



# KAWERAU DISTRICT COUNCIL

## Long Term Plan 2009/2019

Incorporating the Annual Plan 2009/2010



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| OVERVIEW



# Council's Long Term Plan

## Mayor's Message

### 'An important Plan for the future of Kawerau'

Mayor Malcolm Campbell, JP



This is the third Long Term Plan that Council has produced under the Local Government Act 2002. The purpose of long term plans is to describe how Council will work with other stakeholders toward achieving the Community Outcomes that have been identified by the Kawerau Community and to report on progress over the period of the last plan (in this case, the one developed in 2006).

This Plan represents another step in the ongoing process of listening to the Community and trying to understand and respond to your needs. It has been developed with input from the Community.

In preparing this Plan, Council has been particularly aware of the effects of the current global economic crisis. Falling interest rates have had significant consequences for Council's investment returns and, as Council has no debt; lower interest rates have meant a reduction in our income.

In the feedback on this Plan, Council has received many positive messages about the Kawerau District. Council is committed to continuing current levels of service to the Community. We have been able to make some economies and have tried to 'cut our cloth' without affecting the Council services that the Community tells us are valued.

This has led to a rate increase for 2009/10 of 6.1% and for 2010/11 of 6.2%.

Once again, Council has decided not to fund depreciation on some assets. Details of this decision are outlined in Council's Financial Strategy in this document.

During the process of consulting on this Plan, Council received a wide range of Community feedback at the Public Meeting, Consult a Councillor sessions and 21 formal submissions. Following consideration of your suggestions, Council has decided to:

- Fund co-ordination and projects for the Kawerau Youth Council to increase support for the continued development of Kawerau's Young People
- Contribute toward the Community Gardens Project to help our Community build resilience and increased learning
- Continue to support the Kawerau Enterprise Agency to assist our local Business Sector
- Continue support for our Eastern BOP economic development agency, Toi EDA, to promote economic growth and development opportunities for the Kawerau District

On behalf of Council I would like to thank all the people and organisations who put forward ideas and made formal submissions. We all feel that the consultation process (both formal and informal) has been very effective.

## Overview

### Moving Forward Together

While Kawerau is already renowned for its remarkable community spirit, our aim is to help make it an even greater place in which to live, work and play by promoting well-being and providing local services and facilities. Council's vision is to provide the people of Kawerau with a quality of life that is second to none.

The objective of this Long Term Plan 2009/19 is to provide a mandate for the coming ten year programme. Its purpose in legislative terms is to:

- Describe Council's activities
- Describe Kawerau's Community Outcomes
- Provide integrated decision-making and co-ordination of Council resources
- Provide a long-term focus for Council decisions and activities
- Provide a basis for accountability of Council to the Kawerau Community
- Provide an opportunity for public participation in decision-making processes on activities to be undertaken by Council

Council views collaboration with other stakeholders as being critical for making progress toward Kawerau's Community Outcomes. A set of Community Outcome statements for the Kawerau District was identified through consultation during 2004/05. These are reported through the Long Term Plan. They provide a basis for discussions to enhance collaboration and communication between the different agencies that contribute to local well-being. Kawerau's Community Outcome statements will be updated by Council during 2010/11, with further opportunities for community and stakeholder input.

### Looking Back – What We Said in 2006

Through its 2006 Plan, Council:

- Introduced the Regional Growth Advantage Strategy which underpins Council's approach to Economic and Community Development
- Made a decision to implement ultraviolet (UV) treatment to improve the public health risk grading for Kawerau's water supply
- Ratified an earlier decision not to fluoridate the water supply, in keeping with community wishes
- Resolved to construct a new spa pool at the Maurie Kjar Memorial Swimming Pool Complex

Subsequent amendments to the 2006 Plan included:

- Progress toward transferring Carter Holt Harvey's wastewater treatment facility into Council ownership
- Incorporation of the Sir James Fletcher Museum into the Library Activity from January 2009
- Confirmation of an upgraded toilet block for Prideaux Park
- Ongoing financial support to Neighbourhood Support (\$9,000 p.a. indexed to inflation)
- Further upgrades to swimming pool facilities
- Employment of a Pathway 2 Health – kia piki ka pai Co-ordinator
- Establishment of BoP LASS Ltd, a Council Controlled Organisation for the further development of shared services

## Overview (cont'd)

### District Report Card

According to Council's monitoring of community well-being trends, the District is doing well in terms of:

- High levels of satisfaction with performance of the Mayor and Councillors
- Satisfaction with the way rates are spent
- Satisfaction with public involvement in decisions
- Perceived overall quality of life
- Perceived levels of community safety
- Resident perceptions of Kawerau as a place to live
- Housing affordability
- Percent of Māori language speakers
- Continued independence of the District

However, areas of concern, where additional planning and support could add value, include:

- Employment
- Educational engagement and achievement
- Economic and Community Development

Accordingly, the basis for Council's leadership and planning is to promote increased economic and business development, to ensure the ongoing viability of the Kawerau Community.

### Looking Ahead – 2009 to 2019

The Long Term Plan 2009/19 is a "refresh" of the previous 2006-16 Plan that incorporates the most recently available information plus additional guidance from Elected Members, stakeholders and the Community. The overall approach for the coming ten year period is for Council to keep doing what it has been doing: Maintaining its service standards and making small improvements over time. Many key issues in the previous Long Term Plan remain the same today. Council is working steadily toward identified Community priorities as well as responding to new priorities as they arise.

For the immediate future, Council is faced with the issue of a global financial crisis and resulting falls in investment returns. As a result, the initial interest rate assumptions in this Plan needed to be revised downward significantly. Because Council has no debt, there is no counteracting benefit from interest rates drops. Faced with the choice between an increasing cost burden on ratepayers or reducing levels of service, Council seeks to take a balanced approach.

### ***Regional Growth Advantage Strategy***

Council's Regional Growth Advantage Strategy has provided the basis for longer term planning decisions to sustain the Community's regeneration aspirations. Initiatives were undertaken in the Marketing, Branding and Information, Facilities and Infrastructure and Lifestyle areas, to strengthen positive perceptions of Kawerau and position it to take advantage of opportunities flowing from a diverse and growing region.

As well as these ongoing projects, further work is being undertaken in the following areas to take advantage of opportunities available to Kawerau:

- Sports club consolidation
- Ensuring industrial land availability
- Ensuring residential land availability

A recent review of Council's position on Economic and Community Development confirmed that:

- Council will take a leadership role in promoting local Economic and Community Development
- Industrial development will be the major focus of Council's economic development initiatives

## Overview (cont'd)

Council intends to further develop the economic strategic framework and work closely with Regional Economic Development Agencies and other key stakeholders to broaden the industrial and commercial rating base. The following industry sectors have been identified as having potential to contribute to an effective industrial hub:

- Rail and storage
- Energy
- Waste
- Engineering manufacturing (diversification)
- Wood manufacturing (diversification)

Council also recognises that Community Development needs to be a strong component of the overall strategy, to ensure consistent themes for the promotion of a better quality of life and living environment. This will in turn promote vibrant and sustainable business and economic development in the District. Therefore, as part of the Economic and Community Development Strategy, Council will continue to promote and support projects and initiatives that are relevant to the Community's changing lifestyle requirements.

## ***Waste Management and Minimisation Plan 2009***

The Waste Minimisation Act 2008 requires Council to prepare a Waste Management and Minimisation Plan that sets out:

- (a) Objectives and policies for achieving effective and efficient waste management and minimisation within the Kawerau District.
- (b) Methods for achieving effective and efficient waste management and minimisation.

A full copy of the new WMMP is available from the Council Office. The following is a summary.

## Summary

Council seeks to provide an efficient and effective range of local waste minimisation and management services, with the aim of ensuring sustainable management, conservation of resources and protection of the environment. Objectives of the proposed WMMP are:

1. To implement a zero waste policy by encouraging reduction, reuse, recycling and recovery of as much solid waste material as possible.
2. To ensure suitable, cost effective collection and disposal systems exist which minimise the risks to the environment and Community.
3. To achieve responsible and informed decisions on solid waste management by the Community.
4. To dispose of wastewater (sewage) in a cost effective manner with minimum risk to the environment and Community.

Methods for achieving these objectives include:

- Kerbside refuse and recycling collections
- Provision of Transfer Station and Resource Recovery Centre on River Road
- Promoting waste reduction, reuse and recycling through information signs at the Transfer Station, regular features in the local newspaper and other media, resource materials for schools and information on Council's website
- Cost recovery charges that encourage the Community to minimise waste
- Leading by example through Waste Audits on Council operations
- Separating out hazardous waste for safe disposal
- Collecting and treating wastewater in a cost effective manner with minimum risk to the environment and the Community

## Overview (cont'd)

### Major Projects and Programmes for the Next Ten Years

The table below lists major projects and programmes for Council over the coming ten years. Forecasts throughout the Long Term Plan have been adjusted for

inflation. The figures below are indicative only. Further details of each item are described in the Full Long Term Plan under 'Council Activities'.

Activity Group	2009/10	2010/11	2011/12	2012/19
<b>DEMOCRACY</b>				
District governance, Youth Council, triennial elections and other activities	\$510,000	\$590,000	\$580,000	\$4.4 million
<b>ECONOMIC AND COMMUNITY DEVELOPMENT</b>				
Information Centre, encouraging Industrial Development, Event Marketing and other activities	\$460,000	\$480,000	\$500,000	\$3.8 million
Commercial rental buildings – Asset renewals (capital expenditure)	\$15,000	\$500	\$0	\$20,000
<b>ENVIRONMENTAL SERVICES</b>				
Resource Management Planning, Consents, Building and Inspection, Environmental Health Services, Dog Control and other activities	\$760,000	\$740,000	\$780,000	\$6 million
<b>TRANSPORT MANAGEMENT (INCLUDING STORMWATER)</b>				
Operating expenditure	\$1.5 million	\$1.6 million	\$1.7 million	\$13 million
Asset renewals (capital expenditure):				
Kerb replacement	\$27,000	\$28,000	\$29,000	\$220,000
Street light renewals	\$44,000	\$46,000	\$47,000	\$360,000
Reseals	\$98,000	\$100,000	\$103,000	\$800,000
Pavement treatment	\$31,000	\$32,000	\$33,000	\$250,000
Stormwater pipework renewals	\$0	\$54,000	\$56,000	\$178,000
Car park reseals	\$13,000	\$13,000	\$13,000	\$103,000
Footpath repairs	\$53,000	\$54,000	\$56,000	\$430,000
Town Centre footpath renewals	\$9,000	\$0	\$0	\$0
Rubbish bin replacements	\$12,000	\$13,000	\$13,000	\$100,000
District seating renewals	\$1,000	\$1,000	\$1,000	\$8,000
Direction and location sign renewals	\$2,000	\$2,000	\$2,000	\$16,000
Town centre video cameras renewals	\$3,000	\$3,000	\$3,000	\$24,000
Town centre cobblestone renewals	\$10,000	\$5,000	\$0	\$0
Town centre decorative light renewals	\$10,000	\$0	\$0	\$0
Steel bollards (Post Office car park)	\$4,000	\$0	\$0	\$0
<b>WATER SUPPLY</b>				
Operating expenditure	\$940,000	\$1 million	\$1 million	\$8 million
Asset renewals (capital expenditure)	\$450,000	\$470,000	\$480,000	\$5.8 million
<b>WASTE MANAGEMENT</b>				
Operating expenditure	\$2.2 million	\$2.3 million	\$2.4 million	\$18 million
Asset renewals (capital expenditure)	\$97,000	\$120,000	\$107,000	\$450,000
<b>LEISURE AND RECREATION</b>				
Operating expenditure – Library/Museum, Swimming Pools, Public Halls and Facilities, Parks and Reserves (including Cemetery) and other activities	\$2.6 million	\$2.7 million	\$2.9 million	\$21 million
Capital expenditure:				
Library:				
- Collection renewals	\$41,000	\$45,000	\$46,000	\$350,000
- Office Equipment	\$9,000	\$10,000	\$0	\$25,000
- Fixtures and Fittings	\$10,000	\$15,000	\$13,000	\$114,000
Swimming pools	\$33,000	\$3,000	\$21,000	\$128,000
Public Halls and Facilities:				
- Recreation Centre lift replacement	\$30,000	\$0	\$0	\$0
- Recreation Centre security fence	\$40,000	\$0	\$0	\$0
- Recreation Centre renewals	\$4,000	\$0	\$5,600	\$74,000
- Town Hall renewals	\$5,000	\$9,000	\$10,600	\$46,000
- Concert Chamber renewals	\$0	\$8,000	\$3,300	\$53,000
Parks and Reserves:				
- Sports Fields and Field Amenity Buildings	\$10,000	\$18,000	\$9,500	\$54,000
- Passive Reserves (fences, signs, bins, etc)	\$27,000	\$18,000	\$18,000	\$152,000
- Playgrounds	\$21,000	\$17,000	\$17,000	\$118,000

## Overview (cont'd)

### Council's Financial Strategy

Council's financial strategy is to keep rates affordable for the Community. There are several factors that lead to larger rate increases occurring in the early years of the Plan with minimal increases in the latter years.

The 2009/10 financial year is affected by a significant fall in interest rates on Council's term deposits which equates to a 3.8% rise in total rates.

In the 2010/11 financial year, an additional \$181,000 (2.7% increase in rates) is required for wastewater treatment and \$156,000 of additional depreciation to be funded (2.4%).

An additional \$122,000 (1.7% increase in rates) is required for wastewater treatment in the 2011/12 financial year. Other increases relate to scheduled Reserves building maintenance (\$36,000), the

Monika Lanham Reserve project (\$45,000), Building Consent Authority audit fees (\$17,000) and Long Term Plan audit fees.

The additional funding for wastewater treatment is a result of the phasing in of the costs of Council taking over the secondary treatment of wastewater from Carter Holt Harvey Limited (CHH). The phasing in of these costs is achieved through utilising funds received from CHH for this purpose.

The 2010/11, 2013/14 and 2016/17 financial years are affected by revaluations of Council's assets which result in increased depreciation expense.

There are several years where the forecast rate increase is below inflation. This is the result of increased interest revenue as depreciation reserves grow.

### Smoothing of rate increases

Council's intention is to smooth the peaks and troughs of the rate increases over the first five years of the Plan and the second five years of the Plan.

This is achieved by utilising Council's cash reserves. Accordingly the actual rate increases for the ten years of the Plan will be:

Year	2009/10	2010/11	2011/12	2012/13	2013/14
Original Increase in total rates	6.4%	9.3%	6.7%	-0.4%	4.1%
Increase/(Decrease) in rate requirement	(20,000)	(225,000)	(275,000)	190,000	330,000
Revised Increase in total rates	6.1%	6.2%	6.2%	5.8%	5.8%
Increase/(Decrease) in Interest Revenue	(400)	(4,700)	(10,000)	(6,300)	(0)

Year	2014/15	2015/16	2016/17	2017/18	2018/19
Original Increase in total rates	-0.1%	0.9%	6.9%	0.5%	1.6%
Increase/(Decrease) in rate requirement	345,000	300,000	(210,000)	(190,000)	(245,000)
Revised Increase in total rates	0.1%	0.4%	0.6%	0.7%	1.0%
Increase/(Decrease) in Interest Revenue	6,600	12,400	8,400	4,700	0

Council is in a strong financial position going into this ten year period and has sound treasury management policies to build on this position.

## Financial Strategy (cont'd)

### Balanced Budget Requirement

The Local Government Act 2002 (LGA) requires that Council's projected operating revenues are set at a level sufficient to meet projected operating expenses each year. However, Council can set projected operating expenses at a different level from that required under this constraint, if it believes it is financially prudent to do so.

In 1998/99 Council decided, following consultation with the Community, that it would not fund depreciation on non-critical assets if there was no intention for them to be replaced. In establishing the level of funding for depreciation, Council resolved that depreciation will not be fully funded for roads that are subject to New Zealand Transport Agency (formerly Land Transport NZ) subsidies or for some buildings. The specific buildings that are unlikely to be replaced in their present form include the Council Buildings (including Town Hall, Concert Chamber, Library/Museum and Offices), Tarawera Park Amenity Building, Recreation Centre, Swimming Pool, Depot and Pensioner Housing.

These buildings remain non-strategic and in addition, the level of utilisation in many cases is significantly below total availability. As a result, it is unlikely that they would be replaced directly in their present form. Also, their replacement may be by rented accommodation or by buildings funded by way of loans.

Council has by resolution again confirmed the decision made in 1998/99 to continue this policy of not funding non-critical and non-strategic assets as Council believes the reasons for doing so remain unchanged and that this policy is appropriate for the Kawerau District.

The advantage of not funding depreciation on these buildings is that the Community is not funding depreciation on assets that are unlikely to be replaced with buildings of equivalent value.

The benefits of not funding the portion of depreciation where Council expects Land Transport NZ subsidies on asset renewals, is that ratepayers are not funding depreciation that it believes is unlikely to be required in the future.

The risk is that the subsidy rate will decrease. Council believes that the risk is low and that if it occurred, it would look at alternative funding options such as rating and loans.

The estimated amount of non-funded depreciation on these assets is:

Assets	2009/10	2010/11	2011/12	2012/13	2013/14
Roads	\$406,020	\$460,430	\$460,430	\$460,430	\$492,500
Buildings	\$172,480	\$186,370	\$191,170	\$191,170	\$207,310
<b>Total</b>	<b>\$578,500</b>	<b>\$646,800</b>	<b>\$651,600</b>	<b>\$651,600</b>	<b>\$699,810</b>

Assets	2014/15	2015/16	2016/17	2017/18	2018/19
Roads	\$492,500	\$492,500	\$526,610	\$526,610	\$526,610
Buildings	\$209,670	\$209,670	\$227,570	\$230,240	\$230,240
<b>Total</b>	<b>\$702,170</b>	<b>\$702,170</b>	<b>\$754,180</b>	<b>\$756,850</b>	<b>\$756,850</b>

The estimated lives of the buildings are:

Building	Year Built	Gross Replacement Cost (\$2007)	Expected Life	End of Life
District Office	1955	860,000	75	2030
Town Hall	1960	2,060,000	75	2035
Concert Chamber	1960	640,000	75	2035
Library/Museum	1985	690,000	75	2060
Tarawera Park Amenity Building	1985	430,000	75	2060
Recreation Centre	1965	3,490,000	75	2040
Swimming Pool	1970-2000	480,000	50-75	2030/71
Depot	1955/80	1,270,000	35-50	2015/25
Pensioner Housing	1972/82	1,760,000	50-75	2032/57

## Rates

Council's Rating Policy sets out the following rates to fund its operations:

- General
- Water
- Wastewater
- Refuse Collection

### General

A general rate levied on the capital value of each rateable property will continue to be charged. Council's general rates are funded through a Uniform Annual General Charge (UAGC) on each separately used or inhabited part of a property and rates charged on capital value in accordance with Council's Differential Rating System. The purpose of the UAGC is to spread the effect of general rates on all ratepayers more evenly. The higher the UAGC, the higher the rates on lower-valued properties. The UAGC level of \$140 (inclusive of GST) has been selected because Council believes this produces the fairest and most equitable overall result for the Community.

### Separate Rates/Charges

Council has confirmed three separate rates will continue to be levied as follows:

- **Water Supply Service Charge** on each separately occupied or inhabited property to which Council supplies water, except for properties on metered water supply
- **Wastewater Service Charge** on each separately occupied or inhabited property that is connected to Council's wastewater disposal network
- **Refuse Collection Service Charge** on each separately occupied or inhabited property from which Council is prepared to remove refuse

### Example Rates for 2009/10

The following tables compare the 2009/10 annual rates with those levied in 2008/09. The tables also show the weekly cost of each rating example. Under Council's rates remission policies, residential ratepayers will not pay more than \$2,630 in rates for 2009/10.

### Residential rates examples

Capital value	2009/10			2010/11			2011/12		
	Total rates	Cost per week	Annual increase/decrease	Total rates	Cost per week	Annual increase	Total rates	Cost per week	Annual increase
\$121,000	\$1,342	\$25.81	-1.8%	\$1,480	\$28.46	10.3%	\$1,587	\$30.52	7.2%
(typical property) \$143,000	\$1,514	\$29.12	-0.7%	\$1,657	\$31.87	9.4%	\$1,773	\$34.10	7.0%
\$150,000	\$1,569	\$30.17	-0.4%	\$1,713	\$32.94	9.1%	\$1,832	\$35.23	6.9%
\$160,000	\$1,648	\$31.69	0.0%	\$1,793	\$34.48	8.8%	\$1,916	\$36.85	6.9%
\$185,000	\$1,844	\$35.46	0.9%	\$1,993	\$38.33	8.1%	\$2,127	\$40.90	6.7%
\$220,000	\$2,119	\$40.75	1.9%	\$2,274	\$43.73	7.3%	\$2,422	\$46.58	6.5%
\$255,000	\$2,393	\$46.02	2.6%	\$2,555	\$49.13	6.7%	\$2,717	\$52.25	6.3%
\$280,000	\$2,590	\$49.81	4.4%	\$2,755	\$52.98	6.4%	\$2,928	\$56.31	6.3%

### Commercial rates examples

Capital value	2009/10			2010/11			2011/12		
	Total rates	Cost per week	Annual increase/decrease	Total rates	Cost per week	Annual increase	Total rates	Cost per week	Annual increase
\$80,000	\$1,353	\$26.02	-15.2%	\$1,487	\$28.60	9.9%	\$1,600	\$30.77	7.6%
\$160,000	\$2,484	\$47.77	-13.7%	\$2,643	\$50.83	6.4%	\$2,816	\$54.15	6.5%
\$315,000	\$4,678	\$89.96	-12.8%	\$4,883	\$93.90	4.4%	\$5,171	\$99.44	5.9%
\$800,000	\$11,540	\$221.92	-12.1%	\$11,894	\$228.73	3.1%	\$12,543	\$241.21	5.5%
\$2,825,000	\$40,192	\$772.92	-11.8%	\$41,165	\$791.63	2.4%	\$43,318	\$833.04	5.2%
\$15,000,000	\$212,456	\$4,085.69	-11.7%	\$217,155	\$4,176.06	2.2%	\$228,354	\$4,391.42	5.2%
\$16,500,000	\$233,679	\$4,493.83	-11.7%	\$238,838	\$4,593.04	2.2%	\$251,151	\$4,829.83	5.2%
\$31,200,000	\$441,669	\$8,493.63	-11.7%	\$451,326	\$8,679.35	2.2%	\$474,562	\$9,126.19	5.1%
\$84,000,000	\$1,188,737	\$22,860.33	-11.7%	\$1,214,550	\$23,356.73	2.2%	\$1,277,016	\$24,558.00	5.1%

The commercial rates increases are lower than those for residential rates because of the increased rating base for commercial properties since the construction of the geothermal power station and a new sawmill. Falling interest rates have significantly impacted on Council's investment returns, and this alone accounts for a 3.8 percent increase in rates for 2009/10.

## Overview (cont'd)

### Financial Management

Until 2020/30, Council's cash balances will increase as the funding of depreciation leads to growth in Depreciation Reserves. These reserves are invested in accordance with Council's Investment Policy and will be retained for expenditure on asset replacement. As the depreciation reserves grow, increased interest revenue from the investment of these reserves

lowers the amount of depreciation funding that is required from general rates.

The prospective financial information in this Long Term Plan is based on assumptions that the Council reasonably expects to occur over the coming ten year period. Actual results are likely to vary from the information presented and these variations may be material.

### Prospective Statement of Comprehensive Income

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>										
General Rates	6,012,580	6,134,850	6,431,380	6,840,540	7,268,400	7,246,790	7,252,040	7,270,250	7,300,110	7,359,380
Separate Rates										
- Water Supply	116,460	134,440	136,950	140,040	144,370	148,450	152,260	156,890	161,630	165,550
- Wastewater	79,680	331,390	461,620	471,490	485,040	497,590	509,230	523,260	537,890	549,750
- Refuse Collection	404,330	424,260	431,800	440,530	452,480	463,560	473,710	485,770	498,860	508,710
<b>Total Rates</b>	<b>6,613,050</b>	<b>7,024,940</b>	<b>7,461,750</b>	<b>7,892,600</b>	<b>8,350,290</b>	<b>8,356,390</b>	<b>8,387,240</b>	<b>8,436,170</b>	<b>8,498,490</b>	<b>8,583,390</b>
Government Grants & Subsidies	273,360	321,210	330,830	338,510	347,470	355,030	320,450	328,180	336,250	343,730
Petrol Tax	65,000	67,600	69,560	71,230	72,870	74,470	76,180	78,010	79,880	81,640
Interest Revenue	161,330	181,520	202,520	226,660	267,230	316,670	353,990	372,450	388,640	409,650
Other Revenue	309,410	321,500	308,840	313,930	338,780	327,000	332,530	359,900	347,510	353,030
<b>Total Revenue</b>	<b>7,422,150</b>	<b>7,916,770</b>	<b>8,373,500</b>	<b>8,842,930</b>	<b>9,376,640</b>	<b>9,429,560</b>	<b>9,470,390</b>	<b>9,574,710</b>	<b>9,650,770</b>	<b>9,771,440</b>
<b>Expenditure</b>										
Employee benefit expenses	2,910,730	3,021,120	3,099,760	3,175,190	3,252,170	3,331,050	3,415,050	3,521,000	3,612,950	3,721,430
Depreciation	2,136,780	2,358,720	2,358,690	2,358,730	2,585,350	2,585,340	2,585,330	2,843,230	2,843,190	2,843,220
Internal Finance Costs	3,540	1,400	9,660	8,030	5,400	2,780	5,980	11,360	8,140	4,920
Other Costs	3,232,920	3,341,050	3,638,940	3,565,920	3,698,020	3,658,580	3,695,090	3,984,490	3,951,270	4,018,580
<b>Total Expenditure</b>	<b>8,283,970</b>	<b>8,722,290</b>	<b>9,107,050</b>	<b>9,107,870</b>	<b>9,540,940</b>	<b>9,577,750</b>	<b>9,701,450</b>	<b>10,360,080</b>	<b>10,415,550</b>	<b>10,588,150</b>
Operating Surplus (Shortfall)	(861,820)	(805,520)	(733,550)	(264,940)	(164,300)	(148,190)	(231,060)	(785,370)	(764,780)	(816,710)
<b>Other Comprehensive Income</b>										
Gain on Asset Revaluation	4,415,540	0	0	4,034,260	0	0	4,439,270	0	0	4,928,430
<b>Total Comprehensive Income</b>	<b>3,553,720</b>	<b>(805,520)</b>	<b>(733,550)</b>	<b>3,769,320</b>	<b>(164,300)</b>	<b>(148,190)</b>	<b>4,208,210</b>	<b>(785,370)</b>	<b>(764,780)</b>	<b>4,111,720</b>

## Overview (cont'd)

### Your Elected Representatives



Mayor M J (Malcolm) Campbell, JP  
323 7772  
0274 576 122

[janette.jamieson@kaweraudc.govt.nz](mailto:janette.jamieson@kaweraudc.govt.nz)



Deputy Mayor B H (Bernie) Joyes  
322 8851 (residential)  
021 031 3589

[joyes@slingshot.co.nz](mailto:joyes@slingshot.co.nz)



Cr W G (Wes) Allen  
323 9144 (residential)  
027 251 0800

[kaweraubluelight@hotmail.com](mailto:kaweraubluelight@hotmail.com)



Cr R J (Russell) Chase  
323 7288 (residential)  
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[chasez@xtra.co.nz](mailto:chasez@xtra.co.nz)



Cr A J (Alistair) Holmes  
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021 208 0346

[semi-retired@clear.net.nz](mailto:semi-retired@clear.net.nz)



Cr C J (Carolyn) Ion  
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027 415 6458

[ion.family@xtra.co.nz](mailto:ion.family@xtra.co.nz)



Cr B J (Berice) Julian  
323 9190 (residential)



Cr A L (Anita) Moore, QSM, JP  
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Cr S H (Stephen) Tuhoro  
323 9373 (residential)  
021 183 0597

[tuhoro@ihug.co.nz](mailto:tuhoro@ihug.co.nz)

## Overview (cont'd)

### Leadership Team

Chief Executive Officer	R B (Russell) George, CA	(07) 306 9009 <a href="mailto:russell.george@kaweraudc.govt.nz">russell.george@kaweraudc.govt.nz</a>
Manager, Operations and Services	T D (Tom) McDowall, BE (Civil), NZCE	(07) 306 9009 <a href="mailto:tom.mcdowall@kaweraudc.govt.nz">tom.mcdowall@kaweraudc.govt.nz</a>
Manager, Regulatory and Planning	C W (Chris) Jensen	(07) 306 9009 <a href="mailto:chris.jensen@kaweraudc.govt.nz">chris.jensen@kaweraudc.govt.nz</a>
Manager, Finance and Community Services	W G (Gilmour) Jamieson, CA (Scotland)	(07) 306 9009 <a href="mailto:gilmour.jamieson@kaweraudc.govt.nz">gilmour.jamieson@kaweraudc.govt.nz</a>

### Statement of Responsibility

The forecast financial statements are prepared on the basis of best-estimate assumptions as to future events which the Council expects to take place as of June 2009. Council is responsible for the prospective financial statements presented, including appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

### Estimates

Opening balances in the balance sheet are based on Council's position as at 30 June 2008 and adjusted for movements included in the 2008/09 Annual Plan.

### Cautionary Note

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

M J Campbell, JP  
**MAYOR**

### Purpose of preparation

The Local Government Act 2002 (LGA) requires Council to, at all times, have a Long Term Council Community Plan. The purpose of this Plan is to:

- Set out Council's activities
- Describe Kawerau's Community Outcomes
- Integrate decision making and co-ordination of Council's resources
- Give a long-term focus to Council's decisions and activities
- Provide an opportunity for the Community to participate in Council's decisions about activities to be undertaken
- Provide a basis for Council to be accountable to the Community.

### Authorisation for issue

This document was authorised for issue by Council on and is dated 30 June 2009.

R B George, CA  
**CHIEF EXECUTIVE OFFICER**



# INTRODUCTION



# Council's Long Term Plan

This Long Term Plan (Long-Term Council Community Plan or LTCCP) 2009/19 is developed under the provisions of section 93 of the Local Government Act (LGA). It incorporates the Annual Plan 2009/10, additional details for the period 2010/11 to 2011/12 and indicative budgets and work programmes for the subsequent seven year period.

At a broad level, the purpose of this ten year Plan is to describe how the activities and assets of Kawerau District Council, in collaboration with other organisations, will contribute toward achieving Kawerau's Community Outcomes. It describes how Council will undertake to fulfil its purpose, as defined in section 10 of the LGA, to enable local democratic decision-making and action and promote sustainable development and community well-being. The term 'community well-being' is expressed in terms of social, economic, environmental and cultural well-being and, more specifically for the Kawerau District, through a set of Community Outcome statements described in this document.

Council's Long Term Plan 2009/19 is another step in an ongoing process to understand local Community needs and how best to respond to them. This document is a "refresh" of the previous 2006/16 Long-Term Council Community Plan. It incorporates the most recently available information and forecast estimates, plus additional guidance from Elected Members, stakeholders and the public about where Council should be heading over the next ten years. The overall approach is for Council to keep doing what it has been doing and make small improvements over time.

Many key issues identified in the previous Long Term Plan remain the same today. Council is working steadily toward identified Community priorities as well as responding to new priorities as they arise. The objective of this Long Term Plan 2009/19 is to provide a fresh mandate for Council's ten year work programme. Its purpose in legislative terms is to:

- Describe the activities of Council
- Describe Kawerau's Community Outcomes
- Provide integrated decision-making and co-ordination of Council resources
- Provide a long-term focus for Council decisions and activities
- Provide a basis for accountability of Council to the Kawerau Community
- Provide an opportunity for Community participation in decision-making processes on activities to be undertaken by Council

Council continues to hear positive messages about the District from many of you and our aim is to help make Kawerau an even better place in which to live, work and play.

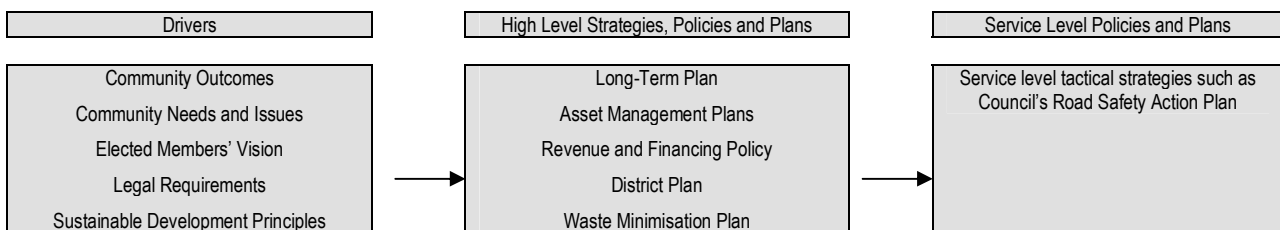
We would like to thank the Kawerau Community for its continued interest and contribution to this great District. Your feedback is very much appreciated and we encourage you to continue to support the town and to tell Council about the things that are important to you.

# Strategic Planning Framework

This Long Term Plan 2009/19 (Long-Term Council Community Plan or LTCCP) is developed under the provisions of section 93 of the Local Government Act 2002 (LGA). It represents a high level strategy for Kawerau District Council. It is driven by a range of factors including legislative compliance, Community desire for more sustainable development and achievement of Kawerau's Community Outcomes. Council's Long Term Plan 2009/19 also fits into a broader strategic context ranging from international treaties and conventions to high level New Zealand

strategies, regional strategies and additional District-level strategies. An understanding of this broad context is important because of the complex relationship between activities at different levels. The relationship between Council's Long Term Plan 2009/19 and other Council planning documents is illustrated in Figure 1. Figure 2 shows examples of the planning context for air quality, land transport and employment/economic development. In each of these areas, Council is involved in collaborative strategic planning with other agencies.

**Figure 1: Relationships Between Planning Documents**



**Figure 2: Strategic Context – Examples**

International	National	Regional	District	Implementation
Ottawa Charter for Health Promotion	National Environmental Standards for Air Quality	Bay of Plenty Regional Air Plan	District Plan resource consent conditions must match regional conditions	Air quality initiatives led by Environment BOP and other agencies
Agenda 21 (Sustainable Development) Transport Provisions	New Zealand Transport Strategy	Bay of Plenty Regional Land Transport Strategy	Kawerau District Council's Rooding Network Asset Management Plan (AMP)	Council's rooding function is provided in conjunction with the New Zealand Transport Agency (formerly Land Transport New Zealand and Transit New Zealand)
OECD Labour Market Initiatives	Growth and Innovation Framework Department of Labour Initiatives	Work and Income – Bay of Plenty Regional Plan Regional Growth Advantage Strategy	Local economic development initiatives under the umbrella of the Regional Growth Advantage Strategy	Joint projects between Kawerau District Council, regional economic development agency and other stakeholders

**Figure 3: Community Well-being**

Vision	Well-being	Community Outcomes	Council Activities
"To provide the people of Kawerau with a quality of life that is second to none"	Social	Safe, caring communities	- Economic and Community Development
		Healthy people and housing	- Economic and Community Development
		Focused community leadership and governance	- Democracy
	Social and Economic	Continued independence and viability	- Democracy
		Education and training opportunities for all	- Economic and Community Development
		Strong and prosperous economy aligned to Community values	- Economic and Community Development
	Economic	Reliable and affordable infrastructure	- Transport Management (including Stormwater) - Water Supply - Waste Management
	Environmental	Clean, accessible, respected environment	- Environmental Services
Cultural	Diverse, creative and vital communities	- Leisure and Recreation	

# Looking Back: What We Said in 2006

To provide additional context to plans for the coming ten year period, below is an update of progress since publication of Council's 2006/16 Long-Term Council Community Plan.

## Regional Growth Advantage Strategy

Council's Regional Growth Advantage Strategy seeks to encourage managed growth and the provision of adequate resources and infrastructure over the next ten years and beyond. Council has already undertaken various actions as summarised below.

Activities	Achievements
Marketing, Branding and Information	<p>Established the "Taonga o te Whenua" brand.</p> <p>Established a modern website which attracted 80,000 page views in the first year of operation.</p> <p>Contributed to the strengthening of major events in the District. Involvement and facilitation of events that attracted regional and national interest (e.g. Targa Rally, Kayaking, Bike Odyssey).</p> <p>Organised/ facilitated events that engendered strong community pride (e.g. Sarah Walker homecoming).</p> <p>Strengthened PR and media relationship.</p>
Facilities and Infrastructure	<p>Identified and established facilities which utilise and highlight Kawerau's natural resources and complement facilities in the wider region.</p> <p>Developed relationships to facilitate activity.</p>
Lifestyle	<p>Worked with Kawerau Business Association to re-establish the organisation.</p> <p>Investigated ways to improve the appearance of the Central Business District.</p>

Copies of the Regional Growth Advantage Strategy are available from the District Council Office on request.

## Water Treatment

Council considered several options for treating the water supply in order to improve the quality of the water in line with the Drinking Water Standards New Zealand 2005 (DWSNZ 2005). The Community's views were sought through the 2006 Long-Term Council Community Plan process. Council subsequently implemented ultraviolet (UV) disinfection for treating the source water and continues its practice of treating contaminations in the water reticulation (pipes from the reservoir to taps) with chlorine, only on an "as required" basis. The Ministry of Health has yet to undertake a full re-assessment of the health risk grading. Council is unaware of any health-related complaints from residents. Survey results indicate a continuing high level of community satisfaction with the quality of Kawerau's potable water.

## Fluoridation of the Water Supply

Council was asked by the Bay of Plenty District Health Board to consider fluoridating the water supply. The Community's views on this were sought through the 2006 Long-Term Council Community Plan process, and the vast majority of those who provided feedback were against the introduction of fluoridation. Council therefore resolved not to fluoridate the water supply.

## Spa Pool in 2007/08

Council constructed a spa pool at the pool complex during 2007/08. The pool is 10m x 5m with a seat built into the edge for most of the perimeter and has a depth of 1.2 metres. The cost of the new pool was \$120,000 and operating and maintenance costs are \$32,900 per annum.

# Mission Statement

1. To provide a base within the District for the pulp, paper and timber industries and supporting activities and in particular, the best possible living environment for the employees of these industries, their families and all other residents.
2. To identify and respond to the needs and aspirations of the residents of the District and in particular, provide the required services and facilities to enhance the quality of life of all the District's residents.
3. To ensure that the independence of the District is maintained.
4. To promote the virtues of Kawerau and encourage industries of all types to the District.

# Statement of Principles

To achieve its Mission, the Council will:

1. Communicate and liaise with the major industries and other industrial and commercial interests located within the District and with Local Authorities in the Bay of Plenty.
2. Maintain a flexible approach to the changing needs of the Kawerau Community and listen to and communicate with the Kawerau Community, in order to identify and evaluate the needs and aspirations of the residents of the District.
3. Engender an attitude of cost effectiveness, service and responsiveness to the Community.
4. Remain sensitive to and supportive of the cultural, social, educational and environmental issues affecting the District.
5. Adopt a realistic Long Term Plan which will allow for the adequate maintenance of existing services and facilities.
6. Communicate with the residents of the District, information on the Council's present and future activities.
7. Liaise with the residents and the industries on environmental issues.
8. Maintain a fair system of rating to ensure that the District's facilities are maintained to the highest standard possible.
9. Communicate and liaise with Industries located outside the District, so as to promote Kawerau as a base to set up and trade from.

# Corporate Structure

<b>Operations and Services</b>	<ul style="list-style-type: none"> <li>- Transport Management</li> <li>- Water Supply</li> <li>- Wastewater</li> <li>- Refuse Collection</li> <li>- Refuse Disposal</li> <li>- Zero Waste</li> <li>- Swimming Pools</li> <li>- Recreation Centre</li> <li>- Town Hall</li> <li>- Concert Chamber</li> <li>- Town Centre Toilets and other Public Toilets</li> <li>- Sports Fields</li> <li>- Passive Reserves</li> <li>- Cemetery</li> <li>- Road Berms</li> <li>- Street Trees</li> <li>- Bedding Displays</li> <li>- Playgrounds</li> <li>- Commercial Rental Buildings</li> </ul>
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<b>Chief Executive Officer</b>	<ul style="list-style-type: none"> <li>- Operations and Services</li> <li>- Regulatory and Planning</li> <li>- Finance and Community Services</li> <li>- Policy and Strategic Planning</li> </ul>
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<b>Regulatory and Planning</b>	<ul style="list-style-type: none"> <li>- Resource Management</li> <li>- Building and Inspection</li> <li>- Environmental Health</li> <li>- Dog Control</li> <li>- Dog Registration</li> <li>- Civil Defence</li> <li>- Economic and Community Development</li> <li>- Youth Development</li> </ul>
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<b>Finance and Community Services</b>	<ul style="list-style-type: none"> <li>- Finance</li> <li>- Corporate Support</li> <li>- Democracy Support</li> <li>- Library/Museum</li> <li>- Pensioner Housing</li> <li>- Community, Cultural and Social</li> </ul>
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**Report to the readers of  
Kawerau District Council's  
Long-Term Council Community Plan  
for the ten years commencing 1 July 2009**

The Auditor-General is the auditor of Kawerau District Council (the District Council). The Auditor-General has appointed me, F Caetano, using the staff and resources of Audit New Zealand, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

## **Opinion**

### **Overall Opinion**

**In our opinion the LTCCP of the District Council dated 30 June 2009 provides a reasonable basis for long-term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.**

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

### **Opinion on Specific Matters Required by the Act**

**In our view:**

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;**
- **the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and**
- **the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the actual levels of service provision, reflects good practice for a council of its size and scale within the context of its environment.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 30 June 2009, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the District Council and the Auditor, and explain our independence.

## **Basis of Opinion**

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision-making processes;
- the District Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the District Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;

- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

### **Responsibilities of the Council and the Auditor**

The District Council is responsible for preparing an LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

### **Independence**

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the District Council.

F Caetano  
 Audit New Zealand  
 On behalf of the Auditor-General  
 Auckland, New Zealand

#### **Matters Relating to the Electronic Presentation of the Audited Long-Term Council Community Plan**

This audit report relates to the Long Term Council Community Plan of Kawerau District Council for the ten years commencing 1 July 2009 included on the District Council's website. Kawerau District Council is responsible for the maintenance and integrity of the District Council's website. We have not been engaged to report on the integrity of Kawerau District Council's website. We accept no responsibility for any changes that may have occurred to the Long Term Council Community Plan since they were initially presented on the website.

The audit report refers only to the Long Term Council Community Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long Term Council Community Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long Term Council Community Plan as well as the related audit report dated 30 June 2009 to confirm the information included in the audited Long Term Council Community Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



COMMUNITY OUTCOMES



The LGA requires Council to carry out a process to identify Kawerau's Community Outcomes or long-term aspirations for the future of the District, in order to:

- a) Provide opportunities for Kawerau Community members to discuss their desired outcomes in terms of present and future social, economic, environmental and cultural well-being.
- b) Allow the Kawerau Community to discuss the relative importance and priorities of identified outcomes to present and future well-being.
- c) Provide scope to measure progress towards the achievement of Kawerau's Community Outcomes.
- d) Promote better co-ordination and application of community resources.
- e) Inform and guide the setting of priorities in relation to the activities of Council and other organisations.

The process to identify Kawerau's Community Outcomes was undertaken between October 2004 and June 2005. This included stakeholder forums, community meetings, hui, feedback forms to all households and 'Consult-a-Councillor' sessions in Tarawera Mall, supported by a community awareness marketing campaign. Near the

beginning of the process a series of four Eastern Bay of Plenty stakeholder forums and a hui were held, from which draft themes for Community Outcomes were identified. These themes were then subject to consultation within the District including several meetings with interest groups, further 'Consult-a-Councillor' sessions and a questionnaire in the Kawerau Voice newspaper.

The Community Outcome statements that follow are what Kawerau Community members have told Council are important to them for community well-being. They define the ideal future for the District through the eyes of local residents. Community Outcomes are not Council outcomes – they belong to the Community. Over coming years, Council will continue to work with other agencies and community members to help make the outcome statements a reality.

Council has considered whether the current Community Outcomes are still relevant and appropriate to guide priority setting for the activities of Council and other organisations. The conclusion was that the Community Outcomes are still relevant and accordingly, Council has not deemed it necessary to undertake a review at this time.

The LGA requires Council to review Community Outcomes at least every 6 years. Council will be further consulting with the Community in 2010 to refresh these Community Outcome statements.

# Community Outcomes

Themes	Community Outcome Statements	Group of Activities
Clean, accessible, respected environment	<ul style="list-style-type: none"> <li>- Natural resources (water, land, air, flora, fauna and habitat) are protected and conserved</li> <li>- Cultural heritage, values and sites are recognised and protected</li> <li>- Development is planned, managed and controlled</li> <li>- Waste is managed comprehensively</li> <li>- Renewable resources are utilised</li> <li>- The Community is educated and involved in environmental care</li> <li>- Environmental parks, reserves and recreational facilities are enhanced</li> <li>- Environmental legislation is actively enforced</li> </ul>	Environmental Services
Strong and prosperous economy aligned to community values	<ul style="list-style-type: none"> <li>- Good employment opportunities are available for all</li> <li>- New businesses are actively encouraged and supported</li> <li>- Existing businesses and added value businesses are further developed</li> <li>- Regional assets (tourism, horticulture, aquaculture, forestry) are developed collaboratively</li> <li>- Regional and national funding for new initiatives and infrastructure is easily accessible</li> <li>- Economic growth is balanced with social and environmental responsibility</li> </ul>	Economic and Community Development
Focused community leadership and governance	<ul style="list-style-type: none"> <li>- There is a clear, progressive and well communicated vision</li> <li>- Council, agencies and central government work together to achieve the Outcomes</li> <li>- Plans deliver sustainable growth</li> <li>- Council and the Community work in partnership</li> <li>- All sectors of the Community are consulted, involved and treated equally</li> <li>- Community leaders are dynamic and visible</li> <li>- Leadership is strategically, tactically and financially astute</li> <li>- Local solutions are found for local issues</li> <li>- Regulations are user friendly and easy to understand</li> </ul>	Democracy
Education and training opportunities for all	<ul style="list-style-type: none"> <li>- Affordable, quality education meets the District's needs for all ages</li> <li>- Participation in learning is encouraged and opportunities are available for all</li> <li>- Education and training is in place to support economic growth</li> <li>- Education values our cultural heritage and promotes cultural awareness</li> <li>- Young people are prepared for, and supported to find meaningful employment</li> <li>- Local education services are integrated and rationalised</li> </ul>	Economic and Community Development
Safe, caring communities	<ul style="list-style-type: none"> <li>- People live without fear of crime, family violence and trauma</li> <li>- Drug, alcohol and gambling abuse are eliminated</li> <li>- People respect and care for themselves, others and the environment</li> <li>- Communities help themselves</li> <li>- Diversity is valued and strong bonds exist between different cultures, genders and ages</li> <li>- Young people have a purpose and gain from, and contribute to, the Community</li> <li>- Community values are preserved</li> </ul>	Economic and Community Development

## Community Outcomes (cont'd)

Themes	Community Outcome Statements	Group of Activities
Healthy people and housing	<ul style="list-style-type: none"> <li>- There are planned and managed local health programmes and facilities for all</li> <li>- Quality preventative, primary and secondary health care is accessible to all</li> <li>- Proactive and appropriate support is in place for the disadvantaged, disabled and those who need it</li> <li>- Appropriate, affordable housing is available for all</li> <li>- Initiatives are in place to encourage self sufficiency in housing</li> </ul>	Economic and Community Development
Reliable and affordable infrastructure	<ul style="list-style-type: none"> <li>- Roading in all areas is safe, reliable and sensitive to pedestrians, horses and bikes</li> <li>- Air, rail and sea links are maintained and developed</li> <li>- Communication technology is available in the District (mobile coverage and fast internet access)</li> <li>- Public transport is available throughout the Bay of Plenty</li> <li>- Infrastructure and public transport ensures convenience not congestion</li> <li>- Councils work collaboratively to develop infrastructure assets (e.g. drainage and sewerage)</li> <li>- Infrastructure is aesthetically designed</li> <li>- Infrastructure development supports economic and environmental development (e.g. cycle tracks, walkways and public toilets)</li> <li>- Infrastructure is affordable and designed to withstand natural disasters</li> <li>- Civil defence planning and management is transparent and inclusive</li> </ul>	Transport Management (including stormwater)  Water Supply  Waste Management
Diverse, creative and vital communities	<ul style="list-style-type: none"> <li>- All cultures and the history of the region are celebrated, recognised, promoted and valued</li> <li>- Facilities are in place to accommodate a wide range of sport and recreational activities</li> <li>- Funding opportunities for art and recreation development are accessed</li> <li>- The region is developed as an events centre to support economic growth</li> </ul>	Leisure and Recreation
Continued independence and viability	<ul style="list-style-type: none"> <li>- The Kawerau District retains its independence</li> <li>- Kawerau remains a financially viable District</li> </ul>	Democracy

# Stakeholder Collaboration

Council views collaboration with stakeholders as being critical for making progress toward Kawerau's Community Outcomes. This section gives a broad description of how Council works with various types of stakeholders to address complex community issues.

## Central Government – COBoP

During 2005, senior officials of local government and central government with authority in the Bay of Plenty agreed to work collaboratively on Community Outcomes processes. A Terms of Reference document was subsequently developed by nine local and regional authorities and twenty-two government departments under the acronym COBoP (Community Outcomes Bay of Plenty). A Working Group of strategic leaders/managers from participating local and central government agencies leads the operational work, part of which is undertaken by a Monitoring and Reporting Group.

COBoP is about developing new ways of working together both strategically and practically around Community Outcomes. The aim is to have better co-ordination and application of community resources in the Bay of Plenty Region, including identifying opportunities to maximise and align the plans, policies and strategies of COBoP member organisations. Sub-groups of the Working Group are progressing initiatives based on Economic Transformation, Environmental Well-being, Housing, and Safe and Healthy Communities. A Governance Group sets the priority areas for any sub-group activity and determines the type and level of their agency involvement.

## Central Government – K-Oper-8

K-Oper-8 was established in late 2006 to strengthen relationships between central and local government agencies in Kawerau, to enable them to work more closely together for the benefit of people and families in need of social services. The group comprises representatives from:

- Kawerau District Council
- Child, Youth and Family
- Housing New Zealand Corporation
- Kawerau Primary Health Organisation
- New Zealand Police

- Strengthening Families
- Te Puni Kōkiri
- Work and Income
- Ministry of Social Development
- Blue Light Ventures Inc
- Grey Power
- Iwi
- Kawerau Schools
- Kawerau Ministers' Association

Strong relationships have formed, leading to a more proactive, flexible approach that has removed barriers that previously existed. An important component has been the increased knowledge and understanding of what each agency does and the boundaries they must operate within. This has made it possible to work toward shared goals of safety, health, community spirit and a developing economy.

A number of positive outcomes have been achieved, including the Blue Light Youth Ambassador role, appointment of a health liaison officer based at Heartlands, and a community drive to top up food bank supplies. K-Oper-8 Certificates have also been awarded to people who have shown exceptional achievement for and on behalf of the Community. The K-Oper-8 group continues to look at practical ways for locals to deal with some of the current issues facing the Community, such as tagging and damage to public and private property.

## Māori

Council seeks to work with local Iwi, Ngāti Tūwharetoa ki Kawerau, on an ongoing basis to develop the relationship between Council and Tangata Whenua. Council also recognises Rautahi Marae as having a key role in representing the interests of Māori on specific issues.

## Industry

Council maintains a special relationship with companies such as the Norske Skog Tasman/Carter Holt Harvey Tasman Mills, SCA Hygiene Australasia and Mighty River Power as key industry players. The mills contribute substantially to Council's rating base and help sustain community and environmental initiatives. Kawerau's existence and that of the mills is interdependent. Council also actively seeks to support further industry diversification and economic development.

# Monitoring and Reporting Progress

Council is obliged under the LGA to monitor and report progress towards Community Outcomes, on behalf of the Kawerau Community. This is an ongoing work programme that was begun during 2005/06 and will be reported upon in future years through a 'State of the District Report' and Council's Annual Report. Council will report annually on the implementation of Council's actions towards achieving the Outcomes, and at least once every three years on progress towards the Outcomes for the District as a whole.

Over the coming years, Council will continue liaising with the COBoP Working Group to ensure alignment with regional indicators and to take advantage of cost savings and synergies (for example, in relation to Community surveys). An interim set of Community Outcome Progress Indicators has been identified as follows. Council is working with other local authorities and Central Government agencies in the Bay of Plenty to refine and expand on these measures.

Themes	Indicators
Clean, accessible, respected environment	<ul style="list-style-type: none"> <li>- Measurement of chemicals dissolved in water, and biological activity</li> <li>- Consented water use and actual water use</li> <li>- Concentrations of airborne chemicals and particulates against air quality standards</li> <li>- Exceedences of air quality guidelines for particulate matter (PM10), and Carbon Monoxide (CO)</li> <li>- Total number of remediated contaminated sites</li> <li>- Total solid waste collected</li> <li>- Total waste diverted into recycling</li> </ul>
Strong and prosperous economy aligned to Community values	<ul style="list-style-type: none"> <li>- Unemployment rate in the District</li> <li>- The number of businesses in the District</li> <li>- The number of jobs in the District</li> <li>- Building consents issued</li> <li>- The median household income of people in the District</li> </ul>
Focused Community leadership and governance	<ul style="list-style-type: none"> <li>- Residents rating the performance of the Mayor and Councillors</li> <li>- Percentage of residents satisfied with the way rates are spent on services and facilities</li> <li>- Residents rating the way Council involves the Community in the decisions it makes</li> <li>- Percentage of enrolled electors voting at general elections</li> </ul>
Education and training opportunities for all	<ul style="list-style-type: none"> <li>- School Rolls</li> <li>- Education Review Office reports of schools and early childhood education centres</li> <li>- Percentage of students who leave school with a qualification</li> <li>- Early childhood education attendance by year one students</li> </ul>
Safe, caring communities	<ul style="list-style-type: none"> <li>- Percentage of residents who feel the quality of life is good</li> <li>- The number of crimes recorded and the percentage solved</li> <li>- Do residents feel Kawerau District is generally a safe place to live?</li> <li>- Percentage of residents who feel the Community spirit is good</li> <li>- Percentage of residents who feel that the District is a better place to live than three years ago</li> </ul>
Healthy people and housing	<ul style="list-style-type: none"> <li>- Range of recreation and leisure opportunities (swimming pools, sport grounds, playgrounds, walkways, libraries)</li> <li>- Percentage of houses owned and rented</li> <li>- Average household size</li> <li>- Number of occupied private dwellings</li> <li>- Determine affordability by calculating the average weekly rent paid for private dwellings, together with Housing Corporation rentals</li> </ul>
Reliable and affordable infrastructure	<ul style="list-style-type: none"> <li>- Indicators yet to be identified</li> </ul>
Diverse, creative and vital communities	<ul style="list-style-type: none"> <li>- Proportion of the population with telephone and Internet access</li> <li>- Proportion of the population that speaks the 'first language' of their ethnic group</li> <li>- Proportion of Māori speakers in the Māori population</li> </ul>
Continued independence and viability	<ul style="list-style-type: none"> <li>- Continue to operate as an independent District Council</li> <li>- Rates based on the value of an average house compared to the rates of an average house to be at the lower end for towns within the BOP region</li> </ul>

# District Report Card

While work is still needed to refine the set of Community Outcome Progress Indicators and to collect and interpret data, below is information readily available at this time. Additional data are available from the 2006 COBoP (Bay of Plenty) regional survey – copies of the survey results are available from Council on request. In short, according to the statistics below, the District is doing well in terms of:

- Residents' satisfaction with the performance of the Mayor and Councillors
- Satisfaction with the way rates are spent
- Satisfaction with Community involvement in decisions
- Perceived overall quality of life
- Perceived levels of Community safety

- Resident perceptions of Kawerau as a place to live
- Housing affordability
- Percent of Māori language speakers in the Māori population
- Continued independence of Council and the District

Areas of concern, where additional planning and support could add value, include:

- Employment
- Population and school rolls
- School leaver qualifications
- Participation in early childhood education
- Household Internet access

Indicator	2000/01	2005/06	2007/08	NZ comparison
Drinking water quality	n/a	Ee	n/a	guidelines only
Water use	n/a	1.4 million m <sup>3</sup>	n/a	not comparable
Urban air quality (1)	n/a	*	*	not comparable
Urban air quality (2)	n/a	*	*	guideline is zero exceedences
Contaminated sites	these figures are yet to be compiled	TBA	TBA	not comparable
Solid waste (m <sup>3</sup> )	19,810	9,687	6,300	not comparable
Kerbside recycling (tonnes)	0	556	600	not comparable
Transfer Station recycling (m <sup>3</sup> )	0	1,207	460	not comparable
Green waste (m <sup>3</sup> )	1,175	3,774	4,906	not comparable
Unemployment	19.3%	13.6%	n/a	5.1%
Businesses	320	334	355	not comparable
Jobs	3,250	3,270	3,150	not comparable
Building consents	#	181	154	not comparable
Median household income	#	\$35,700	n/a	\$51,400
Performance of Mayor and Councillors	57%	77%	85%	54%
Satisfaction with the way rates are spent	70%	85%	85%	70%
Satisfaction with community involvement in decisions	n/a	68%	79%	46%
Voter turnout	n/a	n/a	TBA	79%
School rolls	?	?	1,414	not comparable
ERO reports	overall good – some issues being addressed	✓	✓	qualitative assessments
School leaver qualifications	?	61%	87%	95%
Early childhood education	79%	77%	n/a	100%

\* Note: Air quality monitoring results for Kawerau are yet to be sourced from Environment Bay of Plenty.

# Note: Historical data for building consents and median household income are yet to be sourced from Statistics New Zealand.

? Note: Historical data are yet to be sourced from the Ministry of Education.

✓ Note: Satisfactory ERO reports received.

## District Report Card (cont'd)

Indicator	2000/01	2005/06	2007/08	NZ comparison
Quality of life	n/a	91%	90%	86%
Reported offences (per 10,000 population)	n/a	1,043.6	1,051.6	1,004.0
Perceptions of safety	n/a	93%	91%	56%
Community spirit	n/a	86%	90%	72%
Perceptions of Kawerau as a place to live	n/a	50%	52%	43%
Recreation and leisure opportunities	this indicator is scheduled for review	*	*	figure not available
Home ownership	69.9%	66.3%	n/a	66.9%
Average household size	2.9	2.9	n/a	2.8
Occupied dwellings	2,313	2,397	n/a	not comparable
Housing affordability (market rents)	figure not available	\$140	n/a	\$201
Household Internet access	25.8%	43.8%	n/a	60.5%
Language retention	26.2%	26.2%	n/a	figure not available
Māori speakers	31.6%	31.8%	n/a	23.3%
Independent District Council	Council and the District remain independent	✓	✓	not comparable

\* Note: Data on the range of recreation and leisure opportunities (swimming pools, sport grounds, playgrounds, walkways, libraries) have not yet been compiled for the purpose of Community Outcomes monitoring.



# Moving Forward Together

The LGA places a general obligation on Council to co-operate and collaborate with other groups and organisations. The aim is to work collectively with other parties towards the achievement of Kawerau's Community Outcomes. The role of other agencies will often complement the role of Council. Council must collaborate and consult widely with members of the local Community including Māori, Central Government agencies, non-government organisations, businesses and other private sector groups and stakeholders. Section 14 of the LGA outlines these responsibilities and section 81 includes specific obligations for Council to enable Māori to more effectively contribute to its decision-making processes.

Examples of Council's collective approach include:

- Regional economic development initiatives
- Pathway 2 Health Programme (to increase awareness of, and access to, physical activity opportunities within the Eastern Bay of Plenty)
- K-Oper-8 group of central and local government agencies

## Triennial Agreement

The LGA requires all Councils within each region to reach agreement on how they intend to communicate and work with one another over the next three year period. This is known as a Triennial Agreement. The current Bay of Plenty Region Triennial Agreement was signed in October 2007. It represents the shared desire of councils in the Bay of Plenty to work together – communicating, co-ordinating and collaborating – for the benefit of communities served by Bay of Plenty local government. To view the Bay of Plenty Triennial Agreement, visit Environment Bay of Plenty's website:

[www.envbop.govt.nz/Publications/Triennial-Agreement.asp](http://www.envbop.govt.nz/Publications/Triennial-Agreement.asp).

## Council's Consultation Policy

Council values and is committed to effective Community consultation. Council has obligations to seek the views of the Community on issues, plans and strategies that may directly or indirectly affect them. A Consultation Policy has been adopted to ensure Council makes decisions in an open, transparent and democratically accountable way.

Council will consider the views of the Community at each step of the processes leading up to making a decision. Council may choose not to consult on some projects when it believes it has enough information with which to make an informed decision. However, in these cases, the Community will receive information about the project and the decision.

Consultation Policy objectives are:

1. To promote a sense of ownership of Council decisions by the people of Kawerau.
2. To help the Community understand the issue and promote the acceptance of the outcome.
3. To ensure the people of Kawerau have the opportunity for meaningful input and genuine involvement in Council's decision making.
4. To provide the people of Kawerau with the opportunity to become aware of one another's opinions and to suggest appropriate solutions to community issues.
5. To ensure Council consults with the Community in an appropriate and lawful manner.
6. To ensure Council has enough quality information, including information on the views of the Community, to make decisions.

Copies of the Consultation Policy are available on request.

# Council's Contributions to Community Outcomes

Projects and programmes detailed in Council's Long-Term Council Community Plan 2006/16 are continuing, including initiatives under the banner of the Regional Growth Advantage Strategy. Additional projects and programmes are described in this Long Term Plan 2009/19.

The following table summarises Council's contribution to community well-being in the District, including some of the key partner organisations that have a role in contributing toward achieving Kawerau's Community Outcomes. Council's role is described in terms of Provider (including funder or co-funder), Advocate, Regulator, Partner and/or Facilitator. An explanation of each type of involvement is as follows.

## **Advocate**

Council promotes the interest of the local Community to other decision-making organisations, e.g. Central Government.

## **Facilitator**

Council encourages others to be involved in these activities and brings interested parties together to progress identified issues.

## **Provider**

Council takes full or partial responsibility for funding and carrying out these services.

## **Partner**

Council funds and carries out these services in formal partnership with other organisations.

## **Regulator**

Council has statutory responsibilities and/or may choose to regulate community activities.

<b>Council Roles</b>	<b>Activities, Projects and Programmes</b>	<b>Other Key Stakeholders</b>
<b><i>Clean, accessible, respected environment</i></b>		
<ul style="list-style-type: none"> <li>- Advocate</li> <li>- Facilitator</li> <li>- Provider</li> <li>- Partner</li> <li>- Regulator</li> </ul>	<ul style="list-style-type: none"> <li>- Advocacy on local environmental issues</li> <li>- District Plan</li> <li>- Resource consents</li> <li>- Building consents</li> <li>- Environmental Health inspections</li> <li>- Water supply</li> <li>- Wastewater disposal</li> <li>- Refuse collection and disposal</li> <li>- Recycling</li> <li>- Parks and reserves</li> </ul>	<ul style="list-style-type: none"> <li>- Environment Bay of Plenty</li> <li>- Department of Conservation</li> <li>- Schools</li> <li>- Ngāti Tūwharetoa ki Kawerau</li> <li>- Rautahi Marae Committee</li> </ul>
<b><i>Strong and prosperous economy aligned to community values</i></b>		
<ul style="list-style-type: none"> <li>- Advocate</li> <li>- Facilitator</li> <li>- Provider</li> <li>- Partner</li> <li>- Regulator</li> </ul>	<ul style="list-style-type: none"> <li>- Advocacy for local Economic and Community Development</li> <li>- Event Marketing Fund</li> <li>- Rate remissions for new developments</li> <li>- Funding toward Regional Economic Development Agency</li> <li>- District planning (including zoning for industrial land)</li> <li>- Resource consents</li> <li>- Implementation of Regional Growth Advantage Strategy</li> </ul>	<ul style="list-style-type: none"> <li>- Regional Economic Development Agency</li> <li>- New Zealand Trade and Enterprise</li> <li>- Kawerau Enterprise Agency (KEA)</li> <li>- Kawerau Business Association (KBA)</li> <li>- Ministry of Social Development/Work and Income</li> </ul>

## Council's Contributions to Community Outcomes (cont'd)

Council Roles	Activities, Projects and Programmes	Other Key Stakeholders
<b><i>Focused Community leadership and governance</i></b>		
- Provider	- Community leadership and governance	- Central Government, Iwi, Business, Community
<b><i>Education and training opportunities for all</i></b>		
- Advocate - Provider	- Advocacy for local education and training - Provision of District Library/Museum	- Kawerau primary schools - Kawerau Intermediate School - Kawerau College - Kawerau Education and Training Trust (KETT) - Mayors' Taskforce for Jobs
<b><i>Safe, caring communities</i></b>		
- Advocate - Facilitator - Provider - Partner - Regulator	- Advocacy for local community safety - Funding toward Neighbourhood Support - Building inspections - Environmental Health - Dog Control - Civil Defence - Community, cultural and social services support	- New Zealand Police - Neighbourhood Support - Kawerau Grey Power - Kawerau Safer Community Council - Blue Light Ventures Inc. - K-Oper-8 (central and local government agencies)
<b><i>Healthy people and housing</i></b>		
- Advocate - Facilitator - Provider - Partner - Regulator	- Advocacy for local community health and housing quality - Building inspections - Environmental health - Wastewater disposal - Refuse collection and disposal - Swimming pools - Recreation centre - Parks and reserves	- General Practitioners - Kawerau PHO - Bay of Plenty District Health Board (DHB) - Sport Bay of Plenty - SPARC (Sport and Recreation New Zealand) - Toi Te Ora – Public Health - Accident Compensation Corporation (ACC) - Housing New Zealand Corporation - Ngāti Tūwharetoa ki Kawerau - Rautahi Marae Committee - K-Oper-8 group of agencies - Grey Power - Te Puni Kōkiri
<b><i>Reliable and affordable infrastructure</i></b>		
- Advocate - Facilitator - Provider - Partner - Regulator	- Advocacy for local infrastructure quality - Roading network - Stormwater network - Water supply network - Wastewater network - Refuse transfer station	- Environment Bay of Plenty - Private utility companies (e.g. energy suppliers)
<b><i>Diverse, creative and vital communities</i></b>		
- Advocate - Facilitator - Provider - Partner	- Advocacy for local arts and culture - Sport and recreation facilities - Administration of Creative NZ Funding applications	- Local sport and recreation clubs - Sport Bay of Plenty - Creative New Zealand - Ngāti Tūwharetoa ki Kawerau - Rautahi Marae Committee - Kawerau Residents and Ratepayers Association - Kawerau Grey Power
<b><i>Continued independence and viability</i></b>		
- Advocate - Provider	- Strong advocate for local Community - Effective and efficient local government in the District	- Community groups - Ngāti Tūwharetoa ki Kawerau

# Bay of Plenty Regional Community Outcomes

In parallel with the identification of Kawerau's Community Outcomes, processes have been taking place at the Bay of Plenty regional level to identify Regional Community Outcomes. In addition to thinking locally, it is also important to think regionally because what happens in one part of the Bay of Plenty will affect other parts. A shared vision for the future of the Bay of Plenty region is essential for a prosperous future.

Under the LGA, Environment Bay of Plenty has responsibility for leading the process to identify regional Community Outcomes. The resulting set of statements grew out of local outcomes and discussions by Environment Bay of Plenty with the regional Community. They reflect the expectations of the Community for the region's future and cover the different aspects of life – social, environmental, economic and cultural.

In the September 2005 edition of the Regional Guardian, Environment BOP asked community members to prioritise which Regional Community Outcomes were most important to them. While most people agreed that all the outcomes are

important, 'A Clean and Protected Environment' and 'Healthy and Safe Communities' were prioritised highest. The Regional Community Outcomes were prioritised in this order by the regional Community as follows:

- A Clean and Protected Environment
- Healthy and Safe Communities
- Value on Learning and Excellence
- Quality, Affordable Infrastructure
- A Vibrant and Fulfilling Lifestyle
- A Prosperous and Sustainable Economy
- Open and Inclusive Leadership
- Respected Culture and Heritage

Environment Bay of Plenty, Kawerau District Council and other organisations continue working together to achieve the visions identified through the Community Outcomes' process.

Further information:

[www.envbop.govt.nz/CommunityOutcomes/Community-Outcomes.asp](http://www.envbop.govt.nz/CommunityOutcomes/Community-Outcomes.asp)

## Relationship with Māori

Council has obligations under the LGA and Resource Management Act 1991 (RMA) to take into account principles of the Treaty of Waitangi 1840 and provide for the special significance of Māori culture, traditions, land and Taonga.

After the local authority elections in 2001, Council set up a subcommittee to work with Ngāti Tūwharetoa ki Kawerau to develop a Protocol or Memorandum of Understanding aimed at defining and enhancing the relationship between Council and Tangata Whenua. The subcommittee met with

Ngāti Tūwharetoa ki Kawerau on several occasions and made some progress toward developing a Partnership Accord between Iwi and Council.

Note that the LGA refers to Māori in a wider sense than Iwi. Council recognises Ngāti Tūwharetoa ki Kawerau as the Tangata Whenua of the Kawerau District. Council also acknowledges that Rautahi Marae has a role, in that it represents Māori people who originate from other parts of New Zealand.



COUNCIL ACTIVITIES



This section describes all of Council's activities in terms of the rationale for delivery, performance measures and targets, any negative effects and risks, asset management implications, projected delivery costs and other information.

The forecasts in this Plan have been adjusted for inflation. The format for each activity group in this section follows that set out below for Activity Group 3 – Environmental Services:.

<b>Heading</b>	<b>Description</b>
Activity	Example: Resource Management
Description of Activity	Example: Resource Management Consents
Contribution to Community Outcomes	The main Community Outcomes that this activity contributes to
Why We Do It	Legislative requirements, community expectations (levels of service), historical, economic, environmental and public health reasons
Council's Roles	Provider, Advocate, Regulator, Partner and/or Facilitator
Strategic Issues	Major issues and new projects over the next ten years
Programme for the Next Ten Years	Major projects and programmes over the next ten years
Related Policies, Strategies and Statutes	Including related internal (Council) and external policies and strategies at local, regional and national levels
Asset Management Implications	Changing asset capacity, maintenance, renewals and replacements resulting from the coming ten year programme
Performance Measures and Targets	Performance measures and targets for each activity
Negative Effects and Risks	Any significant negative effects and/or risks of the activity in relation to social, economic, environmental and cultural well-being and mitigation measures documented in Council's Risk Register
Cost of Service	Cost of Service Forecast Statement (ten years) as per activity budgets. Figures are adjusted for inflation.
Capital Expenditure	Capital Expenditure Forecast Statement (ten years) as per activity budgets. Figures are adjusted for inflation from 2010/11 onwards
Other information	Throughout some parts of the document, additional information is included as required by LGA Schedule 10(3) – specifically, summaries of various sections of Council's latest Assessment of Water and Sanitary Services and a summary of Council's existing Waste Management Plan

# Council's Activities

Activity Group	Activities
1: Democracy	- Democracy
2: Economic and Community Development	- Economic Development - Youth Development - Pensioner Housing - Community, Cultural and Social - Commercial Rental Buildings
3: Environmental Services	- Resource Management Planning - Resource Management Consents - Building Control - Environmental Health - Dog Control - Dog Registration - Civil Defence
4: Transport Management	- Transport Management (including stormwater)
5: Water Supply	- Water Supply
6: Waste Management	- Wastewater - Refuse Collection - Refuse Disposal - Zero Waste
7: Leisure and Recreation	- Library/Museum - Swimming Pools - Recreation Centre - Town Hall - Concert Chamber - Town Centre Toilets - Sports Fields - Passive Reserves - Road Berms - Street Trees - Annual Bedding Displays - Playgrounds - Cemetery

Note: Council is also the driver licensing agent for AA Express and offers a range of services including vehicle registration, exemptions, road user charges, changes of ownership, driver licensing etc.

# Activity Group 1: Democracy

## Description of Activity

### Mayor and Councillors

This activity covers the Mayor and Councillors (the Council) performing their functions of creating and monitoring Council policy over the entire District. Democracy is the political arm of Council which aims to represent the wishes of the people of Kawerau and make decisions on behalf of the local Community. The Mayor and Councillors are elected by democratic vote every three years. The aims of this activity are:

- To conduct the affairs of the Council in a democratic and representative manner
- To provide residents and ratepayers with quality democracy and representation

### Kawerau Youth Council

A Youth Council has been formed and is in its early stages. From 2009/10 this will have an increased focus. Council's youth policy vision is that: "Kawerau is where young people are optimistic and are supported and encouraged to take up challenges to contribute to a growing, vibrant Community". Council's Youth Action Plan is regularly reviewed.

## Contribution to Community Outcomes

This activity contributes toward sustainable development by promoting the following Community Outcomes in relation to Democracy:

- *Focused Community leadership and governance*  
The Council is a key Community leader and champion of initiatives that promote this outcome. The Kawerau Youth Council aims to promote interest and engagement in civic affairs by young people
- *Continued Independence and viability*  
The Council is an advocate for independence and viability on behalf of the Community
- The Council is elected to represent and provide leadership for the aims and aspirations of the local Community
- The Council is responsible for setting a long term direction on behalf of the Community, and monitoring progress toward achieving the direction

## Why We Do It

- The Council also communicates and consults with the Community, builds relationships for the benefit of the Community and advocates on behalf of the District
- A Youth Council has been established to increase input from young people into the Council's decision-making and to foster youth leadership in the District

## Council's Roles

Provider	Advocate	Regulator	Partner	Facilitator
✓				

## Strategic Issues

- In 2003, Council reviewed its representation and decided to retain nine Elected Members
- Representation aside, the major strategy in the Democracy activity is to maintain quality representation for the local Community. Council is increasingly communicating with and seeking feedback from the Community about its activities

## Programme for the Next Ten Years

- Representation Reviews (2009/10 and as required in subsequent years)
- Triennial Elections: Mayor and Councillors (2010, 2013 and 2016)
- Resident Satisfaction Surveys (three-yearly NRB Communitrak survey's programme – 2011, 2014, 2017)
- Community Outcomes Surveys (as per BOP Regional survey programme)
- 'State of the District' Report – monitoring trends in community well-being (commencing 2009/10)
- Re-identification of Kawerau's Community Outcomes and priorities (2010/11 and 2016/17)
- Updates of Council's Long-Term Plan (commencing 2011/12, 2014/15 and 2017/18)
- Support and development of Kawerau Youth Council
- Support for the Mayor's Taskforce for Jobs goal that all young people under the age of 25 should be engaged in appropriate education, training, work or other options which will lead to long-term economic independence and wellbeing.

## Activity Group 1: Democracy

### Related Policies, Strategies and Statutes

- Local Authority (Members' Interests) Act 1968
- Local Electoral Act 2001
- Local Government Official Information and Meetings Act 1987
- Local Government (Rating) Act 2002
- LGA
- Kawerau District Council:
  - Code of Conduct
  - Consultation Policy
  - Local Governance Statement
  - Revenue and Financing Policy
  - Significance Policy
  - Standing Orders
  - Youth Policy and Vision 2007
  - Positive Ageing Strategy 2008

### Funding the Annual Net Cost – 'Who Pays'

#### ***Distribution of Benefits***

Council considers that all citizens are in the same position with regard to the receipt of democracy services. Council has determined that the benefits of expenditure on this service are 100% public.

#### ***Funding Sources***

General rates 100%.

As the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from General Rates.

### Asset Management Implications

Democracy is not an asset-based activity, although it is delivered from council buildings and is also significant for asset and activity management planning.

### Negative Effects and Risks

A potential negative effect of any representative system of process is that some portion of the relevant population is not represented adequately. The extent to which this is significant depends on the proportion of people affected. This is mitigated through community engagement strategies.

The democracy activity includes balancing the needs and wants of many community members to help achieve wellbeing for the District overall. This means that some decisions made for the wider public good might have a negative effect on individuals or groups.

## Performance Measures and Targets

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
The Community receives quality democracy and representation	Satisfaction with Mayor and Councillors	85%	N/A	80%	N/A	80%	Three-yearly NRB Communitrak Survey
	Satisfaction with the way rates are spent	85%	N/A	85%	N/A	85%	Three-yearly NRB Communitrak Survey
	Number of council meetings	14	At least 11	At least 11	At least 11	At least 11	Council records
The Community is able to participate in decision making processes	Satisfaction with council consultation	79%	N/A	70%	N/A	70%	Three-yearly NRB Communitrak Survey
<i>Quantity indicators</i>							
Support young people to develop the skills and attitudes needed to take a positive part in society	Youth Council	Youth Council established. Council mentor appointed.	At least 9 meetings	At least 9 meetings	At least 9 meetings	At least 9 meetings	Council records
<i>Responsiveness indicators</i>							
Council complies with legislative requirements	Community notification of meetings	100% publicly notified	100% publicly notified	100% publicly notified	100% publicly notified	100% publicly notified	Council records
	Planning and reporting within legislative requirements	100% achievement	100%	100%	100%	100%	Council records
The Community receives regular communication about key issues	Frequency of newsletters	Two newsletters	At least two per year	At least two per year	At least two per year	At least two per year	Council records

## Operating Expenditure and Income Statement

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>										
General Rates	503,790	568,670	572,980	548,620	608,930	598,580	592,230	662,200	649,550	640,310
Interest Revenue	1,250	1,730	2,370	3,010	3,690	4,400	5,120	5,870	6,660	7,450
Other Revenue	0	17,010	0	0	18,200	0	0	19,460	0	0
<b>Total Revenue</b>	<b>505,040</b>	<b>587,410</b>	<b>575,350</b>	<b>551,630</b>	<b>630,820</b>	<b>602,980</b>	<b>597,350</b>	<b>687,530</b>	<b>656,210</b>	<b>647,760</b>
<b>Expenditure</b>										
Employee benefit expenses	343,250	366,790	369,560	374,460	394,130	398,270	405,840	429,800	434,130	442,120
Depreciation	21,530	24,850	24,270	23,940	27,130	26,610	26,390	29,830	29,330	28,940
Internal Finance Costs	1,430	1,290	1,950	2,150	2,080	1,940	2,310	2,890	2,720	2,500
Other Costs	138,830	194,480	179,570	151,080	207,480	176,160	162,810	225,010	190,030	174,200
<b>Total Operating Expenditure</b>	<b>505,040</b>	<b>587,410</b>	<b>575,350</b>	<b>551,630</b>	<b>630,820</b>	<b>602,980</b>	<b>597,350</b>	<b>687,530</b>	<b>656,210</b>	<b>647,760</b>

# Activity Group 2: Economic and Community Development

## Description of Activity

This activity covers the delivery of:

- Information Centre services
- Industrial Development
- Event Marketing
- Economic Development facilitation
- Funding toward regional EDA
- Pensioner housing
- Community, Cultural and Social
- Commercial rental buildings

Aims of this activity are:

- To enhance the quality of life in Kawerau by marketing and encouraging Economic and Community Development in the District
- To assist in increasing opportunities for Economic and Community Development in the District

As well as these ongoing projects, further work is being undertaken in the following areas to take advantage of opportunities available to Kawerau:

- Sports club consolidation
- Ensuring industrial land availability
- Ensuring residential land availability

A recent review of Council's position on Economic and Community Development confirmed that:

- Council should take a leadership role in local Economic and Community Development initiatives
- The main focus of local Economic Development initiatives should be promoting and encouraging industrial development

## Regional Growth Advantage Strategy

Council's Regional Growth Advantage Strategy provided the basis for longer term planning decisions to sustain the Community's regeneration aspirations.

The following activities were undertaken to strengthen positive perceptions of Kawerau and position it to take advantage of opportunities flowing from a diverse and growing region.

Activities	Achievements
Marketing, Branding and Information	Established the "Taonga o te Whenua" brand. Established a modern website which attracted 80,000 page views in the first year of operation. Contributed to the strengthening of major events in the township. Facilitated or involved with events that attracted regional and national interest (e.g. Targa Rally, Kayaking, Bike Odyssey). Organised/ facilitated events that engendered strong community pride (e.g. Sarah Walker homecoming). Strengthened PR and media relationship.
Facilities and Infrastructure	Identified and established facilities which utilise and highlight Kawerau's natural resources and complement facilities in the wider region. Developed relationships to facilitate activity.
Lifestyle	Worked with Kawerau Business Association to re-establish the organisation. Investigated ways to improve the appearance of the Central Business District. Facilitated the establishment of Kawerau Gravity Sports Club, which supports residents' involvement in activities associated with new facility developments.

## Activity Group 2: Economic and Community Development

While economic development underpins prosperity and quality of life, community pride and social connection are major factors in attracting and retaining investments within the District. Council acknowledges that a more diversified industrial and commercial base would provide greater stability to the District's economy and employment opportunities. Council intends to further develop the economic strategic framework and work more closely with the Regional Economic Development Agency and other key stakeholders to broaden the industrial and commercial rating base. The following industry sectors have been identified as having potential to contribute to an effective industrial hub:

- Rail and storage
- Energy
- Waste
- Engineering manufacturing (diversification)
- Wood manufacturing (diversification)

A key contribution by Council is its policy of not charging Development Contributions for prospective new developments. Kawerau does not have pressure on its infrastructure systems and therefore does not need to extend its infrastructure to cope with demand. The spare capacity in Council's infrastructure means it can cope with forecast growth. Council actively works with potential investors to ensure opportunities are maximised.

Council maintains a continuing special relationship with major industry players that contribute substantially to the District – not only in terms of Council rates funding, but also through their direct support and commitment to the people of Kawerau.

Council maintains a relationship with KEA – the Kawerau Enterprise Agency. KEA is an independent, self-financing operation established in 1985 to attract new industry and stimulate business growth. Council and KEA have a common interest in local Economic and Community Development. In early 2007, the two agencies signed a Memorandum of Understanding to promote co-operation and advance Economic and Community Development in the District.

Kawerau's untapped potential is reflected in the decision by Mighty River Power to locate its new \$300 million 100MW geothermal plant in the District. Opened in November 2008, the plant is New Zealand's biggest geothermal energy project for twenty years.

### **Social Infrastructure**

Council also recognises that community development needs to be a strong component of the overall strategy, to ensure consistent themes for the promotion of a better quality of life and living environment. This will in turn promote vibrant and sustainable business and Economic and Community Development in the District. Therefore, in tandem with the Economic and Community Development Strategy, Council will continue to promote and support:

- District Promotion and Visitor Information to improve awareness and positive perceptions of the District and increase visitor participation of local facilities
- Development of facilities which are relevant to the Community's changing lifestyle requirements – capable of attracting visitor interest and suitable for hosting events
- Key events which, in addition to having historical significance to the Community, also have the ability to attract interest from the wider region
- Involvement with new events that utilise Kawerau's natural environment and facilities and encourage members of the Community to participate
- Community initiatives which promote the overall well-being of Kawerau residents
- Improvement of the retail district
- Initiatives which support the development of local young people
- Provision of amenities suitable for retirees and senior citizens

### **Community, Cultural and Social**

Council has identified the need for the availability of specified community and social services to improve the social fabric of the Community, including:

- Administering the local Creative NZ funding assessment committee
- School holiday programmes
- Periodic provision of crime reduction partnership programmes (e.g. with the Ministry of Justice)
- Council is also a partner in the Pathway 2 Health – kia piki ka pai Programme, which aims to increase awareness of, and access to, physical activity opportunities within the Eastern Bay of Plenty

## Activity Group 2: Economic and Community Development

### Pensioner Housing

Council owns housing for older people. These units are leased to, and managed by, the Mountain View Rest Home. Council's commitment to older residents is further expressed through its Positive Ageing Strategy 2008.

### Commercial Rental Buildings

Management of the following commercial rental accommodation:

- Bus Station Building
- Tarawera Mall shop

Council has identified the need to receive a return on its capital investment (brought about by historical ownership) of commercial rental accommodation.

### Contribution to Community Outcomes

This activity contributes toward sustainable development by promoting the following Community Outcomes in relation to Economic and Community Development:

- *Strong and prosperous economy aligned to Community values* – Council will support initiatives that deliver progress towards economic prosperity
- *Focused Community leadership and governance* – By providing focus and direction for future Economic and Community Development
- *Diverse, creative and vital communities* – Events and community vibrancy are a core part of Economic and Community Development
- *Continued independence and viability* – By actively developing initiatives to encourage investment in the District
- *Safe, caring communities* – Council funds initiatives to enhance the social fabric of the local Community
- *Healthy people and housing* – By providing pensioner housing and community funding

### Why We Do It

Council has agreed it should be in the business of encouraging economic and community development. The aim is an increasingly diverse set of local industries, less dependence on just a small number of economic sectors and encouraging adding value to the region's natural resources.

Recent tourism developments include a permanent kayak slalom course on a section of the Tarawera River, upgrading the BMX track and construction of a mountain bike track on Monika Lanham Reserve.

Council has committed itself "to promote the virtues of Kawerau and encourage industries of all types to the District" (refer Mission Statement). The main focus is promoting and encouraging industrial development while at the same time marketing the District as a desirable place to live and developing and extending current event activities.

Kawerau participates in a number of regional and sub-regional economic development initiatives. Kawerau's Mayor is a member of the national Mayors' Taskforce for Jobs.

Council does not have direct control over the outcomes that this activity aims to achieve. In summary, Council is in the business of providing Economic and Community Development services because:

- Economic and Community Development (as an activity) has many elements of a public good, in that no single business or organisation benefits from economic development. The desired goal is for local businesses to prosper through 'flying in formation'
- Community consultation has identified Economic and Community Development and promotion as top priorities for the District and Council
- Pensioner Housing – This is a legacy of central and local government provision
- Community, Cultural and Social – Council administers the local Creative NZ Funding Assessment Committee, supports major community events (i.e. Christmas in the Park, Woodfest and The Mountain Race), provides school holiday programmes and crime reduction partnership programmes. These would not otherwise be provided by the private sector
- Commercial Rental Buildings – The Bus Station Building and Tarawera Mall shop are commercially leased as part of a legacy ownership

## Activity Group 2: Economic and Community Development

### Council's Roles

Provider	Advocate	Regulator	Partner	Facilitator
✓	✓	✓	✓	✓

### Strategic Issues

Long-term issues affecting this activity include:

- Global and national financial trends
- Commodity prices, corporate restructuring and other matters that affect local employment
- Rapidly changing technological developments including communication technologies
- Collaboration with other Eastern BOP Economic and Community Development initiatives
- Kawerau's lifestyle environment
- The local framework and environment for investors
- District promotion and branding
- Financial success of the mills and other industry

### Programme for the Next Ten Years

- Information Centre services
- Industrial Development
- Event Marketing
- Economic and Community Development facilitation
- Funding toward regional EDA
- Pensioner housing
- Community, Cultural and Social
- Commercial rental buildings – including capital expenditure on renewals of \$15,000 during 2009/10
- Youth Development

### Related Policies, Strategies and Statutes

- Regional Growth Advantage Strategy 2005
- Kawerau District Council:
  - Revenue and Financing Policy
  - Youth Policy and Vision 2007
  - Positive Ageing Strategy 2008
- Youth Development Strategy Aotearoa 2002

### Funding the Annual Net Cost – 'Who Pays'

#### *Distribution of Benefits*

Council considers that 90% of the costs of Economic and Community Development relate to activities where there is a public benefit. For the remaining costs of this activity, it makes little sense to charge a business when Council is providing assistance to it, for example from the Development Feasibility Fund. Council has therefore determined that the benefits of expenditure on Economic and Community Development are 100% public. In comparison, the Pensioner Housing Activity and Commercial Rental Buildings Activity are funded 100% through fees and charges.

#### Asset Management Implications

Various initiatives arising from implementation of the Regional Growth Advantage Strategy may have asset management implications. These will be determined as they arise. If any project triggers the thresholds or criteria in Council's Significance Policy then these would be consulted on publicly. The asset management implications for Pensioner Housing and Commercial Rental Buildings are described in Council's Community Facilities and Property Asset Management Plan.

#### Negative Effects and Risks

There is a risk that the Economic and Community Development Activity will fail through lack of funding

Failure to adhere to appropriate due diligence processes when entering into partnership arrangements could lead to negative financial outcomes

Rapid or poorly planned development that is non-compliant with district planning requirements could lead to negative social and/or environmental outcomes

Imbalances in attention to social and economic activity could cause unequal development

## Activity Group 2: Economic and Community Development

### Funding the Annual Net Cost – ‘Who Pays’

Distribution of benefits	Funding sources
Economic and Community Development	
Council views the availability of this service as pure public in nature.	General rates 100%.
Pensioner Housing	
The usage of the pensioner flats provides a pure private benefit to the occupier.  Council identified an intergenerational component in the making available of pensioner flats.	Lease fees paid by Mountain View Rest Home 100%.
Community, Cultural and Social	
Council considered it was possible for the users of the service to be identified and considered that a 95% private cost allocation was justified. The basis for this decision was that there is significant compliance with the test for a private good. Council previously funded the use of this activity through a transfer from a ‘Community Enhancement Fund’. However, this method was found to involve unnecessary administration.	General rates 100%, with the exception of cost recovery for private hireage of the facilities. Council wishes to enhance the well-being of Kawerau people by assisting and encouraging them to use various Council services. It is felt that the inability to pay for various services should not stop or restrict access to those services. It is not considered cost effective to identify and charge out-of-town users.
Commercial Rental Buildings	
Council could identify a user of this activity in the form of a tenant and the activity clearly met the tests for a private good. Council concluded that there was 100% private good because the market set the rent that could be earned.  Council identified a small exacerbator component relating to vandalism.  Council has not identified any intergenerational component.	That the Commercial Buildings activity be funded as follows: <ul style="list-style-type: none"> <li>- Market rent</li> <li>- All remaining costs be recovered through the general rating system</li> </ul>

Note: As the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from General Rates.

## Activity Group 2: Economic and Community Development

### Performance Measures and Targets

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
Information Centre – Outstanding customer service every time	Proactive, fully-trained staff provide accurate advice and information, a full range of regional maps and brochures and appropriate online booking system	New measure	100% compliance with contract	100% compliance with contract	100% compliance with contract	100% compliance with contract	Council records
Information Centre – Public access to Information Centre at times relevant to customer needs	Compliance with contract	Information Centre open 364 days of the year	Public requirements analysed and written into contract	98% compliance with contract	98% compliance with contract	98% compliance with contract	Council records
Events Management – Maintain a contestable fund for new events	Retention events provided with funding	A total fund of \$5,000 available	Review the criteria for funding	Retention of 50% of funded events	Retention of 65% of funded events	Retention of 70% of funded events	Council Records
Youth Development – Support young people to develop skills and attitudes needed to take a positive part in society	Actively support the objects of the Council-adopted Youth Policy	Youth Council established, Council mentor appointed	Annual reappointments made. Nine meetings p.a.	Annual reappointments made. Nine meetings p.a.	Annual reappointments made. Nine meetings p.a.	Annual reappointments made. Nine meetings p.a.	Council Records
Youth Development – Provide a School Holiday Programme based on recreational pursuits and social connection	Appropriate activities delivered within a structured programme	Holiday programme run every school holiday break	Four holiday programmes held per annum	Four holiday programmes held per annum	Four holiday programmes held per annum	Four holiday programmes held per annum	Council Records

## Activity Group 2: Economic and Community Development

### Activity Measures and Targets

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
Economic and Community Development – Continue work undertaken in 2007/08 and complete Economic and Community Development Strategy	Economic and Community Development Strategy document that clearly defines action points	New measure	Strategy ratified by Council	Implementation of prioritised action points	Implementation of prioritised action points	Review of Strategic Documentation	Council records
Economic and Community Development – On ratification of the Economic and Community Development Strategy, seek funding to undertake prioritised feasibility studies	Completion of prioritised documents. Support for investment opportunities and information to underpin Economic Development initiatives	New measure	Feasibility Studies prioritised and at least one study commissioned	Feasibility Studies prioritised and at least one study commissioned	Feasibility Studies prioritised and at least one study commissioned	Review	Council records
Economic and Community Development – Work with Toi EDA, KEA and other EDAs to ensure the initiatives identified in the above documents benefit the wider region	Integration of relevant Kawerau District Strategic Economic Development Initiatives into the Toi EDA short and long term plans	New measure	Partnership initiatives agreed	Integration of initiatives	Integration of initiatives	Review	Council records
Economic and Community Development – Identify and develop strategic relationships aligned with the initiatives adopted in the Economic and Community Development Strategic Plan	Relevant Partnerships established with Key Stakeholders	New measure	Identification of Key Stakeholders and initial discussions under way	Relationships developed	Relationships maintained/ developed	Relationships maintained/ developed	Council records
Economic and Community Development – Identification of infrastructure required to accommodate the developments proposed in the Strategic Plan and supported by a feasibility study	Detailed planning undertaken and project(s) scheduled for implementation	New measure	Relevant infrastructure requirements identified	Relevant infrastructure requirements prioritised and high level plans developed	Relevant infrastructure requirements prioritised and high level plans developed	Relevant infrastructure requirements prioritised and high level plans developed	Council records
Events Management – Support of established community events able to attract significant attendance from the wider area and encourage and support the independent event managers to utilise the district's facilities and natural resources	Higher awareness of: - Events outside the area. - Events managers of the District's facilities and resources	New measure	Benchmarking process agreed and established	Benchmarking procedures adhered to	Benchmarking procedures adhered to	Benchmarking procedures adhered to	Agreed benchmark process
Facilities Development – In conjunction with recognised organisations, identify suitable venues and establish facilities that will be well used by the local Community and have potential to attract interest from outside the District	Appropriate facilities are well constructed and maintained	New measure	Identify facilities to be monitored and establish benchmarks	Maintained facilities are used to a minimum of 70% of benchmark	Maintained facilities are used to a minimum of 70% of benchmark	Maintained facilities are used to a minimum of 70% of benchmark	Council Records
Promotional Activity – Maintain a positive district profile both within and outside of the District	All communication messages reinforce brand message and website visitor levels increase	New measure	Benchmarking processes agreed and established	Benchmarking procedures adhered to	Benchmarking procedures adhered to	Benchmarking procedures adhered to	Agreed benchmark process
Community well-being – Promote a healthy, active Community through having programmes and support available to encourage residents of all ages to be more active more often	Retention of P2H Co-ordinator	New measure	P2H Co-ordinator retained	P2H Co-ordinator retained	P2H Co-ordinator retained	P2H Co-ordinator retained	Council Records
Community well-being – Support the enrichment of the Community through the participation of art and cultural events in the District	Facilitation of the NZ Creative Communities Scheme available to non-profit organisations for the promotion of art and culture	NZ Creative Communities Grant available	Facilitate fund	Facilitate fund	Facilitate fund	Facilitate fund	Council Records
Community well-being – Encourage an environment where residents work to establish initiatives that support community well-being and promote a safe and secure Community	Provide funding for and facilitate a contestable fund available for non-profit organisations	KDC Community Grant Scheme available	Re-evaluate the benefits of the Grant Scheme. Facilitate fund	Facilitate fund	Facilitate fund	Facilitate fund	Council Records
CBD Rejuvenation – Support initiatives that promote the Central Business District as a vibrant area of the Community	Demonstrable work with organisations and groups to establish initiatives to revitalise and improve the aesthetic appeal of the area	New measure	Assistance with the determination of what measures need to be instigated	Assistance with the determination of what measures need to be instigated	Assistance with the determination of what measures need to be instigated	Assistance with the determination of what measures need to be instigated	Council Records
Retirement – Ensure District amenities are suitable for the use of senior citizens and encourage retirees to participate in initiatives that enhance the well-being of the Community	Regular consultation with appropriate organisations as to the needs of older people and initiate projects where feasible	New measure	Benchmarking processes agreed and established	Benchmarking procedures adhered to	Benchmarking procedures adhered to	Benchmarking procedures adhered to	Agreed benchmark process

## Activity Group 2: Economic and Community Development

### Operating Expenditure and Income Statement

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>										
General Rates	397,760	426,540	440,170	445,260	456,830	469,780	480,640	510,270	508,940	519,680
Interest Revenue	1,200	1,150	1,050	940	860	790	730	690	660	630
Other Revenue	10,790	8,850	9,100	9,350	10,200	10,510	10,760	11,810	12,060	12,070
<b>Total Revenue</b>	<b>409,750</b>	<b>436,540</b>	<b>450,320</b>	<b>455,550</b>	<b>467,890</b>	<b>481,080</b>	<b>492,130</b>	<b>522,770</b>	<b>521,660</b>	<b>532,380</b>
<b>Expenditure</b>										
Employee Benefit expenses	215,730	223,400	228,040	234,980	239,590	247,690	254,910	263,040	269,650	277,120
Depreciation	49,960	54,320	54,170	54,200	58,930	59,060	59,160	64,490	64,370	64,350
Internal Finance Costs	1,690	1,800	2,210	2,180	2,080	1,870	2,020	2,310	2,300	2,290
Other Costs	194,610	204,920	213,800	212,080	218,530	223,700	227,280	247,720	240,130	243,410
<b>Total Operating Expenditure</b>	<b>461,990</b>	<b>484,440</b>	<b>498,220</b>	<b>503,440</b>	<b>519,130</b>	<b>532,320</b>	<b>543,370</b>	<b>577,560</b>	<b>576,450</b>	<b>587,170</b>
Operating surplus (shortfall)	(52,240)	(47,900)	(47,900)	(47,890)	(51,240)	(51,240)	(51,240)	(54,790)	(54,790)	(54,790)

### Capital and Reserves Funding Requirements for the Next Ten Years

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Capital Expenditure</b>										
Asset Renewals	15,000	540	0	6,170	0	0	1,870	0	12,800	0
Internal Loan Repayments	480	500	520	540	280	0	0	0	0	0
Operating Deficit	52,240	47,900	47,900	47,890	51,240	51,240	51,240	54,790	54,790	54,790
<b>Total Funding Required</b>	<b>67,720</b>	<b>48,940</b>	<b>48,420</b>	<b>54,600</b>	<b>51,520</b>	<b>51,240</b>	<b>53,110</b>	<b>54,790</b>	<b>67,590</b>	<b>54,790</b>
<b>Funded By</b>										
General Reserves	10,000	0	0	0	0	0	0	0	0	0
Depreciation Reserves	15,480	1,040	520	6,700	280	0	1,870	0	12,800	0
<b>Total Funding</b>	<b>25,480</b>	<b>1,040</b>	<b>520</b>	<b>6,700</b>	<b>280</b>	<b>0</b>	<b>1,870</b>	<b>0</b>	<b>12,800</b>	<b>0</b>
Surplus (shortfall)	(42,240)	(47,900)	(47,900)	(47,900)	(51,240)	(51,240)	(51,240)	(54,790)	(54,790)	(54,790)

Note: The shortfalls in this activity relate to the depreciation on pensioner housing that Council does not fund.

# Activity Group 3: Environmental Services

## Description of Activity

Environmental Services encompasses the following activities:

- Resource Management Planning
- Resource Management Consents
- Building Control
- Environmental Health Services
- Dog Control
- Dog Registration
- Civil Defence

The overall aim of this group of activities is:

- To promote the sustainable development of the District and the health, safety and well-being of its residents

## **Resource Management Planning**

The Resource Management Planning Activity promotes and contributes to the sustainable management, use, development and protection of the District's natural and physical resources, both now and for future generations, as required by the Resource Management Act.

The activity is principally about providing advice and facilitating land use in a structured and logical way. Implementation of Council's resource management functions relies on the District Plan, a document which identifies resource management issues in the District and states objectives, policies and rules to address these issues.

Other functions include monitoring to enable the consistent review and reporting on the suitability and effectiveness of the District Plan and the state of the environment, and consulting and advocating on regional and national resource management issues and policies.

## **Resource Management Consents**

The Resource Management Consents Activity involves the processing of land use and subdivision consents under the RMA. The activity is primarily concerned with implementation of the District Plan and the sustainable management of the environment by balancing development opportunities against the need to ensure there are no long-term adverse effects on the environment.

## **Building Control**

The Building Control Activity involves regulation of building work to ensure high standards of public safety and health.

Council's statutory roles for building regulation are set out in section 12 of the Building Act 2004. Council is accredited and registered as a Building Consent Authority (BCA).

The activity is responsible (through the BCA) for providing public information on the building consent process, processing building consents, inspecting and certifying building work completed and issuing compliance schedules for specified systems within new buildings.

This activity is also responsible for compliance monitoring and enforcement functions for building activities generally by ensuring swimming pools are properly fenced, administering annual building warrants of fitness for specified systems and checking to identify earthquake-prone and dangerous or insanitary buildings and ensuring these are brought up to acceptable standards.

## **Environmental Health Services**

The Environmental Health Services Activity promotes, safeguards and enhances the health of people in the Kawerau District by achieving compliance with environmental health and associated legislation, in particular food safety, liquor licensing, noise control and monitoring the District water supply.

The activity is responsible for carrying out monitoring and enforcement functions generally to ensure compliance with Council's statutory obligations and policies relating to the Health Act, Food Act, Sale of Liquor Act, Resource Management Act, Litter Act, Building Act, Local Government Act and any relevant Regulations and Council Bylaws.

Noise complaint response and some monitoring work are provided by contractors managed through Council staff.

## Activity Group 3: Environmental Services

### Dog Control

The Dog Control Activity is a community safety service focused on the control of dogs in the Community and the enforcement of the Dog Control Act 1996 and Dog Control Bylaw. A prime focus is on minimising the danger and intimidation that is posed to the Community from uncontrolled dogs.

Council's services include the performance of enforcement activities on a 24-hour basis, associated incident response and investigation of dog complaints, education of dog owners and the provision of a dog pound.

Complaint/incident response is provided by contractors managed through Council staff. Through improved systems, Council has enhanced its level of service for Dog Control.

Contractors also respond to reports of stray stock obstructing public roads.

### Dog Registration

The Dog Registration Activity arises from the statutory obligation under the Dog Control Act 1996 for all dog owners to register dogs and for Council to keep a register of all dogs registered with it.

Council encourages the responsible ownership of dogs and the registration of dogs is one tool used to assist in achieving this along with the relatively new requirements enabling dogs to be easily identified through the insertion of microchip responders.

### Civil Defence

Council provides Civil Defence services because it is legally obliged to do so under the Civil Defence Emergency Management Act 2002, and to fulfil the Community's expectations that this service will be provided. This activity involves the delivery of Civil Defence measures covering all aspects of preparation for, response to, and recovery from major emergencies within the District. Council is a member of the Bay of Plenty Civil Defence Emergency Management Group and is required to contribute to the costs of running this group and to participate in exercises and training programmes, while maintaining the District's civil defence capacity.

### Contribution to Community Outcomes

This activity contributes toward sustainable development by promoting the following Community Outcomes in relation to Environmental Services:

- *Clean, accessible, respected environment* – Council regulates activities to promote sustainable management of the natural environment
- *Strong and prosperous economy aligned to Community values* – Council's resource management and inspection activities aim to encourage sustainable economic development
- *Healthy people and housing* – Council provides Environmental Health and Building Inspection services
- *Safe, caring communities* – Dog Control, Bylaws, Civil Defence and other Council activities aim to promote community safety

### Why We Do It

Council develops, monitors and enforces regulatory and planning requirements in a number of areas which aim to protect the people of Kawerau from environmental risks, including:

- Unsustainable development within the District
- Poorly constructed buildings
- Unhealthy food and drink
- Uncontrolled dogs
- Unforeseen emergencies

In summary, Council is in the business of providing Environmental Services for the following reasons:

- Council is legally required to undertake various functions such as animal control, liquor licensing, health inspections, District Planning, environmental monitoring and civil defence
- There is a general element of public good in regulatory functions, resource management and planning

### Council's Roles

Provider	Advocate	Regulator	Partner	Facilitator
✓	✓	✓	✓	✓

## Activity Group 3: Environmental Services

### Strategic Issues

Long-term issues affecting this activity include:

- Regular reviews of the District Plan
- Increasing focus on climate change, including local implications and possible responses
- Regional Growth Advantage Strategy including a desire for increased business investment
- Legislative compliance changes
- Rapidly changing technological developments including communication technologies
- Increasing focus on air quality for Environment Bay of Plenty (especially airborne particulates) due to introduction of the National Environmental Standard for Air Quality
- Increasing focus on housing quality standards
- National Environmental Standards for Air Quality
- National Environmental Standards for Human Drinking-Water Sources
- NZ Biodiversity Strategy 2000
- NZ Sustainable Development Programme of Action 2003
- Resource Management Act 1991
- Sale of Liquor Act 1989

### Programme for the Next Ten Years

- Resource Management Planning
- Resource Management Consents
- Building and Inspection
- Environmental Health Services
- Dog Control
- Dog Registration
- Civil Defence

### Related Policies, Strategies and Statutes

- Bay of Plenty Civil Defence Emergency Management Group Plan
- Building Act 2004 and Regulations
- Civil Defence Emergency Management Act 2002
- Dog Control Act 1996
- Drinking-Water Standards for New Zealand 2005
- Environmental Health Officers Regulations 1993
- Fencing of Swimming Pools Act 1987
- Food Act 1981
- Food Hygiene Regulations 1974
- Forest and Rural Fire Act 1977
- Gambling Act 2003
- Hazardous Substances and New Organisms (HSNO) Act 1996
- Health Act 1956
- Health and Safety in Employment Act 1992
- Kawerau District Council:
  - Dog Control Bylaw
  - Earthquake Prone, Dangerous and Insanitary Buildings Policy
  - Gambling Venue Policy
  - Liquor in Public Places Bylaw
  - Revenue and Financing Policy
  - Other Council Policies and Bylaws
- Local Government Act 2002

### Asset Management Implications

Inspections, resource management and planning are not asset-based activities, although they are delivered from Council buildings. The Civil Defence Emergency Management activity underpins contingency and risk planning for all Asset Management Plans. Council has an Emergency Response Plan in place that outlines responses under various scenarios such as earthquake, flood, tornado, volcanic disaster or man-made disaster events.

### Negative Effects and Risks

Delays in processing building consent applications may be regarded by some as a hindrance to the construction process. There is also some possibility of a rise in a building black market as a result of increased compliance costs. This is mitigated by improving the consent process.

The impact of data inaccuracy with land information memoranda is potentially high. It could result in a loss of property value or in liability issues.

Environmental health regulation for the benefit of the wider Community can limit the personal choices available to some people in some instances.

Emergency management responses and recovery activities may have a temporary adverse effect on community and environmental well-being while community social systems and infrastructure are being rebuilt following an emergency event.

There is a potential conflict for Council in finding the balance between ensuring responsible dog ownership and avoiding the negative impacts on the wider Community that could arise if fewer controls were in place.

There is a community perception that councils over-regulate. The majority of regulation arises from statutory direction. The costs of compliance with these requirements might well exceed the perceived benefits in some cases.

## Activity Group 3: Environmental Services

### Funding the Annual Net Cost – ‘Who Pays’

Distribution of benefits	Funding sources
<b>Resource Management Planning</b>	
Council considers it is not possible to identify any user who receives a higher level of benefit than the wider Community. Council therefore considers 100% of the expenditure on this activity is public in nature.	General rates 100%.
<b>Resource Management Consents – Availability</b>	
Council considers the availability of this activity as being 100% public benefit.	General rates 100%.
<b>Resource Management Consents – Use</b>	
Council considers the use of this activity as being 30% public benefit and 70% private benefit.  There is evidence of an exacerbator component (i.e. rule breakers). However, Council believes it is impractical to recover the entire component from exacerbators.	<ul style="list-style-type: none"> <li>- Costs caused by exacerbators are recovered where practical and otherwise through general rates</li> <li>- 70% of use costs are recovered from users of the service through fees and charges</li> <li>- Remaining use costs are recovered through general rates</li> </ul>
<b>Building and Inspection – Availability</b>	
Council considers the availability of this activity as being 100% public benefit.	General rates 100%.
<b>Building and Inspection – Use</b>	
Council considers the use of this activity as being 20% public benefit and 80% private benefit.  There is evidence of an exacerbator component. The 80% private benefit contains an exacerbator component of 30%. Council believes that it is impractical to recover the entire component from exacerbators.	<ul style="list-style-type: none"> <li>- Costs caused by exacerbators are recovered where practical and otherwise through general rates</li> <li>- 80% of use costs are recovered from users of the service through fees and charges</li> <li>- Remaining use costs are recovered through general rates</li> </ul>
<b>Environmental Health Services – Availability</b>	
Council considers the availability of this service to be for the protection of the Community and should have 100% public allocation.	General rates 100%.
<b>Environmental Health Services – Use</b>	
Council has set the usage activity at 50% private benefit and 50% public benefit. This is based on:  <ul style="list-style-type: none"> <li>- Some compliance with the test for private benefit; and</li> <li>- The applicant can be identified as a user.</li> </ul> Council has identified an exacerbator component in the usage of this activity. However, it is believed that it is impractical to recover the entire component from exacerbators.	<ul style="list-style-type: none"> <li>- Costs caused by exacerbators are recovered where practical and otherwise through general rates</li> <li>- 50% of use costs are recovered from users of the service through fees and charges</li> <li>- Remaining use costs are recovered through general rates</li> </ul>
<b>Dog Control</b>	
Council considers the benefit of this activity as being 100% public benefit. There is also evidence of an exacerbator component.	<ul style="list-style-type: none"> <li>- Costs caused by exacerbators are recovered where practical and otherwise through general rates</li> <li>- Any Dog Registration income in excess of that required to fund the Dog Registration activity be applied to help fund the Dog Control activity</li> <li>- All other costs are recovered through general rates</li> </ul>
<b>Dog Registration</b>	
Council considers the use of this activity as being 100% private benefit. There is also evidence of an exacerbator component.	<ul style="list-style-type: none"> <li>- All costs are recovered from users of the Dog Registration service through fees and charges</li> <li>- Any Dog Registration income in excess of that required to fund the Dog Registration activity are applied to help fund the Dog Control activity</li> </ul>
<b>Civil Defence</b>	
Council determined that the benefits of expenditure on this service were entirely public (100%) in nature in that the whole District benefited from the state of readiness.	General rates and government subsidies.

Note: Council has broken its business down to activity level. In some cases, it has looked at activities from two points of view – availability of the service and use of the service. Activities have been broken into availability and use where they benefit different groups in the Community. In general, Council has assessed the availability of an activity as a public benefit and the use of an activity as a private benefit. Availability relates to the costs incurred to keep a service or asset in such a condition that it can become operational within a short start up period. Use relates to costs incurred as a result of the asset being used.

## Activity Group 3: Environmental Services

### Performance Measures and Targets

#### Resource Management

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quantity indicators</i>							
Council maintains a District Plan (DP) prepared in accordance with the Resource Management Act 1991 – Reviews and Changes are carried out in the manner set out in Schedule 1	District Plan reviews and changes comply with legislation	N/A	100% compliance	100% compliance	100% compliance	100% compliance	Council records
Resource consents are processed in accordance with the District Plan and the RMA 1991	Resource consents inspected	100% inspected	100% inspected	100% inspected	100% inspected	100% inspected	Council records
	Monitoring of resource consents for compliance	New measure	100% monitored	100% monitored	100% monitored	100% monitored	Council records
<i>Responsiveness indicators</i>							
Council maintains a District Plan prepared in accordance with the Resource Management Act 1991 - Reviews are commenced within ten years of the Plan becoming operative	District Plan review within deadline	N/A	Maintain DP	Maintain DP	Maintain DP	Maintain DP	District Plan and Council records
Resource consents are processed in accordance with the District Plan and the RMA 1991	Resource consents processed within timeframes	100% within timeframes	100% within timeframes	100% within timeframes	100% within timeframes	100% within timeframes	Council consent records

### Performance Measures and Targets (cont'd)

#### Building Control

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Council maintains customer satisfaction levels for users of Environmental Services	Satisfaction of service users – Building inspections processes	New measure	90% satisfaction	90% satisfaction	90% satisfaction	90% satisfaction	Targeted survey of service users
	Satisfaction of service users – Building consents processes	New measure	90% satisfaction	90% satisfaction	90% satisfaction	90% satisfaction	Targeted survey of service users
<i>Quantity indicators</i>							
Building consents and project information memoranda are processed and inspections of completed work are carried out in accordance with the Building Act 2004, any relevant Regulations and the New Zealand Building Code	BCA accredited and registered	New measure	Accredited and registered	Accredited and registered	Accredited and registered	Accredited and registered	Council records
Building warrants of fitness are renewed annually and notified to Council in accordance with the Building Act 2004	Building WOF renewals checked	New measure	100% of renewals checked	100% of renewals checked	100% of renewals checked	100% of renewals checked	Council records
	Buildings monitored for compliance with WOF	New measure	100% monitored	100% monitored	100% monitored	100% monitored	Council records

## Activity Group 3: Environmental Services

### Performance Measures and Targets (cont'd)

#### Building Control (cont'd)

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quantity indicators (cont'd)</i>							
Swimming pools in the District are inspected for compliance with the provisions of the Fencing of Swimming Pools Act 1987	Percent of swimming pools checked annually for fencing compliance	New measure	25% annually	25% annually	25% annually	25% annually	Council records
	New notified swimming pools inspected	New measure	100% of new notified pools inspected	100% of new notified pools inspected	100% of new notified pools inspected	100% of new notified pools inspected	Council records
	Three-yearly survey to identify swimming pools	New measure	N/A	N/A	Survey completed	Surveys completed 2014/15 and 2017/18	Council records
<i>Responsiveness indicators</i>							
Building consents and project information memoranda are processed and inspections of completed work are carried out in accordance with the Building Act 2004, any relevant Regulations and the New Zealand Building Code	Building consents processed within timeframes	97% within 20 working days	100% within 20 working days	100% within 20 working days	100% within 20 working days	100% within 20 working days	Council records
	Project Information Memoranda (PIMs) issued within timeframes	100% within 20 working days	100% within 20 working days	100% within 20 working days	100% within 20 working days	100% within 20 working days	Council records
	Code Compliance Certificates issued within timeframes	100% within 20 working days	100% within 20 working days	100% within 20 working days	100% within 20 working days	100% within 20 working days	Council records
	Compliance schedules notified within timeframes	100% within five working days	100% within five working days	100% within five working days	100% within five working days	100% within five working days	Council records

## Activity Group 3: Environmental Services

### Performance Measures and Targets (cont'd)

#### Environmental Health

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Council maintains customer satisfaction levels for users of Environmental Services	Satisfaction of service users – Environmental health inspections processes	New measure	Figure not yet available	Figure not yet available	Figure not yet available	Figure not yet available	Targeted survey of service users
<i>Quantity indicators</i>							
Registered food premises are inspected for compliance with all statutory requirements	Food premises (other than mobile) inspected	99% twice yearly	100% twice-yearly	100% twice-yearly	100% twice-yearly	100% twice-yearly	Council records
	Audits of food premises operating Food Control Plans	New measure	100% twice-yearly	100% twice-yearly	100% twice-yearly	100% twice-yearly	Council records
	Other registered premises (including mobile) inspected	100%	100% annually	100% annually	100% annually	100% annually	Council records
Public areas are monitored and kept litter free	Weekday daily litter patrols	Weekday daily litter patrols	Weekday daily litter patrols	Weekday daily litter patrols	Weekday daily litter patrols	Weekday daily litter patrols	Council records
<i>Responsiveness indicators</i>							
Any nuisance or condition likely to be injurious to health or offensive is investigated	Response time for nuisance conditions (Environmental Health)	New measure	100% within one working day	100% within one working day	100% within one working day	100% within one working day	Council records and Customer Enquiries Database
Noise complaints are investigated in accordance with the Resource Management Act 1991	Response to noise complaints	New measure	100% response in accordance with contract terms	100% response in accordance with contract terms	100% response in accordance with contract terms	100% response in accordance with contract terms	Council records and Customer Enquiries Database
Liquor licence applications are processed in accordance with the Sale of Liquor Act 1989 and within five working days after receipt of all reports and required information, unless subject to objection	Liquor licence applications processed within timeframes	New measure	100% within five working days	100% within five working days	100% within five working days	100% within five working days	Council records
Motor vehicle accidents and property damage caused by straying stock are prevented	Response to complaints of straying stock	100% immediate response	100% immediate response	100% immediate response	100% immediate response	100% immediate response	Council records and Customer Enquiries Database
Public areas are monitored and kept litter free	Removal of notified litter and abandoned cars	100% within two working days	100% within two working days	100% within two working days	100% within two working days	100% within two working days	Council records and Customer Enquiries Database

## Activity Group 3: Environmental Services

### Activity Measures and Targets

#### Environmental Health (cont'd)

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Council maintains customer satisfaction levels for users of Environmental Services	Satisfaction of service users – Environmental health inspections processes	New measure	90% satisfaction	90% satisfaction	90% satisfaction	90% satisfaction	Targeted survey of service users
<i>Responsiveness indicators</i>							
Any nuisance or condition likely to be injurious to health or offensive is investigated	Response time for nuisance conditions (Environmental Health)	New measure	100% within one working day	100% within one working day	100% within one working day	100% within one working day	Council records and Customer Enquiries Database
Public areas are monitored and kept litter free	Removal of notified litter and abandoned cars	100% within two working days	100% within two working days	100% within two working days	100% within two working days	100% within two working days	Council records and Customer Enquiries Database

### Performance Measures and Targets

#### Dog Control and Registration

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Council maintains customer satisfaction levels for the Dog Control service	Satisfaction with Dog Control	66%	N/A	68%	N/A	68%	Three-yearly NRB Communitrak Survey
<i>Quantity indicators</i>							
Conduct regular routine patrols and door-to-door survey annually to detect unregistered dogs and to identify their owners	No unregistered dogs listed in database	New measure	No unregistered dogs listed by 30 April annually	No unregistered dogs listed by 30 April annually	No unregistered dogs listed by 30 April annually	No unregistered dogs listed by 30 April annually	Council records
<i>Responsiveness indicators</i>							
Minimise intimidation of the Community by uncontrolled dogs and conduct regular routine patrols to detect nuisances caused by dogs	Response to dog control complaints	Not achieved	100% responded to, investigated, records of action taken and complainant advised of the outcome/ progress (where applicable) within 24 hours	100% responded to, investigated, records of action taken and complainant advised of the outcome/ progress (where applicable) within 24 hours	100% responded to, investigated, records of action taken and complainant advised of the outcome/ progress (where applicable) within 24 hours	100% responded to, investigated, records of action taken and complainant advised of the outcome/ progress (where applicable) within 24 hours	Council records

## Activity Group 3: Environmental Services

### Activity Measures and Targets

#### Dog Control and Registration (cont'd)

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quantity indicators</i>							
Conduct regular routine patrols and door-to-door survey annually to detect unregistered dogs and to identify their owners	Annual survey of properties to detect unregistered dogs	Survey completed	Survey completed	Survey completed	Survey completed	Survey completed	Council records
Dog owners are provided with areas of public domain to meet their recreational needs	Inspection of dog exercise areas	New measure	100% inspected annually	100% inspected annually	100% inspected annually	100% inspected annually	Council records
<i>Responsiveness indicators</i>							
Conduct regular routine patrols and door-to-door survey annually to detect unregistered dogs and to identify their owners	Frequency of dog patrols	TBA	No less than 460 weekday and 340 after hours dog patrols	No less than 460 weekday and 340 after hours dog patrols	No less than 460 weekday and 340 after hours dog patrols	No less than 460 weekday and 340 after hours dog patrols	Council and contractor records

### Performance Measures and Targets

#### Civil Defence

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quantity indicators</i>							
Plan and provide for civil defence emergency management within the District as required by the Civic Defence Emergency Management Act 2002 – Maintain emergency management and recovery plans and standard operating procedures	Levels of household planning and preparedness for a civil defence emergency	New measure	N/A	At least 35% of households have an emergency kit	N/A	At least 35% of households have an emergency kit	Three-yearly NRB Communitrak Survey

## Activity Group 3: Environmental Services

### Activity Measures and Targets

#### Civil Defence (cont'd)

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13/2018/19	Data source
<i>Quantity indicators</i>							
Plan and provide for civil defence emergency management within the District as required by the Civic Defence Emergency Management Act 2002 – Maintain emergency management and recovery plans and standard operating procedures	Annual review of emergency management and recovery plans	Annual review completed	Annual reviews completed	Annual reviews completed	Annual reviews completed	Annual reviews completed	Council records
Ensure the Council is able to function to the fullest possible extent during and after an emergency	Annual review of Council's business continuity plan	Annual review completed	Annual reviews completed	Annual reviews completed	Annual reviews completed	Annual reviews completed	Council records
Support the effective operation of the Bay of Plenty Civil Defence Emergency Management (BOP-CDEM) Group	Participation in BOP-CDEM Group exercises	New measure	100% participation	100% participation	100% participation	100% participation	Council records
<i>Responsiveness indicators</i>							
Plan and provide for civil defence emergency management within the District as required by the Civic Defence Emergency Management Act 2002 – Maintain a Local Emergency Incident Response Centre with functional equipment and resources	Frequency of Civil Defence Centre tests	New measure	Four-monthly tests	Four-monthly tests	Four-monthly tests	Four-monthly tests	Council records
	Frequency of Civil Defence training exercises	Last training exercise undertaken in October 2007	Training exercise undertaken	N/A	Training exercise undertaken	Training exercises undertaken 2013/14, 2015/16, 2017/18	Council records

## Operating Expenditure and Income Statement (Availability)

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>										
General Rates	482,420	473,210	514,680	493,630	531,650	521,590	558,640	554,480	591,570	685,460
Interest Revenue	(610)	(460)	(470)	(490)	(320)	(190)	(260)	(300)	(100)	110
Other Revenue	54,000	56,370	57,660	59,040	60,280	61,610	63,030	64,480	66,030	67,680
<b>Total Revenue</b>	<b>535,810</b>	<b>529,120</b>	<b>571,870</b>	<b>552,180</b>	<b>591,610</b>	<b>583,010</b>	<b>621,410</b>	<b>618,660</b>	<b>657,500</b>	<b>753,250</b>
<b>Expenditure</b>										
Employee benefit expenses	279,330	283,910	294,760	298,920	308,950	314,880	328,260	332,520	347,220	370,980
Depreciation	16,330	17,590	17,770	17,440	19,740	19,520	20,020	21,580	22,090	23,330
Internal Finance Costs	1,120	890	1,630	1,740	1,660	1,510	1,880	2,270	2,200	2,070
Other Costs	269,030	226,730	257,710	234,080	261,260	247,100	271,250	262,290	285,990	356,870
<b>Total Operating Expenditure</b>	<b>565,810</b>	<b>529,120</b>	<b>571,870</b>	<b>552,180</b>	<b>591,610</b>	<b>583,010</b>	<b>621,410</b>	<b>618,660</b>	<b>657,500</b>	<b>753,250</b>
Operating surplus (shortfall)	(30,000)	0	0	0	0	0	0	0	0	0

Note: Council has broken its business down to activity level. In some cases, it has looked at activities from two points of view – availability of the service and use of the service. Activities have been broken into availability and use where they benefit different groups in the Community. In general, Council has assessed the availability of an activity as a public benefit and the use of an activity as a private benefit. Availability relates to the costs incurred to keep a service or asset in such a condition that it can become operational within a short start up period. Use relates to costs incurred as a result of the asset being used.

## Activity Group 3: Environmental Services

### Capital and Reserves Funding Requirements for the Next Ten Years

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Capital Expenditure</b>										
Asset Renewals	0	0	8,890	0	0	2,420	10,830	0	0	0
Operating Deficit	30,000	0	0	0	0	0	0	0	0	0
<b>Total Funding Required</b>	<b>30,000</b>	<b>0</b>	<b>8,890</b>	<b>0</b>	<b>0</b>	<b>2,420</b>	<b>10,830</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funded By</b>										
General Reserves	30,000	0	0	0	0	0	0	0	0	0
Depreciation Reserves	0	0	8,890	0	0	2,420	10,830	0	0	0
<b>Total Funding</b>	<b>30,000</b>	<b>0</b>	<b>8,890</b>	<b>0</b>	<b>0</b>	<b>2,420</b>	<b>10,830</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Operating Expenditure and Income Statement (Use)

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>										
General Rates	75,100	78,510	80,050	81,960	84,000	86,370	88,290	90,800	93,330	95,260
Other Revenue	123,670	129,200	131,820	134,970	138,400	142,320	145,570	149,830	154,070	157,370
<b>Total Revenue</b>	<b>198,770</b>	<b>207,710</b>	<b>211,870</b>	<b>216,930</b>	<b>222,400</b>	<b>228,690</b>	<b>233,860</b>	<b>240,630</b>	<b>247,400</b>	<b>252,630</b>
<b>Expenditure</b>										
Employee benefit expenses	110,160	114,120	116,290	120,150	122,470	126,530	130,090	133,290	137,630	141,430
Depreciation	2,820	3,170	3,070	3,120	3,450	3,520	3,560	3,810	3,880	3,860
Internal Finance Costs	130	60	310	280	200	140	240	390	310	210
Other Costs	85,660	90,360	92,200	93,380	96,280	98,500	99,970	103,140	105,580	107,130
<b>Total Operating Expenditure</b>	<b>198,770</b>	<b>207,710</b>	<b>211,870</b>	<b>216,930</b>	<b>222,400</b>	<b>228,690</b>	<b>233,860</b>	<b>240,630</b>	<b>247,400</b>	<b>252,630</b>

# Activity Group 4: Transport Management (including Stormwater)

## Description of Activity

Council is responsible for the management of approximately 40km of roads, all of which are sealed. The roading network also includes car parks, bridges, footpaths, culverts, street lights, kerbing and channelling, signs and markings.

Kawerau's stormwater system comprises a network of pipes, manholes and cesspits that collect stormwater from roads and transport it to a natural water course. Pipe sizes vary from 150mm to 1200mm. Stormwater from sources other than the roads does not typically cause problems, as Kawerau's soils are very permeable and therefore stormwater is rapidly absorbed into the ground. The stormwater from Council's network is disposed of in the Tarawera River, the Ruruanga Stream or the overflow stream. All reticulation operates by gravity.

The aims of this activity are:

- To provide and maintain a system of roads/footpaths for the safe and comfortable passage of vehicles and pedestrians, cyclists and other vulnerable road users (including mobility scooters) in and through the District
- To dispose of stormwater in an environmentally acceptable manner that minimises impact on the Community

## Transport Management

The Transport Management activity involves:

- Management and monitoring of the transport network
- Repairing and maintaining assets and structures
- Operation of the transport activity assets
- Planning to meet future requirements and improve operations

Principal objectives are:

- To provide a high quality transport network

- To anticipate the time when it may be necessary to extend, upgrade or renew the existing transport network and to plan accordingly
- To ensure the maintenance of public infrastructural assets in perpetuity, so there is no diminution in value and to forecast the estimated future cost of doing so
- To put in place a sound management regime for all matters relating to the transport network for the future

## Stormwater

The Stormwater activity involves:

- Disposal of stormwater from the roading network
- Repairing or replacing unsound pipes and other stormwater structures
- Cleaning pipes and cesspits
- Planning to meet future requirements, and improving operations

Principal objectives are:

- To ensure the stormwater network continues to provide a high quality disposal system
- To anticipate the time when it may be necessary to extend, upgrade or renew the existing stormwater scheme and to plan accordingly
- To ensure the appropriate maintenance of the stormwater network in perpetuity, so there is no diminution in value and to forecast the estimated future cost of doing so
- To put in place a sound management regime for all matters relating to the stormwater network

Council holds resource consents for the discharge of stormwater collected from the transport network to natural water courses. Existing right use consents and separately granted consents are covered by a comprehensive Stormwater Catchment Management Plan.

## Activity Group 4: Transport Management

### Contribution to Community Outcomes

This activity contributes toward sustainable development by promoting the following Community Outcomes in relation to Transport Management (including stormwater):

- *Reliable and affordable infrastructure* – By ensuring that transport systems operate as efficiently as possible, that roads remain free of flooding and that infrastructural assets are designed to withstand natural disasters
- *Strong and prosperous economy aligned to Community values* – By providing a transport network that facilitates business and economic activities
- *Clean, accessible, respected environment* – By ensuring that the transport activity has a minimal impact on the environment and by managing the collection and removal of stormwater in an environmentally sustainable way
- *Safe, caring communities* – By providing a network for the movement of individuals and emergency services throughout the District
- *Healthy people and housing* – By ensuring physical access to essential services and ensuring that housing areas remain free of flooding during heavy rainfall periods

### Why We Do It

Control over the roads of the District is vested in councils by the LGA. A large part of Council's expenditure on roads is subsidised by the New Zealand Transport Agency (formerly Land Transport New Zealand). This agency subsidises the long-term maintenance of carriageways and their associated drainage and lighting systems, together with part of the costs of street cleaning.

Territorial authorities have a number of legislative requirements relating to the collection and removal of stormwater, namely the Local Government Act 2002, Resource Management Act 1991, Health Act 1956 and Council's District Plan.

In summary, the reasons for Council owning and operating district roads and stormwater networks include the following:

- Provision of local roads and stormwater networks is vital to the needs of all who live in the District
- Through Council, the local Community has representation regarding transportation needs and regional roads
- The existing road and stormwater networks are a community asset which should be controlled by Council for the reasons above
- In consultation with the Community, this activity has been shown to make an essential contribution to the social and economic well-being of the District
- No competitive alternative for service delivery has been identified or offered. Council ownership and operation is the most cost effective method of delivery of this service

### Council's Roles

Provider	Advocate	Regulator	Partner	Facilitator
✓	✓	✓	✓	✓

### Strategic Issues

Long term issues affecting this activity include:

- Population trends
- Bay of Plenty Regional Land Transport Strategy
- Climate change and likely impacts on the frequency and severity of weather events
- Traffic safety

### Road Safety Management System

In 2003, the Government signalled its desire to further reduce the number and severity of road crashes reported in the Land Transport Safety Authority (LTSA) document "Road Safety to 2010". This has been echoed in the Bay of Plenty Regional Land Transport Strategy (RLTS). A key component of both documents is improved processes for managing the road asset in respect to safety incorporating all activities from planning, design, maintenance, construction, operation and management. The identified instrument for this is a Safety Management System (SMS) – an umbrella document that defines the current status of road safety management and identifies opportunities for improvement in the future.

## Activity Group 4: Transport Management

The Eastern Bay of Plenty Road Safety Management System incorporates the Kawerau, Opotiki and Whakatane Districts. Its vision is to promote 'Community ownership' of road safety goals in the Eastern Bay of Plenty, as a fundamental requirement for improved road safety. Goals and targets have been set for New Zealand and the Bay of Plenty Region through national and regional land transport strategies. The measurable outcomes are based around road fatalities and hospitalisations. Sector goals and targets relate to alcohol, speed, inattention, lack of wearing restraints and general road safety issues (e.g. engineering).

### Programme for the Next Ten Years

#### 2009/10 – 2011/12

- Operating expenditure (approximately \$1.5 million per annum in 2009/10 dollars)
- Asset renewals (approximately \$320,000 per annum in 2009/10 dollars)
- Review of asset life expectancy
- Asset revaluations
- Develop improved systems for tracking public enquiries and reporting back

#### 2012/13 – 2014/15

- Operating expenditure (approximately \$1.5 million per annum in 2009/10 dollars)
- Asset renewals (approximately \$290,000 per annum in 2009/10 dollars)
- Develop a programme and budget for improved asset condition monitoring

#### 2015/16 – 2018/19

- Operating expenditure (approximately \$1.5 million per annum in 2009/10 dollars)
- Asset renewals (approximately \$290,000 per annum in 2009/10 dollars)
- Review of population projections
- Add as-built information into Biz-e-Asset database

### Related Policies, Strategies and Statutes

- Active Eastern Bay Strategy 2006 (Physical Activity Strategy)
- Bay of Plenty Regional Land Transport Strategy 2004
- Bay of Plenty Regional Policy Statement 1999 (Environment BOP)
- Eastern Bay of Plenty:
  - Road Safety Management System
  - Road Safety Action Plan
- Kawerau District Council:
  - District Plan
  - Land Transport Programme
  - Revenue and Financing Policy
  - Roothing Network Asset Management Plan
  - Stormwater Asset Management Plan
  - Speed Limits Bylaw
  - Traffic Bylaw
  - Vehicle Crossings Bylaw
- Land Transport Management Act 2003 and amendments
- New Zealand Transport Strategy 2008, which identifies the following five transport objectives:
  - Ensuring environmental sustainability
  - Assisting economic development
  - Assisting safety and personal security
  - Improving access and mobility
  - Protecting and promoting public health
- New Zealand Transport Agency Statement of Intent

## Activity Group 4: Transport Management

### Funding the Annual Net Cost

Distribution of benefits	Funding sources
Roading – Overall	
Council considers it is not possible to identify any private benefit and views the economic assessment of this activity as 100% public. Council acknowledges that the portion of public benefit paid for by road user taxes and property rates may not properly reflect benefits received. However, Council does confirm that everybody within the District benefits from this activity and therefore confirms the public good allocation of 100% public good.	Entirely from general rates, petrol tax, government grants and subsidies.
Roading – Central Business District (CBD)	
Council takes the view that the CBD is the central point of the Community and therefore does not feel that CBD ratepayers benefit disproportionately to the general public in the funding of this activity. Council considers it is not possible to identify any private benefit and views this activity as 100% public good. There is evidence of an exacerbator component in the form of vandals and litter.	Entirely from general rates, petrol tax, government grants and subsidies.
Stormwater	
For the purpose of Council's Revenue and Financing Policy, stormwater is considered part of the Transport Management activity.	General rates 100%.

Note: For each activity, as the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from General Rates.

### Asset Management Implications

#### Demand – Roading

According to Census results, between 2001 and 2006 there was virtually no change in the District population. Official projections to 2031 are for a slow decline in population. There has been some industry expansion identified in recent years which has created changes in traffic flow. However, traffic counts suggest no significant net growth. The District is experiencing (and is expected to continue to experience) zero to very low growth in demand for additional roading and stormwater services. Even if vacant sections were occupied, the existing roading and stormwater network would cope with additional demand.

Demand management strategies are not considered applicable for the District due to the fact that the traffic counts are low and road use is below capacity. The benefits of parking restrictions and enforcement would be less than the costs of implementation.

#### Demand – Stormwater

The capacity of the various components of the network is not precisely known. However, only short term flooding occurs during very heavy rain, primarily due to blocked cesspit lids rather than under-capacity of the system. The network has been professionally designed and there are no restrictive flow areas. The District is expected to experience low growth in demand for additional stormwater services. Growth is monitored on an ongoing basis to determine any impending additional demand on stormwater services. The existing system is more than adequate for current growth predictions.

#### Future Levels of Service

There are no changes signalled for the levels of service provided for roading and stormwater network.

#### Asset Lifecycle

Maintenance and renewals are undertaken as per Asset Management Plans.

#### Assumptions and Uncertainties

Refer 'Significant Forecasting Assumptions, Risks and Possible Implications'.

### Summary of Cost Implications

#### New Works

Any assets required due to growth (road extensions and stormwater systems) are installed by the developer and transferred to Council on completion of the development. Council is then responsible for the ongoing maintenance and renewal. There is not expected to be any requirement for additional roading or stormwater capital works over the next ten year period.

#### Renewals

The cost of renewal capital work (e.g. reseals), which is required from time to time to upgrade, refurbish or replace existing facilities of equivalent capacity or performance capability, is estimated at approximately \$3 million over the next ten year period (not inflation adjusted).

#### Depreciation

The cost of all renewal work will be funded from the depreciation reserve and New Zealand Transport Agency (NZTA) subsidies.

## Activity Group 4: Transport Management

### Performance Measures and Targets

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Provide and maintain an adequate system of footpaths for pedestrians	Satisfaction with footpaths	84%	N/A	80%	N/A	80%	Three-yearly NRB Communitrak Survey
Provide and maintain an appropriate network of roading assets that includes the provision of access to all District properties	Satisfaction with roading assets	96%	N/A	95%	N/A	95%	Three-yearly NRB Communitrak Survey
	Number of justified complaints regarding the road network	New measure	No justified complaints	No justified complaints	No justified complaints	No justified complaints	Council records and Customer Enquiry Database
Contribute to road safety within the District - Maintain the road carriageway to a District-wide average roughness rating of lower than 90 (0 = flat, 400 = dangerous)	Road roughness rating	77	< 90	< 90	< 90	< 90	Annual independent survey
Provide and maintain an adequate system to remove stormwater	Number of complaints regarding stormwater problems	New measure	No more than ten events per annum that incur complaints	No more than ten events per annum that incur complaints	No more than ten events per annum that incur complaints	No more than ten events per annum that incur complaints	Customer Enquiry Database
<i>Quantity indicators</i>							
Properties protected from flooding	Number of dwellings flooded	No flooding of any dwelling constructed in accordance with design standards (2007/08). However, in 2008 an overland stormwater flow from farm land at the southern end of Valley Road caused inundation of several sections and a small amount of water in one garage	No flooded dwellings	No flooded dwellings	No flooded dwellings	No flooded dwellings	Council records and Customer Enquiry Database
<i>Responsiveness indicators</i>							
Provide and maintain an adequate system of footpaths for pedestrians	Repair time for hazardous CBD footpaths	New measure	Hazard isolated within one day and repaired within ten days	Hazard isolated within one day and repaired within ten days	Hazard isolated within one day and repaired within ten days	Hazard isolated within one day and repaired within ten days	Council and contractor records and Customer Enquiry Database

## Activity Group 4: Transport Management

### Performance Measures and Targets (cont'd)

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Responsiveness indicators (cont'd)</i>							
Provide and maintain an adequate system of footpaths for pedestrians	Repair time for other hazardous footpaths	New measure	Hazard isolated within three days and repaired within one month	Hazard isolated within three days and repaired within one month	Hazard isolated within three days and repaired within one month	Hazard isolated within three days and repaired within one month	Council and contractor records and Customer Enquiry Database
Provide and maintain an adequate system to remove stormwater	Timeliness of service requests for stormwater issues (urgent)	New measure	99% within one hour of notification (urgent requests)	99% within one hour of notification (urgent requests)	99% within one hour of notification (urgent requests)	99% within one hour of notification (urgent requests)	Council and contractor records and Customer Enquiry Database
	Timeliness of service requests for stormwater issues (not urgent)	New measure	90% within one week of notification (non-urgent requests)	90% within one week of notification (non-urgent requests)	90% within one week of notification (non-urgent requests)	90% within one week of notification (non-urgent requests)	Council and contractor records and Customer Enquiry Database
Provide and maintain an appropriate network of roading assets that includes the provision of access to all district properties	Repair time for roading issues (e.g. reports of potholes)	New measure	90% within 14 days	90% within 14 days	90% within 14 days	90% within 14 days	Council and contractor records and Customer Enquiry Database

## Negative Effects and Risks – Roding

The main significant negative effect on the roading network is traffic accidents. To reduce numbers and severity, Council is a partner in the Eastern Bay of Plenty Roads' Safety Management System. Council undertakes safety audits and provides street lighting, signage and pavement marking.

Other potential negative effects include stormwater runoff causing damage to road surfaces, heavy metals

draining into waterways and noise and air pollution caused by vehicles using the roads.

In terms of risk management, each asset group has been screened on the basis of potential failure modes and events to identify risk. Methods of minimising the impact of a failure or event have been identified.

Risk event	Impact	Existing controls
Foundation Failure	Road surface quality deteriorates – pothole, heaving, wheel rutting. Users of road have rougher ride and poorer level of service.	Regular maintenance of roading undertaken. Asset monitored for smoothness and funding allocated pre-emptively to repair known deterioration.
Flooding – blocked cesspits	Road users inconvenienced due to minor surface flooding.  Minor detours. Traffic slowed.	Streets swept three times per year to remove leaves and other debris. Paper and litter removed every three days. Staff available prior and during rain event to clear cesspits that block.
Accident caused as a result of sub-standard road design	Serious personal injury, fatalities or vehicle damage due to road conditions.	Network meets current recommended design standards. Accidents investigated to determine if road standard impacted on accident and issues attended to. Street lighting is currently being improved. Undergrounding of power and telecom lines occurring.
Accident caused by poor skid resistance	Serious personal injury, fatalities or vehicle damage due to road conditions.	Surface resealed on predetermined programme. Surface inspected and accidents investigated to determine if skid resistance a contributing factor.
Chemical dangerous goods spillage onto road surface	Environmental damage to surrounding areas. Public health risk. Damage to existing surface. Traffic delays.	Spill contained by blocking cesspits and stormwater drains. Chemical retrieved and disposed of according to health and environmental standards.

## Activity Group 4: Transport Management

### Negative Effects and Risks – Roading (cont'd)

Risk event	Impact	Existing controls
Power failure street lights	Reduced safety for road users due to reduced visibility.	Lights repaired regularly. Power company responds immediately to rectify any significant outages of blocks of street lights.
Earthquake	Road displacement may occur during significant earthquake.  Some roads may be closed.  Travel will be slow and potentially hazardous.	Recovery plan in place that details steps to quickly restore asset to basic functionality.
	Power lines etc may fall on roads.	Power company will make roads safe from power lines as quickly as possible.
Volcanic Eruption	Dust/Volcanic Ash may blanket the roads making them impassable.	Recovery plan in place that details steps to quickly restore asset to basic functionality.
Accidents	Accident may close road for short periods (up to four hours).  This will inconvenience users who have to make a short detour.	Police respond immediately to accidents.  Removal of vehicles from roadway occurs as quickly as possible to restore traffic access.
Footpath trip hazard caused by tree root growth	Trip hazard for pedestrians allowing for personal injury and the possible of insurance claim against Council.  Effective life of footpath reduced. Aesthetic quality of footpath reduced.	Personal injury costs covered by ACC.  Routine inspections and maintenance undertaken. Footpath replaced when lips exceed specified height.
Safety of wheelchair users compromised due to poor design and/or construction	Personal injury to wheelchair users.  Access to some areas denied.	Complaints received investigated.  Improvements to pram crossings occurring. Liaising with wheelchair individuals about needs.
Signs illegible due to damage	Personal injury and/or vehicle damage due to unsafe driving/walking conditions not being noted.	Signs inspected regularly and damaged ones remedied.
Poor condition of street furniture or material failure causing personal injury	Personal injury of street furniture user.	Routine inspections are carried out. Complaints from public are investigated and reactive maintenance carried out accordingly.
Bridge collapse as a result of large earthquake	Fatalities and injuries.  Extreme traffic delays.	Bridge access to forest only. Alternative access available in emergency.  Bridge inspected twice yearly and structural integrity maintained.
Bridge collapse as a result of Lake Tarawera breach	Fatalities and injuries.  Extreme traffic delays.	Bridge access to forest only. Alternative access available in emergency.  Bridge inspected twice yearly and structural integrity maintained
Inadequate or illegible road marking	Personal injury and/or vehicle damage due to indistinguishable line work.	Road marking undertaken annually.  Inspection heavily used areas six monthly to determine if additional marking required.

## Activity Group 4: Transport Management

### Negative Effects and Risks – Stormwater

Stormwater from sources other than roads does not typically cause problems, as Kawerau District soils are very permeable and therefore stormwater infiltrates the ground rapidly. The network is all concrete pipes except for the geothermal area (area bounded by Pool, Bowling Club and Kawerau Hotel) where it is a mixture of glazed earthenware and High Density Polyethylene (HDPE – black plastic). The rate of deterioration of the concrete pipes outside the geothermal areas is almost negligible. Closed circuit television (CCTV) inspections undertaken in various stormwater pipes to determine the cause of blockages show no detectable deterioration of the inside of the pipe. When the exterior is exposed (tree root removal, etc) there is no sign of deterioration, even on pipes 50 years old.

One or a combination of the following causes flooding:

- Blocked cesspit (leaves and debris over the cesspits prevent water entering the pipe network)
- Blocked pipes (debris accumulates in the pipes and prevents flow at full capacity)
- Inadequate pipe sizes/very heavy rain (when the rate of rainfall runoff exceeds the capacity of the stormwater pipes)

Collection and discharge of stormwater has minimal negative effect on the environmental well-being of the Community. Stormwater contains contaminants (grit, organic material, chemicals and heavy metals) from the road surface.

For a more comprehensive description of risk management, refer to the Stormwater Asset Management Plan.

Risk event	Impact	Existing controls
Cesspit blockages	Flooding of roads. Short term flooding.	Staff available day and night to attend immediately blockage detected. Streets swept three times per year to remove leaves and other debris.
Cesspit blockages CBD	Flooding of town centre area. Possible entry of water into shops.	Staff available day and night to attend to blockages once notified or heavy rain noted.
Blockages tree roots	Flooding of roads.	Increase in flooding in area noted and pipes inspected for blockages. Pipes cleared if noted.
Collapsed pipes – age/ deteriorating materials	Overflows of stormwater occur. Surface flooding of roads or CBD.	Asset replacement programme in place to replace pipes before ultimate failure.
Manhole collapse	Overflows of stormwater occur. Surface flooding of roads or CBD.	Asset replacement programme in place to replace pipes before ultimate failure.
Chemicals (oil, road spills) entering network	Contaminated material discharges to waterways. Non compliance with discharge consent. EBOP prosecution. Damage to the environment.	Roads and channels monitored by staff as part of other routine duties to detect if illegal dumping or a spill has occurred. Clean up action taken if required
Under capacity pipes	Flooding of roads or CBD.	Flooding noted during heavy rain. If regularity or severity increases capacity of system checked or inspection for blockages undertaken.
Collapsed pipe due to earthquake	Many overflows can occur if raining during event. Ground is porous and town natural slopes to river courses. Some scouring may occur. Probably small in nature.	Disaster recovery plan in place. Stormwater diverted to natural water courses.
Non-compliance with consent conditions	Council prosecuted by EBOP for discharging contaminated stormwater to water ways.	Staff monitor roads and channels to minimise instances where inappropriate substances enter network.

## Activity Group 4: Transport Management

### Operating Expenditure and Income Statement

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>										
General Rates	834,930	898,850	951,050	954,020	1,001,110	1,009,030	996,030	1,040,840	1,049,060	1,049,460
Government Grants/Subsidies	266,420	313,170	322,560	330,050	338,800	346,170	312,330	319,860	327,730	335,010
Petrol Tax	65,000	67,600	69,560	71,230	72,870	74,470	76,180	78,010	79,880	81,640
Interest Revenue	42,910	48,430	54,600	60,700	67,310	74,490	81,920	90,340	99,390	108,310
<b>Total Revenue</b>	<b>1,209,260</b>	<b>1,328,050</b>	<b>1,397,770</b>	<b>1,416,000</b>	<b>1,480,090</b>	<b>1,504,160</b>	<b>1,466,460</b>	<b>1,529,050</b>	<b>1,556,060</b>	<b>1,574,420</b>
<b>Expenditure</b>										
Employee benefit expenses	253,970	272,770	280,050	286,240	290,810	297,760	292,930	294,870	302,800	307,860
Depreciation	741,990	826,140	826,400	826,590	895,410	895,650	894,520	966,850	967,110	966,960
Internal Finance Costs	590	340	1,460	1,300	990	660	1,050	1,690	1,330	940
Other Costs	505,110	534,890	591,180	599,600	617,820	631,550	637,290	655,880	671,790	682,560
<b>Total Operating Expenditure</b>	<b>1,501,660</b>	<b>1,634,140</b>	<b>1,699,090</b>	<b>1,713,730</b>	<b>1,805,030</b>	<b>1,825,620</b>	<b>1,825,790</b>	<b>1,919,290</b>	<b>1,943,030</b>	<b>1,958,320</b>
Operating surplus (shortfall)	(292,400)	(306,090)	(301,320)	(297,730)	(324,940)	(321,460)	(359,330)	(390,240)	(386,970)	(383,900)

Notes: (1) Council has broken its business down to activity level. In some cases, it has looked at activities from two points of view – availability of the service and use of the service. Activities have been broken into availability and use where they benefit different groups in the Community. In general, Council has assessed the availability of an activity as a public benefit and the use of an activity as a private benefit. Availability relates to the costs incurred to keep a service or asset in such a condition that it can become operational within a short start up period. Use relates to costs incurred as a result of the asset being used. (2) Depreciation not funded. In 1998/99, Council decided after consultation with the Community that depreciation will not be fully funded for roads that are subject to New Zealand Transport Agency subsidies for the portion subject to subsidy.

## Capital and Reserves Funding Requirements for the Next Ten Years

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Capital Expenditure</b>										
Asset Renewals	317,380	354,670	360,200	368,520	378,660	386,650	333,140	341,140	349,340	357,050
Operating Deficit	292,400	306,090	301,320	297,730	324,940	321,460	359,330	390,240	386,970	383,900
<b>Total Funding Required</b>	<b>609,780</b>	<b>660,760</b>	<b>661,520</b>	<b>666,250</b>	<b>703,600</b>	<b>708,110</b>	<b>692,470</b>	<b>731,380</b>	<b>736,310</b>	<b>740,950</b>
<b>Funded By</b>										
Depreciation Reserves	203,760	200,330	201,090	205,820	211,100	215,610	199,970	204,770	209,700	214,340
<b>Total Funding</b>	<b>203,760</b>	<b>200,330</b>	<b>201,090</b>	<b>205,820</b>	<b>211,100</b>	<b>215,610</b>	<b>199,970</b>	<b>204,770</b>	<b>209,700</b>	<b>214,340</b>
Surplus (shortfall)	(406,020)	(460,430)	(460,430)	(460,430)	(492,500)	(492,500)	(492,500)	(526,610)	(526,610)	(526,610)

## Capital Expenditure

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
Kerb replacement	27,110	28,190	29,010	29,710	30,390	31,060	31,770	32,530	33,310	34,040
Street light renewals	44,620	46,400	47,750	48,900	50,020	51,120	52,300	53,560	54,850	56,060
Reseals	97,850	101,760	104,710	107,220	109,690	112,100	114,680	117,430	120,250	122,900
Pavement treatment	30,900	32,140	33,070	33,860	34,640	35,400	36,210	37,080	37,970	38,810
Stormwater pipework renewals	0	54,000	56,000	57,000	60,000	61,000	0	0	0	0
Reseal car parks	12,680	13,190	13,570	13,900	14,220	14,530	14,860	15,220	15,590	15,930
Footpath repairs	52,840	54,950	56,540	57,900	59,230	60,530	61,920	63,410	64,930	66,360
Town centre footpath renewals	9,000	0	0	0	0	0	0	0	0	0
Rubbish bin replacements	12,360	12,850	13,220	13,540	13,850	14,150	14,480	14,830	15,190	15,520
District seating renewals	1,020	1,060	1,080	1,110	1,130	1,150	1,180	1,210	1,240	1,270
Direction and location sign renewals	2,000	2,000	2,050	2,100	2,140	2,190	2,240	2,290	2,340	2,400
Town centre video cameras renewals	3,000	3,130	3,200	3,280	3,350	3,420	3,500	3,580	3,670	3,760
Town centre cobblestone renewals	10,000	5,000	0	0	0	0	0	0	0	0
Town centre decorative light renewals	10,000	0	0	0	0	0	0	0	0	0
Steel bollards (Post Office car park)	4,000	0	0	0	0	0	0	0	0	0
<b>Total Capital Expenditure</b>	<b>317,380</b>	<b>354,670</b>	<b>360,200</b>	<b>368,520</b>	<b>378,660</b>	<b>386,650</b>	<b>333,140</b>	<b>341,140</b>	<b>349,340</b>	<b>357,050</b>

# Activity Group 5: Water Supply

## Description of Activity

The water supply system comprises a network of springs, pumps, reservoirs and pipes that distributes potable water to more than 2,400 households, four large industries and approximately 250 businesses, servicing a population of approximately 7,000 people. The aim of this activity is: "To provide a quality water supply in sufficient quantities to meet reasonable community needs".

The Water Supply activity involves:

- Management of water supply assets and monitoring water quality
- Repairing or replacing unsound pipes, structures and plant
- Planning to meet future requirements and improve operations

Principal objectives are:

- To ensure that the water supply network continues to provide a high quality water treatment and distribution service
- To anticipate the time when it may be necessary to extend, upgrade or renew the existing water supply scheme and to plan accordingly
- To ensure the appropriate maintenance of the public infrastructural assets in perpetuity, so that there is no diminution in value and to forecast the estimated future cost of doing so
- To put in place a sound management regime for all matters relating to the supply of potable water

Kawerau's water is principally sourced from two springs and corrected for low pH as required. The principal sources are Holland Springs on Tarawera Falls Road and Pumphouse Springs on River Road. When demand is high, Council can also obtain water from a bore field

situated in Tarawera Park. Water is pumped to reservoirs situated on Monika Lanham Reserve and above Beattie Road. In 2007, an ultraviolet (UV) treatment plant was installed to eliminate the issue of source water being microbiologically contaminated. The public health risk was graded in 2008, and is expected to improve in future regradings.

The water supply network is split into two pressure zones. Water is delivered to consumers by gravity. The Beattie Road reservoir services properties situated in the upper Valley Road area. Large users of water have metered supplies. Resource consents are obtained from Environment Bay of Plenty (EBOP) for the abstraction of all natural water that is used for supply. These stipulate the amount of water that is allowed to be taken and a maximum daily rate for its extraction. Council measures the total quantity of water pumped to reservoir storage from these sources and sends this information to EBOP as required in its consents.

## Contribution to Community Outcomes

This activity contributes toward sustainable development by promoting the following Community Outcomes in relation to Water Supply:

- *Healthy people and housing* – By ensuring access to a reliable flow of consistently good quality water at an affordable cost to everyone
- *Reliable and affordable infrastructure* – By ensuring that all reticulated systems operate as efficiently as possible
- *Clean, accessible, respected environment* – By only using water that is discharging from a spring, and ensuring the underground spring resource is not being depleted
- *Safe, caring communities* – By ensuring that adequately located and pressured connections for fire fighting are provided in all reticulated communities

## Activity Group 5: Water Supply

### Summary of Water and Sanitary Services Assessment January 2009 (Water Supply)

#### ***Drinking water supply***

Most households and businesses within the urban area in the Kawerau District are connected to Council's water supply network. The few houses that are not connected to Council's water supply network have their own water tanks.

The principal issue affecting Council's supply of potable water is that, in terms of biological cleanliness, the supply is not considered "secure" as defined by the Drinking Water Standards for New Zealand 2005 (DWSNZ 2005). This is due to historical detection of faecal coliforms in the source water and inability to prove that the water has been underground for more than 12 months or is not directly affected by surface or climate influences in the environment. Contaminations, when detected, are treated with chlorine.

Reticulation is split into two pressure zones and is supplied through a network of pipes after being pumped to the three reservoirs. There is a strict treatment regime in place. The supply (source and reticulation) is monitored for microbiological and chemical indicators.

#### ***Drinking water demand***

Kawerau District is expected to experience low growth in demand for additional water supply services, based on official population projections. Whilst there has been a modest increase in residential development, there remain a number of vacant sections in the town that have water supply available, but still have no buildings on them. Even if these sections were occupied, the existing water supply network would easily cope with additional demand. Growth is monitored on an on-going basis to determine any impending additional demand on water supply services.

#### ***Future provision***

Current growth predictions mean there are no proposed new water pipes in the Long Term Plan. Any developer would be required to install appropriate water systems before they are handed over to Council.

The sources and treatment plant were improved in 2007 by installing Ultraviolet sterilisation for control of protozoa. The sources and treatment plant could be improved by a range of other measures including chlorinating the supply. However, Council considers that current treatment and testing meets the Drinking Water Standards for New Zealand (DWSNZ 2005) standards. Better reporting of transgressions and monitoring into the Water Information for New Zealand (WINZ) database is proposed.

Copies of the Water and Sanitary Services Assessment January 2006 – June 2007 are available on request from the Council. They can also be obtained from the BOP District Health Board.

Council has an asset replacement fund available for replacement of assets that fail in the future. However, population projections indicate that significant new assets are unlikely to be required. Small new assets are funded from depreciation reserves.

#### **Why We Do It**

Territorial authorities have numerous responsibilities relating to the supply of water. One such responsibility is the duty under the Health Act 1956 to improve, promote, and protect public health. This implies that, in the case of the provision of portable water, councils have an obligation to identify where such a service is required, and to either provide it directly themselves or maintain an overview if it is provided by others.

In summary, the reasons for Council owning and operating the water supply include the following:

- Through consultation with the Community, this activity has been shown to make an essential contribution to the well-being of the District in the areas of health, environment and economy
- Council believes that, because of the natural monopoly nature and community importance of water supply and the consequences of service failure, it should retain ownership of the District's water supply assets
- Council's role in providing drinking water supply stems from a legacy ownership that, except in particular circumstances, it is now prohibited from passing to the private sector by section 130 of the LGA

All of the reticulation systems have also been designed to provide capacity for fire fighting. There are 886 fire hydrants in the District.

## Activity Group 5: Water Supply

### Council's Roles

Provider	Advocate	Regulator	Partner	Facilitator
✓		✓		

### Strategic Issues

The principal issue affecting Council's supply of potable water is biological cleanliness of the water. The supply is not considered a "secure" supply as defined by the Drinking Water Standards for New Zealand 2005. The sources and treatment plant have been improved by installing Ultraviolet Sterilisation for control of protozoa. Source and reticulation are monitored for microbiological and chemical indicators. Any contaminations are treated with chlorine when detected. A Public Risk Health Management Plan is included in Council's Water Supply Asset Management Plan (AMP) as an appendix.

### Programme for the Next Ten Years

#### 2009/10 – 2011/12

- Operating expenditure (approximately \$1 million per annum in 2009/10 dollars)
- Asset renewals (approximately \$450,000 per annum in 2009/10 dollars), including pipework, pumps, tobies, valves and telemetry
- Review of asset life expectancy
- Asset revaluations
- Develop improved systems for tracking public enquiries and reporting back

#### 2012/13 – 2014/15

- Operating expenditure (approximately \$1 million per annum in 2009/10 dollars)
- Asset renewals (approximately \$450,000 per annum in 2009/10 dollars)
- Develop a programme and budget for improved asset condition monitoring

#### 2015/16 – 2018/19

- Operating expenditure (approximately \$1 million per annum in 2009/10 dollars)
- Asset renewals (approximately \$900,000 per annum in 2009/10 dollars)
- Review of population projections
- Add as-built information into Biz-e-Asset database

### Related Policies, Strategies and Statutes

- Bay of Plenty Regional Policy Statement 1999 (Environment BOP)
- Health Act 1956
- Kawerau District Council:
  - Revenue and Financing Policy
  - Water and Sanitary Services Assessment
  - Water Supply Asset Management Plan
  - Water Supply Bylaw
- LGA Section 124 – 129 (obligation to make assessment of water and sanitary services) and Section 130 (obligation to maintain water services)
- National Environmental Standards for Human Drinking Water Sources
- New Zealand Drinking Water Standards

### Funding the Annual Net Cost – 'Who Pays'

Distribution of benefits	Funding sources
Water Supply – Availability	
The availability of water is a benefit to the District as a whole. Council considers that there is 100% public good for the area of availability. Council has identified a substantial intergenerational component (i.e. benefits arise over time). The water supply infrastructure has a long life, so more than the current generation of ratepayers benefit. Therefore, Council wishes to ensure that future ratepayers meet some of the cost. This can be achieved by the funding of depreciation over the life of the assets.	General rates 100%.
Water Supply – Use	
Use of the water supply meets the test of a private good. Council considers the use of this activity as being 100% private benefit. Running a Council funding system has costs involved with assessment and collection of revenue. In making funding decisions, Council must consider whether the activity should be funded from a separate source (most commonly a user charge or targeted rate). The Local Government Act specifically mentions cost efficiency and transparency (in other words, whether or not people will be able to relate the charge to the activity that it is funding). The benefits of a transparent charge to users of the water supply outweigh the costs of having a uniform annual charge for this activity.	Uniform annual charges and fees and charges (e.g. charges on extraordinary users for water by meter).

Note: As the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from General Rates.

## Activity Group 5: Water Supply

### Asset Management Implications

#### ***Demand***

According to Census results, between 2001 and 2006 there was virtually no change in the total District population. Official projections to 2031 are for a slow decline in population. There has been some industry expansion identified in recent years, but this has had little impact on water supply demand.

Kawerau is experiencing (and expected to continue to experience) zero to very low growth in demand for additional water supply services. Even if vacant sections were occupied, the existing water supply network would cope with additional demand.

In 1994 Council adopted a Water Usage Policy. This involved resolving not to implement a plan to obtain a reduction in water volume and a policy that when public demand for water is close to Council's ability to supply water, a public appeal is to be made to the Community for a voluntary reduction in consumption.

#### ***Future Levels of Service***

An Ultraviolet (UV) treatment facility was installed in 2006/07 at a cost of approximately \$470,000. This is anticipated to have improved the Ministry of Health's (MoH) risk grading for Kawerau's supply (subject to confirmation through MoH monitoring and grading). There are no further changes signalled for the levels of service provided for Water Supply.

#### ***Asset Lifecycle***

Provided that Water Supply systems are maintained and renewed regularly and at the appropriate times, it can be expected that the existing levels of service (pressure, volume) can continue indefinitely. Maintenance and renewals are undertaken as per the Water Supply Asset Management Plan.

Council has prepared an asset risk plan for Water Supply. Critical assets are clearly identified and any issues relating to them addressed. This addresses Council's responsibilities under the Civil Defence Emergency Management Act.

#### ***Assumptions and Uncertainties***

Information about assumptions and uncertainties is contained in the section of this Long Term Plan titled 'Significant Forecasting Assumptions, Risks and Possible Implications'.

### Summary of Cost Implications

#### ***New Works***

There is no public debt in relation to the Water Supply Activity. Funding of the UV treatment plant was from depreciation reserves.

#### ***Renewals***

The cost of renewal capital work (required from time to time to upgrade, refurbish, or replace existing facilities of equivalent capacity or performance capability) is estimated at approximately \$7 million over the next ten year period (not inflation adjusted).

#### ***Depreciation***

The cost of all renewal work will be funded from the depreciation reserve.

## Activity Group 5: Water Supply

### Performance Measures and Targets

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Provide a quality water supply	Satisfaction with water supply	96%	N/A	95%	N/A	95%	Three-yearly NRB Communitrak Survey
Human health is not compromised by the quality of water supplied	Water supply health risk grading	Ee	Bb	Bb	Bb	Bb	Ministry of Health (WINZ database)
Water is provided in an environmentally friendly manner	Compliance with water supply resource consents	100% compliance	100%	100%	100%	100%	Council and EBOP records
<i>Quantity indicators</i>							
Human health is not compromised by the quality of water supplied	Instances of non-compliance with DWSNZ	Two instances requiring chlorination	No instances of non-compliance with DWSNZ	No instances of non-compliance with DWSNZ	No instances of non-compliance with DWSNZ	No instances of non-compliance with DWSNZ	Council records/ Ministry of Health
Water is delivered to customers at a suitable pressure and flow	Water pressure	No instances of daily samples showing pressure lower than 40 psi (8 litres per minute)	No instances of daily samples showing pressure lower than 40 psi	No instances of daily samples showing pressure lower than 40 psi	No instances of daily samples showing pressure lower than 40 psi	No instances of daily samples showing pressure lower than 40 psi	Council water supply sampling records
Minimal disruptions to supply	Frequency of unplanned shutdowns of water supply reticulation	No unplanned shutdowns	No more than 12 unplanned shutdowns	No more than 12 unplanned shutdowns	No more than 12 unplanned shutdowns	No more than 12 unplanned shutdowns	Council records
	Frequency of unplanned shutdowns of water supply pump stations	No unplanned shutdowns	No unplanned shutdowns	No unplanned shutdowns	No unplanned shutdowns	No unplanned shutdowns	Council records
Reliability of supply	Number of water main breaks	No more than 14	No more than 14 per annum	No more than 14 per annum	No more than 14 per annum	No more than 14 per annum	Council records
<i>Responsiveness indicators</i>							
Human health is not compromised by the quality of water supplied	Frequency of bacteriological monitoring	At least twice per month	At least twice per month	At least twice per month	At least twice per month	At least twice per month	Council records
Complaints are dealt with promptly	Complaints about water supply safety	No complaints about safety issues	100% responded to within one hour	100% responded to within one hour	100% responded to within one hour	100% responded to within one hour	Council and contractor records and Customer Enquiry Database
	Complaints about water supply pressure	No complaints about pressure	95% responded to by the end of next working day	95% responded to by the end of next working day	95% responded to by the end of next working day	95% responded to by the end of next working day	Council and contractor records and Customer Enquiry Database
Reliability of supply	Response times for water supply requests/ repairs	New measure	95% responded to within two hours	95% responded to within two hours	95% responded to within two hours	95% responded to within two hours	Council and contractor records and Customer Enquiry Database

## Activity Group 5: Water Supply

### Negative Effects and Risks

The following potential negative effects have been identified:

- Water systems that are not secured could pose health risks to the Community
- There may be visual/audio impacts of infrastructure on those living near water supply infrastructure
- Without good management, there is a risk that natural water sources may be inappropriately depleted
- Diversion of natural water sources could have adverse consequences for associated flora and fauna

- A by-product of supplying water is wastewater, the treatment and disposal of which can have negative environmental impacts

In terms of risk management, each asset group has been screened on the basis of potential failure modes and events to identify risk. Methods of minimising the impact of a failure or event have been identified. For a more comprehensive description of risk management, refer to the Water Supply Asset Management Plan.

Risk event	Impact	Existing controls
<b>Headworks</b>		
Earthquake	Releases magnesium into the spring water making it unusable. Significant reduction in volume of water available for Community.	Monitor spring quality after earthquake. Bore fields are available to use that will supply sufficient water volume to meet Community's essential demands.
Collapse of headworks	Reduction in volume of water available to the Community.	Water restriction will be put in place. Bore fields available to supply Community's essential demands. Regular checks of headworks undertaken. Asset renewal programme in place to replace deteriorating assets.
Contamination of water (ground surface water or infiltration into lines or backflow)	Water quality compromised which may impact on health of Community. May take three days to detect that an event has occurred. Water supply not conforming to DWSNZ 2005. Council perceived as not meeting Community's basic health needs.	Three day sampling cycle in place in accordance with DWSNZ 2005. Ability to chlorinate supply immediately (2 hrs) poor water quality detected. UV treatment.
Sabotage	Community at risk until sabotage detected.	Security fence around spring heads and pump station. Minimal protection provided from serious saboteur. Sampling only tests for coliforms.
<b>Critical pipes</b>		
Collapse of pipe from Holland Springs to pumphouse	Reduction in water volume available to Community.	Water restriction will be put in place. Pumphouse Springs will continue to meet Community's basic water demands. Asset replacement programme in place to allow for replacement before pipe deteriorates to collapse stage.
Collapse of rising main from pumphouse to reservoirs	Significant reduction in water volume available to Community.	Reduced water volumes can be supplied to reservoir through old lesser diameter pipe. Water can be fed directly to the reticulation at the pumphouse. Water restrictions would be put in place. Community's minimum requirements would be met.
Power failure	Reduced water pressure to Community as reservoirs empty. Long duration power supply and reservoirs would empty.	Standby generator available within eight hours. Community use would reduce following request so reservoirs have two days' storage available. Power supply monitored so notification received immediately power outage occurs.
Pump failure	No immediate impact as only two of the three pumps required to meet town's peak demands	Pump maintenance programme in place to minimise down time.
Earthquake – Collapse of reservoir	Flooding of some houses may occur. Reduced storage capacity for water. Less water reserves for fire fighting.	Reservoirs inspected for structural defects. Have already withstood Edgcombe Earthquake.
Section of mains fails due to deterioration	Sectors of the Community without water until breakage is repaired.	Valve within the network can isolate the break so the minimum number of properties is affected. An asset replacement programme is in place to predict ageing and replace pipes before they lose integrity.

## Activity Group 5: Water Supply

### Negative Effects and Risks (cont'd)

Risk event	Impact	Existing controls
Earthquake – many sections of pipe broken	Large section of the Community without water. Ability to fight fires reduced.	A disaster recovery plan is in place to minimise the time the Community is without water. Repairs undertaken in a systematic manner to restore water to critical areas first.
High water use (12,000+ m <sup>3</sup> per day)	Reduced pressure to Community. May impact on fire fighting ability.	Community quickly responds to requests to reduce water consumption. Water volume monitored daily.
Valve failures	Individuals without water for short periods of time.	An asset replacement programme is in place to predict ageing and replace valves before they lose integrity.

## Operating Expenditure and Income Statement (Availability)

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>										
General Rates	700,950	756,720	792,060	774,930	828,190	842,270	857,730	945,860	977,490	1,003,490
Interest Revenue	66,970	63,620	63,670	62,790	62,240	62,380	52,570	30,620	10,290	(6,810)
<b>Total Revenue</b>	<b>767,920</b>	<b>820,340</b>	<b>855,730</b>	<b>837,720</b>	<b>890,430</b>	<b>904,650</b>	<b>910,300</b>	<b>976,480</b>	<b>987,780</b>	<b>996,680</b>
<b>Expenditure</b>										
Employee benefit expenses	71,730	73,640	78,320	77,230	78,820	82,090	84,230	85,790	88,940	91,550
Depreciation	428,710	471,150	471,450	471,120	516,990	517,140	517,140	574,820	574,920	574,900
Internal Finance Costs	160	90	380	320	240	160	270	430	340	240
Other Costs	267,320	275,460	305,580	289,050	294,380	305,260	308,660	315,440	323,580	329,990
<b>Total Operating Expenditure</b>	<b>767,920</b>	<b>820,340</b>	<b>855,730</b>	<b>837,720</b>	<b>890,430</b>	<b>904,650</b>	<b>910,300</b>	<b>976,480</b>	<b>987,780</b>	<b>996,680</b>

Note: Council has broken its business down to activity level. In some cases, it has looked at activities from two points of view – availability of the service and use of the service. Activities have been broken into availability and use where they benefit different groups in the Community. In general, Council has assessed the availability of an activity as a public benefit and the use of an activity as a private benefit. Availability relates to the costs incurred to keep a service or asset in such a condition that it can become operational within a short start up period. Use relates to costs incurred as a result of the asset being used.

## Capital and Reserves Funding Requirements for the Next Ten Years

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Capital Expenditure</b>										
Asset Renewals	454,000	468,000	481,000	516,000	510,000	527,000	1,017,000	1,200,000	987,000	1,031,000
<b>Total Funding Required</b>	<b>454,000</b>	<b>468,000</b>	<b>481,000</b>	<b>516,000</b>	<b>510,000</b>	<b>527,000</b>	<b>1,017,000</b>	<b>1,200,000</b>	<b>987,000</b>	<b>1,031,000</b>
<b>Funded By</b>										
Depreciation Reserves	454,000	468,000	481,000	516,000	510,000	527,000	1,017,000	1,200,000	987,000	1,031,000
<b>Total Funding</b>	<b>454,000</b>	<b>468,000</b>	<b>481,000</b>	<b>516,000</b>	<b>510,000</b>	<b>527,000</b>	<b>1,017,000</b>	<b>1,200,000</b>	<b>987,000</b>	<b>1,031,000</b>



# Activity Group 6: Waste Management

## Description of Activity

The overall aim of this group of activities is:

- To provide a system of domestic wastewater collection and primary treatment; to minimise the presence of refuse within the District; and to minimise the amount of local waste which goes to landfill

## **Wastewater Collection and Disposal**

Carter Holt Harvey (CHH) has modified its pulp waste and wastewater treatment facility into a domestic effluent treatment facility that will be transferred to Council ownership by June 2009. Wastewater is piped from households to Council's Primary Wastewater Treatment Plant. Solids are removed and the liquid soaks into the ground in rapid infiltration basins (RIBs).

## **Refuse Collection**

Council operates a cost effective refuse collection system that encourages a healthy, tidy and clean District. Refuse is collected weekly from residential properties. Council operates a transfer station and residual waste is transported to a commercial landfill in Tirohia.

## **Refuse Disposal**

Refuse disposal systems seek to encourage a healthy, tidy and clean District.

## **Zero Waste**

Provision and operation of refuse recycling initiatives seek to minimise waste to landfill for environmental benefits. Council continues to develop recycling initiatives in response to community demand and a desire to reduce the impact that dumping waste has on the environment. Environmental Awards and support for community planting initiatives are also undertaken.

## Contribution to Community Outcomes

This activity contributes toward sustainable development by promoting the following Community Outcomes in relation to Waste Management:

- *Reliable and affordable infrastructure* – By providing efficient and effective systems for refuse collection, refuse disposal, recycling ('zero waste') and wastewater collection and disposal
- *Clean, accessible, respected environment* – By managing Waste Management activities in an environmentally sustainable manner and reducing residents' and businesses' adverse impacts on the environment
- *Safe, caring communities* – By managing Waste Management activities in a manner that minimises public health risks
- *Healthy people and housing* – By ensuring access to modern methods of collecting and disposing of solid and liquid waste from households and businesses

## Why We Do It

Council provides systems of wastewater disposal, refuse removal, refuse disposal and recycling for the Kawerau Community. Without these services, it is likely that the state of the Community's health would decline. In summary, the reasons for Council owning and operating Waste Management services and facilities include the following:

- If wastewater collection and treatment systems fail to meet health, safety and environmental standards then domestic wastewater, commercial wastewater and certain classes of industrial wastes could be discharged into street gutters or the ground. Public health risks would almost certainly arise from this. Waste could also find its way into streams and rivers in an untreated state, which would degrade the quality of the District's natural waterways. Wastewater collection and treatment is, therefore, core infrastructure for the District.
- Through consultation with the Community, this activity has been shown to make an essential contribution to the well-being of the Community in areas of health, environment and the economy.

## Activity Group 6: Waste Management

- Council believes that, because the service is a natural monopoly and a public good, the consequences of service failure mean it should retain ownership of the wastewater and waste management assets and services
- No competitive alternative for service delivery has been identified or offered. Council ownership and operation is considered the most cost effective method of delivery for this service. Moreover, there is an implied obligation through the Health Act 1956 for Council to provide these services
- Council has considered and determined its approach to Waste Management, including disposal, through development of Council policy and a Waste Management Plan

### Summary of Water and Sanitary Services Assessment January 2009 (Wastewater, Refuse Collection and Disposal)

#### **Wastewater**

Most households and businesses in the urban area of the Kawerau District are connected to Council's reticulated wastewater system. Less than 20 buildings are not connected and use septic tanks. Septic tanks are monitored by EBOP.

The wastewater system comprises a network of pipes, manholes, flushing tanks, pumping stations and primary treatment plant. The system collects wastewater from approximately 2,700 households and businesses only. Council has a trade waste bylaw prohibiting the use of the wastewater network as a method of disposing of industrial waste.

The network is almost all designed as a gravity-feed system. A small number of houses (approximately 50) in the Blundell Avenue area feed a wet well (pump station) which then on-pumps to the gravity disposal system.

All the wastewater flows to the treatment plant in Spencer Avenue. The wastewater collected in a wet

well (pump station) is pumped from the wet well at the end of the gravity system in Spencer Avenue through a set of 0.5mm screens. This removes all particles that are greater than 0.5mm in size. Worm farms break down this material.

The liquid is passed through a parallel plate separator, which removes all the remaining solid material less than 0.5mm in the form of sludge. The sludge from the separator is then passed through a centrifuge to remove as much liquid as possible. Clean liquid from the parallel separators is pumped into large open basins close to the plant. The liquid infiltrates into the ground rapidly, as material in the basin floor is very porous.

The volume of wastewater passing through the network on a daily basis is approximately 2,000 cubic metres. Of this, 2 cubic metres are removed as solids. Treatment of the wastewater is undertaken in accordance with sound engineering practice. The disposal of the primary screenings (greater than 0.5mm), sludge from the parallel plate separator and the remaining liquid are all disposed of in a way that meets resource consent conditions from EBOP.

#### **Future demand**

The existing reticulation network has capacity to accommodate significant additional flows of wastewater. The method of final liquid discharge requires improvement to meet existing EBOP consent requirements. Steps are currently being implemented by CHH to achieve the required standards. This includes a standalone treatment plant that treats effluent to a high level and discharges the liquid to ground through rapid infiltration basins. Any increased volumes in the future can be managed by increasing the capacity of the new plant.

Kawerau District is expected to experience low growth in demand for additional wastewater services. Current growth predictions means there are no proposed new wastewater pipes in the Long Term Plan. Any developer would be required to install appropriate wastewater systems then give their ownership to Council. The renewal programme for wastewater infrastructure assets will meet current and future demands. Growth is monitored on an on-going basis to determine any impending additional demand on wastewater services.

## Activity Group 6: Waste Management

### Summary of Water and Sanitary Services Assessment January 2009 (cont'd)

#### **Refuse Collection and Disposal**

All residential properties have a weekly residual refuse collection and are issued with a 60-litre wheelie bin. Non-residential properties and businesses have no Council residual refuse collection and make their own arrangements for refuse collection and disposal.

In previous years, residual refuse was transported to the Kawerau Landfill and buried. The landfill consent required the landfill to be lined from 30 June 2006 onwards. Consultation has been previously undertaken on this issue. The most economical option was to close the landfill in June 2006 and then transfer residual refuse to another landfill outside the District at Tirohia. The transfer station required to facilitate this change in operation has been constructed within the existing landfill site.

From a public health perspective, Council considers the refuse collection and disposal systems to be adequate. Where there are public health problems it is because of a lack of use of the services provided (residential) or inadequate arrangements (non-residential). Such nuisance situations are notified to Council or observed through routine inspections. Legislation such as the Kawerau District Bylaws, Food Hygiene Regulations 1974, Litter Act 1979 and the Health Act 1956 are used to undertake enforcement so that these situations do not linger and cause further public health issues.

Event organisers are required to provide an adequate number of rubbish bins as part of the conditions of the bylaw licence for their event. The organisers are also responsible for disposal of this refuse.

#### **Zero Waste**

Council has a Zero Waste Policy. This means that residents are encouraged to:

- Recycle as much as possible
- Minimise the amount of residual waste which goes to landfill

The aim of the Zero Waste Policy is to reduce the amount of waste each household generates, with the ultimate goal of eliminating waste entirely. Council aims to minimise the amount of residual waste from households, with the small amount of residual waste transported to a landfill out of the District. As part of its programme for Zero Waste, Council encouraged the introduction of worm farms in all Kawerau schools. Council is also working with businesses and the Community to help them reduce waste. Business and residential properties are provided with the following services to assist in the removal of recyclable material.

- A 60-litre bin for recycled material. The bin is emptied weekly. Material collected is glass, plastics 1 and 2, cans, aluminium, paper, cardboard
- A 240-litre wheelie bin for green waste only. This is collected fortnightly

To further encourage recycling, reduced landfill gate fees apply to car bodies and loads that are fully and partially sorted into recyclable and non-recyclable material. A Resource Recovery Centre is operated at the transfer station to process the recyclable materials.

#### **Future demand**

The total volume of refuse generated per head of population is expected to decline as the Community increases its level of recycling. The volume of recycling is expected to increase with time as more materials are found to have a use. The population of Kawerau is not forecast to increase significantly.

The transfer station has the capacity to accommodate more vehicles than are currently using it. Increased volumes of refuse can be readily transported to the out of District landfill. If volumes increase very significantly and/or economics change significantly in the future, the landfill can be lined, reopened and utilised under current resource consent conditions until 2033. Council intends to encourage an on-going reduction in residual refuse volumes by educating the generators of refuse on alternative disposal techniques.

## Activity Group 6: Waste Management

### Council's Waste Management and Minimisation Plan 2009

The Waste Minimisation Act 2008 requires Council to prepare a Waste Management and Minimisation Plan that sets out:

- a. Objectives and policies for achieving effective and efficient waste management and minimisation within the Kawerau District.
- b. Methods for achieving effective and efficient waste management and minimisation.

A full copy of the Waste Management and Minimisation Plan is available from the Council Office. The following is a summary.

#### Summary

Council seeks to provide an efficient and effective range of local waste minimisation and management services, with the aim of ensuring sustainable management, conservation of resources and protection of the environment. Objectives of the Waste Management and Minimisation Plan are:

1. To implement a Zero Waste Policy by encouraging reduction, reuse, recycling and recovery of as much solid waste material as possible.
2. To ensure suitable, cost effective collection and disposal systems exist which minimise the risks to the environment and Community.
3. To achieve responsible and informed decisions on solid waste management by the Community.
4. To dispose of wastewater (sewage) in a cost effective manner with minimum risk to the environment and Community.

Methods for achieving these objectives include:

- Kerbside refuse and recycling collections
- Provision of Transfer Station and Resource Recovery Centre on River Road
- Promoting waste reduction, reuse and recycling through information signs at the Transfer Station, regular features in the local newspaper and other media, resource materials for schools and information on Council's website
- Cost recovery charges that encourage the Community to minimise waste
- Leading by example through Waste Audits on Council operations
- Separating out hazardous waste for safe disposal
- Collecting and treating wastewater in a cost effective manner with minimum risk to the environment and the Community

#### Council's Roles

Provider	Advocate	Regulator	Partner	Facilitator
✓	✓	✓	✓	✓

#### Strategic Issues

Long-term issues affecting this activity include:

- Population trends
- Public awareness of the need to reuse, reduce and recycle

## Activity Group 6: Waste Management

### Programme for the Next Ten Years

#### 2009/10 – 2011/12

- Operating expenditure (approximately \$2.3 million per annum in 2009/10 dollars)
- Asset renewals (approximately \$100,000 per annum in 2009/10 dollars) including:
  - Pump aerators
  - Pump refurbishment
  - Pipework and Milliscreens
  - Telemetry Refurbishment
  - Other renewals
- Review of asset life expectancy
- Asset revaluations
- Develop improved systems for tracking public enquiries and reporting back

#### 2012/13 – 2014/15

- Operating expenditure (approximately \$2.3 million per annum in 2009/10 dollars)
- Asset renewals (approximately \$100,000 per annum in 2009/10 dollars)
- Develop a programme and budget for improved asset condition monitoring
- Review of Waste Management and Minimisation Plan 2009

#### 2015/16 – 2018/19

- Operating expenditure (approximately \$2.3 million per annum in 2009/10 dollars)
- Asset renewals (approximately \$100,000 during 2015/16, declining substantially thereafter)
- Review of population projections
- Add as-built information into Biz-e-Asset database

### Related Policies, Strategies and Statutes

- Bay of Plenty Regional Policy Statement 1999 (Environment BOP)
- Building Act 2004
- Health Act 1956
- New Zealand Waste Strategy 2002
- Kawerau District Council:
  - District Plan
  - Revenue and Financing Policy
  - Waste Management Plan
  - Wastewater Asset Management Plan
- LGA Section 124 – 129 (obligation to make assessment of water and sanitary services)
- Waste Minimisation Act 2008

## Activity Group 6: Waste Management

### Funding the Annual Net Cost – ‘Who Pays’

Distribution of benefits	Funding sources
Wastewater – Availability	
Council considers that there is 100% public good for the availability component.  Council has identified a substantial intergenerational component (i.e. benefits arise over time). The wastewater infrastructure has a long life, so more than the current generation of ratepayers benefit. Therefore, Council wishes to ensure that future ratepayers meet some of the cost. This can be achieved by the funding of depreciation over the life of the assets.	General rates 100%.
Wastewater – Use	
Use of the wastewater system meets the test of a private good. Council considers the use of this activity as being 100% private benefit.	Annual general charges and wastewater lease charges.
Refuse Collection	
Council considers that the availability of this service is pure public in nature. The customer for the use of this service is identified as the bin lessee. Council acknowledges that whilst this area is principally private there is some public benefit and the allocation is set at 90% private good and 10% public good.	Uniform annual charge 90%. General rate 10%.
Refuse Disposal – Availability	
Council considers that the availability of this activity is 100% public in nature.  Council recognises an intergenerational component of the Transfer Station.	General rates 100%.
Refuse Disposal – Use	
Use of the refuse disposal sub activity is considered to be a 100% private good, as the user can be identified and complies with the tests for a private good.	Fees and Charges unless a special card is held.
Zero Waste	
Council considers that the provision of this activity is purely public in nature.	Entirely from general rates with the exception of specific cost recovery with respect to sales of goods and gate charges.

Note: As the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from General Rates.

## Activity Group 6: Waste Management

### Asset Management Implications

Critical assets have been identified as follows:

- Wastewater Treatment Plant
- Pump Station (Blundell Avenue) with two submersible pumps, plus rising main
- Landfill/Transfer Station

### ***Demand***

Kawerau District is experiencing zero to very low growth in demand for additional waste management services. Even if vacant sections were occupied, the existing wastewater disposal system and transfer station would cope with up to twice the current demand. Growth is monitored on an on-going basis.

### ***Future Levels of Service***

The disposal of liquid waste from the Wastewater Treatment Plant was previously undertaken in accordance with a resource consent held by Carter Holt Harvey. Council has applied for consent to discharge liquid waste to RIBs, as part of the transfer of ownership.

There are no further changes signalled for the levels of service provided for the Waste Management group of activities.

### ***Asset Lifecycle***

Generally speaking, all wastewater systems are in a good state of repair. If they are maintained and renewed regularly and at the appropriate times, the existing levels of service can be retained. Maintenance

and renewals are undertaken as per the Wastewater Asset Management Plan. Management of the landfill/transfer station is undertaken as per the Waste Management Plan.

Council has prepared an asset risk plan for Waste Management. Critical assets are clearly identified and any issues relating to them addressed. This attends to Council's responsibilities under the Civil Defence Emergency Management Act.

### ***Assumptions and Uncertainties***

Assumptions and uncertainties are described in the section titled 'Significant Forecasting Assumptions, Risks and Possible Implications'.

### Summary of Cost Implications

#### ***New Works***

Funding of any new capital assets or work undertaken during renewals on an asset that significantly improves its performance would be through depreciation reserves.

#### ***Renewals***

The cost of renewal capital work to upgrade, refurbish or replace existing facilities is estimated to total approximately \$700,000 over the next ten years. Maintenance on an existing asset that does not extend its life span is funded through general rates. Renewal work undertaken to extend the life of the asset is funded through depreciation reserves.

## Activity Group 6: Waste Management

### Performance Measures and Targets

#### Wastewater

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Provision of domestic wastewater collection and primary treatment	Satisfaction with wastewater collection	96%	N/A	95%	N/A	95%	Three-yearly NRB Communitrak Survey
Operation of treatment plant	Compliance with wastewater resource consents	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	Council and EBOP records
	Number of complaints about wastewater system odours	No complaints	No more than one justified complaint per annum	No more than one justified complaint per annum	No more than one justified complaint per annum	No more than one justified complaint per annum	Customer Enquiries Database
<i>Quantity indicators</i>							
Minimise losses of wastewater services	Number of disruptions to wastewater services	< 30 per annum	< 30 per annum	< 30 per annum	< 30 per annum	< 30 per annum	Council records and Customer Enquiries Database
<i>Responsiveness indicators</i>							
Provision of domestic wastewater collection and primary treatment	Continuity of wastewater collection	Service provided 365 days	Service provided 365 days	Service provided 365 days	Service provided 365 days	Service provided 365 days	Council records
Minimise losses of wastewater services	Response time for disruptions to wastewater services	New measure	Within one hour on 95% of notifications	Within one hour on 95% of notifications	Within one hour on 95% of notifications	Within one hour on 95% of notifications	Council and contractor records and Customer Enquiries Database
Restore road openings due to repair	Timeliness of restoration	New measure	Within one month	Within one month	Within one month	Within one month	Council and contractor records

#### Refuse Collection

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Provision of a cost effective refuse collection system that will encourage a healthy clean and tidy District	Satisfaction with refuse collection	73%	N/A	81%	N/A	81%	Three-yearly NRB Communitrak Survey
<i>Responsiveness indicators</i>							
Provision of a cost effective refuse collection system that will encourage a healthy clean and tidy District	Frequency of refuse collection	New measure	Weekly residual refuse collections from residential properties	Weekly residual refuse collections from residential properties	Weekly residual refuse collections from residential properties	Weekly residual refuse collections from residential properties	Council and contractor records

## Activity Group 6: Waste Management

### Performance Measures and Targets (cont'd)

#### Refuse Disposal

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Provision of cost effective refuse disposal that will encourage a healthy, clean and tidy District	Resident satisfaction with refuse disposal	66%	N/A	65%	N/A	65%	Three-yearly NRB Communitrak Survey
Provision of cost effective refuse disposal that will encourage a healthy clean and tidy District	User/visitor satisfaction with refuse disposal	72%	N/A	72%	N/A	72%	Three-yearly NRB Communitrak Survey
Waste generated by the Community is disposed of safely	Refuse disposal complies with resource consents	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	Council and EBOP records

#### Zero Waste

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quantity indicators</i>							
Provide information and education about waste minimisation opportunities	Zero Waste targets (reductions in volume of refuse to landfill)	69% reduction compared to 1999/00	70% reduction compared to 1999/00	71% reduction compared to 1999/00	72% reduction compared to 1999/00	75% reduction compared to 1999/00	Council landfill volume monitoring records
Provide information and education about waste minimisation opportunities	Annual recycling volumes	New measure	500 tonnes	510 tonnes	520 tonnes	530 tonnes	Recycling volume monitoring records

## Activity Group 6: Waste Management

### Negative Effects and Risks

Operation of the wastewater system could result in overflows. The treatment plant has storage for one day's capacity. If the submersible pumps failed for more than 12 hours, effluent would back up and affect the Community. However, regular maintenance minimises these instances and few problems have arisen in the past. Other potential negative effects are:

- Odours and visual impacts to neighbouring properties
- Significant environmental damage could occur if the Council does not meet its wastewater disposal standards
- Cultural values could be negatively impacted by low quality treated wastewater disposal

- Poor wastewater disposal standards and poor management of the wastewater reticulation and treatment plants could lead to public health risks, pollution and disease
- The effects of solid waste are leachate from landfills/transfer station sites polluting the natural environment and entering natural watercourses.
- Gas could leak from closed landfills. Closed landfill sites badly managed (or not accurately identified) may damage nearby land and buildings. There could be erosion or slippage at landfill sites.
- Poor solid waste services would lead to environmental pollution and possible health risks
- Poor recycling services would lead to increased volumes of solid waste to landfill and related cost increases. Current practices do not appear to be impacting on the natural underground water quality (based on test results).

Council has undertaken the actions outlined in the table below to mitigate the risks.

Key Exposure	Probability	Consequence	Mitigation
<b>Physical</b>			
Seismic Event	Medium	Significant	Earthquake design standards Spare capacity Special Insurance cover (LAPP scheme)
Flood Event	Low	Low	Storage capacity at treatment plant Ongoing search for stormwater ingress
Damage by Others	High	Moderate	Staff available 24/7
Failure due to deterioration of assets	High	Low	Regular treatment plant maintenance Staff available 24/7 Renewal Programme Spare capacity at treatment plant and pump stations Asset performance monitoring
Power interruption	High	Low	Standby generator available at treatment plant Spill basin can store incoming effluent under gravity flow for one day Pump stations small and alternative pumps available
Chemical non delivery	Moderate	Moderate	Material ordered before stock runs out. Significant storage on site
<b>Commercial</b>			
New large wastewater user	Moderate	Low	Regular meetings with development agency Existing plant has 30% reserve capacity Developments take time allowing negotiations to take place
Loss of large consumer	Moderate	Low	Regular meeting with large industries Plant can operate on lower flows efficiently Funding for replacement substantial
<b>Health and Safety</b>			
Injury to persons or property due to operations	Low	Low	Health and safety practices Insurance to cover costs Trained staff
Sabotage	Low	Moderate	Plant security Robust plant
Injury to public	Low	Low	Access denied to treatment plant site Significant portion of asset underground
<b>Environmental</b>			
Overflow of wastewater to roads and/or private land due to pipe blockages and treatment plant malfunctions	Moderate	Moderate	Staff available 24/7 to attend to blockages Treatment plant has storage capacity for one day's flow Plant has surplus capacity Monitoring plant performance Monitor blockages in pipework

## Activity Group 6: Waste Management

### Operating Expenditure and Income Statement (Availability)

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>										
General Rates	1,155,780	1,220,860	1,226,350	1,241,290	1,284,120	1,289,830	1,296,790	1,358,870	1,363,850	1,358,540
Interest Revenue	52,310	62,460	72,980	83,690	95,170	108,490	122,640	139,740	160,280	181,090
Other Revenue	68,200	71,160	72,770	74,490	76,030	77,680	79,440	81,240	83,170	85,220
<b>Total Revenue</b>	<b>1,276,290</b>	<b>1,354,480</b>	<b>1,372,100</b>	<b>1,399,470</b>	<b>1,455,320</b>	<b>1,476,000</b>	<b>1,498,870</b>	<b>1,579,850</b>	<b>1,607,300</b>	<b>1,624,850</b>
<b>Expenditure</b>										
Employee benefit expenses	148,830	154,370	155,030	161,950	164,600	170,420	176,430	179,360	186,580	191,310
Depreciation	394,140	434,080	433,670	434,010	476,340	476,560	476,710	529,100	529,340	529,230
Internal Finance Costs	18,370	16,500	15,490	13,460	11,160	9,490	9,580	9,830	9,220	8,560
Other Costs	714,950	749,530	767,910	790,050	803,220	819,530	836,150	861,560	882,160	895,750
<b>Total Operating Expenditure</b>	<b>1,276,290</b>	<b>1,354,480</b>	<b>1,372,100</b>	<b>1,399,470</b>	<b>1,455,320</b>	<b>1,476,000</b>	<b>1,498,870</b>	<b>1,579,850</b>	<b>1,607,300</b>	<b>1,624,850</b>

Note: Council has broken its business down to activity level. In some cases, it has looked at activities from two points of view – availability of the service and use of the service. Activities have been broken into availability and use where they benefit different groups in the Community. In general, Council has assessed the availability of an activity as a public benefit and the use of an activity as a private benefit. Availability relates to the costs incurred to keep a service or asset in such a condition that it can become operational within a short start up period. Use relates to costs incurred as a result of the asset being used.

### Capital and Reserves Funding Requirements for the Next Ten Years

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Capital Expenditure</b>										
Asset Renewals	97,000	122,820	107,000	114,000	107,000	107,000	116,000	6,190	3,000	0
Loan Repayments	49,920	51,940	54,050	56,250	58,530	14,340	14,930	15,530	16,160	16,820
Operating Deficit	0	0	0	0	0	0	0	0	0	0
<b>Total Funding Required</b>	<b>146,920</b>	<b>174,760</b>	<b>161,050</b>	<b>170,250</b>	<b>165,530</b>	<b>121,340</b>	<b>130,930</b>	<b>21,720</b>	<b>19,160</b>	<b>16,820</b>
<b>Funded By</b>										
Depreciation Reserves	146,920	174,760	161,050	170,250	165,530	121,340	130,930	21,720	19,160	16,820
<b>Total Funding</b>	<b>146,920</b>	<b>174,760</b>	<b>161,050</b>	<b>170,250</b>	<b>165,530</b>	<b>121,340</b>	<b>130,930</b>	<b>21,720</b>	<b>19,160</b>	<b>16,820</b>



# Activity Group 7: Leisure and Recreation

## Description of Activity

The Leisure and Recreation group of activities comprises:

- Library/Museum
- Swimming Pools
- Public Halls and Facilities
- Parks and Reserves (including Cemetery)

### **Library/Museum**

Council provides a library facility to enhance Community knowledge, information and leisure opportunities. Located in Jellicoe Court, the District Library service includes public PCs with free internet access (including wireless) under the umbrella of the Aotearoa People's Network. The Library building also contains the Sir James Fletcher Kawerau Museum, with some ongoing involvement from the Kawerau Historical Museum Trust.

### **Swimming Pools**

Council provides a year-round swimming pool complex to enhance leisure opportunities. The Maurie Kjar Memorial Swimming Pool Complex is a free, geothermally heated facility in the middle of the township opposite the Information Centre. There is a large 30m pool divided by a bulkhead into a 25m pool and separate 5m pool, with two smaller pools for children. A spa pool is the latest addition to the complex. The whole complex is surrounded by large recreation and play areas where barbecue and picnic tables are available for families and larger groups.

### **Public Halls and Facilities**

This activity comprises:

- Ron Hardie Recreation Centre – Available for public hire as a suitable venue for sporting and recreation activities
- Town Hall – Available for public hire
- Concert Chamber – Available for public hire
- Town Centre Toilets – Provided for the local Community and visitors

## **Parks and Reserves**

This activity comprises:

- Sports Fields – Available for recreational and competitive use
- Passive Reserves – For general recreation (not including sports fields)
- Road Berms – The grassed separation between property boundary and road carriageway
- Street Trees – For improved urban amenity
- Bedding Displays – Flowering displays in high profile areas
- Playgrounds – For children, young people and families to enjoy
- Cemetery – For the benefit of local families

## **Contribution to Community Outcomes**

This activity contributes toward sustainable development by promoting the following Community Outcomes in relation to Leisure and Recreation:

- *Education and training opportunities for all* – By providing the District Library/Museum service
- *Healthy people and housing* – By providing passive and active recreation facilities including swimming pools
- *Diverse, creative and vital communities* – By providing places, spaces and a certain amount of funding for people to undertake shared activities including sports and leisure
- *Clean, accessible, respected environment* – By maintaining Council's open spaces in a clean and tidy manner and minimising negative effects on the natural environment

## Activity Group 7: Leisure and Recreation

### Why We Do It

Council has historically provided a wide range of leisure and recreation services. Although in some cases there is no specific legal requirement to provide them, Council believes that such services are expected by the Community. The quality and extent of these services improves the quality of life of all the people of Kawerau in some way. Council's approach is to maintain sporting, leisure and recreational facilities to enhance the reputation of Kawerau as a recreation and leisure-conscious Community.

- Library/Museum – To enhance community knowledge, information and leisure opportunities
- Swimming Pools – To encourage community health and well-being through provision of a year-round swimming pool complex
- Recreation Centre – A venue for sporting and recreation activities
- Town Hall and Concert Chamber – Venues for public hire
- Town Centre Toilets – Ablution facilities for Community and visitors
- Sports Fields and Passive Reserves – To encourage community health and well-being. Note: Council has legal obligations for the management and administration of reserves under the Reserves Act 1977
- Cemetery – The absence of a private sector provider means Council cannot fulfil its obligations under the Burial and Cremation Act 1964 without owning cemetery land. Council considers this activity's purpose to be the provision of an attractive and culturally sensitive burial ground for its Community
- Road Berms – Council has determined a need to provide an aesthetically pleasing grassed separation between the property boundary and road carriageway that improves the appearance of the street
- Street Trees – To enhance the aesthetics of the District and lifestyle of the Community
- Bedding Displays – To enhance the beauty of the District
- Playgrounds – To assist children to learn co-ordination skills and provide caregivers with an activity

### Council's Roles

Provider	Advocate	Regulator	Partner	Facilitator
✓	✓	✓	✓	✓

### Strategic Issues

Long term issues affecting this activity include:

- Population trends
- Trends in physical activity and nutrition
- Trends in life-long learning
- New technologies, including communication technologies

### Programme for the Next Ten Years

#### 2009/10 – 2011/12

- Operating expenditure (approximately \$2.7 million per annum in 2009/10 dollars)
- Library:
  - Collection renewals (approximately \$42,000 per annum in 2009/10 dollars)
  - Office Equipment (approximately \$9,000 in 2009/10 and 2010/11)
  - Fixtures and Fittings (approximately \$11,000 per annum)
- Swimming pools (\$33,000 in 2009/10, \$3,000 in 2010/11, \$20,000 in 2011/12)
- Public Halls and Facilities:
  - Recreation Centre lift replacement (\$30,000 in 2009/10)
  - Recreation Centre security fence (\$40,000 in 2009/10)
  - Recreation Centre renewals (\$4,000 in 2009/10 and \$5,000 in 2011/12)
  - Town Hall renewals (\$5,000 in 2009/10, \$9,000 in 2010/11, \$10,000 in 2011/12)
  - Concert Chamber renewals (\$8,000 in 2010/11 and \$3,000 in 2011/12)
- Parks and Reserves:
  - Sports Fields and Field Amenity Buildings (\$10,000 in 2009/10, \$17,000 in 2010/11 and \$9,000 in 2011/12)
  - Passive Reserves (fences, signs, bins, etc) (\$27,000 in 2009/10, \$17,000 in 2010/11 and \$18,000 in 2011/12)
  - Playgrounds (\$21,000 in 2009/10, \$17,000 in 2010/11 and \$16,000 in 2011/12)

## Activity Group 7: Leisure and Recreation

### Programme for the Next Ten Years (cont'd)

#### 2012/13 – 2014/15

- Operating expenditure (approximately \$2.7 million per annum in 2009/10 dollars)
- Library:
  - Collection renewals (approximately \$42,000 per annum in 2009/10 dollars)
  - Office Equipment (approximately \$9,000 every three years)
  - Fixtures and Fittings (approximately \$11,000 per annum average)
- Swimming pools (approximately \$40,000 every three years)
- Public Halls and Facilities:
  - Recreation Centre renewals (approximately \$45,000 in 2012/13)
  - Town Hall renewals (approximately \$13,000 in 2012/13 and \$2,000 in 2014/15)
  - Concert Chamber renewals (approximately \$11,000 in 2012/13 and \$1,000 in 2014/15)
- Parks and Reserves:
  - Sports Fields and Field Amenity Buildings (approximately \$15,000 total)
  - Passive Reserves (approximately \$65,000 total)
  - Playgrounds (approximately \$15,000 per annum)

#### 2015/16 – 2018/19

- Operating expenditure (approximately \$2.7 million per annum in 2009/10 dollars)
- Library:
  - Collection renewals (approximately \$42,000 per annum in 2009/10 dollars)
  - Office Equipment (approximately \$9,000 every three years)
  - Fixtures and Fittings (approximately \$20,000 per annum average)

- Swimming pools (approximately \$40,000 every three years)
- Public Halls and Facilities:
  - Recreation Centre renewals (approximately \$20,000 in 2015/16)
  - Town Hall renewals (approximately \$25,000 total)
  - Concert Chamber renewals (approximately \$35,000 total)
- Parks and Reserves:
  - Sports Fields and Field Amenity Buildings (approximately \$20,000 in 2015/16 and \$8,000 in 2017/18)
  - Passive Reserves (approximately \$65,000 total)
  - Playgrounds (approximately \$15,000 pa)

### Related Policies, Strategies and Statutes

- Active Eastern Bay Strategy 2006 (Physical Activity Strategy)
- Building Act 2004
- Burial and Cremation Act 1964
- Kawerau District Council:
  - Revenue and Financing Policy
  - Community Facilities and Property Asset Management Plan
  - District Plan
  - Funding policies
  - Partnerships with the Private Sector Policy
  - Positive Ageing Strategy 2008
  - Reserve Management Plans
  - Water and Sanitary Services Assessment
  - Youth Policy and Vision 2007
  - Positive Ageing Strategy 2008
- Ministry of Justice Crime Reduction Strategy
- New Zealand Positive Ageing Strategy 2001
- Opportunity for All New Zealanders 2004
- Reserves Act 1977

## Activity Group 7: Leisure and Recreation

### Funding the Annual Net Cost – ‘Who Pays’

Distribution of benefits	Funding sources
Library/Museum – Availability	
<p>Council views the availability of this facility as pure public in nature.</p> <p>Council acknowledges some evidence of an intergenerational component.</p> <p>Council feels that exacerbators should pay wherever possible.</p>	General rates 100%.
Library/Museum – Use	
The use of the library/museum service is considered to be 100% private in nature given that the library/museum user complies with the tests for private good.	Costs to be recovered from users of the service through fees and charges, but with Kawerau users being paid for through general rates.
Swimming Pools – Availability	
<p>Council views the availability of this facility as having a 100% public benefit, on the basis that it is very difficult to identify anyone, other than the Community, who benefits from the availability of this facility.</p> <p>Council found evidence of a substantial intergenerational component in the provision of this activity.</p> <p>Council feels that exacerbators should pay wherever possible.</p>	General rates 100%.
Swimming Pools – Use	
<p>Council can identify the pool user as receiving a private good from this activity and concludes that the cost allocation for the use of the swimming pools is 95% private good.</p> <p>Council feels that exacerbators should pay wherever possible.</p>	<p>Costs caused by exacerbators be recovered from exacerbators where practicable.</p> <p>Use costs be funded by fees and charges where reasonable.</p> <p>5% of use costs be recovered through general rates.</p>
Recreation Centre – Availability	
<p>Council views the availability of the Recreation Centre as a 100% public benefit.</p> <p>Council concludes that there is an intergenerational component in this activity.</p>	General rates 100%.
Recreation Centre – Use	
Council views the use of the Recreation Centre as being 70% private in nature.	<p>70% of use costs be recovered from users of the service through fees and charges.</p> <p>Remaining use costs be recovered through general rates.</p>
Town Hall – Availability	
<p>Council views the availability of the Town Hall as a 100% public benefit.</p> <p>Council concludes that there is an intergenerational component in this activity.</p>	General rates 100%.
Town Hall – Use	
Council views the use of the Town Hall as being 70% private in nature.	<p>70% of use costs be recovered from users of the service through fees and charges.</p> <p>Remaining use costs be recovered through general rates.</p>

Note: As the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from General Rates.

## Activity Group 7: Leisure and Recreation

### Funding the Annual Net Cost – ‘Who Pays’ (cont’d)

Distribution of benefits	Funding sources
<b>Concert Chamber – Availability</b>	
Council views the availability of the Concert Chamber as a 100% public benefit.  Council concludes that there is an intergenerational component in this activity.	General rates 100%.
<b>Concert Chamber – Use</b>	
Council views the use of the Concert Chamber as being 70% private in nature.	70% of use costs be recovered from users of the service through fees and charges.  Remaining use costs be recovered through general rates.
<b>Town Centre Toilets – Availability</b>	
Council concludes that the availability of this service is 100% public.  Council identified evidence of an intergenerational component in this activity.	General rates 100%.
<b>Town Centre Toilets – Use</b>	
Council views the use of these facilities as 100% private given that it is possible to clearly identify the users of this service and the activity complies with all the tests for a private allocation of costs.  There is some evidence of an exacerbator component in the form of vandalism.	Costs caused by exacerbators be recovered from exacerbators where practicable.  All other costs be recovered from general rates.
<b>Sports Fields</b>	
Council views the availability of sports fields as a 100% public good. The usage of this activity complies with the test for private good and Council is able to identify the user as the active sportsperson. Council therefore views the use of sports fields as 100% private good. This averages out to an overall private benefit of 22%.  Council feels there is evidence of an intergenerational component in this activity.	Use costs be recovered from users of the service through fees and charges.  Availability costs be recovered from general rates.
<b>Passive Reserves</b>	
Council considers that the benefits derived from expenditure on this activity are 50% public in nature and 50% private in nature. Council identifies several users of this activity (e.g. fitness track users, wedding photo area users). Council acknowledges that introducing higher and more extensive user charges will not fully fund the private benefit component of this activity. More extensive charges would be very difficult to collect due to the geographical expanse of passive reserves. Council concludes that it will not be possible to achieve a 50% recovery for the private portion of this activity, but it will maximise its revenues as much as possible through fees and charges.	Entirely from general rates with the exception of charges for use where practicable.
<b>Road Berms</b>	
Council considers it is not possible to determine a private benefit in this activity and therefore considers it is 100% public good benefit.  It is acknowledged that, while vandalism does affect the street appearance, it is extremely difficult in many instances to identify the exacerbator.	Entirely from general rates with provision for cost recovery from exacerbators.
<b>Street Trees</b>	
Council considers the provision of trees as a 100% public good.  Council acknowledges an intergenerational component as many of the trees are of a significant age.  Council acknowledges evidence of an exacerbator with regard to wanton vandalism and motor vehicle accident damage.	Entirely from general rates with provision for cost recovery from exacerbators.

Note: As the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from General Rates.

## Activity Group 7: Leisure and Recreation

### Funding the Annual Net Cost – ‘Who Pays’(cont’d)

Distribution of benefits	Funding sources
Bedding Displays	
Council confirms that it could not identify any private benefit received for this activity and therefore considers that it is a 100% public benefit.	General rates 100%.
Playgrounds	
<p>Council concludes that the benefits of this activity are principally private (70%) and relate primarily to the user of the playground. Council concludes that there is no efficient mechanism for its preferred allocation of private/public good. More extensive charges will be practically very difficult to collect due to the inherent physical openness of playgrounds.</p> <p>Council identifies an insignificant intergenerational component in the provision of this service.</p> <p>Council identifies an insignificant exacerbator component in the provision of this service.</p>	Entirely from general rates with the exception of charges for use where practicable.
Cemetery – Availability	
Council views the availability of the cemetery to be pure public in nature.	Council concluded that this sub component be funded from general rates.
Cemetery – Use	
Council felt that it was possible to identify the users of this activity (next of kin) and they meet the test of private good. Costs for the use of this activity are 100% private.	Council concluded that this sub component be funded from fees and charges.

### Summary of Assessment of Sanitary Services January 2009 (Public Toilets)

Fully supervised public toilets are located in Plunket Street opposite Prideaux Park. These were significantly upgraded in 2003 and are open to the public from 8:00am until 4:00pm daily. There are also toilet blocks at the following parks and reserves which include pans and hand basins:

- Prideaux Park
- Firmin Field
- Boyce Park
- Tarawera Park

These toilet blocks are not generally open to the public unless booked when hiring the park. They are cleaned after each booking.

Toilets are available at the cemetery 24 hours a day, seven days a week.

### Summary of Assessment of Sanitary Services January 2009 (Cemetery)

Council provides and maintains a lawn cemetery at the southern end of Valley Road. The cemetery includes general burial sites, an Ex-Services section and a Wall of Remembrance for the deposit of ashes.

A review of cemetery plot availability undertaken in early 2005 estimated that at the current rate of interment, there is four to five years' capacity in the current area. Implementing the recommendations from this review would provide for sites until around the year 2027. Also, the purchase of additional land across the road from the existing site is being pursued, which would allow sites for a further 27 years.

## Activity Group 7: Leisure and Recreation

### Asset Management Implications

Assets have been identified as follows:

- Library/Museum Building and Collection
- Swimming Pools
- Recreation Centre
- Town Hall
- Concert Chamber
- Town Centre Toilets
- Pavilions on Sports Fields
- Field Amenity Buildings (Toilet Blocks)

None of the assets is considered to be critical to the Community. If any of the buildings were destroyed there would be a disruption to the Community, but there are other buildings available that could be used within a short space of time.

Existing buildings have the ability to accommodate the following uses:

Building	Use	Capacity
Library/Museum	Library/Museum	600m <sup>2</sup>
Recreation Centre	Sporting fixtures	Seat 300
Town Hall	Functions	530 people
Concert Chamber	Functions	300 people
Prideaux Park Pavilion	Meeting space	120m <sup>2</sup>
	Changing area	4 pans, 3 showers
Tennis/Netball Pavilion	Meeting room	120m <sup>2</sup>
	Changing and showers	6 pans, 5 showers
Tarawera Park Changing Rooms	Changing facilities	6 teams

### Demand

The District is experiencing zero to very low growth in demand for additional recreation and leisure services.

Demand for sports field amenities (public toilets) increases when events are held. Organisers are required to provide an adequate number of toilets as part of the conditions of the Bylaw Licence for their event.

Development of the following areas of the cemetery will provide space until approximately 2027 at the cemetery site based on current use figures:

1. Hill (150 plots)
2. Car park area (200 plots)

The purchase of additional land across the road from the existing site, to allow sites for a further 27 years, is also being pursued.

### Future Levels of Service

There are no further changes signalled for the levels of service provided for the recreation and leisure group of activities.

### Asset Lifecycle

Maintenance and renewals are undertaken as per the Community Facilities and Property Asset Management Plan. This encompasses the Library/Museum, Swimming Pools, Public Halls, Public Toilets, Parks and Reserves, Pensioner Housing, Cemetery, Commercial Rental Buildings, Depot and District Office.

### Assumptions and Uncertainties

Information about assumptions and uncertainties is contained in the section of this Long Term Plan titled 'Significant Forecasting Assumptions, Risks and Possible Implications'.

### Negative Effects and Risks

Potential negative effects include:

- Libraries provide a place for congregation, which may result in noise and vandalism
- The same is true for the pool, where there is also a further risk of drowning. Having trained staff on site mitigates these risks at the pool.
- Public halls may have a negative effect on neighbouring areas by creating additional noise and traffic
- As long as standards are maintained in keeping with New Zealand standards, there should be no significant negative effects from public toilets
- Some impacts from the provision of parks and reserves could include noise, security and privacy issues for neighbours. Traffic could increase in the areas adjacent to sports fields and the cemetery. Weed spraying could affect nearby residents or adjacent bodies of water. Trees could fall on people or properties and shade and leaves could impact negatively on neighbouring residents.

These all have mitigation strategies.

## Activity Group 7: Leisure and Recreation

### Summary of Cost Implications

#### New Works

A new spa pool was constructed at the swimming pool complex during 2007/08.

Council will continue to negotiate the purchase of the land across the road from the cemetery.

There is not expected to be any other requirement for additional recreation and leisure assets over the next ten year period.

#### Renewals

The cost of renewal works to upgrade, refurbish, or replace existing facilities is estimated to total approximately \$1.5 million over the next ten year period.

#### Depreciation

The cost of all renewal work will be funded from depreciation reserves.

### Performance Measures and Targets

#### Library/Museum

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Acquiring, maintaining and providing the Community with appropriate access to the library collections and services	Resident satisfaction with public library	89%	N/A	92%	N/A	92%	Three-yearly NRB Communitrak Survey
	User/visitor satisfaction with public library	98%	N/A	98%	N/A	98%	Three-yearly NRB Communitrak Survey
<i>Quantity indicators</i>							
Provide a public library/museum	Provision of library/museum service	Library/museum open 50 weeks per year	Library/museum open 50 weeks per year	Library/museum open 50 weeks per year	Library/museum open 50 weeks per year	Library/museum open 50 weeks per year	Council records
Acquiring, maintaining and providing the Community with appropriate access to the library collections and services	Proportion of residents that have used or visited the public library in the past year	79%	N/A	79%	N/A	79%	Three-yearly NRB Communitrak Survey

#### Swimming Pools

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Provide a Swimming Pool Complex that enhances leisure opportunities	Resident satisfaction with public swimming pools	89%	N/A	90%	N/A	90%	Three-yearly NRB Communitrak Survey
	User/visitor satisfaction with public swimming pools	95%	N/A	95%	N/A	95%	Three-yearly NRB Communitrak Survey
Carry out daily water quality checks in the main pool	Daily water quality checks (swimming pools)	Checks carried out daily	Checks carried out daily	Checks carried out daily	Checks carried out daily	Checks carried out daily	Water quality monitoring records
	Compliance with water quality standards	99% compliance	95% compliance	95% compliance	95% compliance	95% compliance	Water quality monitoring records

## Activity Group 7: Leisure and Recreation

### Performance Measures and Targets (cont'd)

#### Swimming Pools (cont'd)

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quantity indicators</i>							
Make the Swimming Pool Complex available for use at least 48 weeks of the year	Provision of public swimming pools	Available throughout most of the year	At least 48 weeks per year	At least 48 weeks per year	At least 48 weeks per year	At least 48 weeks per year	Council records
Provide a Swimming Pool Complex that enhances leisure opportunities	Proportion of residents that have used or visited public swimming pools in the past year	79%	N/A	79%	N/A	79%	Three-yearly NRB Communitrak Survey

#### Public Halls and Facilities

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Three Community halls available for hire: Ron Hardie Recreation Centre, Town Hall and Concert Chambers	Resident satisfaction with public halls	82%	N/A	80%	N/A	80%	Three-yearly NRB Communitrak Survey
	User/visitor satisfaction with public halls	92%	N/A	92%	N/A	92%	Three-yearly NRB Communitrak Survey
Public toilets are provided in high use areas	Resident satisfaction with public toilets	New measure	N/A	TBA*	N/A	TBA*	Three-yearly NRB Communitrak Survey
<i>Quantity indicators</i>							
Three Community halls available for hire: Ron Hardie Recreation Centre, Town Hall and Concert Chambers	Provision of public halls	Halls available for hire throughout the year	Halls available 50 weeks per year	Halls available 50 weeks per year	Halls available 50 weeks per year	Halls available 50 weeks per year	Council records
	Proportion of residents that have used or visited public halls in the past year	60%	N/A	60%	N/A	60%	Three-yearly NRB Communitrak Survey
Public toilets are provided in high use areas	Availability of public toilets when booked	Public toilets available when booked	Public toilets available when booked	Public toilets available when booked	Public toilets available when booked	Public toilets available when booked	Council records and Customer Enquiries Database
<i>Responsiveness indicators</i>							
Public toilets are provided in high use areas	Cleaning frequency and standards are monitored and compliant for all public toilets	100% compliant with standards	100% compliant with standards	100% compliant with standards	100% compliant with standards	100% compliant with standards	Council and contractor records

\* This is a new measure not currently included in the NRB Survey, so information on which to base a target is not yet available.

## Activity Group 7: Leisure and Recreation

### Performance Measures and Targets (cont'd)

#### Parks and Reserves

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Provision of sports fields and passive recreational reserve areas	Resident satisfaction with parks and reserves	93%	N/A	94%	N/A	94%	Three-yearly NRB Communitrak Survey
Provision of a cemetery that accommodates the burial needs of the Community	Resident satisfaction with cemetery	80%	N/A	80%	N/A	80%	Three-yearly NRB Communitrak Survey
	User/visitor satisfaction with cemetery	86%	N/A	86%	N/A	86%	Three-yearly NRB Communitrak Survey
	Number of complaints about burial services	No complaints	No complaints	No complaints	No complaints	No complaints	Council and contractor records, Customer Enquiries Database
The District's street trees are maintained in a safe, healthy and sustainable condition	Number of instances of street trees being managed in contravention of policy or good practice	No instances of streets trees being managed in contravention of Council policy or good practice	No instances of streets trees being managed in contravention of policy or good practice	No instances of streets trees being managed in contravention of policy or good practice	No instances of streets trees being managed in contravention of policy or good practice	No instances of streets trees being managed in contravention of policy or good practice	Council and contractor records
Attractive bedding displays in the District	Satisfaction with Community attractiveness and beautification (e.g. flowerbed displays)	New measure	N/A	TBA*	N/A	TBA*	Three-yearly NRB Communitrak Survey
<i>Quantity indicators</i>							
Provision of sports fields and passive recreational reserve areas	Proportion of residents that have used or visited parks and reserves in the past year	90%	N/A	90%	N/A	90%	Three-yearly NRB Communitrak Survey

\* This is a new measure not currently included in the NRB Survey, so information on which to base a target is not yet available.

## Activity Group 7: Leisure and Recreation

### Performance Measures and Targets (cont'd)

#### Parks and Reserves (cont'd)

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Responsiveness indicators</i>							
Maintain sports fields to the requirements that each code demands	Frequency and standard of grass mowing for parks and reserves	100% compliant with standards	100% compliant with standards	100% compliant with standards	100% compliant with standards	100% compliant with standards	Council and contractor records
Public toilets are provided in high use areas	Cleaning frequency and standards are monitored and compliant for all public toilets	100% compliant with standards	100% compliant with standards	100% compliant with standards	100% compliant with standards	100% compliant with standards	Council and contractor records
Playgrounds maintained to a safe standard	Response time for notifications to remedy playground safety	100% within one working day	100% within one working day	100% within one working day	100% within one working day	100% within one working day	Council and contractor records, Customer Enquiries Database
Road berms are mowed on a regular basis	Frequency and standard of grass mowing for road berms	New measure	All road berms mowed at least 14 times per year	All road berms mowed at least 14 times per year	All road berms mowed at least 14 times per year	All road berms mowed at least 14 times per year	Council and contractor records
Vandalism is attended to on a timely basis	Graffiti removal – general	100% of offensive graffiti removed within one day of Council becoming aware of it. All other graffiti removed within seven days.	100% of graffiti removed within timeframes	100% of graffiti removed within timeframes	100% of graffiti removed within timeframes	100% of graffiti removed within timeframes	Council records and Customer Enquiries Database
Vandalism of Council property is attended to within seven days	Graffiti removal – Council property	100% within seven days	100% within seven days	100% within seven days	100% within seven days	100% within seven days	Council records and Customer Enquiries Database

## Activity Group 7: Leisure and Recreation

### Activity Measures and Targets

#### Parks and Reserves (cont'd)

Levels of Service	Measures	Current performance (2007/08)	2009/10	2010/11	2011/12	2012/13-2018/19	Data source
<i>Quality indicators</i>							
Playgrounds maintained to a safe standard	Playground inspections	New measure	Bi-monthly inspections of all play-grounds	Bi-monthly inspections of all play-grounds	Bi-monthly inspections of all play-grounds	Bi-monthly inspections of all play-grounds	Council records
Maintain sports fields to the requirements that each code demands	Reports on the conditions of sports fields	Two favourable reports from NZ Turf Culture Institute	Two favourable reports	Two favourable reports	Two favourable reports	Two favourable reports	NZ Turf Culture Institute
<i>Quantity indicators</i>							
Town Centre Toilets open seven days a week 8am to 4pm (except Christmas Day)	Toilets staffed seven days per week (except Christmas Day)	Staffed seven days per week (except Christmas Day)	Staffed seven days per week (except Christmas Day)	Staffed seven days per week (except Christmas Day)	Staffed seven days per week (except Christmas Day)	Staffed seven days per week (except Christmas Day)	Council records
Attractive bedding displays in the District	Flowering bedding displays	Flowering bedding displays changed in high profile areas twice per year	Flowering bedding displays changed in high profile areas twice per year	Flowering bedding displays changed in high profile areas twice per year	Flowering bedding displays changed in high profile areas twice per year	Flowering bedding displays changed in high profile areas twice per year	Council and contractor records

### Operating Expenditure and Income Statement (Availability)

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>										
General Rates	2,075,500	2,118,100	2,296,680	2,292,530	2,319,080	2,277,760	2,292,010	2,514,620	2,440,870	2,448,370
Government Grants & Subsidies	950	990	1,010	1,030	1,050	1,070	1,090	1,120	1,150	1,180
Interest Revenue	20,510	26,340	32,680	38,180	44,930	54,090	62,680	70,730	79,940	90,090
Other Revenue	19,120	4,300	4,400	4,510	4,600	4,700	4,810	4,920	5,040	5,170
<b>Total Revenue</b>	<b>2,116,080</b>	<b>2,149,730</b>	<b>2,334,770</b>	<b>2,336,250</b>	<b>2,369,660</b>	<b>2,337,620</b>	<b>2,360,590</b>	<b>2,591,390</b>	<b>2,527,000</b>	<b>2,544,810</b>
<b>Expenditure</b>										
Employee benefit expenses	938,720	962,530	1,001,610	1,026,500	1,043,320	1,063,890	1,092,720	1,138,970	1,158,780	1,190,750
Depreciation	456,080	498,930	500,410	500,370	556,480	555,830	555,970	618,730	617,440	617,010
Internal Finance Costs	38,670	35,380	33,020	29,030	24,590	18,960	15,250	13,220	9,090	5,400
Other Costs	781,480	757,420	909,060	889,670	863,390	819,430	817,140	950,810	874,710	864,670
<b>Total Operating Expenditure</b>	<b>2,214,950</b>	<b>2,254,260</b>	<b>2,444,100</b>	<b>2,445,570</b>	<b>2,487,780</b>	<b>2,458,110</b>	<b>2,481,080</b>	<b>2,721,730</b>	<b>2,660,020</b>	<b>2,677,830</b>
Operating surplus (shortfall)	(98,870)	(104,530)	(109,330)	(109,320)	(118,120)	(120,490)	(120,490)	(130,340)	(133,020)	(133,020)

Note: Council has broken its business down to activity level. In some cases, it has looked at activities from two points of view – availability of the service and use of the service. Activities have been broken into availability and use where they benefit different groups in the Community. In general, Council has assessed the availability of an activity as a public benefit and the use of an activity as a private benefit. Availability relates to the costs incurred to keep a service or asset in such a condition that it can become operational within a short start up period. Use relates to costs incurred as a result of the asset being used.

## Capital and Reserves Funding Requirements for the Next Ten Years

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Capital Expenditure</b>										
Asset Renewals	231,120	143,740	143,790	222,520	127,140	102,530	208,030	157,080	180,020	119,160
Loan Repayments	79,770	83,000	86,370	89,880	93,530	97,330	76,450	40,130	41,760	6,210
Operating Deficit	98,870	104,530	109,330	109,320	118,120	120,490	120,490	130,340	133,020	133,020
<b>Total Funding Required</b>	<b>409,760</b>	<b>331,270</b>	<b>339,490</b>	<b>421,720</b>	<b>338,790</b>	<b>320,350</b>	<b>404,970</b>	<b>327,550</b>	<b>354,800</b>	<b>258,390</b>
<b>Funded By</b>										
Depreciation Reserves	310,890	226,740	230,160	312,390	220,660	199,860	284,480	197,200	221,780	125,370
<b>Total Funding</b>	<b>310,890</b>	<b>226,740</b>	<b>230,160</b>	<b>312,390</b>	<b>220,660</b>	<b>199,860</b>	<b>284,480</b>	<b>197,200</b>	<b>221,780</b>	<b>125,370</b>
Surplus (shortfall)	(98,870)	(104,530)	(109,330)	(109,330)	(118,130)	(120,490)	(120,490)	(130,350)	(133,020)	(133,020)

## Capital Expenditure

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
Library:										
- Collection renewals	41,400	44,790	45,810	46,930	47,910	48,940	50,040	51,230	52,460	53,800
- Office Equipment	9,150	10,210	0	830	9,100	0	890	11,670	1,990	0
- Fixtures and Fittings	10,100	14,920	13,070	10,050	15,500	8,640	23,160	28,280	19,720	8,170
Swimming Pools	33,000	3,030	20,660	40,080	3,520	2,660	16,190	24,650	40,490	0
Public Halls and Facilities:										
- Recreation Centre lift replacement	30,000	0	0	0	0	0	0	0	0	0
- Recreation Centre security fence	40,000	0	0	0	0	0	0	0	0	0
- Recreation Centre renewals	4,200	0	5,560	49,110	0	0	24,900	0	0	0
- Town Hall renewals	5,000	9,200	10,560	13,320	0	2,420	1,490	2,550	13,060	13,360
- Concert Chamber renewals	0	8,440	3,330	11,530	0	1,210	28,880	1,280	5,220	5,340
Parks and Reserves:										
- Sports Fields and Field Amenity Buildings	10,000	17,960	9,550	14,960	2,580	2,170	25,520	0	9,140	0
- Passive Reserves (fences, signs, bins, etc)	27,210	17,960	18,370	18,810	31,680	19,630	20,080	20,540	21,040	21,570
- Playgrounds	21,060	17,230	16,880	16,900	16,850	16,860	16,880	16,880	16,900	16,920
<b>Total Capital Expenditure</b>	<b>231,120</b>	<b>143,740</b>	<b>143,790</b>	<b>222,520</b>	<b>127,140</b>	<b>102,530</b>	<b>208,030</b>	<b>157,080</b>	<b>180,020</b>	<b>119,160</b>

## Operating Expenditure and Income Statement (Use)

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>										
General Rates	359,980	376,290	383,660	391,950	403,810	414,700	424,670	438,230	450,890	461,840
Other Revenue	48,050	50,210	51,250	52,390	53,830	55,170	56,450	58,090	59,690	61,140
<b>Total Revenue</b>	<b>408,030</b>	<b>426,500</b>	<b>434,910</b>	<b>444,340</b>	<b>457,640</b>	<b>469,870</b>	<b>481,120</b>	<b>496,320</b>	<b>510,580</b>	<b>522,980</b>
<b>Expenditure</b>										
Employee benefit expenses	275,160	285,420	291,070	299,400	306,940	315,820	324,970	333,920	344,420	355,200
Depreciation	6,000	6,780	6,550	6,670	7,380	7,520	7,620	8,160	8,340	8,340
Internal Finance Costs	290	150	630	570	430	280	480	790	650	440
Other Costs	126,580	134,150	136,660	137,700	142,890	146,250	148,050	153,450	157,170	159,000
<b>Total Operating Expenditure</b>	<b>408,030</b>	<b>426,500</b>	<b>434,910</b>	<b>444,340</b>	<b>457,640</b>	<b>469,870</b>	<b>481,120</b>	<b>496,320</b>	<b>510,580</b>	<b>522,980</b>

# Council Controlled Organisations (CCOs)

## Introduction

This section presents information required under the LGA relating to any council-controlled organisation (CCO) in which Council is a shareholder. A CCO is a company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. CCOs are essentially any company with a majority Council shareholding, or a trust or similar organisation with a majority of council-controlled votes or council-appointed trustees.

In order to achieve its objectives, Council is a shareholder in two CCOs – Bay of Plenty Local Authority Shared Services Limited (BOP LASS Ltd), which is jointly owned by all eight councils in the Bay of Plenty Region, and Toi Economic Development Agency (Toi EDA), which is jointly owned by the Kawerau, Whakatane and Opotiki district councils.

## BoP LASS Ltd

BoP LASS Ltd was set up during 2007/08 to foster shared services between the participating councils. It provides an umbrella vehicle to investigate, procure, develop and deliver shared services where a business case shows they can provide benefits (e.g. in terms of reduced costs, improved efficiency and/or increased value through innovation). The organisation's Statement of Intent can be found on-line.

## Ownership and Control

Each of the following eight councils in the region holds a 12.5% share:

- Environment Bay of Plenty Regional Council
- Kawerau District Council
- Opotiki District Council
- Rotorua District Council
- Taupo District Council
- Tauranga City Council
- Western Bay of Plenty District Council
- Whakatane District Council

BoP LASS Ltd conducts itself in accordance with its Constitution, its annual Statement of Intent agreed with shareholders and the provisions of the Companies Act 1993 and LGA. Unless otherwise agreed by the Board, each appointee is the current or acting Chief Executive

of the council shareholders. In addition, the Board may appoint up to three professional directors to supplement the Directors/Chief Executives' expertise.

At an operational level, each operational shared service is managed or "directed" by an Advisory Group, nominated by the shareholding councils in that particular service. Each such service is subject to a formal service level agreement between BoP LASS Ltd and the service shareholders, outlining the services and activities provided, where, when and how; and reflecting the capital and operational costs being met by each service shareholder.

All shared services are operated and accounted for as separate business units under the overall umbrella of BoP LASS Ltd. As such, the Board oversees and approves nominations to the Advisory Groups and all of their material decisions – there is only one Board of Directors and that remains at the umbrella or holding company level.

Subject to the approval of shareholders in accordance with the shareholder agreement the directors may decide that a particular activity is best managed as a subsidiary company and proceed accordingly. The draft Statement of Intent for any such subsidiary shall be circulated to the shareholders of BoP LASS Ltd together with the request for a Special Shareholder resolution as provided for in section 6 of the shareholder agreement.

## Nature and Scope of Activities

The principal nature and scope of the activity of BoP LASS Ltd is to:

- Enable the provision of shared services to any or all local authorities within the Bay of Plenty Region. BoP LASS Ltd may also sell 'shared' processes and systems as set up under individual agreements to local authorities outside the Region
- Pursue all opportunities to procure shared services that will benefit the Community in the widest sense, through enhanced back office services and/or reduced costs for councils
- Explore all possible avenues to provide these services itself or contract them from outside parties, each depending on a rigorous business case and risk assessment

## Council Controlled Organisations (CCOs) (cont'd)

In terms of prospective developments, BoP LASS Ltd will continue to work on business cases for shared services that may be provided in the region. Current feasibility studies include:

- GIS (Geographic Information System)
- Aerial photography
- Joint procurement
- Library Management and Information services
- Joint software support
- After Hours services
- Internal audit/probity
- Facilitation of regional broadband services in the start up or incubation phase. Subject to the required approval, it is the intention of the Directors to establish a subsidiary company to facilitate the development of broadband throughout the Region

Other shared services may be provided after the Board has considered each individual business case and

formally agreed to take on and deliver (or host/procure etc) the shared service.

BoP LASS Ltd will also proactively explore opportunities to partner with other local authorities and shared services organisations within New Zealand where they are either developing or considering developing cost effective shared services and products that are of value to the Bay of Plenty councils.

BoP LASS Ltd also acts as a regional vehicle to attract government and other funding, if or when it is made available.

### CCO Performance Measures and Targets

While BoP LASS Ltd has been operational for only a short time, progress has been made against performance targets. The following is a report of performance targets for the 2009/10 year.

Performance targets for 2009/10		
Outcomes	Action	Measure
Ensure the umbrella company continues to operate effectively in both governance and management terms.	Management reporting. Accounting system –financial reports provided.	Report target dates met
Maintain operational principles regarding developing and approving shared services.	Policy statement reviewed annually. Business cases provided and approved for services prior to initiation.	30 June 2010 30 June 2010
Develop and sustain communication lines with each shareholding council at appropriate levels.	Management team meetings with constituent councils.	30 June 2010
Develop and sustain communication lines with shared service CCOs of neighbouring regions.	Regular contacts resulting in shared information reported to Board.	30 June 2010
Investigate at least potential 5 shared services to identify saving and or benefits.	Advisory groups established and feasibility studies completed.	30 June 2010
Achieve effective operation of at least 3 shared services with each service contributing appropriately to the costs of the umbrella vehicle.	Service levels agreed and implemented. Cost recovery/levy applied.	Three services by 30 June 2010
Operate within agreed budgets.	Budget approved annually.	Budget approved 1 July 2010

## Council Controlled Organisations (CCOs) (cont'd)

Performance targets for 2009/10		
Outcomes	Action	Measure
Maintain positive cash flow.	Cash flow reports provided on time.  No negative cash flow arising from BoPLASS actions.	30 June 2010
Survey customers of active shared services at least annually to measure their satisfaction with levels and quality of service.	Annual surveys undertaken.	30 June 2010
Survey directors at least annually to gauge their satisfaction with the: <ul style="list-style-type: none"> <li>• Extent and quality of new service investigation and business case development.</li> <li>• Administration and Secretarial support /reporting.</li> <li>• Operations of advisory groups.</li> <li>• Governance and Strategic role of the board.</li> <li>• Performance of the Executive Officer of BoP LASS Ltd.</li> </ul>	Annual surveys prepared and circulated to directors.  Executive Officer report to directors.  Annual surveys prepared and circulated to directors.  Annual review by directors.  Chairperson's report to directors.	30 June 2010   Six weekly reports   30 June 2010

### Further Information

[www.kaweraudc.govt.nz/services/boplass-1.asp](http://www.kaweraudc.govt.nz/services/boplass-1.asp)

### Toi EDA (Economic Development Agency)

Toi EDA is the Eastern Bay of Plenty Regional Economic Development Agency. It was set up by the three territorial authorities (Kawerau, Opotiki and Whakatane), the regional council (Environment Bay of Plenty) and Te Rūnanga o Ngati Awa on behalf of Mataatua Iwi Forum.

### Ownership and Control

Toi EDA operates under a Deed of Trust. It has six experienced business people and community leaders as board members or trustees. The Trust operates under the umbrella of the new Bay of Plenty regional partnership with two other groups: Tauranga's Priority One and Destination Rotorua Economic Development.

### Nature and Scope of Activities

Toi EDA is responsible for economic development activities across the Eastern Bay of Plenty Region and marketing and visitor services in the Whakatane District. It also has the Whakatane Events Management and Marketing Office under its wing.

Toi EDA recently adopted a three-year strategic plan with a strong focus on enhancing the Eastern Bay of Plenty's economic growth and resultant wealth for its people. It is a conduit in the Eastern Bay for Central Government economic development funding, and has been involved in designing an action plan of projects for funding from New Zealand Trade and Enterprise.

## CCO Performance Measures and Targets

- (a) To attract more people to visit and live in the region by developing and implementing a co-ordinated marketing strategy:

	2009	2010
To promote points of difference, develop and implement a marketing plan and implement recommendations of the recent perceptions study.	\$ 50,000	\$50,000

- (b) To identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty:

	2009	2010
To implement the strategy developed in conjunction with WDC staff, regular liaison between the 3 councils and with community and sports groups and regional events managers, undertake economic impact analysis, develop marketing activity for each event, maintain events calendar, identify potential new events, attract event businesses, identify funding opportunities and assist community/sports groups with funding applications	\$50,000	\$50,000

- (c) To implement Toi-EDA economic development strategy goals:

	2009	2010
<ul style="list-style-type: none"> <li>▪ To attract people to work, live and play in the Eastern Bay of Plenty</li> <li>▪ To align Toi-EDA activity with Bay of Plenty regional and national economic development activity</li> <li>▪ To encourage alignment of Maori economic development activity and Toi-EDA activity</li> <li>▪ To support and develop industry</li> <li>▪ To align training and education with employment needs</li> <li>▪ To advocate for improved infrastructure and transportation</li> <li>▪ To foster communication with the community and partners</li> <li>▪ To secure and diversify the Toi-EDA funding base.</li> </ul>	\$45,000	\$45,000

### Further Information

[www.toi-eda.co.nz](http://www.toi-eda.co.nz)



FINANCIAL STATEMENTS



# Significant Forecasting Assumptions, Risks and Possible Implications

Financial estimates form part of the Long Term Plan. These estimates are based on assumptions about future conditions and events, which may or may not occur. A financial estimate's quality is therefore dependent on the appropriateness, completeness and reasonableness of the underlying assumptions as well as on the underlying information. Actual results may differ from these assumptions and variations may be material. The information in these financial statements may not be appropriate for purposes other than that of Council consulting with the Community on the spending priorities outlined in this Plan.

The LGA 2002 requires these assumptions to be disclosed. This allows the readers to make their own judgement on the assumptions' quality and reliability. To further assist readers make an informed judgement, it is also necessary to provide information about the sensitivity (to change) of financial estimates. The LGA describes these financial estimates as being based on

assumptions that "involve a high level of uncertainty". The LGA requires an Auditor to provide an audit report on the Long Term Plan and this attestation specifically covers the quality of the information and assumptions that underlie the forecast information. The Long Term Plan must clearly identify:

- All the significant forecasting assumptions and risks underlying the financial estimates
- The assumptions of the Council concerning the useful life of significant assets and the sources of funds for future replacement of significant assets
- In any case where significant forecasting assumptions involve a high level of uncertainty, the fact of that uncertainty and an estimate of the potential effects of that uncertainty on the financial estimates provided

The following assumptions underlying the preparation of these forecasts were made in preparing this Plan:

## 1. Useful lives of significant assets

Assets	Estimated Economic Life (years)
Operational:	
- Buildings	40-67
- Computers/electronic office equipment	3-5
- Fixtures, fittings and equipment	5
- Plant (vehicles)	5
- Library lending matter (excluding special collections)	7
Infrastructural:	
- Transport Management:	
✓ Street lighting	6-30
✓ Kerb, channel and footpath	28-100
✓ Pavement surface	1-13
✓ Pavement structure	15-74
✓ Stormwater	4-62
- Water Supply:	
✓ Collection and storage	5-79
✓ Local distribution	7-79
- Wastewater:	
✓ Reticulation system	4-68
✓ Pumping and treatment	2-70
Restricted:	
- Buildings and other	40-53

## Forecasting Assumptions and Risks (cont'd)

### 2. Sources of funds for future replacement of significant assets

Some buildings are non-strategic and the level of utilisation in many cases is significantly below availability. As a result, it is unlikely they would be replaced in their present form. Also their replacement may be by rented accommodation or by buildings funded by way of loans. The advantage of not funding depreciation on these buildings is that the Community is not rated for depreciation on assets that are unlikely to be replaced with buildings of equivalent value. Buildings that are unlikely to be replaced in their present form include the Council Buildings (including Town Hall, Concert Chamber, Library/Museum and Offices), Tarawera Park Amenity Building, Recreation Centre, Swimming Pool, Depot and Pensioner Housing.

### 3. Projected growth change factors (population and development)

Based on population projections published by Statistics New Zealand, the District is experiencing (and is expected to continue to experience) zero to very low growth in demand for additional infrastructural services. The existing infrastructural network will cope with additional demand to a population of at least 10,000. Growth is monitored to determine any potential additional demand on infrastructural services.

### 4. Cost factors (inflation)

The forecasts in this Plan have been adjusted for inflation using the following projections of price level change adjusters prepared for the Society of Local Government Managers by Business and Economic Research Limited (BERL).

#### *Inflation adjusters: Percent change per annum*

Year ending	Roading	Property	Water	Energy	Staff	Other
June 2010	3.3%	2.7%	3.8%	2.1%	2.6%	3.5%
June 2011	4.0%	4.2%	4.1%	3.4%	3.8%	4.4%
June 2012	2.9%	2.6%	2.8%	2.6%	2.7%	2.3%
June 2013	2.4%	2.8%	2.7%	3.0%	2.5%	2.4%
June 2014	2.3%	2.8%	3.3%	2.9%	2.5%	2.1%
June 2015	2.2%	2.9%	2.9%	3.3%	2.5%	2.2%
June 2016	2.3%	3.0%	3.5%	3.3%	2.6%	2.3%
June 2017	2.4%	2.6%	3.1%	3.3%	3.2%	2.3%
June 2018	2.4%	2.2%	3.2%	3.4%	2.7%	2.4%
June 2019	2.2%	2.3%	3.3%	3.5%	3.1%	2.5%

Source: BERL 2008

#### **Note: Emissions Trading Scheme**

The Emissions Trading Scheme is currently in legislation, but the new Government has indicated its application will be delayed due to a review taking place. Until more detail is released as to what, if any, changes will be made to the current legislation, the Council has increased all of the cost adjusters in the 2010/2011 year by adding a further 1.1 percent.

## Forecasting Assumptions and Risks (cont'd)

### 5. New Zealand Transport Agency (NZTA) subsidy rates

NZTA (formerly Land Transport New Zealand) contributes significantly to the costs of maintaining and renewing the roads. The assumption has been made that when roads are due for renewal, NZTA will contribute towards the cost on the currently agreed rate

of 67%. NZTA has indicated that this rate will continue until 2011/12 and a review will be undertaken to determine rates after that date. The budgeted Land Transport Subsidies for the period of this Plan are:

2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
\$266,420	\$274,080	\$282,050	\$288,820	\$295,490	\$302,140	\$309,090	\$316,520	\$324,320	\$331,530

#### ***Sensitivity in subsidy revenue to a 5% change in subsidy rates***

Risk: Change in rate  
Likelihood: Moderate  
Impact: See table below

2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
\$13,321	\$13,704	\$14,102	\$14,441	\$14,774	\$15,107	\$15,452	\$15,826	\$16,216	\$16,576

### 6. Revaluation of non-current assets

Council's current accounting policy is that Infrastructural assets (including land and buildings) are revalued on a three-yearly basis. The last revaluation was as at 30 June 2007. Under the current policy, revaluations will occur as at 30 June in the years 2010, 2013, 2016 and 2019 during the life of this Long Term Plan.

The effect of the revaluations has been estimated using the forecasts of price level change adjustors prepared for the Society of Local Government Managers by Business and Economic Research Limited (BERL).

### 7. Forecast return on investments

The interest rates on invested funds assumed for the ten-year planning period are shown in the table below. These are based on interest rates on current investments as at February 2009.

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Interest rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Average investments	\$3,535,420	\$3,656,420	\$3,804,730	\$4,186,695	\$5,318,345	\$6,438,595	\$6,795,270	\$7,011,470	\$7,170,325	\$7,454,985

#### ***Sensitivity in interest revenue to a 1% change in interest rates***

Risk: Change in rate  
Likelihood: High  
Impact: See table below

2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
\$40,333	\$45,380	\$50,630	\$56,665	\$66,808	\$79,165	\$88,500	\$93,113	\$97,160	\$102,413

## Forecasting Assumptions and Risks (cont'd)

### 8. Expected interest rates on internal borrowing

Council uses its reserves and external borrowing to fund new capital projects. Internal borrowing is utilised where there is no foreseeable requirement for the original purpose of the reserve funds during the term of the internal loan. The primary objective of funding internally is to use reserves efficiently and create operational savings by eliminating the interest rate margin between separately investing and borrowing externally. The following parameters apply to internal loans in addition to those applying to external loans:

- The term of the internal loan will be determined after considering the original purpose of the reserve fund
- Principal amounts are repaid in quarterly instalments on the due date of each rates instalment. Amounts are agreed upon at the

commencement of the loan and determined on a table mortgage basis

- Interest is charged to the activity centre based upon the average rate of Council's investments on the date it resolves to lend internally
- Council has the ability to reset interest rates annually during the preparation of the Annual Plan

It is anticipated that all borrowing will be done internally from depreciation reserves during the life of the Long Term Plan. The expected interest rates on borrowing are therefore based on the forecast interest rates for investments.

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Interest rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Average borrowing	\$1,162,880	\$1,030,571	\$892,891	\$749,619	\$600,531	\$468,672	\$367,154	\$293,639	\$236,851	\$196,375

### ***Sensitivity in interest expense to a 1% change in interest rates***

Risk: Change in rate  
Likelihood: High  
Impact: See table below

2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
\$11,629	\$10,306	\$8,929	\$7,496	\$6,005	\$4,687	\$3,672	\$2,936	\$2,369	\$1,964

### 9. Climate Change

Council has assumed that the excess capacity in the District's infrastructure will cope with any effects of climate change such as changing weather patterns (extreme weather events).

# Prospective Statement of Accounting Policies

## Reporting entity

Council is a local authority in terms of the Local Government Act and designates itself to be a Public Benefit Entity with the primary objective of providing goods and services for the benefit of its Community rather than for a financial return. The purpose of prospective financial statements in the Long Term Plan is to provide users with information about the core services that Council intends to provide to the Community, the expected cost of those services and, as a result, how much Council requires by way of rates to fund the intended levels of service.

## Statement of Compliance and Basis of Preparation

With effect from the financial year ended 30 June 2007, Council first adopted New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), which are now the New Zealand Generally Accepted Accounting Practices (NZ GAAP). It also adopted all allowable reporting exemptions available to Public Benefit Entities. The prospective financial statements have been prepared in compliance with NZ GAAP, in a format consistent with the standards issued by the Institute of Chartered Accountants of New Zealand and are compliant with Section 111 of the LGA. The prospective financial statements are presented in New Zealand Dollars (NZD).

## Measurement Base

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of certain classes of Property, Plant and Equipment. The preparation of financial statements that conform to NZ GAAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets that are not readily apparent from other sources.

Estimates and assumptions are reviewed on an ongoing basis and revisions to the accounting estimates recognised in the period of the revision, or in that period and any future periods that are affected by the revision. It should be noted that actual results may vary from these estimates. The accounting policies set out below have been applied consistently to all periods presented in the prospective financial statements.

## Revenue

### *Rates revenue*

Rates are set annually by a resolution from Council and rates revenue is recognised within the financial year for which the rates have been set.

### *Government grants and subsidies*

Council receives government grants from the New Zealand Transport Agency (formerly Land Transport New Zealand), which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

### *Petrol tax*

Petrol tax is recognised as revenue on receipt.

### *Interest revenue*

Interest is recognised as revenue using the effective interest method.

## Statement of Accounting Policies (cont'd)

### **Other revenue**

Water meters are read, and the usage billed, on the last day of each quarter. Unbilled usage at the year end is accrued based on the actual reading at 30 June. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. Sales of goods are recognised when a product is sold to the customer and the recognised revenue is the gross amount of the sale. Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction. Dividends are recognised when the right to receive payment has been established.

### **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **Grant expenditure**

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

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure in the financial year for which they are granted.

### **Support activity costs**

Support activity costs are allocated to significant activities on the basis of relative total direct costs.

## **Leases**

### **Finance leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

### **Operating leases**

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

### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

### **Trade and other receivables**

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

### **Inventories**

Inventories include all goods held for the purpose of eventual consumption. They are measured at the lower of cost (using the FIFO method) and current replacement cost.

### **Investments**

Investments represent Council's shareholdings in New Zealand Local Government Insurance Corporation Limited and BoP LASS Ltd and are held at cost. Council classifies its financial assets into four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classifications of Council's investments at initial recognition and re-evaluates this designation at every reporting date.

## Statement of Accounting Policies (cont'd)

### Impairment of financial assets

At each balance date, Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Financial Performance.

### Non-current assets for sale

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

Any impairment losses for write-downs or non-current assets held for sale are recognised in the statement of financial performance.

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

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

### Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

### Property, plant and equipment

#### **Operational assets**

These include land, buildings, library books, plant and equipment and motor vehicles.

#### **Infrastructure assets**

This comprises the fixed utility systems (roads, water, wastewater and stormwater) owned by Council. Each

asset class includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and sewer pump stations.

#### **Restricted assets**

These include parks and reserves owned by Council which provide a benefit or service to the Community and cannot be disposed of because of legal or other restrictions.

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

#### **Additions**

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

In most instances, an item or property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

#### **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

#### **Subsequent costs**

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

### Depreciation of property, plant and equipment

Depreciation is provided on either the straight-line (SL) or diminishing value (DV) basis on all property, plant and equipment other than land and pavement formation, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The estimated useful lives, associated depreciation rates and depreciation basis for each major class of assets are as outlined on the following page:

## Depreciation of Property, Plant and Equipment

Assets	Estimated Useful Life (years)	Depreciation Rate	Method
Operational:			
- Buildings	40-67	1.5% - 2.5%	SL
- Computers/electronic office equipment	3-5	20.0% - 33.3%	SL
- Fixtures, fittings and equipment	5	20.0%	DV
- Plant (vehicles)	5	20.0%	DV
- Library collections (excluding special collections)	7	15.0%	DV
Infrastructural:			
- Roading Network:			
✓ Street lighting	6-30	3.3% - 16.0%	SL
✓ Kerb, channel and footpath	28-100	1.1% - 3.6%	SL
✓ Pavement surface	1-13	7.7% - 100%	SL
✓ Pavement structure	15-74	6.6% - 100%	SL
✓ Stormwater	4 - 62	1.6% - 25.0%	SL
- Water Systems:			
✓ Collection and storage	5-79	1.3% - 20.0%	SL
✓ Local distribution	7-79	1.3% - 14.0%	SL
- Wastewater System:			
✓ Reticulation system	4-68	1.5% - 25.0%	SL
✓ Pumping and treatment	2-70	1.4% - 50.0%	SL
Restricted:			
- Buildings and other	40-53	1.9% - 12.5%	SL

Notes: SL = straight-line method of depreciation. DV = diminishing value method of depreciation. Pavement formation is not depreciated.

### Revaluation

Land, buildings and infrastructural assets are revalued every three years, which will occur as at 30 June in the years 2010, 2013, 2016 and 2019 during the life of this Long Term Plan.

Those asset classes that are revalued are valued on the bases described below. All other asset classes are carried at depreciated historical cost.

### Operational land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed as at 30 June 2007.

### Restricted land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed as at 30 June 2007. Infrastructural asset classes: Roads, water reticulation, wastewater reticulation and stormwater systems.

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed as at 30 June 2007. All infrastructural asset classes carried at valuation were valued.

### Land under roads

Land under roads, was valued based on fair value of adjacent land, effective 1 July 2004. Under NZ IFRS, Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is no longer revalued.

### Library collections

Library books were valued at deemed cost as at 1 July 1991. Library additions are recorded at cost less accumulated depreciation on the diminishing value basis.

### Accounting for revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Financial Performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, then credited to the revaluation reserve for that class of asset.

## Statement of Accounting Policies (cont'd)

### Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Assets	Estimated Useful Life (years)	Amortisation Rate	Method
Computer software	3-8	12.5% - 33.3%	SL

### Employee benefits

#### Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

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

#### Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave, retirement leave and superannuation schemes, have been calculated on an actuarial basis.

### Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any increase in the provision due to the passage of time is recognised as an interest expense.

#### Landfill

Council has a responsibility under its resource consent to provide ongoing maintenance and monitoring of the

Kawerau landfill after the site closed. This responsibility is estimated to last until 30 June 2025.

Council recognises a liability for these costs, but the long term nature of the liability means that there are inherent uncertainties in estimating what costs will be incurred. The provision has been estimated taking account of existing technology and using a discount rate equivalent to Council's public debt weighted average interest rate.

### Financial guarantee

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

### Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

### Ratepayer equity

Equity is the Community's interest in Council and is measured as the difference between total assets and total liabilities. The components of equity are:

- Retained earnings
- Council created reserves
- Restricted reserves
- Asset revaluation reserves

### Council created reserves

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

### Restricted reserves

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

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

## Council's Financial Strategy

Council's financial strategy is to keep rates affordable for the Community. There are several factors that lead to larger rate increases occurring in the early years of the Plan with minimal increases in the latter years.

The 2009/10 financial year is affected by a significant fall in interest rates on Council's term deposits which equates to a 4.1 % rise in total rates. In the 2010/11 financial year, an additional \$181,000 (2.7% increase in rates) is required for wastewater treatment and \$156,000 of additional depreciation to be funded (2.4%). An additional \$122,000 (1.7% increase in rates) is required for wastewater treatment in the 2011/12 financial year. Other increases relate to scheduled Reserves building maintenance (\$36,000), the Monika Lanham Reserve project (\$45,000), Building Consent Authority audit fees (\$17,000) and Long Term Plan audit fees.

The additional funding for wastewater treatment is due to phasing in the costs of Council taking over the secondary treatment of wastewater from Carter Holt Harvey Limited (CHH). The phasing in of these costs is achieved through utilising funds received from CHH for this purpose. The 2010/11, 2013/14 and 2016/17 financial years are affected by revaluations of Council's assets which result in increased depreciation expense. There are several years where the forecast rate increase is below inflation. This is the result of increased interest revenue as depreciation reserves grow.

## Smoothing of rate increases

Council's intention is to smooth the peaks and troughs of the rate increases over the first five years of the Plan and the second five years of the Plan.

This is achieved by utilising Council's cash reserves. Accordingly the actual rate increases proposed for the ten years of the Plan as outlined in the table below.

Year	2009/10	2010/11	2011/12	2012/13	2013/14
Original Increase in total rates	6.4%	9.3%	6.7%	-0.4%	4.1%
Increase/(Decrease) in rate requirement	(20,000)	(225,000)	(275,000)	190,000	330,000
Revised Increase in total rates	6.1%	6.2%	6.2%	5.8%	5.8%
Increase/(Decrease) in Interest Revenue	(400)	(4,700)	(10,000)	(6,300)	0

Year	2014/15	2015/16	2016/17	2017/18	2018/19
Original Increase in total rates	-0.1%	0.9%	6.9%	0.5%	1.6%
Increase/(Decrease) in rate requirement	345,000	300,000	(210,000)	(190,000)	(245,000)
Revised Increase in total rates	0.1%	0.4%	0.6%	0.7%	1.0%
Increase/(Decrease) in Interest Revenue	\$6,600	\$12,400	\$8,400	\$4,700	\$0

Council is in a strong financial position going into this ten year period and has sound treasury management policies to build on this position.

## Goods and Services Tax (GST)

### Critical accounting estimates and assumptions

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis.

Estimates and judgements are continually evaluated and are based on historical experience and other

factors, including expectations of the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are also discussed later.

# Prospective Statement of Comprehensive Income

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
<b>Revenue</b>					
General Rates	6,012,580	6,134,850	6,431,380	6,840,540	7,268,400
Separate Rates					
- Water Supply	116,460	134,440	136,950	140,040	144,370
- Wastewater	79,680	331,390	461,620	471,490	485,040
- Refuse Collection	404,330	424,260	431,800	440,530	452,480
<b>Total Rates</b>	<b>6,613,050</b>	<b>7,024,940</b>	<b>7,461,750</b>	<b>7,892,600</b>	<b>8,350,290</b>
Government Grants & Subsidies	273,360	321,210	330,830	338,510	347,470
Petrol Tax	65,000	67,600	69,560	71,230	72,870
Interest Revenue	161,330	181,520	202,520	226,660	267,230
Other Revenue	309,410	321,500	308,840	313,930	338,780
<b>Total Revenue</b>	<b>7,422,150</b>	<b>7,916,770</b>	<b>8,373,500</b>	<b>8,842,930</b>	<b>9,376,640</b>
<b>Expenditure</b>					
Employee benefit expenses	2,910,730	3,021,120	3,099,760	3,175,190	3,252,170
Depreciation	2,136,780	2,358,720	2,358,690	2,358,730	2,585,350
Finance Costs	3,540	1,400	9,660	8,030	5,400
Other Costs	3,232,920	3,341,050	3,638,940	3,565,920	3,698,020
<b>Total Operating Expenditure</b>	<b>8,283,970</b>	<b>8,722,290</b>	<b>9,107,050</b>	<b>9,107,870</b>	<b>9,540,940</b>
Operating surplus (shortfall)	<b>(861,820)</b>	<b>(805,520)</b>	<b>(733,550)</b>	<b>(264,940)</b>	<b>(164,300)</b>
<b>Other Comprehensive Income</b>					
Gain on Asset Revaluation	4,415,540	0	0	4,034,260	0
<b>Total Comprehensive Income</b>	<b>3,553,720</b>	<b>(805,520)</b>	<b>(733,550)</b>	<b>3,769,320</b>	<b>(164,300)</b>

## Prospective Statement of Comprehensive Income (cont'd)

	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Revenue</b>					
General Rates	7,246,790	7,252,040	7,270,250	7,300,110	7,359,380
Separate Rates					
- Water Supply	148,450	152,260	156,890	161,630	165,550
- Wastewater	497,590	509,230	523,260	537,890	549,750
- Refuse Collection	463,560	473,710	485,770	498,860	508,710
<b>Total Rates</b>	<b>8,356,390</b>	<b>8,387,240</b>	<b>8,436,170</b>	<b>8,498,490</b>	<b>8,583,390</b>
Government Grants & Subsidies	355,030	320,450	328,180	336,250	343,730
Petrol Tax	74,470	76,180	78,010	79,880	81,640
Interest Revenue	316,670	353,990	372,450	388,640	409,650
Other Revenue	327,000	332,530	359,900	347,510	353,030
<b>Total Revenue</b>	<b>9,429,560</b>	<b>9,470,390</b>	<b>9,574,710</b>	<b>9,650,770</b>	<b>9,771,440</b>
<b>Expenditure</b>					
Employee benefit expenses	3,331,050	3,415,050	3,521,000	3,612,950	3,721,430
Depreciation	2,585,340	2,585,330	2,843,230	2,843,190	2,843,220
Finance Costs	2,780	5,980	11,360	8,140	4,920
Other Costs	3,658,580	3,695,090	3,984,490	3,951,270	4,018,580
<b>Total Operating Expenditure</b>	<b>9,577,750</b>	<b>9,701,450</b>	<b>10,360,080</b>	<b>10,415,550</b>	<b>10,588,150</b>
Operating surplus (shortfall)	<b>(148,190)</b>	<b>(231,060)</b>	<b>(785,370)</b>	<b>(764,780)</b>	<b>(816,710)</b>
<b>Other Comprehensive Income</b>					
Gain on Asset Revaluation	0	4,439,270	0	0	4,928,430
<b>Total Comprehensive Income</b>	<b>(148,190)</b>	<b>4,208,210</b>	<b>(785,370)</b>	<b>(764,780)</b>	<b>4,111,720</b>

# Prospective Statement of Changes in Equity

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
<b>Total Equity</b>					
Opening Balance	53,441,140	56,994,860	56,189,340	55,455,790	59,225,110
Total Comprehensive Income	3,553,720	(805,520)	(733,550)	3,769,320	(164,300)
<b>Closing Balance</b>	<b>56,994,860</b>	<b>56,189,340</b>	<b>55,455,790</b>	<b>59,225,110</b>	<b>59,060,810</b>
<i>Made up of:</i>					
Retained Earnings					
Opening Balance	45,799,122	44,937,302	44,131,782	43,398,232	43,133,292
Total Comprehensive Income	(861,820)	(805,520)	(733,550)	(264,940)	(164,300)
<b>Closing Balance</b>	<b>44,937,302</b>	<b>44,131,782</b>	<b>43,398,232</b>	<b>43,133,292</b>	<b>42,968,992</b>
Asset Revaluation Reserve					
Opening Balance	7,642,018	12,057,558	12,057,558	12,057,558	16,091,818
Asset Revaluation	4,415,540	0	0	4,034,260	0
<b>Closing Balance</b>	<b>12,057,558</b>	<b>12,057,558</b>	<b>12,057,558</b>	<b>16,091,818</b>	<b>16,091,818</b>

## Prospective Statement of Changes in Equity (cont'd)

	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>Total Equity</b>					
Opening Balance	59,060,810	58,912,620	63,120,830	62,335,460	61,570,680
Total Comprehensive Income	(148,190)	4,208,210	(785,370)	(764,780)	4,111,720
<b>Closing Balance</b>	<b>58,912,620</b>	<b>63,120,830</b>	<b>62,335,460</b>	<b>61,570,680</b>	<b>65,682,400</b>
<i>Made up of:</i>					
Retained Earnings					
Opening Balance	42,968,992	42,820,802	42,589,742	41,804,372	41,039,592
Total Comprehensive Income	(148,190)	(231,060)	(785,370)	(764,780)	(816,710)
<b>Closing Balance</b>	<b>42,820,802</b>	<b>42,589,742</b>	<b>41,804,372</b>	<b>41,039,592</b>	<b>40,222,882</b>
Asset Revaluation Reserve					
Opening Balance	16,091,818	16,091,818	20,531,088	20,531,088	20,531,088
Asset Revaluation	0	4,439,270	0	0	4,928,430
<b>Closing Balance</b>	<b>16,091,818</b>	<b>20,531,088</b>	<b>20,531,088</b>	<b>20,531,088</b>	<b>25,459,518</b>

# Prospective Statement of Financial Position

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	2,888,350	2,824,490	2,784,970	2,788,420	2,848,270
Trade & Other Receivables	1,141,110	1,217,150	1,287,370	1,359,540	1,441,600
Inventories	51,940	52,440	52,440	52,450	52,460
Other Financial Assets	480,000	800,000	1,000,000	1,400,000	2,500,000
<b>Total Current Assets</b>	<b>4,561,400</b>	<b>4,894,080</b>	<b>5,124,780</b>	<b>5,600,410</b>	<b>6,842,330</b>
<b>Non-Current Assets</b>					
Property, Plant and Equipment	54,185,290	53,074,660	52,311,660	55,552,370	54,179,610
Intangible Assets	107,370	114,760	121,240	127,010	132,810
Investments	32,160	32,160	32,160	32,160	32,160
<b>Total Non-Current Assets</b>	<b>54,324,820</b>	<b>53,221,580</b>	<b>52,465,060</b>	<b>55,711,540</b>	<b>54,344,580</b>
<b>Total Assets</b>	<b>58,886,220</b>	<b>58,115,660</b>	<b>57,589,840</b>	<b>61,311,950</b>	<b>61,186,910</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade & Other Payables	1,403,130	1,450,060	1,579,350	1,547,650	1,604,990
Provisions	8,870	9,070	9,290	9,490	9,700
Employee Benefit Liabilities	236,940	245,930	252,330	258,470	264,740
Borrowings	20,080	2,250	18,720	21,070	23,400
<b>Total Current Liabilities</b>	<b>1,669,020</b>	<b>1,707,310</b>	<b>1,859,690</b>	<b>1,836,680</b>	<b>1,902,830</b>
<b>Non-Current Liabilities</b>					
Provisions	114,220	109,150	103,680	97,820	91,540
Employee Benefit Liabilities	105,060	109,050	111,890	114,610	117,390
Borrowings	3,060	810	58,790	37,730	14,340
<b>Total Non-Current Liabilities</b>	<b>222,340</b>	<b>219,010</b>	<b>274,360</b>	<b>250,160</b>	<b>223,270</b>
<b>Total Liabilities</b>	<b>1,891,360</b>	<b>1,926,320</b>	<b>2,134,050</b>	<b>2,086,840</b>	<b>2,126,100</b>
<b>Net Assets</b>	<b>56,994,860</b>	<b>56,189,340</b>	<b>55,455,790</b>	<b>59,225,110</b>	<b>59,060,810</b>
<b>RATEPAYER EQUITY</b>					
Retained Earnings	44,937,300	44,131,780	43,398,230	43,133,290	42,968,990
Other Reserves	12,057,560	12,057,560	12,057,560	16,091,820	16,091,820
<b>Total Ratepayer Equity</b>	<b>56,994,860</b>	<b>56,189,340</b>	<b>55,455,790</b>	<b>59,225,110</b>	<b>59,060,810</b>

## Prospective Statement of Financial Position (cont'd)

	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	2,828,920	2,861,620	2,861,320	2,879,330	2,830,640
Trade & Other Receivables	1,449,730	1,456,010	1,472,050	1,483,740	1,502,300
Inventories	52,460	52,450	52,460	52,450	52,450
Other Financial Assets	3,600,000	3,950,000	4,150,000	4,300,000	4,600,000
<b>Total Current Assets</b>	<b>7,931,110</b>	<b>8,320,080</b>	<b>8,535,830</b>	<b>8,715,520</b>	<b>8,985,390</b>
<b>Non-Current Assets</b>					
Property, Plant and Equipment	52,899,190	56,758,440	55,923,420	54,935,840	58,803,210
Intangible Assets	138,510	144,680	151,450	158,740	166,700
Investments	32,160	32,160	32,160	32,160	32,160
<b>Total Non-Current Assets</b>	<b>53,069,860</b>	<b>56,935,280</b>	<b>56,107,030</b>	<b>55,126,740</b>	<b>59,002,070</b>
<b>Total Assets</b>	<b>61,000,970</b>	<b>65,255,360</b>	<b>64,642,860</b>	<b>63,842,260</b>	<b>67,987,460</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade & Other Payables	1,587,870	1,603,720	1,729,320	1,714,900	1,744,110
Provisions	9,920	10,150	10,390	10,650	10,920
Employee Benefit Liabilities	271,160	277,990	286,620	294,100	302,940
Borrowings	14,340	21,040	24,250	27,460	27,460
<b>Total Current Liabilities</b>	<b>1,883,290</b>	<b>1,912,900</b>	<b>2,050,580</b>	<b>2,047,110</b>	<b>2,085,430</b>
<b>Non-Current Liabilities</b>					
Provisions	84,830	77,650	69,970	61,770	53,020
Employee Benefit Liabilities	120,230	123,270	127,090	130,410	134,320
Borrowings	0	20,710	59,760	32,290	32,290
<b>Total Non-Current Liabilities</b>	<b>205,060</b>	<b>221,630</b>	<b>256,820</b>	<b>224,470</b>	<b>219,630</b>
<b>Total Liabilities</b>	<b>2,088,350</b>	<b>2,134,530</b>	<b>2,307,400</b>	<b>2,271,580</b>	<b>2,305,060</b>
<b>Net Assets</b>	<b>58,912,620</b>	<b>63,120,830</b>	<b>62,335,460</b>	<b>61,570,680</b>	<b>65,682,400</b>
<b>RATEPAYER EQUITY</b>					
Retained Earnings	42,820,800	42,589,740	41,804,370	41,039,590	40,222,880
Other Reserves	16,091,820	20,531,090	20,531,090	20,531,090	25,459,520
<b>Total Ratepayer Equity</b>	<b>58,912,620</b>	<b>63,120,830</b>	<b>62,335,460</b>	<b>61,570,680</b>	<b>65,682,400</b>

# Prospective Statement of Cash Flows

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Cash will be provided from</b>					
General Rates	5,968,340	6,058,810	6,361,160	6,768,370	7,186,340
Separate Rates	600,470	890,090	1,030,370	1,052,060	1,081,890
Subsidies	273,360	321,210	330,830	338,510	347,470
Other Fees & Charges	374,410	389,100	378,400	385,160	411,650
Interest Income	161,330	181,520	202,520	226,660	267,230
<b>Total cash provided</b>	<b>7,377,910</b>	<b>7,840,730</b>	<b>8,303,280</b>	<b>8,770,760</b>	<b>9,294,580</b>
<b>Cash will be spent on</b>					
Payments to Suppliers and Employees	6,295,810	6,307,130	6,605,420	6,769,610	6,889,870
Interest Paid on Debt	3,540	1,400	9,660	8,030	5,400
<b>Total cash spent</b>	<b>6,299,350</b>	<b>6,308,530</b>	<b>6,615,080</b>	<b>6,777,640</b>	<b>6,895,270</b>
<b>Net Cash Flow from Operations</b>	<b>1,078,560</b>	<b>1,532,200</b>	<b>1,688,200</b>	<b>1,993,120</b>	<b>2,399,310</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>Cash will be provided from</b>					
Loan Principal repaid to Council	0	0	0	0	0
<b>Total cash provided</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash will be spent on</b>					
Purchase & Development of Property, Plant and Equipment	1,412,220	1,275,560	1,527,200	1,589,130	1,239,180
Net Purchase of Investments	0	320,000	200,000	400,000	1,100,000
<b>Total cash spent</b>	<b>1,412,220</b>	<b>1,595,560</b>	<b>1,727,200</b>	<b>1,989,130</b>	<b>2,339,180</b>
<b>Net Cash Flow from Investing</b>	<b>(1,412,220)</b>	<b>(1,595,560)</b>	<b>(1,727,200)</b>	<b>(1,989,130)</b>	<b>(2,339,180)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
<b>Cash will be provided from</b>					
Loans Raised	0	0	0	0	0
<b>Total cash provided</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash will be spent on</b>					
Debt Repayment	480	500	520	540	280
<b>Total cash spent</b>	<b>480</b>	<b>500</b>	<b>520</b>	<b>540</b>	<b>280</b>
<b>Net Cash Flow from Financing</b>	<b>(480)</b>	<b>(500)</b>	<b>(520)</b>	<b>(540)</b>	<b>(280)</b>
<b>Net Total Cash Inflow (Outflow)</b>	<b>(334,140)</b>	<b>(63,860)</b>	<b>(39,520)</b>	<b>3,450</b>	<b>59,850</b>
Plus Projected Opening Cash Balances 1 July	3,222,490	2,888,350	2,824,490	2,784,970	2,788,420
<b>Projected Closing Cash Balances 30 June</b>	<b>2,888,350</b>	<b>2,824,490</b>	<b>2,784,970</b>	<b>2,788,420</b>	<b>2,848,270</b>

## Prospective Statement of Cash Flows (cont'd)

	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Cash will be provided from</b>					
General Rates	7,238,660	7,245,760	7,254,210	7,288,420	7,340,820
Separate Rates	1,109,600	1,135,200	1,165,920	1,198,380	1,224,010
Subsidies	355,030	320,450	328,180	336,250	343,730
Other Fees & Charges	401,470	408,710	437,910	427,390	434,670
Interest Income	316,670	353,990	372,450	388,640	409,650
<b>Total cash provided</b>	<b>9,421,430</b>	<b>9,464,110</b>	<b>9,558,670</b>	<b>9,639,080</b>	<b>9,752,880</b>
<b>Cash will be spent on</b>					
Payments to Suppliers and Employees	7,003,980	7,091,370	7,374,880	7,575,780	7,706,530
Interest Paid on Debt	2,780	5,980	11,360	8,140	4,920
<b>Total cash spent</b>	<b>7,006,760</b>	<b>7,097,350</b>	<b>7,386,240</b>	<b>7,583,920</b>	<b>7,711,450</b>
<b>Net Cash Flow from Operations</b>	<b>2,414,670</b>	<b>2,366,760</b>	<b>2,172,430</b>	<b>2,055,160</b>	<b>2,041,430</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>Cash will be provided from</b>					
Loan Principal repaid to Council	0	0	0	0	0
<b>Total cash provided</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash will be spent on</b>					
Purchase & Development of Property, Plant and Equipment	1,334,020	1,984,060	1,972,730	1,887,150	1,790,120
Net Purchase of Investments	1,100,000	350,000	200,000	150,000	300,000
<b>Total cash spent</b>	<b>2,434,020</b>	<b>2,334,060</b>	<b>2,172,730</b>	<b>2,037,150</b>	<b>2,090,120</b>
<b>Net Cash Flow from Investing</b>	<b>(2,434,020)</b>	<b>(2,334,060)</b>	<b>(2,172,730)</b>	<b>(2,037,150)</b>	<b>(2,090,120)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
<b>Cash will be provided from</b>					
Loans Raised	0	0	0	0	0
<b>Total cash provided</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash will be spent on</b>					
Debt Repayment	0	0	0	0	0
<b>Total cash spent</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cash Flow from Financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Total Cash Inflow (Outflow)</b>	<b>(19,350)</b>	<b>32,700</b>	<b>(300)</b>	<b>18,010</b>	<b>(48,690)</b>
Plus Projected Opening Cash Balances 1 July	2,848,270	2,828,920	2,861,620	2,861,320	2,879,330
<b>Projected Closing Cash Balances 30 June</b>	<b>2,828,920</b>	<b>2,861,620</b>	<b>2,861,320</b>	<b>2,879,330</b>	<b>2,830,640</b>

# Prospective Funding Impact Statement

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
<b>REVENUE</b>					
General Rates	6,012,580	6,134,850	6,431,380	6,840,540	7,268,400
Separate Rates					
- Water Supply	116,460	134,440	136,950	140,040	144,370
- Wastewater	79,680	331,390	461,620	471,490	485,040
- Refuse Collection	404,330	424,260	431,800	440,530	452,480
<b>Total Rates</b>	<b>6,613,050</b>	<b>7,024,940</b>	<b>7,461,750</b>	<b>7,892,600</b>	<b>8,350,290</b>
Government Grants and Subsidies	273,360	321,210	330,830	338,510	347,470
Petrol Tax	65,000	67,600	69,560	71,230	72,870
Interest Revenue	161,330	181,520	202,520	226,660	267,230
Other Revenue	309,410	321,500	308,840	313,930	338,780
<b>Total Revenue</b>	<b>7,422,150</b>	<b>7,916,770</b>	<b>8,373,500</b>	<b>8,842,930</b>	<b>9,376,640</b>
<b>GENERAL RATES</b>					
Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit	140	140	140	140	140
Total Revenue from the UAGC (Incl GST)	411,460	411,460	411,460	411,460	411,460
Residential Rates (Incl GST)	2,858,712	2,920,611	3,070,729	3,277,866	3,494,471
Residential (per \$ of Capital Value)	0.7849	0.8020	0.8431	0.8998	0.9590
Commercial/Industrial Rates (Incl GST)	3,493,981	3,569,635	3,753,113	4,006,281	4,271,020
Commercial/Industrial (per \$ of Capital Value)	1.4149	1.4455	1.5198	1.6224	1.7296
<b>SEPARATE RATES</b>					
Water Rate (per connected property)	48.30	55.70	56.80	58.10	59.90
Wastewater Rate (per connected property)	32.30	134.40	187.30	191.30	196.80
Refuse Collection Rate (per serviced property) 60 litre bin	171.20	179.60	182.80	186.50	191.60
Refuse Collection Rate (per serviced property) 120 litre bin	231.20	239.60	242.80	246.50	251.60
Water by Meter - cents per cu.m.	12.00	13.90	14.10	14.40	14.90
<b>RESIDENTIAL RATE CAP</b>	<b>2,630</b>	<b>2,790</b>	<b>2,960</b>	<b>3,130</b>	<b>3,310</b>
<b>CAPITAL VALUES</b>					
Residential	366,247,500	366,247,500	366,247,500	366,247,500	366,247,500
Commercial/Industrial	246,940,000	246,940,000	246,940,000	246,940,000	246,940,000
<b>Total Capital Values</b>	<b>613,187,500</b>	<b>613,187,500</b>	<b>613,187,500</b>	<b>613,187,500</b>	<b>613,187,500</b>

## Notes:

- The purpose of the uniform annual general charge (UAGC) is to more evenly spread the effect of general rates on all ratepayers. The higher the UAGC, the higher the rates on lower valued properties. The UAGC level of \$140 has been selected because Council believes this produces the fairest and most equitable overall result for the Community.
- The objective of Council's system of differential rating is primarily to retain a ratio between commercial and industrial ratepayers on the one hand and residential ratepayers on the other. The rates set on capital value will be apportioned on a ratio of 55:45 (Industrial/Commercial: Residential) ie Residential - Properties zoned "Residential", "Rural Lifestyle" and "Reserve" in terms of Council's Operative District Plan. Industrial/Commercial - Properties in all other zones of Council's Operative District Plan.
- The water supply targeted rate funds the use costs related to the water supply service.
- The wastewater targeted rate funds the use costs related to the wastewater disposal service.
- The refuse collection targeted rate funds the use costs related to the refuse collection service.

## Prospective Funding Impact Statement (cont'd)

	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
<b>REVENUE</b>					
General Rates	7,246,790	7,252,040	7,270,250	7,300,110	7,359,380
Separate Rates					
- Water Supply	148,450	152,260	156,890	161,630	165,550
- Wastewater	497,590	509,230	523,260	537,890	549,750
- Refuse Collection	463,560	473,710	485,770	498,860	508,710
<b>Total Rates</b>	<b>8,356,390</b>	<b>8,387,240</b>	<b>8,436,170</b>	<b>8,498,490</b>	<b>8,583,390</b>
Government Grants and Subsidies	355,030	320,450	328,180	336,250	343,730
Petrol Tax	74,470	76,180	78,010	79,880	81,640
Interest Revenue	316,670	353,990	372,450	388,640	409,650
Other Revenue	327,000	332,530	359,900	347,510	353,030
<b>Total Revenue</b>	<b>9,429,560</b>	<b>9,470,390</b>	<b>9,574,710</b>	<b>9,650,770</b>	<b>9,771,440</b>
<b>GENERAL RATES</b>					
Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit	140	140	140	140	140
Total Revenue from the UAGC (Incl GST)	411,460	411,460	411,460	411,460	411,460
Residential Rates (Incl GST)	3,483,530	3,486,188	3,495,407	3,510,524	3,540,529
Residential (per \$ of Capital Value)	0.9561	0.9570	0.9596	0.9639	0.9722
Commercial/Industrial Rates (Incl GST)	4,257,648	4,260,897	4,272,164	4,290,640	4,327,313
Commercial/Industrial (per \$ of Capital Value)	1.7242	1.7255	1.7300	1.7375	1.7524
<b>SEPARATE RATES</b>					
Water Rate (per connected property)	61.60	63.10	65.10	67.00	68.60
Wastewater Rate (per connected property)	201.90	206.60	212.30	218.20	223.00
Refuse Collection Rate (per serviced property) 60 litre bin	196.30	200.60	205.70	211.20	215.40
Refuse Collection Rate (per serviced property) 120 litre bin	256.30	260.60	265.70	271.20	275.40
Water by Meter - cents per cu.m.	15.30	15.70	16.20	16.70	17.10
<b>RESIDENTIAL RATE CAP</b>	<b>3,310</b>	<b>3,320</b>	<b>3,340</b>	<b>3,360</b>	<b>3,390</b>
<b>CAPITAL VALUES</b>					
Residential	366,247,500	366,247,500	366,247,500	366,247,500	366,247,500
Commercial/Industrial	246,940,000	246,940,000	246,940,000	246,940,000	246,940,000
<b>Total Capital Values</b>	<b>613,187,500</b>	<b>613,187,500</b>	<b>613,187,500</b>	<b>613,187,500</b>	<b>613,187,500</b>

### Notes:

- The purpose of the uniform annual general charge (UAGC) is to more evenly spread the effect of general rates on all ratepayers. The higher the UAGC, the higher the rates on lower valued properties. The UAGC level of \$140 has been selected because Council believes this produces the fairest and most equitable overall result for the Community.
- The objective of Council's system of differential rating is primarily to retain a ratio between commercial and industrial ratepayers on the one hand and residential ratepayers on the other. The rates set on capital value will be apportioned on a ratio of 55:45 (Industrial/Commercial: Residential) ie Residential - Properties zoned "Residential", "Rural Lifestyle" and "Reserve" in terms of Council's Operative District Plan. Industrial/Commercial - Properties in all other zones of Council's Operative District Plan.
- The water supply targeted rate funds the use costs related to the water supply service.
- The wastewater targeted rate funds the use costs related to the wastewater disposal service.
- The refuse collection targeted rate funds the use costs related to the refuse collection service.

# Prospective Revenue by Activity

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Democracy	1,250	18,740	2,370	3,010	21,890
Economic and Community Development	11,990	10,000	10,150	10,290	11,060
Environmental Services	177,060	185,110	189,010	193,520	198,360
Transport Management	374,330	429,200	446,720	461,980	478,980
Water Supply	222,580	242,330	245,800	249,060	254,290
Waste Disposal	689,520	978,010	1,129,950	1,163,160	1,203,640
Leisure and Recreation	88,630	81,840	89,340	96,110	104,410
Sundry	149,930	148,960	140,880	139,070	149,720
Eliminations	(305,720)	(312,270)	(312,100)	(313,810)	(314,110)
<b>Sub-total</b>	<b>1,409,570</b>	<b>1,781,920</b>	<b>1,942,120</b>	<b>2,002,390</b>	<b>2,108,240</b>
General Rates	6,012,580	6,134,850	6,431,380	6,840,540	7,268,400
<b>Total Revenue</b>	<b>7,422,150</b>	<b>7,916,770</b>	<b>8,373,500</b>	<b>8,842,930</b>	<b>9,376,640</b>

## Prospective Revenue by Activity (cont'd)

	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
Democracy	4,400	5,120	25,330	6,660	7,450
Economic and Community Development	11,300	11,490	12,500	12,720	12,700
Environmental Services	203,740	208,340	214,010	220,000	225,160
Transport Management	495,130	470,430	488,210	507,000	524,960
Water Supply	259,860	255,210	239,420	225,400	213,610
Waste Disposal	1,244,330	1,284,260	1,331,530	1,384,160	1,431,330
Leisure and Recreation	115,030	125,030	134,860	145,820	157,580
Sundry	162,940	174,530	177,680	172,160	167,210
Eliminations	(313,960)	(316,060)	(319,080)	(323,260)	(327,940)
<b>Sub-total</b>	<b>2,182,770</b>	<b>2,218,350</b>	<b>2,304,460</b>	<b>2,350,660</b>	<b>2,412,060</b>
General Rates	7,246,790	7,252,040	7,270,250	7,300,110	7,359,380
<b>Total Revenue</b>	<b>9,429,560</b>	<b>9,470,390</b>	<b>9,574,710</b>	<b>9,650,770</b>	<b>9,771,440</b>

# Prospective Expenditure by Activity

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Democracy	505,040	587,410	575,350	551,630	630,820
Economic and Community Development	461,990	484,440	498,220	503,440	519,130
Environmental Services	764,580	736,830	783,740	769,110	814,010
Transport Management	1,501,660	1,634,140	1,699,090	1,713,730	1,805,030
Water Supply	938,840	999,050	1,037,860	1,023,990	1,082,480
Waste Disposal	2,205,290	2,329,690	2,363,560	2,410,880	2,496,280
Leisure and Recreation	2,622,980	2,680,760	2,879,010	2,889,910	2,945,420
Other	20,330	32,220	42,650	30,380	43,170
Eliminations	(736,740)	(762,250)	(772,430)	(785,200)	(795,400)
<b>Total Expenditure</b>	<b>8,283,970</b>	<b>8,722,290</b>	<b>9,107,050</b>	<b>9,107,870</b>	<b>9,540,940</b>

## Prospective Expenditure by Activity (cont'd)

	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
Democracy	602,980	597,350	687,530	656,210	647,760
Economic and Community Development	532,320	543,370	577,560	576,450	587,170
Environmental Services	811,700	855,270	859,290	904,900	1,005,880
Transport Management	1,825,620	1,825,790	1,919,290	1,943,030	1,958,320
Water Supply	1,102,130	1,112,940	1,185,280	1,202,890	1,217,100
Waste Disposal	2,543,730	2,590,490	2,700,910	2,759,720	2,800,150
Leisure and Recreation	2,927,980	2,962,200	3,218,050	3,170,600	3,200,810
Other	37,120	33,280	46,000	52,110	39,160
Eliminations	(805,830)	(819,240)	(833,830)	(850,360)	(868,200)
<b>Total Expenditure</b>	<b>9,577,750</b>	<b>9,701,450</b>	<b>10,360,080</b>	<b>10,415,550</b>	<b>10,588,150</b>

# Prospective Operational Shortfall by Activity

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Economic Development	52,240	47,900	47,900	47,890	51,240
Environmental Services	30,000	0	0	0	0
Transport Management	292,400	306,090	301,320	297,730	324,940
Water Supply	15,310	0	0	0	0
Waste Disposal	353,000	122,000	0	0	0
Leisure & Recreation	98,870	104,530	109,330	109,320	118,120
Other	20,000	225,000	275,000	(190,000)	(330,000)
<b>Total Operating Shortfall</b>	<b>861,820</b>	<b>805,520</b>	<b>733,550</b>	<b>264,940</b>	<b>164,300</b>
<i>Made up of:</i>					
Smoothing of Rates (funded from Reserves)					
Other	20,000	225,000	275,000	(190,000)	(330,000)
Depreciation Not Funded					
Economic Development	42,240	47,900	47,900	47,890	51,240
Transport Management	406,020	460,430	460,430	460,430	492,500
Leisure & Recreation	98,870	104,530	109,330	109,320	118,120
Equity – Ministry of Youth Development funding carried forward from 2008/2009					
Economic development	10,000	0	0	0	0
Equity - CHH funds received in 2008/09					
Waste Management	353,000	122,000	0	0	0
Land Transport NZ Subsidy Received for Asset Renewals					
Transport Management	(113,620)	(154,340)	(159,110)	(162,700)	(167,560)
Equity Used to Fund District Plan Review					
Environmental Services	30,000	0	0	0	0
Targeted Rate Surplus from 2007/2008					
Water Supply	15,310	0	0	0	0
	<b>861,820</b>	<b>805,520</b>	<b>733,550</b>	<b>264,940</b>	<b>164,300</b>

## Prospective Operational Shortfall by Activity (cont'd)

	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
Economic Development	51,240	51,240	54,790	54,790	54,790
Environmental Services	0	0	0	0	0
Transport Management	321,460	359,330	390,240	386,970	383,900
Water Supply	0	0	0	0	0
Waste Disposal	0	0	0	0	0
Leisure & Recreation	120,490	120,490	130,340	133,020	133,020
Other	(345,000)	(300,000)	210,000	190,000	245,000
<b>Total Operating Shortfall</b>	<b>148,190</b>	<b>231,060</b>	<b>785,370</b>	<b>764,780</b>	<b>816,710</b>
<i>Made up of:</i>					
Smoothing of Rates (funded from Reserves)					
Other	(345,000)	(300,000)	210,000	190,000	245,000
Depreciation Not Funded					
Economic Development	51,240	51,240	54,790	54,790	54,790
Transport Management	492,500	492,500	526,610	526,610	526,610
Leisure & Recreation	120,490	120,490	130,340	133,020	133,020
Land Transport NZ Subsidy Received for Asset Renewals					
Transport Management	(171,040)	(133,170)	(136,370)	(139,640)	(142,710)
	<b>148,190</b>	<b>231,060</b>	<b>785,370</b>	<b>764,780</b>	<b>816,710</b>

# Prospective Capital Programme

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Democracy	0	0	0	0	0
Economic and Community Development	15,000	540	0	6,170	0
Environmental Services	0	0	0	0	0
Transport Management	317,380	354,670	360,200	368,520	378,660
Water Supply	454,000	468,000	481,000	516,000	510,000
Waste Disposal	97,000	122,820	107,000	114,000	107,000
Leisure & Recreation	231,120	143,740	143,790	222,520	127,140
Plant and Office Equipment	297,720	185,790	435,210	361,920	116,380
<b>Total Asset Renewals</b>	<b>1,412,220</b>	<b>1,275,560</b>	<b>1,527,200</b>	<b>1,589,130</b>	<b>1,239,180</b>
<b>Funded By</b>					
Government Subsidies	113,620	154,340	159,110	162,700	167,560
Depreciation Reserves	1,298,600	1,121,220	1,368,090	1,426,430	1,071,620
	<b>1,412,220</b>	<b>1,275,560</b>	<b>1,527,200</b>	<b>1,589,130</b>	<b>1,239,180</b>

## Prospective Capital Programme (cont'd)

	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19
Democracy	0	0	0	0	0
Economic and Community Development	0	1,870	0	12,800	0
Environmental Services	0	0	0	0	0
Transport Management	386,650	333,140	341,140	349,340	357,050
Water Supply	527,000	1,017,000	1,200,000	987,000	1,031,000
Waste Disposal	107,000	116,000	6,190	3,000	0
Leisure & Recreation	102,530	208,030	157,080	180,020	119,160
Plant and Office Equipment	210,840	308,020	268,320	354,990	282,910
<b>Total Asset Renewals</b>	<b>1,334,020</b>	<b>1,984,060</b>	<b>1,972,730</b>	<b>1,887,150</b>	<b>1,790,120</b>
<b>Funded By</b>					
Government Subsidies	171,040	133,170	136,370	139,640	142,710
Depreciation Reserves	1,162,980	1,850,890	1,836,360	1,747,510	1,647,410
	<b>1,334,020</b>	<b>1,984,060</b>	<b>1,972,730</b>	<b>1,887,150</b>	<b>1,790,120</b>

Note: Capital expenditure is funded from Depreciation Reserves for those activities where depreciation is funded. Depreciation on some buildings is not fully funded and therefore capital expenditure on these assets is funded from general rates. The buildings where depreciation is not fully funded are Council Buildings (including Town Hall, Concert Chamber, Library/Museum and Offices), Tarawera Park Amenity Building, Recreation Centre, Swimming Pool, Depot and Pensioner Housing. Subsidised Roading Expenditure is subsidised by the New Zealand Transport Agency (formerly Land Transport New Zealand). A detailed breakdown of the capital items is in the Activity section of this Long Term Plan.

# Long-Term Asset Renewals

Financial Year	Transport Management (including Stormwater)	Water Supply	Wastewater
2019/20	\$300,000	\$1,054,000	\$8,000
2020/21	\$311,000	\$1,089,000	\$8,000
2021/22	\$323,000	\$483,000	\$3,000
2022/23	\$334,000	\$620,000	\$12,000
2023/24	\$1,639,000	\$539,000	\$2,616,000
2024/25	\$1,700,000	\$533,000	\$2,710,000
2025/26	\$1,761,000	\$2,474,000	\$2,991,000
2026/27	\$1,824,000	\$1,298,000	\$2,899,000
2027/28	\$1,890,000	\$1,526,000	\$3,012,000
2028/29	\$1,958,000	\$1,576,000	\$3,154,000
2029/30	\$2,029,000	\$1,628,000	\$3,263,000
2030/31	\$443,000	\$1,682,000	\$23,000
2031/32	\$459,000	\$3,207,000	\$1,838,000
2032/33	\$476,000	\$1,794,000	\$1,883,000
2033/34	\$1,519,000	\$711,000	\$1,882,000
2034/35	\$1,570,000	\$735,000	\$1,963,000
2035/36	\$1,630,000	\$2,834,000	\$2,028,000
2036/37	\$1,689,000	\$784,000	\$2,087,000
2037/38	\$1,747,000	\$3,828,000	\$2,469,000
2038/39	\$1,813,000	\$5,911,000	\$2,261,000



| POLICIES



# Introduction

The LGA requires this Long Term Plan to include Council's funding and financial policies and a summary or full version of Council's Significance Policy. This section contains the following policies previously adopted by Council:

- Rating Policy
- Revenue and Financing Policy
- Partnerships with the Private Sector Policy
- Rates Remissions Policy (including Rates Relief for High Value Properties, Rates Relief for Developments and Rates Remission and Rates Postponements on Māori Freehold Land)

- Significance Policy
- Liability Management Policy
- Investment Policy
- Financial Contributions Policy

Council also has a Consultation Policy, and Equal Employment Opportunities Programme and other internal policies and procedures not documented in this Long Term Plan.

# Rating Policy

## Introduction

Council sets the following rates to fund its operations:

- General
- Water
- Wastewater
- Refuse Collection

Council also levies and collects rates on behalf of Environment Bay of Plenty (i.e. Bay of Plenty Regional Council).

## General Rates

Council's general rates are funded through a Uniform Annual General Charge (UAGC) on each separately used or inhabited part of a property and rates charged on capital value in accordance with Council's Differential Rating System. The purpose of the UAGC is to spread the effect of general rates on all ratepayers more evenly. The higher the UAGC, the higher the rates on lower-valued properties. The UAGC level of \$140 (inclusive of GST) has been selected because Council believes this produces the fairest and most equitable overall result for the Community.

## General Rates - Differential Rating

Council introduced Differential Rating with effect from 1 April 1978 and levies its general rates on a differential basis under the Local Government (Rating) Act 2002. The matters used to differentiate categories of property are:

- Where the land is situated (zoning in Council's Operative District Plan), and
- Use (residential, commercial, farmland etc)

The following categories of property are used for differential rating:

**Residential** – Properties zoned "Residential", "Rural Lifestyle" or "Reserve" in terms of Council's Operative District Plan and properties situated in any zone which are used solely for residential purposes.

**Industrial/Commercial** – All properties other than those classified as "Residential."

The objective of Council's system of differential rating is primarily to retain a ratio between commercial and industrial ratepayers on the one hand and residential ratepayers on the other. The rates set on capital value will be apportioned on a ratio of 55:45 (Industrial/Commercial: Residential).

## General Rates – Rates Remissions

Council has a number of policies for Rates Remissions which are included in this Long Term Plan.

## Water Rates

Council's Water Rate is a separate uniform annual charge on each separately used or inhabited part of a property to which Council supplies water, except for properties on metered water supply.

## Water by Meter Charges

Properties on metered water supply are charged per cubic metre of water used. This is charged on a quarterly basis with a minimum charge of \$20.00 (GST inclusive).

## Rating Policy (cont'd)

### Wastewater Rates

Council's Wastewater Rate is a separate uniform annual charge on each separately used or inhabited part of a property that is connected to Council's wastewater disposal network.

### Refuse Collection Rates

Council's Refuse Collection Rate is a separate uniform annual charge on each separately used or inhabited part of a property from which Council is prepared to remove refuse.

### Levying and Collecting

All rates are set and charged for the year from 1 July to 30 June. The due dates for the 2009/10 instalments are as follows:

Instalment No.	Due Date
1	Friday 21 August 2009
2	Friday 20 November 2009
3	Friday 26 February 2010
4	Friday 21 May 2010

### Penalties

An instalment penalty, amounting to 10% of the current instalment remaining unpaid at close of business on the above due dates, will be charged on the business day immediately following. Two further penalties, amounting to 10% of the total rates levied in previous rating years and remaining unpaid on 1 October and on 1 April, will be charged on those dates.

# Revenue and Financing Policy

## Introduction

### **Purpose**

The Revenue and Financing Policy explains “who pays and why”. It explains how Council's activities are funded. This policy has been developed to meet the requirements of the LGA.

Council has broken its business down to activity level. In some cases, it has looked at activities from two points of view - availability of the service and use of the service. Activities have been broken into availability and use where they benefit different groups in the Community. In general, Council has assessed the availability of an activity as a public benefit and the use of an activity as a private benefit.

‘Availability’ relates to the costs incurred to keep a service or asset in such a condition that it can become operational within a short start up period (e.g. keeping the library book stock up to date, replacement, cataloguing). ‘Use’ relates to costs incurred as a result of the asset being used (e.g. staff costs of issuing books).

### **Legislative Requirements under the Local Government Act 2002**

The LGA sets out a consideration process. The first stage is to determine, for each activity to be funded, appropriate funding sources having regard to:

- The Community Outcomes to which the activity primarily contributes
- The distribution of benefits amongst the Community as a whole, any identifiable part of the Community, and individuals
- The period in or over which those benefits are expected to occur
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

The second stage is to take the combined results of the allocations from the first stage and to assess the overall impact of that on “the current and future social, economic, environmental, and cultural well-being of the Community”.

### **Explanation of Terms**

#### **Community Outcomes**

Community Outcomes are what the Community believes to be important towards its current and future social, environmental, economic and cultural well-being. They define the desired future of the District. These are outlined earlier in this Long Term Plan.

#### **Distribution of Benefits**

Identifying who benefits from an activity provided by Council is important when considering who should pay for the service. Generally, if only individuals receive the benefits of an activity (private benefits), user-pays systems should be considered. If the benefits of an activity are shared by a large group within the Community then an appropriate funding option for that activity would be a targeted rate. Alternatively, if the benefits of an activity are shared by the whole Community (public benefits) then an appropriate funding option for that activity would be the general rate.

#### **Period of Benefits**

The legislative requirement to assess the period over which the benefits from each activity will flow, aids in identifying the period over which the operating and capital expenditure should be funded.

For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded annually.

Assets provide benefits over more than one year - benefits are derived over the useful life of each asset. Useful lives range from a few years in the case of computer equipment through to many decades for infrastructural assets such as the water supply network. This introduces the concept of intergenerational equity whereby costs of any expenditure should be recovered at the time the benefits of that expenditure accrue. This is particularly relevant for larger assets such as the wastewater, stormwater, roading and water supply networks.

## Revenue and Financing Policy (cont'd)

To ensure that each year's ratepayers pay for the benefits that are received the depreciation charges that are associated with an asset are funded by that year's ratepayers. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it. The costs of reducing existing debt are also relevant in this concept. Interest charges (representing the cost of capital) that are associated with an asset are funded by that year's ratepayers.

### Funding of Capital Expenditure

Capital expenditure that needs to be funded relates predominantly to three things – the purchase of new assets, the replacement of existing assets and the repayment of loan principal on debt previously raised by Council.

Depreciation reserves are funded from general rates that are collected to fund depreciation.

Capital expenditure is funded from the Depreciation Reserves for those activities where Depreciation is funded.

Council uses its reserves to fund new capital projects. Internal borrowing is utilised where there is no foreseeable requirement for the original purpose of the reserve funds during the term of the internal loan. It is estimated that from the mid 2020s, Council will need to borrow externally to fund infrastructure asset renewals. A table of these renewals expenditures is included in the financial statements of this Plan.

The LGA requires that operating revenues in any one financial year should be set at an adequate level to meet all projected operating expenses. The Act states that expenditure must include the cost of depreciation.

Depreciation on some assets is not fully funded and therefore capital expenditure on these assets is funded from general rates.

Some buildings are non-strategic and the level of utilisation in many cases is significantly below availability. As a result, it is unlikely that they would be replaced in their present form. Also, their replacement may be rented accommodation or by buildings funded by way of loans.

The buildings that are unlikely to be renewed in their present form are Council Buildings (including Town Hall, Concert Chamber, Library/Museum and Offices), Tarawera Park Amenity Building, Recreation Centre, Swimming Pool, Depot and Pensioner Housing.

Building	Year Built	Gross Replacement Cost (\$2007)	Expected Life	End of Life
District Office	1955	860,000	75	2030
Town Hall	1960	2,060,000	75	2035
Concert Chamber	1960	640,000	75	2035
Library/Museum	1985	690,000	75	2060
Tarawera Park Amenity Building	1985	430,000	75	2060
Recreation Centre	1965	3,490,000	75	2040
Swimming Pool	1970/2000	480,000	50-75	2030/71
Depot	1955/80	1,270,000	35-50	2015/25
Pensioner Housing	1972/82	1,760,000	50-75	2032/57

### Contributors to the need for an activity (polluter pays)

The 'polluter pays' principle is that if a person creates a problem which incurs costs for Council, that person should contribute some or all of the funding required to meet those costs. For example, dog owners who allow their dogs to roam should pay a fine to cover the costs of impounding. However, this is not always practical, as identifying and charging the offender is not always possible. For instance, people who create graffiti or dump rubbish illegally are not always caught. Council's policy is to recover costs where practical.

### Costs and benefits of funding the activity distinctly from other activities

Council is required to consider the costs and benefits when selecting a particular funding mechanism over another. It is theoretically possible to establish specific charges or rates for each service, but this is not the best approach if the cost of establishing and administering a charging system outweighs the benefits or the revenue gained. This has to be assessed on a case-by-case basis. Council is also required to consider alternative funding mechanisms in terms of transparency and accountability. For instance, a funding mechanism that is targeted at specific cost items is more transparent to users of the activity, whereas a general or aggregated funding approach is less transparent. However, if the more targeted charging approach excessively increases administrative costs then an aggregated charging approach may be better.

### Overall impact of the method of funding

In addition to all of the issues explained above, Council is required to consider the overall impact that any allocation of charges and costs may have on the current and future social, economic, environmental and cultural well-being of the Community.

## Revenue and Financing Policy (cont'd)

### Overview

#### Funding Sources

##### General Rate

Council's general rates are funded through a Uniform Annual General Charge (UAGC) on each separately used or inhabited part of a property and rates charged on capital value in accordance with Council's Differential Rating System.

The purpose of the UAGC is to spread the effect of general rates on all ratepayers more evenly. The higher the UAGC, the higher the rates on lower valued properties. The UAGC level has been selected because Council believes this produces the fairest and most equitable overall result for the Community.

Council levies its general rates on a differential basis under the Local Government (Rating) Act 2002. Council introduced Differential Rating with effect from 1 April 1978. The objective of Council's system of differential rating is primarily to retain a ratio between commercial and industrial ratepayers on the one hand and residential ratepayers on the other. The rates set on capital value will be apportioned on a ratio of 55:45 (Industrial/Commercial: Residential) ie Industrial/Commercial – all properties other than those classified as "Residential". Residential - Properties zoned "Residential", "Rural Lifestyle" and "Reserve" in terms of Council's Operative District Plan and properties situated in any zone which are used solely for residential purposes.

##### Targeted Rates

Water - Council applies a targeted rate on a uniform annual charge basis for the provision of water supply. The rate is charged to each separately used or inhabited part of a property to which Council supplies water, except for properties on metered water supply.

Wastewater - Council applies a targeted rate on a uniform annual charge basis for the collection and treatment of wastewater. The rate is charged to each separately used or inhabited part of a property that is connected to Council's wastewater disposal network.

Refuse Collection - Council applies a targeted rate on a uniform annual charge basis for the collection of residual refuse. The rate is charged to each separately used or inhabited part of a property from which Council is prepared to remove residual refuse.

##### Grants and Subsidies

A large part of Council's expenditure on roads is subsidised by the New Zealand Transport Agency (NZTA). Subsidies contribute to the long-term maintenance of the carriageways and their associated drainage and lighting systems, together with part of the costs of street cleaning.

##### Interest and Dividends

Council has minimal equity investments and therefore receives no dividend income of any consequence.

Council receives interest from its financial investments. Significant replacement of infrastructural assets will not occur until the years 2020/30. Until this time, Council's cash balances will increase as the funding of depreciation leads to growth in Depreciation Reserves. These reserves are invested in accordance with Council's Investment Policy and will be retained for expenditure on asset replacement.

As the depreciation reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from General Rates.

##### Fees and Charges

Council receives fees and charges from a wide range of its activities. There are a number of considerations taken into account by Council when setting fees. These include:

- The cost of the service provided and the private benefits received
- The ability of users to pay and the possible exclusionary effects on people with low incomes of the fees charged
- The risks of people ignoring regulatory regimes if charges for those services are perceived as too high
- In appropriate cases, whether the user resides in the District or outside the District

##### Proceeds from Asset Sales

Proceeds from asset sales will be used for the repayment of debt or the acquisition of new assets.

##### Reserve Funds

Most Council reserve funds are associated with depreciation reserves.

##### Financial Contributions

Council has the ability to collect financial contributions as per its Financial Contributions Policy.

## Revenue and Financing Policy (cont'd)

### Assessment of the Overall Impact of Allocation of Revenue Needs

Council believes that its selection of funding tools leads to the most equitable funding of Council's activities in terms of:

- The distribution of benefits amongst the Community
- The period in, or over which those benefits are expected to occur
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- Achieving affordability

While some activities would normally be funded by user fees and charges due to the level of private benefit that they provide, Council wishes to enhance the well-being of Kawerau people by assisting and encouraging them to use various Council services. It is felt that the inability to pay for various services should not stop or restrict access to those services.

Council has therefore determined that the following will be funded through general rates:

- Subsidised access to the Library/Museum for Kawerau residents and property owners
- Subsidised access to the Swimming Pool
- Partial waivers of rentals of the Town Hall, Concert Chambers, Recreation Centre and Passive Reserves for groups who achieve the outcomes desired by this policy
- Free access to the Town Centre Toilets
- Free access to the Refuse Disposal Site for people acting charitably

## Revenue and Financing Policy (cont'd)

### Summary – Allocation of Costs

Significant Activity	Funding Ratio	
	Public Benefit (%)	Private Benefit (%)
<b>Democracy</b>	100	0
<b>Economic and Community Development</b>	100	0
<b>Environmental Services</b>		
Resource Management - Planning	Availability	100
Resource Management - Planning	Use	100
Resource Management - Consents		30
Building and Inspection	Availability	100
Building and Inspection	Use	20
Environmental Health	Availability	100
Environmental Health	Use	50
Dog Control		100
Dog Registration		0
<b>Transport Management</b>		100
<b>Water Supply</b>		0
Water Supply	Availability	100
Water Supply	Use	0
<b>Waste Management</b>		
Wastewater	Availability	100
Wastewater	Use	0
Refuse Collection		10
Refuse Disposal	Availability	100
Refuse Disposal	Use	0
Zero Waste		100
<b>Leisure and Recreation</b>		
Library/Museum	Availability	100
Library/Museum	Use	0
Swimming Pools	Availability	100
Swimming Pools	Use	0
Public Halls		
Recreation Centre	Availability	100
Recreation Centre	Use	30
Town Hall	Availability	100
Town Hall	Use	30
Concert Chamber	Availability	100
Concert Chamber	Use	30
Parks and Reserves		
Sports Fields		100
Passive Reserves		100
Road Berms		100
Street Trees		100
Annual Bedding Displays		100
Playgrounds		100
<b>Other</b>		
Pensioner Housing		0
Civil Defence		100
Community, Cultural and Social	Availability	100
Community, Cultural and Social	Use	10
Cemetery	Availability	100
Cemetery	Use	0
Commercial Rental Buildings		0

## Revenue and Financing Policy (cont'd)

### Summary – Mix of Funding Mechanisms for the District

Significant Activity		Public Benefit	Private Benefit
<b>Democracy</b>		General Rates	
<b>Economic and Community Development</b>		General Rates	
<b>Environmental Services</b>			
Resource Management - Planning	Availability	General Rates	
Resource Management - Planning	Use	General Rates	
Resource Management - Consents		General Rates	User Fees and Charges
Building and Inspection	Availability	General Rates	
Building and Inspection	Use	General Rates	User Fees and Charges
Environmental Health	Availability	General Rates	
Environmental Health	Use	General Rates	User Fees and Charges
Dog Control		General Rates	
Dog Registration			User Fees and Charges
<b>Transport Management</b>		General Rates	Transport Management Subsidies
<b>Water Supply</b>			
Water Supply	Availability	General Rates	
Water Supply	Use		Separate Rate and User Fees and Charges
<b>Waste Management</b>			
Wastewater	Availability	General Rates	Targeted Rate and User Fees and Charges
Wastewater	Use		Targeted Rate
Refuse Collection		General Rates	
Refuse Disposal	Availability	General Rates	
Refuse Disposal	Use		User Fees and Charges
Zero Waste		General Rates	
<b>Leisure and Recreation</b>			
Library/Museum	Availability	General Rates	
Library/Museum	Use		User Fees and Charges
Swimming Pools	Availability	General Rates	
Swimming Pools	Use		User Fees and Charges
Public Halls			
Recreation Centre	Availability	General Rates	
Recreation Centre	Use	General Rates	User Fees and Charges
Town Hall	Availability	General Rates	
Town Hall	Use	General Rates	User Fees and Charges
Concert Chamber	Availability	General Rates	
Concert Chamber	Use	General Rates	User Fees and Charges
Town Centre Toilets	Availability	General Rates	
Town Centre Toilets	Use		User Fees and Charges
<b>Parks and Reserves</b>			
Sports Fields		General Rates	
Passive Reserves		General Rates	
Road Berms		General Rates	
Street Trees		General Rates	
Annual Bedding Displays		General Rates	
Playgrounds		General Rates	
<b>Other</b>			
Pensioner Housing			User Fees and Charges
Civil Defence		General Rates	
Community, Cultural and Social	Availability	General Rates	
Community, Cultural and Social	Use		User Fees and Charges
Cemetery	Availability	General Rates	
Cemetery	Use		User Fees and Charges
Commercial Rental Buildings			User Fees and Charges

# Liability Management Policy

## General Policy

Council's broad objectives in relation to liability management are as follows:

- Comply with the LGA and other relevant legislation
- Develop and maintain professional relationships with the financial markets
- Raise appropriate finance, in terms of both loan maturity and interest rate
- Manage the overall cash position of Council's operations

When engaged in the borrowing activity, Council may:

- Use external advice, where there is a particular risk, or where it is prudent to the management of a particular borrowing
- Consider the value of its investments against the size of its debt burden

Council may borrow to finance:

- Specific projects
- The purchase or construction of assets
- Finance leases or hire purchases of assets<sup>1</sup>
- General operating expenses
- Any combination of the above

Council is a risk-averse entity. Council intends to borrow prudently and maintain debt at a prudent level. Activity which may be construed as speculative in nature is expressly forbidden.

## Interest Rate Exposure

Council's borrowing gives rise to direct exposure to interest rate movements. Given the long term nature of Council's assets, projects and intergenerational factors, Council's general tendency is to have a high percentage of fixed rate borrowing.<sup>2</sup> Council aims for no less than 60% of its borrowings outstanding at any given time to be at a fixed rate.

<sup>1</sup> This policy only applies to finance leases or hire purchase where the amount borrowed in any instance exceeds \$50,000.

<sup>2</sup> Fixed rate borrowing is generally taken to mean that borrowing where the interest rate does not vary more often than yearly. The interest rate on floating rate borrowing may alter every 90 days.

Interest rate risk is managed by adjusting the maturity of borrowings in line with interest rate predictions.

All matters that can be lawfully delegated concerning borrowings are delegated to the Chief Executive Officer and must be reported back to Council as they occur.

The use of hedging instruments for interest rate risk management on Council's borrowing is not possible, as these instruments are priced for larger denominations than Council is likely to borrow in. Should hedging instruments be required, an ordinary resolution approving use of these instruments will be adopted by Council.

## Liquidity

To ensure funds are available for operational needs and the repayment of debt, maturities of treasury investments and borrowings are matched through cash flow forecasts and treasury investments are maintained in liquid assets. Council aims for a liquidity ratio of not less than 1.5:1 at each month end.<sup>3</sup>

## Credit Exposure

Council's ability to readily attract cost effective borrowing is largely driven by its:

- Ability to maintain a strong balance sheet
- Ability to rate
- Image in the market
- Successful communications with bankers

Council may borrow from itself, any registered bank, local authority or anyone else, by the issue of registered local authority stock or in any other manner that it considers appropriate.

<sup>3</sup> This ratio measures Council's ability to generate cash from assets in order to meet its obligations. The liquidity or acid test ratio consists of the sum of cash, marketable securities, short-term notes and receivables divided by current liabilities (excluding the current portion of term debt).

## Liability Management Policy (cont'd)

### Debt Repayment

Council repays borrowings from the specific sinking fund allocated to that borrowing, or from general funds.

Council is under no obligation to set up sinking funds for new borrowings, but must consider and record how it intends to effect repayment.

The term of repayment of any borrowing will be determined after considering:

- The intergenerational benefit of the assets being financed
- The cost of finance

The maximum period over which borrowings are repaid is the lesser of 50 years or the expected life of the asset financed.

### Specific Borrowing Limits

The gross interest expense of all borrowings will not exceed 10% of total revenues.

### Security

Generally, Council does not offer assets as security for borrowing. Council may offer security on borrowings by charging a rate or rates revenue or, in unusual circumstances, by a charge over one or more of Council's assets. Any rate struck as security for a loan will not be levied unless specifically resolved to be levied, or unless needed as security in the event of default.

### Internal Borrowing

Council uses its reserves and external borrowing to fund new capital projects. Internal borrowing is utilised where there is no foreseeable requirement for the original purpose of the reserve funds during the term of the internal loan. The primary objective in funding internally is to use its reserves efficiently and create operational savings by eliminating the interest rate margin between separately investing and borrowing externally. The following parameters apply to internal loans in addition to those applying to external loans:

- The term of the internal loan will be determined after considering the original purpose of the reserve fund
- Principal amounts are repaid in quarterly instalments on the due date of each Rates instalment. Instalment amounts are agreed upon at the commencement of the loan and determined on a table mortgage basis
- Interest is charged to the activity centre based upon the average rate of Council's Investments on the date Council resolves to lend internally
- Council has the ability to reset interest rates annually during the preparation of the Annual Plan

# Investment Policy

## General Policy

Council's broad objectives in relation to investing are as follows:

- Compliance with the Local Government Act and other relevant legislation
- Development and maintenance of professional relationships with the financial markets
- Investment of surplus cash in liquid and credit worthy investments
- Ownership of property investments for strategic and business needs
- Management of the overall cash position of Council's operations

When engaged in the investing activity, Council may:

- Use external advice, where there is a particular risk or where it is prudent to the management of a particular investment
- Consider the value of its investments against the size of its debt burden

Council is a risk averse entity. The "Prudent Person" rule from the Trustees Act applies to all investing activity engaged in by Council.<sup>4</sup> Activity which may be construed as speculative in nature is expressly forbidden.

Council maintains investments in the following assets:

- **Equity investments** including shareholdings and loan advances to natural persons, trading and service enterprises, charitable trusts and incorporated societies (e.g. sporting and Community organisations)
- **Property investments**, including land and buildings purchased as an investment and excluding property assets owned in the course of delivering a service or those that Council has already on the market for sale
- **Treasury investments** including liquidity and longer-term investments

<sup>4</sup> The "Prudent Person" rule means that Council must "use such diligence and care in the management of" investments "as men of ordinary prudence and vigilance would use in the management of their own affairs".

## Mix of Investments

The mix of investments will not be determined, or influenced by the funding needs of any particular function, but must have regard to the overall funding needs of Council. Investment mix is also influenced by risk management considerations. Council may set up, alter or dissolve a fund for a particular purpose by ordinary resolution.

Treasury investments must be invested with a number of financial institutions.

## Acquisition of New Investments

Equity and property investments may be acquired by resolution of Council and funded from Council's general funds, or whatever other source Council has available to it.<sup>5</sup> Monies from Funds Set Aside for Particular Purposes will not be used to fund equity or property investments that are inconsistent with the particular purposes of those funds.

When acquiring equity and property investments, Council seeks to:

- Improve business effectiveness and efficiency
- Improve its strategic position to face a perceived future need
- Further a social goal by providing loan assistance

Treasury investments may be acquired under delegated authority to the Chief Executive Officer.<sup>6</sup>

When acquiring treasury investments, Council seeks to:

- Optimise investment return
- Ensure investments are secure
- Ensure investments are liquid
- Manage potential losses due to interest rate movements if investments need to be liquidated before maturity

<sup>5</sup> Council shall be taken to mean full Council or any of its Committees or Sub-Committees acting under delegation.

<sup>6</sup> Chief Executive Officer – wherever this term is used it shall be taken to mean the Chief Executive Officer and whichever staff to whom the Chief Executive Officer may delegate.

## Investment Policy (cont'd)

### Disposition of Revenue from Investments

All dividend, interest, rentals and other income from Council's investments will be available for Council's general use except in the following cases:

- Where Council has resolved that interest earned on the funds invested in an account shall be reinvested in that account
- Interest earned on the funds invested in Sinking Funds shall remain in the Sinking Funds

### Disposition of Proceeds of Sale of Investments

Equity and property investments may be disposed of by resolution of Council and the proceeds will be available for Council's general use, unless it resolves otherwise.

Treasury investments may mature or be sold under delegated authority by the Chief Executive Officer and the proceeds will either be used to fund a purpose authorised by Council (e.g. as outlined in Council's Annual Plan) or be reinvested. Funds from Council's Depreciation Funds account may only be spent on renewing assets, repaying debt or making contributions to sinking funds (for the eventual repayment of debt).

### Procedures

Equity and property investments will be reviewed by Council before the end of December in each year.

Treasury investments will be managed under delegated authority by the Chief Executive Officer.

Whenever acquiring a new treasury investment, excluding maturities that rollover and transfers between accounts at Council's bank, the acquisition proposal must be certified that the acquisition complies with this policy and takes sufficient account of predicted interest rate movements and demands for cash. This procedure could include:

- Using an investment model that assesses the risk of the investment in relation to its return
- Obtaining external advice

The certified proposal must then be reviewed by the Chief Executive Officer, or the Manager, Finance and Community Services.

Overdraft facilities are used as little as is practical.

All investing activity must be approved by the Chief Executive Officer, or Manager, Finance and Community Services pursuant to this policy.

Council will receive a schedule of treasury investments regularly throughout the year.

### Investment Risk Assessment and Management

Equity investments are subject to the risk of default. Risks are taken into account when these investments are reviewed. Property investments are subject to the risk of vacancy and devaluation. Risks are taken into account when these investments are reviewed.

Treasury investments are subject to the following risks:

- Credit risk – Council's primary objective when investing is the protection of its investment. Accordingly, only credit worthy counter parties, eg banks, financial institutions or other organisations that Council invests in, are acceptable (list below). Council may approve alteration to the list of credit worthy counter parties by ordinary resolution
- Where total treasury investments exceed \$250,000, no more than 30% of the total investments can be placed with any one institution
- Liquidity risk is minimised by ensuring that all investments, except sinking funds, must be capable of being liquidated on demand
- Interest rate risk is managed by the treasury investments review process above
- Council does not adopt the use of hedging instruments for interest rate risk management on its investments. Maturity dates of treasury investments will be staggered to mitigate the effect of one-off market fluctuations

### Creditworthy Counter Parties

Council may make treasury investments with the following banks, financial institutions, which are deemed to be sufficiently creditworthy:

- Bank of New Zealand (Council's Banker)
- ANZ Banking Group (New Zealand) Limited
- ASB Bank Limited
- Kiwibank
- National Bank of NZ Limited
- Westpac Trust
- The Public Trustee (Sinking Funds)
- Local Body Stock
- NZ Government Stock

# Financial Contributions Policy

## Introduction

Section 106 of the LGA requires a local authority to adopt a development contributions or financial contributions policy.

“Financial contributions” has the meaning given to it by s. 108(9) of the Resource Management Act 1991, ie:

- (a) *Money; or*
- (b) *Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Māori land within the meaning of the Māori Land Act 1993 unless that Act provides otherwise; or*
- (c) *A combination of money and land.*

Development contributions may take the same form as above, but they are only available to fund additional infrastructure costs that occur as a direct result of growth. They are a tool to allocate the cost of growth to those who cause the need for the additional infrastructure.

## Development Contributions

The Kawerau District does not have the pressure on its infrastructure systems that is being experienced by some territorial authorities and therefore does not have a pressing need to extend its existing infrastructure systems to cope with increasing demand. The spare capacity in Council’s infrastructure means it can cope with some growth without a resulting increase in demand for community facilities.

Indeed, the Council wishes to encourage development in the District to further the Community Outcomes.

The Council’s policy in relation to development contributions is not to assess development contributions under the LGA 2002, but to retain the provisions of the District Plan that allows the assessment of financial contributions.

## Financial Contributions

Where new subdivisions or developments occur, extensions to the infrastructure networks are necessary to service the development. These extensions add incrementally to the demand on Council owned and operated services such as water supply and wastewater disposal and treatment. The District Plan puts in place a mechanism that makes allowance for extensions to the infrastructure network to be funded by those who cause the demand for such an upgrade. The physical construction of the additional network capacity may not take place for some time after the development occurs.

The objective of this policy is to require subdividers and developers to meet the full cost of, and to provide or contribute to providing any works and services necessary to meet additional demands as a result of subdivision or development.

The Council’s policy is:

- Subdividers and developers are required to meet the full costs of furnishing water supply or wastewater disposal infrastructure necessary to support their subdivision or development
- Subdividers and developers are required to meet the full costs of upgrading any road or street which provides direct frontage or gives access to any subdivision or development

For the purposes of this policy, a fair share will be assessed along the general lines that the contribution should cover the cost of the additional works or services required as a direct result of the new subdivision or development.

Financial contributions contribute to the following Community Outcomes:

- Clean, accessible, respected environment
- Strong and prosperous economy aligned to Community values
- Healthy people and housing
- Reliable and affordable infrastructure
- Continued Independence and Viability

The following is a summary of the provisions that relate to financial contributions in the District Plan.

## Financial Contributions Policy (cont'd)

### District Plan, Section B.2.3: Infrastructure contributions

#### Explanation/Reasons for Adopting Objective Policies and Methods

The Resource Management Act (RMA) 1991 allows a financial contribution to be made in the form of money, works and services as a condition of a resource consent.

The District is serviced by a water supply and wastewater disposal system which may require upgrading as a result of subdivision or development. Similarly, unoccupied land may not have been provided with developed footpaths, or berms, or have access to utility services across its frontage. Roads leading to, or within a development site may require geometric or structural improvement to accommodate the volume or type of vehicles using the road as a result of the subdivision or development.

It is reasonable that the subdivider or developer pays the costs of addressing these issues rather than the ratepayer generally.

The RMA allows a financial contribution to be made in the form of cash, works and services or a combination of both as a condition of a resource consent.

It is recognised that development, facilitated by subdivision, adds incrementally to the demands on the infrastructure of the District. Existing infrastructure assets have been created by rating income, but where land being subdivided or developed has not been so rated, there is no entitlement to a share of those assets. Purchasing into a system or providing for its expansion is considered to be a fair way of apportioning costs of an overall system.

### District Plan, Section C.7.2.8: Subdivision and Development

#### Works and Services Requirements

The RMA provides for a resource consent to include a condition requiring that a financial contribution be made in the form of works or services, including the planting, or replanting of any tree, or other vegetation, or the restoration, or enhancement of any natural or physical resource.

The Council considers that the developers and subdividers should provide, or contribute to the provision of, those works and services necessary to ensure the efficient functioning of their developments and subdivisions. A contribution may also include the formation of an unformed road, the upgrading of a formed road where the activity is likely to generate additional traffic to the extent that increased pressure on the facility will go beyond the ability of the road to cater for, the upgrading of an undersized sanitary sewer or stormwater drain, the contribution toward any sewage treatment or water supply headworks or any trunk sewer, water main or stormwater drain.

The provision of these services, or any contribution towards them, should include the undergrounding of all reticulation involved in these, together with individual connections to each separate allotment, lease site or dwelling unit.

The amount of contribution will be limited to the works necessary to meet the additional loading on the infrastructure, or utility service caused by the subdivision and developments, as determined by the Council.

In determining the amount of any financial contribution, the Council shall consider any design and operational factors provided by the developer that may have a benefit to the wider Community.

In the case of a subdivision consent, where services are not immediately available to serve land on an application plan, but are expected to be available within 5 years, the Council may require the applicant to pay or enter into a bond to pay to the Council, such amounts as the Council considers fair and reasonable towards the cost of providing such services to serve the subdivision.

# Partnerships with the Private Sector Policy

## Introduction

The LGA 2002 requires Council to adopt a policy on partnerships with the private sector. Partnership with the private sector means any arrangement, or agreement that is entered into between one, or more local authorities and one or more persons engaged in business. However, it does not include:

- a) Any such arrangement or agreement to which the only parties are:
  - (i) Local authorities; or
  - (ii) One or more local authorities and one or more council organisations; or
- b) A contract for the supply of any goods or services to, or on behalf of, a local authority.

A Council Organisation is any organisation in which Council controls any proportion of voting rights, or has a right to appoint any directors.

## Circumstances in which Council will enter into Partnerships

Council will consider partnerships with the private sector for the provision of infrastructure and services where:

- a) A need that the partnership will satisfy has been defined in measurable output terms.
- b) Such a partnership is likely to deliver better value for money based on cost, time and financial arrangements than traditional delivery methods.
- c) Where the partnership minimises the risk for Council.
- d) There is an identifiable market of bidders prepared to compete for the opportunity to undertake the project.
- e) There is scope for the private sector to demonstrate particular skills and/or innovative capacity; and
- f) The project size justifies the transaction and ongoing management costs.

In all cases, the present and future financial, social, cultural and economic benefits to the District of such a partnership must exceed the costs and it is Council's ultimate discretion as to whether to enter into a partnership with the private sector.

## Consultation

Any proposal for a partnership with the private sector to carry out a significant activity that involves the allocation of Council funds and/or resources will be tested against community consideration using the consultation procedures mandated in the LGA.

## Conditions

Any public/private sector partnership will be subject to the following conditions before Council will agree to the provision of funding or other resources:

- a) Private participation will be subject to Council's tendering policy with an emphasis on transparency and disclosure of process and Visions, acknowledging the need to protect commercial confidentiality where appropriate.
- b) Outputs will be clearly specified including measurable performance standards.
- c) Payments will only be made upon delivery of the specified services to the required standards.
- d) A clear and enforceable risk management regime will be agreed.
- e) All private sector partners will be fully accountable to Council for the delivery of the specified project and/or services.
- f) The responsibilities of the parties for the reporting and monitoring of Outcomes will be clearly set out in the partnership agreement.

## Risk Assessment and Management

A comprehensive assessment of risks associated with any partnership proposal will be undertaken before any commitment to proceed is made. A risk management regime will be agreed to as a condition of the partnership. The prime principle for risk management within a partnership shall be to transfer risk to the party best placed to manage it.

## Monitoring and Reporting

Partnership contracts will be monitored and reported upon in accordance with an agreed reporting regime. The contribution of any partnership agreement to Community Outcomes will be assessed and monitored as required under the LGA annual report requirements.

# Rates Remissions Policy

## 1. Rates Relief for High Value Properties

### Objective

The objective of this policy is to cap residential rates by way of a rate remission.

### Background

Council's rating system is based on capital value. In the case of residential rating units this led to a small number of residential rating units with high capital values incurring disproportionately high annual rates, up to \$3,000 for the rating year 2005/06. Council believes that such disproportionate rates discourage the building of new homes and improvement of existing homes in the District as well as being an unfair burden on a small group of ratepayers.

Council adopted its rates remission policy to cap rates for the 2005/06 rating year and the cap was set at \$2,000 per rating unit. For each subsequent year the level of the cap will rise by the percentage increase in Total Rates.

Year	Maximum Rates
2005/06	\$2,000
2006/07	\$2,180
2007/08	\$2,300
2008/09	\$2,480
2009/10	\$2,640

### Conditions and Criteria

All residential rating units, or separately used or inhabited parts thereof, that incur rates above the cap will have the excess rates remitted automatically. The cap applies to the sum of the general rate, one uniform annual general charge and one standard targeted rate for each service rated in that way.

A separately used or inhabited part of a rating unit is defined as any portion of a property or building that is used or inhabited by a person who has the right to do so by virtue of a tenancy, lease, licence or other agreement.

The following charges will be payable in addition to the cap:

1. Targeted rates for all services provided to each separately used or inhabited part of a rating unit.
2. Additional residual refuse bins supplied to any rating unit or separately used or inhabited part of a rating unit.
3. All rates levied by Bay of Plenty Regional Council and collected on its behalf.

## Rates Remissions Policy (cont'd)

### 2. Rates Relief for Developments

#### Objective

The objective of this policy is to increase the long term economic development and well-being of the District of Kawerau.

#### Considerations

Development in relation to any land is defined as meaning the development or re-development of the land:

- By constructing, erecting, or altering any one or more buildings on it for the purpose of providing at least 10 more new, or 9 more additional household units on it; or
- Constructing, erecting, or altering any building or buildings, fixed plant and machinery, or other works, intended to be used solely or principally for industrial or commercial or administrative purposes (including, but not by way of limitation, hotels, motels and other transient accommodation), or any combination of those purposes; but
- Does not include the sub-division of the land.

#### Eligible Developments

This policy provides for rates relief for development or re-development of land by constructing, erecting, or altering buildings, fixed plant and machinery or other works intended to be used solely or principally for industrial, commercial or administrative purposes.

The Council will consider any application for building development within the District which can demonstrate that it will be to the financial advantage to the District. Financial advantage will be deemed to occur if the development will result in the creation of new employment opportunities, employment growth, or employment retention in the District.

#### Forms of Rates Relief

1. Council may remit or postpone (or a combination of these), part or all of the rates otherwise payable on a subject property for any period subject to an annual application being made.
2. Council may impose conditions on the remission of rates and may cancel any remission for non-compliance, or if a project ceases to operate. In those circumstances, Council may require payment of full rates in respect of any year in which rates have been remitted.

Council does not consider that granting rates relief according to a strict formula or code is either practical or desirable. It believes that the provisions of this policy constitute adequate guidelines for its consideration of applications.

#### Factors to be Considered

Council will have regard to the following matters when considering applications for rates relief:

1. Whether and to what extent, the development will financially benefit the District, including the creation of new employment opportunities. The creation of jobs will be a strong factor in favour of granting rates relief, but the potential for job creation will also be a positive factor.
2. Whether and to what extent the granting of relief will be of material benefit to the development and the developer.
3. Such other matters as Council may consider relevant.

Rates are not considered by the Council to be of themselves a significant factor in a decision to carry out a new development. However, Council shall take into account the fact that rating relief may assist the viability of a development and may assist in expediting such a development.

## Rates Remissions Policy (cont'd)

### 2. Rates Relief for Developments (cont'd)

#### Procedures

Applications for rates relief should be addressed to the Chief Executive Officer, Kawerau District Council, Private Bag 1004, Kawerau 3169. Applications will be required to provide statements of intent and supporting critical statistics and to supply such other information as is reasonably necessary to enable Council to assess the application, in relation to this policy. Every decision of Council shall be publicly notified and the notice shall include:

1. The reasons for the decision to approve or decline the application.
2. If the application is approved, the identity of the occupier of the land and the estimated amount of the rates remitted or postponed.

#### Council Policy Affecting Applications

The provisions of this policy constitute guidelines for the consideration of applications, as the granting of rates relief according to a strict formula is neither practical nor desirable. The ability of an applicant to meet the above requirements does not in itself constitute a right to rates relief. Council will consider each application on its merits in relation to Council's Economic and Community Development objectives.

### 3. Rates Remission and Postponement for Māori Freehold Land

#### Objective

The objective of this policy is to ensure the fair and equitable collection of rates from all ratepayers, recognising that certain Māori owned lands have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.

#### Principles

The principles used in establishing this policy are:

- That, as defined in section 91 of the Local Government (Rating) Act 2002, Māori freehold land is liable for rates in the same manner as if it were general land
- That, Council will decide on the provision of rate relief on Māori Freehold Land should any applications be received
- That the policy does not provide for the permanent remission or postponement of rates on the land concerned

#### Background

The LGA requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land. A policy adopted under this section is not required to provide for the remission and postponement of rates on Māori freehold land, but in determining a policy, Council must consider the matters set out in the LGA.

The matters that Council must consider are:

- (a) The desirability and importance within the District of each of the objectives listed below
- (b) Whether and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Māori freehold land
- (c) Whether and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Māori freehold land
- (d) The extent to which different criteria and conditions for rates relief may contribute to different objectives

The objectives referred to above are:

- (a) Supporting the use of the land by the owners for traditional purposes
- (b) Recognising and supporting the relationship of Māori and its culture and traditions with its ancestral lands
- (c) Avoiding further alienation of Māori freehold land
- (d) Facilitating any wish of the owners to develop the land for economic use

## Rates Remissions Policy (cont'd)

### 3. Rates Remission and Postponement for Māori Freehold Land (cont'd)

- (e) Recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes.
- (f) Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).
- (g) Recognising and taking account of the importance of the land for community goals relating to:
  - (i) The preservation of the natural character of the coastal environment.
  - (ii) The protection of outstanding natural features.
  - (iii) The protection of significant indigenous vegetation and significant habitats of indigenous fauna.
- (h) Recognising the level of community services provided to the land and its occupiers.
- (i) Recognising matters related to the physical accessibility of the land.

#### Definitions

**Māori freehold land** means land whose beneficial ownership has been determined by the Māori Land Court by freehold order (that is; the Court has created a title for the land and determined the beneficial owners to that land).

**Postponement of rates** means that the payment of rates is not waived in the first instance, but delayed until a certain time, or until certain events occur.

**Remission of rates** means reducing the amount owing, or waiving collection of rates altogether.

#### Conditions and Criteria

1. Applications for rates remission or postponement should include the following information in their applications:
  - Details of the rating unit or units involved
  - Documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court
2. The Council may, of its own volition, investigate and grant remission or postponement of rates on any Māori freehold land in the District.
3. Relief and the extent thereof, are at the sole discretion of the Council and may be cancelled and reduced at any time.
4. Council will give a remission or postponement of up to 100% of all rates for the year for which it is applied, based on the extent to which the remission or postponement of rates will:
  - (a) Support the use of the land by the owners for traditional purposes.
  - (b) Support the relationship of Māori and its culture and traditions with its ancestral lands.
  - (c) Avoid further alienation of Māori freehold land.
  - (d) Facilitate any wish of the owners to develop the land for economic use.
  - (e) Recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.
  - (f) Recognise and take account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).
  - (g) Recognise and take account of the importance of the land for community goals relating to:
    - The protection of outstanding natural features.
    - The protection of significant indigenous vegetation and significant habitats of indigenous fauna.
  - (h) Recognise the level of community services provided to the land and its occupiers.
  - (i) Recognise matters related to the physical accessibility of the land.
  - (j) Provide for an efficient collection of rates and the removal of rating debt.

# Significance Policy

## Statutory Requirements

Council is required to have a policy on significance under the LGA. The policy, and any amendment to it, must be adopted using the Special Consultative Procedure.

Significance and significant are defined as follows:

**Significance** means the degree of importance of an issue as assessed by Council, in terms of its likely impact on:

- (a) The current and future social, economic, environmental, or cultural well-being of the people of Kawerau
- (b) Any persons who are likely to be particularly affected by, or interested in, the issue
- (c) The capacity of Council to perform its role

**Significant** means that the issue has a high degree of significance.

## Reasons for the Policy

The significance of an issue will help determine:

### ***Degree of compliance with the decision-making process set out in the LGA***

In essence, the more significant the issue, the higher the standard of compliance required. Council's decision-making processes will promote compliance with the requirements of the LGA.

### ***The extent of the consultation to be undertaken***

Council will comply with the principles of consultation set out in the LGA in such a manner that Council considers, at its discretion, to be appropriate.

***The more significant an issue from the perspective of the persons who may be affected by the decision, the more likely it is that Council will need to consult with them on their views.***

### ***Determining the detail of information to be provided by Council when consulting with, or reporting to the Community***

The principles of consultation include the principle that persons interested in decisions should be provided with relevant and clear information concerning the purpose of the consultation. In addition, persons who present views to Council should be provided information concerning both the relevant decisions and the reasons for those decisions.

If a decision is significantly inconsistent with, or will have consequences significantly inconsistent with a plan, or policy of Council, Council will, when making the decision, identify the inconsistency, give reasons for it and any intention of Council to amend the policy, or plan to accommodate the inconsistency.

In reporting to the Community in its Annual Report, Council will:

- Give reasons for any significant variance between actual service provision and expected service provision
- Describe any significant acquisitions or replacement of assets, giving reasons for them
- Explain any significant variation between the projected acquisitions and replacements in the Long Term Plan and those actually made
- In relation to each council-controlled organisation, report on the extent to which Council's significant policies and objectives in regard to ownership and control of the organisation have been implemented, or attained during the year

## Significance Policy (cont'd)

### ***Inclusion in Long Term Plan and Use of the Special Consultative Procedure***

Significance may also determine whether a decision on a matter will be explicitly included in the Long Term Plan and in a statement of proposal that has been considered under a special consultative procedure, before the decision can be made.

Council will provide for a decision in its Long Term Plan and in a statement of proposal if the decision would:

- Significantly alter the intended level of service provision for any significant activity (including a decision to commence or cease such activity)
- Significantly affect the capacity of Council, or the cost to Council, in relation to any activity in the Long Term Plan

Council will use the special consultative procedure in relation to any proposal for an alteration in the mode by which a significant activity is undertaken.

In addition, the policy on significance identifies the assets that Council considers to be strategic assets. Any decision to transfer ownership, or control of a strategic asset, or a decision to construct, replace or abandon a strategic asset cannot be made unless it has first been included in the Long Term Plan and in a statement of proposal relating to the Long Term Plan.

### **General Approach**

Council will consider each proposal or decision to determine whether the decision is significant. In determining this issue, Council will consider each of the following:

- The thresholds set out in this policy
- The likely consequences of the decision, or proposal on the current and future social, economic, environmental and cultural well-being of the Community
- The parties who are likely to be particularly affected by, or interested in the decision, or proposal
- The likely consequences of the decision, or proposal from the perspective of those parties
- The financial and non-financial costs and implications of the decision, or proposal having regard to Council's capacity to perform its role

## Thresholds, Criteria and Procedures

### **Thresholds**

Application of the thresholds is not necessarily conclusive. For example, a matter that does not meet any particular financial threshold may still be significant if the criteria below suggest that it is.

Proposals or decisions, which are likely to have financial implications in excess of the following thresholds, will be treated as significant:

Issues for which Council will:

- (i) Vary operational expenditure by 5% or more of its annual operational budget for that year; or
  - (ii) Incur capital expenditure exceeding:
    - a) 2.5% of the total value of Council's Property, Plant and Equipment, or
    - b) 25% of that asset's gross value where spent on a strategic asset.
- Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as defined by the LGA or listed in this policy
  - The sale of Council's shareholding in any council controlled trading organisation, or council-controlled organisation
  - A decision that will, directly or indirectly, significantly affect the capacity of Council to carry out, or the cost to Council in carrying out, any significant activity identified in the Long Term Plan
  - Entry into any partnership with the private sector to carry out a significant activity

## Significance Policy (cont'd)

Council owns a number of assets and groups of assets that it considers to be strategic. However, not all decisions made regarding these assets are regarded as significant, nor do they affect the assets strategic nature. For example, the roading network is strategic, but small parcels of land that make it up may not be and the purchase or sale of such small pieces of land may not amount to significant decisions.

### Criteria

A decision or proposal is likely to have a high degree of significance if it satisfies one or more of the following criteria:

- The decision or proposal affects all, or a large portion of the Community in a way that is not inconsequential
- The impact or consequences of the decision or proposal on the affected persons (being a number of persons) will be substantial
- The financial implications of the decision on Council's overall resources are substantial

Matters which do not satisfy one or more of these criteria may have a high degree of significance where it is known that the decision will nevertheless generate a high degree of controversy e.g. cemetery ornamentation.

### Procedures

Where appropriate, reports to Council must include a statement indicating that the issue of significance has been considered, with a recommendation assessing the significance of the proposal, or decision.

If the proposal or decision is considered to be significant, the report will also include a statement about the parts of the LGA that need to be complied with.

## Strategic Assets

Strategic Assets are assets or group of assets that Council needs to retain if it is to maintain Council's capacity to achieve, or promote any outcome that Council considers to be important to the current or future well-being of the Community. This includes:

- (a) Any asset or group of assets listed in this policy as a strategic asset; and
- (b) Any land or building owned by Council that is required to maintain Council's capacity to provide affordable housing as part of its social policy; and
- (c) Any equity securities held in:
  - (i) A port company
  - (ii) An airport company

For the purposes of the LGA, Council considers the following assets to be strategic assets:

- Transport Management Network
- Stormwater Reticulation System
- Water Reticulation System
- Wastewater Reticulation System

### General Note

Even though an issue may not be regarded as significant under this policy, Council may consider that it is of sufficient importance to the people of Kawerau that consultation is justified.

# Glossary

**Activity** – A good or service provided to the Community by Council.

**Annual Plan** – A document adopted each year by Council that outlines its significant policies (including indicative costs and sources of funds) and the objectives and measures by which Council's performance in undertaking each of its significant activities will be judged.

**Annual Report** – A document that provides the public with information on the performance of the local authority during the year (both in financial and non-financial terms).

**Asset** – A resource controlled by Council. Generally accepted accounting practice defines assets as service potential or future economic benefits controlled by an entity as a result of past transactions or other past events.

**Community Outcomes** – Things that the Community thinks are important to its current and future social, economic, environmental and cultural well-being.

**Funding Impact Statement (FIS)** – A document that sets out the funding mechanisms that Council will use, their level, and the reason for their selection.

**Generally Accepted Accounting Practice (GAAP)** – Approved financial reporting standards that apply to Council, or statements which are not approved, but which are appropriate to Council and have the authoritative support of the accounting profession in New Zealand.

**Local Government Act 2002 (LGA)** – The key piece of legislation under which all councils operate, defining their purpose, powers and key obligations.

**Long-Term Council Community Plan (LTCCP)** – A plan covering at least ten years that describes the activities that Council will engage in over the life of the Plan, why Council plans to engage in those activities and how those activities will be funded. Also known as Council's Long Term Plan.

**Private Public Partnerships (PPP)** – Any arrangement or agreement entered into between Council and persons or organisations engaged in business, not including agreements where all of the parties are local authorities, or a contract for the supply of goods and services.

**Separately used or inhabited part of a rating unit** - Any portion of a property or building that is used or inhabited by a person who has the right to do so by virtue of a tenancy, lease, licence or other agreement (refer Council's Rates Relief for High Value Properties Policy).

**Service Levels** – The defined service requirements for a particular activity or service area against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost of the service.

**Significance** – In relation to any issue before Council, significance means the degree of importance of the issue, as assessed by Council in terms of its likely impact on and likely consequences for:

- The current and future well-being of the District
- Any persons who are likely to be particularly affected by, or interested in the issue
- The financial and other costs of doing so

**Significant** – In relation to any issue, significant means that the issue has a high degree of significance (as per Council's Significance Policy).

**Special Consultative Procedure (SCP)** – A formal consultation process that sets out a series of steps that Council must follow when consulting on particular types of decisions.

**Statement of Proposal (SOP)** – A document that provides the basis for consultation with the Community under the Special Consultative Procedure by setting out Council's proposals with respect to a particular matter.

**Strategic Asset** – An asset or group of assets that Council needs to retain to maintain its capacity to promote any Community Outcome it considers important to the current or future well-being of the Community. The key is whether the assets are essential to the continued delivery of a Community Outcome that Council considers important to the well-being of the Community. Strategic assets are listed in Council's Policy on Significance.

**Wastewater** – Sewage and other waste disposed of through the wastewater system.

**Wastewater Disposal Network** – Sewerage system.

# Appendix

## Fees and Charges

### ***Finance and Community Services***

Cemetery  
District Plans/Reports  
Facilities for Hire  
Library Fees

### ***Operations and Services***

Landfill and Solid Waste  
Miscellaneous:  
    Rubbish Bin Hire  
    Residual Refuse Bin Charges

### ***Regulatory and Planning Services***

Annual Premises Licence and Registration Fees  
Building and Other Inspection Fees  
Dog Control  
Environmental Health  
Liquor Licensing  
Miscellaneous Fees:  
Event Fees and Charges  
Impoundments of Bicycles, Skateboards and Scooters  
Noise Control  
Resource Management Activity  
Stock Impounding Fees

**NB: All fees and charges listed include GST**

## Fees and Charges (cont'd)

### Finance and Community Services

#### **Cemetery**

##### **Purchase of Plots**

##### **Adults**

Purchase of each plot 2.45mx 1.25m with Right of Burial in perpetuity \$550.00

##### **Children (under 10 years)**

Purchase of each plot 1.52mx 1.37m with Right of Burial in perpetuity \$300.00

##### **Stillborn Infants/Ashes**

Plot 1.25m x 1.90m provided \$150.00

##### **RSA**

No charge

Plots in the RSA section of the Cemetery are provided

##### **Burial Fees**

Adults \$400.00

Children (under 10 years) \$180.00

Stillborn Infants \$75.00

Second Interment \$400.00

Ashes \$75.00

RSA \$400.00

Weekend or Public Holiday \$100.00

##### **Miscellaneous**

Exhumation of Casket from the Cemetery \$500.00

Re-interment of any Casket in the Cemetery \$350.00

Scatter Ashes in Garden of Remembrance No charge

Out of District Fee (non-resident/non-ratepayer) \$500.00

Purchase Niche in Wall of Remembrance \$55.00

Purchase of Plaque with the Standard Inscription \$130.00

Permit Fee to install a Plaque in Wall of Remembrance \$5.00

Headstone Permit \$5.00

#### **Plans/Reports**

Annual Plan (per copy)\* \$20.00

Annual Report (per copy)\* \$20.00

Kawerau District Plan (per copy)\*

- Mail List Print Version \$100.00

- Photocopy \$25.00

Long-Term Council Community Plan\* (LTCCP/Long Term Plan - per copy)

\$20.00

**\*For non-residents/non-ratepayers**

## Fees and Charges (cont'd)

### Finance and Community Services (cont'd)

#### **Facilities for Hire**

A refundable bond of \$500.00 is payable prior to the hire of the Circus Paddock.

##### **Boyce Park**

Casual Hire (per day) \$20.00

##### **Circus Paddock**

Hire (per day) \$40.00  
Power Charge (per day) Actual Cost

##### **Concert Chambers**

Seats 260 – 270 people

##### **Discounted**

Casual Hire (per hour) \$11.20  
Bulk Hire (20 hours or more – per hour) \$5.60  
Kitchen Hire (per hour) \$20.00  
Piano (per hour) \$2.00

##### **Not Discounted**

Casual Hire (per hour) \$37.20  
Bulk Hire (20 hours or more – per hour) \$18.60  
Kitchen Hire (per hour) \$66.60  
Piano (per hour) \$2.00

##### **Firmin Field**

Casual Hire (per field per day) \$20.00

##### **Maurie Kjar Swimming Pool**

Private Hire (per hour) \$25.00  
BBQ Hire (per BBQ) \$5.00

##### **Prideaux Park**

Casual Hire (per day) \$20.00  
Pavilion (per hour) \$10.00  
Floodlights (per hour) \$10.00

##### **Stoneham Park**

Casual Hire (per field per day) \$20.00

##### **Tarawera Park**

Casual Hire (per field per day) \$20.00

A refundable bond of \$200.00 is payable prior to the hire of any other Council facility.

##### **Toilets**

Service Fee (per toilet block) \$40.00

**Town Hall** Seats maximum of 530 people or 250 seated with tables

##### **Discounted**

Casual Hire (per hour) \$12.90  
Bulk Hire (20 hours or more – per hour) \$6.30  
Heating (per hour) \$12.00  
Kitchen Hire (per hour) \$20.00  
Spotlights (per day) \$20.00

##### **Not Discounted**

Casual Hire (per hour) \$43.00  
Bulk Hire (20 hours or more – per hour) \$21.00  
Heating (per hour) \$40.00  
Kitchen Hire (per hour) \$66.60  
Spotlights (per day) \$20.00

**Recreation Centre** Tiered seating for 360 people

##### **Discounted**

Casual Hire (per hour) \$19.50  
Bulk Hire (20 hours or more – per hour) \$9.00  
Kitchen Hire (per hour) \$20.00

##### **Not Discounted**

Casual Hire (per hour) \$64.95  
Bulk Hire (20 hours or more – per hour) \$30.00  
Kitchen hire (per hour) \$66.60

##### **Tarawera Mall Shop**

##### **Discounted**

Casual Hire (per hour) \$20.00

##### **Not Discounted**

Casual Hire (per hour) \$66.60

## Fees and Charges (cont'd)

### Finance and Community Services (cont'd)

#### **Library Fees**

Non Resident/Ratepayer Membership Fee (per annum)	\$25.00
Local Requests (per item)	\$0.50
Interloan Requests (per item)	\$1.50
Lost Book Fee	Actual Cost
Replacement Library Cards (per card)	\$2.00
Photocopying/Printing (per page)	\$0.20

#### **Withdrawn Library Items for Sale**

Hardback Books	\$1.00
Softback Books	\$0.50
Children's Books	\$0.50
Magazines	\$0.50
Cassette Tapes	\$1.00
Videos/DVDs	\$2.00
Computer CDs	\$5.00

#### **Overdue Fines**

DVDs/Videos (per item per day)	\$1.00
All other items (per item per day)	\$0.10
Administration Fee (for billed overdue items/per item)	\$5.00

## Fees and Charges (cont'd)

### Operations and Services

#### Landfill and Solid Waste

##### Non Recycled Loads

Local cars		\$10.00
All other local vehicles (including trailers)	\$5.00 + \$196/tonne	
Non Kawerau cars		\$12.00
All other non Kawerau vehicles (including trailers)	\$7.00 + \$204/tonne	

##### Fully Recycled Loads

Local cars		\$3.00
All other local vehicles (including trailers)	\$5.00/m <sup>3</sup> (\$5.00 min)	
Non Kawerau cars		\$5.00
All other non Kawerau vehicles (including trailers)	\$7.00/m <sup>3</sup> (\$7.00 min)	

##### Partially Recycled Loads

Local cars	50% recycled	\$6.00
	20% recycled	\$8.00
All other local vehicles (including trailers)	\$5.00/m <sup>3</sup> recycled	
	(\$5.00 min + balance at \$196/tonne)	
Non Kawerau cars	50% recycled	\$8.00
	20% recycled	\$10.00
All other non Kawerau vehicles (including trailers)	\$7.00/m <sup>3</sup> recycled	
	(\$7.00 min + balance at \$204/tonne)	

#### Miscellaneous

Rubbish Bin Hire (set of 5 bins per event)		
Serviced		\$75.00
Unserviced		\$40.00

#### Residual Refuse Bin Charges

##### *Residual Refuse Bin upgrade to 120 litre*

Full Year Cost		\$60.00
	<b>Month Requested</b>	<b>Months Chargeable</b>
	July	12
	August	11
	September	10
	October	9
	November	8
	December	7
	January	6
	February	5
	March	4
	April	3
	May	2
	June	1
		<b>Pro Rata Cost</b>
		\$60.00
		\$55.00
		\$50.00
		\$45.00
		\$40.00
		\$35.00
		\$30.00
		\$25.00
		\$20.00
		\$15.00
		\$10.00
		\$5.00

##### **Notes:**

1. The above charges apply only to additional bin requests that are made after 1 July. In future years the full year cost will be charged as part of the property rates until there is a change of either tenant or ownership.
2. The full year cost will be set each year by Council during the Annual Plan process.
3. A bin request received part way through a month will be charged for the whole of that month.

#### Replacement Lost or Stolen Bins

120 litre residual wheelie bin	\$10.00
60 litre residual wheelie bin	\$10.00
140 litre green wheelie bin	\$10.00
60 litre recycle bin	\$10.00

## Fees and Charges (cont'd)

### Regulatory and Planning

#### **Annual Premises Licence and Registration Fees**

Hairdresser's Registration (per annum)	\$84.00
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Offensive Trade Registration (per annum)	No charge fixed
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#### **Licensed Premises**

Hotels, Taverns, Tourist Houses (per annum)	\$212.00
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Premises with Off-Licence (per annum)	\$127.00
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Sports Club Licence (per annum)	\$50.00
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#### **Other Inspection Fees**

Abandoned vehicles	\$180.00
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Private Swimming Pool inspection	\$56.00
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Services not otherwise listed	Actual Cost
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Specific expertise	Actual Cost
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#### **Building**

Building – minor works (carport)	\$338.00
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Building – minor works (garage)	\$423.00
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Building – low risk	\$546.00
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Building – medium risk	\$1,196.00
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Building – high risk	\$1,898.00
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Code Compliance Certificate	\$96.00
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Code Compliance Schedule (WoF or CCS)	\$114.00
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Footpath Damage Bond (refundable)	\$500.00
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House Demolition Fee	\$225.00
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Land Information Memorandum	\$150.00
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Project Information Memorandum	\$59.00
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Plumbing and Drainage	\$56.00
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Re-inspection fee	\$56.00
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Solid fuel heater and other minor repairs	\$159.00
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## Fees and Charges (cont'd)

### Regulatory and Planning (cont'd)

#### ***Dog Control***

##### ***Registration Charges for Puppies and Pro-rata Refunds for Disposals***

Month	General Fee	General Fee if Dog Spayed/Neutered	Approved Owner Fee	Approved Owner Fee if Dog Spayed/ Neutered
July	\$100.00	\$60.00	\$65.00	\$25.00
August	\$91.67	\$55.00	\$59.58	\$22.92
September	\$83.33	\$50.00	\$54.17	\$20.83
October	\$75.00	\$45.00	\$48.75	\$18.75
November	\$66.67	\$40.00	\$43.33	\$16.67
December	\$58.33	\$35.00	\$37.92	\$14.58
January	\$50.00	\$30.00	\$32.50	\$12.50
February	\$41.67	\$25.00	\$27.08	\$10.42
March	\$33.33	\$20.00	\$21.67	\$8.33
April	\$25.00	\$15.00	\$16.25	\$6.25
May	\$16.67	\$10.00	\$10.83	\$4.17
June	\$8.33	\$5.00	\$5.42	\$2.08

**Late Penalty Fee** – 50% addition to the original fee charged.

**NB:** All new dogs registered MUST be microchipped.

**Replacement Tag Fee** \$0.80

#### **Impound Fees**

First Impound Fee \$75.00

Second and Subsequent Impounding Fee \$100.00

Sustenance Fee (daily) \$5.00

## Fees and Charges (cont'd)

### Regulatory and Planning (cont'd)

#### *Dog Control (cont'd)*

##### Infringement Offences and Fees

Wilful obstruction of Dog Control Officer or Ranger	\$750.00
Failure or refusal to supply information or wilfully providing false particulars	\$750.00
Failure to supply information or wilfully providing false particulars about a dog	\$750.00
Failure to comply with any bylaw authorised by the section	\$300.00
Failure to undertake dog owner education programme or dog obedience course (or both)	\$300.00
Failure to comply with obligations of probationary owner	\$750.00
Failure to comply with effects of disqualification	\$750.00
Failure to comply with effects of classification of dog as dangerous dog	\$300.00
Fraudulent sale or transfer of dangerous dog	\$500.00
Failure to comply with effects of classification of dog as menacing dog	\$300.00
Failure to advise person of muzzle and leashing requirements	\$100.00
Failure to implant microchip transponder in dog	\$300.00
False statement relating to dog registration	\$750.00

##### Infringement Offences and Fees

Falsely notifying death of dog	\$750.00
Failure to register dog	\$300.00
Fraudulent procurement or attempt to procure replacement dog registration label or disc	\$500.00
Failure to advise change of dog ownership	\$100.00
Failure to advise change of address	\$100.00
Removal, swapping or counterfeiting of registration label or disc	\$500.00
Failure to keep dog controlled or confined	\$200.00
Failure to keep dog under control	\$200.00
Failure to provide proper care and attention, to supply proper and sufficient food, water and shelter and to provide adequate exercise	\$300.00
Failure to carry leash in public	\$100.00
Failure to comply with barking dog abatement notice	\$200.00
Allowing a dog known to be dangerous to be at large unmuzzled or unleashed	\$300.00
Failure to advise of muzzle and leashing requirements	\$100.00
Releasing dog from custody	\$750.00

## Fees and Charges (cont'd)

### Regulatory and Planning (cont'd)

#### **Environmental Health**

##### **Trading in Public Places Fees**

Blanket Food Hygiene Registration e.g. Market Days (per annum)	\$127.00
Food Premises:	
High Risk (per annum)	\$212.00
Low Risk (per annum)	\$127.00
Hawkers Licences (issued per Bylaws)	\$25.00
Mobile Shops Bylaw Licence (per annum)	\$250.00
- If trading within the Kawerau District more than once a fortnight on average.	
Mobile Shops Bylaw Licence (per annum)	\$120.00
Mobile Shops Bylaw Licence (per month)	\$10.00
- If trading within the Kawerau District less than once a fortnight on average.	
Mobile Shops Food Hygiene Registration (per annum)	\$25.00
- Where primary registration is with another territorial authority.	
Mobile Shops Food Hygiene Registration (per annum)	\$127.00
- Where full inspection and registration with Kawerau District Council is required.	

#### **Miscellaneous Fees**

##### **Event Fees and Charges**

Amusement Device Permit (each)	\$15.00
<b>NB: The devices certificate of registration must be provided.</b>	
Food Sale Licence (each)	\$10.00
Marquee Building Consent (exceeding 30m <sup>2</sup> )	\$56.00

##### **Impoundment of Bicycles, Skateboards or Scooters**

Impoundment Fee	maximum \$50.00
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##### **Liquor Licensing**

On Licence	\$776.00
Off Licence	\$776.00
Club Licence	\$776.00
Manager's Certificate	\$132.00
Temporary Authority	\$132.00
Special Licence	\$63.00
Variations	\$776.00
Redefinitions	No Cost

#### **Noise Control**

Impounded stereo release fee \$100.00

**NB: Stereos are kept for a minimum of one month**

#### **Stock Impounding Fees**

Driving Charge	\$80.00
Horse/Donkey/Cattle/Beast/Deer (per day)	\$8.00
Sheep/Goat	\$3.00
Pig	\$6.00
Release Fee	\$53.00

