Tank will improve resilience of the WWTP.</p> | Failure to complete this work will increase the risk of overloading the treatment plant during flood events, and the risk of pipe failure due to end of lifecycle or following an earthquake event. Such failures have the potential to breach the discharge consent and contaminate surrounding groundwater with untreated waste. The probability of this risk occurring is considered to be low to moderate within the term of this strategy, but the consequences are high. |

Te Waitere Wastewater Scheme

The scheme involves collection of septic tank effluent from approximately 11 properties through a reticulated system comprising approximately 800m of small diameter pipe, from where it is pumped to a community soakage field located on private land. The rising main from terminal pumping station was recently renewed.

Infrastructure management issues include:

Table 8: Te Waitere Wastewater Infrastructure Issue

| Description | Principal options for response | Implications |
|---|--|---|
| ISSUE: Asset Renewal or Replacements | | |
| <p>The community soakage field theoretically overloaded.</p> <p>Most of the reticulation has been replaced over the past 4-years, including the rising main. The pump station was refurbished in 2018.</p> <p>SCADA and electrical assets due for renewal at least once every 15 years.</p> | <p>Replacement or refurbishment of the soakage field with an expanded facility is required.</p> | <p>Budget provision of \$75k has been made in Year 1 of the 10YP 2021-2031 for land acquisition and soakage field development.</p> |
| ISSUE: Response to Demand | | |
| <p>Current capacity of the disposal field is designed for 13 properties. While the population projection for Te Waitere is for static growth, the wastewater discharge from the current population already takes up most of the capacity of the existing soakage field</p> | <p>Replacement or refurbishment of the soakage field to include an upgraded and extended facility with capacity for modest additional demand.</p> | <p>See above.</p> |
| ISSUE: Levels of Service | | |
| <p>Levels of service focus on reliability of service, capacity, public health and environmental protection.</p> | <p>Environmental and public health protection consistent with the operative resource consent.</p> | <p>Current levels of service relating to system capacity and environmental protection will potentially need to be enhanced early in the strategy period.</p> |
| ISSUE: Public Health and Environment | | |
| <p>The extended reticulation has addressed previous public health and environmental concerns associated with the scheme.</p> | <p>Replacement or refurbishment of the soakage field with an upgraded facility is required.</p> <p>Renewal of the resource consent for the Te Waitere discharge was completed in 2017. Consent renewal is due in 2042.</p> | <p>The resource consent is fundamental to the legal right to operate the Te Waitere WW treatment plant</p> |
| ISSUE: Risk and Resilience | | |
| <p>Wastewater service continuity and protection of the environment is threatened by the condition and capacity of the current soakage field.</p> | <p>Replacement or refurbishment of the soakage field with an upgraded facility is required.</p> | <p>Failure to complete this work will increase the risk of overloading the soakage field during normal operating conditions. Such system failure has the potential to breach the discharge consent and contaminate the surrounding environment with treated waste. The probability of this risk occurring is medium to high in the long term.</p> |

Waitomo Village Wastewater Scheme

The wastewater infrastructure at Waitomo Village is privately owned and operated. WDC has extensively investigated options for future WDC ownership/management of the Village wastewater (and water supply) services. Discussions with representatives of the two ownership trusts and private owners of this infrastructure have been inconclusive. The potential for a possible pathway forward is unknown at the present time, due to land tenure,

asset ownership and funding issues remaining unresolved.

Given the level of uncertainty around the timing of resolution of these issues, this IS does not include any financial provision for WDC assuming responsibility for ownership or management of these assets.

WDC WATER SUPPLY SCHEMES

WDC owns and manages four water supply schemes, at Te Kuiti, Piopio,

Maniaiti/Benneydale and Mokau. The largest supply is at Te Kuiti and the smallest at Maniaiti/Benneydale. Higher levels of service, driven by the Public Health (Drinking Water) Amendment Act and the associated Drinking Water Standards for New Zealand (Revised 2018) that came into force on 1 March 2019, and security of supply, have been the key areas of focus over the past five to ten years, across all schemes. Resource consents to take the required volumes of water provide the legal mandate for maintaining adequate, all-year supply quantities for domestic and commercial/industrial use.

Current and short term focus remains on drinking water quality compliance, and the systems required to achieve that (including optimisation of Mokau water treatment plant). The implications of and response to the as yet unknown new drinking water standards, compliance and service delivery proposals being developed as part of the three waters reform programme will impact over the next 2-3 years, but do not remove WDC's responsibilities for continuing to manage, plan and provide safe drinking water to its four scheme areas.

Table 9 below summarises current consent expiry dates and key asset data:

Table 9:WDC Water Supply Schemes

| WATER SUPPLY SCHEME | Pipe Length (km) | Storage (m ³) | Pumping Stations | Consented Take (m ³ /d) | Average Demand (m ³ /d) | Take Consent Expiry Date |
|-------------------------|------------------|---------------------------|------------------|---|--|--------------------------|
| Te Kuiti | 58.4 | 3,296 | 3 | 4,800 (4,200 when stream flow <0.7 cumecs) | 3,336 (Peak 4,320) | 30-Sep-40 |
| Piopio | 8.5 | 450 | 1 | 450 | 309 | 01-Aug-23 |
| Maniaiti/ Benneydale | 5.7 | 100 | 2 | 360 | 120 (50m ³ /d post leak repairs) | 07-Apr-31 |
| Mokau | 13.2 | 20,000 | 1 | 1,000 | 120 | 15-Sep-26 |
| Total | 85.8 | 23,846 | 7 | 6,610 | 3,885 | |

Te Kuiti Water Supply Scheme

The Te Kuiti water supply scheme comprises a surface take from the Mangaokewa Stream from where raw water is treated and disinfected following a process of coagulation/flocculation, carbon dosing, sand filtration, pH correction and chlorine disinfection. Treated water is simultaneously pumped to five storage reservoirs and the reticulation network, i.e. there is no separate rising main to the reservoir, resulting in pressure surges within the network. The network totals some 58.4km of pipework of varying diameters and is predominantly older asbestos cement and PVC material type. There are three pumping stations – at Tonga Street, Rata Street and Awakino Road.

Over the past three years, the focus has been on completing the water intake and treatment plant to mitigate the risks of contamination from pathogenic organisms commonly found in stream water sourced from an open catchment where the predominant land use is agricultural.

With the current supply relying on a single stream source, its vulnerability to declining minimum stream flows due to climate change, the consequential increasingly adverse effects of the take on stream habitat, and an unstable

upstream catchment, are high. Additionally, the intake is located downstream of an industrial zone and wastewater pumping station. The next phase will therefore address the resilience of the supply. Seismic strengthening of the existing storage reservoirs, a supplementary water source and/or raw water storage, and increased treated water capacity, all form part of this strategy.

The strategy entails, firstly, completing investigations into availability of a suitable groundwater source (in 2020/21), followed by a reassessment of future supply arrangements aimed at mitigating the above risks. The final configuration may well involve a combination of all three components – the existing surface take supplemented by an alternative source and raw water storage.

Recent work completed on flood hazard modelling in parts of the district, including Te Kuiti, has identified an additional consideration adding to the importance of locating and securing alternative water source. It has shown that the Te Kuiti water treatment plant will be subject to inundation, at least 1.0m deep, under a relatively modest 1 in 20 year rainfall event. At higher magnitude 1 in 100 year rainfall events, the depth and scale of inundation will increase,

extending to the CBD and adjacent central residential areas. That hazard will be further exacerbated by the effects of climate change, in terms of scale, frequency and intensity. Further, while the water treatment plant will become inoperable during inundation conditions, the majority of the Te Kuiti residential area will remain elevated above flood level and reliant on limited treated water storage for supply.

The original concept of simply pumping groundwater from the alternative source to the

existing treatment plant will therefore not be viable. A sealed borefield supply pumping to a smaller treatment plant constructed on elevated ground will need to be added to the concept in order to maintain a potable water supply during major flood events. Additional treated water storage is a further consideration for the town.

Specific infrastructure management issues for Te Kuiti water supply include:

Table 10: Te Kuiti water supply infrastructure issues

| Description | Principal options for response | Implications |
|--|---|---|
| ISSUE: Asset Renewal or Replacements | | |
| Large parts of reticulation are near the end of their useful lives. Increasing incidence of mains failure, leaks, etc. | Accelerated mains replacement programme based on actual pipe condition. | Replacement programme of \$226k per year average. Delaying the pipe replacement programme would leave the network vulnerable to failure or complete severance in the event of earthquakes or other ground movement. The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences are expected to be high |
| SCADA and electrical assets are due for renewal at least once every 15 years. | Programmed renewal of electrical and control equipment on 15-year cycle. | SCADA and electrical assets replacement programmed for Years 12 and 27 of IS (included in renewals budgets). |
| Four storage reservoirs each approximately 70 years old will become due for replacement within the next 30 years. | Undertake condition assessment of oldest reservoir to ascertain best practicable option – refurbish or replace. If replace, increase reservoir storage capacity to improve supply resilience during flood hazards. | Programming of refurbishment or replacement of reservoirs will feature in the next review of the IS. In the meantime, \$150k per reservoir (uninflated cost) has been allowed in Years 5, 10, 15 and 20 |
| ISSUE: Response to demand | | |
| Treatment plant design capacity has been increased to 6,600m ³ /day. Average demand is 3,336 m ³ /day. Peak demand is 4,320 m ³ /day. New (2015) consent limit is 4,800 m ³ /day. The long term population projection for Te Kuiti is for decline. | Monitoring of actual demand on the Te Kuiti scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over the term of this IS. Demand management techniques can be applied to curb peak summer demand. On-going leak detection and mains replacement programmes will help reduce water losses. | While there are no apparent demand related implications for the Te Kuiti water supply in the foreseeable future, routine monitoring of actual demand will provide early indication of the need to respond to any change to that assumption. Failure to monitor and plan could lead to consent non-compliance and/or imposition of water restrictions. |
| ISSUE: Levels of Service | | |
| Colour, taste and odour are due to presence of residual iron and manganese in reticulation and algal growth on rocks during low flow stream conditions. Iron and manganese concentrations are in part due to corrosion inside old steel pipes in the reticulation. Protection of public health remains | Regular flushing of dead end mains. Upgrade of treatment plant to include a flow proportional, carbon dosing system to remove “taste” from source water (completed) | The additional costs of water treatment to improve the taste and odour characteristics of the supply are included in 10YP budget forecasts. |

| Description | Principal options for response | Implications |
|---|---|---|
| a higher priority over taste and odour issues. | | |
| Direct pumping to the reticulation results in pressure fluctuations, leading to premature mains failure and damage to water fittings, particularly in the low lying commercial area of Te Kuiti. | Construction of a dedicated rising main from the treatment plant to reservoirs would eliminate pressure fluctuations. | No budget provision has been made for construction of a dedicated rising main because of the cost implications. |
| ISSUE: Public Health & Environment | | |
| The Te Kuiti supply is fully compliant with NZ Drinking Water Standards for protection against potentially pathogenic giardia and protozoa. | <p>Implementation of a 3-stage upgrade of the water treatment plant including sterilisation, relocation and reconfiguration of the raw water intake, and a new clarifier, was completed in 2018/19, with additional treated water storage to come later. This has addressed previous deficiencies in public health risk management for the supply.</p> <p>The current backflow prevention programme will be extended through to 2051 to remove the risk of cross-contamination of the potable supply from household appliances. An accelerated programme of \$437.5k has been budgeted for Year 1 funded from Central Government's Three Waters Reform Programme.</p> | <p>The potential risks to public health from pathogenic organisms in the raw water supply has been mitigated following completion of the current improvements to the Te Kuiti water treatment plant.</p> <p>Completion of the backflow prevention programme will provide a further level of public health risk prevention.</p> |
| The current take represents nearly 25 % of stream flow during low flow conditions, with potential impacts on in-stream habitats. This is significant. The effects of the take on Mangaokewa Stream are allowed for in the resource consent. | Renewal of the resource consent is due in 2040. | Renewal of the resource consent is fundamental to the legal right to take water for the Te Kuiti community supply. |
| ISSUE: Risk and Resilience Issues | | |
| The supply relies on a single source that is currently under pressure during low flow conditions, when demand is typically greatest. Climate change predictions suggest a worsening of these conditions. Also, parts of catchment have been shown to be unstable, with risk of supply being cut-off due to slips, and the water supply intake is located downstream of an industrial zone and wastewater pumping station. | <p>Raw water storage, involving harvesting of winter stream flows, has been identified as a potential means of mitigating these risks, but at an estimated cost of \$30-40M is likely to be cost prohibitive.</p> <p>Alternatively, a supplementary supply from groundwater resource is a possibility. If current groundwater investigations are successful, the raw water storage volume requirement may be reduced or substituted by an alternative groundwater supply.</p> <p>The next step is to investigate the viability of a groundwater source to become an alternative source (2020/21) or consider alternative supply options.</p> | <p>Construction of a large raw water storage reservoir has been provisionally programmed for 2040-42 at an estimated budget of \$39M.</p> <p>Groundwater supply investigations have been programmed over three years. Stage 1 was completed in 2018/19.</p> <p>Stage 2, involving an investigation/production bore, is due for completion in 2020/21 at a budget estimate of \$153.4k.</p> <p>Assuming the Stage 2 investigations are successful, completion of the bore well head, electrics and pipework has been programmed for 2021/22 at a cost of \$150k.</p> <p>Wellfield development and consenting, assuming successful investigation work</p> |

| Description | Principal options for response | Implications |
|---|---|--|
| | Construction of a new treated water reservoir to improve storage capacity across the network. | at Stage 2, has been provided in years 2 (\$517k) and 3 (\$531k) respectively. Additional to that will be a new water treatment plant, designed for the bore water quality only, located above the predicted 100-year flood level. A very preliminary cost estimate for that of \$131k in Year 12, followed by \$3.9M in Year 13 (after allowing for inflation), has been allowed assuming minimum treatment required for the bore water. |
| The four water storage reservoirs are critical assets, each approximately 70-years old. Resilience of these reservoirs to a major seismic event is key to the security of the treated water supply. | Refer to Asset Renewal or Replacements section above. | Refer to Asset Renewal section above. |

Piopio Water Supply Scheme

The Piopio water supply is sourced from the Kurutahi Stream, to the west of SH3. During 2012/13, the treatment plant was rebuilt. It now consists of the floating intake that pumps into a horizontal flow concrete clarifier from where it is gravitationally piped through two 400 micron roughing filters. The settled water is then forced through a membrane ultra-filtration filter to five 25,000 litre plastic tanks. The treated water is chlorinated and pumped to the existing reservoir.

The reticulation comprises some 8.5km of various diameters and is predominantly asbestos cement. Water is pumped to a new 450m³ reservoir located above the treatment plant via the reticulation i.e. there is no separate rising main to the reservoir, resulting in pressure surges within the network.

Infrastructure management issues include:

Table 11: Piopio Water Supply Infrastructure Issues

| Description | Principal options for response | Implications |
|--|--|---|
| ISSUE: Asset Renewal or Replacements | | |
| Large sections of the reticulation is nearing the end of its useful life. The age-based renewal profile is misleading, suggesting a longer residual life than has been evidenced by actual operational experience, the latter indicative of poor pipe condition. | Accelerated mains replacement programme based on actual pipe condition, using modern pipe materials with flexible joints, with expenditure "smoothed" to avoid significant variations in expenditure from one year to the next. Average renewal forecast aggregated into 3-yearly instalments. | Regular annual mains replacement programme continued over the next 30 years comprising an average of \$116k every three years. In addition, provision has been made for minor treatment plant renewals and mechanical and electrical renewals totalling \$34.6k per year. A reduced renewal programme would result in reduced levels of service due to increased mains failure, loss of water pressure and potential loss of supply, with associated higher maintenance costs. |
| SCADA and electrical assets are due for renewal at least once every 15 years. | Programmed renewal of electrical and control equipment on 15-year cycle. | SCADA and electrical assets replacement programmed for renewal on 15-year cycle of the IS (included in renewals budgets). |
| ISSUE: Response to Demand | | |
| The treatment plant has a design capacity of 600m ³ /d. Current demand is approx. 309m ³ /d. | Monitoring of actual demand on the Piopio scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is | Close match between current demand and consent limit reinforces need for efficient use of water. |

| Description | Principal options for response | Implications |
|---|--|--|
| <p>Peak demand is 527m³/d.</p> <p>Consented take is 450m³/d.</p> <p>The long term population projection for Piopio is for decline.</p> | <p>expected to be sufficient over the term of this IS. Demand management techniques can be applied to curb peak summer demand. On-going leak detection and mains replacement programmes will help reduce water losses.</p> | |
| ISSUE: Levels of Service | | |
| <p>Rising main to reservoir also feeds town reticulation causing pressure fluctuations in lower lying areas and is a cause of pipe failure.</p> <p>Levels of service for colour, taste and odour are acceptable to most residents.</p> | <p>Construction of a dedicated rising main from treatment plant to town reservoir is scheduled for 2025/26.</p> | <p>A dedicated rising main will address water pressure spikes and help protect ageing pipes from premature failure. Budget provision of \$337k included in Year 5 (2025/26).</p> |
| ISSUE: Public Health & Environment | | |
| <p>The absence of back-flow preventers is a potential health risk for Piopio water supply consumers. It exposes water consumers to the risk of cross contamination between the water supply and "greywater" from automatic household appliances.</p> <p>Effects of take on Kurutahi Stream are allowed for in resource consent.</p> | <p>Provision of back-flow prevention devices scheduled as an annual programme.</p> <p>Resource consent expires in 2023.</p> | <p>Provision of a back-flow prevention programme, at an average of \$6k per year for the next 12 years.</p> <p>Renewal of the resource consent is fundamental to the legal right to take water for Piopio community supply. Budget provision allowed for in 2021/22 (\$20k) and 2022/23 (\$31k).</p> |
| ISSUE: Risk and Resilience Issues | | |
| <p>In Piopio, asbestos cement reticulation are at risk of damage from a major seismic event</p> | <p>Use of flexible pipes and joints for mains replacements will reduce the risk of pipe failure in the event of earthquakes or other ground movement. The probability of this risk occurring is considered to be low to moderate within the term of this strategy, but the severity of the consequences would be high.</p> | <p>Provision for increased resilience of the Piopio water supply reticulation has been built into 10YP replacement programmes.</p> |

Maniaiti/Benneydale Water Supply Scheme

The Maniaiti/Benneydale water supply treatment plant is located to the east of Maniaiti/Benneydale township. The whole system was replaced in 2008, including an upgrade of the intake and treatment plant and the addition of automation. Maniaiti/Benneydale now has a modern water supply system which meets the requirements of the Drinking Water Standards for New Zealand 2005 (Revised 2018).

The supply is sourced from a surface take and a groundwater bore. The latter can be used as a back-up during dry stream conditions.

The head works for the surface take comprise a weir across an unnamed tributary of Mangapehi Stream and a new overflow. Water feeds through

a uPVC gravity main 100m long to the water treatment plant. The water then gravitates through coarse settling tanks to an adsorption clarifier and on into a concrete sump from where it is pumped by a submersible pump through a diatomaceous earth (DE) filter to a contact tank. From the contact tank it is pumped to a 100m³ reservoir at the top of a nearby hill, from where it is gravity fed to the reticulation. Disinfection is by hypochlorite solution which is injected into the pump line between the DE filter and the contact tank.

The reticulation was totally replaced in 2008 apart from about 800m of MDPE installed in 2003. It consists of 5.7km of uPVC, PE and MDPE materials with an expected remaining life of 100 plus years. All connections have backflow preventers and are metered.

A SCADA and telemetry system allows remote monitoring and limited control to further improve the service at this comparatively remote location.

Infrastructure management issues include:

Table 12: Maniaiti/Benneydale Water Supply Infrastructure Issues

| Description | Principal options for response | Implications |
|--|--|--|
| ISSUE: Asset renewal and replacement | | |
| The treatment plant and reticulation has been renewed and upgraded since 2008. | Future replacement expenditure "smoothed" to avoid significant variations in expenditure from one year to the next. | Apart from normal operation and maintenance and renewal of mechanical and electrical components, this scheme should not require further capital investment over the next 10-15 years. Beyond that, an increased requirement for pipe renewals can be expected. |
| SCADA and electrical assets due for renewal at least once every 15 years. | Programmed renewal of electrical and control equipment on 15 year cycle. | SCADA and electrical assets replacements included in renewals budgets. |
| ISSUE: Response to Demand | | |
| The water treatment plant has a design capacity of 140m ³ /day. The recent average demand was 120 m ³ /day. Peak demand was 245 m ³ /day. Recent investigations have located and repaired a number of leaks, reducing the short term average demand to 50 m ³ /day. | Monitoring of actual demand on the Maniaiti/Benneydale scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over the term of this IS. | The close match between current peak demand and the surface water consent limit reinforces need for efficient use of water. |
| Consent limit is 360m ³ per day split equally between the bore and surface takes. | Demand management techniques can be applied to curb peak summer demand. | |
| The long term population projection for Maniaiti/Benneydale is for decline. | On-going leak detection and mains replacement programmes will help reduce water losses. | |
| ISSUE: Levels of Service | | |
| Levels of service for colour, taste and odour are acceptable to most residents. | Continuation of routine monitoring and maintenance plan. | Regular monitoring and routine preventative maintenance is key to the on-going success of the Maniaiti/Benneydale scheme. |
| Automated control allows remote monitoring of treatment plant 24x7. | | |
| Current supply copes with demand. Water supply safety protection measures are in place and maintained. | | |
| ISSUE: Public Health & Environment | | |
| Effects of take on the stream and groundwater are allowed for in resource consents. | Back-flow prevention devices are in place. | The existence of back-flow prevention units safe-guards water consumers from the risk of cross contamination between the water supply and "greywater" from automatic household appliances. |
| | Groundwater bore consent expires on 15 May 2022. Allowable take will be addressed then. | |
| | Surface take consent expires in 7 April 2031. | Renewal of resource consents is fundamental to the legal right to take water for Maniaiti/Benneydale community supply. Budget provision has been made for \$38k in Year 9 (2029/30). |

| Description | Principal options for response | Implications |
|--|--|---|
| ISSUE: Risk and Resilience Issues | | |
| <p>The Maniaiti/Benneydale water supply scheme has been upgraded since 2008. The issues regarding security of supply, health protection, reticulation condition i.e. loss of water and cross-contamination, have been addressed.</p> <p>The existing treatment plant includes a single UV disinfection unit. Operational failure of that unit would pose a reasonable significant public health risk to the Maniaiti/Benneydale community, requiring boil water protection before the supply was safe for drinking purposes.</p> | <p>Maintain monitoring and routine maintenance and inspections of assets.</p> <p>Strengthening of the old concrete reservoir.</p> <p>Installation of a second UV unit would provide operational protection to ensure continuity of safe water supply delivery.</p> | <p>Seismic strengthening of the old concrete reservoir has been scheduled for 2039/40 at an estimated cost of \$394k.</p> <p>Provision has been made in Year 1 (2021/22) for alteration of the existing pipework at the Maniaiti/Benneydale water treatment plant to accommodate installation of a second UV unit. The budget estimate of \$30k will be funded from Central Government's Three Waters Reform Programme.</p> |

Mokau Water Supply Scheme

The Mokau urban water supply collects water from two earth dams located on an escarpment above the township fed by two small springs. One is within the front dam basin itself and one at the top end of the catchment. This is supplemented by local runoff off from private farmland property. Storage was doubled to 20,000m³ when an 11,000m³ raw water storage reservoir was completed in early 2014. The water is treated by an absorption clarifier, sand filter and UV disinfection, built in 2003/04. In 1996/97 a timber reservoir was added to the system and installed in town with a booster pump station to maintain pressure at about 650kPa, but has since been removed and

substituted by three elevated storage tanks located above the treatment plant.

The reticulation comprises approximately 13km's of pipe work of various sizes and materials. The predominant pipe material in the urban area was originally asbestos cement pipe, most of which was laid in circa 1972. Most of this has been replaced over the last three – six years. There is also a MDPE (Alkathene) pipe to Awakino supplying water to some of the properties along the way, including the Marae and a few properties in Awakino.

Infrastructure management issues for the Mokau water supply scheme include:

Table 13: Mokau water supply infrastructure issues

| Description | Principal options for response | Implications |
|---|---|--|
| ISSUE: Asset renewal or Replacements | | |
| <p>Most (90%) of the Mokau water supply reticulation has been replaced since 2015 due to a high incidence of mains failures in recent times, in part due to the increased hydraulic pressure now available following construction of elevated treated water reservoirs, and the then predominance of brittle AC pipes.</p> <p>The existing treatment plant building will require targeted maintenance treatments within the next 10 years due to its deteriorating structural condition.</p> <p>New SCADA and electrical assets due for renewal at least once every 15 years.</p> | <p>Replacement of rider mains has been scheduled.</p> <p>Programmed renewal of electrical and control equipment on 15-year cycle.</p> | <p>Replacement of the Awakino water main has been included in Year 5 (2025/26).</p> <p>Completion of the rider main renewals programme has been included in Year 1 (2021/22) at a cost of \$62k, funded from the Three Waters Reform Programme.</p> <p>Provision for minor water treatment plant renewals of \$20k on average per year from Year 4 (following completion of the optimisation project)</p> <p>SCADA and electrical assets replacements are included in renewals budgets. An average of \$6k per year has been allowed over the 30-year term of this strategy.</p> |
| ISSUE: Response to demand | | |
| <p>Treatment plant design capacity is 400m³/day.</p> | <p>Current supply capacity meets and exceeds average and peak</p> | <p>No immediate implications. Previous investment in water storage in 2014</p> |

| Description | Principal options for response | Implications |
|---|---|--|
| <p>Current average demand is 121 m³/day.</p> <p>Peak demand is 350m³/day.</p> <p>The consented take is up to 1,000m³/day.</p> <p>The long term population projection for Mokau is for decline.</p> | <p>demand, with future population projected to decline in the long term. The 11,000m³ lower raw water storage pond allows variations between average and peak demand to be buffered.</p> <p>Principal option is to routinely monitor the supply/demand balance to ensure early detection and intervention if that ratio changes. Demand management measures would be the first response over additional capital investment in supply capacity.</p> | <p>will endure over the term of this strategy.</p> |
| ISSUE: Levels of service | | |
| <p>Levels of service for colour, taste and odour are acceptable to most residents.</p> <p>Distance factor negatively impacts on response times and servicing costs.</p> | <p>Continuation of routine monitoring and maintenance plan.</p> <p>Implementation of remote monitoring technology, namely SCADA, would improve control over storage, treatment and supply enhance responsiveness, and reduce servicing costs.</p> | <p>Regular monitoring and routine preventative maintenance is key to the on-going success of the Mokau scheme.</p> <p>Investigation of proposed SCADA for improved management of the scheme has been scheduled for 2020/21 with installation scheduled for 2021/22.</p> |
| ISSUE: Public Health and Environment | | |
| <p>Effects of take on the natural resource are allowed for in resource consents.</p> <p>The absence of back-flow preventers is a potential health risk for Mokau water supply consumers.</p> | <p>Resource consent to take water expires in 2026. Allowable take will be addressed then.</p> <p>Annual programme for installation of back-flow prevention devices has been scheduled to continue.</p> | <p>Back-flow preventers will remove the risk of cross contamination between the water supply and "greywater" from automatic household appliances. An annual installation programme at an average of \$9k per year over the 2021-51 planning period has been included.</p> <p>Stage 2 of the optimisation of Mokau water treatment plant has been scheduled for 2021/22 at a budget of \$169k, funded from the Three Waters Reform programme. This follows stage 1 of the optimisation programme in 2020/21 of \$106k.</p> <p>Renewal of the resource consent is fundamental to legal right to take water for Mokau community supply. Consent renewal is scheduled for 2025/26 at an estimated cost of \$28k.</p> |
| ISSUE: Risk and Resilience Issues | | |
| <p>Asbestos water mains are vulnerable to breakage or complete severance in the event of earthquakes or other ground movement.</p> | <p>Continue to replace remaining water mains with flexible pipe materials and pipe joints.</p> | <p>The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences are expected to be high.</p> |
| <p>The past issues of water shortage and quality during summer drought conditions, have largely been addressed. The construction of additional raw water storage in 2014 and treatment plant improvements, have improved security of the supply and water quality since 2015. Seismic strengthening required.</p> | <p>Increased raw water storage was completed during 2015/16.</p> <p>Seismic strengthening of the reservoir.</p> | <p>The risk of water shortage during drought conditions has been addressed.</p> <p>Seismic strengthening of the reservoir has been scheduled for 2038/39 at a cost of \$394k.</p> |

Waitomo Village Water Supply

Refer to section on Waitomo Village Wastewater Scheme (page 172)

WDC STORMWATER DRAINAGE

WDC's stormwater (SW) infrastructure comprises two components. The primary component consists of 44km of SW pipes, open drains and discharge structures in urban areas, predominantly Te Kuiti. The secondary component consists of overland flow paths, including the roading network. The multiple (22) Te Kuiti SW discharges are consented through a district wide comprehensive consent. The consent expires 1 July 2024.

Table 14:Urban Stormwater Assets

| Asset Type | Quantity |
|-------------------------------|----------|
| Manholes | 521 |
| Pump stations | Nil |
| Sumps | 601 |
| Stormwater piped reticulation | 44,365 m |
| Open channels | 12,461 m |
| Outlet structures | 22 |

SW infrastructure issues include:

Table 15:WDC stormwater infrastructure issues

| Description | Principal options for response | Implications |
|--|---|--|
| ISSUE: Asset renewal or Replacements | | |
| Ageing pipe assets some of which are in poor condition. Information on pipe condition is mostly anecdotal. Approx. 4km of pipe has been inspected. A large section of pipe network in Te Kuiti is partially silted up. | <p>Implement stormwater pipe condition assessment programme.</p> <p>Undertake renewals on a prioritised basis, "smoothed" across the 30 year planning period to avoid peaks and troughs in expenditure.</p> <p>Use findings from criticality assessment and network inspection programme to prioritise repairs/replacement programmes and optimise pipe replacement sizes taking account of catchment management plans.</p> | <p>Continued stormwater renewal and rehabilitation programme at an average of \$151k per year.</p> <p>Inspection programme at an average of \$34k per year over Years 1 – 10.</p> |
| ISSUE: Response to demand | | |
| <p>The current network provides a modest response to SW drainage requirements, and principally in the Te Kuiti urban area. The nominal design capacity of the piped SW network is sized for a 1 in 2 year rainfall event. Parts of the piped network do not even achieve that.</p> <p>Roofwater drainage in the Te Kuiti residential area is required to discharge to on-site ground soakage or tank storage. If that was to change because of localised flooding, or if more intensive, residential land development was allowed to occur in future, greater pressure would be imposed on the existing limited SW drainage capacity, particularly the</p> | <p>The current level of service for the SW activity is designed for a modest rainfall event occurring on average, once every two years.</p> <p>Future planning of SW services is required to understand and prioritise future demand, available capacity, and impact on required service levels.</p> <p>Preparation of catchment management plans, initially for Te Kuiti, are required to develop a better understanding of catchment flow rates and primary and secondary flow paths.</p> | <p>Any future increase in demand will be met by maintaining current LoS. While population growth is projected to decline in the medium term, climate change might increase the frequency and intensity of a 1 in 2 year rainstorm event.</p> |

| Description | Principal options for response | Implications |
|---|--|---|
| <p>downstream sections of the network.</p> <p>The long term population and land subdivision projection for the district is for decline.</p> | | |
| ISSUE: Levels of Service | | |
| <p>The SW reticulation has been designed to cope with a very modest, 1 in 2 year storm event. Beyond that, the SW system relies on secondary, overland flow paths to drain excess surface water.</p> <p>Current LoS include reducing the threat of stormwater flooding of property, responsiveness to customer services during flood events and managing the adverse effects of SW on the quality of the receiving water.</p> | <p>Council’s preferred option is to maintain current levels of service, except for potential requirement for higher environmental standards post the new resource consent.</p> <p>It will achieve that by ensuring that secondary flow paths are identified and protected (through catchment management plans), and that the existing SW infrastructure performs to capacity, by continuation of CCTV inspection and repair programmes to identify the condition of the existing network and to prioritise work programmes to restore capacity of damaged or blocked sections.</p> <p>Alternative options involving increased drainage capacity would entail significant investment due to extensive lengths of pipe replacements at increased pipe diameters.</p> | <p>Budget provision (\$34k per year average) for annual inspection and clearing/repair of blocked or damaged SW pipes.</p> <p>Budget provision of \$50k - \$52k pa in Years 1 and 2 for preparation of catchment management plans (see Public Health and Environment, below)</p> |
| ISSUE: Public Health and Environment | | |
| <p>Public health issues can arise in residential areas of Te Kuiti where there is no reticulated SW network. The impact of that can result in overloading of the sewerage network due to surface run-off.</p> <p>WDC holds a comprehensive SW Discharge Consent to capture the numerous SW point discharges. There is no SW treatment provided.</p> | <p>Extension of drainage network to unserviced urban areas to mitigate the risk of SW inflow to sewerage network.</p> <p>Effects of SW discharge on the natural environment are controlled via resource consents.</p> <p>The application to renew the current SW discharge consent will be made by 1 January 2024</p> | <p>The current SW discharge consent expires on 1 July 2024 – i.e. at the beginning of Year 4 of the 10YP 2021-2031 planning period. A budget of \$37k has been allowed in Year 3 (2023/24) for the renewal application. Increased sampling of the stormwater discharge has been provided from Year 1 (2021/22) at an average of \$23k per year, increasing to an average of \$37k per year from Year 5 in anticipation of additional consent monitoring and reporting requirements.</p> <p>Renewal of the resource consent is fundamental to the legal right to discharge urban SW to the environment.</p> <p>A budget of \$102k spread over Years 1 and 2 has been provided to study the impact of the SW discharges on stream ecology of the receiving waters, in addition to the preparation of catchment management plans.</p> <p>Annual sampling and monitoring budget at an average of \$23k per year (currently \$17k per year) will</p> |

| Description | Principal options for response | Implications |
|---|---|---|
| | | <p>be required from Year 1, increasing to an average of \$39k per year from Year 5.</p> <p>Provision has been made for pre-treatment of stormwater prior to discharge, at an estimated cost of \$91k per year in Years 5 (2025/26) and 6 (2026/27).</p> |
| ISSUE: Risk and Resilience Issues | | |
| <p>Current risks include pipe failure, flooding of property due to impaired stormwater capacity and blocked secondary flow paths. A major flood event could overtop the banks of Mangaokewa Stream with consequential flooding of property.</p> <p>The increased frequency of high rainfall events, over time, exacerbated by the very limited capacity of the existing network, will potentially increase resident expectations for an effective stormwater drainage system. There is an overlap between SW and wastewater services. It is not unusual for roofwater downpipes to be connected to sewer laterals, or gully traps to be used as sumps on residential properties, especially where ponding is a problem.</p> <p>Rising sea level could impact negatively on the district's beach communities, mainly through impeded stormwater drainage due to rising sea levels and surcharging of stormwater outlets.</p> | <p>Identification and protection of secondary flow paths through catchment management plans. A prioritised programme of works to address any identified capacity/protection shortfall, including protection of secondary flow paths and environmental protection works to mitigate adverse effects at the points of discharge, would be derived from this work</p> <p>Repair and replacement of damaged stormwater pipes using seismic resistant pipe materials and flexible joints, sized for future demand projections.</p> <p>Extension of drainage network to unserved urban areas to mitigate the risk of SW inflow to sewerage network.</p> | <p>Failure to complete catchment management plans will increase the risk of flooding and damage to property.</p> |

TOWNSHIPS CURRENTLY NOT SERVICED WITH WATER SERVICES

A high level review of demand for additional water services across the district has been planned for Year 25 (2046/47). This review will be coordinated with the then Water and Sanitary Services Assessment, as required from time to time under section 125 of the Local Government Act 2002. The budget estimate is \$30,000.

For example, there is currently no wastewater scheme at Mokau, with individual properties fitted with privately owned and maintained septic tanks. The risk of cross-contamination between septic tanks and groundwater used for drinking water is alleviated through the existence of WDC's reticulated water supply. The impact of increased hydraulic loading consequential to the impact of the reticulated water supply on the performance of individual septic tanks may, however, need to be addressed in the future through the provision of a reticulated wastewater scheme for Mokau/Awakino. Protection of public health and

the environment are the main drivers for this proposal.

The preliminary estimated total cost of the project is in the order of \$20 – 25M. No provision has been made in the Infrastructure Strategy for this specific project proposal, pending completion of the district wide review of demand for additional water services, scheduled for 2046/47.

The findings from the assessment will be used to inform the Infrastructure Strategy review in 2047.

ROADS AND FOOTPATHS

Roading Assets

WDC's road and footpath infrastructure assets comprise 1,006km of roads of which approximately 459 km are sealed (46%) and 547 are unsealed (54%). In addition, there are 159 bridges including large culvert structures, and

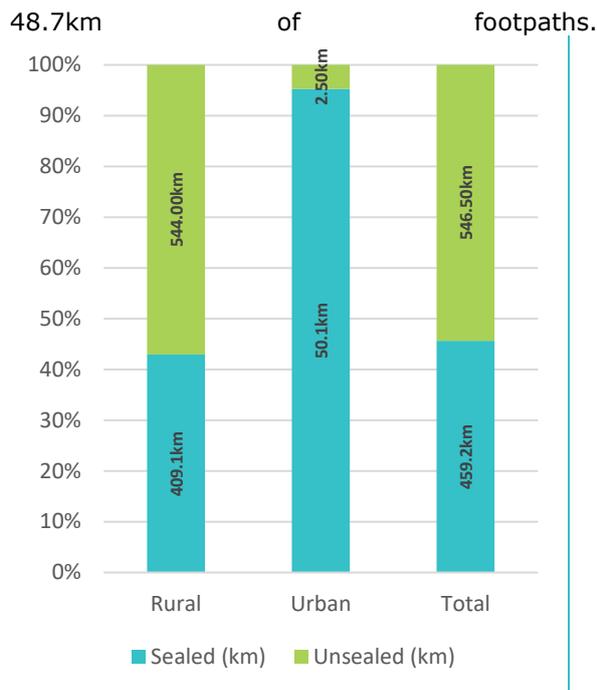
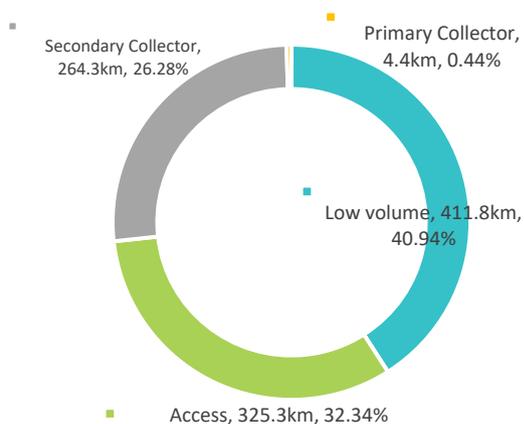


Figure 3: Road Length by Type -Km (Total length 1,006km)

Associated assets include pavements, small culverts, kerb and channel, carparking, road signage, retaining structures, and street lighting.

For levels of service and NZTA funding purposes, the roading network is divided into six categories (known as the One Network Roding Classification (ONRC)), on a national basis, ranging from National to Access. Each category is primarily determined from traffic volumes, with over 73% of the WDC network defined by the lowest category – Access (urban roads less than 1,000 vpd, rural roads less than 200 vpd) and Low Volume Access – a subset of the Access category (urban roads less than 200 vpd, rural roads less than 50 vpd). There are no WDC roads classified in the top three categories (Regional, Arterial and National).

Figure 4: One Network Roding Classification (ONRC)- Total length 1005.7km



At a national level, the intention is that customer levels of service will be provided to a consistent level across each classification, irrespective of location in New Zealand. It follows that the lower road classifications will not require the same level of service as higher rated classifications. There is a potential funding implication attaching to this – levels of service expectations by local residents and ratepayers may be higher than those defined under ONRC.

Bridge Assets

WDC's bridge stock comprises the critical roading assets. While the bridge asset stock is ageing, and that is a factor in the equation, it is not the only determining factor for bridge replacement programming.

The previous 30 year bridge replacement plan was based on remaining useful life determined by a predetermined 'expected' service life for a particular class of structure. This approach makes no allowance for actual deterioration rates of a structure, the level of maintenance intervention and changes to service level demands determine when a structure needs to be renewed. With appropriate maintenance intervention, it is practicable to obtain 20-25 years of extra useful life through measures such as invert lining of Armco culverts.

The change in total costs for the next 30 years reflects the state of the assets - Paraheka Road Suspension bridge is the highest risk structure due to its deterioration in condition and potential overload. Planning has therefore been made for a replacement structure or major upgrade within the next 10 - 12 years.

There are two other structures on high load demand routes where demand will increase in time from the primary industries serviced by these two structures (Bridge # 7 on Te Anga Road and Bridge # 32 on Mangarino Road). These bridges have been programmed for replacement in Years 15 and 27 respectively. While not necessary a condition based issue, they pose a service level issue. Business case review will determine if widening or duplication or full replacement would be the best long term option. In the meantime, they have been included on the 30-year programme for replacement.

Bridge Replacement Programme 2021 - 2051

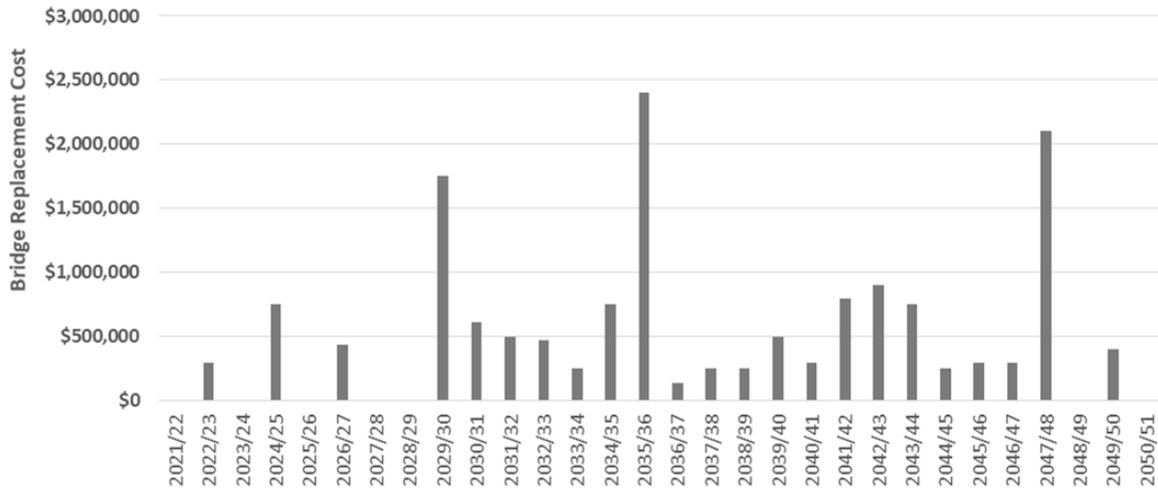


Figure 5: 30-Year Bridge Replacement Programme (2021-2051)

Footpath Assets

WDC footpaths are confined to the urban areas, predominantly Te Kuiti. They are characterised by a high proportion of narrow widths – 36% less than 1.0m wide and 45% less than 1.2m (2018 data). The NZTA recommended width for footpaths on local roads is 1.5 m. On shared footpaths and high pedestrian volume areas (e.g., CBD, schools etc.), greater width is recommended.

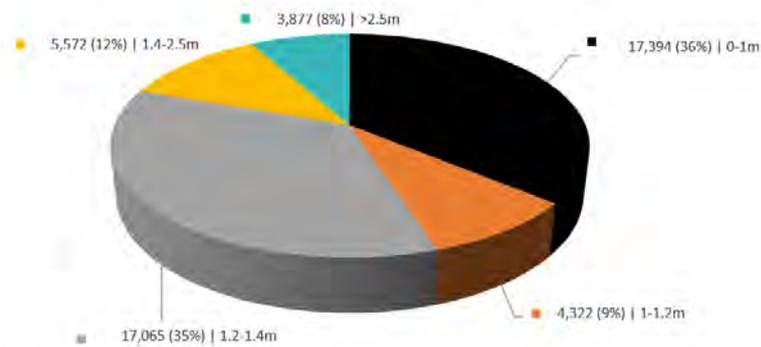


Figure 6: Footpath Lengths by Widths ((Total length 48,230 m)

Relevant factors impacting on the network management strategy include:

- The nature and influence of local geology on road subgrade strength and performance

- The severe nature of the operating environment including localised variations in climatic conditions, and the susceptibility of network to storm damage
- Modest to declining population growth
- High community deprivation and the associated constraints on affordability
- The high proportion of low strength pavement construction on sealed roads
 - Increased vehicle dimensions and loads
 - The high proportion of rural road carriageways constructed to less than minimum widths
 - The high incidence of rural corner geometry that does not meet the access needs of modern vehicle truck and trailer configurations
 - The impact of increased HCVs on pavement capacity of haulage routes due to the forecast forestry harvest over the next 12 years
- The impacts of increasing tourism based travel and quarry operations on road capacity and safety
- Contributing factors to road accident incidence and trends – loss of control, rear end/obstruction collisions, poor handling, excessive speed, fail to keep left, etc.

NLTP Funding Issues

In part consequent to GPS 2021 for Land Transport, the Waka Kotahi-NZTA funding decision for the NLTP 2021-24 has resulted in a shift in funding priority that will extend over at least the first three years of the 10YP 2021 – 2031. For WDC, that will mean a reduction of

\$2.6M gross (\$866k per year) over what was originally planned in its draft 10YP 2021-2031.

The impacts of the reduced NLTP budget on WDC's planned road maintenance budgets will be a reduction of approximately \$0.8M gross over the first three years of its 2021-31 10YP 2021-2031, summarised as follows:

| Work Category | YR 1 | YR 2 | YR 3 | Risk Assessment |
|--------------------------------|---------------|---------------|---------------|---|
| Emergency reinstatements | \$45k | \$46k | \$47k | Medium risk due to unknown nature of events |
| Level crossing warning devices | \$29k | \$29k | \$30k | Low risk |
| Footpaths | \$68k | \$70k | \$72k | Med/high risk, footpaths are in good condition but will require increase from Year 4 onwards, KPI achievable. |
| Structures | \$72k | \$74k | \$76k | Low risk |
| Unsealed pavements | \$90k | \$92k | \$94k | Medium risk due to HPMV's, KPI achievable |
| Environmental maintenance | (\$47k) | (\$51k) | (\$54k) | <i>This is an increase to the budget</i> |
| Total (\$782k) | \$257k | \$260k | \$265k | |

For capital renewal budgets, the impacts of the NLTP reductions on WDC's planned programmes will result in a reduction in gross expenditure of approximately \$1.8M over the first three years of its 2021-31 LTP, summarised as follows:

| Work Category | YR 1 | YR 2 | YR 3 | Risk Assessment |
|-------------------------|---------------|---------------|---------------|---|
| Drainage renewals | \$32k | \$33k | \$33k | Low risk |
| Pavement rehab | \$395k | \$407k | \$418k | High risk, no current bow-wave but risk of future backlog. KPI achievable in the short term but may be impacted after year 4. |
| Sealed road surfacing | \$95k | \$98k | \$99k | Medium risk, no current bow-wave but risk of future backlog. KPI achievable in the short term but may be impacted from Year 4 onwards and should be considered through the review of the next 10 Year Plan. |
| Structure's components | \$19k | \$19k | \$19k | Low risk |
| Unsealed road metaling | \$48k | \$49k | \$50k | Medium risk, no current bow-wave but risk of future back-log. KPI achievable |
| Total (\$1.814M) | \$589k | \$606k | \$619k | |

To offset the potential reduction to levels of service, Council has agreed to maintain local share funding capacity, equivalent to approximately \$211k per year (\$633k over three years).

Even so, the local share capacity represents only 25% of the gross expenditure planned to maintain levels of service. Close monitoring of road surface and pavement condition will be needed to ensure timely intervention if asset condition starts to decline.

Other issues

Other road and footpath infrastructure issues include:

Table 16: WDC Roads and Footpath Infrastructure Issues

| Description | Principal options for response | Implications |
|---|--|--|
| ISSUE: Asset Renewal or Replacements | | |
| Bridge stock is in generally good condition. There are 26 bridges identified for renewal in next 30 year period with a replacement value of \$15.5M. Six of those | Monitoring of bridge condition and programme renewal of structural components. | Bridges are a critical roading asset. Regular inspections, maintenance and structural repair/renewal is vital to protecting public safety. |

| Description | Principal options for response | Implications |
|---|--|---|
| <p>bridges fall in the 2021 – 2031 period (value \$3.85M).</p> <p>Seven bridges have weight restrictions prohibiting their use by 45/46 tonne vehicles that are now permitted “as of right” use over the network. A further seven bridges are unsuitable for HPMV vehicles resulting in parts of the District being inaccessible to these vehicles.</p> <p>Bridge replacement costs for the next 30 years reflect the condition and age of the assets.</p> <p>Additional rehabilitation and resurfacing required to achieve sustainable asset condition.</p> <p>Pavement condition, surface condition and smooth travel are stable and compare well with national values.</p> <p>Average annual resurfacing length of approximately 32 km required to maintain a current seal life of 12 years and avoid backlog occurring.</p> | <p>Determining what is required to upgrade bridge structures to HPMV standards. A priority list will be developed and one structure per year analysed.</p> <p>Paraheka Road Suspension bridge is the highest risk structure due to deterioration, and potential overload. A replacement or major upgrade has been scheduled for Year 9. Te Anga Road and Mangarino Road bridges are on high load demand routes where demand will increase in time from the primary industries serviced by these two bridge structures. Replacement has been programmed for Years 15 and 27 respectively. While not necessary a deterioration issue, they pose a service level issue. Business case review will determine if widening or duplication or full replacement will be the best long term option.</p> <p>On low traffic roads a combination of heavy maintenance and reseals might be more economic than a full rehabilitation treatment. The sealed roads carrying the lowest 10% traffic volume will be trialled for this option.</p> <p>Maintain length of road resurfaced with seal and asphaltic concrete to an average of 32 km each year, consistent with a seal life of 12 years. Reduced funding from Waka Kotahi will limit the average resurfacing length for 2021-2024 to the lower end of that target range, i.e. to 32km.</p> | <p>Budget allowance of an additional \$25,000 per year for a full service analysis over Years 1 to 10 from the Network and Asset Management category. Resulting capital works will be programmed from year 4 onwards.</p> <p>Bridge replacement programme totaling \$19.2M over the next 30 years. Major bridge replacements include:</p> <p>Paraheka Road Suspension bridge replacement scheduled for Year 11 at a preliminary estimated cost of \$2.3M.</p> <p>Te Anga Road Bridge replacement programmed for Year 15 at estimated cost of \$3.1M.</p> <p>Mangarino Rd. Bridge replacement scheduled for Year 27 at budget of \$2.7M</p> <p>Reduced annual sealed pavement rehabilitations budget from \$1.9M pa to \$1.55M pa with further reductions now to \$1.134M pa (uninflated figures), equating to approximately 3 km pa (i.e., a reduction of approx. 0.6km pa). At this rate of rehabilitation, LoS may be impacted from 2025 if funding is not back to \$2M pa. Will require close monitoring because of impacts of forestry harvesting. Those parts of the network impacted by forestry haulage can be expected to deteriorate at a greater rate than repair work, and levels of service could decline. Increasing road maintenance budget by 7% is expected to mitigate this.</p> <p>Road surfacings maintain water proofing and skid resistance. Reseals budget to increase from \$1.4M per year to an average of \$1.8M per year over 30 years. Any further reductions in funding will cause the average to drop below 32km and lead to a potential ‘bow wave’ of works and more expensive and extensive rehabilitation work.</p> |
| ISSUE: Response to Demand | | |
| <p>A recent survey of forestry owners in the district has identified an intense period of forest harvest</p> | <p>Planning and prioritising of road rehabilitation projects to ensure</p> | <p>Additional demand in the form of increased numbers of HCV’s on specific forestry and mineral extraction</p> |

| Description | Principal options for response | Implications |
|---|---|---|
| <p>operations scheduled to take place over the 2022-29, coincident with the 10YP 2021-2031 period. That together with the increasing incidence of 50MAX vehicles now accessing the network, suggests a consequential increased demand for expenditure on road maintenance and strengthening/rehabilitation programmes.</p> <p>The maximum legal heavy vehicle gross weight increased from 44 tonnes to 45/46 tonnes from 1 February 2017, and this can be expected to place further stress on already under-strength pavements. The scale of this has yet to be determined.</p> <p>Demand from population growth is projected to decline in the medium term.</p> <p>Demand from mineral extraction operations is expected to increase, on selected roads, namely Tawarau Road and part of Ngapaenga Road.</p> | <p>construction works are aligned with demand.</p> <p>In parallel, sealed and unsealed road maintenance activities will be increased to offset increased wear and tear from logging trucks. Unsealed road maintenance will include increased frequency of metalling for roads with increased logging traffic.</p> <p>Establishment of agreements with high impact road users for reimbursement of additional road maintenance and rehabilitation costs associated with road use activity.</p> <p>Restricting the use of roads not suitable or susceptible to excessive damage from high impact vehicle categories.</p> | <p>haulage routes will shorten pavement lives and advance the need for rehabilitation of some routes. Road widening and geometry will be addressed at the same time. See asset renewals response above.</p> <p>Sealed maintenance budgets slightly increased. More heavy maintenance need to counteract reduced rehabilitation spend.</p> <p>Reduced unsealed pavement maintenance is being counter-balanced by increase in frequency of grading cycles. Monitoring required to confirm this approach works long-term.</p> |
| ISSUE: Levels of Service | | |
| <p>Levels of service include road safety, bridge/pavement capacity, reliability and accessibility, responsiveness and smoothness of ride.</p> <p>Approximately 270 km of 547 km of unsealed road network has a carriageway less than 4.0m wide; that is equivalent to 1.5 traffic lanes maximum or 3 wheel tracks.</p> <p>Approximately 70km of this 270km of unsealed roads is less than 3.0m wide. These are all Access (low volume) roads.</p> <p>There are approximately 46km of sealed, secondary collector roads less than 6.5m wide.</p> <p>The rugged terrain of large parts of Waitomo district has resulted in a roading network that has significant numbers of tight bends where the road geometry does not meet the dimensional requirements for large truck and trailer configurations (e.g., 50MAX HPMV). There are 226km of the sealed network and 270km of the unsealed network that do not meet these minimum technical levels of service (TLOS).</p> | <p>A phased work programme is to be commissioned for assessing improved levels of service on heavy traffic routes involving increased sight distances and width of narrow unsealed roads to a minimum carriageway of 5.0m plus 0.75m shoulders.</p> <p>Sealed roads to be a minimum of 6.5m wide comprising two traffic lanes, each 2.5 m wide, plus shoulders 750mm wide.</p> <p>Improvements to be completed to selected parts of the sealed and unsealed network that do not meet the existing TLOS over time. The first priority, after ensuring network resilience is upheld, will involve curve widening to reduce tight corners in the network. to a level suitable for modern truck configurations while maintaining a reasonable level of safety for other road users.</p> | <p>Increased carriageway width and corner geometry will increase levels of safety and resilience on those roads.</p> <p>Budget estimate of \$185k pa over Years 1-3 inclusive has been provided for widening of narrow unsealed roads.</p> <p>Improved access for movement of primary sector goods to a level suitable for modern truck configurations, and ensuring a reasonable level of safety for other road users.</p> <p>Current levels of service for responsiveness, smoothness, amenity and reliability/resilience will be maintained through the strategy period.</p> |
| ISSUE: Public Health and Environment | | |
| <p>Road maintenance and construction activities can potentially involve discharge of contaminated material to the natural environment.</p> | <p>Controlling roading operations to avoid and mitigate adverse effects including dust and sediment discharge to water ways.</p> | <p>Resource consents will be required for activities that may have an adverse effect(s) on the receiving environment(s).</p> |

| Description | Principal options for response | Implications |
|--|---|--|
| <p>High incidence of traffic accidents involving excessive speed, loss of control and tail end collisions.</p> <p>Many of the local roads have a variety of road users such as tourists, heavy vehicles, school buses, young driver, cyclists, farm vehicles and residents, all with conflicting road use purposes and behaviours. Each of these users has different safety needs. The proportion of "Bend/Lost control" crashes occurring on secondary collector roads is high compared to other crash types.</p> <p>Five of the Waitomo District's urban areas are built along state-highways coincident with principal pedestrian routes:</p> <ul style="list-style-type: none"> ○ Te Kuiti (SH3, SH30) ○ Piopio (SH3) ○ Mokau (SH3) ○ Waitomo Caves (SH37) ○ Maniaiti/Benneydale (SH30) <p>Pedestrian danger zones are present due to the high traffic volumes, heavy vehicles and speeding traffic that travel through these areas</p> | <p>Coordinate investigations, response and promotion of road safety through formation of a multi-agency, action group.</p> <p>A targeted programme of safety improvements at conflict points will be developed and funded as a part of the Low Cost, Low Risk work category.</p> <p>WDC's recently developed town centre concept plans involve improvements to pedestrian facilities to improve pedestrian access to destinations alongside the highway. It is proposed to progressively implement these improvements as part of the footpath renewal and upgrade programme.</p> <p>Waka Kotahi has reduced funding for footpaths for the NLTP 2021-2024 period. The current footpath capital works programme is in effect improving network condition.</p> | <p>A programme of signage and guardrail improvements on selected routes is proposed. Investment of an additional \$75,000 capex over the next three years.</p> <p>The footpath renewal and upgrade programme includes provision of new footpaths where justified and improving the width of existing paths.</p> <p>Footpaths are currently in good condition, however it is expected that additional maintenance funding increases will be required in future years. Footpath geometry will also require attention given the high proportion of footpaths having a width less than 1.2 m (approx. 45%)</p> |
| ISSUE: Risk and Resilience | | |
| <p>The district roading network is exposed to severe operating conditions with high incidence of flood damage and localised extremes in climatic conditions. Increasing weather extremes due to climate change are expected to increase maintenance costs and disruptions to the road network.</p> <p>Climate change is predicted to lead to a rise in sea levels that will affect several coastal roads in the District. By 2050 parts of the roads listed below will be below sea level. It will be necessary to either raise the level of these roads or re-route onto higher ground in order to preserve road access to the affected communities.</p> <ul style="list-style-type: none"> ○ Kawhia Harbour Rd ○ Marokopa Rd ○ Soundy Rd ○ Te Mahoe Rd <p>Critical assets include bridges and large culverts Failure of bluff areas causing slips and dropouts could isolate rural communities.</p> | <p>Bridge inspections are completed every two years and structural assessments completed every 5 years.</p> <p>Alternative routes are maintained for collector roads.</p> <p>Years 1 – 3: WDC will continue its programme of culvert improvements to reduce the risk of road closures during extreme rainfall and complete structural maintenance on retaining walls to reduce risk of premature failure. It will develop a fully costed programme of works to raise the level of roads at risk of inundation due to sea level rise for implementation in future 10YP. Reduction in emergency reinstatement funding from Waka Kotahi will increase the risk of prolonging reinstatement of roads and footpaths post an emergency event.</p> | <p>Current risk mitigation will be maintained through the strategy period.</p> <p>Greater community ownership of appropriate road safety behaviours.</p> <p>\$1.3M preliminary budget allowed in Year 15 for capital investment on increased resilience of coastal roads to rising sea level under climate change modelling.</p> |

SECTION 6 | INFRASTRUCTURE INVESTMENT PROGRAMME – THE MOST LIKELY SCENARIO

TOTAL EXPENDITURE

In addressing the issues identified in the previous sections of this strategy, the Waitomo District Council expects to spend \$331.9 million on new or replacement infrastructure between 2021 and 2051. Over the same period, \$671.8 million is expected to be spent on operating costs, labour, depreciation, materials and maintenance. These figures are anticipated to be spread across the four infrastructures asset activity areas as shown below.

Table 17 below shows that expenditure across the four infrastructure activity areas will continue to be dominated by operational and maintenance requirements (operating costs, labour, depreciation, materials and maintenance) between 2021 and 2051.

| Infrastructure Activity | Capital Expenditure (new and replacements) Inflated figures 000's | Operational Expenditure Inflated figures 000's | Total Inflated figures 000's |
|-------------------------|---|--|------------------------------------|
| Waste Water | \$19,014.00 | \$116,262.00 | \$135,276.00 |
| Water Supply | \$62,872.00 | \$113,167.00 | \$176,039.00 |
| Stormwater Drainage | \$4,933.00 | \$16,191.00 | \$21,124.00 |
| Roads and Footpaths | \$243,230.00 | \$424,098.00 | \$667,328.00 |
| TOTAL | \$330,049.00 | \$669,718.00 | \$999,767.00 |

Table 17: Total Infrastructure Expenditure 2021-51

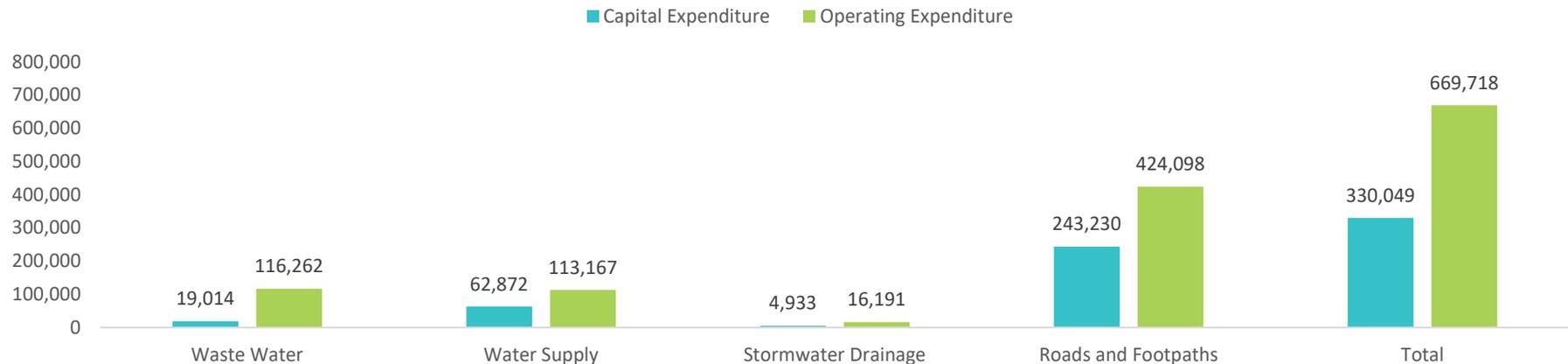


Figure 7: Total Capex and Opex 2021 – 51 by Infrastructure Category

Table 18 and Figure 8 below show the indicative estimates of total operational and capital expenditure up to 2051, by infrastructure asset type. The estimates are shown on an annual basis for the first 10 years, followed by annual average expenditure for the next 20 years in 5 year blocks.

| Total Operational and Capital Expenditure | Year 1 \$000's | Year 2 \$000's | Year 3 \$000's | Year 4 \$000's | Year 5 \$000's | Year 6 \$000's | Year 7 \$000's | Year 8 \$000's | Year 9 \$000's | Year 10 \$000's | Years 11 to 15 Average \$000's | Years 16 to 20 Average \$000's | Years 21 to 25 Average \$000's | Years 26 to 30 Average \$000's |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Wastewater | 3,944 | 3,589 | 3,718 | 3,998 | 4,666 | 4,074 | 4,155 | 4,477 | 4,287 | 4,476 | 4,983 | 4,928 | 4,417 | 4,450 |
| Water Supply | 4,652 | 3,967 | 4,171 | 3,905 | 4,569 | 4,524 | 4,295 | 4,210 | 4,508 | 4,560 | 5,265 | 9,828 | 7,033 | 4,409 |
| Stormwater | 581 | 602 | 623 | 600 | 744 | 750 | 692 | 745 | 737 | 756 | 714 | 715 | 714 | 715 |
| Roads & Footpaths | 16,583 | 17,671 | 17,396 | 18,999 | 19,611 | 20,292 | 20,896 | 21,573 | 22,343 | 22,995 | 24,365 | 22,890 | 23,295 | 23,243 |
| Total | 25,760 | 25,829 | 25,908 | 27,502 | 29,590 | 29,640 | 30,038 | 31,005 | 31,875 | 32,787 | 35,327 | 38,361 | 35,459 | 32,817 |

Table 18: Total Infrastructure Opex & Capex Expenditure 2021-51

Total Operational and Capital Expenditure 2021 - 51

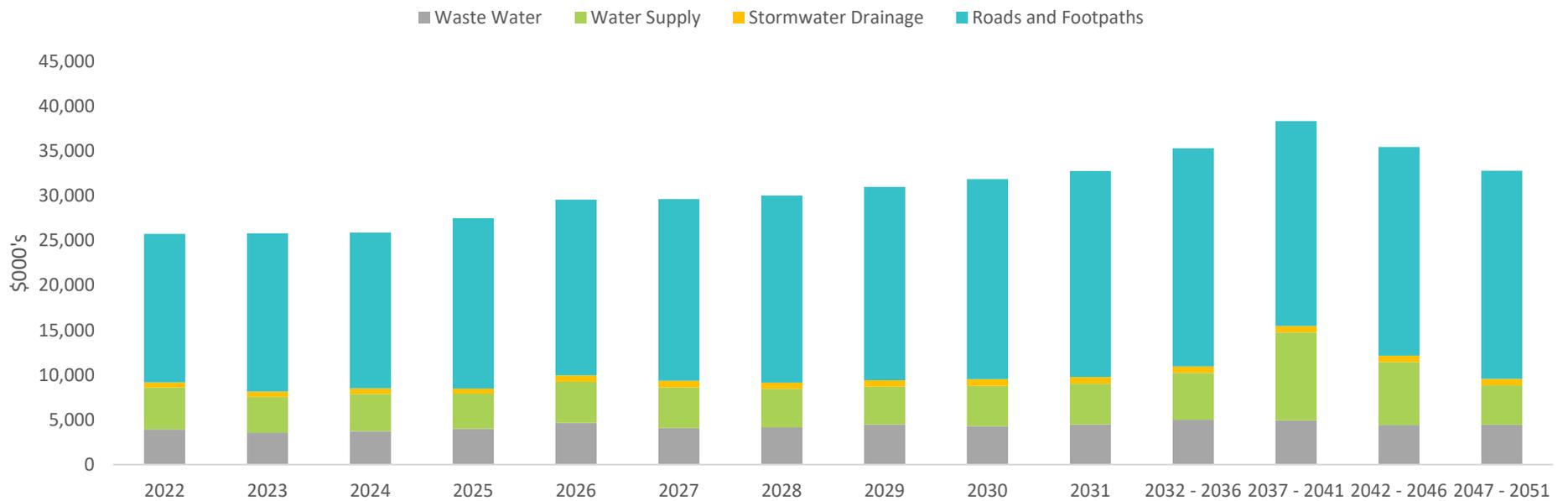


Figure 8: Total Operating and Capital Expenditure 2021 - 51

OPERATING EXPENDITURE FORECASTS

| Operating Expenditure Forecasts | Year 1 \$000's | Year 2 \$000's | Year 3 \$000's | Year 4 \$000's | Year 5 \$000's | Year 6 \$000's | Year 7 \$000's | Year 8 \$000's | Year 9 \$000's | Year 10 \$000's | Years 11 to 15 Average \$000's | Years 16 to 20 Average \$000's | Years 21 to 25 Average \$000's | Years 26 to 30 Average \$000's |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Wastewater | 3,060 | 3,250 | 3,301 | 3,548 | 3,669 | 3,742 | 3,807 | 3,914 | 3,953 | 4,001 | 4,001 | 4,001 | 4,001 | 4,001 |
| Water Supply | 3,043 | 3,043 | 3,151 | 3,485 | 3,528 | 3,630 | 3,727 | 3,777 | 3,865 | 3,901 | 3,901 | 3,901 | 3,901 | 3,901 |
| Stormwater | 456 | 473 | 453 | 463 | 514 | 514 | 544 | 591 | 578 | 592 | 550 | 551 | 550 | 551 |
| Roads & Footpaths | 10,923 | 11,373 | 11,729 | 12,101 | 12,511 | 12,990 | 13,379 | 13,836 | 14,378 | 14,804 | 14,804 | 14,804 | 14,804 | 14,804 |
| Total | 17,482 | 18,139 | 18,634 | 19,597 | 20,222 | 20,876 | 21,457 | 22,118 | 22,774 | 23,298 | 23,256 | 23,257 | 23,256 | 23,257 |

Table 19 – Infrastructure Operating Expenditure Forecasts 2021 – 51

Total Operational Expenditure 2021 - 51

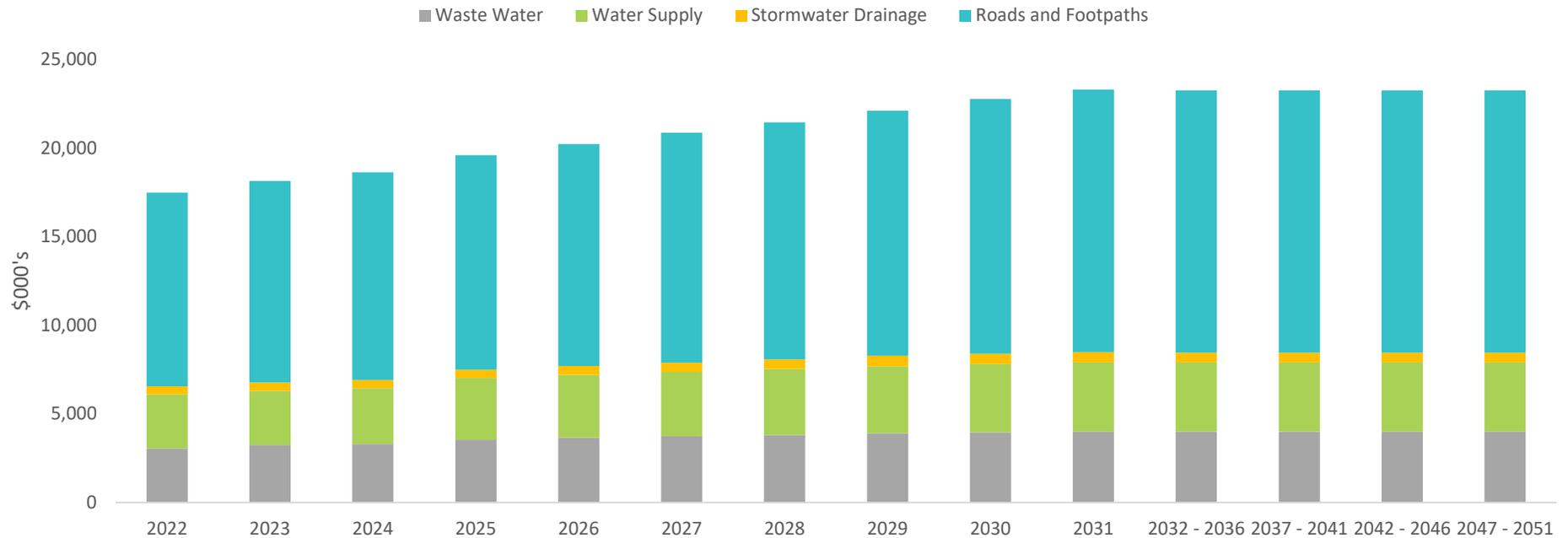


Figure 9: Operating Expenditure 2021 - 51

CAPITAL EXPENDITURE FORECASTS

| Capital Expenditure Forecasts | Year 1 \$000's | Year 2 \$000's | Year 3 \$000's | Year 4 \$000's | Year 5 \$000's | Year 6 \$000's | Year 7 \$000's | Year 8 \$000's | Year 9 \$000's | Year 10 \$000's | Years 11 to 15 Average \$000's | Years 16 to 20 Average \$000's | Years 21 to 25 Average \$000's | Years 26 to 30 Average \$000's |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Wastewater | 883 | 339 | 417 | 450 | 997 | 332 | 348 | 563 | 334 | 476 | 982 | 927 | 417 | 449 |
| Water Supply | 1,609 | 924 | 1,020 | 420 | 1,042 | 895 | 568 | 434 | 644 | 659 | 1,364 | 5,927 | 3,132 | 508 |
| Stormwater | 125 | 129 | 170 | 136 | 230 | 237 | 149 | 154 | 159 | 164 | 164 | 164 | 164 | 164 |
| Roads & Footpaths | 5,661 | 6,298 | 5,667 | 6,898 | 7,100 | 7,302 | 7,516 | 7,737 | 7,964 | 8,192 | 9,561 | 8,087 | 8,492 | 8,440 |
| Total | 8,278 | 7,690 | 7,274 | 7,904 | 9,369 | 8,766 | 8,581 | 8,888 | 9,101 | 9,491 | 12,071 | 15,105 | 12,205 | 9,561 |

Table 20 – Infrastructure Capital Expenditure (Renewals and Improvements) Forecasts 2021- 51

Total Capital Expenditure 2021 - 51

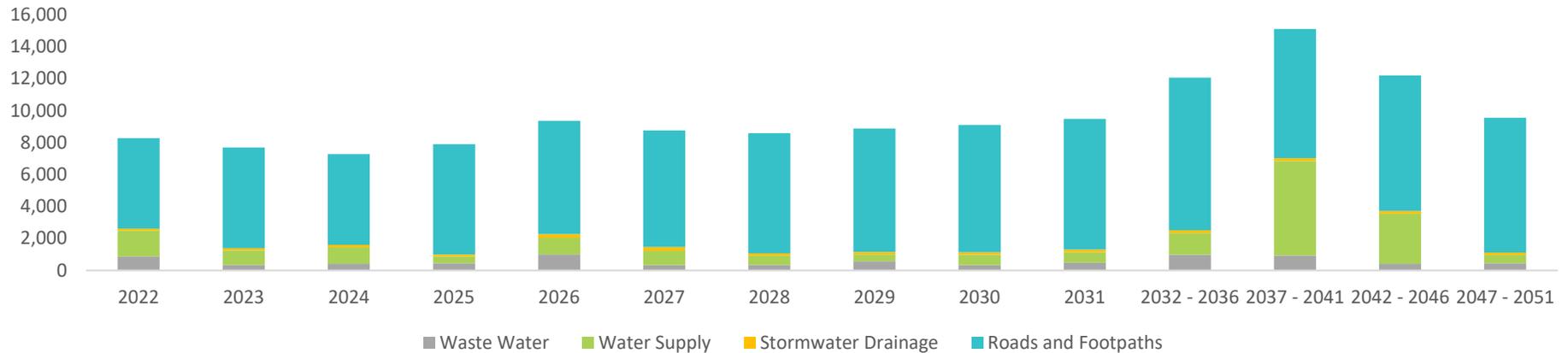


Figure 10: Capital Expenditure Forecasts 2021-51

The forecast capital expenditure profile, as indicated by Table 20 above, is relatively static over the life of the Infrastructure Strategy with an emphasis on asset renewal. This is further demonstrated in the series of graphs below that show that spread of renewal and minor improvement capital works (by activity type) over the life of the strategy. The graphs use estimates shown on an annual basis for the first 10 years, followed by annual average expenditure for the next 20 years in 5 year blocks.

Wastewater Capex

Capital expenditure on WDC’s wastewater schemes trends downwards over the next seven years, then upwards in response to renewals and new capacity related capital works at the Te Kuiti wastewater treatment plant during the 30 year planning period. That involves relining of the reactor and augmentation of the existing clarifier.

Additional resilience of the Piopio wastewater treatment plant has also been allowed in 2060 at a preliminary estimated cost of \$2M. The project involves relocating the WWTP to a more elevated site to protect against inundation during a 100-year rainstorm event.

| Wastewater | Year 1 \$000's | Year 2 \$000's | Year 3 \$000's | Year 4 \$000's | Year 5 \$000's | Year 6 \$000's | Year 7 \$000's | Year 8 \$000's | Year 9 \$000's | Year 10 \$000's | Years 11 to 15 Average \$000's | Years 16 to 20 Average \$000's | Years 21 to 25 Average \$000's | Years 26 to 30 Average \$000's |
|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|---|---|---|---|
| Improvements LOS | 480 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 52 | 0 | 0 | 0 |
| Renewals | 403 | 339 | 417 | 450 | 997 | 332 | 348 | 563 | 334 | 476 | 930 | 927 | 417 | 449 |
| Total | 883 | 339 | 417 | 450 | 997 | 332 | 348 | 563 | 334 | 476 | 982 | 927 | 417 | 449 |

Table 21: Wastewater Capital Expenditure 2021– 51

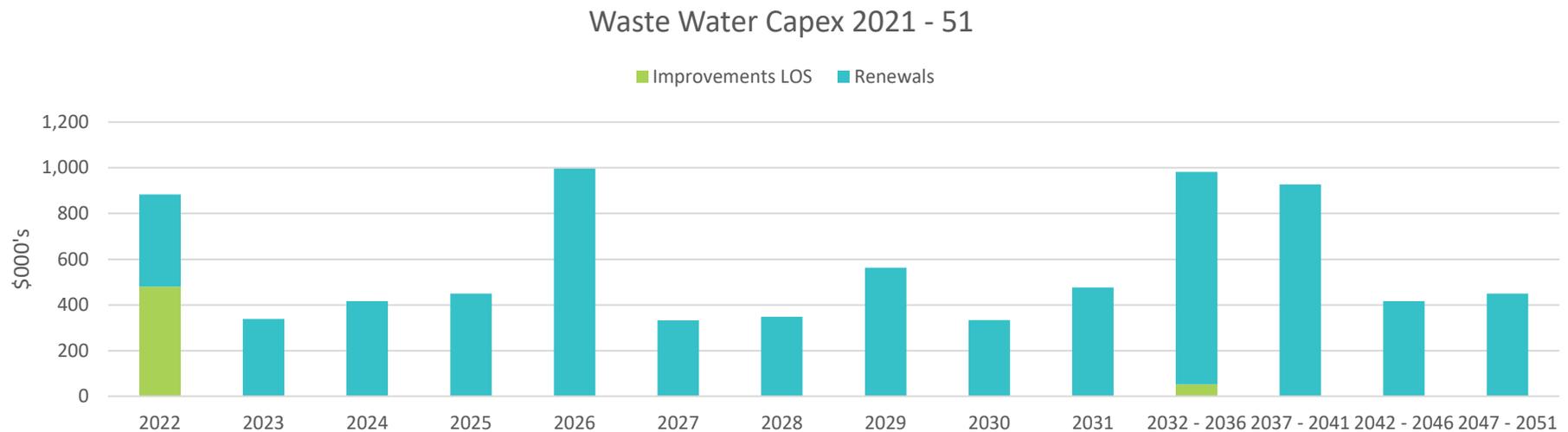


Figure 2: Wastewater Capital Expenditure 2021 - 51

Water Supply Capex

The water supply improvements are dominated by the proposed construction of raw storage reservoir for the Te Kuiti scheme, at a preliminary cost estimate of \$38M, over the period 2040-42. The necessity and quantum of this proposal will be better defined following the investigations into an alternative supply source for Te Kuiti during 2020/21, ostensibly groundwater. A separate water treatment plant has also been allowed in Years 12 and 13 as part of the alternative water source development to improve resilience of the supply during a 1 in 100 year rainstorm event.

| Water Supply | Year 1 \$000's | Year 2 \$000's | Year 3 \$000's | Year 4 \$000's | Year 5 \$000's | Year 6 \$000's | Year 7 \$000's | Year 8 \$000's | Year 9 \$000's | Year 10 \$000's | Years 11 to 15 Average \$000's | Years 16 to 20 Average \$000's | Years 21 to 25 Average \$000's | Years 26 to 30 Average \$000's |
|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|---|---|---|---|
| Improvements LOS | 1,015 | 574 | 589 | 95 | 399 | 63 | 65 | 68 | 70 | 72 | 882 | 5,314 | 2,690 | 66 |
| Renewals | 594 | 349 | 431 | 325 | 643 | 831 | 503 | 366 | 573 | 587 | 482 | 613 | 443 | 443 |
| Total | 1,609 | 923 | 1,020 | 420 | 1,042 | 894 | 568 | 434 | 643 | 659 | 1,364 | 5,927 | 3,133 | 509 |

Table 22: WDC Water Supply Capital Expenditure 2021 – 2051

Water Supply Capex 2021 - 51

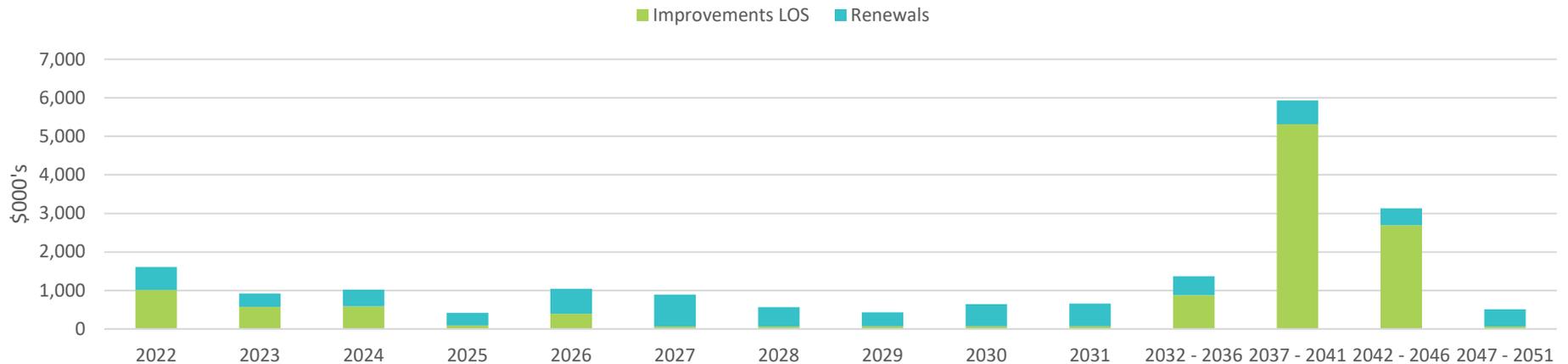


Figure 12: Water Supply Capital Expenditure

Stormwater Capex

The stormwater capital expenditure profile is shaped by a steady renewals programme through to 2028, followed by pre-treatment works post the comprehensive stormwater consent renewal in 2024/25.

| Stormwater | Year 1 \$000's | Year 2 \$000's | Year 3 \$000's | Year 4 \$000's | Year 5 \$000's | Year 6 \$000's | Year 7 \$000's | Year 8 \$000's | Year 9 \$000's | Year 10 \$000's | Years 11 to 15 Average \$000's | Years 16 to 20 Average \$000's | Years 21 to 25 Average \$000's | Years 26 to 30 Average \$000's |
|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Improvements LOS | 0 | 0 | 0 | 0 | 90 | 92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Renewals | 125 | 129 | 170 | 136 | 140 | 144 | 149 | 154 | 159 | 164 | 164 | 164 | 164 | 164 |
| Total | 125 | 129 | 170 | 136 | 230 | 236 | 149 | 154 | 159 | 164 | 164 | 164 | 164 | 164 |

Table 23: WDC Stormwater Capital Expenditure 2021 – 51

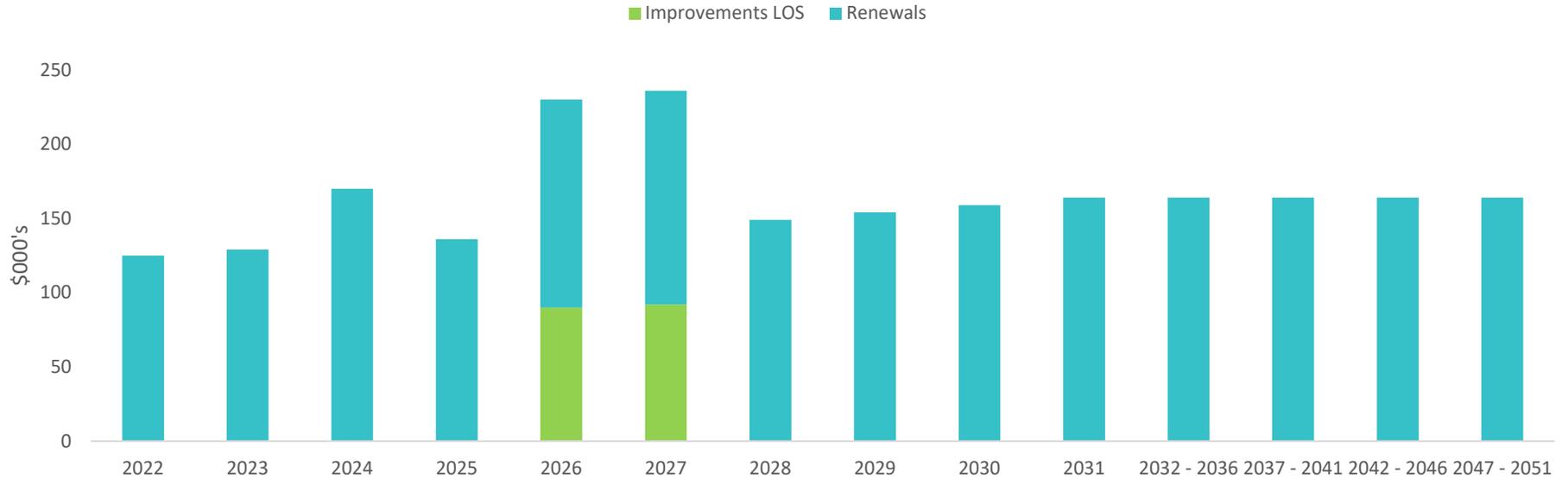


Figure 13: Stormwater Capital Expenditure 2021 - 51

Roads and Footpaths Capex

The roads and footpaths capital programme is dominated by renewals over new works, and reflects a modest reduction to reseals and rehabilitation works to a sustainable level.

| Roads and Footpaths | Year 1 \$000's | Year 2 \$000's | Year 3 \$000's | Year 4 \$000's | Year 5 \$000's | Year 6 \$000's | Year 7 \$000's | Year 8 \$000's | Year 9 \$000's | Year 10 \$000's | Years 11 to 15 Average \$000's | Years 16 to 20 Average \$000's | Years 21 to 25 Average \$000's | Years 26 to 30 Average \$000's |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Improvements LOS | 299 | 309 | 318 | 327 | 336 | 346 | 356 | 367 | 377 | 388 | 648 | 388 | 388 | 388 |
| Renewals | 5,362 | 5,990 | 5,350 | 6,571 | 6,764 | 6,956 | 7,160 | 7,371 | 7,587 | 7,804 | 8,913 | 7,698 | 8,103 | 8,051 |
| Total | 5,661 | 6,299 | 5,668 | 6,898 | 7,100 | 7,302 | 7,516 | 7,738 | 7,964 | 8,192 | 9,561 | 8,086 | 8,491 | 8,439 |

Table 24: Roads and Footpaths Capital Expenditure 2021 - 51

Roads and Footpaths Capex 2021 - 51

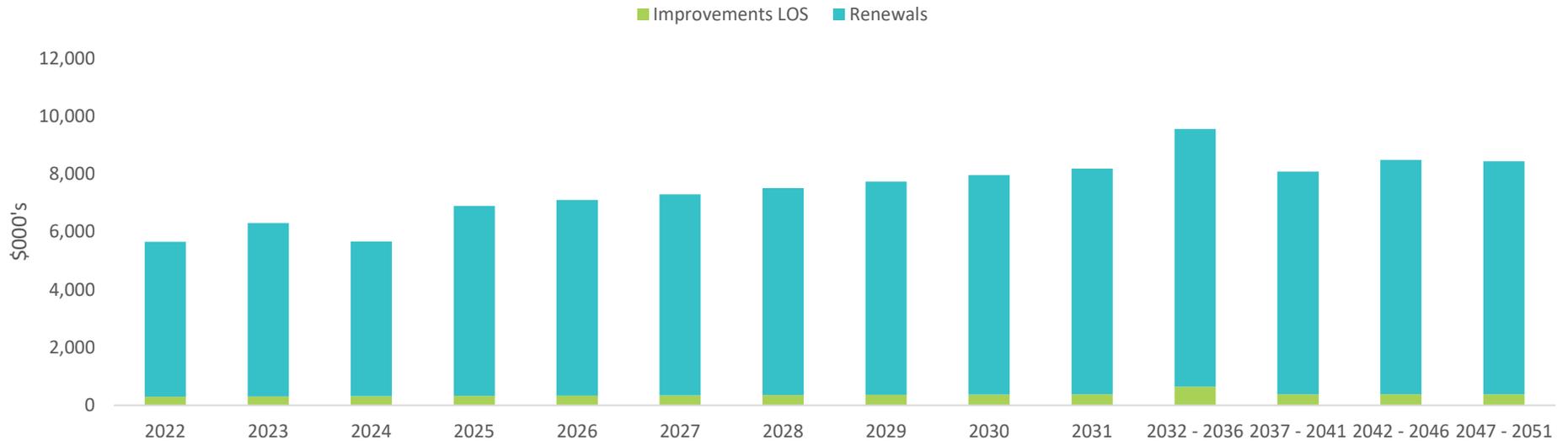


Figure 14: Roads and footpaths capital expenditure 2021 - 51

SECTION 7 | INFRASTRUCTURE STRATEGY – SPECIFIC ASSUMPTIONS

RELIABILITY OF ASSET CONDITION DATA

Asset condition data is one of several factors impacting on the accuracy of WDC’s financial forecasts for its network infrastructure. Other factors relevant to forecasting maintenance and replacement programmes for asset components include data regarding the type of asset, the material it is made from, its size (e.g., larger pipe diameters tend to have longer effective lives than smaller pipe diameters, for the same type of material), its age, and categorisation/location (e.g., road pavements exposed to heavy traffic will have shorter lives than low traffic volume roads).

Taken together, the above factors are used to assess the remaining useful lives for each asset component, and from that, the forecast financial programmes for each activity. As part of that, an assessment is made of the accuracy of the data, expressed as a confidence grade, summarised below:

| Confidence Grade | Label | Description |
|------------------|----------------------------|--|
| A | Accurate | Data based on reliable documentation |
| B | Minor inaccuracies | Data based on some supporting documentation |
| C | Significant data estimated | Data based on local knowledge |
| D | All data estimated | Data based on a best estimate of an experienced person |

Table 25 – Data Confidence Grades

The results of the above assessment process are summarised in the table below:

| Activity | Confidence Grade | | | | |
|---------------------------|------------------|---------------------|----------------|-----|-----------|
| | Asset Type | Physical properties | Categorisation | Age | Condition |
| Wastewater | B | B- | B | B | C+ |
| Water Supply | B | B- | B | B | C+ |
| Urban Stormwater Drainage | B | C+ | B | B | B |
| Roads and Footpaths | A | A | A | B | A- |

Table 26 – Data Confidence Assessment

The above confidence gradings are factored in the respective financial forecasts, overlaid with local knowledge of operational performance.

Looking ahead, future asset management improvement programmes reflect the areas where more effort is required to improve knowledge of asset condition. Where more recent asset data suggests different condition ratings from that earlier assumed, adjustments are made to financial forecasts through the three-yearly review of the long term plan.

SPECIFIC ASSUMPTIONS

Whilst the 10 Year Plan 2021 - 2031 provides for global planning assumptions, there are a number of detailed assumptions specifically relevant to the Infrastructure Strategy which are detailed below.

Table 27 – Infrastructure Strategy Assumptions

| Assumption | Level of Uncertainty | Potential Effects of Uncertainty |
|---|----------------------|---|
| Construction Costs No major changes relative to current cost structure. | Low - medium | It is possible that the price of some components will change relative to others, depending on demand following COVID-19 and the level of stimulus funding injected into the economy. Budgets are reassessed each year for the Annual Plan process |

| Assumption | Level of Uncertainty | Potential Effects of Uncertainty |
|---|---|---|
| | | to mitigate this risk. BERL inflation factors applied to the 10YP also incorporate an element of price changes in different activity sectors. |
| Maintenance and Operational Costs These are largely based on historical rates and assume similar contract rates throughout the planning period. | Low | BERL inflation factors have been applied to the programmes and budgets in the 10YP. Budgets for successive years of the Annual Plan will be based on the corresponding year of the 10YP. |
| NZ Transport Agency Subsidies Subsidy rates will continue at amended levels, increasing from 73% to 75% from 1 July 2021 | Low | Reduced subsidy would impact on local affordability of WDC's contribution to road asset maintenance and renewals required to maintain current levels of service. |
| Depreciation Average asset lives at a project level for new works have been used to calculate depreciation. | Medium | Actual rate of asset depreciation is condition based and more accurately described as decline in service potential. Depreciation funding may be over or understated. |
| Vested Assets On average the same level of assets are gifted to the council as a result of subdivision as has occurred over the last 5 years | Low | Rate of sub divisional activity is low. Financial provision for increased lifecycle costs has been allowed for. |
| The vesting/transfer of Waitomo Village water and wastewater assets to WDC ownership will not occur during the 2021-2051 planning period | Low | The potential for a possible pathway forward for transfer of the Village water supply and wastewater infrastructure to WDC's future ownership and management is unknown at the present time, due to land tenure, asset ownership and funding issues. Given the level of uncertainty around the timing of resolution of these issues, this IS does not provide for any financial forecasts for these assets. |
| Service Potential Service potential of the asset is maintained by the renewal programme. | Pipe networks – Medium. Roading & Footpaths – Low | There is medium risk that the service potential of the pipe network assets will not be maintained by implementation of the renewal programme since the latter is not based on reliable asset condition information. |
| Asset Lives Assumed lives for Council's assets will have minimum impact on financial estimates. | Pipe networks – Low to medium. Roads & Footpaths - Low | The risk that pipe network asset lives are inaccurate is medium. Lives are based on generally accepted industry values, modified by local knowledge and condition assessment. The condition of large sections of pipe networks has yet to be confirmed. The potential effect is that, for the unconfirmed pipe sections, the effective lives of pipe assets might be overstated, with a consequential impact on depreciation funding and the respective renewals programme. |
| Natural Disasters That there are no major natural disasters requiring additional funding for reinstatement of assets. | Medium | There is medium risk of a natural disaster occurring during the 30-year period requiring additional funds to repair or reinstate assets. Some provision for increasing the resilience of the assets has been built into this strategy but there is still further work to be undertaken to determine the desired level of resilience and the further asset improvements required to achieve this. |
| Climate Change | Medium | The likely effects of climate change on the region have been documented. The extent to which these will impact on WDC's |

| Assumption | Level of Uncertainty | Potential Effects of Uncertainty |
|--|---|---|
| The impacts of climate change will be minimal over the planning period. | | network infrastructure will be better understood over time and the strategy adapted accordingly. |
| Council Policy No significant change to Council policy that impacts on assets and services. | Low | Any significant change will require a full review of the Infrastructure Strategy and implications identified at the time. |
| Growth or Decline in Demand No significant change in demand. | Low | Potential changes in demand are not expected to change significantly over the period due to the population decline projected. |
| Changes to Levels of Service Except where specifically identified, changes to levels of service are minor. | Wastewater, water and stormwater assets – Medium. | Levels of service increases due to increased regulatory requirements introduced by the new Water Services Regulator, Taumata Arowai, for drinking water and waste water discharges have not been accommodated in the strategy. Uncertainty regarding new levels of service in future resource consents is low for WDC's wastewater schemes because of the recent consent renewal processes. |
| | Roading assets – medium. | NZTA's current nation-wide move towards a common roading classification (One Network Roding Classification – ONRC), and review of the associated customer levels of service, could result in a change to the level of funding received from NZTA over time. Prescribed levels of service and in turn the required level of investment will be monitored over time. |



HE WHAKĀRO TĀTARI KAUTE AUDIT OPINION



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