

Document No: A347162

File No: 037/013/2017AP

Report To: Council**Meeting Date:** 2 May 2017**Subject:** Adoption of 2017-18 Exceptions Annual Plan**Type:** Decision Required**Purpose of Report**

- 1.1 The purpose of this business paper is to:
- a. Present the final 2017-18 Exceptions Annual Plan (EAP) for Council consideration and adoption as per Section 95 of the Local Government Act 2002, and
 - b. Set the rates for the 2017/18 financial year pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002 (LGRA 2002).

Background

- 2.1 The Local Government Act 2002 (LGA) requires the development of an Annual Plan for each year in between the Long Term Plan (LTP) review cycle of three years. The purpose of the Annual Plan as per section 95(5) of the LGA is to:
- a. Contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
 - b. Identify any variation from the financial statements and funding impact statement included in the Council's long term plan in respect of that year, and
 - c. Provide integrated decision making and co-ordination of the resources of Council; and
 - d. Contribute to the accountability of the Council to the community.
- 2.2 The Annual Plan is an 'Exceptions' based document that is required to focus on any variations from the forecast and plans identified for the corresponding year in the LTP.
- 2.3 As a result of amendments to the LGA 2002 (August 2014) public consultation on the EAP is only required if the proposed plan includes any "significant or material differences" from the corresponding year in the LTP.
- 2.4 At its meeting on 28 March 2017, Council adopted the Draft Information for the 2017-18 EAP. This information consisted of:
- Financial Statements,
 - Funding Impact Statement,
 - Rates Examples,

- Accounting Policies, and
 - Cost of Service Statement for Activities including commentary on any variations.
- 2.5 Council also agreed at this March meeting that the Draft Information for the 2017-18 EAP did not include any significant differences from Year 3 of Council's 2015-25 LTP; the planned levels of service were unchanged, while proposed rates to be collected and forecast debt were both lower than expected.
- 2.6 As there were no significant or material changes or consultation issues, Council agreed not to undergo a formal consultation process for the 2017-18 EAP.

Commentary

Audit of the 2017-18 EAP

- 3.1 No audit of the proposals for the 2017-18 EAP was carried out by Council's Auditors, as there are no material or significant changes in the 2017-18 EAP to the plans and proposals contained in the LTP for the 17/18 year.
- 3.2 Commentary on the key details in the 2017-18 EAP is contained in the following section.

Work Programme and Projects for EAP 17/18

- 3.3 The final 2017-18 EAP document is enclosed with this Business Paper as **Attachment 1**.
- 3.4 For the 2017/18 year, Council intends to continue progress in its focus areas of Community Connectivity and Development, Economic Development and Good Asset Stewardship; within a financially prudent and sustainable manner.
- 3.5 The key initiatives planned for in the 17/18 year are:
- Commencement of the District Plan Review project
 - Development of the 2018-28 Long Term Plan
 - Support for a range of district marketing initiatives
 - Continuing with development of Timber Trail Marketing
 - Development of the entranceway for Brook Park
 - Bathroom upgrade for the Les Munro Centre
 - Support Digital advancement of the District
 - Support implementation of the Waitomo Village Structure Plan
 - Complete the planned phases of the Te Kuiti Water Treatment Plant project
- 3.6 The financial details of carrying out the planned work streams and operations are presented below.

Revenue and Expenditure

- 3.7 The Cost of Service Statement in **Table 1** illustrates that Council's planned Net Operating Expenditure for the 2017-18 EAP is \$567,000 (3.2%) higher than the forecast contained in the 2015-25 LTP.

3.8 The main contributors to the increase in the **Total Operating Expenditure** are:

- The **District Plan Review** project: The 2015-25 LTP included a budget of \$2.5 million for the District Plan review over the life of the LTP. The review has commenced with a re-estimated completed date of June 2019 as a rolling review originally intended could be more resource and cost intensive. The forecast expenditure for the review has been brought forward resulting in **\$603K increase** in cost being included in the 17/18 year. This expenditure is funded by loan to preserve intergenerational equity and will not affect rates revenue.
- Some operating costs in the Community Development portfolio like Timber Trail Marketing, the Telecommunications Initiative that are included in the dFF for DEAP 17/18 were not included in the 2015-25 LTP.
- Increases in maintenance costs of some Community Services assets like Toilets and Cemeteries and also some increase in depreciation due to renewal works on some of these assets.

3.9 The forecast operating income for 2017-18 EAP is \$250,000 (2.3%) higher than the LTP forecast and the operating expenditure for 17/18 year is \$817,000 (2.9%) more than the LTP forecast.

Table 1

EAP 2016/17 \$000's	Cost of Service Statement for All of Council	LTP 2017/18 \$000's	EAP 2017/18 \$000's	VARIANCE TO LTP \$000's
11,451	Total Operating Income	10,977	11,227	250
27,592	Total Operating Expenditure	28,563	29,380	817
16,141	Net Operating Cost/(Surplus)	17,586	18,153	567
12,341	Total Capital Expenditure	8,197	10,150	1,953
28,482	Net Expenditure	25,783	28,303	2,520
	Funded By			
5,206	Reserves	4,745	5,562	817
4,220	Internal Loans	1,023	3,170	2,147
19,056	General Rates, UAGC and Service Charges	20,015	19,571	(444)
28,482	Total Funding	25,783	28,303	2,520

3.10 There is an overall increase in capital expenditure planned for 17/18 year (compared to the 2017/18 year in the LTP 2015-25) which is mainly due to:

- Re-sequencing of renewal work for the Te Kuiti Water Treatment Plant,
- Assessment and Safety improvement works to be carried out (in conjunction with the lessee) at WDC quarries to ensure alignment with Health and Safety requirements,

- Some further performance and safety improvement works at Te Kuiti Waste Water Treatment Plant
- Development of Brook Park entranceway and the bathroom upgrade at the Les Munro Centre
- Landfill main entrance and 'tip head' road renewal and resource consent, and
- Purchase of carbon credits to meet ETS obligations.

Funding Sources

3.11 The rates revenue requirement in the 2017-18 EAP is \$19.57 million, an overall average **2.7%** rates increase over the current year and is **1.2% less** than the forecast contained in the 2015-25 LTP (3.88% increase was forecast).

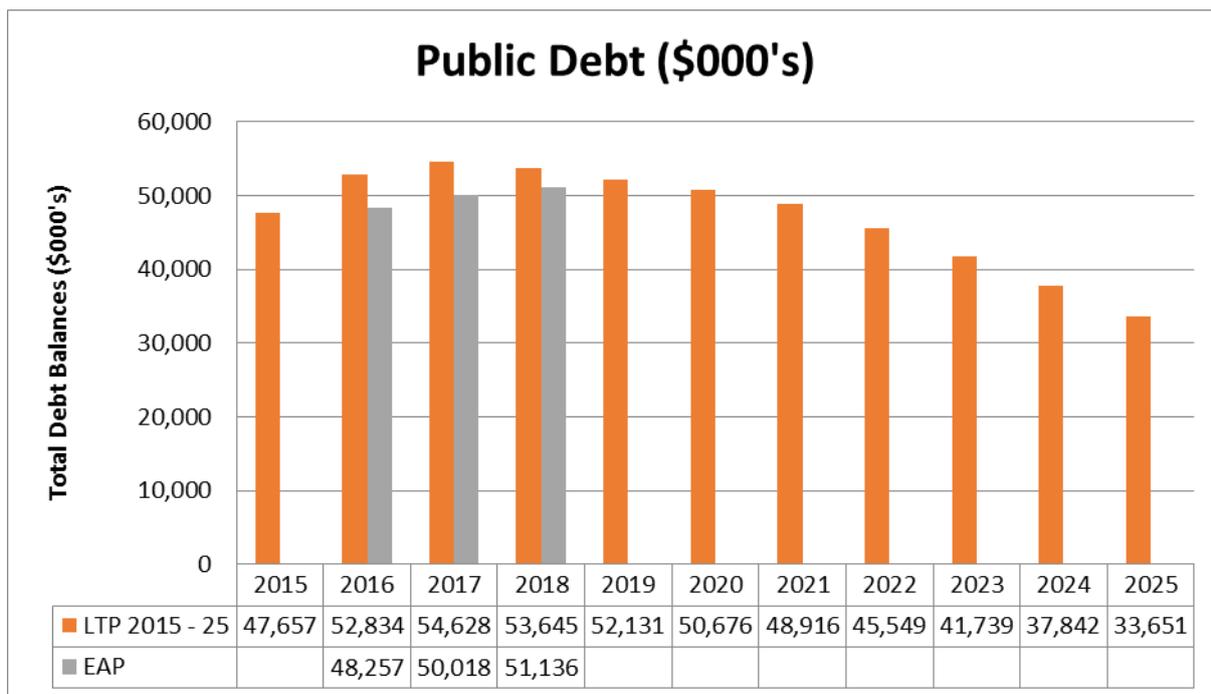
3.12 Table 2 shows the rates types that the \$19.57 million rates requirement is comprised of.

Table 2

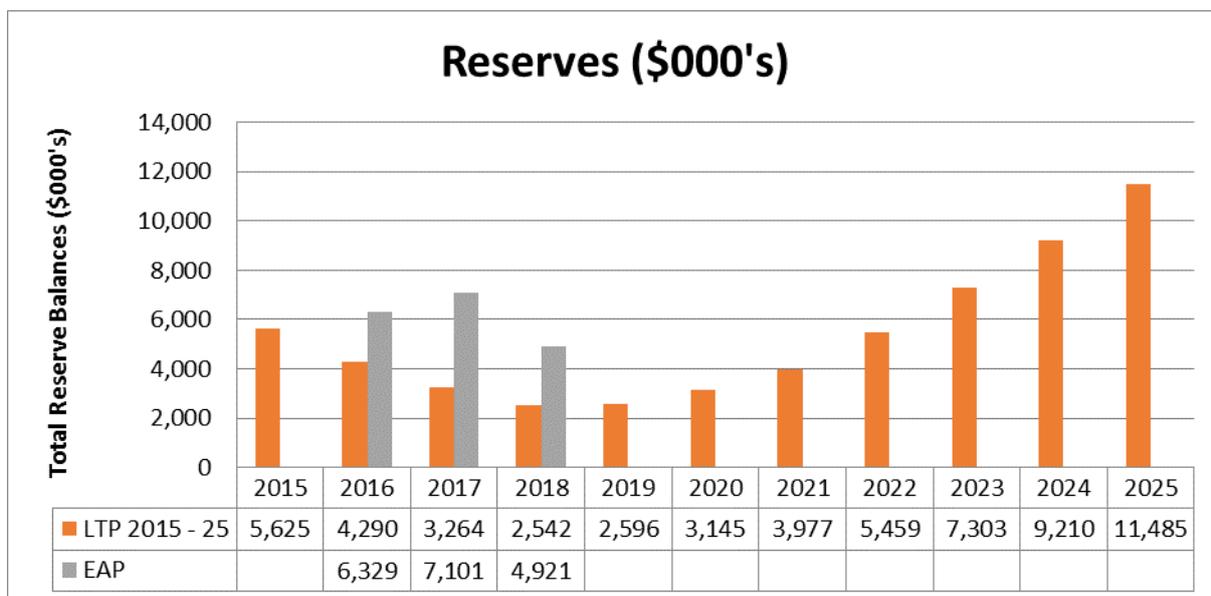
EAP 2016/17 \$000's	Forecast Rates Requirement	LTP 2017/18 \$000's	EAP 2017/18 \$000's	VARIANCE TO LTP 2017/18
	Targeted Rates and Service Charges			
2,285	Sewerage	2,376	2,415	39
1,700	Water	1,961	1,838	(123)
675	Metered Water Rates	682	712	30
521	Targeted Services	593	532	(61)
214	District Development Rate	212	330	118
15	Piopio Retirement Village Contribution	16	15	(1)
5,659	Roads and Footpaths	5,819	5,666	(153)
547	Solid Waste Management	690	531	(159)
204	Solid Waste Collection	205	205	(0)
423	Stormwater	459	409	(50)
4	Marokopa Community Centre	4	4	(0)
12,247	Total Targeted Rates and Service Charges	13,017	12,657	(360)
3,596	General Rates	3,684	3,646	(38)
3,213	UAGC	3,314	3,268	(46)
19,056	Forecast Total Rates Requirement	20,015	19,571	(444)
2.85%	Percentage Increase	3.88%	2.70%	

Public Debt and Reserves

3.13 The external public debt at the end of the 2017/18 year is forecast to be \$2.5 million **less than** the forecast contained in the 2015-25 LTP. The graph below illustrates the favourable trend in debt reduction.



- 3.14 The following graph illustrates the Reserves balances as forecast in the LTP for 2017/18 and the forecast in the 17-18 EAP once again demonstrating a positive trend of reserve balances being higher than forecast.



- 3.15 The 2017/18 EAP forecast for the Reserves balances is a \$2.38 million increase over the LTP forecast for 2017/18.

Analysis of Options

- 4.1 Council is required under the Local Government Act 2002 to adopt an annual plan prior to 1 July.
- 4.2 At the 28 March 2017 meeting, Council agreed that the proposed variations to the work programme, debt levels and rates for the 2017/18 year were not significant

or material compared to the corresponding year in the 2015-25 LTP. As the variations were not considered material, Council considered that consultation on the 2017/18 EAP was not required and agreed to adopt the final 2017-18 EAP on 2 May 2017.

- 4.3 Council still has the option to delay adoption of the 2017-18 EAP until its meeting on 27 June 2017 however this could delay the start of the 2018-28 LTP and associated work plans for no defined advantage and is therefore not the preferred option.

Considerations

5.1 Risk

- 5.2 Last year (2016/17) was the first year for Councils to try out the new LGA 2002 provisions with regard to consultation on Annual Plans and the meaning of "significant or material differences" has not been judicially tested so far, thereby increasing the inherent risk of compliance.
- 5.3 There is a public perception risk in not consulting, in that the community may not agree with Council's assessment that the changes to the 2017-18 EAP are not material or significant. However, for the proposed 2017-18 EAP this risk is considered to be low.
- 5.4 It is considered unlikely that the view of "no significant or material changes" would be challenged or if it was then that it would be successful, where the levels of service are unchanged, most of the larger changes to the work programme are in the timing of projects that have already been consulted on, and where debt levels and proposed rates are lower than forecast.
- 5.5 Further to this, as there is no consultation on the EAP with the community, Council is able to adopt the 2017-18 EAP earlier than usual. There is a small risk that an issue may come to light or an unexpected event may occur that has not been included in the budgets for the 17/18 year. However this would also be the case if the EAP was adopted in the later part of June so this risk is considered low.
- 5.6 There is a potential risk of the 2017-18 EAP being adopted prior to the completion of the fees and charges consultation, in that the fees and charges may change as a result of consultation. It is unlikely that any change in the fees and charges would be material enough to warrant a change to the budgeted revenue included in the 17-18 EAP and therefore this risk is considered low.

6.1 Consistency with Existing Plans and Policies

- 6.2 The Financial Forecasts for the 17-18 EAP are consistent with the forecasts contained in the corresponding year of the 2015-25 LTP and the variations are not considered to be material.
- 6.3 There are no changes to the levels of service agreed with the community through the 2015-25 LTP.

6.4 Significance and Community Views

- 6.5 Section 78 of the LGA requires Council to, in the course of its decision making, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.

- 6.6 Community views on lower debt levels and rates increases are known to Council through the LTP and Annual Plan processes as well as the annual Residents Survey and the views of the community on Council's overall direction, work plans and projects have been well canvassed through the 2015-25 LTP process.

Recommendation

- 7.1 Council undertook a robust process in developing the 2015-25 Long Term Plan. The programme of work in the 2017-18 EAP and the financial forecasts therein are aligned with the forecasts contained in the 2015-25 LTP for the corresponding year (although there are some timing changes).
- 7.2 It is recommended that Council adopt the final 2017-18 EAP and rates resolution.
- 7.3 The setting and assessment of the rates for the 2017/18 financial year, as recommended for resolution by Council in this business paper, reflect the intent of the final 2017-18 EAP document as presented.

Suggested Resolutions

- 1 The business paper on Adoption of 2017-18 Exceptions Annual Plan be received.
- 2 Council adopt the 2017-18 Exceptions Annual Plan.
- 3 Pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002, Council set the rates, charges and instalment due dates for the 2017/18 financial year commencing 1 July 2017 and ending on 30 June 2018 as follows:

1. GENERAL RATE

A General Rate set under section 13 of the Local Government (Rating) Act 2002 (LGRA) made on every rating unit across the District, assessed as a rate per \$100 of capital value. The General Rate is not set differentially. The General Rate will contribute to the funding of:

- Governance: Leadership and Investments
- Leased Reserves
- Other Land and Buildings
- District Libraries
- Aquatic Centre
- Arts, Culture and Heritage
- Aerodrome
- Public Amenities
- Parks & Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Support
- District Development
- Emergency Management
- Rural Fire
- Regulation
- Waste Minimisation
- Resource Management

Requirement in 2017/18 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the District	0.14349	4,193

2. UNIFORM ANNUAL GENERAL CHARGE

A Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District, set under Section 15(1)(b) of the LGRA. The UAGC will contribute to the funding of:

Governance: Leadership and Investments
 Parks and Reserves
 District Libraries
 Aquatic Centre
 Arts, Culture and Heritage
 Other Land and Buildings
 Public Amenities
 Leased Reserves
 Elderly Persons Housing
 Community Halls
 Cemeteries
 Aerodrome
 Community Support
 Emergency Management
 Regulation
 Resource Management
 Waste Minimisation
 Subsidised Rooding

Requirement in 2017/18 (incl. GST)

Uniform Annual General Charge	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district	\$674	3,758

Definition of SUIP

A SUIP is defined as including any part of a rating unit used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of tenancy, lease or other agreement. At a minimum, the land or premises forming the SUIP must be capable of actual habitation, or actual separate use. 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.

3 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.

Targeted Rates Differentiated on Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Targeted Services TFR, Piopio Sewerage TFR - Piopio Wider Benefit Rating Area, 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 Ward as defined by the Basis of Election for the 2010 Triennial Elections. (Refer to Revenue and Financing Policy 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 Revenue and Financing Policy for further details)</i>
Rural Rating Area	<i>All rating units situated within the Rural Ward as defined by the Basis of Election for the 2010 Triennial Elections. (Refer to Revenue and Financing Policy for further details)</i>
Piopio Township	<i>All rating units connected to the Piopio Sewerage System</i>
Piopio Wider Benefit Rating Area	<i>All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIP's connected to the Piopio Sewerage System) that are deemed to indirectly benefit from the Piopio Sewerage reticulation network. (Refer to Revenue and Financing Policy for further details)</i>
Marokopa Community Centre Rating Area	<i>Any separately used or inhabited part of a rating unit within the defined Marokopa Community Centre area (as contained in the Revenue & Financing Policy)</i>

3.1 Targeted Services TFR

A Targeted Services TFR set under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit in the District, differentiated by rating areas, to part fund the Unsubsidised Roding Activity and part fund the Aquatic Centre Activity. The rating areas for the purpose of assessing the Targeted Services 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 2017/18 (incl. GST)

Targeted Services (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti Urban and Periphery Rating Area	\$208	488
Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area	\$38	124

3.2 Piopio Sewerage TFR - Piopio Wider Benefit Rating Area

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit situated within the Piopio Wider Benefit Rating Area to assist the funding of the sewerage reticulation networks in Piopio.

Requirement in 2017/18 (incl. GST)

Piopio Sewerage (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area	\$78	44

3.3 Piopio Retirement Village Contribution TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 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 Inc. through the remission of service charges.

Requirement in 2017/18 (incl. GST)

Piopio Retirement Village Contribution (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$23	17

3.4 Rural Stormwater TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 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 2017/18 (incl. GST)

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$14	49

3.5 Te Kuiti Urban Stormwater TFR and Targeted Rate.

- (i) Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit in the Te Kuiti Urban Rating Area to partly fund the Urban Stormwater Activity.
- (ii) Council set a Targeted Rate under section 16 of the Local Government (Rating) Act 2002 to partly fund the 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 2017/18 (incl. GST)

Urban Stormwater (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$156	279

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)	0.04721	142

3.6 Marokopa Community Centre TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 assessed per separately used or inhabited part of a rating unit within the defined Marokopa Community Centre Rating Area.

Requirement in 2017/18 (incl. GST)

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

3.7 Water Rates

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 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 the relevant community, 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 2017/18 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$567	\$284	1,185
Piopio	\$1,414	\$707	353
Benneydale	\$1,454	\$727	172
Mokau	\$1,454	\$727	318

3.8 Extraordinary Water Supply Rate

Council set a TR under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP, differentiated by supply area, for any rating unit situated in Te Kuiti, Piopio, 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 Service's Bylaw). The rates are:

Requirement in 2017/18 (incl. GST)

Water Supply Rate (TR)	2017/18 Charge per cubic metre (including GST) above 292m ³
Te Kuiti	\$2.15
Piopio	\$5.00
Benneydale	\$8.30
Mokau	\$11.55

3.9 Subsidy Rate for Benneydale Water Supply

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the District to part fund the Benneydale Water Supply activity. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2017/18 (incl. GST)

Subsidy for Benneydale Water Supply (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$7	34

3.10 Subsidy Rate for Mokau Water Supply

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the District to part fund the Mokau Water Supply activity. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2017/18 (incl. GST)

Subsidy for Mokau Water Supply (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$11	52

3.11 Sewerage Rates

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 to provide for the collection and disposal of sewage, differentiated on the basis of supply area. The TFR is set per separately used or inhabited part of a rating unit within the community, with liability calculated based on whether the SUIP is connected to the sewerage 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 2017/18 (incl. GST)

Sewerage (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Benneydale	\$1,100	\$550	120
Te Waitere	\$1,100	\$550	18
Te Kuiti	\$1029	\$514	1,745
Piopio	\$1,100	\$550	241

3.12 Sewerage rates for non-residential properties in Te Kuiti

For all non-residential properties in Te Kuiti, Council set a TFR under section 16 of the Local Government (Rating) Act 2002 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:

Base Charge:

Requirement in 2017/18 (incl. GST)

Non- Residential Targeted Rate (TFR)	Base Charge per SUIP (up to 4 pans)	Total Revenue Requirement (\$000)
Category 1	\$514	102
Category 2	\$514	23
Category 3	\$1,029	19

Pan Charge:

Requirement in 2017/18 (incl. GST)

Non- Residential Targeted Rate (TFR)	Number of pans	Charge per pan (Pan Charge)	Total Revenue Requirement (\$000)
Category 1	5th pan and over	\$720	75

Category 2	5-10 Pans	\$309	3
	Over 10 Pans	\$206	25
Category 3	5th pan and over	\$720	42

3.13 Trade Waste Contribution - TFR

Council set a Trade Waste Contribution TFR under section 16 of the Local Government (Rating) Act 2002 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.

Requirement in 2017/18 (incl. GST)

Trade Waste Contribution (TFR)	Charge Per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$41	191

3.14 Subsidy Rate for Te Waitere Sewerage

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the District to part fund the Te Waitere Sewerage activity. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2017/18 (incl. GST)

Subsidy for Te Waitere Sewerage (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
All rating units in the District	\$9	41

3.15 Subsidy Rate for Benneydale Sewerage

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the District to part fund the Benneydale Sewerage activity. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2017/18 (incl. GST)

Subsidy for Benneydale Sewerage (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
All rating units in the District	\$19	89

3.16 Roads and Footpaths Rate

Council set a Roads and Footpaths targeted rate under section 16 of the Local Government (Rating) Act 2002 as a rate per \$100 of capital value on every rating unit across the District to part fund Subsidised Rooding (part of Roads and Footpaths Activity).

Requirement in 2017/18 (incl. GST)

District Roads and Footpaths Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
All rating units in the District	0.22299	6,515

3.17 Solid Waste Collection Rate

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 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 and (part of) Waitomo townships).

Requirement in 2017/18 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$57	114
Waitomo	\$79	44
Piopio	\$140	32
Mokau	\$163	46

3.18 Solid Waste Management Rate

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit District wide to part fund the activity of Solid Waste Management.

Requirement in 2017/18 (incl. GST)

Solid Waste Management (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the District	\$110	611

3.19 District Development Rate

Council set a District Development Targeted Rate under section 16 of the Local Government (Rating) Act 2002 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.

Requirement in 2017/18 (incl. GST)

District Development Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Commercial and Industrial Businesses	0.05732	190
Rural Businesses	0.00972	190

4 RATES PAYMENTS

Rates will be payable in four equal instalments with the due dates for payments being:

1st Instalment	31 August 2017 (Thursday)
2nd Instalment	30 November 2017 (Thursday)
3rd Instalment	28 February 2018 (Wednesday)
4th instalment	31 May 2018 (Thursday)

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.

5. RATES REMISSIONS AND POSTPONEMENTS

Council has developed a rates remissions policy as per LGA (section 102 (3)(a), 108 and 109) and LGRA (Section 85). Remissions categories include Properties Used Jointly as a Single Unit, Community Organisations, Financial Hardship, Organisations Providing Care for the Elderly, Clubs and Societies, New Subdivisions, Council Properties, Maori Freehold Land. The value of these remissions is \$290,000 for the 2017/18 year.

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

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 2017 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	4 September 2017
Instalment 2	4 December 2017
Instalment 3	2 March 2018
Instalment 4	5 June 2018

- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2017 that remains unpaid on 1 July 2017, to be added on 6 July 2017.



VIBHUTI CHOPRA
GROUP MANAGER – CORPORATE SERVICES

27 APRIL 2017

Attachment 1: 2017-18 Exceptions Annual Plan (#A348003)

Document No: A347210

Report To: Council



Meeting Date: 2 May 2017

Subject: **Setting 2017/18 Fees and Charges and adoption of Statement of Proposal for consultation**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is for Council to resolve to set fees and charges for the 2017/18 year, and to review and adopt the Statement of Proposal for consultation containing fees and charges which require consultation before adoption.

Background

- 2.1 Council's Revenue and Financing Policy (RFP) provides information on funding sources that are available to Waitomo District Council (WDC) and provides the rationale for the use of each funding source. Fees and charges (FCs) are a legitimate source for funding activities (or parts of activities) and the rationale for their use in funding certain activities are set out in detail in the RFP.
- 2.2 In setting the FCs Council must do so in a manner set by section 150 of the Local Government Act 2002, namely that the fees and charges must represent the recovery of fair and reasonable costs incurred by Council in the matter for which the fee is charged.
- 2.3 FCs are updated by staff as part of the annual budgeting process. This annual review provides the opportunity to reflect changing circumstances in the operating environment.
- 2.4 A number of the FCs are set by government legislation.

Commentary

- 3.1 The annual review of the current (2016/17) fees and charges has been carried out keeping in mind the need for alignment with the Revenue and Financing Policy and budgeted revenue in 2017/18 EAP.
- 3.2 Council may set the majority of these fees and charges by resolution without consultation, and these are detailed in the attached schedule of proposed fees and charges for Council resolution, **Attachment A**.
- 3.3 Some changes to fees and charges require public consultation (using the Special Consultative Procedure) before adoption, and these are detailed in the attached schedule of proposed fees and charges for public consultation (**Attachment B**).

- 3.4 The Statement of Proposal that is required as part of the Special Consultative Procedure is enclosed with this Business paper as **Attachment C** for consideration and adoption by Council.
- 3.5 Attachments A and B reflect staff recommendations for additions and alternations and highlight the variations from Council's 2016/17 fees and charges schedule in track changes.

Fees and charges Council may set by resolution

- 3.6 The following commentary provides key details of the proposed changes from the 2016/17 year for those FCs that Council may resolve to set without undertaking public consultation.

Regulation

- 3.7 A minor increase to the cost of LIMs of 3.4% is proposed in order to reflect the complexity of some LIMs and processing time.
- 3.8 Four new fees are proposed to enable Council to recover costs associated with the services. They are:
- Determining and issuing an overseas investment certificate (\$300)
 - Processing an application for a Right of Way under Section 348 of the Local Government Act 1974 (\$600)
 - Sale and Supply of Alcohol – certifying that the premises meets the requirements of the Resource Management Act 1991 (\$200)
 - Certificate of Title Search (\$20)

Litter infringements

- 3.9 Sections 13 and 14 of the Litter Act 1979 enables Council to, by resolution, set fees for litter infringements of no more than \$400. Currently, WDC does not have these charges available to them.
- 3.10 New litter fees are proposed which respond to the type and severity of the offence, ranging from a first litter offence of less than or equal to one litre of litter (\$100), to second or subsequent offences of hazardous or offensive litter, or litter of more than 120 litres (\$400).

Animal and dog control

- 3.11 Some increases and additional fee types are proposed for the 2017/18 year. This is in line with the discussions held with Council for 2016/17 year when a comparison of WDCs Dog Control fees with those of neighbouring Councils was presented. The comparison showed that WDC Fees were slightly less than the average of the four neighbouring Councils in the South.
- 3.12 It was discussed with Council that in keeping with the affordability perspective Dog Control fees should be incrementally increased rather than a large spike in any one year. The proposed increase in fees will raise these above the average that has been calculated previously.
- 3.13 Some increases to impounding fees (and related charges) have been proposed to better reflect actual staff time/costs to impound dogs.
- 3.14 New fees are proposed for the following:
- A surrender/disposal fee (for unwanted, impounded dogs),
 - 'Driving charges' for stock found trespassing, straying or wandering on any road,

- Grazing fees (impounded stock), and
- Advertising costs (impounded stock).

- 3.15 The additional after-hours call out charge of \$95 has been removed. Although the charge was established to recover some costs to Council to respond to after-hours service requests, the actual revenue received from this charge is a very small portion of the overall contractor charges. This fee penalises owners who have dogs impounded after hours, and it is also likely to disincentivise some owners from collecting their dogs, as the charge is added to the normal impounding fee.
- 3.16 Council is required to publically notify the fees and charges set under the Dog Control Act 1996 during the month before the registration year begins, as per section 37(6) of the Dog Control Act 1996. Council staff will undertake this at the beginning of June 2017 to allow the new fees to take effect from 1 July 2017.

Community Services

Cemeteries

- 3.17 A number of cemetery fees are proposed to be increased to bring the charges in line with the cost to Council. The maximum increase in this area is \$60 for adult internment in Te Kuiti (from \$1130 to \$1190).

Community Halls (including Les Munro Centre)

- 3.18 The fee structure for hall hire costs is proposed to be modified. This includes introducing a new range of rates; full day (8am to 8am), day hire (8am to 5pm), hourly rate, weekend rate and a funeral rate. The reasoning is that this fee structure better reflects the type of usage of the halls and provides flexibility for users, which in turn is expected to increase usage.

District Aquatic Centre

- 3.19 For the District Aquatic Centre some adjustments are recommended to bring fees in line with local aquatic centers in other districts. Two new swimming rates have also been introduced:
- a disability/health rate, to support community health and wellbeing; and
 - an adult swimmer with a child under 5, to encourage active supervision of children by parents
- 3.20 The hire fee for the BBQ at the district aquatic centre has been updated from a daily fee to a per hour charge, to allow flexibility for different types of users.

District Library

- 3.21 Some adjustments are recommended to the Library fees based on demand for the books/items.

Roading, Three Waters and Trade Waste

- 3.22 Small increases to roading fees are recommended by an average of 3.5%, and three waters and trade waste charges are proposed to rise by an average of 3%. These increases are to reflect the actual costs incurred by Council.

Solid Waste Management

- 3.23 To respond to the increased costs for Council in terms of compliance costs for putting general refuse to landfill, the cost of disposing of general refuse to landfill is recommended to be increased by \$20 from \$166 to \$185.

- 3.24 Additionally there are some small increases proposed for disposing of rubbish, both at the landfill and at transfer stations.
- 3.25 Rubbish bag charges are proposed to increase by 20 cents to \$3.00.
- 3.26 Small increases to other fees associated with Landscape supplies are also proposed.

Fees and charges requiring public consultation

- 4.1 The only FCs for the 2017/18 year requiring consultation are related to fees for functions carried out under the Food Act 2014 (Health Act Licence Fees) and, the Resource Management Act 1991 (Resource Management Fees). Council will need to engage with the community using the special consultative procedure (LGA 2002 section 83) before making any changes to these fees and charges.
- 4.2 **Attachment B** includes these proposed FCs and highlights the variations from Council's current 2016/17 FCs schedule in track changes.
- 4.3 Should Council adopt these proposed changes for consultation, **Attachment C** is the Statement of Proposal required by the special consultative procedure and includes information for submitters on how to participate in the consultation process.
- 4.4 The following commentary provides key details of the proposed changes (contained in Attachment B) from the 2016/17 year.

Food Act Licence Fees

- 4.5 The Food Act 2014 established a new regime for licensed food premises to comply with, and Council was required to implement this within its fees and charges. Council undertook a consultation in 2015 on the proposed regime and the new fees and received community feedback. Changes were made to the proposal as a result of the feedback, and the new licence regime was implemented.
- 4.6 Now that the new licensing regime has been in place for a year, it is proposed that Council refine the fees and charges to better reflect the actual costs of the new regime, and to provide a more transparent fee structure in the district.
- 4.7 The key changes proposed are - to increase the hourly rate from \$130 to \$160 and to introduce an hourly rate after the first hour for all functions to be performed under the Food Act 2014.
- 4.8 Some service applications take less time for Council to process than others and the proposed changes to the application fees reflects this. The introduction of the hourly rate to all applications will also mean straightforward applications will be cheaper than the more complex ones requiring more processing time (for example, if an application is incomplete).
- 4.9 Two new fees have been added – a charge for providing copies of documentation, which will mostly be templates to help the food premises in completing their application. This should help to reduce the cost of the application process mainly due to reduction in staff time spent on explaining the requirements to the applicant. The second fee that has been introduced is a cancellation fee.

Resource Management

- 4.10 Significant changes are proposed to the resource management fees and charges to reflect the actual costs of processing consents and documents pursuant to the Resource Management Act (the Act) and to ensure that cost recovery is possible for a range of processes under the Act which are not documented in the 2016/17 fees and charges.
- 4.11 The new proposed structure outlines deposits, fixed fees and other recoverable expenses to make it clear from the outset the types of costs an applicant can expect for each type of application or service. It makes the true costs of services clearer for applicants, and provides Council the ability to recover fair costs for the services and to ensure the ratepayer does not unfairly subsidise a service from which a specific user benefits.
- 4.12 Explanatory notes have been included which provide additional guidance for applicants.

Deposit charges

- 4.13 Throughout the Resource Management tables in Attachment B and C there is reference to 'deposits'. Deposit charges are levied at the start of the application and are payable at the time an application is submitted to Council for processing. The changes to these charges across the different sections all reflect this reason.
- 4.14 In proposing changes to deposit charges, the actual charges and costs incurred by applicants over the 2016/17 year were reviewed. The increases proposed for deposit charges therefore better reflect the average actual cost to process applications and it is advisable to make these clear to the applicant at the start of the process.
- 4.15 Deposits required for resource consents are proposed to increase significantly compared to the 2016/17 year. These changes reflect the actual costs based on the average time spent processing consents for each officer; with a (generally) 50% reduction in deposit to ensure the increase is not too significant for the 2017/18 year.
- 4.16 There will be instances where an application may cost less than the deposit charge and in these instances a refund will occur. If a consent costs more to process than the deposit charge, the balance will be invoiced to the applicant.

New charges

- 4.17 Several new categories have been added into the schedule to ensure transparency of the costs charged. This includes matters such as:
- Affixing Council's seal/authorising documents
 - Variations to legal documents
 - Costs associated with public notices
 - Bonds
 - Hearing venues and attendance
 - Different designation matters (alterations/removals etc).

Public Consultation

- 5.1 As discussed previously, changes to FCs charged under the Food Act and Resource Management Act can be made after the special consultative procedure has been carried out. This process will involve:
- adoption of Statement of Proposal for consultation (in **Attachment C** of this report);
 - consultation period of one month;
 - an opportunity for people wishing to present their views to Council in person; and
 - Council's decision making and adoption of fees and charges for the year starting 1 July 2017
- 5.2 The proposed timetable for the consultation and adoption process is set out below.

Key Milestone	Timeframe
<p>Council Meeting:</p> <p>Adopt the proposed changes to the 2017/18 fees and charges under the Food Act and the Resource Management Act for public consultation</p> <p>Resolve to set the fees and charges not requiring consultation for the 2017/18 year</p>	Tuesday 2 May 2017 (this meeting)
Consultation Period	Thursday 4 May 2017 to Friday 2 June 2017, 5 pm
<p>Hearing:</p> <p>Hearing of submitters</p>	Wednesday 7 June 2017
<p>Council Meeting:</p> <p>Deliberation and adoption of the 2017/18 fees and charges for functions under the Food Act and Resource Management Act</p>	Tuesday 27 June 2017

Considerations

6. Risk

- 6.1 If Council does not adopt the proposed changes to FCs there is a potential risk that Council will not meet its legislative timeframe obligations for setting and/or, communicating the FCs set for the 2017/18 year.

7. Consistency with Existing Plans and Policies

- 7.1 This decision is consistent with Council's existing plans and policies.

8. Significance and Community Views

- 8.1 Community views are proposed to be sought on changes to the 2017/18 fees and charges for functions under the Food Act and Resource Management Act in the period Thursday 4 May to Friday 2 June 2017 and will be reported back to Council as part of the special consultative procedure.

- 8.2 The balance of the changes to fees and charges made by resolution are not deemed to be significant as per Council's Significance and Engagement Policy.

Suggested Resolutions

- 1 The business paper on 'Setting 2017/18 fees and charges and adoption of Statement of Proposal for consultation' be received.
- 2 Council adopt all fees and charges referred to in Attachment A: 2017/18 Proposed schedule of Fees and Charges for Council resolution to become effective on 1 July 2017.
- 3 Council adopt the attached Statement of Proposal for Food Act and Resource Management Act Fees and Charges 2017/18 for public consultation between 4 May 2017 and 2 June 2017.



VIBHUTI CHOPRA
CORPORATE SERVICES GROUP MANAGER

26 April 2017

Attachments:

Attachment A: 2017/18 Proposed schedule of Fees and Charges for Council resolution – track changed (zA1410)

Attachment B: 2017/18 Proposed schedule of Fees and Charges for public consultation – track changed (zA1409)

Attachment C: Draft Statement of Proposal - Food Act and Resource Management Act Fees and Charges 2017/18 (zA1413)



PROPOSED FEES AND CHARGES 2017/2018

All Fees and Charges are inclusive of GST*

**with the exception of bonds, penalties and residential housing*

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Regulation		
Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
Building consent fees		
Building Consent cost includes Inspection fee and Code Compliance Certificate All fees are payable on application.		
Certificate of title	30.00	30.00
Production of Project Information Memorandum (PIM)	180.00	180.00
Solid Fuel Heaters		
Freestanding (1 inspection)	500.00	500.00
Insert (2 inspections)	690.00	690.00
Minor Works (1 inspection)	500.00	500.00
Garden Sheds		
Basic Warning System		
Marquees		
Plumbing or Drainage		
Minor Building Works (2 inspections)	870.00	870.00
Carports		
Demolitions		
Decks		
Swimming Pools		
Other Buildings (2 Inspections)	870.00	870.00
Garages		
Hay Barns		
Implement Sheds		
Bridges		
Detached habitable buildings, no plumbing or drainage (5 inspections)	1,480.00	1,480.00
Sleep Out		
Office		

Regulation		
Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Studio		
Additions/alterations up to 30m ²		
Internal alterations to dwellings		
Detached habitable buildings, with plumbing or drainage (6 inspections)	1,730.00	1,730.00
Sleepout with toilet/shower		
Additions/alterations up to 30m ² with plumbing and drainage		
Internal alterations to dwellings		
Additions/alterations 30m² to 60m² (6 inspections)	1,730.00	1,730.00
Other new buildings up to 60m² excluding dwellings and commercial buildings (6 inspections)	1,730.00	1,730.00
Dairy Sheds (3 inspections)	1,450.00	<u>1,600.00</u>
Re-sited Dwellings (3 inspections) A bond is also required	1,720.00	<u>1,850.00</u>
Dwelling Single Storey up to 100m² (8 inspections)	3,030.00	3,030.00
Dwelling Single Storey up to 250300m² (9 inspections)	3,280.00	3,280.00
Dwelling Single Storey larger than 250300m² (9 inspections)	3,430.00	3,430.00
Dwelling Two Storey or more up to 250300m² (9 inspections)	3,430.00	<u>3,500.00</u>
Dwelling Two Storey or more larger than 250300m² (9 inspections)	3,730.00	<u>3,800.00</u>
Commercial /Industrial up to 300m² (9 inspections)	4,010.00	4,010.00
Commercial/Industrial - Basic kitset type building, no services or internal fitout (3 inspections)	1,700.00	1,700.00
Commercial/Industrial larger than 300m² (9 inspections)	4,510.00	4,510.00
Commercial - Internal Alterations (3 inspections)	1,700.00	1,700.00
Inspection Fee (compliance inspection/swimming pool etc.)	190.00	190.00
Amendments	340.00	340.00
Compliance Schedules		
New Compliance Schedule (Section 102 Building Act 2004)	280.00	280.00
Amendments to existing Compliance Schedule (Section 106 and 107 Building Act 2004)	280.00	280.00

Regulation		
Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Request for Extension of Time	160.00	160.00
Processing of Section 71 / 77 Certificate	200.00	200.00
Plus on-charge of Solicitors fee to prepare	Actual Cost	Actual Cost
Certificate of Acceptance - Section 41(c) Any building work in respect of which a building consent cannot practicably be obtained in advance because the building work has to be carried out urgently.	740.00	740.00
Certificate of Acceptance -Section 96(1)(a) (i) the work was done by the owner or any predecessor in title of the owner; and (ii) a building consent was required for the work but not obtained. (In addition to the fees that would have been payable had the owner or previous owner applied for a building consent before carrying out the building work.)	1,180.00 (plus any relevant building consent fees)	1,180.00 (plus any relevant building consent fees)
Certificate of Public Use (1 inspection)	550.00	550.00
Notice to Fix (1 inspection)	450.00	450.00
Accreditation Levy (consents valued over \$20,000)	1.10 per 1,000	1.10 per 1,000
Building Research Levy (consents valued over \$20,000)	1.00 per 1,000	1.00 per 1,000
MBIE Levy (consents valued over \$20,000)	2.01 per 1,000	2.01 per 1,000
Bond (Re-sited Dwellings)	3,070.00 - 10,220.00	3,070.00 - 10,220.00
Lapsed or Cancelled Building Consents Refunds will be paid to the person(s) who paid the fees on application.	Refund of unused fees less administration fee	Refund of unused fees less administration fee
Administration fee for refund on cancelled or lapsed consents	50.00	50.00
Peer Review of Specific Designs by External Agents	Actual Cost	Actual Cost
Any additional costs incurred in processing a building consent shall be recoverable on actual and reasonable basis.	160.00 per hour	160.00 per hour
<u>Other regulatory fees and charges</u>		
<u>Overseas investment certificates – for determining and issuing</u>	<u>New fee</u>	<u>300.00</u>
<u>Section 348 – Right of way (ROW) application – processing application for ROW under the Local Government Act 1974</u>	<u>New fee</u>	<u>600.00</u>
<u>Sale and Supply of Alcohol Certificates</u>	<u>New fee</u>	<u>200.00</u>
<u>Certificate of Title search</u>	<u>New fee</u>	<u>20.00</u>

Regulation

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Land Information Memorandum (LIM)	290.00	<u>300.00</u>
Animal and Dog Control Fees		
All Fees are set in accordance with the Dog Control Act 1996 and by Council resolution.		
Basic Dog Registration Fee (in respect of dogs having attained the age of 3 months)	164.00	<u>Removed</u>
Standard Urban Fee (for dogs in an urban area which comply with the provisions of Dog Control Act 1996)	108.00	<u>115.00</u>
Spayed or Neutered Dogs in the Urban Area	85.00	<u>90.00</u>
Selected Owner (<u>Dog Control Policy</u>) Dogs	62.00	<u>70.00</u>
Rural Dogs	39.00	<u>45.00</u>
Late registration fee	50% of the fee that would have been payable if that dog had been registered on the first day of the registration year.	50% of the fee that would have been payable if that dog had been registered on the first day of the registration year.
Dangerous Dogs registration fee	150% of the fee that would apply if the dog were not classified as a Dangerous Dog.	150% of the fee that would apply if the dog were not classified as a Dangerous Dog.
Replacement Registration Tag	5.00	5.00
<u>Impounding (Poundage) Fees (fee may be waived if it is assessed that the dog can be re-homed)</u>		
First Impounding (<u>registered dog</u>)	66.00	<u>70.00</u>
<u>First Impounding (unregistered dog)</u>	<u>New fee</u>	<u>100.00</u>
Second Impounding	132.00	<u>138.00</u>
Third and subsequent impounding	165.00	<u>200.00</u>
After Hours call out charge	95.00	<u>Removed</u>
Plus Sustenance fees - per day	12.00	<u>15.00</u>
Re-Homing Fee	Re-homing of unwanted/unclaimed dogs (unregistered) dogs will be the applicable registration fee and micro chipping fee	Re-homing of unwanted/unclaimed dogs (unregistered) dogs will be the applicable registration fee and micro chipping fee

Regulation

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
The owner of an impounded dog <u>that is not claimed or signed over to Council</u> remains liable for all impounding <u>and sustenance</u> fees irrespective of the fate of the dog.		
<u>Surrender/disposal fee (in addition to applicable impounding charges and sustenance)</u>	<u>New fee</u>	<u>40.00</u>
Micro-chipping Fee	20.00	<u>25.00</u>
Consent to keep more than 2 dogs in the urban area (fees will be effective from 1 July 2015)	25.00	<u>30.00</u>
Stock Poundage Fee - Excluding dogs		
For any <u>First</u> impounded animal plus costs of feed	110.00	110.00
Per animal thereafter (impounded at the same time as the first impounded animal)	<u>New fee</u>	<u>40.00</u>
Subsequent Impounding -- <u>within any 24 month period involving animals owned by the same person/organisation</u> Where stock, not necessarily the same animal, but owned by the same person is impounded on a second or subsequent occasion.	220.00	<u>220.00 plus 40 per additional animal</u>
Driving charges – <u>leading, driving or conveying stock (pursuant to section 14 of the Impounding Act 1955)</u>	<u>New fee</u>	<u>125 per hour per officer, plus mileage at local government rates, plus any other reasonable costs incurred, including the full costs of any after-hours response</u>
<u>Grazing (per day) – horses, cattle, mules, ass, deer, pigs</u>	<u>New fee</u>	<u>8.00</u>
<u>Grazing (per day) – sheep, goats, and any others</u>	<u>New fee</u>	<u>2.00 plus costs of any hard/supplementary feeds i.e. hay, grain</u>
<u>Advertising costs (pursuant to the Impounding Act 1988)</u>	<u>New fee</u>	<u>Actual costs</u>

Environmental Health and Alcohol Licensing

Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
Health Act Licence Fees		
Amusement Device Permits (Section 11 Amusement Device Regulations 1978)		
1. First Device	11.50	11.50
2. Each additional Device	2.30	2.30
Food Premises Health (Registration of Premises) Regulations 1966		
Low Risk Premises	450.00	450.00
High Risk Premises	570.00	570.00
Any additional inspections required due to non-compliance	150.00	150.00
Fees for Functions under the Food Act 2014		
Fees and Charges under the Food Act will be incorporated once special consultative procedure completed – see document A347211 for comparison with 2016/17 fees and charges		
Hawkers and Pedlars (Public Places Bylaw Clause 14)		
Hawkers and Pedlars	60.00	60.00
Itinerant Traders	170.00	170.00
Mobile Shops	170.00	170.00
Impounding of Stereo <i>Impounding Charges for Stereo (RMA 1991 sec 336). Note: Impounded stereo will be sold after six months if not claimed and impounding fees not paid.</i>	180.00	180.00
Licensing – Alcohol (Ref: Sale and Supply of Alcohol (Fees) Regulations 2013)		
New Licences, Renewals and Variations		
Off/On/Club Application Fee - Very Low Risk	368.00	368.00
Off/On/Club Application Fee - Low Risk	609.50	609.50
Off/On/Club Application Fee - Medium Risk	816.50	816.50
Off/On/Club Application Fee - High Risk	1,023.50	1,023.50
Off/On/Club Application Fee - Very High Risk	1,207.50	1,207.50
Annual Fees		
Off/On/Club Application Fee - Very Low Risk	161.00	161.00
Off/On/Club Application Fee - Low Risk	391.00	391.00
Off/On/Club Application Fee - Medium Risk	632.50	632.50
Off/On/Club Application Fee - High Risk	1,035.50	1,035.50
Off/On/Club Application Fee - Very High Risk	1,437.50	1,437.50

Environmental Health and Alcohol Licensing

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Managers Certificate - New and Renewal	316.25	316.25
Temporary Authority	296.70	296.70
Special Licences		
Class 1	575.00	575.00
Class 2	207.00	207.00
Class 3	63.25	63.25
Application for Certificate of Compliance (Sale and Supply of Alcohol Act 2012)	300.00	Removed
Licensing – Other		
Transfer of Certificates of Registration or Licence	90.00	90.00
Offensive Trades - Registration Fees	450.00	450.00
Saleyards - Registration Fees	450.00	450.00
Hairdressers - Registration Fees	450.00	450.00
Funeral Director	40.00	40.00
Mortuary Premises	450.00	450.00
Camping Grounds	450.00	450.00
Skateboarding impounding fee	60.00	60.00
Advertising Signs		
Application Fee (one-off) excludes Central Government, Local Government and District Health Board election hoarding	40.00	Removed
Application for Lease of Airspace	100.00	100.00
Lease of Airspace	Charge will be assessed on a site by site basis	Charge will be assessed on a site by site basis
Parking Infringement Fees		
Excess Parking - For parking on a road in breach of the provisions of Waitomo District Council's Land Transport Bylaw 2015, in excess of a period fixed by the bylaw or otherwise where the excess is:		
Not more than 30 minutes	12.00	12.00
More than 30 minutes but not more than 1 hour	15.00	15.00
More than 1 hours but not more than 2 hours	21.00	21.00
More than 2 hours but not more than 4 hours	30.00	30.00
More than 4 hours but not more than 6 hours	42.00	42.00
More than 6 hours	57.00	57.00

Environmental Health and Alcohol Licensing

Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
Other Parking Offences		
Parking on designated bus stop	40.00	40.00
Parking on designated loading zone	40.00	40.00
Parking on a footpath	40.00	40.00
Parking contrary to parking signage	40.00	40.00
Parking on ornamental verge	40.00	40.00
Parking within 1 m of a vehicle entrance	40.00	40.00
Parking on or within 6m of an intersection	60.00	60.00
Inconsiderate parking	60.00	60.00
Double parking	60.00	60.00
Parking on a yellow broken line	60.00	60.00
Parking in a designated space for disabled persons	150.00	150.00

Environmental Health and Alcohol Licensing

Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
Towage Fees		
Towage fees are additional to the above fines.	Actual cost	Actual cost
<u>Litter Infringement</u>		
<u>Litter, of less than or equal to 1 litre, left in a public space, or on private land, without the occupier's consent - First Offence</u>	<u>New fee</u>	<u>100.00</u>
<u>Litter, of less than or equal to 1 litre, left in a public space, or on private land, without the occupier's consent - Second or Subsequent Offence within a Year</u>	<u>New fee</u>	<u>400.00</u>
<u>Litter, of more than 1 litre and less than or equal to 20 litres, left in a public space, or on private land, without the occupier's consent¹ - First Offence</u>	<u>New fee</u>	<u>150.00</u>
<u>Litter, of more than 1 litre and less than or equal to 20 litres, left in a public space, or on private land, without the occupier's consent - Second or Subsequent Offence within a Year</u>	<u>New fee</u>	<u>400.00</u>
<u>Litter, of more than 20 litres and less than or equal to 120 litres, left in a public space, or on private land, without the occupier's consent² - First Offence</u>	<u>New fee</u>	<u>250.00</u>
<u>Litter, of more than 20 litres and less than or equal to 120 litres, left in a public space, or on private land, without the</u>	<u>New fee</u>	<u>400.00</u>

Environmental Health and Alcohol Licensing

Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
<u>occupier's consent - Second or Subsequent Offence within a Year</u>		
<u>Litter, of more than 120 litres left in a public space, or on private land, without the occupier's consent - First Offence</u>	<u>New fee</u>	<u>400.00</u>
<u>Litter, of more than 120 litres left in a public space, or on private land, without the occupier's consent - Second or Subsequent Offence within a Year</u>	<u>New fee</u>	<u>400.00</u>
<u>Hazardous or offensive litter left in a public space, or on private land without the occupier's consent - First Offence</u>	<u>New fee</u>	<u>400.00</u>
<u>Hazardous³ or offensive litter⁴ left in a public space, or on private land without the occupier's consent - Second or Subsequent Offence within a Year</u>	<u>New fee</u>	<u>400.00</u>
<p>¹ 20 litres is the approximate maximum capacity of two standard supermarket bags in normal conditions. ² 120 litres is the approximate maximum capacity of a standard mobile garbage bin in normal conditions ³ Hazardous litter includes broken glass, barbed wire, jagged metal, medicines, hazardous waste, etc. ⁴ Offensive waste includes rotting food, animal remains, faeces including discarded nappies, etc.</p>		

Resource Management

Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
Fees and Charges under the Resource Management Act will be incorporated once special consultative procedure completed – see document A347211 for comparison with 2016/17 fees and charges		

Community Services

Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
Cemeteries (Public Amenities Bylaw Clause 8)		
Te Kuiti Cemetery		
Plot Purchase (Berm and Lawn Cemetery)		
Adult	1,550.00	1,550.00
Child (under 12 years)	665.00	665.00
Ashes Plot		
Ashes Wall	330.00	330.00
Garden of Memories	440.00	440.00

Community Services

Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
RSA	0.00	0.00
Interment Fees Te Kuiti		
Adult	1,130.00	<u>1,190.00</u>
Child (under 12 years)	630.00	630.00
Ashes interment	225.00	<u>250.00</u>
Stillborn	135.00	135.00
Rural Cemeteries Piopio, Mokau, Te Waitere and Aria		
Plot Purchase		
Adult	1,150.00	1,150.00
Child (under 12 years)	490.00	490.00
Ashes Plot	200.00	200.00
Interment Fees		
Adult	1,240.00	<u>1,270.00</u>
Child (under 12 years)	630.00	<u>640.00</u>
Ashes interment	330.00	<u>350.00</u>
Stillborn	200.00	200.00
Sundry (for all cemeteries in the District)		
Extra for breaking concrete	160.00	160.00
Additional depth	220.00	220.00
Extra Saturday	210.00	210.00
Extra Public Holiday	420.00	420.00
Fixing of Plaque	160.00	160.00
Disinterment Fees An estimate will be provided to customer, actual cost will be charged (all Cemeteries)		
Burial	Actual Cost Plus 10% Administration	Actual Cost Plus 10% Administration
Ashes	Actual Cost Plus 10% Administration	Actual Cost Plus 10% Administration
Non Residents (out of district burials)	Add 60% to plot purchase	Add 60% to plot purchase
Research Fees	60.00	60.00

Community Services

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Hall Hire - Les Munro Centre		
Complex Hire		
Total complex	850.00	<u>New fee structure</u>
<u>Full day (8am – 8am)</u>		<u>850.00</u>
<u>Day hire (8am – 5pm)</u>		<u>600.00</u>
<u>Weekend rate (5pm Friday – 5pm Sunday)</u>		<u>1,600.00</u>
<u>Funeral rate*</u>		<u>300.00</u>
Foyer	350.00	<u>New fee structure</u>
<u>Foyer – hourly rate</u>		<u>35.00</u>
Supper Room	460.00	<u>New fee structure</u>
<u>Full day (8am – 8am)</u>		<u>460.00</u>
<u>Day hire (8am – 5pm)</u>		<u>300.00</u>
<u>Hourly rate</u>		<u>45.00</u>
<u>Half day hire available (for before 12 noon or after 12 noon)</u>	<u>50% of daily hireage cost</u>	<u>Removed</u>
<u>Other (per hire)</u>		
PA System	130.00	130.00
Crockery (200 piece setting)	145.00	145.00
Grand Piano Hire (per day)	140.00	140.00
Cancellation Fee (within 14 days of event)	50% of hireage fee	50% of hireage fee
Cancellation Fee (within 15 to 90 days of event)	10% of hireage fee	10% of hireage fee
Booking Deposit	10% of hireage fee	10% of hireage fee
Bond	50% of the total hireage fee (of all services hired)	50% of hireage fee
<u>* Funeral rate includes hire of crockery and PA system if required</u>		
Community Halls		
Senior Citizens Hall		
<u>Bond</u>	<u>50% of hire fee</u>	<u>Removed</u>
Hire fee per day <u>(8am – 5pm)</u>	60.00	60.00
Piopio Hall		

Community Services

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Hire fee per day <u>Complex hire</u>	200.00	<u>New fee structure</u>
<u>Full day (8am – 8am)</u>		<u>200.00</u>
<u>Hourly rate</u>		<u>35.00</u>
Half day hire available (half day is before 12 noon or after 12 noon)	50% of daily hire fee	<u>Removed</u>
Audio Equipment Rental <u>PA system</u>	65.00	65.00
Audio Equipment – Bond	50% of hire fee	<u>Removed</u>
Bond	50% of hire fee	50% of hire fee
Te Kuiti Railway Station Complex <u>Building 3</u>		
Building 3 <u>Day hire (8am – 5pm)</u>	100.00 per day	100.00
<u>Hourly rate</u>	<u>New fee</u>	<u>20.00</u>
Elderly Persons Housing - Tenancy arrangement		
Small single bedroom - per week	107.00	107.00
Large single bedroom - per week	120.00	120.00
Bedsit - per week	100.00	100.00
Parks and Reserves		
Commercial Users Only – All Parks		
Ground Hire (per day)	300.00	<u>310.00</u>
Bond	520.00	<u>To be determined on hire but no less than 500.00</u>
District Aquatic Centre		
Adult	4.50	4.50
<u>Adult swimmer with an under 5</u>	<u>New fee</u>	<u>3.00</u>
Seniors	3.20	<u>3.00</u>
<u>Disability/health (green script of letter from health professional required)</u>	<u>New fee</u>	<u>2.00</u>
Child	2.40	<u>2.00</u>
Students	2.80	<u>3.00</u>
Under 5's	0.00	<u>0.00</u>
Spectators	0.50	0.50
Learn to Swim Classes (per lesson)	10.00	10.00

Community Services

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Hire of whole complex (per hour) under 50 swimmers	100.00	100.00
Hire of whole complex (per hour) over 50 swimmers	Charge per swimmer (Adult, Senior or Child)	<u>2.00 per swimmer</u>
Lane Hire (per lane per hour)	12.00	12.00
Schools Base Fee (per hour)	35.00	35.00
BBQ Hire (<u>per hour</u>)	30.00	<u>10.00</u>
Te Kuiti Aerodrome		
Visiting Aircraft Landing Fee	10.00	10.00
Touch and go First	10.00	10.00
Fertiliser Bin Hire (per tonne)	6.50	6.50
Plane Storage (casual)	490.00	<u>500.00</u>
Portaloo Hire		
Week (return to WDC by 10am next working day to avoid additional daily charge)	320.00	320.00
Weekend (return to WDC by 10am next working day)	170.00	170.00
Day rate (return to WDC by 10am next working day to avoid additional daily charges)	115.00	115.00
Banner Poles		
Hireage of Banner Space (max of 4 weeks) per week	10.00	10.00
Installation and Removal (minimum then at Cost plus 10%)	150.00	150.00

Community Development

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Waitomo District Library		
Scanning (per request)	0.50	0.50
<u>Binding documents</u>	<u>New fee</u>	<u>5.00</u>
Membership Card (initial)	2.50	2.50
Lost Membership Card replacement	6.50	6.50
Jigsaw Puzzles (21 days)	2.00	2.00
Children's Wooden Puzzles (21 days)	0.50	<u>No charge</u>

Community Development

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Rental Talking Books	2.80	<u>3.00</u>
Rentals (Fiction) – Books up to 4 years old (Rental 21 Days)	0.50	0.50
Rentals (Fiction) – Books over 4 years old (Rental 21 Days)	No Charge	No Charge
Overdues - (per day per book)	0.60	0.60
Children's books Overdues - (per day per book)	0.20	0.20
Bestseller Collection - 14 day hire	5.00	5.00
Overdues – Bestseller Collection (per day per book)	1.00	1.00
Classic DVD's - 1 week hire	3.20	<u>3.00</u>
DVDs - 1 week hire	5.00	<u>4.00</u>
Best Seller DVD's - 3 day hire	5.50	<u>5.00</u>
Electronic Games -1 week hire	6.00	<u>8.00</u>
Overdues – All DVD's, CD's Games (per day, per item)	1.10	<u>1.20</u>
Magazines - 1 week hire	1.50	1.50
Lost or Damaged Items	Replacement Cost Plus \$7.00 processing fee	Replacement Cost Plus \$7.00 processing fee
Requests to other Libraries (per item) where reciprocal agreement exists	9.00	9.00
Requests to other Libraries (per item) where no reciprocal agreement exists	23.00	23.00
International Requests to other Libraries (per item)	50.00	50.00
Aotearoa Peoples Network (APNK) internet/computer charges	No Charge	No Charge
Ancestry.com subscription	20.00	20.00
Ancestry.com (casual rate per hour)	5.00	5.00
Items requests/hold, per request	1.20	1.20
Non Resident Fee (per year)	45.00	45.00
Sale of Books	0.80	0.80
Sale of Books - Fill a Bag	3.00	3.00
Books By Mail - postage fee (per item)	5.00	5.00
Library Bags	5.50	5.50

Community Development

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Kit Collection (1 week)	5.00	5.00
Overdues - Kit Collection per day	1.00	1.00
Covering Books (Small)	5.00	5.00
Covering Books (Large)	5.00	5.00

Corporate Services

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Official Information		
Handling of enquiries - charge per half hour plus actual and reasonable costs (first hour free of charge)	38.00	38.00
Supply of property records (Hardcopy property files accessed by a customer)	10.00	10.00
Certificate of Title	30.00	30.00
GIS System - Printing of Maps		
A1	49.50	49.50
A3	16.00	16.00
A4	13.50	13.50
Single email of data/map to customer (per request)	12.00	12.00
Single email/ or copy of data to customer (per request)	12.00	12.00
Creation/printing of non-standard maps (cost per half hour plus actual and reasonable costs)	43.00	43.00
Photocopying		
A4 - Black and White, single sided	0.20	0.20
A4 - Black and White, double sided	0.30	0.30
A4 - Colour, single sided	0.30	0.30
A4 - Colour, double sided	0.50	0.50
A3 - Black and White, single sided	0.40	0.40
A3 - Black and White, double sided	0.70	0.70
A3 - Colour, single sided	1.00	1.00
A3 - Colour, double sided	1.90	1.90
Laminating		

Corporate Services

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
A4, per page	3.00	3.00
A3, per page	6.00	6.00
Postage and Courier		
E20 courier bag (A5)	7.00	7.00
E40 courier bag (A4)	11.00	11.00
E60 courier bag (A3)	17.00	17.00
Email and digital		
Supply of data in digital format by email. Includes producing a document by computer and sending via email to customer. (per half hour plus actual and reasonable costs)	40.00	40.00
Supply of information regarding Rating Information Database to commercial entities (per hour plus actual and reasonable costs – minimum charge one hour)	50.00	50.00
Fax Service		
National – First sheet	3.60	3.60
National - Second and subsequent sheet	3.60	3.60
International – First Sheet	6.10	6.10
International - Second and subsequent sheet	1.10	1.10
Receiving (per sheet)	1.00	1.00

Assets

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Roading		
Road Closure Application Fee *	487.00	<u>506.00</u>
* Fee includes administration and the cost of one advertisement; two adverts are required. Council will cover the cost of one advertisement		
Entrance way Inspection	173.00	<u>180.00</u>
Road Damage Deposit		
Bond (deposit refundable)	5,250.00	<u>5,449.00</u>
Road Opening Notice	188.00	<u>195.00</u>
Road Encroachment	188.00	<u>195.00</u>

Assets

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Rapid Number		
New	85.00	<u>88.00</u>
Replacement	49.00	<u>50.00</u>
Over Weight Permit	225.00	<u>233.00</u>
No Spray Zone Application	212.00	<u>220.00</u>
Roading Information		
Land Information Request	64.00	<u>66.00</u>
Engineering Consent	74.00	<u>76.00</u>
Implementation of Vehicle Dimension Mass Rule (assessment of bridge capacity for heavy vehicles)	650.00	<u>675.00</u>
Sewerage (Wastewater)		
Connection (All Council supplies excluding Piopio)	1,845.00	<u>1,915.00</u>
Connection — Parkside Subdivision	540.00	Removed
Disconnection	205.00	<u>210.00</u>
Piopio Wastewater		
Connection involving retrofitting of an existing approved septic tank	9,680.00	9,680.00
Connection (including new septic tank)	19,155.00	19,155.00
Trade Waste		
Administrative Charges		
Required Trade Waste Application Fee	145.00	<u>150.00</u>
Non-compliance Re-inspection Fee	112.00	<u>116.00</u>
Annual Trade Waste Consent Charges		
Exempt Trade Waste Licence	110.00	<u>114.00</u>
Permitted Trade Waste Licence	220.00	<u>225.00</u>
Conditional Trade Waste licence (includes disposal from cleaning of separator unit x2 p/annum)	610.00	<u>633.00</u>
Tankered Trade Waste Charges		
Sewerage Discharge Rates at Te Kuiti per m3 (1,000 liters) discharged at Waste Water Treatment Plant		
Liquid (Septic Tank) waste disposal from within Waitomo District per m3 (1,000 litres)	220.00	<u>228.00</u>

Assets

Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
Liquid waste (Grey Water) per m3 (1,000 litres)	34.00	<u>35.00</u>
Tankered trade waste (grease trap) per m3 (1,000 litres)	235.00	<u>240.00</u>
All out of Waitomo District tankered waste per m3 (1,000 litres) casual users	275.00	<u>283.00</u>
Stormwater		
Connection	2,930.00	<u>2,965.00</u>
Connection—Parkside Subdivision	560.00	Removed
Kerb Connection	1,050.00	<u>1,065.00</u>
Water Supply (Water Services Bylaw 2015)		
Bulk Water take (tankers/hydrant etc) Cost/ m ³		
Connection Fee (All council supplies)	1,782.50	<u>1,850.00</u>
Connection—Parkside Subdivision	550.00	Removed
Disconnection Fee	460.00	<u>480.00</u>
Testing Meters Fee		
Domestic 15 mm and 20 mm	400.00	<u>415.00</u>
40 mm large connection	475.00	<u>490.00</u>
50 mm and 100 mm bulk	725.00	<u>752.00</u>
Reconnection	460.00	<u>477.00</u>
Water Permit (standpipe)	196.00	<u>203.00</u>
Water Take Application Fee	62.00	<u>64.00</u>
Toby/ Valve locates	129.00	<u>135.00</u>
Other Charges For identification of underground services or any other operation deemed to differ from the normal fees and charges line item	Cost Recovery Basis Plus 10% administrative costs	Cost Recovery Basis Plus 10% administrative costs
Solid Waste Management		
Kerbside Collection		
Purchase of WDC Rubbish Bags - Residents (each)	2.80	<u>3.00</u>
Landfill and Transfer stations		
Waitomo District Landfill (Note: most charges are per 1 tonne (1,000kgs). There is no charge to dispose of official WDC Refuse Bags at Landfill)		
Purchase of Recycle Bin (Green Bin, each)	18.00	<u>19.00</u>

Assets

Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
General Refuse		
General Refuse	165.00	<u>185.00</u>
Green Waste		
Green Waste	120.00	<u>125.00</u>
Special Refuse		
Concrete and Bricks (per tonne)	74.00	<u>77.00</u>
Concrete, Second Grade (per tonne)	32.00	<u>34.00</u>
Fibreglass (per tonne)	235.00	<u>245.00</u>
Bitumen (per tonne)	50.50	<u>53.00</u>
Clean Fill (per tonne)	37.00	<u>39.00</u>
Clay (per tonne)	27.00	<u>29.00</u>
Whiteware – each	18.00	<u>19.00</u>
Television - each	27.00	<u>29.00</u>
Computer - each	16.00	<u>17.00</u>
Toaster/ kettle/ video recorders	5.30	<u>6.00</u>
Fluro Lights – small	32.00	<u>34.00</u>
Fluro Lights – large	47.00	<u>49.00</u>
Oil, paint – per litre	1.50	<u>2.00</u>
Lead Cell Batteries (each)	26.50	<u>28.00</u>
Gas Cylinders (each)	12.00	<u>13.00</u>
Car Bodies (clean)	96.00	<u>100.00</u>
Car Bodies (as is)	147.00	<u>153.00</u>
Metal (scrap only, per tonne)	80.00	<u>84.00</u>
Polystyrene (per tonne)	1167.00	<u>1,213.00</u>
Sand (white, per tonne)	61.00	<u>64.00</u>
Scrap steel (per tonne)	48.00	<u>50.00</u>
Road Sweeping (per tonne)	61.00	<u>64.00</u>
Timber Waste (per tonne)	117.00	<u>122.00</u>
Burial (per unit)	59.00	<u>62.00</u>
Tyres		

Assets

Description	2016/17 fee or charge	<u>Proposed 2017/18 fee or charge (\$)</u>
Car	12.50	<u>13.00</u>
4x4	16.50	<u>18.00</u>
Light Truck	16.50	<u>18.00</u>
Truck	21.00	<u>22.00</u>
Tractor	54.00	<u>57.00</u>
Tyre removal from rim	24.00	<u>25.00</u>
Shredded tyres (per tonne)	211.00	<u>220.00</u>
Asbestos (wrapped)	266.00	<u>277.00</u>
Contaminated Soils	243.00	<u>253.00</u>
Contaminated Waste	279.00	<u>290.00</u>
Bulk Liquid Wastes will not be accepted		
Over 500 Tonne of General Refuse - a Special Rate is to be pre-approved by CE		
Transfer Stations		
<i>Charges are per refuse item: Van (each). If the amount of general refuse is over and above the standard item, additional charges will be applied.</i>		
General Refuse		
Disposal of Unofficial rubbish bags	9.50	<u>10.00</u>
Wheelie Bin	27.00	<u>29.00</u>
Car boot	30.00	<u>32.00</u>
Van	55.00	<u>58.00</u>
Ute	63.00	<u>66.00</u>
Trailer	63.00	<u>66.00</u>
Special Refuse (E.g. Whitteware)	18.00	<u>19.00</u>
Televisions – each	27.00	<u>29.00</u>
Computer – each	16.00	<u>17.00</u>
Toaster/ kettle/ video recorders	5.30	<u>6.00</u>
Landscape Supplies		
Riverstone (per tonne)		
Riverstone 6mm Pea Metal	90.00	<u>94.00</u>
Riverstone 10mm Rolys	95.00	<u>99.00</u>
Riverstone 19mm Rolys	95.00	<u>99.00</u>
Riverstone 6-25mm Rolys	95.00	<u>99.00</u>

Assets

Description	2016/17 fee or charge	Proposed 2017/18 fee or charge (\$)
Riverstone 25-65mm Rolys	105.00	<u>110.00</u>
Riverstone 65-200mm Rolys	117.00	<u>122.00</u>
Riverstone 200-400mm Rolys	140.00	<u>146.00</u>
Riverstone Medium Boulders	255.00	<u>265.00</u>
Riverstone Large Boulders	325.00	<u>338.00</u>
Riverstone Pit Sand	75.00	<u>78.00</u>
Riverstone Builder Mix	105.00	<u>110.00</u>
Riverstone Drainage Stone 25-65mm	90.00	<u>94.00</u>
Mulch (per tonne)		
Garden Mulch 2nd Quality unscreened	80.00	<u>84.00</u>
Limestone (per tonne)		
Limestone Fines (cream colour)	35.00	<u>37.00</u>
Limestone Chip (cream colour) 2-6mm	45.00	<u>47.00</u>
Limestone Chip (cream colour) 6-15mm	120.00	<u>125.00</u>
Limestone Chip (white colour) 6-16mm	135.00	<u>141.00</u>
Limestone Chip (cream colour) 15-25mm	120.00	<u>125.00</u>
Limestone Aggregate Gap 25	55.00	<u>58.00</u>
Limestone Aggregate Gap 50	60.00	<u>63.00</u>
Limestone Aggregate Gap 100	40.00	<u>42.00</u>
Limestone Drainage Stone 25-50mm size	65.00	<u>68.00</u>

2017/2018 FEES AND CHARGES

SET UNDER THE FOOD ACT 2014

AND THE RESOURCE MANAGEMENT ACT 1991

CHANGES REQUIRING CONSULTATION

*Changes from 2016/17 fees and charges
shown in track changes*

Table showing proposed changes from
Food Act 2016/17 fees

Fees for functions under the Food Act 2014		
Description	2016/17 fee or charge (\$)	<u>Proposed 2017/18 fee or charge (\$)</u>
All administration and verification activities including annual verification, reporting, non conformance visits and any activity not specified in the schedule below	130.00 per hour	<u>160.00 per hour</u>
Application for new registration of Template Food Control Plan	180 .00	180.00 <u>(plus hourly rate of 160 after the first hour)</u>
Application for renewal of registration of Template Food Control Plan	160 .00	160.00 <u>(plus hourly rate of 160 after the first hour)</u>
Application for amendment of registration of Template Food Control Plan	150 .00	<u>160.00</u> <u>(plus hourly rate of 160 after the first hour)</u>
Voluntary suspension of Template Food Control Plan	85 .00	85.00 <u>(plus hourly rate of 160 after the first hour)</u>
Application for new registration of premises under a National Programme	120 .00	120.00 <u>(plus hourly rate of 160 after the first hour)</u>

Fees for functions under the Food Act 2014

Description	2016/17 fee or charge (\$)	<u>Proposed 2017/18 fee or charge (\$)</u>
Application for renewal of registration of premises under a National Programme	100 .00	<u>110.00</u> <u>(plus hourly rate of 160 after the first hour)</u>
Voluntary suspension of National Programme	85 .00	85.00 <u>(plus hourly rate of 160 after the first hour)</u>
Issue of improvement notice, or review of an improvement notice	150 .00 (plus hourly rate of 130 after the first hour)	150.00 (plus hourly rate of <u>160</u> after the first hour)
Application for statement of compliance	150 .00 (plus hourly rate of 130 after the first hour)	150.00 (plus hourly rate of <u>160</u> after the first hour)
<u>Copy of Food Control Plan folder and documents</u>	<u>New fee</u>	<u>25.00</u>
<u>Cancellation of an audit or verification within 24 hours of the scheduled date and time of audit</u>	<u>New fee</u>	<u>100.00</u>

Table showing proposed changes from Resource Management 2016/17 fees

The nature of the proposed new Resource Management fees and charges structure is that it is not easily compared to the 2016/17 fees and charges structure. Therefore, the table below provides Council with a guide to comparison between existing and proposed fees and charges and is for information only.

This should be read in conjunction with the proposed new fees and charges structure which is produced in full in the second table.

Resource Management		
Description	2016/17 fee or charge (\$)	Proposed 2017/18 fee or charge (\$)
When external consultants are engaged to review/process Consent applications the applicant will be charged the actual costs of these services	Actual Fee	<u>Incorporated within new structure</u>
Notified Resource Consent Applications	Deposit 3,300 .00	<u>Increased, within new structure</u>
Non-notified Resource Consent Application Land Use	Deposit 550 .00	<u>Increased, within new structure</u>
Resource Consent Application - Monitoring Fee per visit <u>(excluding engineering)</u>	150 .00	<u>Incorporated within new structure</u>
Non-notified Resource Consent Application - Boundary Dispensation	Deposit 330 .00	<u>Increased, within new structure</u>
Non-notified Resource Consent Application - Subdivision	Deposit 1,320 .00	<u>Increased, within new structure</u>
Designations and Notice for Requirements	Deposit 660 .00	<u>Increased, within new structure</u>
Requirement for Heritage Order (Section 189/ <u>189A, 196, 177</u>)	Deposit 825 .00	<u>Increased, within new structure</u>
Applications for Change to District Plan: Full cost recovery (actual costs will be charged), deposit and minimum fee	Deposit 10,000 .00	<u>Increased, within new structure</u>
Applications for minor amendments or extensions	-Deposit 550 .00	<u>Removed</u>
Processing applications to extend an existing use	Deposit 550 .00	<u>Removed</u>
Applications for Certificate of Compliance	Deposit 550 .00	<u>Removed</u>
Copies of District Plan	150 .00	<u>Incorporated within new structure</u>
Council signing of survey certification (Section 221, 223, 224, 226)	175 .00	<u>Increased, within new structure</u>

Resource Management

Description	2016/17 fee or charge (\$)	<u>Proposed 2017/18 fee or charge (\$)</u>
Outline Plan Application (Section 176A)	Deposit 330 .00	<u>Increased, within new structure</u>
Contravention of Excessive Noise Directive (END)	500.00	<u>Removed</u>
Contravention of Abatement Notice (Noise)	750.00	<u>Removed</u>

Table showing proposed new fee structure:
Resource Management 2017/18 fees and charges

Resource Management		
<i>To be read in conjunction with the explanatory note for Resource Management fees and charges, found below</i>		
Description		Proposed 2017/18 fee or charge (\$)
<u>General</u>		
<u>Pre application</u>	<u>Pre application meeting</u>	<u>Actual staff time</u>
<u>Lodgement meeting</u>	<u>To lodge any consent</u>	<u>Actual staff time</u>
<u>Pre-hearing meeting</u>	<u>For any meeting or mediation held (\$99)</u>	<u>Actual staff time</u>
<u>Joint subdivision and landuse</u>	<u>For any joint subdivision and landuse consent application</u>	<u>Deposit 4,500 .00</u>
<u>Limited notified consent</u>	<u>Any resource consent that requires limited notification</u>	<u>Deposit 6,500 .00</u>
<u>Notified consent</u>	<u>Any resource consent that requires public notification</u>	<u>Deposit 10,000 .00</u>
<u>Land use consents</u>		
<u>Non notified</u>	<u>All land use consents, except as otherwise provided below</u>	<u>Deposit 1,000 .00</u>
<u>Non notified</u>	<u>Boundary dispensation (side yard only)</u>	<u>Deposit 600 .00</u>
<u>Subdivision consents</u>		
<u>Non notified</u>	<u>creating 9 lots or less where no road/reserves proposed</u>	<u>Deposit 2,500 .00</u>
<u>Non notified</u>	<u>creating 10 lots or more, or any subdivision where a road/reserve is proposed</u>	<u>Deposit 3,500 .00</u>
<u>Subdivision processes (post approval)</u>		
<u>Section 223 certification</u>		<u>250.00</u>
<u>Section 224C certification</u>		<u>250.00</u>
<u>Section 241</u>	<u>Cancellation/partial cancellation of amalgamation condition</u>	<u>Fixed 450.00</u>
<u>Section 221</u>	<u>Consent notice - preparation, authorisation, change or cancellation</u>	<u>Fixed 250.00</u>
<u>Cross lease</u>	<u>Amendments to flats plans</u>	<u>Deposit 600.00</u>
<u>Engineering</u>	<u>For inspections of any works for conditions, including checking engineering plans and any amendments</u>	<u>Actual staff time</u>
<u>Other resource management activities</u>		

Resource Management

To be read in conjunction with the explanatory note for Resource Management fees and charges, found below

Description	Proposed 2017/18 fee or charge (\$)	
<u>Section 127</u>	<u>Application to change or cancel condition(s) of consent (non-notified only, notified consents will be charged the relevant notification fee)</u>	<u>Deposit 1,000.00</u>
<u>Section 125/126</u>	<u>Applications for extensions of consent periods</u>	<u>Deposit 600.00</u>
<u>Section 124</u>	<u>Exercise of resource consent while applying for new consent</u>	<u>Deposit 1,500.00</u>
<u>Section 128-132</u>	<u>Review of consent conditions (non-notified only, notified consents will be charged the relevant notification fee)</u>	<u>Deposit 800.00</u>
<u>Section 134</u>	<u>Transfer of holders interest in a consent (fixed fee)</u>	<u>Deposit 150.00</u>
<u>Section 139A</u>	<u>Existing use right determination</u>	<u>Deposit 2,000.00</u>
<u>Section 138</u>	<u>Application to surrender a resource consent</u>	<u>Deposit 500.00</u>
<u>Section 139</u>	<u>Application for Certificate of Compliance</u>	<u>Deposit 1,000.00</u>
<u>Section 357</u>	<u>Objection pursuant to sections 357(A) or (B)</u>	<u>Deposit 450.00</u>
<u>NES</u>	<u>Confirmation of compliance with National Environmental Standard</u>	<u>Actual staff time</u>
<u>Other</u>	<u>Any application pursuant to the RMA not listed elsewhere</u>	<u>Deposit 1,500.00</u>
<u>Designations</u>		
<u>Public or limited notified</u>	<u>Notice of Requirement for Designation</u>	<u>Deposit 10,000.00</u>
<u>Non-notified</u>	<u>Notice of Requirement for Designation</u>	<u>Deposit 5,000.00</u>
<u>Sections 181, 182</u>	<u>Requirement for alteration or removal/partial removal of designation</u>	<u>Deposit 1,500.00</u>
<u>Section 184/184A</u>	<u>Application to determine designation lapsing</u>	<u>Deposit 2,500.00</u>
<u>Section 180</u>	<u>Transfer of rights and responsibilities for designations</u>	<u>Deposit 1,500.00</u>
<u>Sections 177, 178</u>	<u>Request to the requiring authority responsible for an earlier designation. Application to do anything which would prevent or hinder the public work or project</u>	<u>Deposit 600.00</u>
<u>Section 176</u>	<u>Application for outline plan</u>	<u>Deposit 650.00</u>

Resource Management

To be read in conjunction with the explanatory note for Resource Management fees and charges, found below

Description	Proposed 2017/18 fee or charge (\$)
<u>Section 176A(2)</u>	<u>Waiver of requirement for outline plan</u> <u>Deposit 150.00</u>
<u>Heritage orders</u>	
<u>Sections 189/189A, 196, 177</u>	<u>Requirement for a heritage order.</u> <u>Requirement for removal of heritage order.</u> <u>Request to requiring authority responsible for the earlier heritage order.</u> <u>Deposit 1,500.00</u>
<u>Plan Change application (to amend the District Plan)</u>	
<u>1st schedule</u>	<u>Processing, considering and determining a private plan change application.</u> <u>Deposit 30,000.00</u>
<u>Compliance and monitoring</u>	
<u>General</u>	<u>Administration, review, correspondence.</u> <u>Actual staff time</u>
<u>Inspections (excluding engineering)</u>	<u>To monitor progress with giving effect to any resource consent, and compliance with consent conditions.</u> <u>150 per inspection</u>
<u>Engineering</u>	<u>For any inspection required.</u> <u>Actual staff time</u>
<u>Miscellaneous charges</u>	
<u>Legal instruments</u>	<u>Search for easement documents, covenants, encumbrances, or any other document registered on Certificates of Title.</u> <u>Actual staff time + LINZ costs</u>
<u>Affixing council's seal/authorising document</u>	<u>For administrative costs incurred in affixing council's seal and/or signature to any document where a charge is not otherwise listed.</u> <u>Fixed 170.00</u>
<u>Variation/cancellations</u>	<u>Variation or cancellation of any legal document/instrument not otherwise listed.</u> <u>Fixed 450.00</u>
<u>Public notice</u>	<u>Costs associated with public notices.</u> <u>Actual staff time + advertisement fees</u>
<u>Signs</u>	<u>Affixing signs on site.</u> <u>Fixed 35 per sign</u>
<u>Delegated approvals</u>	<u>Staff decision on application, acting under delegated authority.</u> <u>Actual staff time</u>
<u>Bonds - excluding engineering</u>	<u>Preparation, release and signing of any bond (excluding engineering).</u> <u>Fixed 300.00</u>
<u>Bonds - engineering</u>	<u>Preparation, release and signing of any bond - engineering (roading and servicing works).</u> <u>Fixed 400.00</u>

Resource Management

To be read in conjunction with the explanatory note for Resource Management fees and charges, found below

Description		Proposed 2017/18 fee or charge (\$)
<u>Consultants</u>	<u>The applicant will reimburse council for any fees paid by council to any consultants.</u>	<u>Actual consultant costs + actual costs</u>
<u>Noise control</u>	<u>For the return of equipment seized under the RMA.</u>	<u>Fixed 180.00</u>
<u>Hearings</u>		
<u>Attendance</u>	<u>A charge will be made for the costs of all staff and/or consultants required to attend a hearing.</u>	<u>Actual staff/consultant time</u>
<u>Hearing by commissioner</u>	<u>Where independent commissioners preside.</u>	<u>Actual costs</u>
<u>Hearing by Council</u>	<u>A charge will be made per councillor, including time spent on site visits.</u>	<u>260 + 204 for each 1/2 hour or part thereof</u>
<u>Postponement/withdrawal or cancellation</u>	<u>If the applicant fails to give a minimum of 5 working days written notice of a request for cancellation, withdrawal or postponement of a scheduled hearing.</u>	<u>Actual costs</u>
<u>Venue</u>	<u>Hiring a venue for the hearing</u>	<u>Actual costs</u>
<u>Request for information/supply of resource management documents</u>		
<u>Providing general advice</u>	<u>Providing advice and considering proposed applications.</u>	<u>Actual staff time</u>
<u>Providing information</u>	<u>Any request to provide information in respect of the District Plan or any consent.</u>	<u>Actual staff time</u>
<u>Providing copies</u>	<u>Copying information relating to consents and Council's functions under section 35 of RMA and the supply of any document.</u>	<u>Actual staff time + photocopying costs</u>
<u>Waitomo District Plan</u>	<u>Full printed copy of text and planning maps.</u>	<u>150.00 per copy</u>
<u>Photocopying – charged as per Council's corporate rate</u>		
<u>Officer's hourly charge out rates</u>		
<u>Waitomo District Council staff member</u>		<u>180.00 per hour</u>
<u>Consultant</u>		<u>Actual costs</u>
<u>Mileage</u>		
<u>For each kilometre travelled</u>		<u>1.20 per km</u>
<u>Hazardous Activities and Industries List (HAIL) determinations</u>		
<u>Investigation fee</u>		<u>Fixed 80.00</u>

Resource Management – explanatory note

Resource management fees and charges – explanatory note

These fees and charges become operative on 1 July 2017 and will apply for all work carried out and decisions issued on or after 1 July 2017, irrespective of when the application was lodged with the Council.

Fixed charges

1. The charges set out in this schedule are charges which are fixed pursuant to Section 36 of the Resource Management Act 1991 (RMA).

All such charges are stated inclusive of GST at 15%, however should the GST rate be amended, GST will be charged at the prevailing rate.

2. All fixed charges are payable in full in advance. Pursuant to Section 36(7) of the RMA, the Council will not perform the action or commence processing the application to which the charge relates until it has been so paid.

Note: Documentation or certificates will not be issued until payment of charges have been cleared.

Additional charges

Where a fixed charge is in any particular case inadequate to enable the Council to recover its actual and reasonable costs in respect of the matter concerned, the Council will require the applicant to pay an additional charge to the Council.

The following may also be included as additional charges:

- a) If it is necessary for the services of a consultant to be engaged by the Council (including their attendance at any hearing or meeting) then the consultant's fees will be charged in full to the applicant as an additional charge;
- b) If any legal fees are incurred by the Council in relation to legal advice obtained for any particular application, including any fees incurred if Council's solicitor is required to be present at any hearing, mediations or meetings, these fees will be charged in full to the applicant as an additional charge;
- c) If any Commissioner hearing fees and associated costs are incurred in considering and determining any particular application, these fees will be charged in full to the applicant as an additional charge.

Purpose

The purpose of each fixed charge and any additional charge is to recover the actual and reasonable costs incurred by the Council in receiving and processing applications and in issuing decisions and monitoring performance of conditions.

Charge-out rates for council officers and mileage

Charge out rates for Council officers are set out in this schedule and:

- a) Are fixed charges;
- b) If reference is made in the schedule to actual staff time, it will be charged in accordance with the relevant hourly charge-out rates;
- c) The charge-out rates for Council officers and for mileage will apply to all matters listed in the Schedule so that:

- o if the fixed charge which has been paid in advance is greater by more than \$20.00 than the actual and reasonable costs incurred by the Council relating to that application, a refund will be given when those costs are finally assessed; and
- o if the actual and reasonable costs incurred by the Council relating to that application are inadequate to enable the Council to recover its actual and reasonable costs then additional charges calculated for staff time at the same rate will be payable (as well as any other items of additional charge which may have been incurred).

Additional fixed fees

At any time after the receipt of an application and before a decision has been made the Council may fix a fee pursuant to Section 36(1) of the RMA which is in excess of the fixed charge set out in this schedule.

In that event:

- a) The Council may require that no further action will be taken in connection with the application until that fixed fee is paid in accordance with Section 36(7) of the RMA; and
- b) May also, pursuant to Section 36(3) of the RMA make additional charges.

Remission of fees

Staff with delegated authority may decide to reduce any charges following the criteria of Section 36(4)(b) of the RMA.

Statement of Proposal

Fees and Charges for functions under the Food Act 2014 and the Resource Management Act 1991

May 2017

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Statement of Proposal

Proposed Fees and charges for functions under the Food Act and Resource Management Act

Reasons for the Proposal

Waitomo District Council sets fees and charges for the provision of certain goods and services to the community.

We apply user fees and charges to fund the operating expenses of activities where the people who benefit can be directly identified and charged. This is a 'user-pays' basis to ensure equity so that people who directly get the benefit of a service pay for the service as well.

Council has carried out an annual review of the fees and charges which provides the opportunity to reflect changing circumstances in the operating environment. A review of the existing fees and charges (2016/17) has been completed which has resulted in some changes to the fees and charges proposed for the 2017/18 year.

Council is seeking public feedback on proposed changes to fees for functions under the Food Act 2014 (the Food Act) and the Resource Management Act 1991 (the Resource Management Act).

Council's Revenue and Financing Policy

When setting the fees and charges a number of considerations are kept in mind, including indirect benefit to the community, distribution of benefits and ability to pay. These considerations are explained in full in Council's Revenue and Financing Policy.

Council's Revenue and Financing Policy provides information on funding sources that are available to Waitomo District Council and provides the rationale for the use of each funding source. Fees and charges are a legitimate source of funding activities (or parts of activities).

Fees and charges are set according to Council's Revenue and Financing Policy where:

- It is assessed that the level of benefit to identified user groups justifies the seeking of charges; and
- There are identifiable and distinct user groups identified by Council's Revenue and Financing Policy; and
- User fees represent the fairest method to seek a contribution from identified users.

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.

Key Matters

1. Proposed fees and charges for functions under the Food Act

The Food Act 2014 set up a new regime for licensed food premises to comply with, and Council was required to implement this within its fees and charges. Before it set the new fees in the 2016/17 year, Council undertook a consultation and heard from the community. As a result of community feedback, changes were made to the proposal, and the new licence regime was implemented.

Now that the new licensing regime has been in place for a year, Council is able to refine the fees and charges to better reflect the actual costs of the new regime to Council, and to provide a fairer and more transparent fee structure to food premises in the district.

Almost all of the existing charges have been increased to better reflect actual processing times, and two new fees have been added – a charge for providing copies of documentation, and a cancellation fee.

Some services take less time for Council to process than others and the proposed changes to the application fees reflect this.

There is also a proposed addition of an hourly rate after the first hour. This will mean straightforward applications will be cheaper than applications which are more complex, or require Council to spend more time processing (for example, if an application is incomplete).

Proposed fees and charges for functions under the Food Act 2014	
Description	Proposed 2017/18 fee or charge (\$)
All administration and verification activities including annual verification, reporting, non conformance visits and any activity not specified in the schedule below	160.00 per hour
Application for new registration of Template Food Control Plan	180.00 (plus hourly rate of 160 after the first hour)
Application for renewal of registration of Template Food Control Plan	160.00 (plus hourly rate of 160 after the first hour)
Application for amendment of registration of Template Food Control Plan	160.00 (plus hourly rate of 160 after the first hour)
Voluntary suspension of Template Food Control Plan	85.00 (plus hourly rate of 160 after the first hour)
Application for new registration of premises under a National Programme	120.00 (plus hourly rate of 160 after the first hour)
Application for renewal of registration of premises under a National Programme	110.00 (plus hourly rate of 160 after the first hour)
Voluntary suspension of National Programme	85.00 (plus hourly rate of 160 after the first hour)
Issue of improvement notice, or review of an improvement notice	150.00 (plus hourly rate of 160 after the first hour)
Application for statement of compliance	150.00 (plus hourly rate of 160 after the first hour)
Copy of Food Control Plan folder and documents	25.00
Cancellation of an audit or verification within 24 hours of the scheduled date and time of audit	100.00

2. Fees and charges for functions under the RMA

Council is proposing a new structure for its fees and charges under the Resource Management Act. The new proposed structure outlines deposits, fixed fees and other recoverable expenses to make it clear from the outset the types of costs an applicant can expect for each type of application or service. It makes the true costs of services clearer for applicants, and provides Council the ability to recover fair costs for the services.

These fees and charges better reflect the actual costs Council incurs in providing these services, to ensure the ratepayer does not unfairly subsidise a service from which a specific user benefits.

Explanatory notes have been included which provides additional guidance for applicants.

Deposit charges

Throughout the tables below, there is reference to 'deposits'. Deposit charges are levied at the start of the application and are payable at the time an application is submitted to Council for processing. The changes to these charges across the different sections all reflect this reason.

In proposing changes to deposit charges, the actual charges and costs incurred by applicants over the 2016/17 year were reviewed. The increases proposed below for deposit charges therefore better reflect the average actual cost to process applications.

There will be instances where an application may cost less than the deposit charge and in these instances a refund will occur. If a consent costs more to process than the deposit charge, the balance will be invoiced to the applicant.

Proposed Resource Management fees		
To be read in conjunction with the explanatory note for Resource Management fees and charges, found below.		
Description		Proposed 2017/18 fee or charge (\$)
General		
Pre application	Pre application meeting	Actual staff time
Lodgement meeting	To lodge any consent	Actual staff time
Pre-hearing meeting	For any meeting or mediation held (s99)	Actual staff time
Joint subdivision and landuse	For any joint subdivision and landuse consent application	Deposit 4,500 .00
Limited notified consent	Any resource consent that requires limited notification	Deposit 6,500 .00
Notified consent	Any resource consent that requires public notification	Deposit 10,000 .00
Land use consents		
Non notified	All land use consents, except as otherwise provided below	Deposit 1,000 .00
Non notified	Boundary dispensation (side yard only)	Deposit 600.00
Subdivision consents		
Non notified	creating 9 lots or less where no road/reserves proposed	Deposit 2,500.00
Non notified	creating 10 lots or more, or any subdivision where a road/reserve is proposed	Deposit 3,500.00
Subdivision processes (post approval)		
Section 223 certification		250.00

Proposed Resource Management fees		
To be read in conjunction with the explanatory note for Resource Management fees and charges, found below.		
Description		Proposed 2017/18 fee or charge (\$)
Section 224C certification		250.00
Section 241	Cancellation/partial cancellation of amalgamation condition	Fixed 450.00
Section 221	Consent notice - preparation, authorisation, change or cancellation	Fixed 250.00
Cross lease	Amendments to flats plans	Deposit 600.00
Engineering	For inspections of any works for conditions, including checking engineering plans and any amendments	Actual staff time
Other resource management activities		
Section 127	Application to change or cancel condition(s) of consent (non-notified only, notified consents will be charged the relevant notification fee)	Deposit 1,000.00
Section 125/126	Applications for extensions of consent periods	Deposit 600.00
Section 124	Exercise of resource consent while applying for new consent	Deposit 1,500.00
Section 128-132	Review of consent conditions (non-notified only, notified consents will be charged the relevant notification fee)	Deposit 800.00
Section 134	Transfer of holders interest in a consent (fixed fee)	Deposit 150.00
Section 139A	Existing use right determination	Deposit 2,000.00
Section 138	Application to surrender a resource consent	Deposit 500.00
Section 139	Application for Certificate of Compliance	Deposit 1,000.00
Section 357	Objection pursuant to sections 357(A) or (B)	Deposit 450.00
NES	Confirmation of compliance with National Environmental Standard	Actual staff time
Other	Any application pursuant to the RMA not listed elsewhere	Deposit 1,500.00
Designations		
Public or limited notified	Notice of Requirement for Designation	Deposit 10,000.00
Non-notified	Notice of Requirement for Designation	Deposit 5,000.00
Sections 181, 182	Requirement for alteration or removal/partial removal of designation	Deposit 1,500.00
Section 184/184A	Application to determine designation lapsing	Deposit 2,500.00
Section 180	Transfer of rights and responsibilities for designations	Deposit 1,500.00

Proposed Resource Management fees		
To be read in conjunction with the explanatory note for Resource Management fees and charges, found below.		
Description		Proposed 2017/18 fee or charge (\$)
Sections 177, 178	Request to the requiring authority responsible for an earlier designation. Application to do anything which would prevent or hinder the public work or project	Deposit 600.00
Section 176	Application for outline plan	Deposit 650.00
Section 176A(2)	Waiver of requirement for outline plan	Deposit 150.00
Heritage orders		
Sections 189/189A, 196, 177	Requirement for a heritage order. Requirement for removal of heritage order. Request to requiring authority responsible for the earlier heritage order.	Deposit 1,500.00
Plan Change application (to amend the District Plan)		
1st schedule	Processing, considering and determining a private plan change application.	Deposit 30,000.00
Compliance and monitoring		
General	Administration, review, correspondence.	Actual staff time
Inspections (excluding engineering)	To monitor progress with giving effect to any resource consent, and compliance with consent conditions.	150 per inspection
Engineering	For any inspection required.	Actual staff time
Miscellaneous charges		
Legal instruments	Search for easement documents, covenants, encumbrances, or any other document registered on Certificates of Title.	Actual staff time + LINZ costs
Affixing council's seal/authorising document	For administrative costs incurred in affixing council's seal and/or signature to any document where a charge is not otherwise listed.	Fixed 170.00
Variation/cancellations	Variation or cancellation of any legal document/instrument not otherwise listed.	Fixed 450.00
Public notice	Costs associated with public notices.	Actual staff time + advertisement fees
Signs	Affixing signs on site.	Fixed 35 per sign
Delegated approvals	Staff decision on application, acting under delegated authority.	Actual staff time
Bonds – excluding engineering	Preparation, release and signing of any bond (excluding engineering).	Fixed 300.00

Proposed Resource Management fees		
To be read in conjunction with the explanatory note for Resource Management fees and charges, found below.		
Description		Proposed 2017/18 fee or charge (\$)
Bonds - engineering	Preparation, release and signing of any bond - engineering (roading and servicing works).	Fixed 400.00
Consultants	The applicant will reimburse council for any fees paid by council to any consultants.	Actual consultant costs + actual costs
Noise control	For the return of equipment seized under the RMA.	Fixed 180.00
Hearings		
Attendance	A charge will be made for the costs of all staff and/or consultants required to attend a hearing.	Actual staff/consultant time
Hearing by commissioner	Where independent commissioners preside.	Actual costs
Hearing by Council	A charge will be made per councillor, including time spent on site visits.	260 + 204 for each 1/2 hour or part thereof
Postponement/withdrawal or cancellation	If the applicant fails to give a minimum of 5 working days written notice of a request for cancellation, withdrawal or postponement of a scheduled hearing.	Actual costs
Venue	Hiring a venue for the hearing	Actual costs
Request for information/supply of resource management documents		
Providing general advice	Providing advice and considering proposed applications.	Actual staff time
Providing information	Any request to provide information in respect of the District Plan or any consent.	Actual staff time
Providing copies	Copying information relating to consents and Council's functions under section 35 of RMA and the supply of any document.	Actual staff time + photocopying costs
Waitomo District Plan	Full printed copy of text and planning maps.	150.00 per copy
Photocopying – charged as per Council's corporate rate		
Officer's hourly charge out rates		
Waitomo District Council staff member		180.00 per hour
Consultant		Actual costs
Mileage		
For each kilometre travelled		1.20 per km
Hazardous Activities and Industries List (HAIL) determinations		
Investigation fee		Fixed 80.00

Resource Management – explanatory note

Resource management fees and charges – explanatory note

These fees and charges become operative on 1 July 2017 and will apply for all work carried out and decisions issued on or after 1 July 2017, irrespective of when the application was lodged with the Council.

Fixed charges

1. The charges set out in this schedule are charges which are fixed pursuant to Section 36 of the Resource Management Act 1991 (RMA).

All such charges are stated inclusive of GST at 15%, however should the GST rate be amended, GST will be charged at the prevailing rate.

2. All fixed charges are payable in full in advance. Pursuant to Section 36(7) of the RMA, the Council will not perform the action or commence processing the application to which the charge relates until it has been so paid.

Note: Documentation or certificates will not be issued until payment of charges have been cleared.

Additional charges

Where a fixed charge is in any particular case inadequate to enable the Council to recover its actual and reasonable costs in respect of the matter concerned, the Council will require the applicant to pay an additional charge to the Council.

The following may also be included as additional charges:

- a) If it is necessary for the services of a consultant to be engaged by the Council (including their attendance at any hearing or meeting) then the consultant's fees will be charged in full to the applicant as an additional charge;
- b) If any legal fees are incurred by the Council in relation to legal advice obtained for any particular application, including any fees incurred if Council's solicitor is required to be present at any hearing, mediations or meetings, these fees will be charged in full to the applicant as an additional charge;
- c) If any Commissioner hearing fees and associated costs are incurred in considering and determining any particular application, these fees will be charged in full to the applicant as an additional charge.

Purpose

The purpose of each fixed charge and any additional charge is to recover the actual and reasonable costs incurred by the Council in receiving and processing applications and in issuing decisions and monitoring performance of conditions.

Charge-out rates for council officers and mileage

Charge out rates for Council officers are set out in this schedule and:

- a) Are fixed charges;
- b) If reference is made in the schedule to actual staff time, it will be charged in accordance with the relevant hourly charge-out rates;
- c) The charge-out rates for Council officers and for mileage will apply to all matters listed in the Schedule so that:
 - o if the fixed charge which has been paid in advance is greater by more than \$20.00 than the actual and reasonable costs incurred by the Council relating to that application, a refund will be given when those costs are finally assessed; and

- if the actual and reasonable costs incurred by the Council relating to that application are inadequate to enable the Council to recover its actual and reasonable costs then additional charges calculated for staff time at the same rate will be payable (as well as any other items of additional charge which may have been incurred).

Additional fixed fees

At any time after the receipt of an application and before a decision has been made the Council may fix a fee pursuant to Section 36(1) of the RMA which is in excess of the fixed charge set out in this schedule.

In that event:

- a) The Council may require that no further action will be taken in connection with the application until that fixed fee is paid in accordance with Section 36(7) of the RMA; and
- b) May also, pursuant to Section 36(3) of the RMA make additional charges.

Remission of fees

Staff with delegated authority may decide to reduce any charges following the criteria of Section 36(4)(b) of the RMA.

Consultation and Submissions

Council is using the Special Consultative Procedure set out in section 83 of the Local Government Act 2002 through consultation, decision making, and adoption of these fees and charges.

Anyone can make a submission and we encourage you to tell us your views. A submission form is attached to this document.

This Statement of Proposal is available on Council's website www.waitomo.govt.nz, or alternatively, hard copies are available from:

- Waitomo District Library,
- Te Kuiti i-SITE, and
- Main reception Queen Street, Te Kuiti.

For any queries, please phone 07 878 0800.

When you complete the submission form included in this document or write to us, please indicate if you wish to speak at the hearing, which is scheduled for Wednesday 7 June from 1pm in the Council Chambers.

Consultation will take place from Thursday 4 May 2017 until 5pm on Friday 2 June 2017.

Submissions may be submitted to Council by post, hand delivery or email.

Details of each of these methods are as follows:

- **Email:** consultation@waitomo.govt.nz
- **Post:**
Waitomo District Council,
PO Box 404,
Te Kuiti 3941
- **Hand Delivery:**
Waitomo District Council, Queen Street, Te Kuiti

Key Dates

Key Milestone	Planned timeframe
Council Meeting to adopt the proposed changes to the 2017/18 fees and charges under the Food Act and the Resource Management Act for public consultation	Tuesday 2 May 2017
Consultation Period	Thursday 4 May 2017 – Friday 2 June 2017
Hearing of submitters who wish to speak to their submission	Wednesday 7 June 2017
Council Meeting to make decisions (deliberate) and adopt the 2017/18 fees and charges under the Food Act and the Resource Management Act	Tuesday 27 June 2017

Remember, submissions close at 5pm on Friday 2 June 2017.

Document No: A347314

Report To: Council



Meeting Date: 2 May 2017

Subject: Quarterly Financial and Non-Financial Report for the Period ended 31 March 2017

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present the Quarterly Financial and Non-Financial results for the period ended 31 March 2017.

Background

- 2.1 The period covered by this report is 1 July 2016 to 31 March 2017.

- 2.2 The order of the report is as follows:

- **Summary Income Statement** with comments detailing significant variances to budget on Council's operating performance for the period ended 31 March 2017.
- **Summary Balance Sheet** with comments detailing significant balance sheet movements from 1 July 2016 to 31 March 2017.
- **Capital Expenditure** summary with commentary on material variances of expenditure for the period compared with the EAP 2016/17.
- **Summary Treasury Management** which reports on the Public Debt position, cash reserves and significant treasury transactions.
- **Cost of Service Statement** Summary and Cost of Service Statements for Council's ten significant activities are presented in **Appendix 1**.
- **Balance Sheet** as at 31 March 2017 is presented in **Appendix 2**.
- **Treasury Management Report** from Bancorp Treasury Services Limited, Councils treasury management advisors is enclosed as **Attachment 1**.
- **Performance Management Report** on the Levels of Service and Key Performance Indicators is enclosed as **Attachment 2**.

- 2.3 All figures in the tables, except percentages, are expressed in thousands of dollars (\$000s).

Financial Report to 31 March 2017

3.1 INCOME STATEMENT HIGHLIGHTS

3.2 Set out below is the summary of financial information for the period to 31 March 2017. Detailed Cost of Service Statements are attached as **Appendix 1**.

FINANCIAL HIGHLIGHTS (Amounts in \$000's)	Actual 2015/16	EAP 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Total Expenditure						
- Direct Operating	13,778	14,731	10,413	10,011	(402)	
- Indirect Operating	11,941	12,861	9,561	8,280	(1,281)	
Total Expenditure	25,719	27,592	19,974	18,291	(1,683)	-8%
Total Revenue						
- Operating Revenue	(10,613)	(10,961)	(8,435)	(6,797)	1,638	
- Rates Revenue	(18,700)	(19,546)	(14,765)	(14,714)	51	
Total Revenue	(29,313)	(30,507)	(23,200)	(21,511)	1,689	-7%
Net Operating Cost/(Surplus)	(3,594)	(2,915)	(3,226)	(3,220)	6	0%
Other Comprehensive Revenue and Expense						
- Revaluation of Property, plant and equipment	0	(4,620)	0	0	0	
- Gains/Losses from Cash Flow Hedges	1,828	0	0	0	0	
- Revaluation of available for sale assets	(1,900)					
Total Other Comprehensive Revenue and Expense	(72)	(4,620)	0	0	0	
Total Comprehensive Revenue and Expense	(3,666)	(7,535)	(3,226)	(3,220)	6	0%

3.3 **Net Operating Surplus:** The net operating surplus of \$3,220,000 was \$6,000 less than budget for the period ended 31 March 2017. The Cost of Service Statements for each activity are included as Appendix 1.

3.4 **Operating Expenditure** was 8% (\$1,683,000) less than budget forecast for the period ended 31 March 2017.

- **Direct operational expenditure** was \$402,000 less than budget. The main contributors to this variance in order of magnitude are:
 - Sewerage: \$203,000 less than budget mainly due to expenditure for electricity and WSU (plant operator's costs) tracking less than budget.
 - Roads and Footpaths: \$87,000 less than budget mainly due to expenditure for routine drainage maintenance and sealed pavement being less than budget, however these are offset by over expenditures in other areas within this activity.
 - Water Supply: \$56,000 less than budget mainly due to expenditure for electricity, chemicals and WSU tracking less than budget.

- Community Development: \$35,000 less than budget due to telecommunications initiatives, district promotions and Timber Trail costs currently tracking less than budget.
- **Indirect expenditure** was \$1,281,000 less than budget:
 - Allocated Costs: \$512,000 less than budget mainly due to staff costs, corporate services costs, information services and human resources costs tracking less than budget.
 - Interest: \$544,000 less than budget. The budgeted interest cost was based on 1 July 2016 projected public debt of \$48.3 million while the actual public debt at that date was \$44.8 million, secondly, the cost of funds achieved for the 9 months to March 2017 is lower than the forecast contained in the 16/17 EAP.
 - Depreciation: \$225,000 less than forecast due to a variance in capital works in 2015/16 (on which depreciation was based) from budget, mainly for water supply assets. Depreciation for Roading assets is currently tracking more than budget with part year depreciation on asset additions not yet been included.

3.5 **Total Revenue** was 7% (\$1,689,000) less than budget for the period ended 31 March 2017.

- **Operating revenue** \$1,638,000 less than budget. The main contributors to this variance are:
 - Roads and Footpaths: Capital expenditure is less than the year to date budget and therefore NZTA subsidy is also less; revenue is \$1,759,000 less than budget.
 - Sewerage: Trade Waste revenue is \$105,000 less than budget due to reduced volume and nutrient concentration of discharge.

This was offset by:

 - Solid Waste Management: \$97,000 more than budget due to increase sales of landscape products and disposal revenue for dumping of concrete, greenwaste and other materials.
 - Community Service: \$67,000 more than budget due to rental revenue and cemetery revenue being more than budget.
 - Community Development: \$27,000 more than budget due to receipt of a funding contribution for the Timber Trail Marketing initiative and grant funding for youth projects.
- **Rates revenue** was \$51,000 less than budget due to metered water rates and rates penalties received being less than budgeted.

3.6 **BALANCE SHEET HIGHLIGHTS**

3.7 Balance Sheet highlights presented below show the movement in Council's financial position from 30 June 2016 to 31 March 2017. The full Balance Sheet is attached as **Appendix 2**.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2016	Actual Position 31 Mar 2017	Movement from 30 Jun 2016
Assets			
- Cash and cash equivalents	174	186	12
- Receivables	6,045	4,773	(1,272)
- Other current assets	116	116	(1)
- Other financial assets	5,286	5,286	1
- Non-current assets	331,925	332,865	940
- Derivative financial instruments	0	0	0
TOTAL ASSETS	343,546	343,226	(320)
Liabilities			
- Other Liabilities	5,297	3,988	(1,309)
- Total Borrowings	44,786	42,555	(2,231)
- Derivative financial instruments	2,716	2,716	0
Total Liabilities	52,799	49,259	(3,540)
Equity			
- Equity	290,747	293,967	3,220
TOTAL LIABILITIES AND EQUITY	343,546	343,226	(320)

3.8 **Total Assets** have decreased from \$343.55 million to \$343.23 million.

- Cash and cash equivalents have increased by \$12,000 from \$174,000 to \$186,000.
- Receivables decreased by \$1.27 million from \$6.05 million to \$4.77 million due to a decrease in NZTA subsidy receivable, the GST refund receivable being reduced to nil and Other Trade Debtors and Metered Water Debtors being less at 31 March 2017. This is offset by an increase in rates receivables since June 2016.
- Non-current assets have increased by \$940,000. The increase is due to the net effect of asset additions of \$5.28 million, less depreciation of \$4.11 million and asset disposals of \$230,000.

3.9 **Total Liabilities** have decreased from \$52.8 million to \$49.3 million.

- Other Liabilities decreased by \$1.31 million due to a general decrease in Payables at 31 March 2017.
- Total Borrowings decreased by \$2.23 million from \$44.786 million to \$42.555 million.

3.10 **Equity** increased from \$290.75 million by \$3.22 million to \$293.97 million which equals the total comprehensive revenue and expense for the period.

3.11 CAPITAL EXPENDITURE

3.12 Set out below is the Capital Expenditure budget for the year compared to actual expenditure for the period ended 31 March 2017.

CAPITAL EXPENDITURE SUMMARY	EAP	YTD Actual	Variance
(Amounts in \$000's)	2016/17	Mar 2017	2016/17
Governance: Leadership and Investment			
- Investments	115	0	(115)
Community Service			
- Parks and Reserves	132	64	(68)
- Housing and Other Property	372	406	33
- Recreation and Culture	226	184	(42)
- Public Amenities	410	52	(358)
- Safety	10	0	(10)
Community Development			
- District Development	40	1	(39)
Regulation			
- Animal Control	0	0	0
Solid Waste Management			
- Landfill Management	146	77	(69)
Stormwater			
- Te Kuiti Stormwater	272	64	(208)
- Rural Stormwater	5	24	19
Sewerage			
- Te Kuiti Sewerage	769	146	(623)
- Te Waitere Sewerage	32	5	(27)
- Benneydale Sewerage	54	39	(15)
- Piopio Sewerage	37	4	(33)
Water Supply			
- Te Kuiti Water	2,205	1,064	(1,141)
- Mokau Water	48	385	338
- Piopio Water	76	17	(58)
- Benneydale Water	0	0	0
Roads and Footpaths			
- Subsidised Roads	6,500	2,278	(4,222)
- Unsubsidised Roads	330	47	(283)
Corporate Support			
- Corporate Support	521	382	(139)
- Internal Services Unit	41	40	(1)
TOTAL CAPITAL EXPENDITURE	12,341	5,279	(7,062)

3.13 **Capital Expenditure** was \$5.28 million for the period ended 31 March 2017, of which \$2.33 million (44%) related to Roads, \$1.47 million (28%) related to Water Supply and \$0.71 million (13%) related to Community Service.

3.14 Capital expenditure budgets are listed in the table above and major projects detailed in the commentary below. It should be noted that "Unspecified" renewal/upgrade budgets are forecast for expenditure to be incurred on an 'as needed' basis only.

3.15 **Governance: Leadership and Investments**

Investments:

- Safety improvement capital works budgeted for at a number of Council owned quarries will commence in the financial year but will need to be carried over into the next financial year (Budget \$115,000).

3.16 **Community Service**

Parks and Reserves:

- Plans to address long deferred maintenance needs for the Centennial Park (ex-Albion Soccer) clubrooms are currently underway (Carryover budget of \$65,000), however there has been no expenditure to date.
- Wash area at Mangaokewa Reserve has been completed for a total cost of \$12,000. Minor expenditure spend to date on Brook Park development and other park renewals in Passive Reserves (Budget \$33,000).
- The pontoons at Te Waitere Wharf have been replaced after some minor damage occurred (Coastal Reserves renewals budget \$63,000 and carryover budget of \$32,000).
- The playground at Waitomo Village has been completed for a total cost of \$49,000, of which \$30,000 was budgeted for in the 2015/16 year (Playground upgrades budget \$36,000 and carryover budget of \$30,000).

Housing and Other Property:

- Expenditure to date has been for Elder Persons Housing and Other Land and Building, expenditures incurred in relation to recently laid storm water connection from manhole. Other expenditure has been for remedial work of the river bank next to the newly installed Pedestrian bridge in Benneydale and minor expenditure at the dog pound. (Community Halls, Elder Persons Housing and Other Building Assets budget \$30,000).
- No expenditure to date on renewals and upgrades of assets at existing camp grounds (Budget \$52,000).
- The Plaza tidy-up work is largely complete with \$33,000 spent to date. Development of the community space in the northern building and i-site linkage upgrade project has been completed for an expenditure in this period of \$296,000.
- Railway Station Platform safety upgrade work has been completed for a total cost of \$52,000. This work was not budgeted for but was found to be necessary.

Recreation and Culture:

- Expenditure to date on Library collection renewals is \$30,000 and is ongoing (Budget \$52,000).

- Expenditure to date on Aquatic Centre renewals is \$11,000 (Budget \$20,000).
- Expenditure to date of \$119,000 has been incurred on Les Munro Centre building renewals for the upgrade of the court yard and \$21,000 on replacement kitchen appliances. Planning and design work is underway for the upgrade of the bathroom facilities at the Centre (Budget \$154,000).
- Expenditure to date of \$3,000 has incurred in relation to the installation of IT System at Te Kuiti Aerodrome. This work was not budgeted for but was found to be necessary for revenue collection purposes.

Public Amenities:

- \$2,000 has been spent to date on the Toilet replacement at Marokopa (Budget \$225,000); the project is expected to be completed this financial year.
- \$6,000 has been spent to date on design costs for the Toilet replacement at Benneydale. Installation work is expected to start early June 2017. (Carryover budget from last year \$217,000).
- No expenditure to date on unspecified Public Toilet renewals (Budget \$22,000).
- Te Kuiti Cemetery Development Plan (Budget \$51,000): No expenditure to date.
- No expenditure to date on Cemetery access way upgrades and Cemetery signage and mapping (Budget \$14,000).
- Te Kuiti railway pedestrian over-bridge renewals and security camera upgrades (Budget \$82,000 and carryover budget of \$100,000 from prior year): Some expenditure has been made on Security cameras upgrade.
- Some expenditure to date on supplies for Te Kuiti main street garden upgrade and bollards.
- The Waitomo Sports Centre carpark has been resealed for a total cost of \$22,000. This expenditure was not budgeted for.

Safety:

- No expenditure incurred to date on signage for Civil Defence initiatives (Budget \$10,000).

3.17 Community Development

- No expenditure to date on capacity for a Motor Home Friendly District Initiative (Budget \$40,000 plus carryover budget from last year of \$40,000).

3.18 Solid Waste Management

- \$5,000 expenditure to date for earthwork shaping of the high wall at Landfill (Budget \$70,000).
- Expenditure to date for purchase of carbon credits required under the Emissions Trading Scheme of \$72,000 (Budget \$72,000). Advice had been received that where possible carbon credits should be purchased to satisfy the

total future obligations for operation of the landfill given the rising costs of the NZUs, however there continues to be uncertainty of how the carbon credit market will operate and there is risk around the future value of carbon credits purchased, hence only the budgeted amount has been purchased to date.

- No expenditure to date on transfer station Portacom building (Budget \$4,000).

3.19 Stormwater

- Expenditure to date of \$55,000 has been for pipe replacements at George Street and Elizabeth Street (Unspecified minor stormwater renewals budget \$67,000).
- Taupiri Street stormwater pipe rehabilitation (Budget \$44,000): There has been little expenditure to date and this is a contingency budget that could have been required for development of the New World complex, which is unlikely to be needed.
- Planned Stormwater Rehabilitation (Budget \$107,000): Minor expenditure to date. Edward St is very nearly complete and only a small area of concrete driveway and walkway needs to be completed, despite heavy rains delaying completion. The costs are still to come in. Hill Street pipe rehabilitation will follow directly after this.
- Stormwater asset risk minimisation (Budget \$42,000): \$8,000 expenditure to date for a risk assessment survey of the network.
- Asset Data Collection for Te Kuiti Stormwater (Budget \$12,000): minor expenditure incurred to date.
- Unspecified stormwater renewals for rural communities budget of \$5,000: No expenditure to date.

3.20 Sewerage

- Expenditure to date of \$90,000 has been incurred for minor improvements and improvements of the aeration system at the Te Kuiti Waste Water Treatment Plant. Work has also started on the bunded chemical tank and the base structure for the sludge removal process (Budget \$320,000).
- Te Kuiti Reticulation and Pump Station renewals (Budget \$316,000): Expenditure to date of \$10,000 for minor reticulation renewals. Tenders are approved for three separate pipe renewal projects and work will commence soon.
- Te Kuiti Ingress and Infiltration investigation and rehabilitation (Budget \$133,000): Expenditure to date of \$46,000, manholes along Taupiri St have been installed. Piping connecting the manholes is still to be completed.
- Te Waitere unspecified renewals, pump station renewals and resource consent renewal (Budget \$32,000): Expenditure to date of \$5,000 has been for renewal of the discharge resource consent. Other works has been planned but not scheduled to proceed as yet.
- Benneydale treatment plant and reticulation renewals (Budget \$54,000): Expenditure to date has been for replacement of the Wetland liner and installation of floating rafts for a total cost of \$39,000.

- Piopio unspecified minor treatment plant, reticulation and separator tank renewals (Budget \$37,000): Expenditure to date is for \$4,000.

3.21 Water Supply

- Te Kuiti Water Treatment Plant Upgrade including UV treatment, filter upgrades, electrical and SCADA upgrades and repositioning the raw water intake structure (Budget \$1.83 million): Expenditure to date of \$1.04 million for design work, the filter replacement and new building for the intake structure.
- Te Kuiti reticulation and pump station renewals (Budget \$352,000): Expenditure to date is \$21,000. Work has commenced for three pipe renewal projects for Hetet St, Awakino Road (near Blackmans) and the Henderson and Earl Street loop. There is also a contingency amount within the pump station renewal budgets for unplanned issues which at this stage has not been spent.
- Mokau Water reticulation renewals including the installation of backflow preventers (Budget \$48,000): Expenditure to date of \$385,000 has been for installation of the of the main reticulation line down State Highway 3 in Mokau and dam upgrades for safety requirements. Amounts budgeted in future years in 2015-25 LTP have been brought forward for this work.
- Piopio Water reticulation renewals including the installation of backflow preventers (Budget \$76,000): Expenditure to date of \$17,000 has been for design work for the reservoir and replacement of 3 laterals on Kaka St. Work to install the Tui Street – State Highway 3 link and the water bridge at Kuritahi Street is planned but not scheduled as yet. The unseasonal rain during the summer construction period has delayed all earthworks related work.

3.22 Roads and Footpaths

Subsidised Roads

- Maraeroa Road seal extension (Budget \$505,000): Expenditure to date \$149,000. Expected expenditure will be \$880,000, as a result of the tendering process and contract works started in February. The additional cost over budget will be funded by reduced expenditure in other work categories during the year.
- Minor improvements and preventative maintenance (Budget \$675,000): Expenditure to date \$55,000. There are a number of projects being planned under this work category including car parking at Te Kuiti Primary School (\$127,000) and remedial works along the Kawhia Harbour Road. This budget also partly funds Maraeroa Road seal extension and Mangatoa Rd underslip.
- Drainage renewals (Budget \$400,000): Expenditure to date \$127,000. Expected final expenditure of \$246,000 savings in this budget is intended to offset budget overrun on Maraeroa Road project.
- Pavement rehabilitation (Budget \$1,400,000): Expenditure to date \$106,000. Work to be completed under this category is currently underway.
- Sealed road surfacing (Budget \$1,300,000): Expenditure to date is \$1,311,000. Contract was completed in March 2017.

- Structures component replacements and bridge maintenance (Budget \$300,000): Expenditure to date \$58,000. A contract is currently being awarded.
- Traffic services renewals (Budget \$120,000): Expenditure to date \$39,000.
- Unsealed road metaling (Budget \$600,000): Expenditure to date \$183,000. This work stream is carried out during spring and autumn and the work planned for spring is completed. More work to follow during autumn.
- Emergency reinstatement (Budget \$820,000): Expenditure to date \$249,000. Due to the recent storm weather damages to the network it is estimated the full budget will be spent.
- Oparure Road structures reinstatement (Budget \$380,000): No expenditure to date, however Phase I of this project, which is for a retaining structure, has been designed. This project was put on hold due to budgets being reallocated to other projects.

Unsubsidised Roads

- Footpath renewals (Budget \$120,000): Expenditure to date \$44,000.
- Unspecified retaining wall renewals and road improvements not eligible for subsidy (Budget \$210,000): Minor expenditure to date. A retaining wall in Hetet Street is being constructed.

Corporate Support

- Corporate Support (Budget \$521,000): Expenditure to date of \$382,000 has been for replacement motor vehicles, office furniture, the electronic document management system, aerial photography and computer hardware renewals.
- One of the mowers has been replaced for the budgeted amount of \$40,000.

4.1 TREASURY REPORT

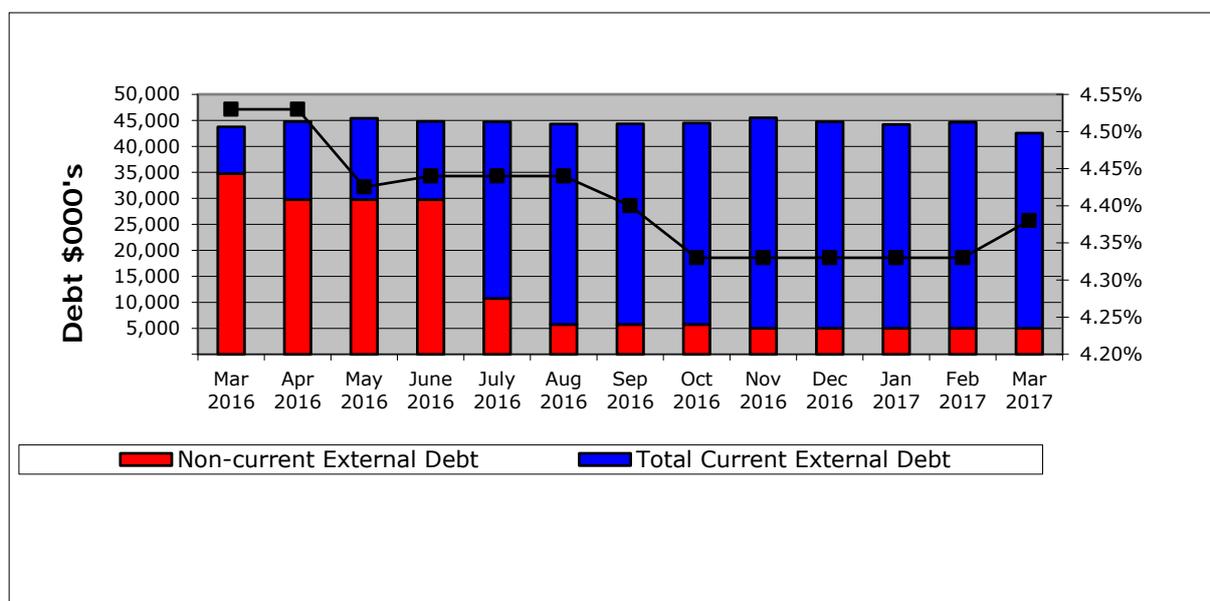
4.2 Set out in the following sections is the Treasury Report which provides details on Council's public debt position and debt financing costs.

4.3 CASH POSITION

4.4 Council's cash position at 31 March 2017 was \$186,000 in funds, at 30 June 2016 it was \$174,000.

4.5 SUMMARY OF PUBLIC DEBT POSITION

4.6 Set out below is a chart recording trends in Council's current and non-current debt for the period ended March 2017. The trend line overlaid is the effective weighted average interest rate currently being paid on all loans.



4.7 At 31 March 2017 the effective weighted average interest rate for all loans excluding finance leases, accrued interest and advance facility cost was 4.38%. At 30 June 2016 it was 4.44%.

4.8 PUBLIC DEBT POSITION COMPARISON TO BUDGETS

4.9 Forecasted public debt at 30 June 2017 as per the Exceptions Annual Plan 2016/17 is expected to be \$51,971,000. Actual public debt at 31 March 2017 was \$42,555,000 however the capital programme is still to be completed for the year and direct comparison can only be made at 30 June 2017.

4.10 WHOLESALE ADVANCE FACILITIES (Term Advance and Call Advance Facilities)

4.11 The Term Advance and Call Advance Facilities are credit facilities held with Westpac (to the value of \$36,000,000) which forms part of Council's debt funding mix and providing working capital requirements over the year. A total of \$26,545,000 was drawn against this facility at 31 March 2017, leaving available a line of credit of \$9,455,000.

4.12 The facility limit was increased to \$36,000,000 on the 24 August 2016 to provide funding for the FRN that was maturing and required repayment on the 30 August 2016, whilst maintaining appropriate credit headroom.

4.13 A Line of Credit fee of 0.30% (\$108,000 p.a.) of the facility balance applies to this credit facility.

4.14 This facility is used to finance capital expenditure prior to a loan draw down, (such as a Floating Rate Note or Term Advance) or to meet Council's working capital requirements between each of the quarterly rates instalments.

4.15 DETAILS OF LOAN PORTFOLIO

4.16 The following table records the public debt position and the key terms and conditions for each loan as at 31 March 2017. The classification of current and non-current loans is based when repayment is due. Current loans being those that are due for refinancing or repayment within 12 months of the balance sheet date (of this report).

	Loan Start Date	Loan Maturity Date	Effective Interest Reprice Date	Loan Balance	Effective Interest Rate
Current Loans					
Finance Leases				13,763	0.00%
Accrued Interest	not updated			246,662	0.00%
Call Advance		1/07/2017		1,545,000	2.75%
Floating Rate Notes	6/08/2014	6/08/2017	8/05/2017	5,000,000	2.53%
Floating Rate Notes (Hedged)	18/04/2012	18/04/2017	20/04/2020	5,000,000	5.82%
Term Advance (Hedged)		1/07/2017	17/05/2021	6,000,000	5.70%
Term Advance (Hedged)		1/07/2017	20/04/2020	3,000,000	5.12%
Term Advance (Hedged)		1/07/2017	11/09/2017	5,000,000	4.68%
Term Advance (Hedged)		1/07/2017	24/04/2017	5,000,000	4.75%
Term Advance (Hedged-ICL)		1/07/2017	24/01/2024	6,000,000	4.39%
Westpac Term Loan (ICL)	24/11/2011	24/11/2017	15/05/2017	750,000	5.10%
Total Current Loans				37,555,425	
Non-current Loans					
Floating Rate Notes	24/08/2015	24/08/2018	24/05/2017	5,000,000	2.51%
Total Non-current Loans				5,000,000	
Total Public Debt				42,555,425	4.38%
Cash & Liquid Investments					
Cash				186,217	
Total Cash & Liquid Investments				186,217	
Public Debt Net of Investments				42,369,208	

4.17 Total public debt was \$42,555,425 and cash assets were \$186,217 at 31 March 2017 giving a net debt position of **\$42,369,208**.

4.18 TREASURY EVENTS SINCE 31 March 2017

4.19 This treasury report portrays the debt position of Council at 31 March 2017.

Joining and borrowing from the LGFA

4.20 Since that date to the date of this report the legal process for joining the Local Government Funding Agency (LGFA) has been completed and \$5 million in the form of Commercial Paper has been borrowed. This loan was used to repay the Floating Rate Note that matured on the 18 April 2017 (Shaded maturity date in the table above).

4.21 The interest cost of the new loan is 2.17% made up of a margin of 0.20% and the applicable floating interest rate of 1.97%. The term of the new loan is 90 days to match its related interest rate swap and it is expected this loan will be rolled for a further 90 days, into the foreseeable future, to capture the very favourable interest rates Commercial Paper offers and maintain an effective hedge with the underlying swap.

- 4.22 The process is underway to transfer the \$25 million of Westpac Term Advances into LGFA debt. A suitable debt maturity profile will be selected to mitigate funding risk, which is the risk of not being able to raise debt in the future to fund loans when they mature. Due to the size of the total loan package to be transferred, the transfer will need to coincide with an LGFA tender date, which is when agency offers debt to the market via a tender process. The next tender date is the 8 May.
- 4.23 Once the debt is transferred to LFGA, the Westpac Term Advance credit limit will be reduced, which will provide further savings through reduced line of credit charges.
- 4.24 The impact of the Construction Contracts Amendment Act 2015 on Retention Monies.
- 4.25 An amendment to the Construction Contract Act with regards to retention monies has been passed into law, requiring that retention money deducted from contract payments is to be held in Trust, in cash for the benefit of the contractor. The money cannot be used for anything else except for remedying defects in the performance of the contractor.
- 4.26 These new provisions will come into effect for new contracts entered into after 31 March 2017. There is no immediate impact on Council, however over time it is expected that the cash balance for retentions will increase. At the 31 March the total value of retentions was \$454,000 for existing contracts. When new construction contracts are entered into there is now a requirement to hold this cash on deposit.

4.27 INTEREST COSTS

- 4.28 The total actual interest paid for the period was \$1,459,000 against the year to date budget of \$2,003,000; \$544,000 (or 27%) less. Interest paid as a portion of total revenue is 7%; Council's Treasury Policy requires that this amount not exceed 15%.

4.29 FINANCIAL DERIVATIVES AND HEDGE ACCOUNTING

- 4.30 Included in the balance sheet are valuation amounts for Derivative Financial Instruments (interest rate swaps). The valuation amount is componentised into current and non-current liabilities held at balance date. At 30 June 2016 the value of the swaps was a total net liability of \$2,716,000. At 31 March 2017 their net value was a liability of \$1,596,000. The improvement in value is mainly due to medium and longer term floating interest rates increasing from 30 June 2016 values.
- 4.31 The change in valuation at 31 March 2017 is not included in the financial statements due to the requirement to componentise into current and non-current parts and the valuation provided here is for information purposes only. Due to Council's use of hedge accounting, this change in value of the swaps will be shown as "Other Comprehensive Revenue and Expense" at year end rather than being included in the Net Operating Cost/(Surplus) result and will be transferred directly to a reserve within equity.

5.1 DEBTORS AND OTHER RECEIVABLES

- 5.2 Set out in the following table is a summary of Debtors and Other Receivables (i.e. unpaid rates and other debtor amounts owing) as at 31 March 2017 with comparatives from last year. Rates receivables exclude rates paid in advance (to give a more accurate picture of the receivables owing).

Receivables (Amounts in \$000's)	As at 31.03.16	As at 31.03.17	(Inc)/Dec \$	(Inc)/Dec %
Rates Receivable	2,778	2,632	145	5%
Rates Penalties	1,538	1,606	(68)	-4%
Rates and Penalties Receivable	4,315	4,238	77	2%
Extraordinary Water Charges	55	89	(34)	-60%
Total Rates receivable	4,371	4,327	43	1%
NZ Transport Agency Subsidy	325	566	(241)	-74%
Ministry of Health Subsidy	0	898	(898)	0%
Other Receivables	940	747	193	21%
Other Receivables	1,265	2,211	(946)	-75%
Gross Receivables	5,636	6,538	-902	-16%
Less Provision for Doubtful Debts	(1,608)	(1,764)	157	-10%
Total Receivables	4,028	4,774	(746)	-19%

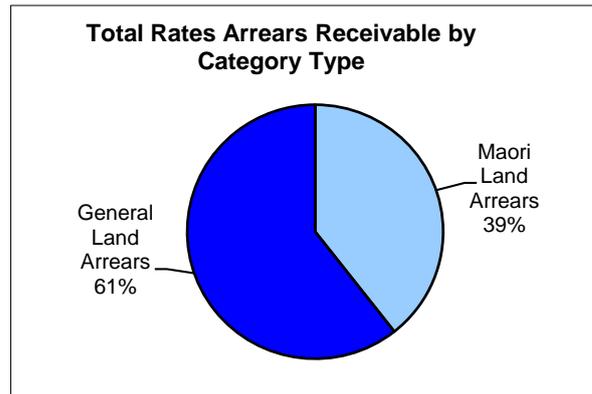
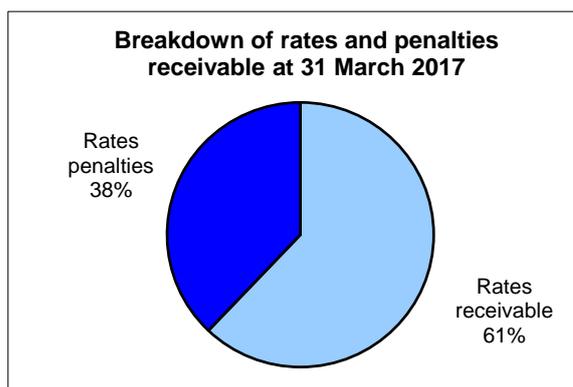
5.3 RATES AND PENALTIES RECEIVABLE

5.4 Current year rates

5.5 At 31 March, the third rates instalment had been issued and was due and payable by February 2017. The collection percentage on the three instalments to date was 95% (2016: 95%).

5.6 Rates Receivables (excluding metered water rates)

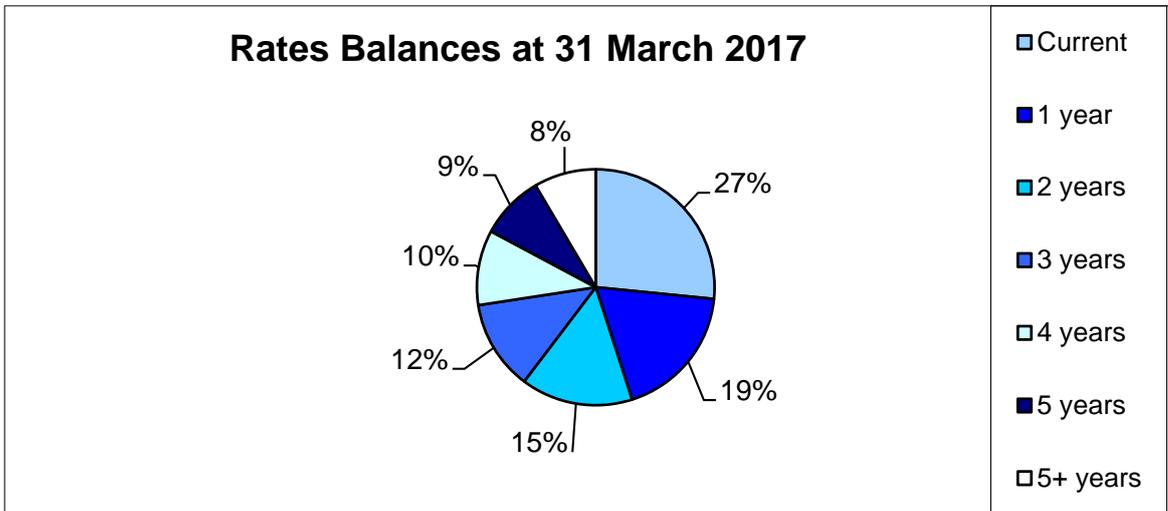
5.7 There was \$4,238,163 of rates and penalties outstanding at 31 March 2017 (2016: \$4,314,909). This amount excludes rates paid in advance on future instalments. This total is made up of rates of \$2,632,434 (2016: \$2,777,377) and penalties of \$1,605,729 (2016: \$1,537,532).



5.8 Rates and penalties receivable decreased by \$76,745 from 31 March 2016. Of this decrease, rates receivable decreased by \$144,942 and rates penalties increased by \$68,196.

5.9 A total of \$199,155 in rates and penalty remissions have been granted against a full year budget of \$285,000.

5.10 The following graph illustrates the ageing of the rates receivable balance. Of the outstanding balance of \$4,238,163, \$1,126,792(27%) relates to current year, \$782,599(18%) for the 2016/17 year rates and the balance spread across the remaining years in a diminishing fashion.

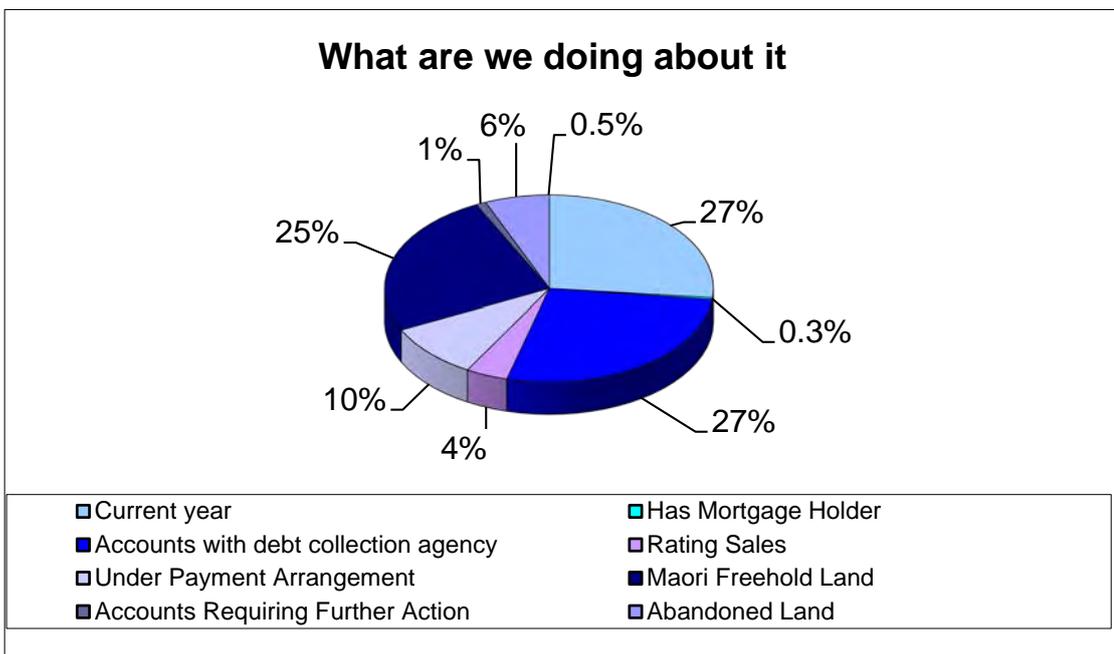


5.11 The outstanding balance of rates is being actively managed through a variety of collection methods including lump sum payments, approved payment arrangements, demands on mortgage holders, placement of arrears with external debt collection agency and initiating properties for abandoned land and rating sale processes.

5.12 In the nine months to 31 March 2017, arrears have been reduced by \$857,817 (22%) of the \$3,969,189 that was outstanding at 30 June 2016.

5.13 Recovery of arrears with the bank or financial institution that hold the mortgage over a property is available for general land properties, where there is a mortgage registered on the title. There are currently 2 properties outstanding that were sent a Final Demand with payment due at the end January 2017 with arrears totaling \$12,726. Payment on these demands is expected within the next quarter.

5.14 The action being taken on outstanding balances is shown in the following graph:



5.15 Of the total arrears as at 31 March 2017 -

- \$3,111,371 of rates arrears are non-current of which \$1,225,571 relate to Maori freehold land
- \$1,155,837 have been placed with an external debt collection agency for collection
- \$400,879 are under some form of payment arrangement
- In addition to this, there are \$268,669 of arrears relating to 18 properties that meet the criteria for abandoned land and are being progressed through the abandoned land process. The next step is to progress these properties through the District Court, with an application to the court for an order allowing the Council to sell or lease the properties.
- A further \$41,746 of arrears requires further action. Some of these properties have been identified to be placed with an external debt collection in the next quarter. These are properties where there is no mortgage registered against the property and communications with the ratepayers have not resulted in payment arrangements being entered into or payments being received to clear the arrears.

5.16 Other Debtors Receivable

At 31 March 2017 'Other Receivables' totalled \$2,211,000 of which \$42,541 was due and owing for more than three months. The three month and over receivables include dog registrations and infringements and other sundry debtors.

Suggested Resolution

The business paper on Financial and Non-Financial Report for the period ended 31 March 2017 be received.



VIBHUTI CHOPRA
GROUP MANAGER – CORPORATE SERVICES

21 April 2017

Attachment 1 Treasury Report for Waitomo District Council For the quarter ended 31 March 2017 (Bancorp Treasury Services Limited)(A347774)

Attachment 2 Statements of Service Performance Report on Levels of Service and Key Performance Indicators (zA1448)

Appendix 1: Combined Cost of Service Statements

Summary Cost of Service (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Operating Expenditure						
- Leadership	654	1,080	380	382	2	
- Community Service	1,899	2,176	1,482	1,467	(15)	
- Community Development	711	813	593	558	(35)	
- Regulation	128	136	96	102	6	
- Solid Waste Management	1,061	1,191	792	786	(6)	
- Stormwater Drainage	142	171	102	99	(3)	
- Resource Management	59	61	48	43	(5)	
- Sewerage	1,916	1,866	1,388	1,185	(203)	
- Water Supply	1,976	1,711	1,258	1,202	(56)	
- Roads and Footpaths	5,233	5,526	4,274	4,187	(87)	
Total Direct Operating Expenditure	13,778	14,731	10,413	10,011	(402)	-4%
Indirect Expenditure						
- Allocated Costs	4,128	4,386	3,224	2,712	(512)	
- Interest	2,174	2,695	2,003	1,459	(544)	
- Depreciation	5,639	5,780	4,334	4,109	(225)	
Total Indirect Expenditure	11,941	12,861	9,561	8,280	(1,281)	-13%
TOTAL EXPENDITURE	25,719	27,592	19,974	18,291	(1,683)	-8%
Operating Revenue						
- Leadership	(147)	(231)	(105)	(131)	(26)	
- Community Service	(529)	(449)	(341)	(408)	(67)	
- Community Development	(113)	(60)	(43)	(70)	(27)	
- Regulation	(424)	(420)	(359)	(345)	14	
- Stormwater Drainage	0	0	0	(3)	(3)	
- Resource Management	(74)	(76)	(57)	(73)	(16)	
- Solid Waste Management	(1,029)	(944)	(709)	(806)	(97)	
- Sewerage	(1,291)	(1,166)	(875)	(770)	105	
- Water Supply	(982)	0	0	(4)	(4)	
- Roads and Footpaths	(6,024)	(7,615)	(5,946)	(4,187)	1,759	
Total Operating Revenue	(10,613)	(10,961)	(8,435)	(6,797)	1,638	-19%
Rates Revenue						
- General Rate	(3,327)	(3,597)	(2,697)	(2,714)	(17)	
- UAGC	(3,033)	(3,213)	(2,410)	(2,424)	(14)	
- Targeted Rate	(11,148)	(11,571)	(8,678)	(8,727)	(49)	
- Rates Penalties	(480)	(490)	(490)	(416)	74	
- Metered Water Rates	(712)	(675)	(490)	(433)	57	
Total Rates Revenue	(18,700)	(19,546)	(14,765)	(14,714)	51	0%
TOTAL REVENUE	(29,313)	(30,507)	(23,200)	(21,511)	1,689	-7%
Net Operating Cost/(Surplus)	(3,594)	(2,915)	(3,226)	(3,220)	6	0%

The reasons for variance have been set out in sections 3.4 and 3.5 in the main body of the report and further details are also contained in the COSS for each activity that follows.

Governance: Leadership and Investments

GOVERNANCE: LEADERSHIP AND INVESTMENTS (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Expenditure						
- Representation	305	300	214	211	(3)	
- Planning & Policy & Monitoring	183	287	45	51	6	
- District and Urban Development	12	135	10	8	(2)	
- Investments	143	348	111	112	1	
- Treasury Management and Overhead Accounts	11	10	0	0	0	
Total Direct Expenditure	654	1,080	380	382	2	1%
- Allocated Costs	1,102	1,125	776	774	(2)	
- Interest	309	364	273	180	(93)	
- Depreciation	423	436	327	269	(58)	
Total Operating Expenditure	2,488	3,005	1,756	1,605	(151)	-9%
Operating Revenue						
- Representation	(19)	(20)	(17)	(16)	1	
- Investments	(92)	(201)	(81)	(112)	(31)	
- Treasury Management and Overhead Accounts	(36)	(10)	(7)	(3)	4	
Total Operating Revenue	(147)	(231)	(105)	(131)	(26)	25%
Net Operating Cost/(Surplus)	2,341	2,774	1,651	1,474	(177)	-11%

The budget for Representation operating revenue excludes rates penalties revenue which is disclosed as part of rates revenue in the Combined Cost of Service Statement on the previous page.

Net Operating Cost for the Governance Activity was 11% (\$177,000) less than budget for the period ended 31 March 2017.

Total Direct Expenditure was 1% (\$2,000) more than budget for the period.

- Unplanned expenditure on the submission for Healthy Rivers Plan Change was incurred in this activity.
- A gap in Corporate Planning resource has led to additional direct expenditure to progress the corporate planning work. There is also a resultant reduction in allocated staff costs.
- The full year budget for the District Plan Review is \$130,000. This project is underway with \$8,000 spent to date. The delivery method of this project has changed to substantially being delivered in-house in the current year and therefore it not expected that all of the direct expenditure budget allocation will be used.

Operating Revenue was 25% (\$26,000) more than budget for the period.

- From gain on sale of Parkside sections. This is partly offset by reduced interest revenue from Inframax Construction Limited on their \$750,000 Advance, due to reduced interest rates being passed through to ICL.
- The budget forecast contribution revenue from ICL, the main user and occupier of Council's quarries, to part fund safety improvements at each quarry site. This initiative will be phased over the current and next financial year.

Community Service

COMMUNITY SERVICE (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Expenditure						
- Parks and Reserves	392	453	308	305	(3)	
- Housing and Other Property	376	469	305	307	2	
- Recreation and Culture	467	500	372	350	(22)	
- Public Amenities	595	581	392	450	58	
- Safety	69	173	105	55	(50)	
Total Direct Expenditure	1,899	2,176	1,482	1,467	(15)	-1%
- Allocated Costs	727	854	640	416	(224)	
- Interest	99	210	158	97	(61)	
- Depreciation	819	881	661	600	(61)	
Total Operating Expenditure	3,544	4,121	2,941	2,580	(361)	-12%
Operating Revenue						
- Parks and Reserves	(12)	(2)	(1)	(9)	(8)	
- Housing and Other Property	(312)	(266)	(199)	(227)	(28)	
- Recreation and Culture	(138)	(126)	(99)	(114)	(15)	
- Public Amenities	(67)	(55)	(42)	(58)	(16)	
- Safety	0	0	0	0	0	
Total Operating Revenue	(529)	(449)	(341)	(408)	(67)	20%
Net Operating Cost/(Surplus)	3,015	3,672	2,600	2,172	(428)	-16%

Net Operating Cost was 16% (\$428,000) below budget for the period.

Direct Expenditure was 1% (\$15,000) less than budget for the period.

- Recreation and Culture: Repairs and maintenance are only undertaken when required resulting in less than budgeted expenditure. Annual subscription for library software was also less than budget.
- Public Amenities: Additional expenditure on ISU costs for mowing and gardening partly offset by repair and maintenance costs being less than budget.
- Safety: No costs have been incurred for rural fire fighting. Costs for Emergency Management preparedness and training is tracking under budget.

Operating Revenue was 20% (\$67,000) more than budget for the period.

- Rental revenue from commercial operators and residential properties which is included in Housing and Other Property is currently tracking more than budget.
- Revenue from the Les Munro Centre which is included in Recreation and Culture, is currently tracking more than budget.
- Revenue for cemeteries, which is included in Public Amenities, is tracking more than full year budget.

Community Development

COMMUNITY DEVELOPMENT (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Expenditure						
- Community Support	525	510	389	402	13	
- District Development	186	303	204	156	(48)	
- Agencies	0	1	1	0	(1)	
Total Direct Expenditure	711	813	593	558	(35)	-6%
- Allocated Costs	556	631	472	317	(155)	
- Interest	1	2	2	1	(1)	
- Depreciation	5	6	5	4	(1)	
Total Expenditure	1,273	1,452	1,072	880	(192)	-18%
Operating Revenue						
- Community Support	(53)	(4)	(2)	(17)	(15)	
- District Development	(38)	(34)	(25)	(40)	(15)	
- Agencies	(22)	(22)	(16)	(13)	3	
Total Operating Revenue	(113)	(60)	(43)	(70)	(27)	63%
Net Operating Cost/(Surplus)	1,160	1,392	1,029	810	(219)	-21%

Net Operating Cost for the Community Development Activity was 21% (\$219,000) less than budget for the period ended 31 March 2017.

Direct Expenditure was 6% (\$35,000) less than budget for the period.

- The expenditure for Youth Achievement Awards was unbudgeted, however this was by a grant from the Ministry of Social Development and other budgets.
- The funding contribution of \$15,000 to the ODDB for the youth programme has concluded and this budget has been reallocated to other youth initiatives.
- Telecommunications initiatives are currently tracking less than budget due to on-going timeline extensions from Central Government.
- District promotions costs were less than forecast for the period.
- i-site relocation costs, repairs and maintenance, and advertising costs were tracking more than budget for the period.

Operating Revenue was 63% (\$27,000) more than budget for the period.

- The grant funding received last financial year from the Ministry of Social Development specifically for the Youth Achievement Awards has been carried forward to this financial year. The Awards were held in December 2016.
- Funding contribution from Ruapehu District Council for the Timber Trail Marketing initiative was received in December 2016.
- NZ Lottery Grant Board funding of \$6,800 received for World War 1 commemorations has been carried over to 16/17 year for the Piopio Cenotaph. The restoration work funded by this grant has been completed.
- Agency services for the Automobile Association is no longer undertaken by WDC and therefore no further revenue or direct expenditure is expected from this activity.

Regulation

REGULATION (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Expenditure						
- Regulation	128	136	96	102	6	
Total Direct Expenditure	128	136	96	102	6	6%
- Allocated Costs	679	700	524	518	(6)	
- Interest	1	1	1	1	0	
- Depreciation	4	4	3	3	0	
Total Expenditure	812	841	624	624	0	0%
Operating Revenue						
- Regulation	(424)	(420)	(359)	(345)	14	
Total Operating Revenue	(424)	(420)	(359)	(345)	14	-4%
Net Operating Cost/(Surplus)	388	421	265	279	14	5%

Net Operating Cost for the Regulation Activity was 5% (\$14,000) more than budget for the period ended 31 March 2017.

Direct Expenditure was 6% (\$6,000) more than budget for the period.

- Expenditure for inspection costs for Environmental Health is currently tracking more than budget due to contractor cost increases, however expenditure for the afterhours animal control contractor has been tracking less than budget.
- Some costs have been incurred in relation to a joint matter that 50 other Councils are party to.

Operating Revenue was 4% (\$14,000) less than budget for the period.

- Animal and Dog Control, and Alcohol Licencing revenue are tracking more than budget, however this is offset by reduced Building Control revenue. Building consent revenue received for the nine months to March was \$106,000 from 93 processed consents, slightly lower than that received from 116 processed consents for the same period last year.

Resource Management

RESOURCE MANAGEMENT (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Expenditure						
- District Plan Administration	59	61	48	43	(5)	
Total Direct Expenditure	59	61	48	43	(5)	-10%
- Allocated Costs	128	129	96	103	7	
Total Expenditure	187	190	144	146	2	1%
Operating Revenue						
- District Plan Administration	(74)	(76)	(57)	(73)	(16)	
Total Operating Revenue	(74)	(76)	(57)	(73)	(16)	28%
Net Operating Cost/(Surplus)	113	114	87	73	(14)	-16%

Net Operating Cost for the Resource Management Activity was 16% (\$14,000) less than budget for the period ended 31 March 2017.

Direct Expenditure was 10% (\$5,000) less than budget for the period.

- Consultant fees are tracking less than budgeted.

Operating Revenue was 28% (\$16,000) more than budget for the period.

- Resource consent application revenue is more than forecast due to an increase in LIM revenue. There have been 143 LIM's processed for the first half of the year.

Solid Waste Management

SOLID WASTE MANAGEMENT (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Expenditure						
- Collection	279	296	217	212	(5)	
- Landfill Management	782	895	575	574	(1)	
Total Direct Expenditure	1,061	1,191	792	786	(6)	-1%
- Allocated Costs	390	346	260	218	(42)	
- Interest	248	283	194	148	(46)	
- Depreciation	91	73	54	52	(2)	
Total Expenditure	1,790	1,893	1,300	1,204	(96)	-7%
Operating Revenue						
- Collection	(144)	(134)	(101)	(101)	0	
- Landfill Management	(885)	(810)	(608)	(705)	(97)	
Total Operating Revenue	(1,029)	(944)	(709)	(806)	(97)	14%
Net Operating Cost/(Surplus)	761	949	591	398	(193)	-33%

Net Operating Cost for the Solid Waste Management Activity was 33% (\$193,000) less than budget for the period ended 31 March 2017.

Direct Expenditure was 1% (\$6,000) less than budget for the period.

Operating Revenue was 14% (\$97,000) more than budget for the period.

- Revenue received at the landfill is tracking more than budget. There has been an increase in the sale of landscape products and also increases in dumped concrete, green waste and other materials.

Stormwater Drainage

STORMWATER DRAINAGE (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Expenditure						
- Te Kuiti Stormwater	124	145	81	87	6	
- Rural Stormwater	18	26	21	12	(9)	
Total Direct Expenditure	142	171	102	99	(3)	-3%
- Allocated Costs	94	86	65	55	(10)	
- Interest	4	6	5	3	(2)	
- Depreciation	169	183	137	136	(1)	
Total Expenditure	409	446	309	293	(16)	-5%
Operating Revenue						
- Te Kuiti Stormwater	0	0	0	(3)	(3)	
Total Operating Revenue	0	0	0	(3)	(3)	0%
Net Operating Cost/(Surplus)	409	446	309	290	(19)	-6%

Net Operating Cost for the Stormwater Drainage Activity was 6% (\$19,000) less than budget for the period ended 31 March 2017.

Direct Expenditure was 3% (\$3,000) less than budget for the period.

Operating Revenue was \$3,000 more than budget for the period.

- Revenue was received for connection fees during the period.

Sewerage and Treatment and Disposal of Sewage

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Expenditure						
- Te Kuiti	1,652	1,555	1,156	1,014	(142)	
- Te Waitere	29	32	23	20	(3)	
- Benneydale	120	138	103	60	(43)	
- Piopio	115	141	106	91	(15)	
Total Direct Expenditure	1,916	1,866	1,388	1,185	(203)	-15%
- Allocated Costs	206	242	182	140	(42)	
- Interest	468	556	417	311	(106)	
- Depreciation	750	781	586	561	(25)	
Total Expenditure	3,340	3,445	2,573	2,197	(376)	-15%
Operating Revenue						
- Te Kuiti	(1,285)	(1,160)	(870)	(728)	142	
- Benneydale	(1)	(1)	(1)	(1)	0	
- Piopio	(5)	(5)	(4)	(41)	(37)	
Total Operating Revenue	(1,291)	(1,166)	(875)	(770)	105	-12%
Net Operating Cost/(Surplus)	2,049	2,279	1,698	1,427	(271)	-16%

Net Operating Cost for the Sewerage Activity was 16% (\$271,000) below budget for the period ended 31 March 2017.

Direct Expenditure was 15% (\$203,000) less than budget for the period.

- Expenditure for internal Water Services Unit (WSU), power, consent compliance costs, sampling and sludge removal costs for Te Kuiti are currently tracking less than budget. This is partly offset by increased chemical and electrical and mechanical maintenance costs.
- Operations and maintenance costs are also tracking less than budget for Benneydale and Piopio schemes.
- Part of the reduced operational costs for Piopio are offset by expenditure on land easement costs and new connection expenditure. Further work will be undertaken to determine whether any of this expenditure is capital in nature and should be transferred to capital expenditure.

Operating Revenue was 12% (\$105,000) less than budget for the period.

- Trade waste revenue from the major commercial users in Te Kuiti is less than forecast due to better pre-treatment and therefore reduced nutrient loads in their discharge. In addition to that volume of discharge is less for the nine months of the year compared with last year.
- Revenue in Piopio was well ahead of full year budget due to two significant property connections.

Water Supply

WATER SUPPLY (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Expenditure						
- Te Kuiti	1,347	1,146	848	708	(140)	
- Mokau	263	198	140	249	109	
- Piopio	271	257	184	176	(8)	
- Benneydale	95	110	86	69	(17)	
Total Direct Expenditure	1,976	1,711	1,258	1,202	(56)	-4%
- Allocated Costs	234	262	198	164	(34)	
- Interest	257	362	271	197	(74)	
- Depreciation	407	572	429	305	(124)	
Total Expenditure	2,874	2,907	2,156	1,868	(288)	-13%
Operating Revenue						
- Te Kuiti	(30)	0	0	(3)	(3)	
- Mokau	(7)	0	0	0	0	
- Piopio	0	0	0	(1)	(1)	
- Benneydale	0	0	0	0	0	
Total Operating Revenue	(37)	0	0	(4)	(4)	
Subsidy Revenue						
- Te Kuiti	(780)	0	0	0	0	
- Mokau	(165)	0	0	0	0	
Total Subsidy Revenue	(945)	0	0	0	0	
Total Revenue	(982)	0	0	(4)	(4)	
Net Operating Cost/(Surplus)	1,892	2,907	2,156	1,864	(292)	-14%

Net Operating Cost for the Water Supply Activity was 14% (\$292,000) less than budget for the period ended 31 March 2017.

Direct Expenditure was 4% (\$56,000) less than budget for the period.

- Expenditure for electricity, chemicals, internal WSU expenditure and compliance costs are currently tracking less than budget for Te Kuiti, Piopio and Benneydale.
- Mokau direct expenditure was more than expected due to several bursts along the SH3 (North Street) main. These bursts gave rise to the replacement of this section of reticulation. In addition to that there has been increase water treatment plant maintenance expenditure.

Total Revenue was \$4,000 more than forecast for the period

- For water connections and toby locations.
- Metered water revenue is now included in the Summary Cost of Service Statement as Rates Revenue.

Roads and Footpaths

ROADS AND FOOTPATHS (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Mar 2017	YTD Actual Mar 2017	Variance Mar 2017	% Variance
Direct Expenditure						
- Subsidised Roads	5,020	5,326	4,131	4,078	(53)	
- Unsubsidised Roads	213	200	143	109	(34)	
Total Direct Expenditure	5,233	5,526	4,274	4,187	(87)	-2%
- Allocated Costs	13	14	11	7	(4)	
- Interest	787	910	682	521	(161)	
- Depreciation	2,969	2,842	2,132	2,179	47	
Total Expenditure	9,002	9,292	7,099	6,894	(205)	-3%
Operating Revenue						
- Subsidised Roads	(5,898)	(7,537)	(5,902)	(4,118)	1,784	
- Unsubsidised Roads	(127)	(78)	(44)	(69)	(25)	
Total Operating Revenue	(6,025)	(7,615)	(5,946)	(4,187)	1,759	-30%
Net Operating Cost/(Surplus)	2,977	1,677	1,153	2,707	1,554	135%
Subsidised Roads Maintenance (Excluding losses on asset disposals)	5,032	5,226	4,131	4,078	(53)	
Subsidised Roads Capital	4,247	6,500	5,070	2,278	(2,792)	
Combined Maintenance and Capital	9,279	11,726	9,201	6,356	(2,845)	-31%
Subsidy Revenue for Subsidised Roads	(5,745)	(7,387)	(5,797)	(4,019)	1,778	-31%

Net Operating Cost for the Roads and Footpaths Activity was 135% (\$1,554,000) more than budget for the period ended 31 March 2017.

Direct Expenditure was 2% (\$87,000) less than budget for the period.

- The Emergency Re-instatement (first response) budget is overspent for the year. This work is dependent on unpredictable weather events and resulting damage.
- The Environmental maintenance budget is more than full year budget. This budget has historically been low and has been increased to provide a 'closer to actuals' budget from 2017/18 onwards.
- The Network and Asset Management budget is expected to be overspent by about \$120,000 by the end of the financial year and due to the re-allocation of RAMM costs and increased RATA fees.
- There is an overspend of \$50,000 in the Professional Services budget. This work category is under pressure due to work required for various projects and work streams.
- The overspends detailed above are currently offset by reduced expenditure in routine drainage maintenance and sealed pavement maintenance.
- Unsubsidised roads expenditure is less than budget for street cleaning.

Operating Revenue was 30% (\$1,759,000) less than budget for the period.

- Subsidy revenue is based on both maintenance and capital expenditure and for most work categories the subsidy rate is 63%. As the capital expenditure programme has been delayed the subsidy associated with this work is less than budget.
- Revenue for unsubsidised roads is more than full year budget for overweight permit applications.

Appendix 2: Balance Sheet as at 31 March 2017

STATEMENT OF FINANCIAL POSITION (Amounts in \$000's)	Actual Position 30 Jun 2016	Actual Position 31 Mar 2017	Movement from 30 Jun 2016	Exceptions Annual Plan 30 Jun 2017	Variance from EAP
Equity					
- Accumulated Funds	207,602	210,822	3,220	213,356	2,534
- Other Reserves	10,352	10,352	0	6,451	(3,901)
- Revaluation Reserve	72,793	72,793	0	78,787	5,994
TOTAL EQUITY	290,747	293,967	3,220	298,594	4,627
Current Assets					
- Cash and Cash Equivalents	174	186	12	100	(86)
- Inventory	38	38	0	71	33
- Other Financial Assets	3	2	(1)	2	0
- Receivables (Non-exchange)	5,688	4,416	(1,272)	4,815	399
- Receivables (Exchange)	357	357	0	372	15
- Assets Held for Sale	78	78	0	67	(11)
- Derivative Financial Instruments	0	0	0	0	0
Total Current Assets	6,338	5,077	(1,261)	5,427	350
Current Liabilities					
- Payables and Deferred Revenue (Exchange)	2,811	1,588	(1,223)	3,338	1,750
- Payables and Deferred Revenue (Non-exchange)	719	719	0	702	(17)
- Current Portion of Borrowings	15,032	37,555	22,523	5,200	(32,355)
- Provisions	20	20	0	17	(3)
- Employee Entitlements	514	428	(86)	422	(6)
- Derivative Financial Instruments	561	561	0	317	(244)
Total Current Liabilities	19,657	40,871	21,214	9,996	(30,875)
NET WORKING CAPITAL	(13,319)	(35,794)	(22,475)	(4,569)	31,225
Non Current Assets					
- Property Plant and Equipment	329,837	330,777	940	346,130	15,353
- Intangible Assets	303	303	0	416	113
- Forestry Assets	0	0	0	0	0
- Investment Property	1,346	1,346	0	1,295	(51)
- Assets Held for Sale	439	439	0	278	(161)
- Other Financial Assets	783	784	1	758	(26)
- Investment in CCO	4,500	4,500	0	2,620	(1,880)
- Derivative Financial Instruments	0	0	0	153	153
Total Non Current Assets	337,208	338,149	941	351,650	13,501
Non Current Liabilities					
- Payables and Deferred Revenue (Non-exchange)	300	300	0	141	(159)
- Borrowings	29,754	5,000	(24,754)	46,771	41,771
- Employee Entitlements	0	0	0	0	0
- Provisions	933	933	0	879	(54)
- Derivative Financial Instruments	2,155	2,155	0	696	(1,459)
Total Non Current Liabilities	33,142	8,388	(24,754)	48,487	40,099
NET ASSETS	290,747	293,967	3,220	298,594	4,627

**Statements of Service Performance Report
on
Levels of Service and Key Performance Indicators**



Statements of Service Performance Report On
Levels of Service and Key Performance Indicators

2016/17

(For the period ending 31 March 2017)

Introduction

- 1.1 The purpose of this report is to record the detail of non-financial performance or service performance for different periods of the 2016/17 financial year. These service performance measures were adopted as part of the Long Term Plan 2015-25. Council uses service performance measures to measure performance in providing services to its Community.
- 1.2 The format of the report is in tabular form and the results are grouped under each major activity;
- Description of the **level of service**, which translates the high level strategic goal into measurable levels of service.
 - The **key performance indicator**, which is a description of the measure that will be monitored throughout the financial year and the life of the Long Term Plan 2015-25.
 - The **performance target**, which is the quantitative target Council will strive to achieve.
 - **Performance achieved** to 31 March 2017. The result is recorded, whether the target has been achieved and comments to further explain actual results to target result.

Commentary

2.1 Structure of Groups of Activities

Council carries out a number of activities or functions in order to meet its statutory responsibilities and in response to the aspirations of its District community. Council's functions are arranged under ten Groups of Activities. These ten Groups of Activities are further organised under three main 'Sustainability Groups'.

Sustainability Groups			
Groups of Activities	Community and Cultural Sustainability	Environmental Sustainability	Economic Sustainability
	Governance: Leadership and Investments	Resource Management	Water Supply
	Community Service	Solid Waste Management	Roads and Footpaths
	Community Development	Stormwater	
	Regulation	Sewerage and the Treatment and Disposal of Sewage	

2.2 Performance Framework

Purpose

In order to manage and monitor the performance of its activities and the work programmes undertaken by Council and to ensure that its efforts contribute to Council's purpose and Community Outcomes we have developed a Performance Framework. The two key functions of this framework are:

1. To guide Council's efforts and work streams such that the focus is on achievement Council's Purpose and Community Outcomes.
2. To demonstrate to the community what we are trying to achieve, and how our performance will be measured.

PURPOSE OF LOCAL GOVERNMENT
<i>'To meet the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses'</i>
Waitomo District Community Outcomes
Council's Vision: 'Creating a better future with vibrant communities and thriving business'
Council's Focus Areas: Facilitate economic development, encourage community connectivity and development, good stewardship of assets, and financial prudence and sustainability
Council's Business – Groups of Activities
Council's Policy and Planning Framework Council Policies, Bylaws, Activity Management Plans, Financial Strategy, Long Term Plan and Annual Plan.
Levels of Service and Work Programmes Monitoring and Reporting of achievement against Performance Targets

2.3 Elements of the Framework

As shown in the table above, at the highest level of the Performance Framework is Council's Purpose, followed by Community Outcomes.

The Vision statement describes Council's focus and the Guiding Principles aim to set the parameters under which planning will be carried out.

Council's Groups of Activities is the grouping of the various functions and activities that are carried out by Council. All activities need to demonstrate their contribution to the Community Outcomes.

The 'coal-face' of the Performance Framework are the –

Levels of Service: what can the community expect Council to provide.

Performance Measures: how will success or progress be measured.

Performance Targets: what is the level of performance that Council is aiming for.

2.4 Monitoring and Reporting

2.5 Progress against agreed performance targets is monitored monthly at a management level and reported quarterly at governance level. The annual achievement against performance targets is audited and communicated to the community and stakeholders in Council's Annual Report.

2.6 There have been a range of new measures introduced as per the LTP that was adopted by Council in June 2015.

2.7 For the period ending 31 March 2017, the performance results for all ten activities are as follows:

Activity	Total number of targets	Achieved or On Track	Not Achieved	No data available
Governance: Leadership and Investments	4	3		1
Community Service	11	5		6
Community Development	7	4		3
Regulation	8	4		4
Solid Waste Management	8	2	2	4
Resource Management	3	2		1
Stormwater Drainage	8	7	1	
Sewerage and Treatment Disposal of Sewerage	8	6	2	
Water Supply	17	13	4	
Roads and Footpaths	6	1	1	4

Performance Measures Key

	Achieved or on Track
	Not Achieved
	No Data Available

Community and Cultural Sustainability Group

Governance: Leadership and Investments

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2017		Commentary
Decision making in compliance with provisions of the Local Government Act 2002.	Number of successful challenges to the decision making process.	0	On track for achievement		No challenges received to date.
Consultation is in accordance with the procedures outlined in LGA 2002. Depending on the nature of the consultation, the procedure will either be the Special Consultative Procedure or a process that gives effect to the requirements of section 82 of the LGA 2002.	Number of successful challenges to the decision making process.	0	On track for achievement		No challenges received to date.

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2017	Commentary
Effective communication with the community.	Customer satisfaction rating of effectiveness and usefulness of Council communications "good or better".	≥ 60%		Will be reported Annually once RSS is completed by June 2017.
Investments				
Investments are managed prudently and in a manner that promotes the current and future interests of the community.	Analysis of investment financials and activity including investment company reporting statements are reported to Council and made available to the public as applicable.	2 reports per year	On track for achievement	Regular reports received on Investments.

Community Service

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2017	Explanation
High quality Parks and Reserves will be provided.	Percentage of community satisfied with the quality of Parks and Reserves in annual and research surveys.	≥ 80%		Will be reported annually once RSS is completed by June 2017.
Provision and maintenance of Elderly Persons Housing that meets the needs of the tenants.	Percentage of tenants satisfied with the provision and maintenance of Elderly Persons Housing.	> 65%		Will be reported annually once the Elderly Persons Housing Satisfaction Survey is completed by June 2017.
Quality public amenities will be provided.	Percentage of community satisfied with the quality of public amenities (Public Toilets and Cemeteries).	≥ 82%		Will be reported annually once RSS is completed by June 2017.
Provision of effective pool facilities for the community.	Percentage of community satisfied with the quality of the pool facilities and service in the annual satisfaction survey and research survey results.	≥ 75%		Will be reported annually once RSS is completed by June 2017.
Provision of effective Arts and Culture facilities for the community.	Percentage of community satisfied with the quality of the Arts and Culture facilities and service in the annual satisfaction survey and research survey results.	≥ 79%		Will be reported annually once RSS is completed by June 2017.

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2017		Explanation
Council's public facilities are provided to standards of fitness for use.	Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	100%	Achieved		All public facilities have current BWOFF issued.
Pool is safe for use of pool patrons at all times.	Pool accreditation in place.	100%	Achieved		Pool accreditation in place until 30 April 2017.
	Number of pool non complying water quality readings per year.	< 5	On Track for Achievement		No non complying water quality readings have been received for the period ending 31 March 2017.
Community education and information provided to build community awareness and preparedness.	The number of residents who understand the need to plan for the ability to survive on their own for 3 days if there was an emergency event, as measured by the RSS.	≥45%			Will be reported annually once RSS is completed by June 2017.
WDC is resourced and staff trained to a level sufficient to efficiently operate the Civil Defence Headquarters during an emergency	One major training exercise involving Civil Defence HQ staff will be held per year	One exercise per year	Achieved		The National Civil Defence Exercise Tangaroa was held on 31 August 2016.
Playground equipment is safe to use for parks and reserves playground users	Number of accidents directly attributable to playground equipment failure	Nil accidents	On Track for Achievement.		No accidents have been recorded for the period ending 31 March 2017.

Community Development

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2017	Explanation
Provide assistance for community support activities.	Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.	100% Compliance		The following funding rounds have been completed: <ul style="list-style-type: none"> • September Discretionary Grant • December Discretionary Grant • March Discretionary Grant
Support the positive development of youth within the District.	Youth Council makes one submission to Council per year.	1 per annum		Will be reported when completed within the year.
	Youth Council undertakes two youth related projects per year.	2 per annum		The Youth Achievement Awards were held on 14 December 2016.
Council will support major District events that build community pride and raise the District's profile.	Number of major District events held on time and to budget.	One Major event (the Muster) and one minor event (the Christmas Parade)	On track for achievement	The Waitomo District Christmas Parade was held on 9 December 2016. The Great NZ Muster was held on 1 April 2017.

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2017	Explanation
Provision of comprehensive library facilities for the community.	Percentage of community satisfied with the quality of the library facilities and service in the annual satisfaction survey and research survey results.	≥ 85%		Will be reported annually once RSS is completed by June 2017.
Council through its membership of the Hamilton and Waikato Regional Tourism Organisation will ensure enhanced presence in national and international markets for the District.	Number of District Promotion opportunities taken in key publications and industry events.	> 4		Will be reported 6 monthly by HWT.
Council will encourage and support business expansion and sustainable economic development opportunities within the District.	Economic Development Action Plan developed and implemented.	Actions implemented as per Economic Development Action Plan.		Implementation of Actions on track in accordance with the Economic Development Action Plan.

Regulation

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2017		Explanation
All food and alcohol retail premises will be inspected and appropriately registered and licensed.	Percentage of registration or licensing of food and alcohol retail premises	100%	54% Food Premises 57% Alcohol Retail Premises		On track for achievement.
Provision of an effective environmental health service for the community.	Customer Satisfaction Survey Rating on Environmental Health Service.	> 50%			Will be reported annually once RSS is completed by June 2017.
Building consents and project information memoranda issued within 15 working days.	Percentage of building consents and project information memoranda issued within 15 working days.	90%	100%		All building consents / PIMs have been processed within the required timeframes.
Council will process, inspect and certify buildings work in the Waitomo District.	WDC maintains building control systems and process to meet IANZ Audit requirements.	BCA Accreditation achieved every 2 years.	Achieved		BCA Accreditation achieved in June 2016. The next assessment is due in June 2018.
Provision of an effective building control service to the community.	Customer Satisfaction Survey rating on Building Control.	> 50%			Will be reported annually once RSS is completed by June 2017.

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2017		Explanation
Dog owners' properties will be inspected to ensure compliance with the Dog Control Act 1996 and Council's bylaws.	Percentage of dog owners' properties inspected per year.	Urban 100%	70%		Properties where dogs are registered as selected owners have been inspected.
		Rural 15%	100%		Rural properties will be inspected if Council identifies any breaches of the Dog Control Act.
High level of customer satisfaction with animal control service.	Customer Satisfaction survey rating on Animal Control.	≥ 50%			Will be reported annually once RSS is completed by June 2017.
Dog Owners are well informed of their responsibilities and WDC Support.	Number of Dog/Owner Education initiatives.	≥ 2			Will be reported when completed within the year.

Environmental Sustainability Group

Solid Waste Management

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2017		Explanation
Users find the recycling facilities safe to use.	Percentage of users rate the safety of Council's recycling facilities as satisfactory or better.	75%			This result will be measured through the 2016/17 RSS
Provision of effective waste service for the community.	Customer satisfaction survey rating on waste transfer stations.	60%			This result will be measured through the 2016/17 RSS
The solid waste management facilities feel safe to the user.	Percentage of users rate the District's waste transfer stations safe to use.	70%			This result will be measured through the 2016/17 RSS
Users find the landfill facility safe to use.	Percentage of users rate the safety of Council's landfill facility as satisfactory or better.	75%			This result will be measured through the 2016/17 RSS
The solid waste management facilities are open and accessible to users at advertised times.	Number of complaints per month due to facilities not being open at advertised times.	≤1	Achieved		No complaints were received due to facilities not being open at advertised times for the quarter ended 31 March 2017
Reduce quantity of recyclables like paper and plastics in bag collection that goes to landfill.	Percentage of reduction per annum leading to 10% reduction by 2016 and 15% by 2025 achieved through continual education (both measured against the 2014 Biennial Waste Audit).	2.0%	Not Achieved		The results from the 2016 Waste Audit identified a 1.57% reduction in recyclables against the 2014 Waste Audit. A 2% reduction was required to meet the performance target. This is however tracking in a downwards trend.

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2017		Explanation
Reduce the quantity of organic waste like food scraps etc in bag collection that goes to landfill.	Percentage of reduction per annum achieved through continual education leading to 10% reduction by 2025 (measured against the 2014 Biennial Waste Audit).	1.5%	Not Achieved		<p>The results from the 2016 Waste Audit identified an almost 3% increase in putrescibles (organic/food waste) against the 2014 Waste Audit. A 1.5% reduction was required to meet this performance target.</p> <p>Reducing food waste is a key strategy for meeting the goals of the Waste Minimisation Act. WDC are involved in a collective of Councils throughout the country to implement a national 'Love Food, Hate Waste' campaign in an effort to reduce food waste sent to landfills.</p>
Provision of an effective solid waste service for the community.	Average number of complaints received per month regarding solid waste activities.	≤ 10	Achieved		<p>A total of 7 complaints were received for the quarter. Complaints ranged from:</p> <ul style="list-style-type: none"> • non collection of refuse and recycling bins • overflowing public rubbish bins • non-return of recycling bin from resident

Resource Management

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2017	Explanation
Council will ensure that resource consents are processed in a timely and customer friendly manner so as to facilitate district wide development.	Percentage of notified consents processed within 80 working days of receipt.	90%	100%	No resource consents to be notified.
	Percentage of non-notified consents processed within 20 working days.	90%	100%	All non-notified resource consents have been processed within 20 working days.
All premises where resource consents have been issued will be monitored at least biennially to ensure compliance.	Percentage of consented premises visited each year.	50%	100%	All resource consents requiring monitoring have been monitored.

Stormwater Drainage

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2017	Commentary
Stormwater drainage system is adequate and is sufficiently maintained.	The number of flooding events that occur in the district in a financial year.	Nil (for less than 1 in 2 year event)	Not Achieved	One flooding event occurred in the district for quarter ended 31 March 2017 (for less than 1 in 2 year event)
	For each flooding event the number of habitable floors affected in a financial year.	≤ 1 per 1000 properties	Achieved	No complaints received for quarter ended 31 March 2017 for the number of habitable floors affected by a flooding event (the target based on number of connections is 2 per annum)
Compliance with resource consent conditions for discharge from the Councils urban stormwater system that relate to environmental effects	Compliance with resource consents for discharge from its Stormwater system, measured by the number of the following (<i>received by Council with a financial year</i>):			
	abatement notices	0	Achieved	No abatement notices issued for quarter ended 31 March 2017
	infringement notices	≤2	Achieved	No infringement notices issued for quarter ended 31 March 2017
	enforcement orders	Nil	Achieved	No enforcement notices issued for quarter ended 31 March 2017
	successful prosecutions	Nil	Achieved	No successful prosecutions reported for quarter ended 31 March 2017

The Council responds to failures and request for service in a prompt and efficient way	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)	≤ 180 minutes (3hrs)	Achieved	Median response time to attend a flooding event for quarter ended 31 March 2017 was less than 3 hours.
The Council provides a reliable stormwater collection service	The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	≤4 complaints per 1000 properties	Achieved	There were no complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected (the target based on number of connections is 8 per annum). Cumulatively, there is 6 complaints year to date.

Sewerage and Treatment and Disposal of Sewage

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

<i>What we do (level of service)</i>	<i>How we measure success (performance measure)</i>	<i>Performance Target</i>	<i>Progress to 31 March 2017</i>	<i>Commentary</i>
Sewerage System is adequate and is sufficiently maintained.	Number of complaints received in a financial year about ; sewage odour, sewage system faults, sewage system blockages, and Council's response to issues with the sewage system.	Total complaints per 1000 connections ≤ 20 (Total number of connections 1,779)	Not Achieved	<p>A total of 7 complaints were received for quarter ended 31 March 2017 regarding:</p> <ul style="list-style-type: none"> • sewage odour • sewage system faults • sewage system blockages • Councils response to issues with the sewage system <p>Target total for the financial year is 20 or less per 1,000 connections or 36 total.</p> <p>Cumulatively there has been a total of 81 year to date.</p>
Environmental impacts of Sewerage systems will be managed effectively.	Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of the following <i>(received by Council in a financial year)</i>			
	abatement notices	Nil	Achieved	No abatement notices issued for quarter ended 31 March 2017
	infringement notices	Nil	Achieved	No infringement notices issued for quarter ended 31 March 2017

	enforcement orders	Nil	Achieved	No enforcement notices issued for quarter ended 31 March 2017
	convictions received	Nil	Achieved	No convictions received for quarter ended 31 March 2017
Timely response and resolution for sewage overflows.	The median response times for attendance, in a year, measured from the time that the Council receives notification to the time that service personnel reach the site	≤180 minutes (3hrs)	Achieved	The median response times for attendance measured from the time that the Council receives notification to the time that service personnel reach the site for the quarter ended 31 March 2017 was <3 hours.
	The median response times for resolution, in a year, measured from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	≤ 540 minutes (9hrs)	Achieved	The median response times for resolution measured from the time that the Council receives notification to the time that service personnel resolve the problem for the quarter ended 31 March 2017 was 5 hours.
Provision of effective and reliable sewerage systems and service to the community.	Number of dry weather sewage overflows from the Council's sewerage system in a financial year.	Total complaints per 1,000 connections ≤ 5 (Total number of connections 1,779)	Not Achieved	The number of dry weather sewage overflows from the Council's sewerage system for the quarter ending 31 March 2017 was 20 (mostly in Piopio). The cumulative number of complaints year to date is 39. The target amount is ≤ 5 per 1,000 connections or 9 per annum.

Economic Sustainability Group

Water Supply

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2017	Commentary
Water supply system is adequate and sufficiently maintained for public health purposes.	The extent to which WDC's drinking water supplies comply with Part 4 of NZ Drinking-water Standards 2005 (revised 2008) (bacteria compliance criteria)	100%	Not Achieved	<ul style="list-style-type: none"> • Te Kuiti Water Treatment Plant is currently undergoing a major upgrade in order to meet these requirements. • Mokau Water Treatment Plant requires upgrading to meet requirements. • Benneydale Water Treatment Plant requires minor upgrade to be carried out to meet requirements. • Piopio Water Treatment Plant meets requirements.
	The extent to which WDC's drinking water supplies comply with Part 5 of NZ Drinking-water Standards 2005 (revised 2008) (protozoal compliance criteria)	100%*	Not Achieved	<ul style="list-style-type: none"> • Te Kuiti Water Treatment Plant is currently undergoing a major upgrade in order to meet these requirements. • Mokau Water Treatment Plant requires upgrading to meet requirements. • Benneydale Water Treatment Plant requires minor upgrade to be carried out to meet requirements. • Piopio Water Treatment Plant meets requirements.
Water Supply networks are being maintained adequately.	Percentage of real water loss from the Council's networked reticulation system in a financial year in: (<i>'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</i>)			
	Te Kuiti	≤ 25%	Achieved	The percentage of real water loss from the Council's networked reticulation system in the quarter ended 31 March 2017 for the Te Kuiti Scheme was less than 15%.

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2017	Commentary
	Mokau	≤ 25%	Achieved	The percentage of real water loss from the Council's networked reticulation system in quarter ended 31 March 2017 for the Mokau scheme was 10%.
	Piopio	≤ 25%	Achieved	The percentage of real water loss from the Council's networked reticulation system in a financial year for the quarter ended 31 March 2017 for the Piopio Scheme was less than 10%.
	Benneydale	≤ 15%	Achieved	The percentage of real water loss from the Council's networked reticulation system in a financial year for the quarter ended 31 March 2017 for the Benneydale Scheme was less than 5%.
Timely response and resolution of service requests.	The median response times for attendance for urgent call-outs in a financial year*	≤ 180 minutes (3 hrs)	Achieved	The median response time for attendance for urgent call outs in a financial year for the quarter ended 31 March 2017 was less than 3 hours.
	The median resolution time of urgent call-outs in a financial year**	≤ 540 minutes (9hrs)	Achieved	The median resolution time of urgent call outs in a financial year for the quarter ended 31 March 2017 was less than 9 hours.
	The median response times for attendance for non-urgent call outs in a financial year*	≤ 660 Minutes (11hrs)	Achieved	The median response time for attendance for non-urgent call outs in a financial year for the quarter ended 31 March 2017 was less than 11 hours.
	The median resolution time of non-urgent call-outs in a financial year**	≤ 850 minutes (14.1hrs)	Achieved	The median resolution time of non-urgent call outs in a financial year for the quarter ended 31 March 2017 was less than 14.1 hours.

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2017	Commentary
	<p><i>* from the time that the Council receives notification to the time that the service personnel reach the site.</i> <i>** from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption</i></p>			
Provision of effective and reliable water supply system to the community.	The total number of complaints received by Council in a year for:			
	drinking water clarity	≤ 5 per 1000 connections	Achieved	There were no complaints received for drinking water clarity for quarter ended 31 March 2017. There are 6 complaints YTD. The target number of complaints based on number of connections to a Council water scheme is 13.
	drinking water taste	≤ 5 per 1000 connections	Achieved	One complaint was received for the quarter ended 31 March 2017 for drinking water taste. The target number of complaints based on number of connections to a Council water scheme is 13. There is only one complaint year to date.
	drinking water odour	≤ 5 per 1000 connections	Achieved	No complaints were received for the quarter ended 31 March 2017 for drinking water odour. There are no complaints year to date. The target number of complaints based on number of connections to a Council water scheme is 13.
	drinking water pressure flow	≤ 5 per 1000 connections	Not Achieved	The number of complaints received for the quarter ended 31 March 2017 for drinking water pressure flow was 16 (upgrade of the Treatment Plant is contributing to the fluctuations in the system which should be resolved once the Phase I upgrade is completed). The target number of complaints based on number of connections to a Council water scheme is 13. (YTD 70)

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2017	Commentary
	continuity of supply	≤ 5 per 1000 connections	Not Achieved	The number of complaints received for the quarter ended 31 March 2017 for continuity for supply was 1 (a technical glitch occurred in the switch over from one reservoir to another in Mokau). The target number of complaints based on number of connections to a Council water scheme is 13. (YTD 49)
	Median response time to any of these issues within a year.	≤ 180 minutes	Achieved	The median response time for any of the issues within a year for the quarter ended 31 March 2017 was < 3 hours.
Efficient management of demand for water for the community.	Average consumption of drinking water per day per resident within the district.	≤ 400 litres per person per day	Achieved	The average consumption of drinking water per day per resident within the district for the quarter ended 31 March 2017 was 90 Litres.

Roads and Footpaths

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2017	Explanation
Monitor safety of local roads to assist in planning and prioritising works required to upgrade, maintain or change the condition of the roading environment in order to reach and maintain a specified level of safety.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	1 (or maintain at 0)	Achieved	No fatalities or serious injury crashes have been reported for the quarter ended 31 March 2017 (nil year to date).
Maintain the overall condition of local roads to a specified adequate standard *NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort	The average quality of ride on a sealed local road network, measured by smooth travel exposure, in a financial year. (Percentage of measured sealed road lane kilometres not exceeding a NAASRA* roughness count rating of 150 to be at least 90%.) *NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.	90%		NAASRA results as measured in 2015/16 - 93.6% (this count is done once every two years)
Maintain the overall condition of the unsealed roads to a specified adequate standard.	Percentage of unsealed road metalled each year.	15% (of total)		Measured annually. Will be reported at end of the year

Maintain the overall condition of sealed roads to a specified adequate standard.	Percentage of the sealed local road network that is resurfaced each year.	7% (of total)		Measured annually. Will be reported at end of the year
Maintain the overall condition of footpaths to a specified adequate standard.	The percentage of footpath network that falls within a condition rating of 3	90%		Measured annually. Will be reported at end of the year
Manage the timeliness and appropriateness of responses to problems and service requests.	The percentage of customer service requests relating to roads and foot paths responded to within 10 working days.	95%	Not Achieved	<p>A total of 94 service requests were received for the quarter ended 31 March 2017, of which 71 (76%) were responded to within 10 working days.</p> <p>A majority of the reasons for these complaints were for: corrugations on rural roads, potholes, on both rural roads and urban roads/footpaths referred to as detritus, vegetation issues that pose a visual danger to the road users and there were a significant amount of damaged or displaced road signage, all in urban areas.</p>

* NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.

Document No: A347454

Report To: Council



Meeting Date: 2 May 2017

Subject: Civic Financial Services Statement of Intent 2017 and Annual Report 2016

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present the Statement of Intent 2017 for Civic Financial Services and its Annual Report for the year ending 31 December 2016.

Background

- 2.1 Civic Financial Services (CFS) is the former New Zealand Local Government Insurance Corporation Ltd (LGIC) and formerly trading as Civic Assurance. It has been trading for over 75 years. The name change has been instituted because CFS no longer holds an insurance licence and does not offer property insurance.

(As a consequence of the Canterbury earthquakes the Company had been unable to obtain property reinsurance from 1 July 2011 on suitable terms and therefore ceased providing material damage cover from that date).

- 2.2 CFS is not a Council-Controlled Organisation (CCO), so it is not required to produce an annual Statement of Intent (SOI). However they consider it good practice to do so.
- 2.3 CFS provides administration and financial services to SuperEasy and SuperEasy KiwiSaver Superannuation Schemes, the Local Authority Protection Programme Disaster Fund (LAPP) and Riskpool and the owner and property manager of Civic Assurance House (a nine-storey building on Lambton Quay in Wellington).

Commentary

Annual Report 2016

- 3.1 The CFS Annual Report for the year ended 31 December 2016 and the Statement of Intent are attached to, and form part of this business paper.
- 3.2 The **Statement of Comprehensive Income** shows a **\$974,312** Net Profit after Tax (NPAT) for the Group during 2016. This is **\$1,806,740** (-65%) down on the 2015 result due mainly to:
 - a \$756,937 reduction (-12%) in Net Operating Revenue; and
 - a \$694,148 increase (+20%) in Total Expenditure; and
 - a \$315,893 increase (+723%) in the Taxation Expense.

- 3.3 **Statement of Financial Position** as at 31 December 2016 shows **\$1,171,412** increase in Total Equity which comprises:
- \$974,312, being the NPAT; and
 - \$197,100 of shares issued during the year.
- 3.4 It is of interest to note the significant change in the company's Current Assets (down \$562,692,444) and Current Liabilities (down \$563,986,622). These changes were mainly as a result of the \$544,405,425 reductions in Claims Payable (current liability) and \$49,028,434 for GST Receivable (current asset) and directly relate to a global settlement in respect of the Canterbury Earthquake Claims. Those claims have had a significant impact on the operational and financial results of the Company over the last 6 years with over 3,000 claims being received.
- 3.5 On 11 December 2015 a global settlement was signed between the Company, its reinsurers and the insured parties in relation to a significant portion of Canterbury earthquake claims which were subsequently settled with the insured in February 2016. The settlement included a commutation of the remaining open claims total 85 at 31 December 2015 that were settled with the insured in April 2016.
- 3.6 As at 31 December 2016 the outstanding claims liability in relation to the remaining Canterbury earthquake claims was \$Nil (2015: \$9.6m).
- 3.7 Of significance in the **Statement of Cash Flows** for the year ended 31 December 2016 is the closing balance of the bank and cash equivalents of \$6,111,694 which is a reflection of the claims settlements referred to in 3.4 (above).

Statement of Intent 2017

- 3.8 Attached to this business paper is a copy of the Statement of Intent 2017 (SOI) for CFS, for the year ended 31 December 2017.
- 3.9 Civic Financial Services Ltd provides administration and financial services to LAPP, Riskpool and the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes. Funds currently under management are \$281 million. Out of the 73 Councils that have appointed a preferred provider for KiwiSaver, 69 have selected the SuperEasy KiwiSaver Superannuation Scheme as their KiwiSaver employer chosen scheme.
- 3.10 CFS' performance targets and measures for the 2017 calendar year contained within the SOI are:
- (a) To provide superannuation services to at least 90% of local authorities.
 - (b) To continue to be an efficient and effective administration manager for Civic Property Pool, Riskpool and LAPP.
- 3.11 The targets to obtain a full insurance licence and to maintain its claims paying ability rating, which were included in the 2016 SOI, have been removed.

Suggested Resolutions

- 1 The business paper on Civic Financial Services Statement of Intent 2017 and Annual Report 2016 be received.

A handwritten signature in blue ink that reads "Vibhuti".

VIBHUTI CHOPRA
GROUP MANAGER – CORPORATE SERVICES

18 April 2017

Attachments: Civic Financial Services Statement of Intent for 2017 and extracts from their 2016 Annual Report (#zA1464)

Mr Chris Ryan
Chief Executive
Waitomo District Council
PO Box 404
TE KUITI 3941

31 March 2017

Dear Chris

Civic Financial Services Statement of Intent and Annual Report

I am delighted to be writing this letter to you as the new CEO of Civic Financial Services, formerly known as New Zealand Local Government Insurance Corporation Ltd and formerly trading as Civic Assurance.

The name change is because Civic has withdrawn from offering property insurance and no longer holds an insurance licence. Exiting a market that the Company has occupied for 76 years was not an easy decision, but a necessary one. In the current market Civic could not write insurance profitably.

Civic Financial Services provides administration and financial services to LAPP, Riskpool and the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes. Funds under management for our superannuation schemes as of today are \$281 million. Out of the 73 councils that have appointed a preferred provider for KiwiSaver, 69 have selected our SuperEasy KiwiSaver Superannuation Scheme as their KiwiSaver employer chosen scheme.

Enclosed is your copy of Civic's Annual Report for the year ended 2016 and Civic's Statement of Intent for 2017. For the latter, please note the Special General Meeting proposed for September. The meeting is for shareholders to vote on whether the Company should sell Civic Assurance House.

From Civic's Report and Accounts you will see that the Canterbury earthquakes have been settled and 2016 was another successful year for Civic.

Over the next few months I would like to visit your Council and arrange to meet with you and be able to take you through this information in person.

Yours sincerely

Ian Brown 
Chief Executive
DDI: 04-978-1263
Email: ian.brown@civicfs.co.nz

**CIVIC FINANCIAL SERVICES LIMITED
(formerly trading as Civic Assurance)**

STATEMENT OF INTENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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1.0 Mission Statement

Mission Statement of Civic Financial Services Ltd
--

To provide superannuation and risk-financing solutions to the local government sector
--

2.0 Corporate Goals

The specific goals of the Company are:

- 2.1 To operate as a sound and successful business.
- 2.2 To be the primary supplier of risk-financing and superannuation services to the local government sector.
- 2.3 To investigate and facilitate, as appropriate, new products and markets in risk-financing and superannuation and such other markets that it believes could prove beneficial to its shareholders and the local government sector.

3.0 Nature and Scope of Activities

- 3.1 The Company provides superannuation services for local government and local government staff via SuperEasy and the SuperEasy KiwiSaver Superannuation Scheme.
- 3.2 The Company provides administration, reinsurance, accounting, and a range of other services to LAPP, Riskpool, CLP (Civic Liability Pool) and CPP (Civic Property Pool).
- 3.3 The Company investigates and facilitates as appropriate such new risk-financing and superannuation services and/or markets that it believes will prove beneficial to its shareholders and the local government sector.
- 3.4 In a modest and selective way the Company provides sponsorship for a range of local government activities at regional and national level.

4.0 Profits, Dividend Policy & Projections

Civic is projecting a total profit over the next three years of approximately \$1,000,000. This follows three profitable years in 2014, 2015 and 2016.

The Company historically has had three main sources of revenue: fees from providing administration services, insurance premiums, and investment income. The profit outlook from these three sources is as follows:

Profits from providing administration services: The bulk of Civic's income in 2017 will come from providing administration services. See the three-year projections below.

Profits from providing insurance: There will be no profits from providing insurance in 2017. In December 2016, your Board decided to withdraw Civic's application for a full insurance licence. This was not a decision taken lightly. The Board's main reason for this action was that in the current market Civic could not have written insurance profitably. There is nothing to prevent the Company in the future applying for a full insurance licence and/or re-opening a 100% reinsured Civic Property Pool if this is what the sector wants and market conditions make this viable.

Profits from investment income: Civic's investment income is mainly from its rental income from Civic Assurance House, a ten-storey Wellington CBD office building. Shareholders will be asked at a Special General Meeting planned to be held in September whether they wish Civic to retain ownership of this building. A report listing the pros and cons of retaining ownership will be provided to shareholders before they are asked to vote on this matter. If shareholders support a sale and a satisfactory price can be obtained, then the building will be sold and the sale price of the building net of selling costs will be distributed to shareholders. The sale price would allow a special dividend of around 70 cents per share.

Financial projections for 2017 to 2019 are:

	2017	2018	2019
Fee Income	\$2,760,000	\$2,764,000	\$2,900,000
Investment Income	\$328,000	\$91,000	\$95,000
Revenue	\$3,088,000	\$2,855,000	\$2,995,000
Expenses	\$2,750,000	\$2,546,000	\$2,586,000
Surplus before tax	\$338,000	\$309,000	\$409,000

Please note that these are projections, not firm predictions.

5.0 Performance Targets and Measures

- 5.1 To provide superannuation services to at least 90% of local authorities.
- 5.2 To continue to be an efficient and effective administration manager for LAPP, Riskpool, CLP and CPP.

6.0 Reporting to Shareholders

- 6.1 An audited annual report for 2016 by 30 April 2017.
- 6.2 A report on the first half of 2017 by 30 September 2017 containing a review of the Company's operations during the half year and unaudited half-yearly accounts.

7.0 Acquisitions/Disposals

Any acquisition or disposal that is equivalent to 50% or more of the Company's assets will constitute a "major transaction" under the Company's constitution and approval of the shareholders will be sought in accordance with the constitution. Any acquisition that is equivalent to 25% or more but less than half of the Company's assets will constitute a "minor transaction" under the Company's constitution and consultation with shareholders will take place. The disposal of Civic Assurance House would be deemed to be a major transaction and as such would require 75% of those voting to vote in favour if the sale is to proceed.

8.0 Transactions with Related Parties

The Company has 72 local authority shareholder members plus TrustPower (holding 1.21% at 7 February 2017). Local Government Superannuation Trustee Limited and Local Government Mutual Funds Trustee Limited are wholly owned subsidiaries of the Company. Because it is sharing management resources, the Local Authority Protection Programme (LAPP), Riskpool, CLP and CPP are also considered to be related parties. Transactions with shareholder members include risk-financing services and superannuation related financial services.

Charges to and from shareholder members will be made for services provided as part of the normal trading activities of the Company and its subsidiaries. Transactions with shareholder members are on a wholly commercial basis.

***** END *****

ANNUAL REPORT 2016

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DIRECTORS' REPORT

ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

Your Directors have pleasure in submitting the 56th Annual Report of the affairs of the Company (formerly New Zealand Local Government Insurance Corporation Ltd trading as Civic Assurance) for the year ended 31 December 2016, which is to be presented at the Annual General Meeting of Members in June 2017.

1. PERFORMANCE

During the year, Civic settled in full its remaining insurance claims. In total, LAPP and Civic between them paid \$1.03 billion (including GST) for their 2010 and 2011 Canterbury earthquakes claims.

Civic's before-tax profit in 2016 was \$1,333,868 (2015: \$2,824,715). The net asset value per share increased from \$1.46 at the end of 2015 to \$1.53 as at 31 December 2016.

2. OPERATIONS 2016

Insurance Business

Your Board decided in December 2016 to withdraw Civic's application for a full insurance licence and not offer property insurance. This decision was not taken lightly, but in the current market Civic cannot write insurance profitably. Subsequent to this decision the Reserve Bank of New Zealand cancelled Civic's provisional licence on 17 January 2017.

Civic will be able to provide property covers through CPP (Civic Property Pool) in the future if this is what the sector wants and market conditions favour doing so.

Administration Services

Fees in 2016 from providing services to LAPP, Riskpool and the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes were \$2,358,859 (2015: \$2,756,915). The reduction occurred because of a lower fee from Riskpool.

Investment Revenue

Income from investments was \$283,739 (2015: \$67,969). Income from Civic Assurance House was \$762,633 (2015: \$718,356).

Sponsorship and Support for the Sector

The Company continued as a sponsor of SOLGM (Society of Local Government Managers) and various SOLGM branch events.

Name Change

A company without an insurance licence is not allowed to have the word insurance in its name. Recognising this and its changed focus, Civic changed its formal name from *New Zealand Local Government Insurance Corporation Ltd* to *Civic Financial Services Ltd* on 1 March 2017.

Civic's website is www.civicfs.co.nz.

3. ASSOCIATED ENTITIES

Local Government Superannuation Trustee Limited

Local Government Superannuation Trustee Limited (LGST) is a 100% subsidiary of Civic and is the trustee to the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes. Both are administered by Civic and both from 1 April 2016 are registered with the FMA (Financial Markets Authority). Director appointments to LGST are made by LGNZ (two), Civic (one), CTU (one), SOLGM (one) and one, who must be a Licensed Independent Trustee, by the LGST Board.

The SuperEasy schemes feature low member charges and simple administration for councils. Both make use of passive fund managers, which as well as allowing lower member fees removes the possibility of a fund manager making a bad call, which is something that can happen at any time.

The SuperEasy schemes also offer an 'Automatic Fund', in which each member's risk exposure is gradually and automatically switched from growth assets to income assets as the member gets older.

Superannuation funds under management as at March 2017 were \$280 million (May 2016: \$251 million) and the combined membership 10,055. SuperEasy's fund managers are AMP Capital Investors (New Zealand) Ltd and ANZ New Zealand Investments Ltd. 69 councils from a possible 78 have chosen SuperEasy KiwiSaver as their preferred provider for KiwiSaver.

The SuperEasy website is www.supereasy.co.nz.

LAPP Disaster Fund

LAPP is a charitable trust that was set up by LGNZ and Civic in 1993. LAPP's membership is 30. It could be said that LAPP is New Zealand's original LASS (Local Authority Shared Services). The cost of mutual self-insurance averages out at less than half the cost of insurance.

LAPP was designed to cover back-to-back major disasters and this is what happened of course with the Canterbury earthquakes in 2010 and 2011. LAPP settled the claims from Waimakariri District Council and Christchurch City Council for damage to their underground assets with a total payout of \$217 million (excluding GST). LAPP's highest claim before this was just over \$5 million for claims arising from the 2004 Manawatu floods.

At the time of writing it is unknown how much the Kaikoura-Hurunui earthquake claims will be, but it will be well within LAPP's ability to pay. The affected councils, Kaikoura, Hurunui and Marlborough, will have the benefit of full cover for all of their earthquake damaged assets registered with LAPP.

Civic is the administration and fund manager for LAPP. LAPP's website is: www.lappfund.co.nz.

Riskpool/ Civic Liability Pool (CLP)

Riskpool provides public liability and professional indemnity cover for councils and has done so since 1997. It is not a company, but a mutual liability fund governed by a trust deed. CLP is similar to Riskpool, but has no facility for calls. For the current fund year Riskpool/CLP has 31 members.

Local Government Mutual Funds Trustee Limited (LGMFT) is the trustee of Riskpool and CLP. The shares of LGMFT are held in trust by Civic for Riskpool's members. Civic is also the Fund Manager and Scheme Manager for Riskpool and Administration Manager for CLP.

We estimate that over the last 20 years Riskpool has saved the sector around \$250 million in insurance premiums. In addition, Riskpool has provided risk management services to members, established a considerable body of new case law, and helped to clarify local authorities' duties of care.

4. DIRECTORS

As at 31 December 2016 there were six directors: M.A. Butcher, A.T. Gray, M.C. Hannan, A.J. Marryatt, J.B. Melville and B.J. Morrison. The Company's constitution allows for up to six directors of which at least two are to be appointed from outside the local authority sector.

Director attendances at Board meetings held in 2016:

Mark Butcher	7 / 8
Tony Gray	8 / 8
Mike Hannan	7 / 8
Tony Marryatt	7 / 8
John Melville	8 / 8
Basil Morrison	7 / 8

The Chairmen of each of the Board and the Risk and Audit Committee are elected at the first meeting held after each year's AGM.

Section 139 of the Companies Act 1993

During the year John Melville received \$6,700 for Risk Management services. There are no other notices required under section 139 of the Companies Act 1993 except for Directors' remuneration. Changes to the Directors' fee pool are approved by shareholders at an AGM. The Board determines the allocation per Director based on the duties of the individual Director. The Director fees for subsidiary companies are set by the Parent Company Board.

Civic made a before-tax profit in 2016 of \$1,333,868. The net asset value per share has increased from \$1.46 at the end of 2015 to \$1.53 as at 31 December 2016.

DIRECTORS' REPORT

For the year ended 31 December 2016, Directors' remuneration was:

	\$
Mark Butcher	20,625
Tony Gray	20,625
Mike Hannan	20,625
Tony Marryatt	41,250
John Melville	23,203
Basil Morrison	20,625
	146,953

In addition, the following Directors received director fees in relation to their directorships of Riskpool or LGST:

	\$
Mark Butcher (Riskpool)	1,468
Tony Gray (Riskpool)	1,468
Mike Hannan (Riskpool)	8,310
Tony Marryatt (Riskpool)	9,778
John Melville (Riskpool)	2,078
Basil Morrison (Riskpool & LGST)	10,208
	33,310

The Company provides Directors and officers with, and pays the premiums for, Directors' and Officers' liability insurance to the full extent allowed for, and in accordance with the requirements of the Companies Act 1993. The renewal of the Company's Directors' and Officers' liability insurance was entered in the Interests Register pursuant to sections 162 and 163 of the Companies Act 1993. This insurance does not cover liabilities arising from criminal actions or deliberate and reckless acts or omissions by the Directors. The cover includes indemnity of costs and expenses incurred in defending an action that falls within the scope of the indemnity.

Interests Register

Directors' interests are tabled at the beginning of each Board meeting. Directorship and other disclosures as at 31 December 2016 were:

M. Butcher	Chief Executive of Local Government Funding Agency Ltd; Chair of New Plymouth District Perpetual Investment Fund Guardians Ltd; Director of Local Government Mutual Funds Trustee Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Trustee of Civic Property Pool; Board Member of INFINZ.
T. Gray	Director of Ngati Apa Developments Ltd; Gisborne Airport Ltd; Eastland Group Ltd including Eastland Port; Eastland Network Ltd; Chair of Ngati Pukenga Investments Ltd; Director of Maungaharuru - Tangitu Ltd; Executive Project Advisor to Hastings District Council; Artemis Nominees Ltd; Local Government Mutual Funds Trustee Ltd; Consultant to THT Properties Ltd; Trustee of Civic Property Pool.
M. Hannan	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd.
T. Marryatt	Chair of Local Government Mutual Funds Trustee Ltd; AJM Holdings Ltd; Trustee of Civic Property Pool; Member of SuperEasy KiwiSaver Superannuation Scheme.
J. Melville	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd.
B. Morrison	Chairman of Local Government Superannuation Trustee Ltd; Basil J Morrison & Associates Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; Waitangi Tribunal Member; Independent Hearings Commissioner for Auckland Council; Thames-Coromandel District Council Hearings Panel; Waikato Regional Council Hearings Commissioner; Accredited Commissioner – RMA.

DIRECTORS' REPORT

Conduct of the Board and Board Committee

The Board has put in place and regularly reviews a number of good governance policies including Charters for the Board and the Risk and Audit Committee, Fit and Proper Policy, Code of Conduct, and a Risk Management Plan.

Use of Information

Directors, individually or collectively, may obtain independent professional advice relating to any matters concerning the Company's business or in relation to the discharge of the Director's responsibilities. Subject to approval of the Chairman the Company will reimburse the Director(s) some or all of the reasonable costs of the advice. During the reporting period, no Director has sought leave to obtain such advice.

Loans to Directors

No loans or advances have been made to Directors, their spouses or dependants, or to related parties during the year.

5. EMPLOYEE REMUNERATION

Detailed below is the number of employees who received remuneration in their capacity as employees of \$100,000 or more during the year ended 31 December 2016.

Remuneration \$	Number of Employees
100,000 – 110,000	2
110,000 – 120,000	1
130,000 – 140,000	1
190,000 – 200,000	1
430,000 – 440,000	1

The above remunerations include Company contributions to employees' superannuation (KiwiSaver and other), medical insurances and discretionary bonus payments.

6. AUDIT AND RISK MANAGEMENT

Pursuant to Section 15 of the Public Audit Act 2001 the Company's auditor is the Auditor General who has appointed Michael Wilkes using the staff and resources of Deloitte Limited to carry out the audit on his behalf.

The Risk and Audit Committee (RAC) comprises the full Board and, until 30 September 2016 Bryan Taylor, who was a consultant to the Board. John Melville is the Chairman of this committee. RAC met four times in 2016: the Auditor attended two of those meetings and a part of one of those meetings was held without management present.

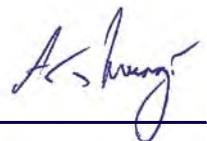
During the year the RAC had the additional responsibility of oversight of compliance with the insurance company licencing requirements under the Insurance (Prudential Supervision) Act 2010 and the Company's risk management program.

7. DONATIONS

No donations have been made during the year by any Company in the Group (2015: \$0).

8. STAFF

We sincerely thank the staff for their work during the year. They are: Caroline Bedford, Ian Brown, Jane Brown, Oliver Gilmore, Roger Gyles, Sylvia Jackson, Amber Lundt, Wendy Johnson, Tim Sole, Grace van Dyk and Glenn Watkin.



Tony Marryatt **Chairman**
March 2017

DIRECTORY

DIRECTORS

Anthony (Tony) J. Marrayatt (Chairman)
Mark A. Butcher
Anthony (Tony) T. Gray
Michael C. Hannan
John B. Melville
Basil J. Morrison CNZM JP

CONSULTANT TO THE BOARD

Bryan G. Taylor JP (to 30 June 2016)

EXECUTIVE OFFICERS

Chief Executive: Tim Sole BSc MBA ANZIIF (Fellow) CIP FIAA FNZSA

Chief Financial Officer: Caroline Bedford CPA (Aust), BCA, NZCS

AUDITORS

The Auditor General, who has appointed Michael Wilkes, Deloitte Limited to carry out the audit on his behalf

BANKERS

ANZ Banking Group (New Zealand) Limited
Bank of New Zealand

LEGAL ADVISERS

Brandons
Heaney & Partners
Kensington Swan
Young Hunter

COMPANY REGISTRATION NO: 13271

REGISTERED OFFICE

Level 9, Civic Assurance House, 116 Lambton Quay, Wellington 6011

POSTAL ADDRESS

Civic Financial Services Ltd, PO Box 5521, Wellington 6140

OTHER CONTACT DETAILS

Telephone (04) 978 1250
Facsimile (04) 978 1260
Email admin@civicfs.co.nz
Website www.civicfs.co.nz

The Company is a participant in the Insurance & Financial Services Ombudsman Scheme (Inc)
Participant Number 2000427

Statement of Accounts

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
REVENUE					
Income Attributable to Insurance Business					
Net Claims Income/(Expense)	3	1,998,024	2,612,715	1,998,024	2,612,715
Underwriting Surplus		1,998,024	2,612,715	1,998,024	2,612,715
Administration Fees		2,358,859	2,756,915	2,358,859	2,756,915
Income from Investments	11	283,739	67,969	283,750	67,969
Property Income		762,633	718,356	762,633	718,356
Interest Income		-	4,403	-	4,403
Other Income		542	376	542	376
Net Operating Revenue		5,403,797	6,160,734	5,403,808	6,160,734
EXPENDITURE					
Audit Fee					
Statutory Audit of the Financial Statements		94,560	71,987	94,560	71,987
Other Fees Paid to Auditors re Taxation Compliance		67,710	66,966	67,710	66,966
Claims Paying Ability Rating		34,093	27,752	34,093	27,752
Compliance Costs		334,048	236,062	334,048	236,062
Consultants		102,457	149,831	102,457	149,831
Depreciation	10	38,761	35,797	38,761	35,797
Amortisation	10	3,238	18,392	3,238	18,392
Directors' Remuneration	16	146,953	144,375	146,953	144,375
Insurance Council of New Zealand		15,525	15,525	15,525	15,525
Legal Fees		53,996	178,566	53,996	178,566
Property Operating Expenses		510,118	415,525	510,118	415,525
Bad Debts		-	1,070	-	1,070
Other Expenses		1,139,602	785,993	1,071,993	785,969
Employee Remuneration	19	1,429,684	1,190,774	1,429,684	1,190,774
Superannuation Subsidies		192,603	130,585	192,603	130,585
Total Expenditure		4,163,348	3,469,200	4,163,324	3,469,176
Surplus Before Share of Profit from Associate, Revaluation of Investment Property and Taxation		1,240,449	2,691,534	1,240,484	2,691,558
Subvention Payment		-	-	(7)	(7)
Revaluation of Investment Property	9	96,571	133,331	96,571	133,331
Share of Profit of Associate		(3,152)	(150)	-	-
Surplus Before Taxation		1,333,868	2,824,715	1,337,048	2,824,882
Taxation Expense	8	359,556	43,663	359,563	43,670
TOTAL COMPREHENSIVE SURPLUS NET OF TAX	19	974,312	2,781,052	977,485	2,781,212

The Notes to the Financial Statements form part of, and should be read in conjunction with, these Statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
SHAREHOLDERS' EQUITY					
Issued and Paid-Up Ordinary Shares					
Ordinary Shares fully paid-up	19	10,763,506	10,566,406	10,763,506	10,566,406
Retained Earnings	19	6,440,214	5,465,902	6,509,858	5,532,373
TOTAL EQUITY		17,203,720	16,032,308	17,273,364	16,098,779
Represented By:					
CURRENT ASSETS					
Bank & Cash Equivalents		6,111,694	454,415	6,061,168	403,870
Sundry Debtors and Prepayments	7a)	556,715	49,345,499	556,709	49,345,491
Reinsurance Recoveries	6	-	519,558,958	-	519,558,958
Income Tax Receivable	8	990	2,971	990	2,971
Total Current Assets		6,669,399	569,361,843	6,618,867	569,311,290
NON CURRENT ASSETS					
Shares in Local Government Online		-	3,152	-	-
Property, Plant and Equipment	10	189,155	193,147	189,155	193,147
Intangible Assets (Software)	10	89,652	72,276	89,652	72,276
Deferred Tax Asset	8	3,272,784	3,632,346	3,272,784	3,632,346
Investment Property	9	7,925,000	7,425,000	7,925,000	7,425,000
Total Non Current Assets		11,476,591	11,325,921	11,476,591	11,322,769
TOTAL ASSETS		18,145,990	580,687,764	18,095,458	580,634,059

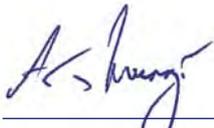
The Notes to the Financial Statements form part of, and should be read in conjunction with, these Statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
CURRENT LIABILITIES					
Sundry Creditors & Accrued Charges	7b)	385,923	553,796,248	385,923	553,796,248
Accrued Holiday Pay		49,766	130,832	49,766	130,832
CLP / Riskpool Admin Fee Reserve (Current)		112,969	-	112,969	-
Subordinated Debt	15	120,176	120,176	-	-
		668,834	554,047,256	548,658	553,927,080
Insurance Provisions					
Outstanding Claims Liability	3b)	-	10,608,200	-	10,608,200
Total Insurance Provisions		-	10,608,200	-	10,608,200
Total Current Liabilities		668,834	564,655,456	548,658	564,535,280
NON-CURRENT LIABILITIES					
CLP / Riskpool Admin Fee Reserve	7b)	273,436	-	273,436	-
Total Non-Current Liabilities		273,436	-	273,436	-
TOTAL LIABILITIES		942,270	564,655,456	822,094	564,535,280
EXCESS OF ASSETS OVER LIABILITIES		17,203,720	16,032,308	17,273,364	16,098,779

For and on behalf of the Directors



Director Tony Marryatt

17 March 2017



Director John Melville

17 March 2017

The Notes to the Financial Statements form part of, and should be read in conjunction with, these Statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
OPENING EQUITY		16,032,308	13,251,256	16,098,779	13,317,567
Total Comprehensive Surplus Net of Tax		974,312	2,781,052	977,485	2,781,212
Ordinary Shares issued during the year	19	197,100	-	197,100	-
CLOSING EQUITY		17,203,720	16,032,308	17,273,364	16,098,779

The Notes to the Financial Statements form part of, and should be read in conjunction with, these Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Rent Received		778,617	707,979	778,617	707,979
Administration Fees Received		2,348,707	2,969,715	2,348,707	2,969,715
Interest Received and Investment Income		277,415	168,667	277,415	168,667
Other Income		542	376	542	376
Reinsurance Recoveries*		496,346,310	2,876,573	496,346,310	2,876,573
Taxation Refunded		2,843	45,698	2,843	45,698
		499,754,434	6,769,008	499,754,434	6,769,008
Cash was applied to:					
Claims Expenses*		488,705,997	7,551,635	488,705,997	7,551,635
Interest Expense		-	4,403	-	4,403
Payments to Suppliers and Employees		5,135,207	2,317,497	5,135,181	2,317,473
Reinsurance Received in Advance		-	326,264	-	326,264
		493,841,204	10,199,799	493,841,178	10,199,775
Net Cash Flow from Operating Activities	12	5,913,230	(3,430,791)	5,913,256	(3,430,767)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Dividend – LGOL		6,335	-	6,335	-
Sale of Property, Plant and Equipment		1,252	-	1,252	-
		7,587	-	7,587	-
Cash was applied to:					
Purchase of Property, Plant and Equipment		57,210	-	57,210	-
Purchase of Investment Property		403,428	339,072	403,428	339,072
		460,638	339,072	460,638	339,072
Net Cash Flow from Investing Activities		(453,051)	(339,072)	(453,051)	(339,072)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was provided from:					
Ordinary Shares issued during the year		197,100	-	197,100	-
		197,100	-	197,100	-
Cash was applied to:					
Payment of Subvention Payment		-	-	7	7
		-	-	7	7
Net Cash Flow from Financing Activities		197,100	-	197,093	(7)
Net Decrease in Cash Held		5,657,279	(3,769,863)	5,657,298	(3,769,846)
Opening Cash Balance as at 1 January		454,415	4,224,278	403,870	4,173,716
Closing Cash Balance as at 31 December		6,111,694	454,415	6,061,168	403,870
Being: Bank & Cash Equivalents		6,111,694	454,415	6,061,168	403,870

* The Canterbury Earthquake Claims Global settlement agreement required that certain reinsurance monies totalling \$363m was transacted through a third party Trust account. This amount is included in Cash provided from Reinsurance Recoveries and Cash applied to Claims Expenses.

The Notes to the Financial Statements form part of, and should be read in conjunction with, these Statements.

NOTE 1. REPORTING ENTITY

The reporting entity is Civic Financial Services Ltd (the "Company"), formerly known as New Zealand Local Government Insurance Corporation Ltd (trading as Civic Assurance). The Group comprises the Company and its subsidiaries listed in note 2 (d). The Group provides financial services principally for New Zealand local government and also provides property services. The Group has continued to provide insurance products to New Zealand local authorities until 31 December 2016. Subsequent to year end the Group opted to cancel its provisional insurance licence with the Reserve Bank of New Zealand (refer to Note 22). The Company is an FMC reporting entity under the Financial Markets Conduct Act (FMCA) 2013 and the group financial statements have been prepared in accordance with the FMCA 2013. The financial statements of the Company are also included for the readers' information but are not required under legislation.

Statement of Compliance

The Group is a Tier 1 Public Sector Public Benefit Entity and the financial statements have been prepared in accordance with and comply with Tier 1 Public Sector Public Benefit Entity (PBE) Standards.

NOTE 2. STATEMENT OF ACCOUNTING POLICIES**General Accounting Policies**

The measurement and reporting of profits on an historical cost basis have been followed by the Company and Group, except for specific policies as described below. The reporting currency is New Zealand dollars. The Group is no longer subject to the requirements under the Insurance (Prudential Supervision) Act 2010 as a provisional licence holder (refer to Note 22).

Critical Judgements and Estimates in Applying the Accounting Policies

In the application of the PBE Standards the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. These are based on historical experience and other various factors and are reviewed on an ongoing basis.

The Directors believe that, as at the date of these financial statements, there are no significant sources of estimation uncertainty that have not been disclosed in these notes. The most significant judgements, estimates and assumptions made in the preparation of these financial statements are in respect of the valuation of insurance claim liability (Note 3), the recognition of the deferred tax asset (Note 8) and the valuation of investment property (Note 9).

Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of surplus and financial position have been applied. Further particular accounting policies are contained in the relevant notes to the financial statements.

(a) Consolidation of Subsidiaries

The Group financial statements incorporate the financial statements of the Company and its subsidiaries, which have been consolidated using the acquisition method. The results of any subsidiaries acquired or disposed of during the year are consolidated from the effective dates of acquisition or until the effective dates of disposal. All inter-company transactions, balances and unrealised profits are eliminated on consolidation.

(b) Assets which back Insurance Liabilities

Ultimately all assets of the Company are available to back insurance liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 2. STATEMENT OF ACCOUNTING POLICIES CONTINUED**(c) Employee Benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(d) Investment in Subsidiaries

The Company has six wholly owned subsidiaries which are all incorporated in New Zealand. Four of these, Local Government Superannuation Trustee Limited, SuperEasy Limited, Local Government Finance Corporation Limited and Civic Assurance Limited with balance dates of 31 December and Local Government Mutual Funds Trustee Limited with its balance date of 30 June did not have any significant assets, liabilities, revenue or expenses during the years ended 31 December 2015 and 31 December 2016. New Zealand Local Government Finance Corporation Limited (NZLGFC) commenced business on the 29 November 1999 and had total assets of \$50,533 at 31 December 2016 (2015: \$50,550) and ceased active operations in February 2010. The four companies have been recognised in the Parent financial statements at cost less impairment and consolidated in the Group financial statements. The operating companies are subject to ongoing review of their operations to ensure they are meeting their agreed strategic objectives.

(e) Investment in Associate Company

The Company held a 25% share of Local Government Online Limited (LGOL). In 2014 LGOL returned the shareholders capital, ceased operations on 31 March 2014 and was wound up on 12 October 2016. The share of the income of LGOL has been included in the consolidated Statement of Comprehensive Income and added to the cost of the investment in the Consolidated Statement of Financial Position.

(f) Administration Fees

Administration fees are recognised at the agreed amounts based on time and expenses incurred. Administration fees collected during the year that will be utilised in future periods are held within the administration fee reserve on the Statement of Financial Position, until the point in time where administration services have been provided.

(g) Property Income

Property rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(h) Basis of Measuring Other Income and Expenses

Income and expenses are accounted for on an accruals basis.

(i) Changes in Accounting Policies

There have been no material changes in the accounting policies during the year. All policies have been applied on bases consistent with those used in the prior year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 3. CLAIMS

Accounting Policy:

All of the general insurance products and reinsurance products offered or utilised met the definition of an insurance contract (a contract under which one party, the insurer, accepts significant insurance risk from another party, the policyholder, by agreeing to compensate the policyholder if a specified uncertain future event, the insured event, adversely affects the policyholder) and none of the contracts contain embedded derivatives or are required to be unbundled.

The outstanding claims liability is measured as the central estimate of expected future payments relating to unsettled claims incurred at the reporting date with an additional risk margin to allow for the inherent uncertainty in the central estimate. The expected future payments include those in relation to claims reported but not yet paid in full, claims incurred but not reported ("IBNR"), and claims incurred but not enough reported ("IBNER"). Due to the short-term nature of the Company's claims these are not discounted in the financial statements.

Claims expense represents claim payments adjusted for movement in the outstanding claims liability.

The estimation of the outstanding claims liability involves a number of key assumptions and is a critical accounting estimate. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures and employs external actuarial advice. Changes in claims estimates are recognised in profit and loss in the year in which the estimates are changed.

(a) Claims

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
<i>Claims Incurred and Provision for Outstanding Claims</i>				
Revaluation of claims liability during the year	2,166,774	10,524,304	2,166,774	10,524,304
Less: Revised estimate of reinsurance recoveries during the year	(168,750)	(7,911,589)	(168,750)	(7,911,589)
Net Claims Income	1,998,024	2,612,715	1,998,024	2,612,715

Claims costs are usually settled within one year therefore there is no claims development from prior years' claims.

(b) Reconciliation of Movements in Gross Outstanding Claims Liability

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Outstanding Claims liability at the beginning of the financial year	10,608,200	508,569,900	10,608,200	508,569,900
Revaluation of claims liability during the year	(2,166,774)	(10,524,304)	(2,166,774)	(10,524,304)
Claims Paid / Payable	(8,441,426)	(487,437,396)	(8,441,426)	(487,437,396)
Outstanding Claims Liability at the End of the Financial Year	-	10,608,200	-	10,608,200

All outstanding claims were settled during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 3. CLAIMS CONTINUED**(c) Actuarial Methodology and Assumptions**

The estimation process involved using the Company's specific data, relevant industry data and more general economic data. Each class of business was usually examined separately and the process involved consideration of a large number of factors including the risks to which the business was exposed at a point in time, claim frequencies and average claim sizes, historical trends in the incidence and development of claims reported and finalised, legal, social and economic factors that may impact upon each class of business as well as the key actuarial assumptions set out below, and the impact of reinsurance and other recoveries.

Different actuarial valuation models are used for different claims types with the results then being aggregated. This aggregation of results enhances the valuation process by allowing the use of the model best suited to particular claims types. The selection of the appropriate model takes into account the characteristics of a class of business and the extent of development of past claims periods.

The different components of the outstanding claims liability are subject to different levels of uncertainty. The estimation of the cost of claims reported but not yet settled or paid in full is made on a case by case basis by claims personnel having regard to the facts and circumstances of the claim as reported, any information available from assessors and information on the cost of settling claims with similar characteristics in previous periods. A further amount, which may be a reduction, is included for IBNER on the basis of past experience with the accuracy of initial claims estimates. With IBNR, the estimation is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified, as no information is currently available about the claim. In calculating the estimated cost of settled or unpaid claims a variety of estimating techniques are used generally based on statistical analysis of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made however for changes or uncertainties which may create distortions in the underlying statistics which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims.

Large claims impacting each relevant business class are generally assessed separately, being measured on a case by case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims.

Reserves are not established for catastrophes in advance of such events and so these events will cause volatility in the results for a period and in the levels of the outstanding claims liability.

The central estimate of the outstanding claims liability is an estimate which is intended to contain no deliberate or conscious over or under estimation and is commonly described as providing the mean of the distribution. It is considered appropriate for the measurement of the claims liability to represent a higher degree of certainty regarding the sufficiency of the liability over time, and so a risk margin is added to the central estimate. The risk margin refers to the amount by which the liability recognised in the financial statements is greater than the actuarial central estimate of the liability. The risk margin added to the central estimate increases the probability that the net outstanding claims liability will ultimately prove to be adequate.

The actuarial valuation net of reinsurance assumes that all reinsurance recoveries will be collected. The Company's policy is to use only reinsurers with rating "A-" or better from AM Best (or equivalent).

(d) Canterbury Earthquakes Claims

The Canterbury earthquakes have had a significant impact on the operational and financial results of the Company over the last 6 years with over 3,000 claims being received. On 11th December 2015 a global settlement was signed between the Company, its reinsurers and the insured parties in relation to a significant portion of Canterbury earthquakes claims which were subsequently settled with the insured in February 2016. The settlement included a commutation of the remaining open claims, totalling 83 at 31 December 2015, that were settled with the insured in April 2016.

As at 31 December 2016 the Outstanding Claims Liability in relation to the remaining Canterbury earthquake claims was \$nil (2015: \$9.6m).

NOTE 3. CLAIMS CONTINUED**(d) Canterbury Earthquakes Claims continued**

In prior years the principal concern in determining the outstanding claims liabilities for Canterbury earthquake claims was the unique nature of the event. Despite the material nature of the outstanding claims liability, it was decided that no actuarial adjustment should be applied to the case estimates recorded for these claims. The reasons for this were:

- The unique and continuing nature of the Canterbury earthquake events means that at this stage there was very limited data upon which to base a meaningful actuarial analysis.
- All claims have been assessed by loss adjusters who have expertise in this area. We understand that there is no reason to believe that there is any systemic under or over estimation of reported claims. The estimates of outstanding claims incorporates an allowance for both the future direct and indirect costs associated with those claims.
- To date, given the global settlement referred to above, it is highly unlikely that any of the claims would be reopened.

The outstanding claims liabilities for the current year have been determined using both the loss adjusters assessment of the claims and the global settlement agreement.

The overall risk margin for outstanding claims has been determined using a combination of historical results and professional judgement.

No discounting of the outstanding claims liabilities or associated reinsurance recoveries receivable has been made on the basis that the Company's net insured claims are expected to be settled in the year.

(e) Other Claims

As at 31 December 2016 there are no outstanding claims liability in relation to Business as Usual and Riskpool claims (2015: \$1.0m).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 4. INSURANCE CONTRACT RISK MANAGEMENT

A key risk from operating in the general insurance industry is the exposure to insurance risk arising from underwriting general insurance contracts. The insurance contracts transfer risk to the insurer by indemnifying the policyholders against adverse effects arising from the occurrence of specified uncertain future events. The risk is that the actual claims to be paid in relation to contracts will be different to that estimated at the time a product was designed and priced. The Company is exposed to this risk because the price for a contract must be set before the losses relating to the product are known. Hence the insurance business involves inherent uncertainty. The Company also faces other risks relating to the conduct of the general insurance business including financial risks and capital risks.

A fundamental part of the overall risk management strategy is the effective governance and management of the risks that impact the amount, timing and uncertainty of cash flows arising from insurance contracts.

(a) Risk Management Objectives and Policies for Mitigating Insurance Risk

The risk management activities can be broadly separated into underwriting (acceptance and pricing of risk), claims management, reserving, and investment management. The objective of these risk management functions is to enhance the longer term financial performance of the overall insurance operations.

The key policies in place to mitigate risks arising from underwriting insurance contracts include the following:

- **Acceptance of risk** – The Company was primarily an insurer only of risks owned or managed by local authorities. Records of results and trends exclusively in this market sector that have been built up over a number of years were available as tools for the Company's underwriter. The portfolio was essentially property risks.
- **Reinsurance** – Through reinsurance the Company, up until 30 June 2011, was able to cap its maximum liability in the event of a catastrophe to \$3.6m. This amount was well within the Company's reserves.
- **Claims management** – Claims are handled in house by experienced claims handling staff. Staff were allocated settling limits and authorities. These authority levels were reviewed regularly. Senior claims staff were very experienced, particularly in local government claims. Overall authority and claims management was provided by the Company's Insurance Manager.
- **Investment management** – All premium income is held in NZ Registered Bank accounts and short-term deposits. All investments are regularly reviewed by the Board.
- **Risk reduction** – Due to the Company being unable to reinsure risks after 1 July 2011 the risk was managed by not writing material damage cover policies.

(b) Terms and Conditions of Insurance Contracts

Almost all the Company's insurance contracts written were entered into on a standard form and on an annual basis. There are no special terms and conditions in any non-standard contracts that would have had a material impact on the financial statements.

(c) Concentration of Insurance Risk

Concentration risk is particularly relevant in the case of natural disasters and other catastrophes. The Company dealt with this by having uncapped reinsurance cover for the period of the insurance contract. All geographical risk was in New Zealand.

NOTE 4. INSURANCE CONTRACT RISK MANAGEMENT CONTINUED**(d) Credit Risk**

Financial assets or liabilities arising from insurance contracts are presented in the Statement of Financial Position. These amounts best represent the maximum credit risk exposure at reporting date. The credit risk relating to insurance contracts related primarily to reinsurance recoveries receivable, which are discussed further in Note 6.

(e) Interest Rate Risk

The underwriting of general insurance contracts created no exposure to the risk that interest rate movements may impact the value of the outstanding claims liability because the outstanding claims liability was not discounted due to the short tail nature of claims.

(f) Reinsurance Risk

Risks underwritten were reinsured in order to limit exposure to losses, stabilise earnings, protect capital resources and ensure efficient control and spread of the risks underwritten.

(g) Operational Risk

Operational risk is the risk of financial loss (including lost opportunities) resulting from external events and/or inadequate or failed internal processes, people and systems. Operational risk is identified and assessed on an ongoing basis and the capital management strategy includes consideration of operational risk. Management and staff are responsible for identifying, assessing and managing operational risks in accordance with their roles and responsibilities.

(h) Liquidity Risk

All assets and liabilities used in relation to the liquidity of the insurance business were addressed through maintaining sufficient highly liquid assets.

(i) Sensitivity Analysis

Sensitivity of risks relates primarily to the risk margin assessments which are set out in Note 3. These were reviewed annually and change in accordance with current best estimates using advice from an actuary. There was no insurance risk sensitivity as full exposure has been taken.

NOTE 5. INSURANCE PROVISIONS

The Company had a claims payable credit rating of "B+" (Good) issued by AM Best at 1 May 2016. The Company's reinsurance programme was structured to adequately protect the Company's solvency and capital position. It covered per risk and event losses in New Zealand. Counterparty reinsurers with credit ratings no less than "A-" (AM Best scale) participated in the reinsurance catastrophe programme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 6. REINSURANCE RECEIVABLE ON OUTSTANDING CLAIMS**Accounting Policy:**

Reinsurance and other recoveries received or receivable on paid claims and on outstanding claims liabilities notified and not yet notified are recognised as income. Reinsurance does not relieve the originating insurer of its liabilities to policyholders.

(a) Reconciliation of Movements for the Financial Year

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Reinsurance recoveries receivable on outstanding claims at the beginning of the year	519,558,958	506,976,959	519,558,958	506,976,959
Reinsurance recoveries received	(496,346,310)	(2,550,310)	(496,346,310)	(2,550,310)
Reinsurance recoveries receivable on claims incurred during the year	(168,750)	(7,911,589)	(168,750)	(7,911,589)
GST payable / receivable on Reinsurance recoveries incurred during the year	(23,043,898)	23,043,898	(23,043,898)	23,043,898
Reinsurance recoveries receivable on outstanding claims at the end of the year	-	519,558,958	-	519,558,958

(b) Actuarial Assumptions

Due to the settlement of the Canterbury claims no actuarial assumptions were made on the reinsurance recoveries. In 2015, GST totalling \$23m was included in the \$519m reinsurance receivable. Reinsurance was paid out to the insured in February and April 2016 in full and final settlement of the Canterbury Earthquake claims.

(c) The Effect Of Changes In Assumption

There have been no changes in the actuarial assumptions for the period under review.

(d) Risk Management

The Board and senior management assessed the Company's reinsurance programme as existing and for the following year based on identification of the Company's exposure and its ability to meet claims from its capital base.

(e) Reinsurance Risk Management

As a consequence of the Canterbury earthquakes the Company had been unable to obtain property reinsurance from 1 July 2011 on suitable terms and therefore ceased providing material damage cover from that date.

All reinsurance monies were received in February 2016 and the final payment to the insured made in April 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 7. SUNDRY DEBTORS AND CREDITORS

(a) Sundry Debtors and Prepayments

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Sundry Debtors	421,098	144,432	421,091	144,424
Prepayments	86,396	123,411	86,396	123,411
GST Receivable	49,222	49,077,656	49,222	49,077,656
Sundry Debtors and Prepayments	556,716	49,345,499	556,709	49,345,491

GST Receivable has decreased significantly due to the Claims Payable and Reinsurance Receivable resulting from the Global settlement referred to in Note 3.

(b) Sundry Creditors and Accrued Charges

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Sundry Creditors & Accrued Charges	385,923	9,390,823	385,923	9,390,823
Claims Payable	-	544,405,425	-	544,405,425
Sundry Creditors & Accrued Charges	385,923	553,796,248	385,923	553,796,248

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 8. TAXATION**Accounting Policies:****i) Current Tax**

The income tax expense charged against the profit for the year is the estimated liability in respect of that profit. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for the current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets are offset only when there is a legally enforceable right to set off the recognised amounts, and an intention to settle on a net basis.

ii) Deferred Tax

The liability method of accounting for deferred taxation is applied on a comprehensive balance sheet basis in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income.

iii) Goods and Services Tax (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority in which case the GST is recognised as part of the cost of the acquisition of the assets or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 8. TAXATION CONTINUED

(a) Income tax recognised in the Statement of Comprehensive Income

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Tax expense comprises:				
Current tax expense	(7)	699,734	-	699,741
Adjustments recognised in the current year in relation to the current tax of prior years	-	(712,668)	-	(712,668)
Deferred tax relating to the origination and reversal of temporary differences	359,563	56,597	359,563	56,597
Total Tax Expense	359,556	43,663	359,563	43,670
Attributable to:				
Continuing operations	359,556	43,663	359,563	43,670
	359,556	43,663	359,563	43,670

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Profit from continuing operations	1,240,449	2,691,534	1,240,484	2,691,558
Subvention payable	-	-	(7)	(7)
Revaluation of Investment Property	96,571	133,331	96,571	133,331
Share of Profit of Associate	(3,152)	(150)	-	-
	1,333,868	2,824,715	1,337,048	2,824,882
Income tax calculated at 28%	373,483	790,920	374,372	790,967
Tax effect of permanent differences	(13,927)	(34,589)	(14,809)	(34,629)
	359,556	756,331	359,563	756,338
Under/Over provision of income tax in previous year	-	(712,668)	-	(712,668)
Income Tax Expense	359,556	43,663	359,563	43,670

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 8. TAXATION CONTINUED**(b) Current tax assets and liabilities**

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Tax refund receivable	990	2,971	990	2,971
Tax payable	-	-	-	-
	990	2,971	990	2,971

(c) Deferred tax balances

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Deferred tax assets comprise:				
Temporary differences	3,759,692	4,138,854	3,759,692	4,138,854
	3,759,692	4,138,854	3,759,692	4,138,854
Deferred tax liabilities comprise:				
Temporary differences	(486,908)	(506,508)	(486,908)	(506,508)
	(486,908)	(506,508)	(486,908)	(506,508)
Net Deferred Tax balance	3,272,784	3,632,346	3,272,784	3,632,346

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 8. TAXATION CONTINUED

(c) Deferred tax balances continued

Gross taxable and deductible temporary differences for both the Company and Group arise from the following:

	Opening Balance \$	Charged to Income \$	Charged to Equity \$	Prior Period Adjustment \$	Closing Balance \$	
2016	Investment gains	(40,315)	-	-	(40,315)	
	Building, property and equipment	(1,768,639)	(98,085)	-	(1,698,639)	
		(1,808,954)	(98,085)	-	168,085	(1,738,954)
	Employee entitlements	130,833	(80,703)	-	4,784	54,914
	Losses carried forward	14,650,787	(1,105,362)	-	(172,869)	13,372,556
		14,781,620	(1,186,065)	-	(168,085)	13,427,470
	Attributable to:					
	Continuing operations	12,972,665	(1,284,151)	-	-	11,688,514
	Total	12,972,665	(1,284,151)	-	-	11,688,514
	Tax effect at 28%	3,632,344	(359,560)	-	-	3,272,784
2015	Investment gains	(40,315)	-	-	(40,315)	
	Building, property and equipment	(1,558,547)	(210,092)	-	(1,768,639)	
		(1,598,862)	(210,092)	-	-	(1,808,954)
	Employee entitlements	122,875	7,958	-	-	130,833
	Losses carried forward	14,604,623	(2,499,080)	-	2,545,244	14,650,787
		14,727,498	(2,491,122)	-	2,545,244	14,781,620
	Attributable to:					
	Continuing operations	13,128,636	(2,701,214)	-	2,545,244	12,972,666
	Total	13,128,636	(2,701,214)	-	2,545,244	12,972,666
	Tax effect at 28%	3,676,016	(756,338)	-	712,668	3,632,346

No liability has been recognised in respect of the undistributed earnings of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The deferred tax asset relating to tax losses carried forward has been recognised as the financial forecasts anticipate the Company maintaining sufficient profitability in future financial years (refer Note 22).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 8. TAXATION CONTINUED**(d) Imputation Credit Account**

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Opening Balance	5,256,739	5,521,678	5,256,739	5,521,678
Plus Credits				
Income Tax Paid	-	-	-	-
Resident Withholding Tax	-	990	-	990
Imputation Credits Received	2,463	-	2,463	-
	2,463	990	2,463	990
Less Debits				
Tax Refund	1,980	40,147	1,980	40,147
Imputation Credits Attached to Dividends Paid	-	-	-	-
Other Debits	-	225,782	-	225,782
	1,980	265,929	1,980	265,929
Closing Balance	5,257,222	5,256,739	5,257,222	5,256,739

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 9. INVESTMENT PROPERTY

Accounting Policy:

Investment property is measured at fair value, by reference to an external market valuation (performed annually), with any resulting unrealised gain or loss recognised in the Statement of Comprehensive Income.

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Civic Assurance House, Lambton Quay, Wellington				
(a) Land valuation (Original Cost \$289,253)	2,900,000	2,900,000	2,900,000	2,900,000
Less decrease in value	-	-	-	-
Level 3 Fair Value	2,900,000	2,900,000	2,900,000	2,900,000
(b) Building valuation (Original Cost \$860,571)	4,500,000	4,130,000	4,500,000	4,130,000
Refurbishment	403,429	236,669	403,429	236,669
Increase/(Decrease) in value	96,571	133,331	96,571	133,331
Level 3 Fair Value	5,000,000	4,500,000	5,000,000	4,500,000
(c) Artwork valuation (Original Cost \$8,844)	25,000	25,000	25,000	25,000
Plus increase in value	-	-	-	-
Fair Value	25,000	25,000	25,000	25,000
	7,925,000	7,425,000	7,925,000	7,425,000

The investment property is revalued every year. The investment property valuation for the year ended 31 December 2016 was completed on 3 November 2016 by independent registered valuer Martin Veale (ANZIV, SPINZ) of the firm Telfer Young (Wgtn) Ltd. The property is valued in accordance with International Valuation Standards 2013. The Investment property is Level 3 fair value.

The valuation has been established by the Income Capitalisation and Discounted Cashflow approaches and consideration of market rental and sales evidence and property specific attributes. The major inputs and assumptions used in the valuation technique are current and expected market rentals, potential vacancies, capital outlay, terminal and investment yields and the discount rate.

Investment Property Metrics

		2016	2015
Contract Yield	Average	6.02%	6.83%
	Maximum	6.50%	7.00%
	Minimum	5.50%	6.50%
Market Yield	Average	8.31%	9.02%
	Maximum	8.50%	9.25%
	Minimum	8.00%	8.75%
Occupancy	Occupancy (net lettable area)	83.66%	83.20%
	Weighted average lease term	2.30	1.80

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 10. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**Accounting Policy:**

Assets are depreciated on a straight line basis at rates calculated to allocate the assets' cost, in equal instalments over their estimated useful lives which are assessed and regularly reviewed.

Office Furniture and Equipment	up to 5 years
Intangibles – Software	5 years

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Property, Plant and Equipment				
(a) Office Furniture and Equipment – cost	595,688	531,440	595,688	531,440
Plus Additions	36,596	64,247	36,596	64,247
Less Disposals	(2,295)	-	(2,295)	-
Closing Value – cost	629,989	595,687	629,989	595,687
Office Furniture and Equipment – Accumulated Depreciation	(402,540)	(366,743)	(402,540)	(366,743)
Less Depreciation Charge	(38,761)	(35,797)	(38,761)	(35,797)
Less Disposals	467	-	467	-
Closing Accumulated Depreciation	(440,834)	(402,540)	(440,834)	(402,540)
Net Book Value	189,155	193,147	189,155	193,147

The Total Comprehensive Surplus Net of Tax in the Statement of Comprehensive Income includes a \$nil loss on disposal of fixed assets (2015: nil).

Intangible Assets

(b) Software – cost	498,839	460,682	498,839	460,682
Plus Additions	20,614	38,157	20,614	38,157
Less Disposals	-	-	-	-
Closing Value – cost	519,453	498,839	519,453	498,839
Software – Accumulated Amortisation	(426,563)	(408,171)	(426,563)	(408,171)
Less Amortisation Charge	(3,238)	(18,392)	(3,238)	(18,392)
Less Disposals	-	-	-	-
Closing Accumulated Amortisation	(429,802)	(426,563)	(429,801)	(426,563)
Net Book Value	89,652	72,276	89,652	72,276

NOTE 11. FINANCIAL INSTRUMENTS**Accounting Policies:****i) Classification and Measurement**

Financial instruments are transacted on a commercial basis to derive an interest yield / cost with the terms and conditions having due regard to the nature of the transaction and the risks involved. Financial instruments are recognised and accounted for on a settlement date basis.

Held To Maturity Investments

NZ Government Stock is classified as Held To Maturity and is measured at amortised cost using the effective interest method.

Loans and Receivables

Other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate.

Bank and Cash Equivalents

Bank and cash equivalents are measured at amortised cost using the effective interest rate.

Financial Liabilities

Financial liabilities include Sundry Creditors and Accrued Charges, Subordinated Debt. Financial liabilities are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, liabilities are measured at amortised cost.

The Outstanding Claims Liability is an actuarial estimate recorded at Fair Value.

ii) Offsetting Financial Instruments

Financial assets and liabilities are not offset as there is no legally enforceable right to set-off.

iii) Asset Quality**Impairment of Financial Assets**

Financial assets measured at amortised cost are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such condition exists, the asset's recoverable amount is estimated and provision is made for the difference between the carrying amount and the recoverable amount.

As at the date of these Financial Statements, no such evidence of impairment exists.

iv) Fair Value of Financial Instruments

Fair value measurements recognised in the Statement of Financial Position

Financial instruments are categorised into 3 levels:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

v) Derivatives

The Company and Group do not use any derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 11. FINANCIAL INSTRUMENTS CONTINUED**(1) Income Relating to Financial Assets**

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Held to Maturity				
Interest Received – NZ Government Stock	-	2,320	-	2,320
	-	2,320	-	2,320
Cash & Cash Equivalents				
Interest Received – Short Term Deposits at Bank	283,739	65,649	283,750	65,649
	283,739	67,969	283,750	67,969

(2) Financial Assets and Liabilities

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their market value, which for these assets and liabilities is also considered to be fair value. The Subordinated Debt is measured at amortised cost which is considered to be fair value.

All fixed interest investments were managed around a 90 day duration and carry a minimum Standard and Poors credit rating of "A1" or equivalent.

Carrying value of Financial Assets and Financial Liabilities

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Financial Asset: Loans and Receivables				
Sundry Debtors	421,098	49,131,257	421,090	49,131,249
Reinsurance Receivable on agreed settlement	-	519,558,958	-	519,558,958
Total Loans and Receivables	421,098	568,690,215	421,090	568,690,207
Financial Asset: Carried at Amortised Cost				
Bank & Cash Equivalents	6,111,694	454,415	6,061,168	403,870
Financial Liability: Amortised Cost				
Subordinated Debt	120,176	120,176	-	-
Sundry Creditors & Accrued Charges	385,923	553,796,248	385,923	553,796,248
Total Amortised Cost	506,099	553,916,424	385,923	553,796,248

NOTE 11. FINANCIAL INSTRUMENTS CONTINUED**(3) Financial Risk - Structure and Management**

The Company & Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern. The Group's overall strategy is reviewed annually and remains unchanged.

Financial instruments which potentially subject the Company & Group to a concentration of credit risk consist principally of cash and interest bearing deposits and reinsurance receivable. The Company and Group has no debt instruments.

The Company does not require collateral or other security to support financial instruments with credit risk and as such, no collateral exists for any of the investments held by the Company. The maximum credit risk exposure is the carrying amount of the individual investment balances.

The Company & Group has placed interest bearing deposits and funds to be managed with financial institutions and limits its amount of credit exposure to any one such institution.

(a) Market Risk

All financial assets and liabilities are New Zealand Dollar based and are recorded at amortised cost, therefore changes in interest rates and foreign currency values do not impact on their carrying value.

(i) Interest Rate Repricing Schedule

The following tables include the Company's and Group's financial assets and liabilities at their carrying amounts, categorised by the maturity dates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 11. FINANCIAL INSTRUMENTS CONTINUED**(3) Financial Risk – Structure and Management continued***(a) Market Risk continued***(i) Interest Rate Repricing Schedule continued**

	Interest Rate Spread	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$	\$
As at 31 December 2016 (Group)							
Assets							
Cash at Bank	0% to 3.76%	6,021,221	-	-	-	90,473	6,111,694
Other Receivable	n/a	-	-	-	-	421,098	421,098
Total Financial Assets		6,021,221	-	-	-	511,571	6,532,792
Liabilities							
Sundry Creditors & Accrued Charges	n/a	-	-	-	-	385,923	385,923
Subordinated Debt	n/a	-	-	-	-	120,176	120,176
Total Financial Liabilities		-	-	-	-	506,099	506,099
As at 31 December 2015 (Group)							
Assets							
Cash at Bank	0% to 3.76%	367,618	-	-	-	86,797	454,415
Other Receivable	n/a	-	-	-	-	49,131,257	49,131,257
Reinsurance Recoveries	2.5%	519,558,958	-	-	-	-	519,558,958
Total Financial Assets		519,926,576	-	-	-	49,218,054	569,144,630
The Reinsurance Recovery was interest bearing from 24 December 2015 to 19 February 2016.							
Liabilities							
Sundry Creditors & Accrued Charges	n/a	-	-	-	-	553,796,248	553,796,248
Outstanding Claims	n/a	-	-	-	-	10,608,200	10,608,200
Subordinated Debt	n/a	-	-	-	-	120,176	120,176
Total Financial Liabilities		-	-	-	-	564,524,624	564,524,624

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 11. FINANCIAL INSTRUMENTS CONTINUED

(3) Financial Risk – Structure and Management continued

(a) Market Risk continued

(i) Interest Rate Repricing Schedule continued

	Interest Rate Spread	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Non Interest Bearing	Total
	%	\$	\$	\$	\$	\$	\$
As at 31 December 2016 (Parent)							
Assets							
Cash at Bank	0% to 3.76%	6,028,815	-	-	-	32,353	6,061,168
Other Receivable	n/a	-	-	-	-	421,090	421,090
Total Financial Assets		6,028,815	-	-	-	453,443	6,482,258
Liabilities							
Sundry Creditors & Accrued Charges	n/a	-	-	-	-	385,923	385,923
Total Financial Liabilities		-	-	-	-	385,923	385,923
As at 31 December 2015 (Parent)							
Assets							
Cash at Bank	0% to 3.76%	367,635	-	-	-	36,235	403,870
Other Receivable	n/a	-	-	-	-	49,131,249	49,131,249
Reinsurance Recoveries	n/a	519,558,958	-	-	-	-	519,558,958
Total Financial Assets		519,926,593	-	-	-	49,167,484	569,094,077
Liabilities							
Sundry Creditors & Accrued Charges	n/a	-	-	-	-	553,796,248	553,796,248
Outstanding Claims	n/a	-	-	-	-	10,608,200	10,608,200
Total Financial Liabilities		-	-	-	-	564,404,448	564,404,448

(ii) Carrying Amount and Fair Value

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 11. FINANCIAL INSTRUMENTS CONTINUED**(3) Financial Risk – Structure and Management continued****(b) Liquidity Risk**

Liquidity Risk is the risk that the Company & Group will encounter difficulties in raising funds at short notice to meet commitments associated with financial instruments. Management of liquidity risk is designed to ensure that the Company & Group has the ability to meet financial obligations as they fall due.

The following tables include an analysis of the contractual undiscounted cash flows relating to the Company's & Group's financial assets and liabilities at their face value, categorised by the maturity dates.

	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
Maturity Analysis (Group) As at 31 December 2016					
Assets					
Cash at Bank	6,111,694	-	-	-	6,111,694
Other Receivable	421,098	-	-	-	421,098
Total Financial Assets	6,532,792	-	-	-	6,532,792
Liabilities					
Sundry Creditors & Accrued Charges	385,923	-	-	-	385,923
Subordinated Debt	-	-	120,176	-	120,176
Total Financial Liabilities	385,923	-	120,176	-	506,099
Maturity Analysis (Group) As at 31 December 2015					
Assets					
Cash at Bank	454,415	-	-	-	454,415
Other Receivable	49,131,257	-	-	-	49,131,257
Reinsurance Recoveries	519,558,958	-	-	-	519,558,958
Total Financial Assets	569,144,630	-	-	-	569,144,630
Liabilities					
Sundry Creditors & Accrued Charges	553,796,248	-	-	-	553,796,248
Outstanding Claims	10,608,200	-	-	-	10,608,200
Subordinated Debt	-	-	120,176	-	120,176
Total Financial Liabilities	564,404,448	-	120,176	-	564,524,624

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 11. FINANCIAL INSTRUMENTS CONTINUED

(3) Financial Risk – Structure and Management continued

(b) Liquidity Risk continued

	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
Maturity Analysis (Parent) As at 31 December 2016					
Assets					
Cash at Bank	6,061,168	-	-	-	6,061,168
Other Receivable	421,090	-	-	-	421,090
Total Financial Assets	6,482,258	-	-	-	6,482,258
Liabilities					
Sundry Creditors and Accrued Charges	385,923	-	-	-	385,923
Total Financial Liabilities	385,923	-	-	-	385,923
Maturity Analysis (Parent) As at 31 December 2015					
Assets					
Cash at Bank	403,870	-	-	-	403,870
Other Receivable	49,131,249	-	-	-	49,131,249
Reinsurance Recoveries	519,558,958	-	-	-	519,558,958
Total Financial Assets	569,094,077	-	-	-	569,094,077
Liabilities					
Sundry Creditors and Accrued Charges	553,796,248	-	-	-	553,796,248
Outstanding Claims	10,608,200	-	-	-	10,608,200
Total Financial Liabilities	564,404,448	-	-	-	564,404,448

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 11. FINANCIAL INSTRUMENTS CONTINUED**(3) Financial Risk – Structure and Management continued****(c) Credit Risk**

All investments are in cash at registered banks. The registered banks have a credit rating of “A+” or better.

All reinsurance was held with reinsurers with credit ratings no less than “A-” (AM Best scale).

(i) Concentration of Credit Risk

The following table includes the Company’s & Group’s assets at their carrying amounts at balance date.

This equates to the Company’s and Group’s maximum exposure to credit risk.

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Cash at Registered Banks	6,111,694	454,415	6,061,168	403,870
Other Receivable	421,098	49,131,257	421,090	49,131,249
Reinsurance Recoveries	-	519,558,958	-	519,558,958
Total	6,532,792	569,144,630	6,482,258	569,094,077

(ii) Concentration of Credit Exposure

The major credit exposure greater than 10% of total assets is with registered banks. All reinsurers, except Local Authority Protection Programme (“LAPP”), have claims paying ratings greater than “A”. All reinsurers have settled their liabilities in full.

NOTE 12. RECONCILIATION OF COMPREHENSIVE INCOME AFTER TAX WITH CASH FLOW FROM OPERATING ACTIVITIES**Accounting Policy:**

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Income. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to, the taxation authority is classified as operating cash flow.

The following are definitions of the terms used in the Statement of Cash Flows:

- Bank comprises cash on hand and demand deposits.
- Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.
- Cash flows are inflows and outflows of cash and cash equivalents.
- Operating activities are the principal revenue producing activities of the entity and other activities that are not investing or financing activities.
- Investing activities are the acquisition and disposal of long-term assets.
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

**NOTE 12. RECONCILIATION OF COMPREHENSIVE INCOME AFTER TAX WITH CASH FLOW
FROM OPERATING ACTIVITIES** CONTINUED

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Total Comprehensive Surplus	974,312	2,781,052	977,485	2,781,212
Add/(less) non cash items				
Depreciation	38,761	35,797	38,761	35,797
Amortisation	3,238	18,392	3,238	18,392
Movement in CLP / Riskpool Admin Fee Reserve	386,405	-	386,405	-
Movement in Deferred Tax Asset	359,562	43,672	359,562	43,672
Net change in fair value of investment property	(96,571)	(133,331)	(96,571)	(133,331)
Share of Loss of Associate	3,152	136	-	-
Unrealised net change in value of investments	-	100,697	-	100,697
	694,547	65,363	691,395	65,227
Add/(less) movements in other working capital items				
Sundry Debtors and Prepayments and Reinsurance Recoveries	568,347,733	(60,809,643)	568,347,738	(60,809,643)
Sundry Creditors and Accrued Charges	(553,491,392)	552,781,237	(553,491,392)	552,781,237
Movement in Insurance Provisions	(10,608,200)	(497,961,700)	(10,608,200)	(497,961,700)
Reinsurance Received in Advance	-	(326,264)	-	(326,264)
Tax Refund Due	1,981	39,157	1,981	39,157
	4,250,122	(6,277,213)	4,250,127	(6,277,213)
Add/(Less) Items Classified as investing activity	(5,758)	-	(5,758)	-
Add/(Less) Items Classified as financing activity	7	7	7	7
Net Cash Flow from Operating Activities	5,913,230	(3,430,791)	5,913,256	(3,430,767)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 13. OPERATING LEASE COMMITMENTS

There are the following operating lease expense commitments:

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
not later than one year	12,444	16,709	12,444	16,709
later than one year but not later than five years	-	15,843	-	15,843
	12,444	32,552	12,444	32,552

There are the following operating lease income commitments:

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
not later than one year	760,980	738,946	760,980	738,946
later than one year but not later than five years	2,421,422	1,043,984	2,421,422	1,043,984
later than five years	525,063	160,000	525,063	160,000
	3,707,465	1,942,930	3,707,465	1,942,930

Operating lease income relates to a combination of office and retail tenancies to the Investment Property referred to in Note 9. The property is subject to a combination of multiple office and retail tenancies over varying lease periods.

NOTE 14. CONTINGENT LIABILITIES

There are no contingent liabilities (2015: \$nil).

NOTE 15. SUBORDINATED DEBT

NZ Local Government Finance Corporation Ltd's (NZLGFC) Investment Manager's brokerage was subordinated. The subordinated loan ranks behind all other NZLGFC creditors. Under the terms of the subordination, amounts payable including interest shall only be payable at such time, or times, as the Directors determine that the Company has available funds to make such payments. NZLGFC ceased active operations in February 2010.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 16. KEY MANAGEMENT PERSONNEL

The compensation of the Directors and executives, being the 10 key management personnel of the Company and Group is set out below:

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Short-term employee benefits				
Four Executive Management Personnel	865,135	781,369	865,135	781,369
Six Directors	146,953	144,375	146,953	144,375
	1,012,088	925,744	1,012,088	925,744

Restructuring costs totalling \$235,609 have been included in Employee Remuneration.

All related party transactions that the Company and Group entered into during the year occurred within a normal client / supplier relationship and under terms equivalent to those that prevail in arm's length transactions in similar circumstances.

NOTE 17. ANALYSIS OF FINANCIAL ASSETS NOT IMPAIRED

There are no financial assets that are impaired or past due at balance date (2015: nil)

NOTE 18. STANDARDS APPROVED BUT NOT YET EFFECTIVE**Standards and Interpretations in issue not yet adopted**

At the date of authorisation of the financial report, there were no Standards and Interpretations on issue that were relevant to the Group, but not yet effective.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 19. SHAREHOLDERS' EQUITY

The Share Capital of the Company and Group comprises solely authorised and issued ordinary shares with each share ranking equally in votes, dividends and surpluses. During the year 219,000 shares were issued at \$0.90 per share to existing shareholders. There were no other shares issued during the year.

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Retained Earnings				
Opening Balance	5,465,902	2,684,850	5,532,373	2,751,161
Net Surplus After Taxation	974,312	2,781,052	977,485	2,781,212
Closing balance	6,440,213	5,465,902	6,509,858	5,532,373

	2016 Group \$	2015 Group \$	2016 Parent \$	2015 Parent \$
Ordinary Share Capital				
Opening Balance	10,566,406	10,566,406	10,566,406	10,566,406
Shares Issued During The Year	197,100	-	197,100	-
Closing balance	10,763,506	10,566,406	10,763,506	10,566,406
Number of Ordinary Shares Fully Paid	11,249,364	11,030,364	11,249,364	11,030,364

NOTE 20. EQUITY RETAINED FOR FINANCIAL SOUNDNESS

All shareholder equity is retained to ensure the financial soundness of the Company and Group. The cash is retained for cash flow purposes and also to balance the funds allocated in the building investment.

NOTE 21. COMPARISON WITH STATEMENT OF INTENT

The following is a comparison of the actual performance against the Statement of Intent for the year ended 31 December 2016.

	SI Target	Actual
• Annual claims paying ability rating by AM Best	"A-" (Excellent)	"B+" (Good)

The primary reason for the Company not meeting performance targets is due to the flow on effects of the Canterbury Earthquakes on 22 February 2011 and 13 June 2011.

NOTE 22. GOING CONCERN

The financial statements have been prepared on a going concern basis.

In December 2015 the Company reached a global settlement of the majority of the Canterbury earthquake claims and a commutation agreement of the remaining open Canterbury earthquake claims with the reinsurers. Based on the actuaries' valuations and expertise of the loss adjusters, the Company met its insurance liabilities in full in 2016.

The Company is no longer carrying on an insurance business and the provisional license held under the Insurance (Prudential Supervision) Act 2010 issued by the RBNZ was cancelled on 17 January 2017. Consequently the Company is not required to hold a credit rating or maintain a solvency margin.

The profitability of financial and property services supports the going concern assumption for Civic Financial Services Ltd as a whole.

The deferred tax asset has been reviewed at balance date. The Directors believe that it is probable that sufficient taxable profits will be available to allow all of the asset to be recovered.

NOTE 23. SUBSEQUENT EVENTS

In February 2017 a secured loan facility agreement between the Company and LGMFT was entered into whereby the Company loans LGMFT up to \$3,000,000 at commercial interest rates.

There have been no other material events subsequent to 31 December 2016 that requires adjustment to or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the readers of Civic Financial Services Limited (previously known as New Zealand Local Government Insurance Corporation Limited) and Group's Financial Statements for the year ended 31 December 2016

The Auditor-General is the auditor of Civic Financial Services Limited (previously known as New Zealand Local Government Insurance Corporation Limited) (the company) and group. The Auditor-General has appointed me, Michael Wilkes, using the staff and resources of Deloitte Limited, to carry out the audit of the consolidated and separate financial statements of the company and group on his behalf.

OPINION

We have audited the consolidated and separate financial statements of the company and group on pages 8 to 41, that comprise the consolidated and separate statements of financial position as at 31 December 2016, and the consolidated and separate statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date and the notes to the consolidated and separate financial statements that include accounting policies and other explanatory information.

In our opinion, the consolidated and separate financial statements of the company and group:

- present fairly, in all material respects:
 - the financial position of the company and group as at 31 December 2016; and
 - the financial performance and cash flows of the company and group for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards.

Our audit was completed on 17 March 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the audit of the consolidated and separate financial statements, we comment on other information, and we explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand) (ISA (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditors responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the company and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our ethical responsibilities in accordance with these requirements.

In addition to the audit we have carried out assignments in the area of tax compliance. Other than the audit and these assignments, we have no relationship with or interests in the company and group. These services have not impaired our independence as auditor of the company and group.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 6 that accompany the consolidated and separate financial statements and our audit report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The Board of Directors is responsible on behalf of the company and group for the preparation and fair presentation of consolidated and separate financial statements in accordance with Public Sector Public Benefit Entity Standards.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements, whether in printed or electronic form.

In preparing the consolidated and separate financial statements, the Board of Directors is responsible on behalf of the company and group for assessing the company and group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company and group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Financial Markets Conduct Act 2013.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these consolidated and separate financial statements.

We did not evaluate the security and controls over the electronic publication of the consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT *CONTINUED*

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



Michael Wilkes
DELOITTE LIMITED
ON BEHALF OF THE AUDITOR-GENERAL
CHRISTCHURCH, NEW ZEALAND

CIVIC FINANCIAL SERVICES SHAREHOLDERS AS AT 31 DECEMBER 2016

SHAREHOLDER MEMBER	NO. OF SHARES		SHAREHOLDER MEMBER	NO. OF SHARES	
CITY COUNCILS			DISTRICT COUNCILS (Cont'd)		
Auckland	2,195,042	19.51%	Rangitikei	35,338	0.31%
Christchurch	1,417,704	12.60%	Rotorua	175,906	1.56%
Dunedin	470,966	4.19%	Ruapehu	56,666	0.50%
Hamilton	202,729	1.80%	South Taranaki	135,496	1.20%
Hutt	479,822	4.27%	South Waikato	42,374	0.38%
Invercargill	407,927	3.63%	South Wairarapa	53,930	0.48%
Napier	283,842	2.52%	Southland	13,715	0.12%
Nelson	95,543	0.85%	Stratford	65,608	0.58%
Palmerston North	411,737	3.66%	Tararua	99,972	0.89%
Porirua	140,146	1.25%	Tasman	65,584	0.58%
Tauranga	124,242	1.10%	Taupo	83,971	0.75%
Upper Hutt	51,209	0.46%	Thames-Coromandel	27,120	0.24%
Wellington	526,821	4.68%	Timaru	230,118	2.05%
DISTRICT COUNCILS			Waikato	41,070	0.37%
Ashburton	56,016	0.50%	Waimakariri	88,172	0.78%
Buller	27,698	0.25%	Waimate	30,458	0.27%
Carterton	23,642	0.21%	Waipa	149,082	1.33%
Central Hawke's Bay	28,580	0.25%	Wairoa	22,992	0.20%
Central Otago	91,238	0.81%	Waitaki	120,000	1.07%
Clutha	33,711	0.30%	Waitomo	16,940	0.15%
Far North	85,440	0.76%	Wanganui	289,660	2.57%
Gisborne	99,404	0.88%	Western Bay of Plenty	28,142	0.25%
Gore	54,589	0.49%	Westland	28,356	0.25%
Grey	33,742	0.30%	Whakatane	38,788	0.34%
Hastings	129,170	1.15%	Whangarei	63,524	0.56%
Hauraki	63,434	0.56%	REGIONAL COUNCILS		
Horowhenua	110,689	0.98%	Bay of Plenty	55,000	0.49%
Hurunui	14,000	0.12%	Canterbury	152,696	1.36%
Kaikoura	10,000	0.09%	Hawke's Bay	20,000	0.18%
Kaipara	13,629	0.12%	Horizons	2,000	0.02%
Kapiti Coast	15,060	0.13%	Southland	10,000	0.09%
Kawerau	31,161	0.28%	Taranaki	1,000	0.01%
Manawatu	203,964	1.81%	Waikato	22,000	0.20%
Marlborough	86,022	0.76%	Wellington	80,127	0.71%
Masterton	127,230	1.13%	OTHER		
Matamata-Piako	122,554	1.09%	TrustPower	137,251	1.22%
New Plymouth	441,456	3.92%			
Opotiki	20,000	0.18%			
Otorohanga	5,000	0.04%			
Queenstown-Lakes	31,149	0.28%			
				Total Shares	
				11,249,364	

Document No: A346956

Report To: Council



Meeting Date: 2 May 2017

Subject: 2017 Great NZ Muster

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to inform Council of the outcomes of the 2017 Great NZ Muster.

Background

- 2.1 The Great NZ Muster has run for 25 years and remains a popular event for the district.
- 2.2 In 2009, a partnership agreement between Council and the NZ Shearing Committee was developed. This agreement outlined the relationship between and responsibilities of each party and created a path for positive collaboration moving forward. The agreement was renewed in July 2015.
- 2.3 The 2017 Great NZ Muster was planned and implemented in line with the current agreement.

Commentary

- 3.1 The 2017 Muster has been described in anecdotal feedback as one of the more successful in recent times. Attendance was estimated to have been in excess of 7,000 people. A rise on the previous year. It is likely that a contributing factor to the increased attendance numbers was the favorable weather.
- 3.2 There was the equivalent of 85 stall sites registered for the event with some opting for the larger 6 meter stand. Some local retailers took the opportunity to promote their own businesses and take advantage of the increased foot traffic and festivities to boost trade.
- 3.3 Stallholders were provided with health and safety information prior to the event and were reminded of their responsibilities where necessary on the morning. It is encouraging that conversations regarding areas of concern are initiated by the stall holders prior to the days start. The value in providing stall holders with these health and safety booklets prior to the event is evident when they need to be revisited at setup time.

- 3.4 The stage was again located to the recess beside the town clock with stall sites running both sides of Rora Street. Stalls started at the parking area beside SuperValue (North) and finished at Stoked Eatery (South). This seemed to work best for both the crowds and stall holders.
- 3.6 The Running of the Sheep was a success and in general people were eager to see the 954 strong herd of sheep make their way down the street to the clipping site.
- 3.7 There was an increased number of tourists and out-of-town people in attendance on the day.
- 3.8 It was a pleasure to host noted guests Prime Minister – Bill English, Member of Parliament Barbra Kuriger, French Ambassador - Florence Jeanblanc-Risler, Sir Colin Meads, Sir David Fagan and Stan Meads.
- 3.9 Youth had a main feature in the day with the Imperious Dance Group taking to the stage with local families in support. Hamilton based violinist Aldrich Cecilio with his covers of well known modern pop genre proved popular for the crowd both young and older. The performance from JGeeks and the Geeks delivered a high energized act to a captivated audience of both young and older crowds.
- 3.10 There were no incidences reported which is largely attributed to event planning and the presence of volunteers on the day. A long standing working relationship with Tomatoki Marae whanau, Royalans Netball Club and the Maori Wardens all contribute to the setup, pack down and effective functioning on the day.
- 3.11 Possible additions to the Muter next year could be the provision of more shaded seating, sunblock stands and water stations. The cost of these provisions will need to be explored.
- 3.12 WDC and the NZ Shearing Committee continue to have a good working relationship, holding three meetings in preparation for the event and actively working together to ensure efforts compliment each other's event where possible.
- 3.13 As per the Partnership Agreement, WDC staff have a meeting scheduled to discuss operational issues with the Shearing Committee post event and commence planning for the 2018 event.
- 3.14 The 2018 event dates will be confirmed at the above mentioned meeting.

Suggested Resolution

The business paper on the 2017 Great NZ Muster is received.



HELEN BEEVER
GROUP MANAGER – CUSTOMER SERVICES

May 2017

Document No: A347854

Report To: Council



Meeting Date: 2 May 2017

Subject: Progress Report: Civil Defence Emergency Management Joint Committee Minutes

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide Council with information relating to the Civil Defence Emergency Management (CDEM) Joint Committee meeting of 6 March 2017.

Background

- 2.1 The Waikato Civil Defence Emergency Management (CDEM) Group is a consortia of local authorities, emergency services, lifeline utilities, welfare organisations, Government departments and non-government organisations.
- 2.2 The role of the group is to work in partnership with communities ensuring effective and efficient delivery of emergency management within the Waikato region.
- 2.3 The Waikato CDEM Group boundary is based largely on Waikato Regional Council's boundary. The CDEM Group area covers approximately 24,000 square kilometres of the central North Island extending from Mt Ruapehu in the south to Port Jackson (at the tip of the Coromandel Peninsula) in the north.
- 2.4 Eleven local authorities within the Waikato region have joined together to establish a CDEM Joint Committee. Each council is represented by one elected member who is the Mayor/Chair or delegated elected representative.
- 2.5 The Joint Committee works together to minimise the potential effects of emergencies, prepare the people to respond to emergencies and help the community to recover as quickly as possible following an emergency.
- 2.6 The members of the Waikato CDEM Joint Committee are:
 1. Councillor Hugh Vercoe (Chair) (Waikato Regional Council)
 2. Councillor Leo Tooman (Dep. Chair) (Hamilton City Council)
 3. Mayor Phillip Buckthought (Hauraki District Council)
 4. Councillor Brian Hunter (Matamata-Piako District Council)
 5. Councillor Annette Williams (Otorohanga District Council)
 6. Councillor Thomas Lee (South Waikato District Council)
 7. Councillor Anna Park (Taupo District Council)
 8. Councillor Rex Simpson (Thames-Coromandel District Council)
 9. Councillor Jacqui Church (Waikato District Council)
 10. Councillor Judy Bannon (Waipa District Council)
 11. Councillor Allan Goddard (Waitomo District Council)

- 2.7 The Co-ordinating Executive Group (CEG) for Civil Defence has requested that all minutes for the CDEMG and CEG be circulated to Council Members in an endeavour to increase the profile of Civil Defence in our Region.

Commentary

- 3.1 Attached to and forming part of this business paper are the confirmed minutes of the Committee meetings convened on 6 March 2017.

Suggested Resolution

The Progress Report: Civil Defence Emergency Management Joint Committee Minutes be received.



HELEN BEEVER
GROUP MANAGER – COMMUNITY SERVICES

May 2017

Attachment: 1 Joint Committee Minutes – 6 March 2017

Waikato Civil Defence Emergency Management Joint Committee
OPEN MINUTES

Minutes of a meeting of the Waikato Civil Defence Emergency Management Joint Committee held in Council Chamber, 401 Grey Street, Hamilton East on Monday 6 March 2017 at 1.02 pm.

Present:

Hamilton City Council	Cr L Tooman
Hauraki District Council	Cr P Buckthought
Matamata Piako District	Cr B Hunter
Otorohanga District Council	Cr A Williams
South Waikato District Council	Cr T Lee
Taupo District Council	Cr A Park
Thames Coromandel District Council	Cr R Simpson
Waikato District Council	Cr N Smith
Waikato Regional Council	Cr H Vercoe
Waipa District Council	Cr J Bannon
Waitomo District Council	Cr A Goddard

In Attendance:

Ministry of Civil Defence and Emergency Management	G Talbot
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Staff

L Cavers – CEG Chair
 L Hazelwood – Group Controller
 J Snowball – Team Leader Operations
 V McDonald – Team Leader GEMO
 J Douglas – Emergency Management Coordinator, HCC
 M Taito – Emergency Management Coordinator, Training
 J Cox – Democracy Advisor

SECTION A: (UNDER DELEGATION FOR THE INFORMATION OF COUNCIL)**Apologies**

There were no apologies for the meeting.

Confirmation of Agenda

(Agenda Item 3)

The agenda of the Waikato Civil Defence Emergency Management Joint Committee of 6 March 2017 was accepted by the members.

Disclosures of Interest

(Agenda Item 3)

There were no disclosures of interest.

Minutes of Previous Meeting

File: 03 04 18 (Agenda Item #5) Doc #9572017

Cr Simpson moved/Cr Smith seconded.

CD17/01

THAT the Minutes of the Waikato Civil Defence Emergency Management Joint Committee meeting of 28 November 2016 be received and approved as a true and correct record.

The motion was put and carried (CD17/01)

Welcome and Introductions

The Chair introduced to members Gary Talbot of MCDEM who attended the meeting in place of Suzanne Vowles.

Members were further introduced to two new team members of the GEMO:
Justin Douglas – Emergency Management Coordinator, Hamilton City Council.
Mere Taito – Emergency Management Coordinator – Training.

Sendai Framework

File: 35 00 05 (Agenda Item #6) Doc #10020638, 10018242, 10021409

The report provided the Joint Committee with an overview of the Sendai Framework and the implications of it for Civil Defence Emergency Management in the Waikato. GEMO Team Leader (V McDonald) provided the presentation and responded to questions from the Joint Committee.

During questions, answers and related discussion the following points were noted:

- In response to a question around the work that was done to inform councils of the risks it was noted there were a number of projects including work with the Regional Council on tsunami considerations and fault line research. Work was being undertaken to identify safe areas for tsunami evacuation on the East coast and how to simply

communicate these messages. A summary of this work would be brought to the June 2017 meeting for the Joint Committee.

- It was noted that Civil Defence did not work in silos and there were regular lifeline group meetings where communication occurred with all organisations involved. Welfare agencies were also in receipt of updates from Civil Defence on a regular basis.
- The bigger picture for all councils was the recent National Policy Statement on dealing with risk. It was already clear within the Resource Management Act that hazard planning must be undertaken. Members were reminded that they were the champions for Civil Defence for their councils and that as champions should be asking the relevant questions of their organisations particularly when reviewing district plans.
- The National Disaster Resilience Strategy was also discussed. Informal consultation was being undertaken with key stakeholders over the next couple of months. Formal consultation with the public would occur over July-September 2017. MCDEM planned to present the strategy to Cabinet in November/December 2017.

Cr Hunter moved/Cr Tooman seconded.

CD17/02

THAT the report Sendai Framework (Doc #10020638 dated 23 February 2017) be received for information only.

The motion was put and carried (CD17/02)

MCDEM

File: 35 00 05 (Agenda Item #7) Doc #10015203, 10022799

The verbal report by G Talbot, of MCDEM provided the Joint Committee with an update on the legislative changes from the Ministry.

During questions, answers and related discussion the following points were noted:

- There was no one Act that took precedent over another Act. The frustration shown following the Christchurch and Kaikoura emergencies highlighted the concern over the fact that each agency's incident controller was working under their own Act and there was not one central controller or act to provide guidance where it was needed (unified command). The Minister was wanting a stronger command and control model for CDEM.
- Need to be able to stand up the welfare function as quickly as possible.
- Good situational awareness and communications during an event was essential to ensure the Ministry are kept informed throughout the event.
- A lot of grey areas in the current legislation that needed to be addressed in regards to control and command.
- It was noted that some communities had voiced to Councillors their willingness to pay more for CDEM services if it was required.
- With respect to a public alerting system members were advised that there was likely a direction the minister may wish to go, work had been done in workshops and with GNS science to consider what was reasonable to spend and these discussions were continuing. It was noted that there was likely to be a suite of tools as it was recognised there was not a "one size fits all" for public alerting.

Cr Bannon moved/Cr Park seconded.

CD17/03

THAT the verbal report of G Talbot of MCDEM be received.

The motion was put and carried (CD17/03)

New CDEM Legislation and Implications for Recovery

File: 35 00 05 (Agenda Item #8) Doc #10044322

The report provided the Joint Committee with information regarding the need for an additional resource within the GEMO to meet the new requirements surrounding Recovery legislation and the transition from response. Acting Group Manager (J Snowball) spoke to the report and responded to questions.

During questions, answers and related discussion the following points were noted:

- The proposal to reconfirm the appointment of Greg Ryan as the Group Recovery Manager would be appropriate even though he was no longer a staff member of the GEMO. The proposal had been discussed with him and he was happy to continue in the role until the matter had been sorted properly with respect to the new legislation.
- The change in legislation meant that more staff would be required to work within the Civil Defence Group and the group would advise the Regional Council that additional funding was required to meet with legislative requirements. This would occur within the Annual Plan deliberation and adoption meeting in June 2017.

Cr Simpson moved/Cr Buckthought seconded.

CD17/04

1. **THAT the report “New CDEM Legislation and Group Recovery Manager Position Request” (Doc # 10044322 dated 1 March 2017) be received.**
2. **THAT the Joint Committee note that additional resources within the GEMO and Group will be required as a result of the Civil Defence Emergency Management Amendment Act 2016**
3. **THAT the Joint Committee approve the development of a business case to support the provision of this additional resource**
4. **THAT a sub-committee of the Chair, Cr Tooman, Cr Park and Cr Smith be appointed to approve the business case, for submission to the Waikato Regional Council annual plan.**
5. **THAT Greg Ryan be appointed (re-confirmed) as the Group Recovery Manager**
6. **THAT Kurt Abbott be appointed the alternate Recovery Manager position (, pending confirmation of appointment at Waikato District Council)**

The motion was put and carried (CD17/04)

Further to the recommendations it was noted that within the Waikato Group Plan the Joint Committee had identified members appropriate for making a declaration in an emergency. With the change in legislation it was considered appropriate to make a similar determination under Section 25 of the CDEM Act, to allow for members to declare a transition period. The transition period gave powers to the Recovery manager to continue within their role.

It was noted to be sensible that the same person who could make the declaration as provided for in the Group Plan could also declare a transition period.

It was noted as important that where the members present at the meeting were the alternates, but were to be the primary member attending for their council, that they sought a council resolution to alter the membership arrangement. This would then ensure that they met the requirements under legislation and within the Group Plan.

Cr Smith moved/Cr Goddard seconded.

CD17/05

1. **THAT in accordance with Section 25 of the CDEM Act 2002, the following persons are appointed by the Waikato Civil Defence Emergency Management Joint Committee to make local declarations of transition for all or part of the Waikato Group area:**
 - **The Chairperson of the Joint Committee.**
2. **THAT in the absence of the Chairperson, the following person is authorised, in order, to undertake this function:**
 - **The Deputy Chairperson of the Joint Committee.**
3. **THAT in the absence of the Chairperson and Deputy Chairperson, the following persons are authorised to undertake this function:**
 - **Any other Member's representative on the Joint Committee.**

The motion was put and carried (CD17/05)

Joint Committee CEG Minutes

File: 35 00 05 (Agenda Item #9) Doc # 10017590

The report provided the Joint Committee with a summary of the matters raised and discussed at the last Coordinating Executive Group (CEG) meeting (17 February 2017).

During questions, answers and related discussion the following points were noted:

- Members sought to be advised on the Waikato Lifelines group meetings in order to be able to attend where possible. It was noted that the quarterly meeting had occurred in February and the next would be in May with a workshop at the end of August.

Cr Lee moved/Cr Park seconded.

CD17/06

THAT the report Joint Committee CEG minutes (Doc #10017590 dated 17 February 2017) be received for information only.

The motion was put and carried (CD17/06)

Public Information Management Update

File: 35 00 05 (Agenda Item #10) Doc #10018177

The report informed the Joint Committee of strategic issues related to:

- Public Information Management (PIM) developments and arrangements
- Public education developments and arrangements

The Waikato CDEM Group Public Information Manager (S Ward) and Emergency Management Co-ordinator – Community Resilience (D Mehrstens) presented the report and responded to questions.

During questions, answers and related discussion the following points were noted:

- GEMO support was provided to the Territorial Authority Communications departments with access to centralised training.

- It was noted that within the PIM sector there was already a tight network with the Group Public Information Manager and Emergency Management Co-ordinator.
- Additional training was being developed in response to the needs and requests from Council Communications/PIM staff throughout the Waikato region requiring further training and support for dealing with emergency events.

Cr Williams moved/Cr Bannon seconded.

CD17/07

That the report Public Information Management (PIM) Update (Doc #10018177 dated 23 February 2017) be received for information only.

The motion was put and carried (CD17/07)

Kaikōura Earthquake

File: 35 00 05 (Agenda Item #11) Doc #10018866

The report informed the Joint Committee of the Waikato CDEM group contribution to the Kaikōura Earthquake response as well as the related impact on the Waikato region.

During questions, answers and related discussion the following points were noted:

- The Kaikōura earthquake had an impact on the water supplies at Raglan whereby the mountain spring was impacted with sediment. This highlighted an issue for Waikato District Council where if a filter had been installed between the spring and water treatment plant there would not have been an issue. The exercise with Waikato District Council had provided very useful training for local staff.
- Certificates of appreciation had been provided to all staff deployed to Kaikōura.
- The East Coast tsunami evacuation went reasonably well considering the alerting infrastructure available. It was noted that in at least one area there was confusion over where to go and many did not have an appreciation of what they should take with them when evacuating. It was noted that lessons had been learned from the evacuation and work was ongoing to ensure those lessons turned into action and education for the community.
- The focus had primarily been on the east coast of the Coromandel peninsula and it was noted from recent expos in Whitianga the promotion “Long and Strong, Get Gone” was good however the most relevant question still was “Where do I go?”.
- Further work needed to be undertaken to ensure the community have the right information and are prepared. As a matter of some urgency easy to use evacuation maps were generated by the GEMO and WRC in support of key east coast communities. Additional resources would be provided to Local Councils by the GEMO to be delivered directly to the community ie through the Community Response Plans. The challenge of avoiding complacency by the community due to repeated evacuations was also discussed.
- There was further work to be done with the evacuation plans for the West Coast of the peninsula.

Cr Lee moved/Cr Goddard seconded.

CD17/08

THAT the report Kaikōura Earthquake (Doc #10018866 dated 23 February 2017) be received for information only.

The motion was put and carried (CD17/08)

Central Government Policy Direction

File: 35 00 05 (Agenda Item #12) Doc #10021954

The report provided the Joint Committee with an overview of Central Government's policy direction as recently indicated by various Ministers and Executive Management.

During questions, answers and related discussion the following points were noted:

- The Joint Committee would be advised of any review of powers
- Discussion occurred around tsunami warning systems, the National Policy on Natural Hazards and the interest in CDEM shown by WorkSafe.

Cr Bannon moved/Cr Tooman seconded.

CD17/09

That the report Central Government Policy Development (Doc #10021954 dated 23 February 2017) be received for information only.

The motion was put and carried (CD17/09)

2017 Meeting Dates

File: 35 00 05 (Agenda Item #13) Doc #10021375

The report provided the Joint Committee with relevant meeting dates for 2017.

Items for the Next Meeting

File: 35 00 05 (Agenda Item #14)

The item provided for discussion with the Joint Committee over proposed reports and items for the next meeting scheduled for 26 June 2017.

Meeting closed at 3.06.

Doc #10061620

Document No: A347680

Report To: Council



Meeting Date: 2 May 2017

Subject: Progress Report: Major Capital Works Report

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to inform Council of progress on major new and renewal projects as identified in Council's Activity Management Plans, or which have arisen during the course of normal maintenance and operation of the Roothing infrastructure, the three Waters and some projects in the Community Services area.

Local Government Act S.11A Considerations

- 2.1 Waitomo District Council, in performing its role as a Local Authority, must have particular regard to the renewal of all its assets as determined through prudent asset management to consistently meet the needs of the community.

Commentary

3.1 Roads

Location	Description	Action	Progress
Totoro Road	RP 8.378 to RP11.316 Various slips – retreat into bank and improve drainage	Design and Contract documentation	Completed
		Tender	Awarded - ICL
		Construction	January 2017 – May 2017
Ramaroa Road	2016-17 Rehabilitation site	Pre Design process in progress	
Rangitoto Road	2016-17 Rehabilitation site	Pre Design process in progress	
Te Waitere Road	RP 0.45 & two other Sea undermining road	Concept Designs	Alternative solutions identified and being developed
		Seashore Consent	To follow
Taharoa Road	RP 7.1 Hillside moving	Concept Designs	On hold while monitoring earth movement
Maraeroa Road	Seal extension	Design and Contract documentation	Complete
		Construction	Contractor on site - Construction completion targeted early part of 2017 summer period

3.2 Waters

Location	Description	Action	Progress
Te Kuiti Water Treatment Plant - Phase 1	Stage 1 – Buffer tanks		Complete
	Stage 2 - Building, high and low level pump stations, UV installation, chemical dosing, main electrical supply and associated pile work		Complete
	Filter pipe work renewal	Pipe work manufacture	Complete
Installation – 2 stages		Target dates Stage 1 - 4 to 8 April Stage 2 - Target completion April 2017 Commissioning of stage 1 in progress.	
Te Kuiti Water Treatment Plant - Phase 2	Intake pump station renewal	Take Consent	Completed
		Prelim design and WRC construction Consent	Completed
		Final design and tender documentation	Awarded
		Construction	January – May 2017 Construction delayed due to high level of river and final consent matters. The Intake structure will now only be constructed during the next summer season or when the river is within the permitted low levels.
Te Kuiti Water Treatment Plant - Phase 3	Clarifier super structure renewal	Concepts identified	
	Clarifier refurbishment	Design, documentation and Tender	January 2017 to August 2017
		Construction – 4 stages	September 2017 to June 2018

3.3 Community Projects

Location	Description	Action	Progress
Security Fence	Behind i-SITE	Design	Complete
		Tender documents	Being finalised
		Tender and Railway approval	Approved
		Limited time construction	Require Kiwi Rail site safety approval and sign off.
		Construction Kiwi Rail oversight	Temporary fencing installed. Permanent solution will form part of the over bridge upgrade.

Location	Description	Action	Progress
Over Bridge	At i-SITE	Structural investigation	Complete
		Design - Tender and Railway approval	Complete Initial estimates of works exceeded budget capacity. Revised designs for safety railings are being investigated.
		Limited time construction	Require Kiwi Rail site safety approval and sign off.
		- Kiwi Rail oversight - Close proximity to high tension power	
		Design and construct	
Te Kuiti Campground	New Development	Preliminary concepts	Complete
		QS Rough Order of costs and Staging	Complete
		Feasibility study and business case	August 2016 Complete
		Funding	A business paper was presented to Council in November 2016 outlining the findings of the feasibility study. Further investigation is now being undertaken to inform LTP 2018-28 considerations.
Brook Park Entrance	Entrance Construction	Design and Tender documentation	Council Approved at its meeting on 6 October 2016 to include the upgrade to the entrance as a strategic issue for the EAP 17/18.
Benneydale Toilet	Toilet construction	Design and Tender documentation	Complete Tenders close 24 November 2016 Resource Consent obtained
		Construction	Complete The contract has been awarded and design is being finalized completion date is scheduled for late May 2017. Installation scheduled for 8 June 2017.

Suggested Resolution

The Progress Report: Major Capital Works be received.



KOBUS DU TOIT
GROUP MANAGER - ASSETS



HELEN BEEVER
GROUP MANAGER – COMMUNITY SERVICES