

Mission Statement

“Otorohanga District Council will strive
to be the best rural council in New Zealand,
operating proactive policies which promote progress
while taking into account social, cultural,
economic and environmental needs.”

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COMMENTS FROM THE MAYOR AND CHIEF EXECUTIVE

Welcome to Otorohanga District's Long Term Council Community Plan (LTCCP) for the period from 1 July 2009 to 30 June 2019. The LTCCP outlines the strategic framework within which the Council operates, identifying its key objectives and how it will contribute towards the achievement of the desired community outcomes identified in 2005/6.

Council is proud that the Otorohanga District has a long history of effective management that has contributed to continuing positive development and prosperity over many years. Council is however also keenly aware that this previous success must not generate a sense of complacency, and that a strong and sharp focus must be maintained on opportunities to continue the advancement of the District.

Maintaining affordable delivery of essential infrastructural services (roads, water supply, drainage, refuse, reserves etc) at the existing levels indicated to be preferred by ratepayers remains the Council's highest priority. As such there is a strong element of a conservative 'business as usual' approach in this LTCCP, recognising that significant challenges exist in the current difficult and uncertain economic environment, where costs of service delivery are continuing to rise, whilst ratepayer's ability to pay may decline.

Council will implement an average rates increase across the District of 4.2% in 2009/10, which will be followed by further increases of between 4 and 6 percent in each of the following three years. Such increases are considered to be near to the upper limit of what is likely to be affordable for ratepayers, and there remains a risk that unforeseen events could result in a need for even larger increases, with little potential to counter this through cuts to what are already restricted to 'no frills' levels of service.

This current situation has reinforced the belief of Council that in the long term the social and economic well being of the District can only be assured through residential and economic growth, which will allow the increasing cost of Council's services to be shared amongst a larger number of ratepayers, minimising the financial impacts on individuals.

It is not enough for the District to remain static, as experience in recent years has been that in addition to increasing rates burdens, rural Districts with static or declining populations have experienced progressive reductions or withdrawals of central government administered services, encouraging movement of residents to other locations where such services are more readily and affordably available, further exacerbating the situation.

Council is therefore strongly focussed on actions that will bring new residents, businesses and increased employment opportunities to all of the communities within the District, including the rural areas. Six proposed Key Areas of Focus for Council, in addition to the continuing effective delivery of core services, are identified in a later section of this LTCCP. Every one of these key areas has potential to contribute, directly or indirectly, to facilitation of growth within the District.

A balance is however needed between facilitating development and preserving the character of the District, and the review of the District Plan that is currently underway provides the opportunity to achieve this. Willingness for compromise from parties on both sides of this discussion will however be necessary if the best overall outcome is to be obtained from the District. The world-wide recession has reinforced the appreciation that risk and reward are intrinsically linked, and that protective actions invariably have associated costs - though often overlooked in recent years - that must eventually be paid.

And so it is with the development and protection of the Otorohanga District; neither are practical outcomes for any community in absolute terms, only a carefully reasoned balance between them, taking account of the likely costs and benefits of both sides, can provide the positive future for the District that is the vision of Council.



D F Williams
Mayor



D C Clibbery
Chief Executive

SUBMISSIONS PROCESS FOR 2009-19 LTCCP

The Statement of Proposal for the Draft 2009-19 Long Term Council Community Plan, was adopted by Council on the 21st of April 2009 for submissions. Copies of the Statement of Proposal were made available at the Council offices and a summary of the Statement of Proposal was posted to all ratepayers.

The submissions period was from the 23rd of April 2009 until 12pm on the 29th of May 2009. A total of 19 submissions were received during this period related to a number of different topics, including:

- 👤 Rooding
- 👤 Debt levels of Council
- 👤 The Waiwera Street development
- 👤 Regional and District promotion.
- 👤 Water supplies
- 👤 Sustainability and biodiversity within the District.
- 👤 Council funding of various community groups.

Of the 19 submissions received, eight submitters requested to be heard by the Council at the meeting on the 2nd of June 2009. After

hearing these submitters and reviewing the submissions of those not wishing to be heard, the following major changes were made as a result of these submissions.

- 👤 The paragraphs regarding the funding of roading projects were changed to better reflect the reasons for the changes to the funding.(Page 9)
- 👤 The aim of the Mayor's Taskforce for Jobs was included in the section talking about unemployment within the district. (Page 15)
- 👤 Some changes arising from some staffing changes within the Council were made to better reflect the new budgets (Pages 97 and 116)
- 👤 Changes to fees and charges were made (page 168)

Council would again like to take this opportunity to thank all those who submitted on the draft LTCCP. A copy of all the submissions made on the Draft LTCCP is available on request from the Council offices.

INTRODUCTION TO THE LONG TERM COUNCIL COMMUNITY PLAN (LTCCP)

Definition of an LTCCP

A document which provides a long term focus for the decisions and activities of the local Council for the next 10 years.





The LTCCP is required by the Local Government Act 2002 to be produced once every three years. There is also a requirement for the Community Outcomes contained in this document to be reviewed and evaluated at least once every six years to ensure that Council plans represent the wishes of the community.



Actual results achieved for 2009-19 may vary from the information presented, and the information contained within this document may not be appropriate for purposes other than guiding community input into Council decision-making. The variance of the actual results from the projected results may be material. Information relating to future years will be updated every three years in subsequent LTCCPs and in annual plans.

The information included in this LTCCP may not be appropriate for purposes other than those described below.

The achievements in any year will be presented in Council's Annual Report for that year.

The purpose of the LTCCP is to:

-  Describe the activities of the local Council;
-  Provide the Community Outcomes of the local Council's district or region;
-  Co-ordinate the resources of the local Council and integrate decision-making;
-  Provide long term focus for the decisions and activities of the local Council;

-  Provide a basis for accountability of the local Council to the Community; and
-  Provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the Council.

LTCCP vs Annual Plan

What's the difference?

The LTCCP is published every third year. In the two years between publications, the Annual Plan is produced.




The Annual Plan sets out what the Council intend to achieve over the next year, the costings, performance measures and funding sources.










The LTCCP sets out the Council's programme for the next 10 years including the information above as well as how Council will contribute to achieving the Community Outcomes.

Contents of the LTCCP

The LTCCP provides a wide range of financial, policy and activity information.

In particular, the LTCCP:

-  Sets out the long-term expectations of residents (community outcomes) and how these align with Council activities and services;
-  Identifies key aspects on which Council intends to focus so that the expectations of residents can be most effectively met;
-  Outlines the services and levels of service Council intends to provide;

-  Identifies the measures or targets that will gauge Council's performance towards the achievement of community outcomes, as well as the levels of service for each activity.
-  Details the proposed activities, projects and financial implications of Council's significant activity areas;
-  Provides detailed financial statements, the supporting policies and the assumptions upon which the financial statements have been prepared;
-  Includes the financial management and decision-making policies required by the Local Government Act 2002;
-  Provides an overview of the commercial organisations that Council has some direct involvement in or control over;
-  Lists the major projects to be undertaken;
-  Provides an overview of the proposed activities and projects within the communities of the District, the proposed funding requirements and likely rating impacts within these communities and a District-wide summary of key financial information;
-  Includes information about elected members, Council Committees, Community Boards and Council services; and
-  Outlines the initiatives Council proposes to take to foster the development of Māori capacity to contribute to local decision-making.

KEY DIRECTIONS OF COUNCIL

'Business As Usual'

The content of this LTCCP reflects the key directions of Council for the next 10 years.

A strong focus on operational efficiency and financial prudence has been a key element of the District's past success, with much emphasis placed on the traditional core infrastructural services of Council and the delivery of those services in a highly cost-effective manner that has been believed to meet the expectations of our residents.

The importance and appropriateness of existing core services such as roads, water supply, drainage, refuse, reserves and facilities has been confirmed through the results of a District wide survey of ratepayers conducted in 2008. This survey presented a range of options for differing levels of service (both higher and lower) for these activities, accompanied by an estimate of the associated effect on the level of rates, and invited ratepayers to select which option they preferred.

The survey results (presented in Appendix 1) strongly indicated that the existing level of service was the preferred option of ratepayers for every activity surveyed. Whilst this survey did not extend to the full range of activities undertaken by Council, the results are interpreted as broad support for a general policy of maintaining the status quo in respect of the existing extent and level of traditional core Council services.

This, together with the low levels of growth projected to occur in District, has resulted in the LTCCP being largely based on a conservative 'business as usual' model, with relatively few changes to existing activities or policies. The next few years are not considered an appropriate time for ambitious new activities or costly new non-essential projects.

Areas of Focus Beyond 'Business as Usual'

Whilst maintenance of existing traditional core infrastructural services in a highly efficient and cost-effective manner is therefore viewed as the highest priority, Council recognises that significant changes have occurred in the social, economic and physical environments, and in the public's perceptions of associated issues, and that these changes need to be reflected in the strategic direction of Council.

Council discussion in relation to its role and direction is ongoing, but there was a more formal exercise conducted in 2008 to ensure that Council had undertaken comprehensive consideration of these matters, in a manner considered consistent with what the Office of the Auditor General has referred to as 'The Right Debate' in the context of 2009 LTCCPs.

This direction setting exercise concluded with a formal workshop in November 2008, during which a very broad discussion was conducted on the characteristics of the District and Council, future threats and opportunities, vision development and potential strategies towards achieving that vision.

A key outcome of this workshop was development of six key objective statements for Council in respect of its future management of the District, in addition to the paramount objective of maintaining efficient and cost-effective core services as previously discussed. These six objective statements, in no particular order are as follows (objective statement in italics with associated commentary following):

Facilitate Managed Growth

Implement a planning framework that enables growth within the District without significant detriment to the District's character.

This objective is based on a belief that economic and population growth within the District is essential if the core services available to the District - including both those services provided by Council and by other agencies - are to be maintained or improved. A failure to do so is likely to compound the existing slow decline of population in the District, as people chose to move to other locations where these core services are more readily or affordably available.

Such stimulation of growth does however need to take account of the District's environment and character, to the extent that this is possible without creating barriers that will compromise the social and economic viability of communities.

Responses to this objective will be provided through the Planning and Development activity of Council, with the current review of the District Plan providing the primary opportunity for establishing an appropriate planning framework.

Enhance Branding and Promotion of the District

Develop and implement, in conjunction with other stakeholders, appropriate strategies to more effectively promote the District as a place in which to live and work and a tourism destination.

This objective was developed in response to a belief that the environment, history and culture of the District and King Country region provide significant further opportunities for tourism that are not being fully realised due to inadequate and fragmented promotion efforts, and that this lack of effective promotion also has negative effect on the ability of the District to attract new residents and businesses which will support growth.

Responses to this objective will be provided through the District Promotion, Development and Tourism activity of Council.

Develop Outdoor Recreational Opportunities

Investigate, and where appropriate support, development of outdoor recreational activities that will effectively integrate with the environment and character of the District.

This objective was developed in response to a belief that the District has strengths in respect of its natural resources and the accessibility of those resources that could be more effectively utilised to provide outdoor recreational opportunities in both the urban and rural areas.

That would contribute positively to the quality of life of residents, support tourism related activities, and make the District more marketable as a place in which to live.

It is envisaged that responses to this objective would be primarily provided through the Parks and Reserves and Roding activities of Council.

Promote Business Opportunities

Continue to promote the District as a good place in which to do business, both directly and indirectly through business friendly policies.

This objective was developed based on recognition that a strong and growing business community is a fundamental requirement for the continued wellbeing of the District. Agriculture and supporting services provide the District's economic backbone, and a broad range of other industrial and commercial activities is also desirable to provide a diversified and resilient local economy.

Council believes that it should adopt a 'business friendly' approach that will support existing enterprises and make the District an attractive location for new business developments.

Responses to this objective will be delivered through both Council's District Promotion, Development and Tourism activity and through

adoption of business enabling attitudes and policy development in other relevant Council activities.

Adopt a 'User Pays' approach to lifestyle choices

Where communities make choices in respect of lifestyle, social or environmental factors, any additional costs to Council associated with these choices should be paid by those communities.

This objective was developed in response to a belief that where particular communities make choices that extend beyond normal Council practice for lifestyle, social or environmental reasons, it is not reasonable for any additional costs associated with those choices (relative to normal Council practice) to be passed on to the District as a whole, and that the community making such choices should instead be responsible for those costs, providing local accountability.

Responses to this objective will be delivered through the Democratic Process activity of Council.

Encourage broader community awareness and ownership in respect of environmental issues

Encourage the broadest possible awareness of environmental issues, with the intention that the expressed views of communities do not only reflect the views of a small and potentially non-representative minority.

This objective was developed in response to a belief that there have in recent times been cases where significant decisions in relation to environmental matters, with broad implications for particular communities, have been made with the broader community either being unaware of and/or failing to effectively express views on the relevant issues.

Council considers it is important that members of communities in the District effectively utilise their rights to be involved in decision making on environmental matters, particularly where decisions on those matters could contribute to undermining the social and economic viability of their communities.

There is considered to be a linkage between this objective and the previous objective, in that communities also need to be made aware that environmental choices often have significant associated direct and/or indirect costs for that community. Where an environmental decision is made within a community, any resultant additional direct costs to Council may be recovered from the ratepayers of that community, regardless of the extent to which those ratepayers were involved in making that decision.

Responses to this objective will be delivered through the Democratic Process activity of Council, and will be largely educational.

These key objective statements represent the particular views of Council on the most practical opportunities by which it can make a positive contribution to the wellbeing of the District after continuing maintenance of effective core services.

How Objective Statements relate to Community Outcomes

In identifying these opportunities consideration has been given to the desires of the community as expressed through the Community Outcomes process, and which are described in a previous section. Whilst the primary purpose of these Key Areas of Focus is not necessarily to directly facilitate such outcomes, it is believed that none of the stated objectives is fundamentally contrary to the outcomes, and that all have broad potential to make positive contributions towards the achievement of a range of Community Outcomes.

Issues of affordability have also played a role in shaping these objective statements, and it is believed that there are many actions with relatively low costs that will facilitate achievement of these objectives.

Have Your Say on Council's Directions

Council invites the public to comment on these proposed objective statements, and other aspects of the future direction of Council. The LTCCP should reflect the desires of the community, and feedback is essential if this is to occur.

Opinions are therefore welcomed on both the appropriateness of the identified areas of focus ('business as usual' plus the six proposed objective statements), and on the particular actions that could generate positive results in these focus areas.

For example you may be particularly supportive of the 'Develop Outdoor Recreational Opportunities' objective, and have ideas on specific new projects or services that would support this. If so, please let us know through the submission process associated with the plan. Alternatively you may disagree with the proposed focus areas, and wish to offer suggestions on alternative directions. Once again Council would welcome such feedback.

KEY INFRASTRUCTURAL WORKS

Council continues to be in a consolidating phase during the period of this LTCCP, having undertaken a substantial program of improvement and renewal works to roads, water supplies and other infrastructure during the 1990's and early 2000's.

These improvements have left most of Council's significant assets in a sound condition, generally requiring only modest routine maintenance and routine renewals to achieve desired levels of service over the 10 years to 2019.

Roading

Council recognises that the availability of a safe and efficient roading network is important for all residents, and has particular significance for many rural ratepayers, for whom the provision of roads represents by far the most significant benefit that they receive from Council.

The significance of roading for rural ratepayers has been reflected in a long history of works to improve rural roads throughout the District. Investment in this area is planned to continue, even though the majority of the roads in the District have already been substantially improved, and those which remain in an unimproved state generally have very low traffic volumes, typically less than 30 vehicles per day.

Road improvement works are indicated to continue throughout the entire period of this LTCCP, though the rate at which these improvements will be delivered during the early years of this period will be lower than what has occurred in recent times. This slower rate improvements reflects both the financial constraints that Council is currently facing (in particular those constraints associated with servicing the debt incurred in delivering previous road improvements) and unfavourable changes to the manner in which available funding from the New Zealand Transport Agency (NZTA) is allocated by the Waikato Regional Transport Committee (RTC).

In the past Council has been able to obtain NZTA subsidies,(typically at a level around 50%), towards cost of approved seal extensions and improvements of local roads.

The ability to undertake such works on a subsidised basis has however now been greatly restricted by a decision made by the RTC that emphasis should be placed on allocation available NZTA funding towards improvements of more major ' Strategic Corridors', with a resultant reduction of funding for works to improve less heavily trafficked local roads.

The total cost of major road improvements over the period from 2009/10 to 2018/19 is indicated to be \$6.71 million, which can be broken down as follows:

Unsealed Road Smoothing	- \$3.55 million
Seal Extensions	- \$1.47 million
Smoothing & Widening of Sealed Roads	- \$1.69 million

The particular major road improvement projects indicated for the first three years of the LTCCP period are shown in the table below. The scheduling of these projects, and others in the period beyond the 2011/12 year may be subject to change.

Project	Affected Road Length	Scheduled Completion Year	Estimated Total Council Cost
Unsealed road smoothing, Okupata Road	3.1km	2009/10	\$274,000
Unsealed road smoothing, Aotea Road	1.0km	2009/10	\$71,000

Project	Affected Road Length	Scheduled Completion Year	Estimated Total Council Cost
Unsealed road smoothing, Te Rauamoa Road	5.2km	2009/10	\$162,000
Seal Extension, Newman Road	1.25km	2010/11	\$86,000
Unsealed road smoothing, Rakanui Road	3.3km	2010/11	\$98,000
Unsealed road smoothing, Huirimu Road	3.7km	2010/11	\$124,000
Unsealed road smoothing, Te Raumauku Road	2.8km	2010/11	\$91,000
Unsealed road smoothing, Puketawai Road	1.8km	2010/11	\$53,000
Seal Extension, Newman Road	1.25km	2011/12	\$86,000
Unsealed road smoothing, Kaimango Road	2.8km	2011/12	\$251,000
Unsealed road smoothing, Scott Road	0.9km	2011/12	\$41,000
Unsealed road smoothing, Bush Road	1.7km	2011/12	\$48,000

Other Infrastructural Works

The 'business as usual' case also generally applies to other infrastructural activities, but some improvements are planned during the LTCCP period, the most substantial of which are listed in the table below:

Project	Completion Year(s)	Estimated Total Project Cost
Water Quality & Quantity Upgrade, Otorohanga / Waipa Water Treatment Plant	2009/10/11	\$1.56 million
New pre-treatment stage, Sewerage System, Otorohanga	2012/13	\$488,000
Construction of additional timber water reservoir, Otorohanga	2010/11	\$347,000
Renewal of existing concrete water reservoir, Otorohanga	2017/18	\$419,000
Sewer main renewals, Otorohanga	2015/16/17	\$351,000
Stormwater Capacity Upgrade - SH3 / OTC area, Otorohanga	2009/10	\$160,000
New Stormwater Drain, Bledisloe Avenue, Otorohanga	2010/11	\$103,000
Stormwater systems improvements Hinewai & Haerehuka Streets, Otorohanga	2011/12	\$105,000
Water Quality & Quantity Upgrade, Kawhia Water Treatment Plant	2009/10/11	\$440,000
Water Main Renewals, Kawhia	2015/16/17	\$109,000
Wharf Renewal, Kawhia	2011/12 & 2016/17	\$145,000
Waiwera Street Subdivision Development, Kawhia	2009/10	\$1.21 million

Project	Completion Year(s)	Estimated Total Project Cost
Foreshore protection works, Kawhia	Various, 2009-2018	Circa \$300,000

A significant proportion of the cost associated with these works has arisen from improvement projects related to water supply.

Some of these projects are being undertaken in response to recent changes in legislation requiring higher standards of water treatment, which Council do not believe to be justified.

Works are also being conducted to increase the capacity of some water supply systems to avoid water shortages that currently occur at times of peak demand, particularly in Kawhia.

The Kawhia community poses a particular challenge in respect of water supply, since the existing spring source can only provide a limited quantity of water, and if this became fully used in the future through development of new properties or other increased water use, a new water source would have to be developed at a substantial cost to the community.

Council has responded to this threat by introducing an innovative system of 'seasonal metered water charges' that will be applied to new developments in the Community, to limit demand for water and provide additional funding for future upgrading of the water supply.

It is recognised that this approach may contribute to constraining growth in the community, but this appears to be an unavoidable consequence of environmental and social factors affecting Kawhia.

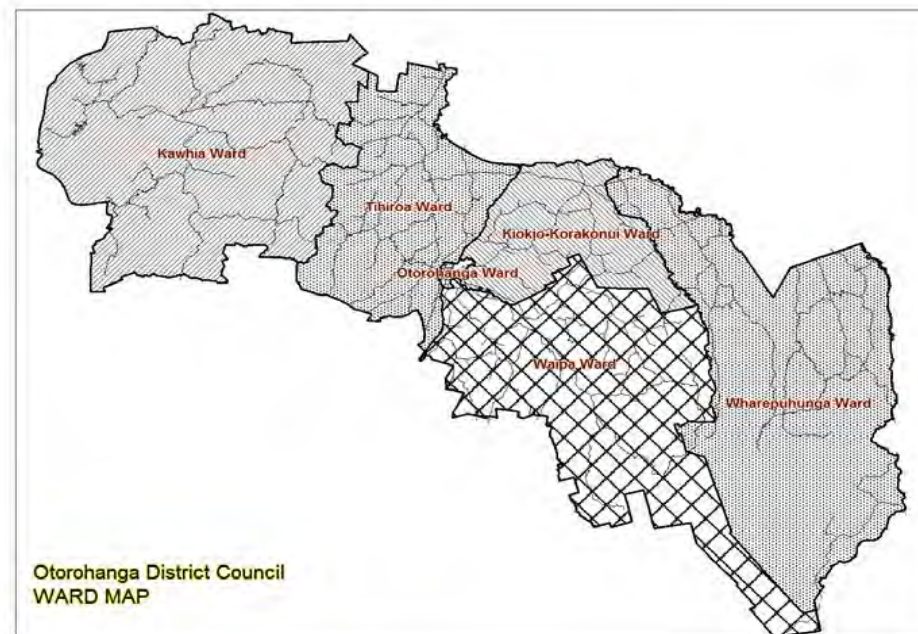
Another substantial project indicated for completion in Kawhia is development of a residential subdivision on Waiwera Street, but the progress of this project will be dependant on environmental issues and the prevailing economic climate. The project is only likely to proceed if there is a high level of confidence that the development will yield a direct financial benefit for the community.

THE OTOROHANGA DISTRICT, TODAY AND TOMORROW

Our District and Associated Planning Assumptions

The Otorohanga District covers an area of 1976 square kilometres (197,600 Hectares) comprising a strip of land approximately 30 kilometres wide that extends from the shores of the Tasman sea in the West to the Waikato River in the East. Falling within the boundaries of the Waikato Regional Council, the District is a varied area containing diverse topography, productive farmland, extensive native vegetation, ocean beaches and protected harbours. It is a District with strong historical and cultural associations, dating back to the arrival of the Tainui waka in the coastal community of Kawhia 600 to 700 years ago. Kawhia and other locations retain considerable significance for Maori.

The Otorohanga District has existed in its current physical form since it was formed by the amalgamation of the former Otorohanga County and Borough Councils in 1971. The District contains 5,173 rateable units, spread over two significant Communities (Otorohanga and Kawhia) and the surrounding rural areas. For Local Government Electoral purposes the District is divided into 6 wards as shown on the accompanying map. The administrative and commercial centre of the District is Otorohanga, which has a resident population of approximately 2,700.



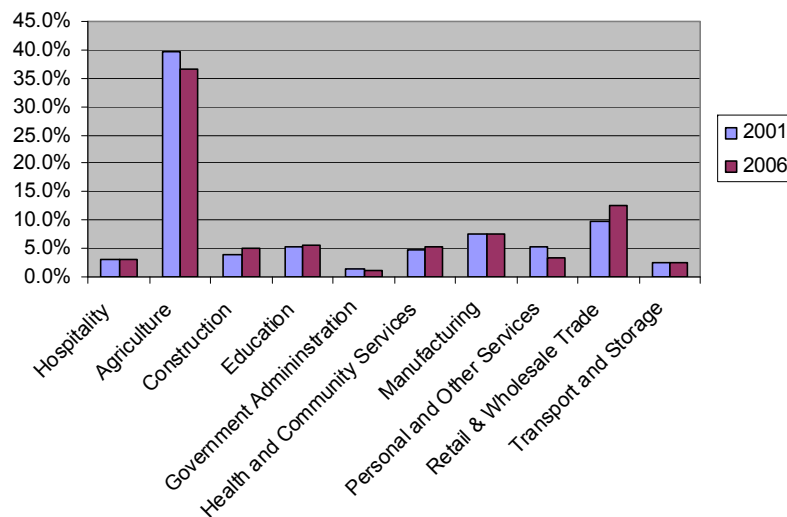
The District has a well developed roading network, including State Highways 3, 31/39 and more than 800 km of local roads, whilst the North Island Main Trunk Line Railway also runs through the central area.

The following sections provide further information on the Social and Economic characteristics of the District, and outline key assumptions that have been made in the development of this LTCCP.

District Demographics and Economy

Agriculture remains the economic backbone of the District, directly providing 37% of employment in the District, and supporting many further jobs in associated industries and services. It is probably not unrealistic to estimate that upwards of 70% (by value) of all economic activity in the District is closely associated with the agricultural sector.

Employment - Key Trades

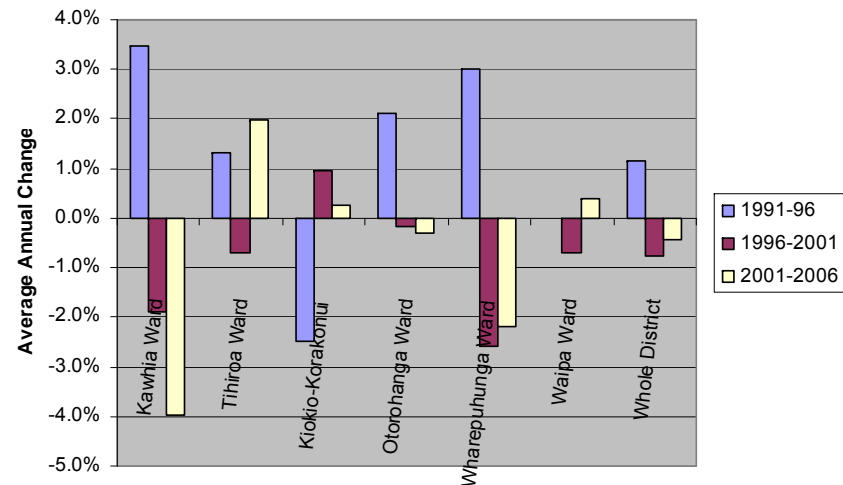


Of the other sectors it is believed that tourism and hospitality probably has the greatest potential for growth in the medium or long term, but even with such growth these activities are likely to remain a relatively minor component of the District's overall economy, and in the short term the environment appears challenging for such businesses. Agriculture is therefore expected to remain the dominant activity within the District for the foreseeable future.

Agricultural land in the District is in general very effectively utilised, with most of the land suitable for dairy farming being utilised for this purpose, leaving little practical scope for further value adding farm conversions.

The District had a normally resident population¹ of 9075 at the 2006 census, having registered a slow decline of population (at a rate of approximately -0.5% per annum) over the previous 10 years. The accompanying figure does however show that the recent population change has however not been uniform over the District, with much of the overall decrease having occurred in Kawhia, with Otorohanga and most of the rural wards retaining population or even showing modest growth.

Normally Resident Population Change



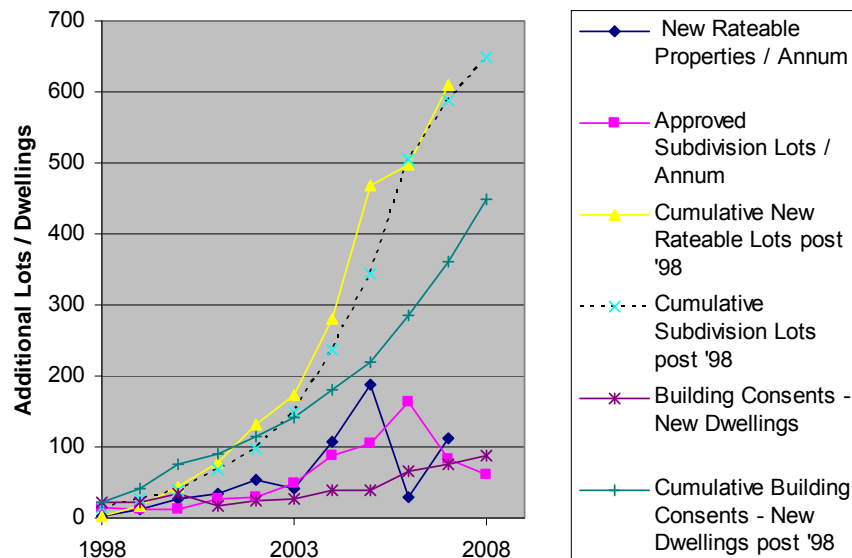
Significant property development has occurred within the District since 2003, as shown in the figure below.

This, together with other indications of potential population growth in some localised areas and projections of continuing population

¹ There are two measures used during the Census, normally resident population (where someone usually lives) and Census Night population (where someone was on the night of the Census). This may include people on holiday or visiting friends, so the normally resident population is used to more accurately reflect the District population.

growth in the Waikato region at a rate of 0.5-1.0% per annum, has raised expectations that the overall decline of population in the District over the last 10 years may be reversed. Evidence of this will however not be available till the 2011 census, and with the probability of several economically challenging years being ahead, it is considered unwise to assume positive population growth for the purpose of this LTCCP.

Development Indicators - Otorohanga District



For this reason planning has been based upon the 'medium growth' scenario for the District presented by the Ministry of Economic Development, which indicates a continuing decline of overall

population at -0.5% per year to 2018². However, based on existing data, the Council believes that the level of subdivision within the District will continue at the current rate, resulting in no major financial effects with regard to provision of services or funding of Council activities.

The ethnic composition of the District is predominantly European and Maori, with other ethnic groups being only very lightly represented.

Of the District's population 28% is of Maori descent, which is well above the national average of 16%. In recent years the overall proportion of Maori in the District has remained stable, with the only significant local change being in Kawhia, where the proportion has increased from 39% to 45% as the normally resident population of this community has decreased. The proportion of the population commonly speaking Maori has remained relatively constant at approximately 8% during the last 10 years.

The median age of permanent residents in the District is similar to the national average at 35 years, though the median age of the Kawhia ward is much higher, at 45 years, whilst median ages in the rural wards are lower.

² Note - Condition of Global Economy

In making this, and the other assumptions contained in this section, it is acknowledged that there are very substantial uncertainties related to the current global recession, and that a wide variety of other projections could be made.

The approach that has been generally adopted is to extrapolate existing trends (including pre-recession data) unless there is considered to be clear evidence that such trends are now manifestly incorrect. It is felt that to adopt any other approach could move predictions into a realm of severe negativity which might be alarmist and which could substantially undermine the LTCCP, with little certainty that the indicated problems would actually eventuate. Such an approach is viewed as counter productive and therefore has not been pursued.

The median age of residents in the District is rapidly increasing, in line with national trends linked to the 'baby boomer' generation, and is projected to rise to more than 39 years by 2019. Very large increases in the proportion of residents older than 65 years are expected to occur, with this element of the population forecast to grow at a rate of more than 3% per annum through the period of this plan.

This has potential to have a particularly significant effect on the urban communities, where there is already more than 17% of the population above this age. The ready availability of medical and other support services is therefore likely to be a key issue in the future, with the level of health deprivation in the District (as represented by the relevant Ministry of Health Index Data) already relatively high at 7.2, and exhibiting a slight worsening trend.

There is perhaps the potential for health service issues to become critical if there is a continuing decline in the overall population of the District that makes existing delivery modes unsustainable.

At the other end of the age demographic, the proportion of the population that is under 15 years old is 24.1%, above the national average of 21.5%. This proportion has however been relatively stable in the District over the past 10 years, and as such it would not be expected that significant further rationalisation of educational services will be required in the short term.

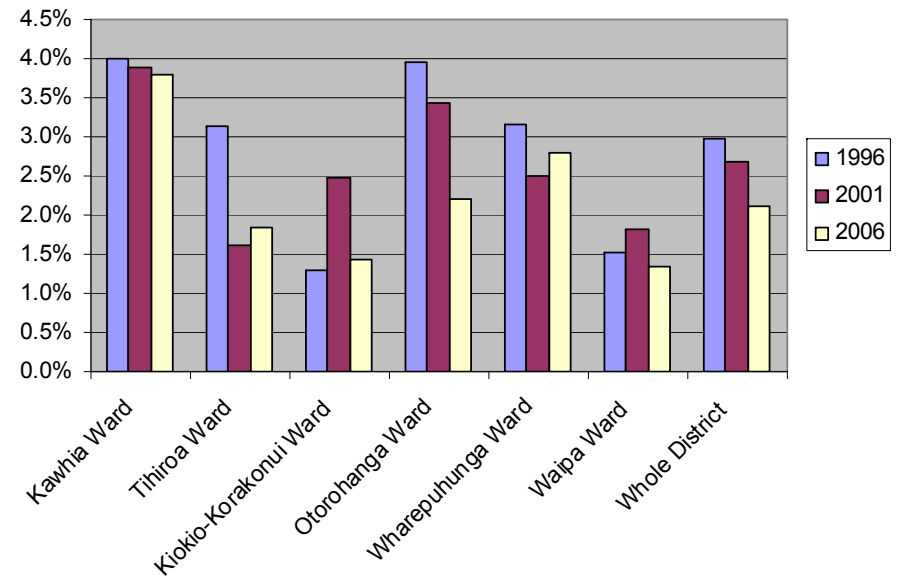
With an average educational decile of 5.5 across all schools, the District exactly matches the national average, and is significantly better than many other rural areas.

In recent times Council and associated agencies have had an extremely strong focus on youth issues, with a vision that the positive potential of local youth will be developed to the greatest extent possible, through provision of enhanced recreational, educational and employment opportunities.

The Council is involved in the Mayor's Taskforce for Jobs, whose aim is *"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 well being."

Unemployment Rate



Some notable successes have been achieved from the implemented initiatives, including zero registered youth unemployment in the District and a significant reduction in the youth crime rate. In general, there is a low level of crime in the area, with an annual reported crime rate in the Otorohanga Police area (which encompasses the majority of the District) of approximately 600 incidents per 10,000 population, which is well below the national and Waikato region averages of around 1,000 incidents per 10,000 population.

The relatively high local crime resolution rate (typically above 54%) is again well above the national average of 48%.

Council therefore views local youth positively and the rapidly aging profile of District residents in future years will make younger people an increasingly valuable resource, and a continuing commitment to

the existing philosophy of 'Zero Waste' in respect of the District's youth is therefore considered entirely appropriate.

Household Finances and Employment

Residents of the Otorohanga District have generally been in a relatively sound financial position. The average (mean) annual household income in the District was \$61,200 in 2007, which was well above the national average of \$55,400 and that found in other similar rural Councils.

This apparently very strong result does however in part reflect the very high levels of income received by some farmers, and the more typical median annual household income of \$49,400 in 2006 was substantially below the national average of \$59,000. As such there is clearly a wide range of individual financial circumstance in the District, with the Kawhia community having a very low median household income of \$30,300, which is little more than half of that found in some rural wards.

In relation to housing the District is considered to generally be in a position of comparative strength, with 61% of residents having full or partial ownership of their own homes. For those in rented accommodation the situation is however perhaps less favourable, with residential rents having increased at an average rate of around 10% per year for the last 5 to 7 years, though this trend may cease as property values in the District are adjusted downwards.

Council is therefore mindful that whilst the overall financial condition of the District may be satisfactory, there are a significant number of ratepayers whose economic circumstances are difficult, and for whom substantial future increases in Council rates are likely to be unacceptable. This unacceptability will be heightened in the current difficult economic conditions that are considered likely to severely limit economic and wage growth in NZ until 2011. This has reinforced Council's belief that a 'no frills' approach to provision of services is appropriate for the period of this LTCCP.

Though household circumstances are quite variable, unemployment rates in the District have historically been relatively low, and in recent

times have further reduced, as shown in the attached figure. This has in part been due to a range of innovative youth employment initiatives driven by Council and associated agencies, that are considered to be at the "leading edge" of youth development at a national level.

The proportion of District ratepayers who are beneficiaries and otherwise on fixed incomes was 26% in 2007, which is well below both the national average of 30.6% and what is found in a sample of other comparable rural Districts.

Whilst it appears likely that in the short term there will be some increase in the levels of unemployment in the District, it is believed that the agricultural sector which forms the backbone of the local economy is fundamentally robust.

The agricultural sector continues to experience significant volatility in demand and prices for its products, and whilst the Ministry of Agriculture, Food and Fisheries makes regular projections of commodity prices and volumes over 4 year periods, the usefulness of these projections is considered very limited in the current climate of economic uncertainty. As such no attempt has been made to incorporate such data into development of this LTCCP.

Worldwide there is however a very limited quantity of land with potential for intensive agriculture, whilst the world has a growing population demanding more agricultural produce. Though in the short term there may be significant variations in the strength of the agricultural sector it appears reasonable to believe that in the long term the fundamental soundness of this industry will protect the District against sustained high levels of local unemployment.

Another aspect of concern in relation to employment is the prospect that existing difficulties in attracting professionals and other senior specialist workers to the District may worsen.

There has for some years been a situation where such people have been willing to work in the District, but are often reluctant to settle here, preferring to commute to work from other Districts to the north. In recent times the strong employment market in NZ has further

amplified this problem, with it now proving difficult to fill some critical roles.

Whilst it would be expected that the current economic situation will loosen the general employment market, it does not necessary follow that this will significantly relieve the existing problems of recruitment of senior people in the District.

Climate Change

The current climate of the District is moderate in all respects, and the topography of the area is also relatively moderate and physically stable, limiting the potential adverse effects such as flash flooding and erosion. These factors contribute to there being little agricultural activity within the District that is only marginally suitable for the location at which it is being conducted. As such it would not be expected that there would be significant sensitivity of the agricultural sector to potential climate change over a relatively short period of 10 years, even if a well defined trend existed.

Similarly most significant water sources in the District have been proven to be reliable even in the extreme drought conditions of the 2007 summer, and as such it seems unlikely that any climate change over the next 10 years would be sufficient to result in major water shortages.

It is recognised that in the long term climate change could affect the agricultural sector and some other activities in the District, but to date Council is unconvinced that any existing climate change forecast data is sufficiently reliable for it to be used to significantly influence any decisions of Council over the period of this LTCCP, other than those associated with the review of Council's District Plan, which are based upon expert advice from specialist consultants.

Other Environmental Issues

During the last 10 years there has been a significant change of perceptions in respect of environmental issues within the District, that largely reflects changing societal values. These changing perceptions have been most evident in the Kawhia / Aotea area

where increased environmental activism and awareness of historical, cultural and environmental issues has resulted in successful legal challenges to decisions made by Council under its operative District Plan.

That these challenges were successful (and resulted in significant additional legal costs to Council) has highlighted the need for an urgent review of Council's District Plan to provide a more legally robust framework for control of development within the District, and such a review is currently under way.

Whilst it is likely that the new District Plan will increase the restrictions on development, it is believed that the accompanying greater clarity will be of benefit to prospective developers, reducing the uncertainty that has existed in the past.

Council recognises the need to balance environmental protection against potential for growth, and believes that legislation may have swung too far towards a protective stance. The indications that central government may moderate some aspects of the Resource Management Act are therefore welcomed, and it is not expected that any significant further environmental responsibilities or constraints will be placed on Council by central or regional governments in the near future.

Provision of Council Services

Only very modest changes in the extent and level of Council activities are expected in response to similarly modest changes in population and economic activity during the period of the LTCCP.

The maintenance and improvements of roads is by far the most significant activity of Council in terms of cost, and this is unlikely to change. Whilst the population of the District is not projected to increase over the LTCCP period, it is likely that the previous trend of increasing volumes of traffic on roads will continue, as vehicle ownership in the District rises (having risen from 1.75 to 1.95 vehicles per household over the last 10 years) and owners use their vehicles more often.

It is however expected that in future the average rate of traffic growth on roads in the District may be lower than the 2 to 3% per annum commonly seen in the past, with NZTA data suggesting that road traffic volumes in the region will increase at around 1% per annum over the period of this plan. Such modest traffic growth will not place extensive pressure on network capacity in the short or medium term, though localised exceptions may continue to exist. Council believes it's existing roading network has sufficient spare capacity to handle this increase in traffic volumes.

Council is required to hold Resource Consents for some of its activities, in particular for water supply, wastewater disposal and stormwater discharge, and these consents must be renewed from time to time if the activities are to continue. Such consent renewal is not expected to be problematic because the activities are of relatively limited and stable extent, and high levels of compliance with the existing consent conditions are generally achievable.

It is recognised that changes in national and regional regulations will take effect during the period of this plan that are likely to influence renewals of resource consents, particularly in respect of water supply, where the Water Allocation Policy of the Regional Council will require greater emphasis on efficient water use. Appropriate responses to such issues have however been incorporated into asset management planning, and as such Council does not envisage any significant consent renewal problems at this time.








Council's existing fixed assets are largely sufficient for it to conduct its activities at the planned levels, and Council fully funds the depreciation on these assets, except on certain assets as identified on page 159. The funded depreciation is used to fund capital expenditure requirements. Refer to the depreciation note in the Statement of Accounting Policies for the useful lives of assets.

The Council fully funds the replacement of assets in accordance with the Revenue and Financing Policy on page 200.

The Revenue and Financing policy has been updated since the 2006 LTCCP to give more clarity and understanding as to how Council

funds its various activities and how that funding is applied to operational and capital expenditure.

The costs that the Council has to pay to deliver roading and its other activities are likely to continue to increase. These increases are expected to be bought about by a number of factors, which may include:

-  Inflation
-  Changes to subsidies received from the New Zealand Transport Agency
-  Interest rates on borrowings
-  Interest rates received on cash surpluses.
-  The valuation of assets
-  The ability to receive competitive tenders for contracts.
-  International market prices of components of infrastructure building, such as steel, oil, bitumen etc.

Inflation

In preparing this LTCCP Council has used projected inflation adjustment factors as provided by Business and Economic Research Limited (BERL) in their report of March 2009. The figures below show the per annum escalation adjustments applied to particular cost groups relative to the year ending 30 June 2010 as the base year, hence zero inflation in that year. These figures exclude the projected effect of the implementation of the Emissions Trading Scheme (estimated by BERL to be a one-off increase of 1.1%).

Year Ending	Road	Property	Water	Energy	Staff	Other
June 2010	0.0	0.0	0.0	0.0	0.0	0.0
June 2011	2.6	2.8	2.3	2.6	2.4	3.4
June 2012	2.8	3.3	3.2	2.4	2.4	2.4
June 2013	2.4	2.6	3.0	2.8	2.7	2.4
June 2014	2.4	2.5	3.1	2.9	2.6	2.3
June 2015	2.4	3.0	3.3	3.3	2.6	2.4
June 2016	2.4	3.1	3.4	3.3	2.6	2.4
June 2017	2.5	2.5	3.3	3.4	3.1	2.4
June 2018	2.4	2.4	3.4	3.4	3.2	2.5
June 2019	2.2	2.3	3.5	3.5	3.1	2.5

Subsidies

Council has made the assumption that the subsidy received from the New Zealand Transport Agency (in most cases 53% for maintenance and capital expenditure, with some capital subsidies at 63%) will be maintained at these current levels.

Interest rates

Council funds a substantial portion of its capital works through raising debt, and the cost of servicing such debt therefore has a significant impact on the cost of providing those activities.

While interest rates can be volatile, Council has elected to use a flat interest rate of 7% on borrowings, and 4.5% on cash surpluses. These rates were arrived at after taking account of Council's projected borrowing requirements, and assumptions made around the interest rates that Council may be able to achieve on those

borrowings. A weighted average interest rate of 7% was deemed by Council to best reflect the likely interest costs of the Council.

Valuation of Assets

Council's assets are valued every 3 years, in conjunction with the LTCCP timeframe, and the valuations obtained are used to determine the levels of depreciation charges applicable to asset based activities, which may again be reflected in the cost of that activity to ratepayers.

The last revaluation was effective from 1 July 2008. Revaluations during the span of the LTCCP will be conducted for years commencing 1 July 2011, 1 July 2014 and 1 July 2017. To determine the likely impact of these valuation changes, Council has used the BERL adjustors for inflation as an indicator of likely valuation changes.

The valuation increases used have been:

	1 July 2011	1 July 2014	1 July 2017
Piped Assets	9.6%	11.7%	9.0%
Roading Network	9.5%	8.4%	9.3%
Land	9.0%	9.6%	10.0%
Buildings	9.0%	9.6%	10.0%

Waikato Regional Airport Limited

As noted on page 160, Council has taken the view that it is likely that a portion of the uncalled capital in Waikato Regional Airport Limited will be called upon by the company. An amount of \$12 million of the total uncalled capital of \$21 million has been called by the company. Otorohanga District Council's portion of this amount is \$375,000. This has been represented in the 2009/10 year. Council has assumed that it is unlikely that any further call for uncalled capital will occur over the 10 year period.

Summary of Significant Assumptions

Forecasting Assumption	Associated Risks	Level of Uncertainty	Reasons & Financial Effect of Uncertainty
Growth of - 0.5% per annum	Determines extent of rating base, influences required infrastructural asset capacity, influences sustainability of Council and non-Council services	Low; strong Council emphasis on growth but probable results constrained in short/medium term, strong agricultural base limits potential downside.	Existing population trends only weak, variance of this trend likely to be small, limited financial effect
Increase in population over 65 years of age of more than 3% per annum	Influences on ratepayer ability to pay and demand for medical services etc	Low.	Demographic trend well established. Little direct financial effect
Short term increases in unemployment	Influences on ratepayer ability to pay	Low	Unlikely that District will not feel effects of global economic downturn
Population under 15 years of age stays consistent	Declining proportion would threaten viability of schools, weaken future	Low	Demographic trend well established. Little direct financial effect.

Forecasting Assumption	Associated Risks	Level of Uncertainty	Reasons & Financial Effect of Uncertainty
	labour pool		
1% increase per annum in traffic volumes on roads	Higher rates increase for road maintenance and improvement requirements	Moderate; NZTA projection data used but relevance to local roads questionable	Financial effects limited as significant spare capacity in much of network.
Existing Resource Consents for Council services will be renewed	Services such as water supply and drainage require Resource Consents for continuance	Low	Relevant activities are of limited & stable extent, high level of compliance with existing consent conditions is achievable
Infrastructural asset lives based on NAMS or other relevant guidelines	Over-estimation of asset lives results in underestimation of renewal requirements and depreciation	Moderate; general acceptance that actual lives are dependant on variety of factors, not easily assessed	Adopted expected lives considered conservative. Effects of long-life asset uncertainties only evident in longer term

Forecasting Assumption	Associated Risks	Level of Uncertainty	Reasons & Financial Effect of Uncertainty	Forecasting Assumption	Associated Risks	Level of Uncertainty	Reasons & Financial Effect of Uncertainty
No significant new environmental issues or Resource Management needs	Significant new requirements could increase Council's costs and/or further restrict growth	Low	Government not supportive of increased control in these areas, increased regional Council role unlikely in short term	Inflation estimates based on BERL indicators	Moderate; higher than expected inflation has major effect on rates affordability, though effect may be offset by household income growth	Moderate; unprecedented global economic situation casts doubt on conventional inflation forecasting methods.	Expectation that variances from assumptions likely to be generally lower (favourable). Govt stimulus spending could raise inflation for infrastructure.
Direct climate change effects are minor during plan period	Climate change could influence rural economy & climate related assets.	Direct climate change uncertainty low in plan period, moderate/high in longer term.	Limited direct financial effects in short term as local land & agriculture generally not climatically marginal & limited climate dependant asset creation/renewal.	Subsidies from NZTA will remain constant for the full period of the LTCCP	Moderate. Even minor reduction of subsidy has major effect on rates affordability.	Low; no current suggestion of change by govt.	Potential of govt stimulus spend through larger NZTA subsidy unlikely as not consistent with other govt policy directions.
Emissions Trading Scheme (ETS), if adopted, would increase rates by 1%.	Implementation of ETS would contribute to broad cost inflation, increasing rates	High; ETS implementation uncertain given government change and has therefore not been included.	Cumulative rates variance of circa 1% associated with ETS / non-ETS BERL inflation indicators	Little potential for significant natural disasters	Natural disaster has potential to result in substantial additional costs to Council	High	Nature of district limits potential exposure to effects of disaster; Otorohanga flooding only predictable (1 in 100 year) risk.

Forecasting Assumption	Associated Risks	Level of Uncertainty	Reasons & Financial Effect of Uncertainty	Forecasting Assumption	Associated Risks	Level of Uncertainty	Reasons & Financial Effect of Uncertainty
Interest rates will, on average over the period of the 10 years, be 7.0% on borrowings and 4.5% on deposits	Large increases in interest rates could result in significant changes to the interest expense.	High; given the current economic climate.	An increase of 0.5% would add \$61,000 to the interest expense in 2009/10, reducing to \$34,000 in 2018/19.	Rental Income will increase in proportion to relevant inflation indices	Over-estimation of rental income will increase rating requirement	Low	Projected increases are modest and extent of rental revenue limited
Future asset value increase proportions based on BERL indicators	Under-estimation of future value increases cause depreciation shortfall, increasing rating requirement	Moderate for land and buildings, low for other asset groups	Financial effects limited for high value long-life assets because of frequency of revaluation cycle, enabling corrections	Extent, complexity and cost of LTCCP audit requirements will not significantly increase	Additional rating requirements and associated resource issues	Low	There are currently no signals from central Government of any additional requirements.

COMMUNITY OUTCOMES

What Are Community Outcomes

Within the context of a Long Term Council Community Plan (LTCCP), outcomes are a desired future position or state. They are typically long-term expectations of the Community.

Otorohanga District Council Community Outcomes

The Local Government Act 2002 (the Act) requires Council's LTCCP to describe the community outcomes for the District and wants these outcomes (desired results or state of affairs) to be identified so that those items that the community thinks are important for its wellbeing, are clearly understood.

The outcomes should also reflect the four aspects of community wellbeing identified in the Act (Economic, Environmental, Social, and Cultural).

Council has identified in this LTCCP how it can assist the community in achieving their outcomes.

How Were The Community Outcomes Identified

Community organisations and members of the public were invited to participate in the community outcomes process. Two public meetings were held in each of Otorohanga and Kawhia in May and June 2003.

Public meetings were also held in the Rural area in November 2004 and February 2005.

These meetings were very well attended and provided the opportunity to discuss the new Local Government Act and the requirement for Council to identify community outcomes.

At the second meeting in each area, a group of people (iwi, representatives of local groups and individuals) formed a community team to write a community plan, which would contain the outcomes for that community.

These people volunteered their time for this project, and were generally representative of the four aspects of community wellbeing. Many of the team members were already involved with community organisations.

Identifying the community outcomes and producing a community plan containing these outcomes took place over the following months.

The teams consulted with regional and other groups in the community, including agencies delivering services in the District.

For regional outcomes refer to www.choosingfutures.co.nz and for outcomes for Ngāti Maniapoto, Raukawa and Tainui, refer to



Maniapoto Community Outcomes,



Raukawa Community Outcomes, and



Tainui Community Outcomes in the appendix.

A draft document was sent to many groups and organisations, and made available for public submission.

The teams had a very good public response to their draft community outcomes, including 75 submissions from Kawhia residents and 35 from rural residents. The community teams continued to refine the outcomes, and finally adopted the community plan document in February 2004 for Kawhia and Otorohanga, and in November 2005 for the Rural area.

Throughout the process of establishing community outcomes, the Otorohanga District Council provided resources to the teams in the form of venues for meetings, cost of printing and mailing, and a consultant/staff member to help the teams progress the document and assist with technical drafting and presentation.

To comply with the Act the LTCCP sets out the activities that Council will undertake over the next ten years, the reasons for undertaking

these activities, how they might contribute to the achievement of community outcomes, what assets might be required and how these activities will be funded.

Council needs to carry out a public process to identify community outcomes every six years. This will need to be done again as part of the 2012 LTCCP, with Council carrying out a public process sometime in 2010. The outcomes process is a multi-organisational community-based process, led by Council.

Community Outcomes – Working with Others

The Council's first task has been to establish what people value for their future and what they want for themselves, their communities and their District. The 'community' includes Iwi, stakeholder groups, businesses, government agencies, regional agencies and people across all sectors.

In developing the Community Outcomes, participants identified the key organisations, agencies and groups who may be able to help the community progress toward achieving the District Community Outcomes. The next step was to develop a 'Community Outcome Framework' that sets out how we can work together to achieve them. In doing so, the community must also decide to what extent it wants various organisations, groups and agencies to bring about that vision and must understand and accept the cost implications of that. Any potential role that these groups may have in the delivery of these outcomes does have a dollar cost attached to it and the community needs to determine how much of this it is prepared to pay for.

Making progress towards achieving the Community Outcomes will need to be a collective effort; it is not only up to the Council. Importantly, regardless of financial constraints, it must also be determined whether it should be the role of local government, which is ratepayer funded, to address issues which have traditionally been the role of central government. Some issues that have been discussed for potential Council involvement such as labour market shortages, affordable housing and domestic violence, are underpinned by a raft of complex factors which may be beyond the

influence and expertise of local government. Any expansion of the Council's role into such areas can only be pursued with the clear mandate of the community and with the assurance that the Council has the expertise to maximize the application of community resources and / or funds in this area.

The Council already engages with a number of key community groups, regional and government organisations, the private sector and Iwi.

It is important to recognise that the Council's work programme over the next ten years is set to make a very large and valuable contribution to many of the Community Outcomes in relation to safeguarding the environment and promoting a safe and healthy community. The infrastructural works planned have a significant impact on Community Outcome delivery by protecting our environment and ensuring that we have clean water and sanitary living conditions.

Once a Community Outcomes framework has been developed which outlines the role that various groups will take and we know what things should be worked on first, progress can be made toward achieving the vision. The Council, in particular, may be able to contribute in many ways that do not involve funding costly programmes or service provision such as through strategic brokering, advocacy, lobbying central government or forming partnerships with other key government agencies to make things work more efficiently. One of the benefits of working this way is that it means a variety of organisations and community groups, possibly including central government agencies, can pool resources and ideas and tackle complicated problems to bring about societal change that is very difficult for any one group on its own.





On behalf of the District, the Council will also continue to monitor and report on progress toward achieving the Outcomes and will provide information to help other agencies and organisations with this work.

Councils role in helping to progress Community Outcomes over the next 10 years

The Community Outcomes are achieved and issues facing the District addressed via a range of activities that the Council or other organisations may deliver. The Council is required to, and sees benefits in, working with other agencies to achieve the aspirations of our communities. Where the activities required to achieve a set of outcomes are to be delivered by another agency, then advocacy becomes a key output that the Council can deliver to assist with securing delivery of the required outputs.

The Council will endeavour to advance a number of initiatives to improve the way it works with other agencies and interest and community groups (including neighbouring councils, NZ Transport Agency, Environment Waikato, Local Iwi, government agencies and development interests).

Examples of existing joint initiatives are:

-  Choosing Futures – Waikato
-  Shore Futures
-  Forum for integrated Regional Management (F.O.R.M)
-  Regional Policy Statement Technical Review Group for Local Authorities

By working closely with such groups, the Council is better able to gain buy-in from those who have the influence to bring about change. This is important in progressing issues that the Council does not have the ability to do on its own. It is also an efficient way of working – the Council has found it is better able to share resources and expertise. This is often led to better decision-making processes, for example through memoranda of understandings, cost savings through joint tendering or bulk purchasing and development of integrated plans. Once developed these initiatives often require

ongoing resources and organizational commitment to remain effective.

The continued development of relationships with other agencies will continue to underpin much of what the Council does over the next 10 years and the Council intends to work with different groups and agencies on a range of work programmes.

Community Outcome Statements

Community Outcome statements have been developed to provide the Community with a short and easy-to-follow summary of the 61 Community Outcomes. Similar outcomes were grouped together and overarching statements that reflected the intent of each group of outcomes were written to provide a link between the Community Outcomes and the grouping of activities.

These are shown below;



Otorohanga District is a safe place to live.



Ensure services and facilities meet the needs of the community.



Provide for the unique history and culture of the district.



Promote the local economy and opportunities for sustainable economic development.



Manage the natural and physical environment in a sustainable manner.



Foster an involved and engaged community.



Protect the special character of our harbours and their catchments.








Recognise the importance of the District's rural character.

How Will The Council Contribute To Furthering The Community Outcomes?

Community outcomes express a District wide vision and cannot be achieved by Council alone. Council targets its activities to the Community Outcomes and the detail is found under the significant activity section.

Many government and non-government groups and agencies assist in progressing social, cultural, economic and environment well-being to achieve the community vision.

The Council can contribute to furthering community outcomes in the following ways:





-  Advocate – Council promotes and encourages progress towards achievement of a goal by other organisations through active liaison;
-  Partner – Funding and carrying out of an objective to reach a goal is done by Council in formal partnership with other organisations;
-  Implementer – Planning and carrying out an action contributing to the achievement of an outcome is fully Council's responsibility;
-  Regulator – Council has statutory responsibility and may choose or be required to regulate an activity;
-  Monitor – Council gathers information on actions and processes and checks and reports on progress against the targets set.

How do the Well Beings relate to Community Outcomes

Overarching Community Outcomes have been developed to provide the Community with a short and easy to follow summary of the detailed Community Outcomes.

Each of the overarching community outcomes has a strong linkage to one or more of the 4 well beings which are the social, economic, environmental and cultural aspects of the community.

The four well beings and how they relate to the community are as follows:

-  *Economic – Ensuring that core facilities, services and infrastructure keep pace with the needs of the Community.*
-  *Cultural – Ensuring that the cultural diversity of the District is recognized.*
-  *Environmental – Ensuring that the Districts environment is managed in a sustainable manner.*
-  *Social – Ensuring the achievement of a safe and healthy community with strong community networks.*

The eight overarching community outcomes that Council has developed have a strong relationship to each of the four well beings. That relationship can be described as follows:

- Otorohanga District is a safe place to live

This overarching community outcome links predominantly to the Social Well Being by ensuring Otorohanga District is a safe environment in which to live and play.

- Ensure services and facilities meet the needs of the community.

This overarching community outcome links predominantly to the Economic and Social Well Beings. The Economic Well Being ensures services and facilities are maintained to promote growth and cater for community needs whereas the Social Well Being ensures

that those services and facilities meet community expectations for health, education and other social needs.

- Provide for the unique history and culture of the District.

This overarching community outcome links predominantly to the Cultural Well Being by ensuring that our cultural identity and history is preserved and fostered, including Maori and Pakeha inheritance and recognition of all cultures and religions.

- Promote the local economy and opportunities for sustainable economic development.

This overarching community outcome links predominantly to the Economic Well Being by ensuring that business and employment opportunities are increased and enhanced, existing economic strengths in the community are promoted and Otorohanga District is an attractive destination for development of small to medium sized businesses.

- Manage the natural and physical environment in a sustainable manner

This overarching community outcome links predominantly to the Environmental Well Being by ensuring that the community has ready access to its natural environment and the concept of sustainable environmental management is maintained.

- Foster an involved and engaged community.

This overarching community outcome links predominantly to the Social Well Being by ensuring that the community participates fully in decision making and a sense of social responsibility is fostered.

- Protect the special character of our harbours and their catchments.

This overarching community outcome links predominantly to the Environmental Well Being by ensuring that the harbours, waterways and wetlands are preserved and protected.

- Recognise the importance of the District's rural character

This overarching community outcome links predominantly to Environmental and Economic Well Beings. The Environmental Well Being ensures that the community recognizes that our rural landscape receives a high level of protection and natural, historical or outstanding landscapes are protected by landowners whereas the Economic Well Being ensures that lifestyle development is managed to not conflict or inhibit existing rural activities.

Linkage Of Community Outcomes To Other Documents And Processes

The Council will have regard to the community Outcomes when all documents, strategies and processes are being formulated.

Monitoring And Reporting Of Community Outcomes

Reviewing progress within the District as a whole provides the community with a chance to build on achievements and to take a critical look at where applying resources might help achieve the Community Outcomes and enhance well-being. Council will monitor progress on targeting Community Outcomes using indicators developed by Council and other organisations, for example; Choosing Futures.

Council will continue to develop a range of measures to monitor the progress on achieving the Community Outcomes over time. Council will produce a three yearly State of the District report using this range of measures. This report will include progress made by other stakeholders as and when this becomes available.

To help identify what Council should be monitoring, Council will work with a variety of organisations that will help collect data for the measures. Through Choosing Futures, discussions are underway both regionally and locally with government agencies to discuss and collaborate on monitoring progress across the District. Council will use both statistical and non-statistical evidence to monitor the Community Outcomes.

Community Outcomes Monitoring Summary



Otorohanga is a safe place to live

Outcome	Measure Monitored
Footpath and other walking areas are safe for pedestrians	Percentage of residents and non-resident ratepayers satisfied with District footpaths Number of reported pedestrian accidents on footpaths
Pedestrians 'and motorists' safety in the main street of Otorohanga is addressed	Number of reporting pedestrian and vehicular road safety accidents on Main Street
Otorohanga is a safe environment to live and play	Incidence of reported crime within the District Percentage of residents perception of safety within the Otorohanga District
Zero tolerance to drugs is promoted in Otorohanga	Number of drug related arrests in Otorohanga Community awareness of anti-drug campaigns
That rural communities are aware of civil defence procedures	Percentage of District households with a civil defence emergency survival kit Survey of Rural communities awareness of Civil Defence procedures, eg; Local Gathering Points



Ensure services and facilities meet the needs of the community

Outcome	Measure Monitored
Otorohanga has housing that satisfies the needs of the community and those who may consider joining the community	Percentage of households in owner occupied private dwellings Percentage of households in rental accommodation Number of new dwellings built within the District
Otorohanga is promoted as an ideal centre for retired people, focussing on the many facilities it has for older people	Average rent in Otorohanga as a proportion of National Superannuation Occupancy rate in Housing for the Elderly facilities
The community values life long learning	Number of students enrolled in Wintecs Otorohanga campus Number of book issues per year at District libraries Proportion of residents with tertiary qualifications
Services are provided for youth	Survey of youth satisfaction with youth focused services Patronage rate at Otorohanga Harvest centre Patronage rate at Otorohanga Swimming Pool

Outcome	Measure Monitored
All residents have equal access to services and facilities	Survey of residents perception of accessibility to services
Kawhia remains affordable to the average New Zealander	Average house prices compared to national average income
All public open spaces are preserved, enhanced and made accessible to the public 24 hours a day	Percentage of residents and non-resident ratepayers satisfied with District parks and reserves Number of significant beautification projects per year carried out on public land
A better area for boating is developed	Public perception of boating facilities
There is an adequate range of health and well-being, youth and adult social services provided in Kawhia	Percentage of Kawhia residents satisfied with the accessibility of health services
Ongoing work is undertaken to improve the safety and efficiency of the roading network	Total number of road traffic crashes resulting in injury within the District per year Annual expenditure on Safety related improvements to the roading network
That facilities and services are maintained and improved in the rural and farming environment	Survey of satisfaction of rural residents with Council facilities and services.
That education facilities meet our needs	ERO report on District schools

Outcome	Measure Monitored
That our essential services are protected. These include health, education, police, rural fire, social services and communications	Number of essential service operations or agency offices located within the District
Maintain / promote the population in rural areas	Number of residents in the Districts rural area Annual Number of dwellings built in rural areas
That sporting/ recreation facilities are available and affordable for people to use	Percentage of residents satisfied with their proximity to recreational facilities throughout the District Number of active sports clubs in the District
That good animal welfare practices are encouraged	Annual number of animal welfare incidents in the District reported to SPCA



Provide for the unique history and culture of the district

Outcome	Measure Monitored
Tangata Whenua are recognised and the community's commitment to Te Tiriti o Waitangi (the treaty of Waitangi) is acknowledged	Number of complaints from Tangata Whenua regarding lack of recognition and/ or consultation of Council processes
Our cultural festivals are recognised	Number of cultural events per capita Attendance at cultural events
Otorohanga has a strong and vibrant arts community	Number of arts events held within the district
The Maori character of Kawhia is recognised and enhanced	Number of cultural events in Kawhia
A town theme is developed based upon Kawhia's unique historical, environmental and "Kiwi bach" culture, in order to maintain its unique individuality and culture	Percentage of new dwellings built in Kawhia Community requiring resource consent
Visual and performing arts and music are catered for	Number of arts events held within the district

Outcome	Measure Monitored
Wahi Tapu sites should be identified and protected. This includes historically significant sites for all cultures	Number of new NZAA & NZHPT sites identified per annum Number of known sites impacted on through development
Our children are able to experience the culture of rural and coastal life fully	Youth survey of satisfaction of availability to coastal and rural environments
That all cultural celebrations are celebrated	Number of cultural events per capita



Promote the economy and opportunities for sustainable economic development

Outcome	Measure Monitored
Otorohanga is a must-see tourist destination. Its many attributes are enhanced, including its natural features, such as rivers, gardens and Kahikitea remnants, its position as a travel gateway and Tourism New Zealand's categorisation of Otorohanga as an 'ideal town'	Number of visitors to the District's I-Sites per year Number of environmentally focused tourist operations within our district Annual number of visits to otorohanga.co.nz website
Existing economic strengths in the community are promoted and make the town an attractive destination for the development of small to medium sized businesses. That the business community is vibrant and progressive and a cornerstone of the greater community	Number and types of businesses in the District Estimated occupancy rates of commercial properties Number of commercial property sales per annum Number of events promoted by the Otorohanga Business Association

Outcome	Measure Monitored
There are adequate flow-on effects of any economic benefits	The District unemployment rate Average household income levels within the District
An historic tourist route is developed and promoted	Number of tourist operations that focus on historical heritage
Employment and business opportunities are increased and enhanced, and people in Kawhia benefit from these	Number of businesses operating in Kawhia Unemployment rate in Kawhia
A balance of sustainable economic development appropriate to this area is achieved without over commercialisation	Number and diversity of businesses Occupancy rate of suitable Commercial / Industrial land
That farming and rural activities are recognised and promoted as the major sustainable economic base of the District	Percentage of District land used for farming purposes Number of rural focused businesses supporting the farming sector
That other economic activities are recognised and promoted as major contributions to the economy of the District	Number and types of non-agricultural related businesses operating within the District Percentage of District revenue from all non-agricultural related activities



Manage the Natural and Physical environment in a sustainable manner

Outcome	Measure Monitored
All bodies of water are returned to their best possible condition. They are recognised and enhanced as living ecosystems and as having cultural significance for tangata whenua (local residents / people [of the land])	Residents perception of Water Quality of the Districts rivers and streams Waikato regional initiatives in place to help protect waterways Percentage of samples meeting Environment Waikato guidelines for excellent or satisfactory water quality for ecological health and for contact recreation
The community has ready access to its natural environment	Number of Parks and Reserves Percentage of population with 10kms of a reserve Percentage of District Land in Reserve status
A good, clean water supply is maintained	Water supplies meet current legal drinking water requirements
The community is enhanced through appropriate plantings	Percentage of District Land under QE2 covenant
The community is working towards producing zero waste to landfill by 2010	Average kgs of waste to landfill per year per District household

Outcome	Measure Monitored
The concept of sustainable environmental management is promoted	Number of complaints received which contravene the District Plan
Infrastructure is adequate to deal with environmental issues from any development	Amount of infrastructure spare capacity
Appropriate environmental guidelines and controls are in place for Kawhia and they are enforced	Number of complaints received Number of instances of non-compliance
That land-use is sustainable	Percentage of ratepayers that believe Land Use practices within the District are sustainable
Enhance our clean, green image	Percentage of residents who believe the District displays a clean green image



Foster an involved and engaged community

Outcome	Measure Monitored
Foster a sense of social responsibility within the Otorohanga community	Percentage of residents satisfied with the amount of support available to themselves within the community from networks and agencies
The community participates fully in decision making	Percentage of residents and non-resident ratepayers satisfied with Otorohanga District Council consultation and community involvement Number of submissions received to key Council community/ planning documents (eg. Otorohanga District Council Ten Year Plan 2009-19)
“Ownership” of, and hence a sense of responsibility with, environmental issues is fostered within the community	Average kgs of waste to recycling centres per year per District household Number of Community Environmental initiatives undertaken



Protect the special character of our harbours and their catchments

Outcome	Measure Monitored
The harbour and surrounds be cleaned up, preserved and protected (similar to the Raglan harbour care project)	Percentage of samples from Kawhia and Aotea harbour bathing beaches that met or exceeded guidelines for excellent or satisfactory water quality for contact recreation Percentage of residents satisfied with Kawhia/ Aotea harbour Recreational bathing monitoring program
Fish stocks in the harbour are replaced	Percentage of catchments riparian margins that are planted and fenced Percentage of area covered that qualifies for clean stream funding through Environment Waikato
That our estuaries, harbours, waterways and wetlands are protected	Percentage of area covered that qualifies for clean stream funding through Environment Waikato Percentage of stream water samples meeting standards and guidelines for safe swimming and ecological health Level of satisfaction with the water quality level of local rivers and waterways
That Kawhia and Aotea harbours are acknowledged to be unique environments	Percentage of residents satisfied that the impact from development on the Kawhia and Aotea coastline is adequately managed and minimised



Recognise the importance of the District's rural character

Outcome	Measure Monitored
That lifestyle blocks, particularly surrounding the urban areas, are managed to ensure that they do not conflict or inhibit existing rural activities	Number of Resource Consents for subdivisions in rural area Number of reverse sensitivity type complaints received in the rural area
That rural activities take precedence in the rural area	Percentage of District Land used for farming purposes
The rural environment is not a dumping ground	Number of instances of illegal dumping reported in the Rural area
That our countryside receives a high level of protection	Number of subdivisions in rural area
That the community recognises the natural, historical or outstanding landscapes that are protected by landowners	Percentage of Districts land under QE2 covenant

SIGNIFICANT ACTIVITIES





Introduction to Council Activities

This part of the LTCCP explains how Council's activities will contribute towards the achievement of community outcomes.

The diagram illustrates the planning hierarchy that Council has followed in developing its 10-year plan for each activity. The process consists of using community outcomes to help inform the development of Council's strategic direction.

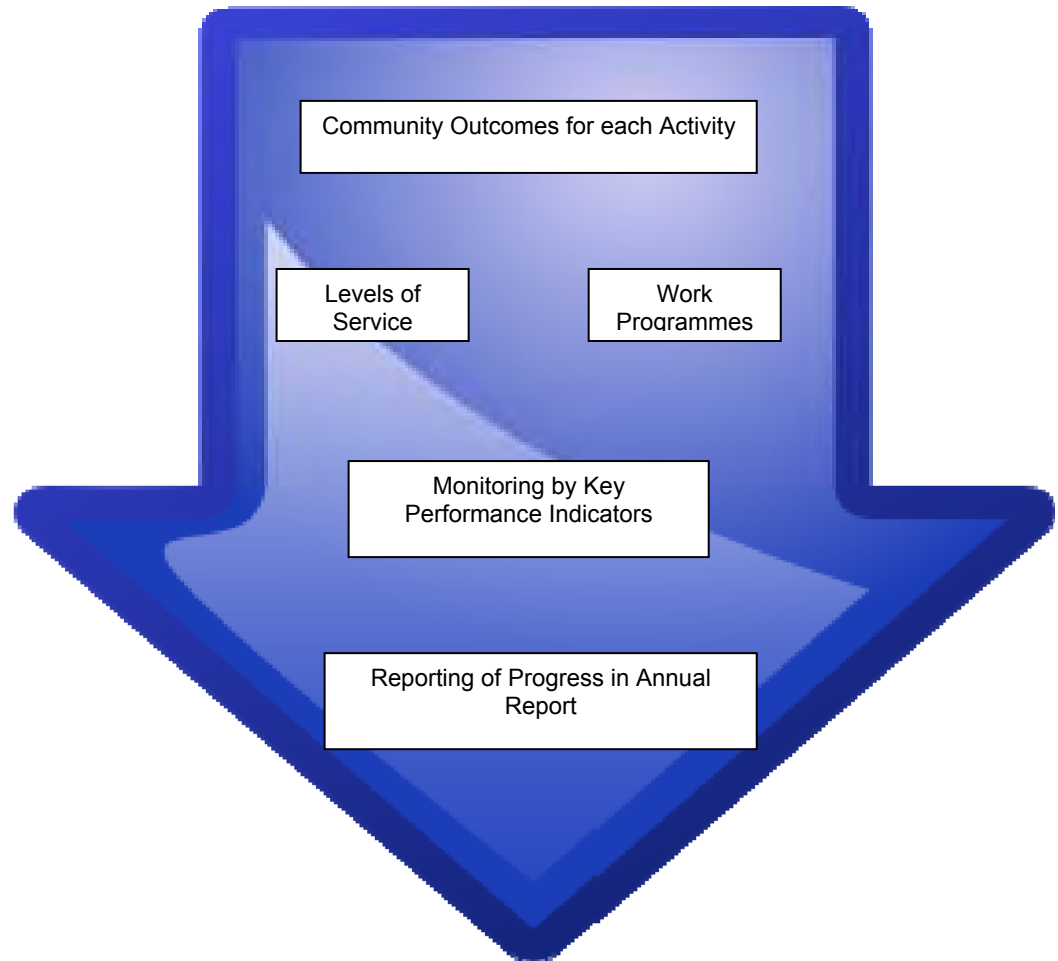
Each activity comprises Levels of Service, work programmes and a monitoring framework which the community can use to assess Council's progress. Council communicates its progress against its performance measures once a year in the Annual Report.

This section explains the plans that have been developed for each of Council's significant activities. The activities have been placed into one of the following:

-  Network Services
-  Community Services
-  Regulatory Services
-  Governance and Leadership; or
-  Community Development

group of activities depending on that activity's major emphasis. Each group of activities is discussed separately.







The financial impact of each activity's 10-year plan is also shown in each activity section. These financial forecasts contain inflation and are based on a 10-year view of the District covered by this LTCCP. The inflation and other assumptions that define Council's view of the District over the 10 Year period ending June 2019, are contained in the significant assumption section located as part of The Otorohanga District, Today And Tomorrow section on page 12.



How this section works

At the start of each group of activities section there is an introduction that explains what activities are included within the group and why they are included. This is followed by an explanation of the rationale for delivery of the activity and a table showing what Community Outcomes each activity within the group contributes to and also Council's role in delivering those outcomes. The Cost of Services Statement for each group of activities then follows this.

Each activity within the group of activities contains the following information;

-  An explanation describing the extent of Council's responsibility.
-  Any negative effects associated with the activity and how they will be mitigated.
-  A description of the existing level of service for that activity.
-  A description of how the activity contributes to Community Outcomes and Council's role in delivering those outcomes.
-  A performance monitoring framework, showing target levels of service, performance indicators and a description of how Council will measure performance against those indicators.
-  The key components of the work programme relating to additional asset capacity and maintenance, also renewal and replacement of existing assets and how this work will be undertaken and funded.

The Levels of Service were developed through a review by staff that took into consideration consultation with the community on the agreed level of service.

Example Table

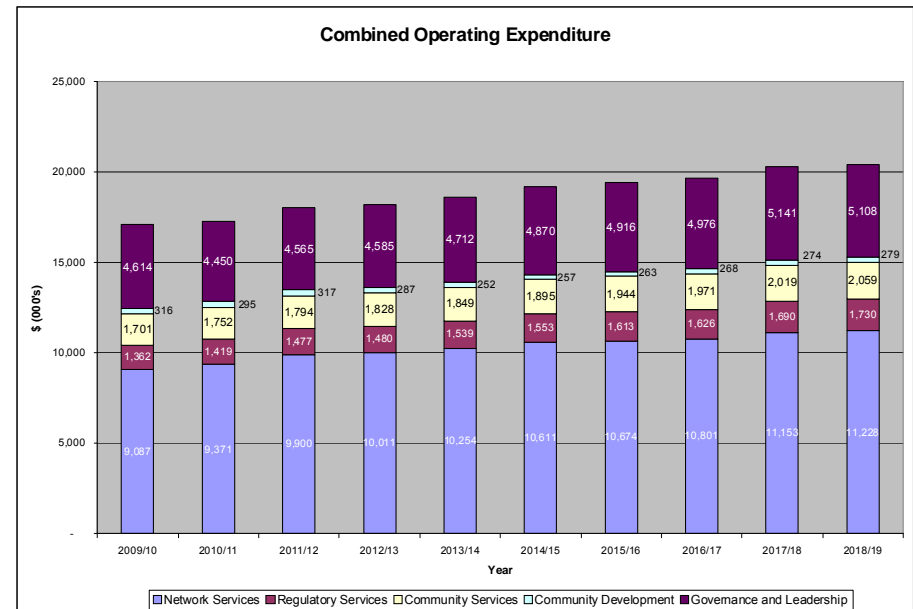
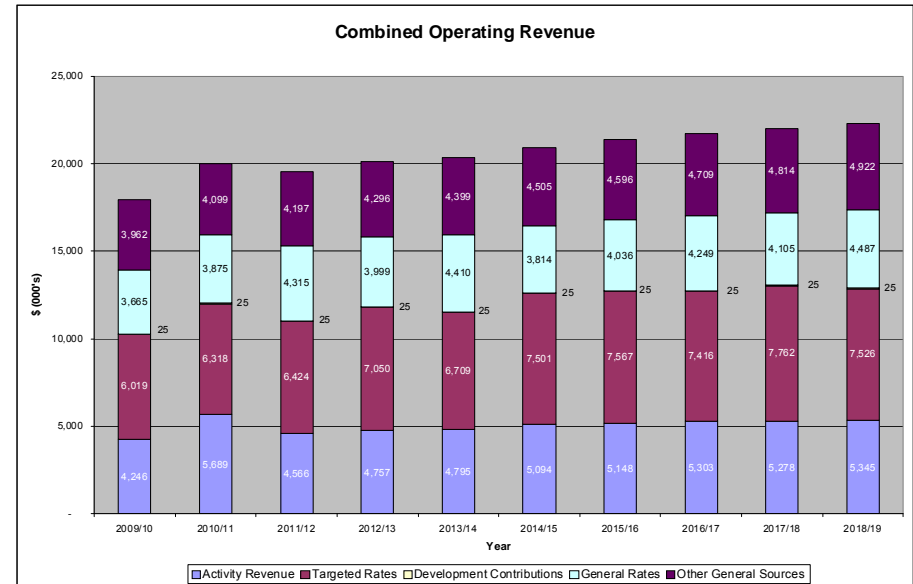
The following example table sets out the relationship between Community Outcomes, Level of Service Statements and Key Performance Indicators. The Key Performance Indicators are how Council will measure its performance in achieving the Level of Service.

Key Example Level of Service Targets

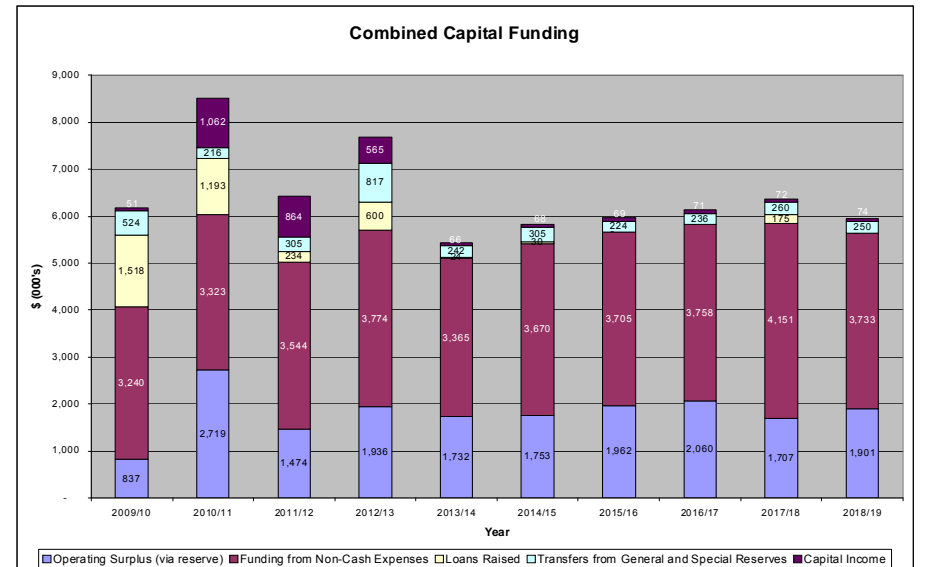
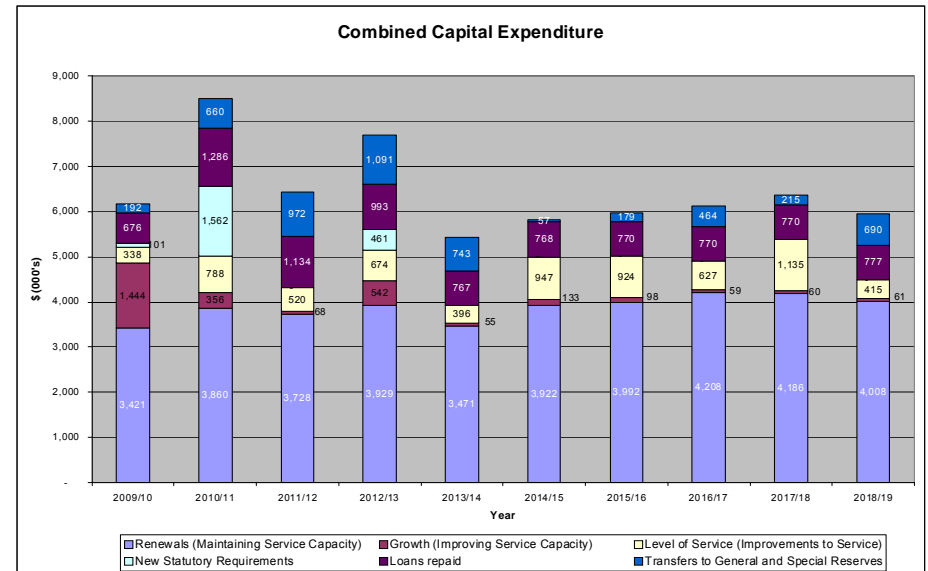
Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline 2008/09	2009/10	2010/11	2011/12	2012/13-2018/19
Provide a brief overview of what Council currently provides	Indicates how each Level of Service performance target contributes to Community Outcomes	Specific performance measure directly relating to a particular level of service	Actual performance in the most recent financial year to provide baseline date	Shows the targets for the first year of the LTCCP. The targets are what Council will be trying to achieve under each Key Performance Indicator	Shows the targets for the second year of the LTCCP. The targets are what Council will be trying to achieve under each Key Performance Indicator	Shows the targets for the third year of the LTCCP. The targets are what Council will be trying to achieve under each Key Performance Indicator	Indication of the expected level of performance, including progress towards any specific long term targets identified under the objective

Combined Cost of Services Statements

Combined COSS - Operating Statement	2009/10	2010/11	2011/12
Operating Revenue			
Activity Revenue	4,246	5,689	4,566
Targeted Rates	6,019	6,318	6,424
Development Contributions	25	25	25
General Rates	3,665	3,875	4,315
Other General Sources	3,962	4,099	4,197
Total Operating Revenue	17,917	20,006	19,527
Operating Expenditure			
Network Services	9,087	9,371	9,900
Regulatory Services	1,362	1,419	1,477
Community Services	1,701	1,752	1,794
Community Development	316	295	317
Governance and Leadership	4,614	4,450	4,565
Total Operating Expenditure	17,080	17,287	18,053
<i>includes:</i>			
Salaries and Wages	2,855	2,821	2,886
Depreciation	3,367	3,393	3,744
Interest	857	816	779
Operating Surplus (Deficit) \$	837	2,719	1,474
Operating Surplus transferred to Reserves; or Operating Deficit funded from Reserves	837	2,719	1,474







Combined COSS - Capital and Reserves Funding Statement	2009/10	2010/11	2011/12
Capital and Reserves Funding Requirements:			
Capital Expenditure			
Renewals (Maintaining Service Capacity)	3,421	3,860	3,728
Growth (Improving Service Capacity)	1,444	356	68
Level of Service (Improvements to Service)	338	788	520
New Statutory Requirements	101	1,562	-
Total Capital Expenditure	5,304	6,566	4,316
Loans repaid	676	1,286	1,134
Operating Deficit	-	-	-
Transfers to General and Special Reserves	192	660	972
Total Funding Required	6,172	8,512	6,422
Funded by:			
Operating Surplus (via reserve)	837	2,719	1,474
Funding from Non-Cash Expenses	3,240	3,323	3,544
Loans Raised	1,518	1,193	234
Transfers from General and Special Reserves	524	216	305
Capital Income	51	1,062	864
Total Funding Applied	6,170	8,513	6,421



Network Services







What Community Outcome Does Network Services Contribute To

	Community Outcomes	District Roding	Solid Waste	Water Supplies	Wastewater	Flood Protection & Stormwater	Professional Engineering Business Unit
	Otorohanga District is a safe place to live	Implementer Advocate Partner Regulator Monitor					Implementer
	Ensure services and facilities meet the needs of the Community	Implementer Partner Advocate Regulator Monitor	Implementer	Implementer Advocate Regulator Monitor	Implementer Regulator Advocate	Implementer Partner Regulator	Implementer
	Manage the Natural and Physical environment in a sustainable manner	Implementer Monitor	Implementer Advocate	Implementer Advocate Regulator Monitor	Implementer Regulator Monitor	Regulator Monitor	
	Protect the special character of our harbours and their catchments		Implementer Partner	Monitor			

WHAT ARE NETWORK SERVICES

Network Services are often referred to as infrastructural assets and have generally been seen to be Council's core activities.

WHICH ACTIVITIES ARE INCLUDED IN THE NETWORK SERVICES GROUP

-  District Roding
-  Solid Waste
-  Water Supplies
-  Waste Water
-  Flood Protection and Stormwater
-  Professional Engineering Business Unit

WHY ARE THESE ACTIVITIES INCLUDED ?

The Network Services Group activities deliver services which the community needs to function comfortably on a day to day basis and collectively must meet standards that provide a high level of community health and safety.

These activities operate on a network basis across the District, or in specific areas of the District, and all assets associated with these services have a lifecycle maintenance and renewal programme.

The manner in which these activities contribute to Community Outcomes is shown in the preceding table.

RATIONALE FOR PARTICULAR NETWORK SERVICES

District Roding

The road network forms the backbone of Otorohanga's infrastructure and impacts on the potential for development in the District. The purpose of this activity is to provide for the safe and efficient passage of traffic throughout the District and Council acknowledges its interdependency on the State Highway network, as well as partnerships with key stakeholders in the transport arena.

This is the single largest activity of Council, and provides for road improvement and maintenance works such as pavement rehabilitation, reseals, bridge repairs, storm damage restoration, general maintenance, vegetation control, landscaping, sign posting and pavement marking (traffic services), street lighting, street cleaning, minor safety projects, and footpath repairs.

The rationale for Council's involvement stems in part, from statutory requirements. The Local Government Acts 1974 and 2002 empower Council to construct, upgrade and repair all roads, which is done with the help of Government funding. It also ensures common law rights of public access.

Solid Waste

There is a community expectation that household waste is removed from properties and managed in an environmentally sound manner.

Council has no legal requirement to carry out this activity but believes that it will better protect the environment by providing cost effective and efficient methods of refuse disposal and recycling. It is also generally expected by the community that the Council will provide this service.

Following a public consultation process, Council adopted a Zero Waste Strategy in December 2002 which set out Council's proposals for providing refuse and recycling services throughout the District. It did however subsequently become apparent that very significant difficulties and costs would be encountered in achieving some of the objectives and targets that had been set out.

A review of Council's Solid Waste Management Strategy is therefore believed to be required, but it was considered inappropriate to conduct such a review until the final form of the Waste Minimisation (Solids) legislation was known. With this legislation now enacted and its practical implementation underway Council expects to be able to conduct this review in the near future.

Water Supplies

Council has historically provided potable water to the urban communities of Otorohanga and Kawhia and to some rural areas to assist in facilitating economic development, and in recognition that such delivery of water is preferable to reliance on individual supply arrangements, particularly in the urban areas.

Having established such services Council is now limited in its ability to discontinue this activity, due to the provisions of the Local Government Act 2002.

Waste Water

This activity (encompassing collection, reticulation and treatment of sewerage) is undertaken in the Otorohanga Community to prevent nuisance and health risks, and to meet the expectations of residents of larger communities.

Whilst there is no legal obligation on Council to maintain this activity it is strongly believed that such a service makes a significant contribution to community wellbeing, and that it should therefore be continued.

Flood Protection/ Stormwater/ Land Drainage

Council is required to administer urban drainage maintenance under the Land Drainage Act 1908, and considers that this activity also makes a positive contribution towards the potential for beneficial development in the urban areas. The provision of urban drainage protects private property (including land and assets) from flooding and subsequent erosion, and enables Council to fulfil its statutory responsibilities under the Building Act 1991.

Environment Waikato has largely relieved Council of their responsibility for managing rural land drainage schemes.

Professional Engineering Business Unit

Council's general aim is for the unit to provide a Civil Engineering Service that is efficient, technically competent and achieves effective results. This unit is a separate group within Council's Engineering Division and provides professional and technical consultancy services for carrying out works and utility service operations planned by Council (over 80% of programme currently).

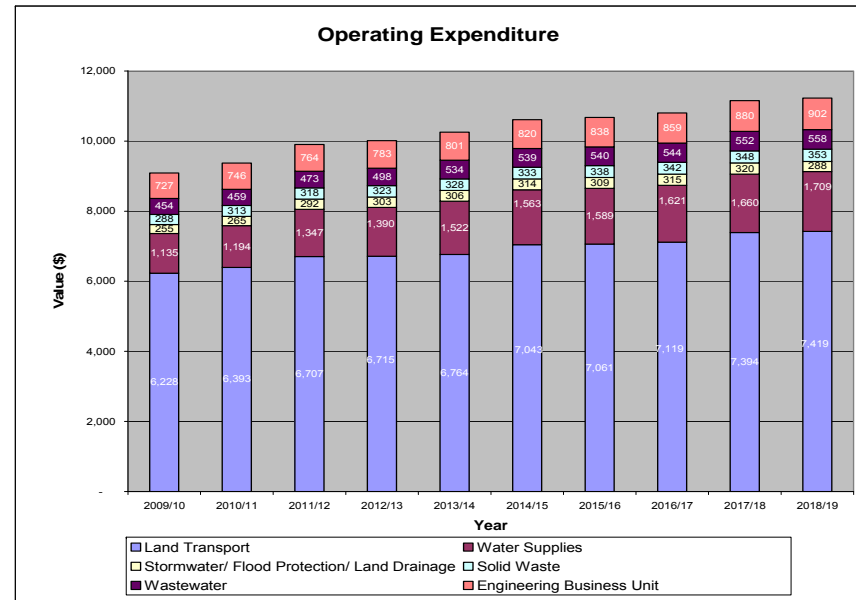
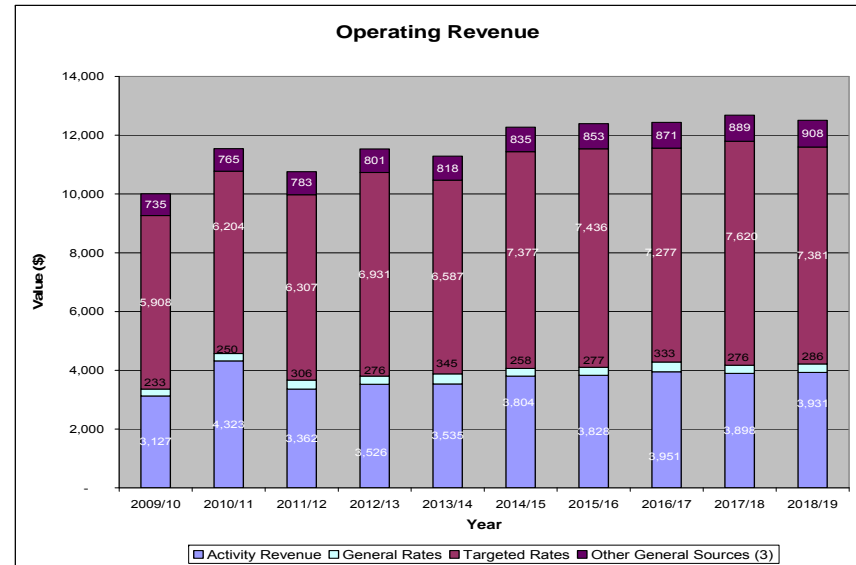
The unit is responsible for investigation, design, contracting and supervision of most of the works and service operations.

Pursuant to Section 31 of the Transit New Zealand Amendment Act 1995 (where Land Transport NZ funding is involved), Council is required to disclose separately a financial statement for the operation of the Professional Service Business Unit. This statement is reported below.

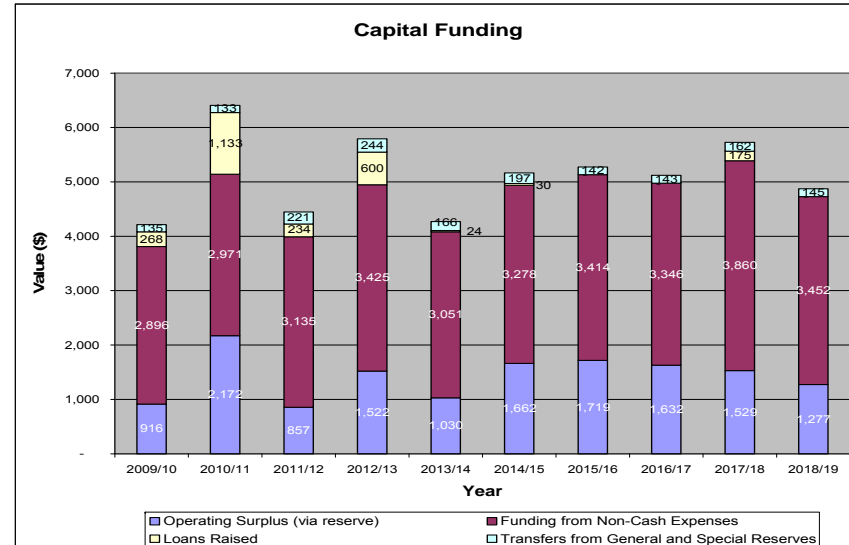
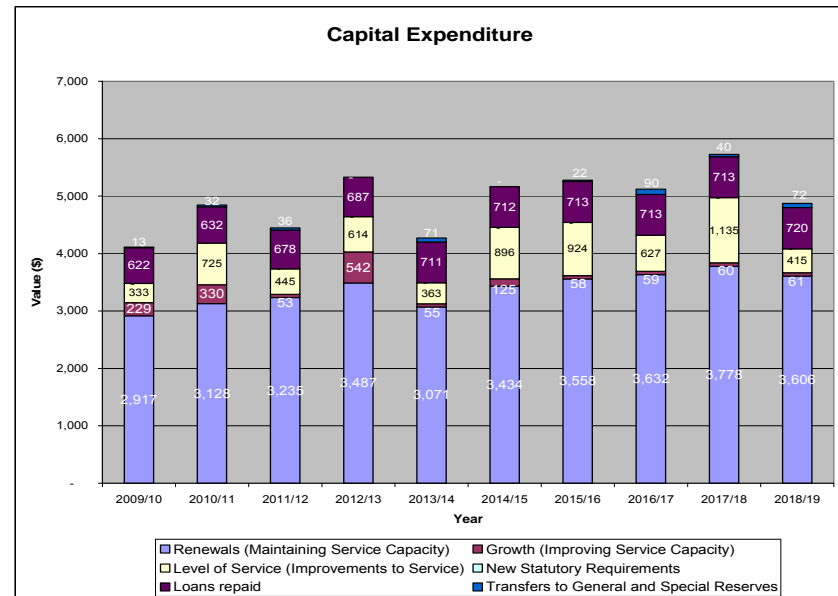
Network Services Financial Statements

Network Services - Operating Statement	2009/10	2010/11	2011/12
Operating Revenue			
Activity Revenue	3,127	4,323	3,362
Targeted Rates	5,908	6,204	6,307
Development Contributions	-	-	-
General Rates	233	250	306
Other General Sources ⁽³⁾	735	765	783
Total Operating Revenue	10,003	11,542	10,758
Operating Expenditure			
Land Transport	6,228	6,393	6,707
Water Supplies	1,135	1,194	1,347
Stormwater/ Flood Protection/ Land Drainage	255	265	292
Solid Waste	288	313	318
Wastewater	454	459	473
Engineering Business Unit	727	746	764
Total Operating Expenditure	9,087	9,370	9,901
<i>includes:</i>			
Salaries and Wages	472	483	494
Depreciation	2,940	2,953	3,273
Interest	741	723	702
Operating Surplus (Deficit) \$	916	2,172	857
Operating Surplus transferred to (specify) Reserve(s); or Operating Deficit funded from (specify) Reserve(s)	916	2,172	857

³ This represents internally generated income from the Business Unit time charged to other departments.








Network Services - Capital and Reserves Funding Statement	2009/10	2010/11	2011/12
Capital and Reserves Funding Requirements:			
Capital Expenditure			
Renewals (Maintaining Service Capacity)	2,917	3,128	3,235
Growth (Improving Service Capacity)	229	330	53
Level of Service (Improvements to Service)	333	725	445
New Statutory Requirements	101	1,562	-
Total Capital Expenditure	3,580	5,745	3,733
Loans repaid	622	632	678
Operating Deficit	-	-	-
Transfers to General and Special Reserves	13	32	36
Total Funding Required	4,215	6,409	4,447
Funded by:			
Operating Surplus (via reserve)	916	2,172	857
Funding from Non-Cash Expenses	2,896	2,971	3,135
Loans Raised	268	1,133	234
Transfers from General and Special Reserves	135	133	221
Capital Income	-	-	-
Total Funding Applied	4,215	6,409	4,447



District Roding

What is the extent of Council's responsibility?

Council's roading activity encompasses the strategic planning, asset management, operation and administration in respect of roading assets that include the following:

-  804 kilometres of maintained roads (522 km of which are sealed)
-  184 bridges
-  28 km of footpaths
-  585 streetlights
-  1562 signs



All of Council's significant physical works to maintain or improve roads are carried out by contractors through competitively awarded contracts.


The involvement of Council staff in this activity is generally limited to technical functions such as planning, design and contract management.

Planning and delivery of Council's roading activities is undertaken in accordance with the requirements and financial assistance of the New Zealand Transport Agency and in conjunction with the Waikato Regional Land Transport Plan.

What are the significant negative effects

Potential risks associated with carrying out this activity are mainly considered to be economic, in the form of potentially increased costs associated with some of the following:

-  Central government subsidies are less than the level expected.
-  Traffic volumes, the nature of road use and weather conditions increase road requirements.

-  Contract costs increase at higher than expected rates.

It is recognised that roading activities may have negative environmental effects related both to the existence of the road (effects on water quality, vegetation, landform etc) but these are to a large extent considered to be inherent to this activity, for which there is not a viable alternative in a rural District.

How are these negative effects mitigated

Negative economic effects are primarily mitigated through adjustment of discretionary (road improvement) expenditure to accommodate economic variations in respect of essential expenditure, of which road maintenance and safety related works are the most significant components.

That Council retains a significant long term road improvement program which provides a margin of safety throughout the duration of this LTCCP.

Negative economic and environmental effects are also mitigated through use of well developed planning and operational guidelines in respect of roading works and improvements that are contained in Council's Contracts and Bylaws and in Policies and Regulations of the New Zealand Transport Agency and Environment Waikato.

What is the existing level of service

Roding activities have had a very high level of significance to Council for many years. In addition to being Council's most substantial expense, roading has consistently been the key focus of Councillors attention because it is seen as a key to the economic progress of the District. This strong focus on both road maintenance and improvement has resulted in the current situation where the standard of roads within the District is relatively high in relation to the volumes of traffic carried.

Key level of service targets for Roding activities are identified in the following table. These levels of service measures are part of a broader range of targets that is contained in Council's Roding Asset Management Plan.

Council has a strong record of progressively improving roads and footpaths within the District, but in recent times the extent of such works has been reduced in response to constraints on the ability to obtain funding for improvements through rates or NZTA subsidy. Most of the well utilised roads in the District have now been improved, and it is difficult to generate a sound economic case for improvement of the remaining roads, many of which have daily traffic volumes of 30 vehicles or less.

Council does however remain committed to continuing road improvements, even if these works are at a relatively low level. Towards this end a schedule of potential road improvements (seal extensions, road widening and smoothing of sealed and unsealed pavements) is maintained, with prioritisation of these works based upon consistent and objective criteria.

What will be the effect of change in demand

In recent times the population of the District has been relatively static, following a long period of slow decline. This, combined with the sound standard of most existing roads make it unlikely that significant additional traffic pressure will be placed on the roading network during the next 10 or 15 years, other than at very few locations towards the northern boundary of the District, in particular on Te Tahi, Mangati and Hanning Roads.

What will be the effect of change in Levels of Service

Continuing improvements to minor roads as funding permits will result in a progressive increase in the level of service provided by the District's roading network. The relatively small number of vehicles using the roads that are being improved does however mean that the effective rate of level of service improvement across the district (for example in terms of average travelling times) will be very slow.

What additional Asset Capacity is required

Only very limited additional asset capacity is expected to be required, mainly in respect of Te Tahi, Mangati and Hanning Roads.

How will the provision of additional Asset Capacity be undertaken

Primarily by straightening and widening potential under-capacity sections of Te Tahi, Mangati and Hanning Roads. These works will be progressively implemented in response to continuing traffic-generating development on these roads.

What is the estimated cost for the provision of additional Asset Capacity

The estimated cost for the provision of this additional asset capacity is set at \$50,000 (plus inflation) per annum from 2009/10.

How will the provision of additional asset capacity be funded

Necessary works will be funded largely through levy of Development and Financial Contributions, augmented by rates and debt funding as appropriate.

How will the maintenance, renewal and replacement of assets be undertaken

Asset maintenance, renewal and replacement will be undertaken by contractors as required.

Council's roading assets are currently well maintained and generally in sound condition and no particular problems are envisaged in sustaining this situation, provided that there are not substantial adverse financial circumstances such as greatly increased unit costs or loss of NZTA subsidy.

How will the maintenance, renewal and replacement of assets be funded

Council considers that roading should be funded as follows:

Maximise funding from NZTA and other sources

20% of the remainder from a Uniform Targeted Rate on each rateable property in the district, which is considered to be a fair charge to connect every property to a roading network, and to recognise that all properties should make some contribution.

80% of remainder from a Targeted Rate on capital value of each property in the district.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Ensure services and facilities meet the needs of the Community



Manage the Natural and Physical environment in a sustainable manner



Otorohanga District is a safe place to live

Key Roading Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline 2008/09	2009/10	2010/11	2011/12	2012/13-2018/19
The design and maintenance of District roads ensures that they are safe and comfortable to travel on	Reliable roading around the District will ensure that the transportation needs of communities are met. Providing safe vehicular access helps keep our communities safe and also helps provide quality transport networks	Average number of individual road defects on Sealed Rural Roads (including bleeding, shoving, rut/ hollows, edge breaks, potholes, inadequate drainage or loose surface material) observed per 10 kilometres of road lane from all routine cyclic inspections conducted during the year. All roads are inspected a minimum of 6 times per	New Measure	Average of 8 defects	Average of 8 defects	Average of 8 defects	Average of 8 defects

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline 2008/09	2009/10	2010/11	2011/12	2012/13-2018/19
		year.					
		Average number of individual road defects on Sealed Urban Roads (including bleeding, shoving, rut/ hollows, edge breaks, potholes, inadequate drainage or loose surface material) observed per kilometre of road lane from all routine cyclic inspections conducted during the year. All roads are inspected a minimum of 6 times per year.	New Measure	Average of 3 defects	Average of 3 defects	Average of 3 defects	Average of 3 defects
		Sealed road smoothness is determined by an annual survey that measures road roughness using a scale known as 'NAASRA Counts'. The table below gives an approximate indication of ride quality a driver experiences versus the associated NAASRA counts. Quality – Excellent, NAASRA <40, Very Smooth ride Quality – Good, NAASRA 40-80, Some minor bumps encountered	95% <150 NAASRA units in Bi-annual survey	Not measured	95% <140 NAASRA units across all sealed network from bi-annual survey	Not Measured	95% <140 NAASRA units across all sealed network from bi-annual survey

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline 2008/09	2009/10	2010/11	2011/12	2012/13-2018/19
		<p>Quality – Fair, NAASRA 80-110, Constant up and down, but reasonably comfortable driving</p> <p>Quality – Poor. NAASRA 110-140, Constant movement. Can feel very rough in trucks. Modern cars suspension makes driving bearable but with low comfort</p> <p>Quality – Very Poor, NAASRA >140, Uncomfortable with severe movement. Good control of steering required and may need to reduce speed.</p> <p>Table reference modified from Roughness Deterioration of Bitumen Sealed Pavements (2004) P D Hunt & J M Baker</p>					
		Provide bulk maintenance metal to all unsealed roads on average every five years from ongoing metalling programme	New Measure	Programmed length completed	Programmed length completed	Programmed length completed	Programmed length completed
		Works programmed in LTCCP for general	New Measure	Programmed length	Programmed length	Programmed length	Programmed length

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline 2008/09	2009/10	2010/11	2011/12	2012/13-2018/19
		upgrading of unsealed roads, seal extension and sealed roads rehabilitation completed		completed	completed	completed	completed
		Perception of road users taken from a satisfaction survey of all ratepayers triennially. The survey covers aspects of road standard and condition with measures of 1 = Poor, 4 = Adequate and 7 = Very Good	New Measure	Not measured	Not measured	Overall average score of at least 5 and no individual category score less than 3 from a survey.	Overall average score of at least 5 and no individual category score less than 3 from a survey.
		Perception of customers actively engaging with the service taken from an annual survey of 100 randomly selected customers recorded on Council's service requestor as making requests for services to Council in the last 12 months. Received responses identify performance as adequate or better. Where less than 100 recorded, all recorded customers surveyed	New Measure	> 75%	> 75%	> 75%	> 75%

Solid Waste

What is the extent of Council's responsibility?

Council's solid waste activities comprise strategic planning, asset management and administration of contracts for delivery of refuse disposal and recycling services.

Council does not own substantial assets in relation to this activity, with such significant asset ownership limited to recycling centres in Otorohanga and Kawhia.

Council endeavours to ensure that efficient refuse and recycling services are available on a cost effective and environmentally responsible basis for all properties within the Otorohanga, Kawhia and Aotea Communities, and that rural residents can access recycling services in the urban centres if they wish to do so.

Council is also committed to working towards a progressive reduction of the quantity of solid waste going to landfill from the District in accordance with its adopted Zero Waste philosophy.

What are the significant negative effects

The District produces a significant quantity of refuse, which if dumped in an uncontrolled manner on private or public land would have significant adverse effects on health and the general standard of living of the community. The regulatory costs associated with such dumping are also likely to be high, elevating rating requirements.

How are these negative effects mitigated

Council coordinated refuse disposal and recycling services provide a readily available, affordable, controllable and environmentally acceptable means of managing waste.

Refuse disposal services are provided on a user-pays basis, reducing costs to ratepayers who choose to follow the 'Zero Waste' principles that have been adopted by Council.

All solid waste is taken outside of the District for disposal, eliminating local environmental issues associated with land filling activities.

What is the existing level of service

Weekly kerbside refuse and recycling collection services are provided in Otorohanga and Kawhia, complementing the recycling centres that exist in those communities. Council also supports a small rural recycling centre at the Ngutunui School.

Refuse disposal services are generally provided on a user-pays basis, whilst recycling services are subsidised to encourage the use of such services in accordance with the principles of Council's 'Zero Waste' philosophy.

In the past there have not been effective level of service targets for these activities. A number of targets relating to the effectiveness of these services in respect of waste minimisation within the District were established in Council's Zero Waste Strategy, but performance against these targets has proved very difficult to measure. This is largely because a substantial proportion of the District's waste is handled by private contractors outside of the Council services, and information on this other waste is not available.

Because of the difficulties associated in monitoring performance against 'Zero Waste' objectives the target levels of service in respect of solid waste activities will in future be largely based upon assessment of customer satisfaction. The form of future targets is set out in the levels of service table. The identified level of service targets are the same for all years within the LTCCP period.

The data that is available suggests that the Council services have sustained a relatively constant level of performance in recent years, and that the needs of the urban communities are generally being met. A recent District-wide level of service survey has however indicated that there is a desire from ratepayers for extending the services available to the rural areas, and for some enhancement of the urban services, though not all of these desired 'enhancements' are in accordance with Zero Waste concepts.

What will be the effect of change in demand

In recent times the population of the District has been relatively static, following a long period of slow decline, and it does not appear that volumes of solid waste are increasing. Given the current unfavourable economic climate it is considered unlikely that significant additional pressure will be placed on existing solid waste assets and services by growth during the next 10 years.

What will be the effect of change in Levels of Service

Possible level of service changes are associated with introduction of the Waste Minimisation (Solids) Act, probably in the form of extensions to recycling services. Because the manner in which this legislation will be implemented is not yet clear it is considered too early to reliably determine the nature and extent of associated level of service improvements.

What additional Asset Capacity is required

No substantial additional asset capacity is expected to be required in response to the minor changes in demand or target levels of service identified above.

Extension of recycling services into the rural areas is one possible response to the new legislation and indicated customer desires.

How will the provision of additional Asset Capacity be undertaken

The additional asset capacity described above would most probably be provided through purchase of a limited number of mobile 'recycling containers' which could be placed at rural schools, and for which the cost would be very modest.

How will the provision of additional Asset Capacity be funded

Required funding would be sourced from Rates and Landfill Levy funding arising from the new legislation.

How will the maintenance, renewal and replacement of assets be undertaken

Only very minor maintenance of solid waste assets is expected to be required during the period covered by the LTCCP.

How will the maintenance, renewal and replacement of assets be funded

Refuse

The residents of Otorohanga, Kawhia and Aotea communities will fund the costs through a Uniform Targeted Rate over the properties in the Otorohanga, Kawhia and Aotea communities to recover 90% of the costs and a targeted Community Rate on Capital Value to fund the remaining 10%

Solid Waste Management

Council considers that both Otorohanga and Kawhia closed landfills and recycling centre should be funded 80% from the Otorohanga and Kawhia/Aotea community respectively and 20% from the Rural area.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Protect the special character of our harbours and their catchments



Ensure services and facilities meet the needs of the Community



Manage the Natural and Physical environment in a sustainable manner




Key Solid Waste Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline 2008/09	2009/10	2010/11	2011/12	2012/13-2018/19
Refuse and recycling collection services are provided and recycling actively promoted	Councils planning for the future of the District will consider growth and development in its waste management strategies, and will involve recycling as a key aspect for communities – engraining the importance of the character and natural values of our District	Percentage of customers requesting substantial improvements of level of service from three yearly customer satisfaction surveys	New Measure	Not measured	Not measured	<5%	<5% from triennial surveys 2014 & 2017
		Perception of customers actively engaging with the service taken from an annual survey of 50 randomly selected customers recorded on Council's service requestor as making requests for services to Council in the last 12 months. Received responses identify performance as adequate or better. Where less than 50 recorded, all recorded customers surveyed	New Measure	>75%	>75%	>75%	>75%
		Council's Solid Waste management strategy remains relevant and up-to-date	New Measure	Completed 31 October 2009	Not measured	Not measured	Strategy reviewed 31 October 2014
The closed landfills the Council is responsible for meet environmental compliance		Extent of compliance with associated Resource Consent conditions for the closed landfills in Otorohanga and Kawhia	Full Compliance	Full Compliance	Full Compliance	Full Compliance	Full Compliance

Water Supplies

What is the extent of Council's responsibility?

Council owns water supply systems (treatment plants, reservoirs and reticulation) serving the Otorohanga and Kawhia communities and the Waipa, Tihiroa, Arohena (3 separate supplies) and Ranginui rural supply areas.

-  Council is responsible for ensuring reliable supply of potable water to both the main communities and to those rural areas where water supply schemes have been established.
-  Council undertakes strategic planning, asset management, supervision of operation (carried out by contractors) and associated administrative activity, including charging for water.
-  Council also co-operates with the Waikato District Health Board to ensure that treated water meets relevant quality standards.

What are the significant negative effects

Potential significant adverse effects of water supply activities are environmental (in particular the effects of water abstraction) and economic (notably the costs associated with potential required increases in water quality and/or quantity).

Because many of the water sources currently utilised are relatively small in relation to the volume of water extracted from them, there is potential for conflict to arise in respect of community outcomes requiring good environmental management of bodies of water.

Similarly the limited size of some current water sources could require additional sources to be developed in the future if growth-orientated community outcomes are to be achieved, which in turn may place a significant economic burden on those communities.

In some cases there is also potential for increased water supply costs to cause existing rural consumers to abandon the existing supply schemes in favour of other private supply arrangements.

How are these negative effects mitigated

Negative environmental effects associated with water abstraction are mitigated by ensuring compliance with water take conditions specified in relevant Resource Consents. Such compliance is supported by use of measures to restrict the demand or supply of water where deemed appropriate.

Negative economic effects are mitigated by adopting operational practices and charging schemes for the use of water that are best suited to the characteristics of the particular water schemes.

What is the existing level of service

There are some significant differences in the levels of service provided by the urban and rural supplies within the District, with a primary point of difference being that the urban supplies provide water to properties on an 'on demand' basis whilst the rural supplies are designed to provide water on a more regular 'trickle feed' basis to storage tanks on properties from which more irregular demands for water can be met.





The rural water schemes also differ in that they were established with extensive landowner involvement with a primary purpose of providing water for farm stock, and the farming communities remain strongly involved in the management of these supplies through rural water scheme committees. The objectives of these schemes are therefore somewhat different to those of the urban supplies.

From a practical perspective it is believed that levels of service provided by both the urban and rural water supplies have been adequate, but this has not been clearly demonstrated because the previously defined level of service targets had in general been inappropriate and difficult to measure performance against. That most supplies are only able to achieve compliance with a very old (1985) version of New Zealand Drinking Water Standards may also be interpreted as indicating a technical inadequacy.

A District-wide survey in respect of desired levels of service for various activities was however conducted in 2008 (results attached as Appendix 1) and this strongly indicated that the existing levels of

service were preferred to other presented higher and lower level of service options.

Target levels of service for Council's water supplies have however been subject to a significant recent revision, and are established based upon four primary service characteristics, these being

-  The quality of water supplied poses no significant health risks
-  The available quantity of water meets reasonable user needs
-  Maintenance needs are predictable, with few major failures
-  That passive and active customers are adequately satisfied

Further details of level of service targets for Council's water supply activities are presented in Table overleaf. The main projected level of service improvements are in respect of water quality, and are driven by the legal requirements of the Health (Drinking Water) Amendment Act.

None of Council's water supplies can currently meet the requirements of Drinking water Standards 2008, and significant upgrading of water treatment plants is required to meet these higher quality standards, with which capacity upgrades can be synergistically combined.

A program of associated works is therefore planned that will satisfy the required schedule for compliance with DWS 2008 that is set out in the legislation, requiring the Otorohanga and Kawhia supplies to achieve compliance by 1 July 2011, and the others by 1 July 2012.

Whilst there is not considered to be an indicated desire from the community for a substantial change in the level of functional service delivery for this activity, it is recognised that there is potential for other benefits to be associated with planned upgrading works.

What will be the effect of change in demand

Whilst it is projected that permanent population within the District will decline over the period of this LTCCP it is however recognised that the demand for water supply is not dependant on population alone, and

there is believed to be potential for limited increases of average and peak demand on Council's water supplies, as follows:

Water Supply	Forecast Increase - Annual Average Demand	Forecast increase - Annual Peak Demand
Otorohanga	1%	1%
Waipa RWS	1%	1%
Kawhia	1%	2%
Tihiroa RWS	Nil	Nil
Arohena RWS	1%	1%
Ranginui RWS	Nil	Nil

The Otorohanga and Kawhia supplies would be most affected by these changes in demand, since both are currently almost fully utilised during periods of peak demand.

It is expected that these changes in demand will have the effect of requiring moderate upgrades to the capacity of the Otorohanga and Kawhia water supplies, augmented by water conservation initiatives.

Actual changes in demand will be monitored through routine reporting on Resource Consent compliance and on performance against relevant level of service targets.

What will be the effect of change in Levels of Service

The only substantial changes in levels of services will be improvements primarily driven by the need for legislative compliance. These improvements will ensure compliance with the requirements of current Drinking Water Standards as they become mandatory for the particular supplies under the Health (Drinking Water) Act.

Such improvements will be provided through targeted upgrades of the existing Otorohanga/Waipā, Kawhia and Tihiroa treatment plants, and installation of additional 'point of use' treatment systems on properties supplied by the other rural water supplies. The only significant secondary effects of these improvements will be additional capital expenditure and increased ongoing maintenance and depreciation costs associated with the water treatment upgrades.

What additional Asset Capacity is required

It is intended to increase the water supply capacity of the Otorohanga water supply by approximately 25% and the capacity of the Kawhia supply by approximately 20%. These increases exceed the projected short term increase in demand, but are considered minimum economic improvement increments. It is recognised that significant development in the Kawhia area could potentially create a demand for water that would require development of an additional water source, but such demand is considered unlikely to eventuate within the period covered by this LTCCP.

How will the provision of additional Asset Capacity be undertaken

Additional capacity in Otorohanga and Kawhia within the term of this LTCCP will be provided in conjunction with the targeted upgrades of the existing treatment plants, augmented by construction of an additional storage reservoir in Otorohanga and development of the existing spring water source in Kawhia.

What is the estimated cost for the provision of additional Asset Capacity

The estimated total inflation adjusted cost of upgrades to water supplies over the next 10 years (including upgrades to improve drinking water quality) is estimated to be \$4.62 million, with the majority of this being spent on the Otorohanga and Kawhia community supplies. It is recognised that a further investment in excess of \$1 million could potentially be required in Kawhia in the ensuing period for development of a new water source.

How will the provision of additional asset capacity be funded

Funding will be provided through Development Contributions and subsidy under the Ministry of the Environment's Drinking Water Assistance Program, with the balance provided from reserve funds, rates, loan monies or general funding.

How will the maintenance, renewal and replacement of assets be undertaken

Asset maintenance, renewal and replacement will be undertaken by contractors as required.

There has been an active program of water main renewals in recent years and Council's water supply assets are currently well maintained and in sound condition and no particular problems are envisaged in sustaining this situation.

How will the maintenance, renewal and replacement of assets be funded

Otorohanga & Kawhia

Council concluded 5% of the cost of water should be met from the UAGC, and the balance of 95% to be funded from a Uniform Targeted Rate and that water meters for extraordinary supplies would be encouraged.

Council policy is to fund loan charges for loans raised to finance capital expenditure from targeted rates based on capital value (with the same commercial differentials) over the area of benefit.

Rural Supplies

Council concluded that those connected to a reticulated water supply should pay the costs of operating through a combination of consumption and availability charges. The Arohena RWS has a targeted rate on CV to fund the cost of debt raised on the existing infrastructure.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Protect the special character of our harbours and their catchments



Ensure services and facilities meet the needs of the Community



Manage the Natural and Physical environment in a sustainable manner

Key Water Supply Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13 – 2018/19
The water provided is safe to drink	Providing continuous, efficient, quality water supply to communities ensures the health of consumers	Instances of illness indicated to be associated with consumption of water from Council supplies per annum	0	0	0	0	0
		Instances of water disinfection failure, on Council water supplies with disinfection per annum	< 4	< 4	< 3	< 3	< 2
		Instances of bacteriological contamination of water from Council supplies per annum	< 4	< 4	< 3	< 3	< 2
		Council administered water supplies achieving compliance with NZ Drinking Water Standards 2008	None Comply	None Comply	None Comply	Otorohanga, Waipa RWS and Kawhia comply	All schemes comply
The Council provides reliable drinking water	Providing continuous, efficient, quality	Number of instances when levels of monitored urban storage reservoirs are below 50% of	< 10	< 10	< 5	< 5	< 2

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13 – 2018/19
supplies	water supply to communities ensures the health of consumers	capacity at 9.00am, unless due to planned maintenance works in the preceding 48 hours – instances per annum					
		Percentage of customers requesting substantial improvements of level of service from 3 yearly customer satisfaction survey	New Measure	Not Measured	Not Measured	< 1%	< 1% from Triennial surveys 2014 & 2017
		Perception of customers actively engaging with the service taken from an annual survey of 50 randomly selected customers recorded on Council's service requestor as making requests for services to Council in the last 12 months. Received responses identify performance as adequate or better. Where less than 50 recorded, all recorded customers surveyed	New Measure	> 75%	> 80%	> 80%	> 85%

Waste Water

What is the extent of Council's responsibility?

Council owns the wastewater system serving the Otorohanga community, which comprises 34 km of reticulation, 11 pump stations and an oxidation pond / wetland wastewater treatment facility.

Council is responsible for ensuring that all public elements of the Otorohanga Wastewater treatment system function effectively and that discharges from the system remain in compliance with associated Resource Consent requirements.

Council undertakes strategic planning, asset management, supervision of operations, maintenance and monitoring (carried out by contractors) and associated administration including Trade Waste consenting.

What are the significant negative effects

Negative environmental effects may arise if increasing loading on the systems and/or inadequate operation and maintenance practices compromise the effectiveness of treatment processes. Increasingly stringent resource consent or public health requirements also have potential to cause significant adverse economic impacts.

How are these negative effects mitigated

Potential negative environmental effects are mitigated by regular monitoring of the performance of the wastewater treatment process and associated contractors. A high level of compliance with relevant Resource Consent conditions is targeted, with upgrading of assets conducted where necessary to ensure that this is achieved.

This strong focus on environmental compliance is also considered likely to limit the potential for more stringent regulation in the future, thereby mitigating potential adverse economic effects.




What is the existing level of service

The level of service provided by the Otorohanga Community Wastewater system is generally considered to be very satisfactory.

Unfortunately this view has not been clearly demonstrated through monitoring of performance against previously defined level of service targets, since a number of these targets have been inappropriate and/or difficult to meaningfully measure.

A District-wide survey in respect of desired levels of service for various activities was however conducted in 2008 (results attached as Appendix 1) and this strongly indicated that the existing levels of service were preferred to other presented higher and lower level of service options.

Target Levels of service for Council's Waste Water activity have however been subject to a significant recent revision, and are established based upon three primary service characteristics, these being

-  The environmental impact of the activity is adequately controlled, as reflected by performance against Resource Consent conditions
-  That maintenance needs are predictable, with few major failures
-  That passive and active customers are adequately satisfied

Further details of level of service targets for Council's waste water activities are presented in the following table. These levels of service targets are the same for all years within the period covered by this LTCCP.

What will be the effect of change in demand

Though there is predicted to be a slow increase in the level of demand for water in the Otorohanga Community during the next 10 years it is not expected that this will significantly change the effective treatment load placed on existing wastewater assets, because little of this additional demand is expected to be associated with new population or other activities that increase the effective 'treatment load' on the wastewater system.

What will be the effect of change in Levels of Service

No significant changes in levels of service for this activity have been indicated as being desired by the community. The renewal of Council's Resource Consent for wastewater discharge is however required in 2010/11 and that it is likely that this will require the standard of wastewater treatment to be improved. As such there is expected to be an increase in the level of service, though this may not be reflected in respect of performance against the adopted level of service targets.

What additional Asset Capacity is required

Though there is now little evidence to suggest significant increases in demand for wastewater services during the period of this LTCCP it is however recognised that with an upgrade of the Otorohanga wastewater treatment process may be required for renewal of Council's discharge consent, and that this may provide an associated opportunity to increase process capacity to accommodate potential longer term demand growth.

Whilst there is perhaps potential for construction of a reticulated wastewater system in Kawhia, there are known to be significant barriers to this occurring, and for this reason it has not been reflected in this LTCCP.

How will the provision of additional Asset Capacity be undertaken

The likely form of such additional process capacity is commissioning of an additional wastewater pre-treatment stage before the existing aerated lagoon. Preliminary cost estimates suggest that the cost of such works may be in the order of \$500,000.

How will the provision of additional Asset Capacity be funded

Funding will be provided through Development Contributions with the balance provided from reserve funds, rates, loan monies or general funding.

How will the maintenance, renewal and replacement of assets be undertaken

Asset maintenance, renewal and replacement will be undertaken by contractors as required.

Council's wastewater assets are currently well maintained and believed to be in sound condition, and no particular problems are envisaged in sustaining this situation in the future.

Associated costs will be met by reserve funds, rates, loan monies or general funding.

How will the maintenance, renewal and replacement of assets be funded

Council concluded 5% of the cost of waste water to the Otorohanga Community should be met from the UAGC, and the balance of 95% from extraordinary users and a Uniform Targeted Rate on each property benefiting from the service or able to benefit from the service.

Council policy is to fund loan charges for loans raised to finance capital expenditure from targeted rates based on capital value (with the same commercial differentials) over the area of benefit.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes



Ensure services and facilities meet the needs of the Community



Manage the Natural and Physical environment in a sustainable manner

Key Waste Water Levels of Service

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline 2008/09	2009/10	2010/11	2011/12	2012/13-2018/19
The Council provides wastewater services that effectively collect and dispose of wastewater	Ensure that the needs of local and visitor communities are met. Contributes to the public health of the community	Percentage of customers requesting substantial improvements of level of service from a three yearly customer satisfaction survey	New Measure	Not measured	Not measured	<2%	<2% from triennial surveys 2014 & 2017
		Perception of customers actively engaging with the service taken from an annual survey of 50 randomly selected customers recorded on Council's service requestor as making requests for services to Council in the last 12 months. Received responses identify performance as adequate or better. Where less than 50 recorded, all recorded customers surveyed	New Measure	>75%	>75%	>75%	>75%
Wastewater disposal as provided by the Council does not create any smells, spills or health issues and causes minimal impact on the natural environment		By measuring compliance with Wastewater discharge consent	Full Compliance	Full Compliance	Full Compliance	Full Compliance	Full Compliance
		Frequency of sewerage overflows caused by failure or blockage of Council assets per annum	New Measure	<5 reported overflows	<5 reported overflows	<5 reported overflows	<5 reported overflows

Flood Protection and Stormwater

What is the extent of Council's responsibility?




Council provides, develops, operates and maintains stormwater and flood protection systems that enable effective and environmentally sustainable discharge of stormwater from the Otorohanga and Kawhia communities.

There are in total 8 km of piped drains, 4km of open drains, 4 pump stations and 3.5km of stop banks.

Major flooding of the Otorohanga community in 1958 led to construction of an extensive system of stop banks to protect the Community from the Waipa River. These flood protection measures continue to be managed by Council, with financial support from Environment Waikato.

What are the significant negative effects

If not appropriately managed Council's stormwater and flood protection activities have potential for significant adverse environmental effects, in particular:

-  Failure of drainage infrastructure may result in localised flooding.
-  Quantities and/or qualities of discharged stormwater have potential to adversely affect the receiving waters.
-  Increasingly stringent resource consent requirements also have potential for economic impact on the Community, though such effects would be expected to be relatively minor.

How are these negative effects mitigated

Physical effects are mitigated by effective design (including floodwater storage areas and provision of back-up systems where appropriate), regular inspections and maintenance of stormwater and flood protection infrastructure.




The quality of discharged stormwater is also monitored, and where quality results are inadequate, efforts are made to identify and control particular sources of such contamination, using the provisions of relevant Bylaws.

What is the existing level of service

The level of service provided for this activity is generally considered to be very satisfactory.

Unfortunately this view has not been clearly demonstrated through monitoring of performance against previously defined level of service targets, since a number of these targets have been inappropriate and/or difficult to meaningfully measure.

Target Levels of service for Council's flood protection and storm water activities have however been subject to a significant recent revision, and are established based upon three primary service characteristics, these being

-  The environmental impact of the activity is adequately controlled, as reflected by performance against Resource Consent conditions
-  That maintenance needs are predictable, with few major failures
-  That passive and active customers are adequately satisfied

It is unlikely that target levels of service will significantly change during this period.

What will be the effect of change in demand

With relatively little additional development expected in the Otorohanga and Kawhia Communities it is considered unlikely that significant additional pressure will be placed on existing stormwater and flood protection assets during the next 10 years.

What will be the effect of change in Levels of Service

No significant changes to levels of service are envisaged.

What additional Asset Capacity is required

Only limited additional asset capacity is expected to be required in response to the minor changes in levels of demand identified above, and to remedy a small number of very localised capacity issues that already exist.

How will the provision of additional Asset Capacity be undertaken

A few relatively minor improvement projects will be undertaken by contractors on a progressive basis.

How will the maintenance, renewal and replacement of assets be undertaken

Asset maintenance, renewal and replacement will be undertaken by contractors as required.

Council's stormwater, flood protection and land drainage assets are currently well maintained and considered to be in sound condition, and no particular problems are envisaged in sustaining this situation in the future.

How will the maintenance, renewal and replacement of assets be undertaken

Stormwater

Otorohanga stormwater is to be funded by a Uniform Targeted rate across the Otorohanga Community and Kawhia stormwater is to be funded by a Uniform Targeted rate being 70% across the Kawhia/Aotea community and 30% across the rural area.

Land Drainage

Land Drainage legalisation work is to be funded by a Targeted Rate on Capital Value across the Rural area.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes



Ensure services and facilities meet the needs of the Community



Manage the Natural and Physical environment in a sustainable manner

Key Stormwater Levels of Service

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline 2008/09	2009/10	2010/11	2011/12	2012/13-2018/19
Council stormwater systems are well operated and maintained	Sound planning of appropriate stormwater systems will ensure that communities are safe and healthy and ensure that efficient and effective water services are provided, to meet both current and future demands.	Percentage of customers requesting substantial improvements of level of service from a three yearly customer satisfaction survey	New Measure	Not measured	Not measured	<2%	<2% from triennial surveys 2014 & 2017
		Perception of customers actively engaging with the service taken from an annual survey of 50 randomly selected customers recorded on Council's service requestor as making requests for services to Council in the last 12 months. Received responses identify performance as adequate or better. Where less than 50 recorded, all recorded customers surveyed	New Measure	>75%	>75%	>75%	>75%

Professional Engineering Business Unit

What is the extent of Council's responsibility?

To comply with NZTA under Section 28 of the Transit New Zealand Amendment Act 1995, Council must comply with the special provisions relating to in-house professional services. These conditions include 'due consideration' of cost effectiveness, accountability, contestability of service and availability of resources.

What are the significant negative effects

If the unit was disbanded, the cost to Council of providing this service though Consultants is likely to be higher, as will the physical contract costs.

How are these negative effects mitigated

By ensuring that the necessary recruitment, training and career development opportunities are provided to ensure the long-term viability of the unit.

What is the existing level of service

To provide a Civil Engineering Service that is efficient, technically competent and achieves effective results. This unit is a separate group within Council's Engineering Division and provides professional and technical consultancy services for carrying out works and utility service operations planned by Council (over 80% of programme currently).

What will be the effect of change in demand

Essential core services provide a significant base level of demand for this activity. Other cyclical variations in demand (such as for improvement works) can be accommodated by developing a diversified range of external clients.

What will be the effect of change in Levels of Service.

Business Unit will maintain effective, efficient and economically justifiable engineering services for the Council.

How will the maintenance, renewal and replacement of assets be undertaken.

Personnel assets to be assisted through cadet training to NZDE level




Software and hardware assets and plant will be replaced when technically obsolete or economically viable.

How will the maintenance, renewal and replacement of assets be funded.

The Professional Engineering Business Unit is primarily funded internally, from charging of time to other departments. Occasional income from external work may also be received.

Community Services

What Community Outcome Does Community Services Contribute To

	Community Outcomes	Parks & Reserves (incl Toilets)	Library	Pensioner Housing	Other Property	Cemeteries	Swimming Pool	Litter Control	Security Patrol	District Sports Co-ordinator
	Otorohanga District is a safe place to live						Implementer	Implementer	Implementer Advocate	
	Ensure services and facilities meet the needs of the Community	Implementer	Implementer Partner	Implementer	Implementer Partner	Implementer Regulator	Implementer	Implementer	Implementer	Partner
	Provide for the unique history and culture of the District	Implementer	Implementer			Implementer				

WHAT ARE COMMUNITY SERVICES

Community Services provide for the community's need for recreational, social, and amenity activities. Community services represent's Council's second main group of asset-based activities.

These activities meet important community needs, but are considered to be on a second tier in relation to Network Services in respect of both social and economic importance. For these reasons the management of these activities is generally conducted without the depth of technical planning that underlies activities in the Network Services group.

WHICH ACTIVITIES ARE INCLUDED IN THE COMMUNITY SERVICES GROUP



Parks and Reserves (including Public Conveniences)



Library



Community Facilities

- Pensioner Housing
- Other Property
- Swimming Pool
- Cemeteries



Litter Control



Security Patrol



District Sports Co-ordinator

WHY ARE THESE ACTIVITIES INCLUDED ?

Community Services are provided in response to the public seeking to improve quality of life with the provision of services that address the social, cultural and environmental well-beings. The community accepts

that the provision of these services is a discretionary cost that they pay for.

The provision of Community Services is not a legislative requirement (except cemeteries). Where provided, community facilities must meet public safety standards set by various government agencies.

RATIONALE OF COMMUNITY SERVICES

Parks and Reserves (including Public Conveniences)

Council's involvement in parks, reserves and associated activities is in part based upon provisions of the Reserves Act 1977 and the Resource Management Act 1991 and is also intended to improve the general quality of life for the residents in the District. In particular the parks and reserves provide facilities for passive or active enjoyment by residents and visitors alike.

Library

Our public libraries have been supplying our communities with a library service for many years. While the technology and delivery options may change over time the core roles of the library remain unchanged. Our libraries support and are actively involved in the following;

The core roles are;

a) Reading and literacy

Libraries are a trusted source of information and provide extensive collections in range and depth. They encourage and support reading and literacy in people of all ages. Book and leisure resource lending will remain a key role. Increasingly libraries are enabling people to acquire information and digital literacy – essential skills in a digital world.

b) Community identity and local heritage

Libraries provide community identity and reflect the communities we serve.

Libraries are a key institution for collecting, conserving and making available local information and resources. Libraries are an important gateway for our community.

c) As a public place

Libraries are venues in which groups and individuals can participate in community activities. They provide a non-commercial community public space for research, programmes and activities.

d) Opportunities for lifelong learning and leisure

By providing opportunities for informal learning and by supporting formal education, libraries contribute to the economic and social wellbeing of people.

The need for retraining and ongoing learning has become a feature of modern economic life.

Libraries continue to be a key leisure provider. Traditionally this was through book circulation; increasingly it is through different formats and services.

Pensioner Housing

Though not considered to be part of Council's core business, housing for the elderly is owned and managed to meet community expectations and fulfil social obligations and ensure that there is a good standard of affordable rental accommodation available to elderly residents.

Other Property

Council owns various types of property, which are managed in the best interest of the residents and ratepayers of the District. These properties are classified as commercial or community investments.

Swimming Pool

Council carries out this activity to meet the expectations of the Community. There is no legal obligation to do so.

Cemeteries

The Activity is undertaken to comply with legislation under Section 4 of the Burial and Cremations Act 1964, and to meet the expectations of the Community.

Litter Control

This service is outside the scope of the refuse collection contract and the main focus is one of picking up litter on the roadside and in Parks and Reserves. The service is also provided under contract to the State Highway network.

Security Patrol

Due to an approach by local businesses to provide the service as the demand for a privately owned scheme did not exist.

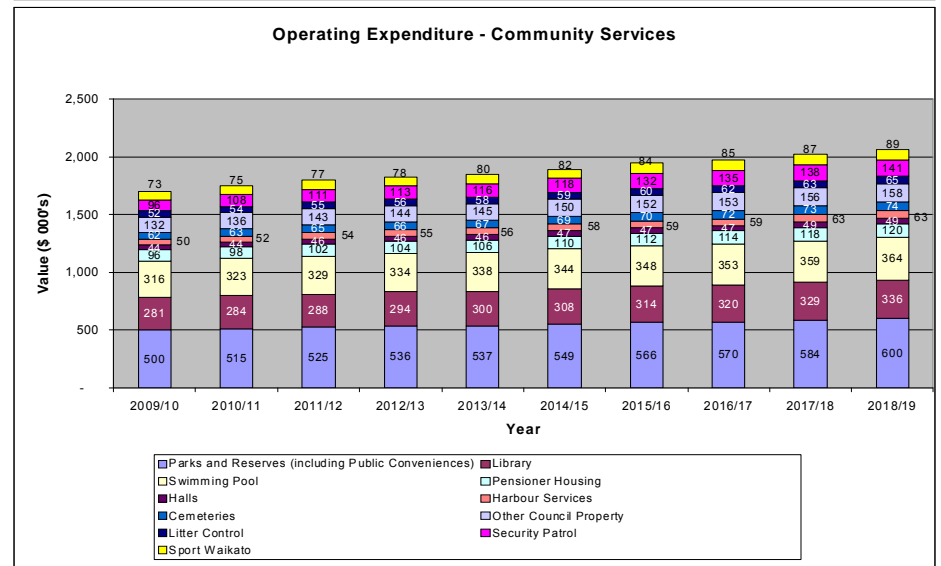
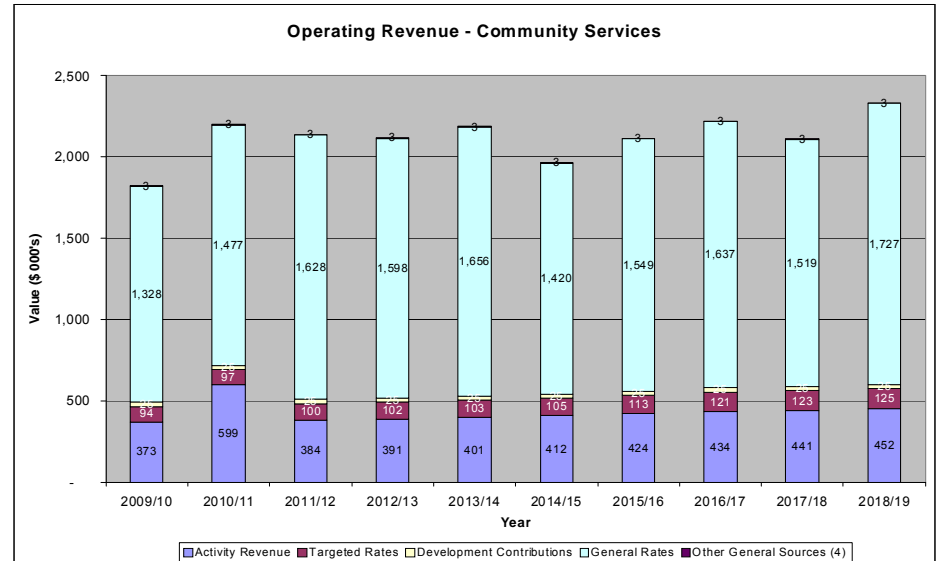
District Sports Co-ordinator

Council's role in this scheme satisfies part of its Mission Statement by recognising the social need to promote physical activity. Through the District Sports Co-ordinator scheme, Council delivers a range of leisure programmes and events which increase participation in leisure activities.

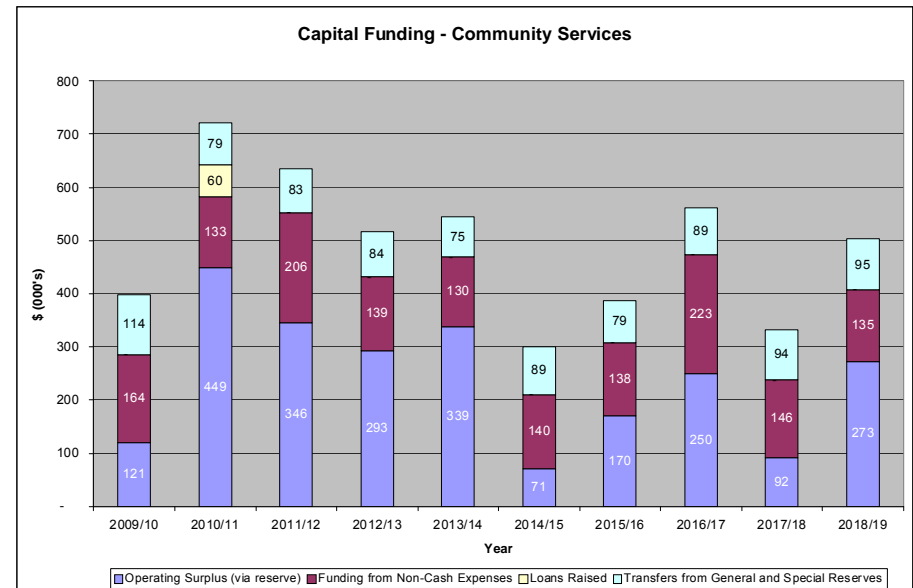
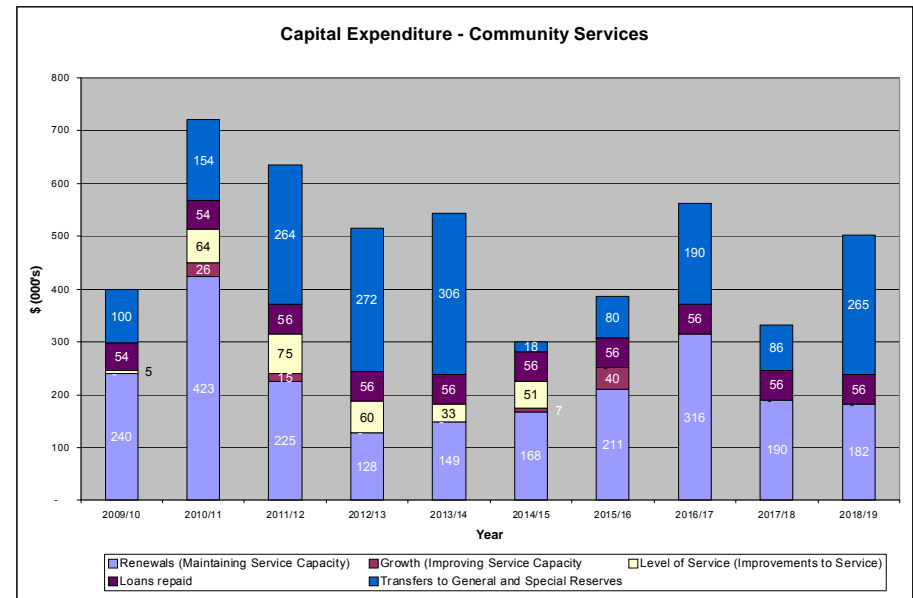
Community Services Financial Statements

Community Services - Operating Statement	2009/10	2010/11	2011/12
Operating Revenue			
Activity Revenue	373	599	384
Targeted Rates	94	97	100
Development Contributions	25	25	25
General Rates	1,328	1,477	1,628
Other General Sources ⁽⁴⁾	3	3	3
Total Operating Revenue	1,823	2,201	2,140
Operating Expenditure			
Parks and Reserves (including Public Conveniences)	500	515	525
Library	281	284	288
Swimming Pool	316	323	329
Pensioner Housing	96	98	102
Halls	44	44	46
Harbour Services	50	52	54
Cemeteries	62	63	65
Other Council Property	132	136	143
Litter Control	52	54	55
Security Patrol	96	108	111
Sport Waikato	73	75	77
Total Operating Expenditure	1,702	1,752	1,795
<i>includes:</i>			
Salaries and Wages	153	157	160
Depreciation	198	200	214
Interest	72	70	69
Operating Surplus (Deficit) \$	121	449	345
Operating Surplus transferred to Reserves; or Operating Deficit funded from Reserves	-	-	-

⁴ This represents income earned from internal charging between departments for staff time spent working for other departments.



Community Services - Capital and Reserves Funding Statement	2009/10	2010/11	2011/12
Capital and Reserves Funding Requirements:			
Capital Expenditure			
Renewals (Maintaining Service Capacity)	240	423	225
Growth (Improving Service Capacity)	-	26	15
Level of Service (Improvements to Service)	5	64	75
New Statutory Requirements	-	-	-
Total Capital Expenditure	245	513	315
Loans repaid	54	54	56
Operating Deficit	-	-	-
Transfers to General and Special Reserves	100	154	264
Total Funding Required	399	721	635
Funded by:			
Operating Surplus (via reserve)	121	449	345
Funding from Non-Cash Expenses	164	133	206
Loans Raised	-	60	-
Transfers from General and Special Reserves	114	79	84
Capital Income	-	-	-
Total Funding Applied	399	721	635



Parks and Reserves (including public conveniences)

What is the extent of Council's responsibility

Council owns, administers and where appropriate maintains Parks or Reserves land at 70 separate locations, which have in total an area of approximately 83 Ha. Included within these areas are 5 public toilet facilities and some sports related infrastructure.

What are the significant negative effects

There are considered to be few potential negative effects associated with this activity, the most significant of which is arguably the possible cost of meeting the expectations of some interested groups in relation to levels of service.

How are these negative effects mitigated

By engaging in open discussion of parks and reserves issues that will enable the broader community to have input into decision making. Examples of this include the public workshops that have accompanied development of community landscape plans.

What is the existing level of service

The level of service for these activities is considered to be relatively sound at a basic level.

A District-wide survey in respect of desired levels of service for various activities was however conducted in 2008 (results attached as **Appendix 1**) and this strongly indicated that the existing levels of service for this activity were preferred to other presented higher and lower level of service options. It was however notable from the associated comments that there was significant public interest in this activity, with a number of aspects with potential for improvement being identified by individual respondents. This supports a long standing view of Council that the communities value ongoing minor improvements in

relation to this activity, even though the general level of satisfaction with the existing level of service is relatively high.

Specific level of service targets have previously been largely defined through contractual requirements in respect of mowing and vegetation control and other maintenance services.

Key level of service targets that will in future be adopted are listed in the following table. In practical terms these are considered to represent a status quo situation.

What will be the effect of change in demand

Only limited increases in demand for parks and reserves assets are expected in the short or medium term, in response to a relatively constant population in the urban centres.

What will be the effect of change in Levels of Service

The effects of likely progressive minor changes in level of service are expected to be limited. The nature and extent of these effects will however become clearer as Management Plans are developed for the main Council Reserve areas, in accordance with the requirements of the Reserves Management Act 1977.

What additional Asset Capacity is required

Only relatively minor additional asset capacity is expected to be required in response to the minor changes in demand identified above. At this stage no entirely new reserve areas are envisaged, though such areas are likely to be required if major residential developments take place in the urban communities.

How will the provision of additional Asset Capacity be undertaken

The described relatively minor additional asset capacity will be provided through an ongoing program of minor scheduled asset

improvements which align with the direction provided by relevant community landscape plans.

What is the estimated cost for the provision of additional Asset Capacity

The estimated total inflation adjusted cost of additions or improvements to parks and reserves over the next 10 years is estimated to be in the order of \$1.0 million.

How will the provision of additional asset capacity be funded

The most significant source of funding for additional or improved parks and reserves assets will be from Reserve Contributions. Outstanding funding requirements will be obtained from reserve funds, rates, loan monies or general funding.

How will the maintenance, renewal and replacement of assets be undertaken

Asset maintenance, renewal and replacement will be undertaken by Council staff or contractors as required.

How will the maintenance, renewal and replacement of assets be funded

District and Community Reserves

75% of this activity will be funded by the General Rate across the District with the balance of 25% funded by the Uniform Annual General Charge.

Public Conveniences

Otorohanga Community

60% funded by the General Rate across the district, 20% by the Uniform Annual General Charge and 20% by a Uniform Targeted Rate across the Otorohanga Commercial ratepayers.

Kawhia Community

80% funded by the General Rate across the district and 20% funded by the Uniform Annual General Charge.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Ensure services and facilities meet the needs of the Community



Provide for the unique history and culture of the district.

Key Parks, and Reserves (including public conveniences) Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline 2008/2009	2009/10	2010/11	2011/12	2012/13-2018/19
Providing Council parks and reserves that enhance our communities quality of life	Parks and reserves provide for a number of things – a sense of place, active recreation spaces and opportunities for communities to interact – all contributing to our community outcomes	Percentage of customers requesting substantial improvements of level of service from three yearly satisfaction surveys	4.4%	Not Measured	Not Measured	<5%	< 5% from triennial surveys in 2014/15 & 2017/18
		Provision of safe outdoor reserve structures; (% of structures complying with NZS 8630)	New Measure	33%	33%	33%	66% by end 2012 and 100% by end 2015
		Provision of adequate, well formed & maintained paths, and tracks; (% of total track length complying with NZS 8630)	New Measure	10%	15%	20%	Increasing by 5% each year
		Provision of safe, high quality and maintained park furniture (% items meeting criteria)	New Measure	50%	60%	70%	80% by end 2012/13 and 90% by end 2017/18
Provision of Reserve Management Plans for all Council Reserves as required under the Reserves Management Act 1977		Progress towards development of Reserve Management Plans for all Council Reserves; (% of reserves with current plan in place)	New Measure	10%	20%	30%	Increasing by 10% each year, achieve 100% by 2018/19

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline 2008/2009	2009/10	2010/11	2011/12	2012/13-2018/19
Public Toilets as provided by Council are maintained in good condition	Having safe toilets helps achieve safe communities	Percentage of customers requesting substantial improvements of level of service from three yearly surveys	New Measure	Not Measured	Not Measured	<5%	< 5% from triennial surveys in 2014/15 & 2017/18

Library

What is the extent of Council's responsibility?

Although there is no legislation or government policy in New Zealand that ensures the provision and development of public libraries, there are government initiatives that provide a context and opportunities for public library growth and development. These strategies are designed to improve the standard and quality of life in New Zealand.

What are the significant negative effects ?

The absence of a well resourced library system will have a significant negative effect on the community social well being and prosperity, if services are not maintained and access to electronic resources are not available. Libraries also provide a place for congregation, which may result in noise and vandalism.

How are these negative effects mitigated ?

Library systems, including electronic catalogue will be maintained and updated regularly to ensure the latest technology is available to library patrons. Library staff will ensure that patrons respect the rights of other users and maintain an acceptable level of noise. The library building is within an area that is monitored nightly by a security control officer which will ensure that vandalism is kept to a minimum.

What is the existing level of service

Libraries are located in Council owned buildings situated at :-



Maniapoto Street, Otorohanga



Pouewe Street, Kawhia

Operating hours for the Libraries are –

Otorohanga Library	Monday to Thursday	9.00am to 5.00pm
	Friday	9.00am to 5.30pm
	Saturday	10.00am to 12.30pm
Kawhia Library	Tuesday	1.30pm to 3.00pm
	Wednesday	10.30am to 11.30am
	Friday	1.30pm to 3.00pm
	Saturday	1.30pm to 3.00pm

Each library offers a range of fiction, non-fiction, paperback, large print, and reference books for both children and adults.

The libraries are open 4 to 5.5 days per week. Between them they stock approximately 26,500 books. The libraries have 3,400 members with district-wide book issues of 58,400 per annum. The Otorohanga library is staffed by two full-time equivalents and the Kawhia library is serviced by a part-time librarian.

The libraries provide free internet access through the governments Peoples Network initiative. This includes four PC's situated at the Otorohanga Library and one PC situated at the Kawhia Library.

What will be the effect of change in demand

Projected demographic changes are considered to have no impact upon library service growth or demand.

The largest impacts will come from rapidly developing technology and increasing customer expectations.

It is unlikely that technologies such as the internet will do away with the libraries' core business – book lending. Information and

communications technology makes it easier to connect people to information they need and to guide them to hard copy or digital content.

A large percentage of our community do not have access to information and communications technology resources in their homes and workplaces, often the library is their only opportunity to access the internet and personal computer services. There is a growing demand for free access to key internet sites and for access to public use computers within each of the libraries.

These trends will place greater demands on staff, both in terms of skill level and in time to provide assistance.

These trends will also increasingly put pressure on library building size and design flexibility to accommodate different technologies and services.

What will be the effect of change in Levels of Service

It is recognised that due to advances in technology, there may be a growing trend for electronic media over the next 10 years. This trend may be more apparent on non fiction rather than fiction.

What additional Asset Capacity is required

No additional asset capacity is currently expected to be required.

How will the maintenance, renewal and replacement of assets be undertaken

No addition asset capacity has been identified. Provision has been made for the increasing cost of replacement and/or new books. Asset maintenance will be undertaken by Council staff or contractors as required.

How will the maintenance, renewal and replacement of assets be funded

Council will maximise user charges and the remaining costs of this activity will be funded 40% from the Uniform Annual General Charge and 60% from the General Rate.

Council acknowledges that the effect of the policy is that non-users may be receiving less benefit and subsidising users but consider that the policy is in the best interests of the district.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Ensure services and facilities meet the needs of the Community



Provide for the unique history and culture of the district.

Key Library Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Quality library service is provided	Healthy, cohesive, and informed communities have access to a wide range of up to date library materials	Triennial survey of customers satisfied with library services	New Measure	Not measured	Not measured	>85%	>85% from triennial surveys in 2014 and 2017
A range of fiction, non-fiction, paperback, large print and reference books for both children and adults are available.		Number of books issued per annum	New Measure	2% increase over previous year	2% increase over previous year	2% increase over previous year	2% increase over previous year
Holiday programs are provided for children		Number of holiday programs run annually	4	4	4	4	4
Our book stock is kept current		Publication date of 10 years or less	New Measure	>75%	>75%	>75%	>75%

Pensioner Housing

What is the extent of Council's responsibility?

Council owns, maintains and administers limited stocks of housing for the elderly in Otorohanga and Kawhia to meet a perceived social need. Housing rentals are established on a “user pays” basis at levels which will sustain the long-term operation and maintenance of the Housing for the Elderly units.

What are the significant negative effects

Adverse economic effects to residents may result if the cost of maintaining the assets should increase.




How are these negative effects mitigated

Council endeavors to minimise the cost of the activity by making use of available subsidies or other alternative funding sources for asset related works where this is possible.

By focusing on the elderly, the needs of others, such as people with disabilities, may not be adequately addressed.






What is the existing level of service

Otorohanga District Council provides Pensioner Housing Units at the following locations –

-  Elizabeth Place, Rangitahi Street, Otorohanga -10 Units
-  Windsor Court, Haerehuka Street, Otorohanga - 12 Units
-  Rosamond Terrace, Kawhia – 6 Units

What will be the effect of change in demand

The key factors impacting on demand forecasts for Pensioner Housing are:

-  An aging population
-  Appropriateness/affordability of providing existing service on a “user pays” basis
-  Reduced affluence associated with current economic climate
-  A general public expectation of higher standards in respect of housing
-  An overall decrease in district population.

Whilst it is considered likely that the demand for affordable pensioner housing may increase in the future, Council does not consider that provision of such housing is an element of its core business. This, combined with the likely continuation of a “user pays” approach, means that any such changes in demand are not expected to have significant effects on Council.

What will be the effect of change in Levels of Service

No significant changes to the level of service for this activity are expected to be required. A decline in the level of service may mean that the expectations of the Elderly are not met and that the overall standards achieved do not meet the basic requirements for social housing of this nature. Increased levels of service are likely to increase the cost of users if the existing full “user pays” philosophy is maintained.

What additional Asset Capacity is required

No additional asset capacity is currently expected to be required.

How will the maintenance, renewal and replacement of assets be undertaken

Council ensures Pensioner Housing Units are maintained to a consistent level of service for similar facilities district-wide. Industry standard 'Best Practice' methods are used wherever possible.

How will the maintenance, renewal and replacement of assets be funded

Council confirmed its policy that this activity should be fully funded by property rentals.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Ensure services and facilities meet the needs of the Community

Key Pensioner Housing Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Provide Pensioner Housing that is fully utilised	This service ensures Otorohanga District has housing that satisfies the needs of the community and is seen to be an ideal place for retirement	Percentage of Units occupied	2007/08 Otorohanga 97.4% Kawhia 95.2%	>95%	>95%	>95%	>95%
Council provides Pensioner Housing that is affordable		Weekly Rental per unit	2008/09 Kawhia \$78 PW 1 per \$102 PW 2 per Otorohanga \$58 PW single unit Kawhia \$83 PW double unit	Below Market Median	Below Market Median	Below Market Median	Below Market Median
Good standards of maintenance and accommodation are maintained by Council		Triennial survey of overall satisfaction	New Measure	Not Measured	Not Measured	>90%	>90% from triennial surveys 2014 and 2017

Other Property

What is the extent of Council's responsibility?

Council owns, administers and where appropriate maintains a variety of properties that exist for purposes outside of the core business of Council. These properties are classified as commercial or community investments, and include:

-  Otorohanga Support House
-  Otorohanga Railway Station
-  Trade Training Centre
-  Rural Fire Store
-  Kawhia Medical Centre
-  Kawhia Museum
-  Otorohanga Museum Complex
-  Some car park areas in Otorohanga
-  Kawhia boat ramp
-  Quarries

Council engages in such property related activity because it believes that it supports important community services and/or is a viable commercial proposition. There is no legal obligation for Council to undertake this activity.

What are the significant negative effects

The activity may create expectations from some community organisations that Council will continue to provide property for their purposes in the future. Increasing maintenance requirements and/or declining market rentals could make continuation of this activity more financially unfavourable for Council.

How are these negative effects mitigated

Council is able to reduce the extent of this activity if the need arises, though it has no intention to do so at this time.

What is the existing level of service

Council undertakes to ensure that all building and structures meet the requirements of relevant legislation (including the provisions of the Building Act and Fire Safety and Evacuation of Buildings Act) and are maintained in a sound, sanitary and safe condition.

What will be the effect of change in demand

No significant growth-driven increase in demand for this activity is expected in the period of this LTCCP. It is however recognised that a lack of community growth could create conditions where further Council involvement in property might become appropriate to support other community services. This is however speculative and no allowance for such additional support has been therefore been made at this stage.

What will be the effect of change in Levels of Service

No significant changes to the level of service for this activity are expected to be required.

What additional Asset Capacity is required

No additional asset capacity is currently expected to be required.

How will the maintenance, renewal and replacement of assets be undertaken

Maintenance, renewal and replacement are undertaken by Council staff or contractors on an as required basis.

How will the maintenance, renewal and replacement of assets be funded

Council will charge rentals that the market will sustain (approximately 70%) and the remaining costs will be funded equally from Uniform Targeted Rates and targeted rates on capital value over the whole district. Rural area, Otorohanga Community and Kawhia Community,

generally based on the property location or whether a property is considered to be a district wide asset.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Ensure services and facilities meet the needs of the Community

Key Other Property Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
That all buildings and structures on Council Property meet the requirements of relevant legislation	Having safe buildings that are maintained in a sound, sanitary and safe condition – ensures our communities are safe	Full compliance of relevant legislation based on annual inspection of buildings and structures to ensure they meet the requirements of the Building Act and Fire Safety and Evacuation of Buildings Act	New Measure	Annual Inspection	Annual Inspection	Annual Inspection	Annual Inspection

Swimming Pool

What is the extent of Council's responsibility?

Council owns, operates and maintains a swimming pool complex in Otorohanga which contains indoor and outdoor swimming pools and a gymnasium. Operation of the pool complex is carried out by a contractor under a long term contract.

What are the significant negative effects

Operation and maintenance of the pool complex is already a relatively expensive activity, and these costs may increase in the future due to the age of the facility and increases in other significant cost components such as energy.

As such the activity may have an adverse economic impact on the Community.

How are these negative effects mitigated

Council adopts a very cautious approach in respect of undertaking further infrastructural improvements or increasing operating costs.

What is the existing level of service

The pool facility is considered to provide a sound level of service for a community of this size. The Contractor is required to meet standards of supervision recommended in NZRA Swimming Pool Guidelines 1999, and to test pool water quality in accordance with NZS 5826: 2000. Pool Management is also to comply with Water Safety NZ / ACC Poolsafe Quality Management Scheme.

What will be the effect of change in demand

After recent significant increases in swimming pool patronage it is now believed that a relative plateau has been reached, from which further

significant changes are not expected during the period covered by LTCCP.

What will be the effect of change in Levels of Service

No significant changes in level of service are planned.

What additional Asset Capacity is required

No significant additional asset capacity is expected to be required during the next 10 years.

How will the maintenance, renewal and replacement of assets be undertaken

Asset maintenance, renewal and replacement will be undertaken by Council staff or contractors as required. The condition of Council's swimming pool assets is generally sound, and only relatively limited maintenance and renewal inputs are expected to be required to sustain this over the period of the LTCCP.

The pool complex is however a significant asset, and in the longer term relatively high levels of renewal expenditure are likely to be required.

How will the maintenance, renewal and replacement of assets be funded

Council considers that 54% should be funded by way of a Uniform Targeted Rate over the Otorohanga Community, 44% from a Uniform Targeted Rate over the Rural area and 2% from a Uniform Targeted Rate over the Kawhia Community.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



Ensure services and facilities meet the needs of the Community

Key Swimming Pool Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Provision of a clean, safe, public swimming pool that can be accessed by the District	Ensuring that the public's access to a safe public swimming facility helps create safe communities and a range of recreational facilities	Percentage of customers requesting substantial improvements of level of service from 3 yearly customer satisfaction survey	New Measure	Not Measured	Not Measured	< 5 %	< 5 % from triennial surveys 2014 and 2017
		Water Quality Tests under contract that meet the requirements of NZS 5826	NZS 5826 standards are met in 85% of analyses each month	NZS 5826 standards are met in 85% of analyses each month	NZS 5826 standards are met in 85% of analyses each month	NZS 5826 standards are met in 85% of analyses each month	NZS 5826 or appropriate revised standards are met in 85% of analyses each month
			New Measure	100% of requirements of AFQMS are met each month	100% of requirements of AFQMS are met each month	100% of requirements of AFQMS are met each month	100% of requirements of AFQMS are met each month

The pool facility is considered to provide a sound level of service for a community of this size. The Contractor is required to meet standards of supervision recommended in NZRA Aquatic Facility Guidelines 2007, and to test pool water quality in accordance with NZS 5826: 2000. Pool Management is also to comply with Water Safety NZ / ACC Poolsafe Quality Management Scheme.

Cemeteries

What is the extent of Council's responsibility?

Council owns, develops, maintains and administers the operation (including associated record keeping) of public cemeteries in Otorohanga and Kawhia to satisfy local needs in respect of burials.

What are the significant negative effects

Cemeteries, if not well managed, can have negatives effects on the psychological wellbeing of the community, and in particular relatives and friends of those interred there. In extreme cases inadequate management can pose health risks.

How are these negative effects mitigated

By managing cemeteries in an efficient and sympathetic manner which recognises the emotional nature of the facilities for some residents.

What is the existing level of service

The level of service provided by Council's cemeteries is considered to be generally satisfactory.

The targeted level of service is for cemetery management and maintenance to comply with the requirements of the Burial and Cremation Act 1968 and associated regulations and Bylaws with less than 10 justified complaints per annum.

What will be the effect of change in demand

With the average age of the District's population forecast to increase quite rapidly as the 'Baby Boomer' generation retires, it is likely that a significant increase in the number of internments will occur, though this may to some extent be offset by greater residential mobility amongst the elderly and other demographic changes, such as the declining number of permanent residents in Kawhia.

It is however believed that the existing cemeteries will have more than sufficient capacity to accommodate any likely changes in burial rates during the period of this LTCCP and well beyond.

What will be the effect of change in Levels of Service

No changes to the existing levels of service are envisaged.

What additional Asset Capacity is required

Only minor additional asset capacity is expected to be required during the next 10 years.

How will the provision of additional Asset Capacity be undertaken

The works likely to be required are construction of additional burial berms, and possible earthworks to extend the useable area within the Kawhia cemetery.

What is the estimated cost for the provision of additional Asset Capacity

The likely costs over the next 10 years is in the order of \$75,000 (Otorohanga) and \$12,000 (Kawhia).

How will the provision of additional asset capacity be funded

Associated costs will be met by reserve funds, rates, loan monies or general funding.

How will the maintenance, renewal and replacement of assets be undertaken

Asset maintenance, renewal and replacement will be undertaken by Council staff or contractors as required. The extent of these required activities will be relatively low.

How will the maintenance, renewal and replacement of assets be funded

Council will continue to maximise plot charges, fully recover grave digging and sexton charges (approximately 5%). The remainder will be funded from General Rates. The impact of this policy is that the general ratepayer subsidises those who use the cemeteries.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Ensure services and facilities meet the needs of the Community



Provide for the unique history and culture of the district.

Key Cemeteries Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
The Cemetery is well maintained	Well maintained and conveniently located cemeteries will be provided and planned for ahead of growth and development, ensuring these needs are met in the future	Percentage of customers requesting substantial improvements of level of service from 3 yearly customer satisfaction survey	New Measure	Not Measured	Not Measured	< 5 %	< 5 % from triennial surveys in 2014 and 2017
		Progress towards development of Reserve Management Plans for all Cemeteries; (% of cemeteries with current plan in place)	New Measure	10%	20%	30%	Increasing by 10% each year, achieve 100% by 2018/19

Litter Control

What is the extent of Council's responsibility?

Council collects scattered litter from roadside verges, parks and reserves within the District.

What are the significant negative effects

The only potential negative effects associated with this activity are the potential economic impacts if the extent of litter increased, or the efficiency of the service decreased.

How are these negative effects mitigated

By continuing to retain and support the existing staff resource for this activity, which is seen as critical to continued efficient service delivery.

What is the existing level of service

Council employs a single dedicated Litter Control Officer who travels around the District for this purpose. The individual filling this role is well known to residents and widely acknowledged as providing an excellent level of service.

The target level of service for this activity is identified in the Network Services (Roading) category of this LTCCP.

What will be the effect of change in Levels of Service

No changes in level of service are planned

What additional Asset Capacity is required

The only significant asset associated with this activity is the Litter Control Officers vehicle. No additional asset capacity is identified as being required during the period of this LTCCP.

How will the maintenance, renewal and replacement of assets be undertaken

The Litter Control Officer's vehicle will be renewed in accordance with normal Council vehicle management policy.

How will the maintenance, renewal and replacement of assets be funded

Council recognised that it is impossible to identify the exacerbator (those responsible for the rubbish) and considered that the activity should be funded publicly.

Council considers that litter control should be funded 33.33% from the Uniform Annual General Charge and 66.66% from the District Wide general rate.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



Ensure services and facilities meet the needs of the Community

Key Litter Control Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Provide a roadside litter collection service throughout the rural area	This service ensures that Otorohangas clean green image is maintained and the rural environment is not a dumping ground	Percentage of customers requesting substantial improvements of level of service from 3 yearly customer satisfaction survey	New Measure	Not Measured	Not Measured	< 5 %	< 5 % from triennial surveys in 2014 and 2017

Security Patrol

What is the extent of Council's responsibility?

Council provides Contract Management Services in respect of a contract that provides a security patrol to monitor the night-time security of commercial premises in Otorohanga.

What are the significant negative effects

There are no known potential negative effects associated with this activity.

What is the existing level of service

The key target level of service is for the security patrol to engage in patrol operations for not less than 8 hours every night, during which all nominated premises within the patrol area will be visited twice by appropriately registered security officers.

What will be the effect of change in demand

Demand has increased in the past with the development of new businesses, but the current economic climate does not suggest that there will be any significant further growth of demand in the short to medium term.

What will be the effect of change in Levels of Service

No changes in level of service are planned.

How will the maintenance, renewal and replacement of assets be undertaken

No Council owned assets are associated with this activity.

How will the activity be funded

Council concluded that it would maximise recoveries from properties outside the area using the service and 5% of the cost of this activity would be funded from the General Rate, and a further 10% to be funded from a Targeted Rate across the Otorohanga Community. The balance to be funded from the defined Security Patrol area equally by way of a Uniform Targeted Rate and Uniform Targeted Rate based on Capital Value.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



Ensure services and facilities meet the needs of the Community

Key Security Patrol Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
To provide Security Patrol services for a defined area within Otorohanga Community during night time hours	By ensuring that Otorohanga is a safe environment to live, work and play	By ensuring a nightly security patrol is provided for 8hrs per night by a registered officer	Nightly security patrol carried out	Nightly security patrol carried out	Nightly security patrol carried out	Nightly security patrol carried out	Nightly security patrol carried out
		Triennial survey of respondents who feel safe in Otorohanga Community after dark	New Measure	Not Measured	Not Measured	>75%	>75% in 2014 and 2017

District Sports Co-ordinator Scheme

What is the extent of Council's responsibility?

Council provides financial support to Sport Waikato to engage in promotion of sport and physical activity within the District.

No assets are associated with this activity.

What are the significant negative effects




The most significant potential negative effects associated with this activity are the cost and possible perceptions that the activity is not cost effective, or not part of Council's core business.

How are these negative effects mitigated

By remaining alert for expressions of dissatisfaction with this service from those involved in sport within the District, or from other residents.

What is the existing level of service

The existing level of service is covered in an agreement between Sports Waikato and Otorohanga District Council. The District Sports Co-ordinator reports quarterly to Council on activities undertaken which includes:

-  Promoting sport and physical activity throughout the whole district.
-  Running educational seminars, coaching of coaches courses, in service courses etc in the defined area.
-  Co-ordinating holiday sports programmes for children.

This level of service is similar to that provided by other Waikato Councils.

What will be the effect of change in demand

Sport and Leisure activities should be actively promoted to ensure constant demand, and there is nothing to indicate that this won't continue into the future.

If for some unforeseen reason, there was a reduction in demand then the District Sports Co-ordinator activity may need to be scaled back to meet community expectations.

What will be the effect of change in Levels of Service

Though the District's population is expected to decrease, other demographic changes are expected to maintain the existing demand for this activity.

If the activities run by Sport Waikato were discontinued or reduced Sporting Clubs which are largely run by volunteers may try and run these events which will further stretch community resources.

How will the maintenance, renewal and replacement of assets be funded

Council concluded that this activity was a people driven activity, and funding should be 67% by way of the Uniform Annual General Charge over the whole District and 33% from the General Rate.

Council acknowledges that the effect of the policy is that non-users may be receiving less benefit and subsidising users but consider that the policy is in the best interests of the district.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes








Ensure services and facilities meet the needs of the Community

Key District Sports Co-Ordinator Scheme Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Delivery of sport and leisure activities as per agreement between Sport Waikato and Otorohanga District Council	The Council supports the development of communities by providing funding to agencies where it sees that such funding will positively support and make our communities more healthy and active	100% compliance with agreement monitored through quarterly reports to Council	100% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance



Regulatory Services

What Community Outcome Does Regulatory Services Contribute To

	Community Outcomes	Building Control	Planning & Development	Civil Defence	Dog Control	Stock Ranging & Impounding	Environmental Health	Rural Fire Control
	Otorohanga District is a safe place to live	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner
	Ensure services and facilities meet the needs of the Community	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer
	Manage the Natural and Physical environment in a sustainable manner	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	
	Protect the special character of our harbours and their catchments	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner	Regulator Monitor	Partner Advocate Monitor	Partner Advocate Monitor	
	Recognise the importance of the District's rural character	Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor	Implementer Partner	Regulator Monitor	Regulator Monitor	Regulator Monitor	

WHAT ARE REGULATORY SERVICES

Regulatory Services are a group of responsibilities placed:

-  On Council by Central Government to ensure community compliance with national standards and guidelines;
-  By Council through policies, plan and by-laws to regulate local issues.

The national standards and guidelines allow the Council to develop local compliance standards such as the Operative District Plan, by-laws and response plans.

WHICH ACTIVITIES ARE INCLUDED IN THE REGULATORY SERVICES GROUP

-  Building Control
-  Planning and Development
-  Civil Defence
-  Dog Control
-  Stock Ranging and Impounding
-  Environmental Health
-  Rural Fire Control

WHY ARE THESE ACTIVITIES INCLUDED ?

Council works in partnership with the Government and other agencies to implement regulatory controls on issues that have a direct relationship to the public's health, safety and well-being in the District.

All these activities are in the category where Council has implementation, monitoring and enforcement roles. Legislation, Codes and by-laws set either minimum or absolute standards.

RATIONALE OF REGULATORY SERVICES

Building Control

The rationale for this group of activities is to safeguard people and property by monitoring, inspecting and controlling all building construction and modifications in accordance with the Building Act 2004.

Planning and Development

This activity exists as a result of the statutory requirements of the Resource Management Act 1991. Under this Act Council is required to promote the sustainable management of natural and physical resources and to enable people and communities to provide for their social, economic, and cultural well-being.

Civil Defence

The rationale for this activity is to fulfil Council's legal obligation under the Civil Defence Emergency Management Act 2002 and to fulfil the Community's expectation that this service will be provided.

Dog Control

The rationale for this activity is to service the Community's expectation for health, order and safety and to meet the Council's statutory obligations under the Dog Control Act 1996.

Stock Ranging and Impounding

The law relating to the establishment and management of public pounds, trespassing and wandering stock, and the impounding of stock provided under the provisions of the Impounding Act 1955.

Environmental Health

The rationale for this group of activities is to fulfil Council's duty to provide Environmental Health services to meet the requirements of the Health Act 1956, Local Government Act 2002 and Resource Management Act 1991.

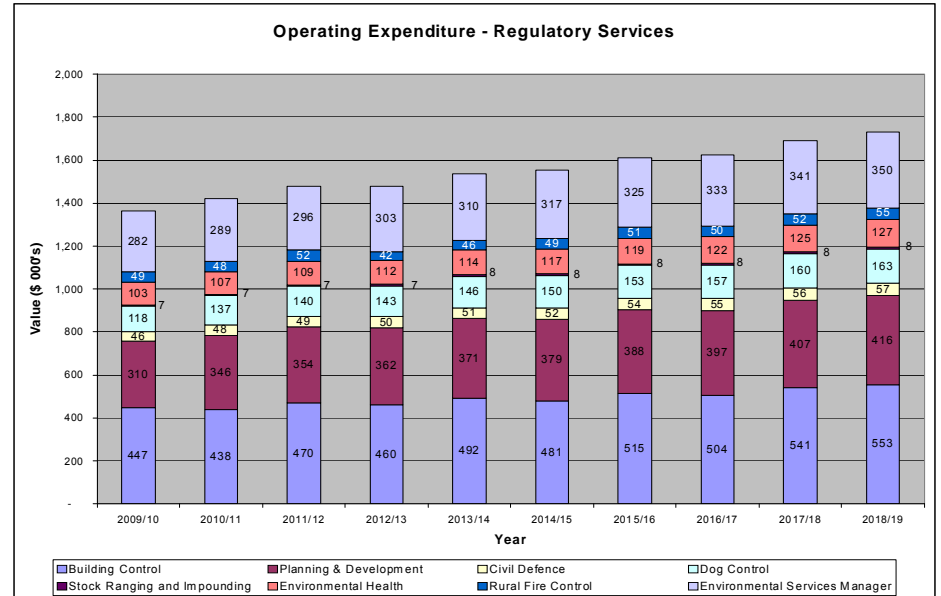
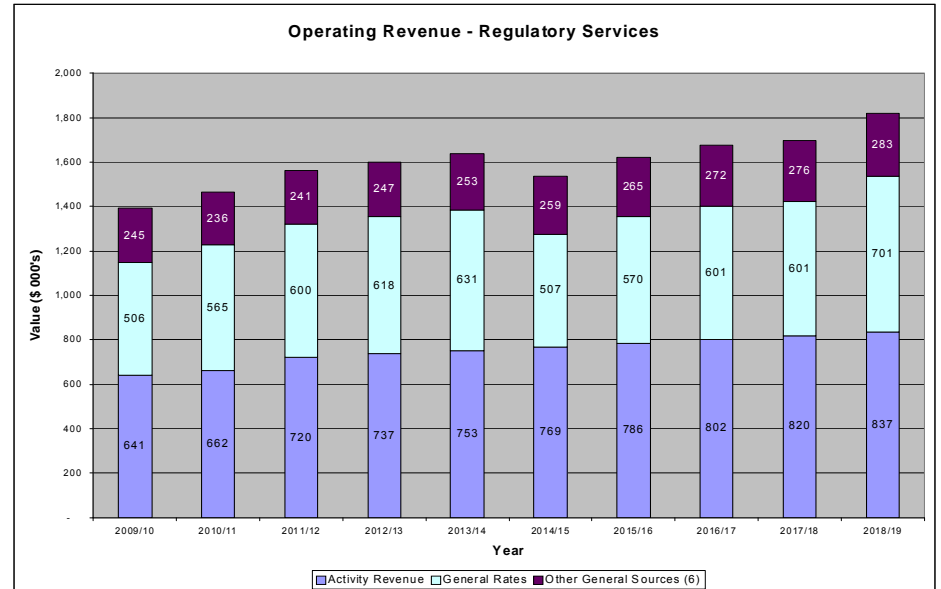
Rural Fire Control

Council provides a Rural Fire Service to fulfil its obligations under the Forest and Rural Fires Act and the Fire Service Amendment Act. The public's expectation is Council will provide rural fire protection and fire prevention services.

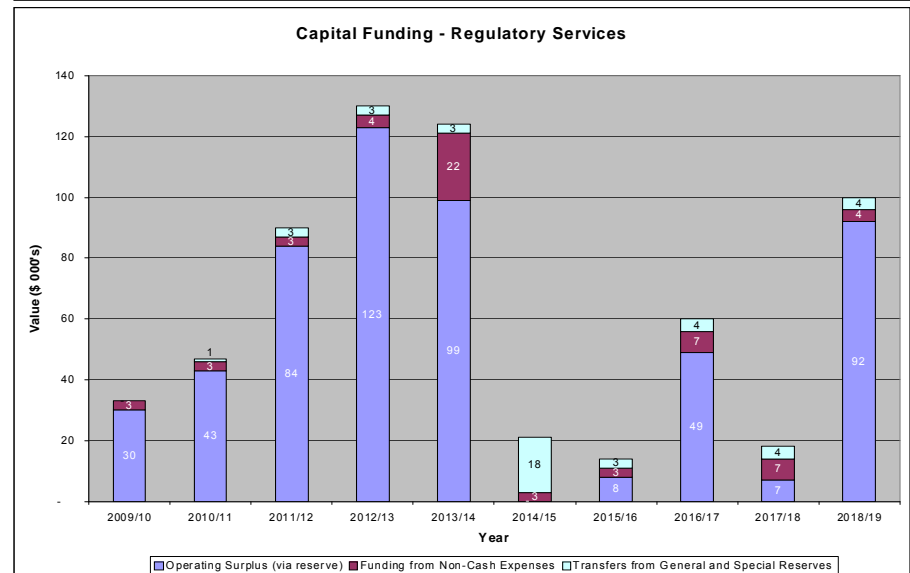
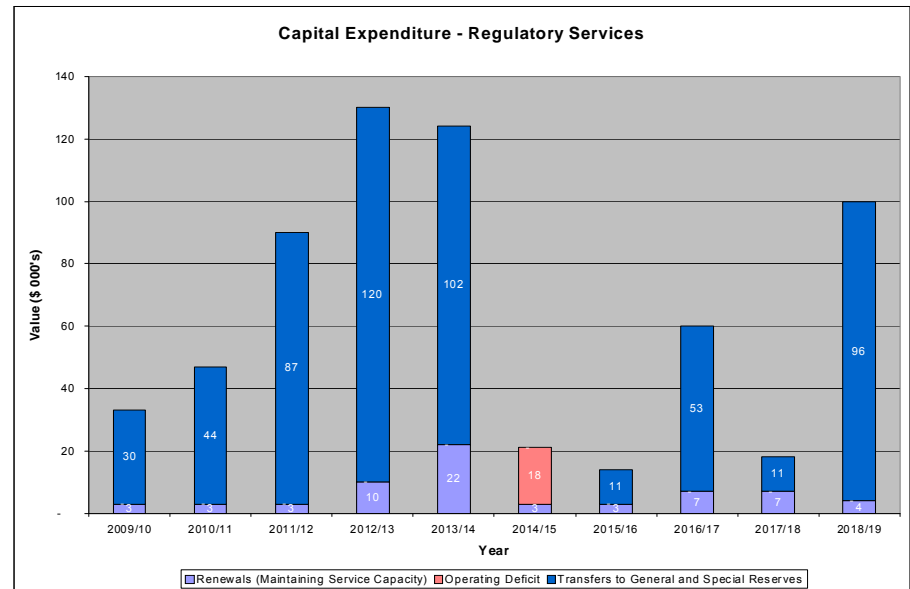
Regulatory Services Cost of Service Statements

Regulatory Services - Operating Statement	2009/10	2010/11	2011/12
Operating Revenue			
Activity Revenue	641	662	720
Targeted Rates	-	-	-
Development Contributions	-	-	-
General Rates	506	565	600
Other General Sources ⁽⁶⁾	245	236	241
Total Operating Revenue	1,392	1,463	1,561
Operating Expenditure			
Building Control	447	438	470
Planning & Development	310	346	354
Civil Defence	46	48	49
Dog Control	118	137	140
Stock Ranging and Impounding	7	7	7
Environmental Health	103	107	109
Rural Fire Control	49	48	52
Environmental Services Manager	282	289	296
Total Operating Expenditure	1,362	1,420	1,477
<i>includes:</i>			
Salaries and Wages	474	486	497
Depreciation	10	11	11
Interest	-	-	-
Operating Surplus (Deficit) \$	30	43	84
Operating Surplus transferred to Reserves; or	30	43	84
Operating Deficit funded from Reserves	-	-	-

⁵ This represents income earned from internal charging between departments for staff time spent working for other departments.






Regulatory Services - Capital and Reserves Funding Statement			
	2009/10	2010/11	2011/12
Capital and Reserves Funding Requirements:			
Capital Expenditure			
Renewals (Maintaining Service Capacity)	3	3	3
Growth (Improving Service Capacity)	-	-	-
Level of Service (Improvements to Service)	-	-	-
New Statutory Requirements	-	-	-
Total Capital Expenditure	3	3	3
Loans repaid	-	-	-
Operating Deficit	-	-	-
Transfers to General and Special Reserves	30	44	87
Total Funding Required	33	47	90
Funded by:			
Operating Surplus (via reserve)	30	43	84
Funding from Non-Cash Expenses	3	3	3
Loans Raised	-	-	-
Transfers from General and Special Reserves	-	1	3
Capital Income	-	-	-
Total Funding Applied	33	47	90



Building Control

What is the extent of Council's responsibility

-  Issue building consents, inspect building work and issue final Code Compliance Certificates.
-  Carry out all the functions of a Building Consent Authority and all other duties and responsibilities required under the Building Act 2004.
-  Enforce the provisions of the Fencing of Swimming Pools Act 1987.

What are the significant negative effects

The large amount of information now required to be submitted in consent applications and the detailed review process mean that applications take longer to process. There are negative cost implications for owners and applicants due to time delays.

Increased regulation can lead to an increased incidence of unauthorized building work.

Lower costs are charged for minor works in order to keep compliance costs at a reasonable level.

How are these negative affects mitigated

These effects can be mitigated by providing applicants with an accurate list of requirements and detailed information about the application process. Consents are issued within statutory time-frames

What is the existing level of service

Council gained accreditation as a Building Control Authority in October 2008. Processes around receiving, issuing and inspecting building works are now documented and subject to rigorous audit. Adherence

with regulatory deadlines and national standards is a requirement of this approval.

What will be the effect of change in Levels of Service

Compliance with the second phase of the Building Consent Authority registration becomes mandatory in November 2010. This will require the implementation of a quality management system for all building control processes. The challenge for staff is to use this process to increase productivity. A national shortage of technical staff means that employing more officers is not a suitable strategy.

How will this activity be funded

Council determined that the costs of processing building consents and inspections should be funded by maximising user fees such that applicants pay all costs relating to their application. The remainder (approximately 40%) including the cost of public enquiries should be funded by a general rate based on capital value.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



Ensure services and facilities meet the needs of the Community



Manage the Natural and Physical environment in a sustainable manner



Protect the special character of our harbours and their catchments



Recognise the importance of the District's rural character

Key Building Control Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
The Council processes, inspects and certifies work in Otorohanga District	The Council remains a Building Consent Authority to help ensure buildings are safe	Otorohanga District Council maintains its processes so that it meets BCA accreditation every two years	Yes	-	Yes	-	Yes
	The Fencing of Swimming Pools Act is enforced	A Pool Register and a system of regular and recorded pool inspections will be in place by December 2009. Thereafter the Register and process will be audited annually.	New Measure	Register & Inspections in place	Annual Audit undertaken	Annual Audit undertaken	Annual Audit undertaken
Building consent applications are processed within 20 working days as required by Sec 48 of the Building Act 2004	Council certifies all consented building work complies with the building code – ensuring our communities are safe	All consents will be processed within 20 working days and the average time to process a building consent will not be more than 10 days	100%	100%	100%	100%	100%

Planning and Development

What is the extent of Council's Responsibility?

Planning is a statutory function of the Council under the Resource Management Act. The Act deals with the use, development, subdivision and protection of land in the District. The primary emphasis is on dealing with the effects of activities in the District.

Planning staff ensure that buildings, subdivision and land uses meet the effects levels agreed by the community in the District Plan. Staff also provides planning advice to the public and professional advice to Council on policy matters at a local, regional and national level.

What are the significant negative effects

Concern that excessive regulation and restrictive planning rules will stifle development and growth in the District.

Due to the long term timeframes involved in the development and implementation of land use policy and rules, it is difficult to foresee all the consequences of decisions made now. There is a risk of unintended negative effects.

How are these negative affects mitigated

These effects are best mitigated by encouraging maximum community involvement in the consultative process when developing new policy and rules.

What is the existing level of service

Council processes applications for subdivision and land use activities. Staff are available to meet with applicants and the public to discuss issues arising from the implementation of the Resource Management Act and the Councils current Operative District Plan.

What will be the effect of change in Levels of Service

Proposed legislative change will affect the delivery of this service. It is not known at this stage if this will have a minor or major impact on this activity.

How will this activity be funded

Council recognises that a significant portion of the cost of this activity involves dealing with general public enquiries, many of which lead to a consent application, but some that do not. Council considered that it was not appropriate to charge for general enquiries, as that would be a disincentive, which would not be in the best interests of the district.

Council determined that the cost of processing and monitoring consent applications should be funded by maximising user fees such that consent applicants are paying the full cost of the application. The remainder, including the cost of public enquiries, should be funded by the District Wide general rate based on Capital Value.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



Ensure services and facilities meet the needs of the Community



Manage the Natural and Physical environment in a sustainable manner



Protect the special character of our harbours and their catchments



Recognise the importance of the District's rural character

Key Planning and Development Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
All resource consent decisions will be notified within the time limits of Sec 115 of the Resource Management Act 1991	Efficiently processing resource consent applications enables the Council to regulate land-use activities consistently with its District Plan (Landuse regulations), demonstrating that the Council values the natural environment	The time to process non-notified land use and subdivision consents will be no more than 20 working days	100%	100%	100%	100%	100%
		All decisions are prepared, signed and mailed to applicants within three days of the signing of the Planner's Report and Recommendation.	< 3days	< 3days	< 3days	< 3days	< 3days
Good advice will be delivered to help people understand the District Plan rules	Good advice from the Council, in accordance with the District Plan, will contribute to ensuring that growth and development is managed appropriately and that the natural environment of the District is treated respectfully	Develop process maps and instructions for the Resource Consent application, assessment and issuing procedures. Draft process maps to be completed by June 2010. Procedures to be audited annually.	New Measure	Completed June 2010	Annual Audit	Annual Audit	Annual Audit

Civil Defence

What is the extent of Council's responsibility?

Otorohanga District is an active member of the regional body, the Waikato Valley Emergency Operations Area. At a District level, the Council maintains and practices activating the Otorohanga Emergency Operations Centre to manage local Civil Defence emergencies. Council supports the Community Emergency response Group formed in Kawhia township.



What are the significant negative effects

The negative aspect of Civil Emergency preparedness is that the actual form and time of any event is unknown. Many staff live outside the District and circumstances at the time will impact on the ability to respond.

How are these negative affects mitigated

This is mitigated by practicing for a wide range of events and encouraging all staff to participate in Emergency Management Exercises and training.

What is the existing level of service

-  Council staff hold regular training exercises. Individual staff members attend CIMS skill training. Emergency Management Plans are updated as required.
-  The Emergency Operation Centre is ready to be activated in time of emergency. The Centre's role is to provide welfare assistance and logistic support to other emergency services as requested.

What will be the effect of change in Levels of Service

It is not expected that there will be any change in the level of service.

Civil Defence Assets

Civil Defence assets consist of one base radio at Otorohanga EOC and one at Kawhia Community Rooms. The Otorohanga EOC has five hand held radios.

How will this activity be funded

Council concluded that this function should be funded 100% from the Uniform Annual General Charge over the District to recognise that the benefit is equally available to all people of the District.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



Ensure services and facilities meet the needs of the Community



Manage the Natural and Physical environment in a sustainable manner



Protect the special character of our harbours and their catchments



Recognise the importance of the District's rural character

Key Civil Defence Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
People are prepared for a civil defence emergency	This service means the Council has a direct role in ensuring communities are prepared for emergencies	Formal training exercises are conducted each year	2	2	2	2	2 per annum
		The Civil Defence action team comprising key staff will meet at least once between formal exercises to ensure preparedness and training schedules are maintained.	New Measure	Once between exercises	Once between exercises	Once between exercises	Once between exercises

Dog Control

What is the extent of Council's responsibility?

Council has a statutory requirement to implement and carry out the functions of the Dog Control Act 1996. The performance of enforcement activities.

Council's animal control services include the registration of dogs, the provision of a dog impounding service, the investigation of dog complaints, the education of dog owners and the general public, and the performance of enforcement activities. These services are provided by contract to meet the Community's expectation for health, order and safety.

What are the significant negative effects

Dog control regulations reduce personal freedoms in order to promote wellbeing and safety in the wider community.

Dog control fees are reduced for those dog owners who can demonstrate a record of responsible dog ownership.

How are these negative affects mitigated

This effect is mitigated by Council officers discharging their duties in a fair and impartial manner.

What is the existing level of service

The Council contracts Otorohanga Animal Control Services to implement the Dog Control Policy and enforce the provisions of the Dog Control Act.

What will be the effect of change in Levels of Service

It is not expected there will be any change in the level of service.

Dog Control Assets



Dog Pound at Otorohanga.

What additional Asset Capacity is required

The Ministry of Agriculture and Fisheries, who are responsible for the Animal Welfare Act, are in the process of developing a Code of Welfare for Temporary Housing. This would include boarding establishments and Council dog pounds. Any minimum standard set out in a Code of Welfare is legally binding. The likely outcome of this process is that Council will be required to upgrade the Dog Pound to adhere to the requirements of this new Code of Welfare.

What is the estimated cost for the provision of additional Asset Capacity

At this stage no details of the proposed Code of Welfare have been released. Council is unable to quantify the extent of any upgrade to the dog pound.

How will the maintenance, renewal and replacement of assets be undertaken

Asset maintenance will be undertaken by Council staff or contractors as required.

How will the maintenance, renewal and replacement of assets be funded

Council concluded that 90% of this activity would be funded through dog control fees and 10% through the Uniform Annual General Charge.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



Ensure services and facilities meet the needs of the Community



Manage the Natural and Physical environment in a sustainable manner



Protect the special character of our harbours and their catchments



Recognise the importance of the District's rural character

Key Dog Control Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Dogs roaming outside property boundaries and on public reserves will be impounded. The dog control officer responds to public complaints about roaming dogs and uplifts and impounds dogs found wandering the streets. Regular patrols are carried out in urban areas	Through this service, the public feel safe from roaming dogs	Percentage of dogs impounded	New Measure	<5%	<5%	<5%	<5%
		Complaints about roaming dogs that are responded to	100%	100%	100%	100%	100%

Stock Ranging and Impounding

What is the extent of Council's responsibility?

To provide and maintain a stock pound and appoint officers to administer the Impounding Act 1955.

What are the significant negative effects

There is very limited ability to recover the cost of this activity from the owners of wandering or lost stock. This can not be mitigated and in the interests of safety, particularly for road users the activity is almost totally funded by ratepayers.

The Keeping of Stock Poultry and Bees Bylaw places restrictions on the activities of urban residents in the interests of the wellbeing of the general community.

How are these negative affects mitigated

This effect is best mitigated by encouraging maximum community involvement in the consultative process when developing the Bylaw.

What is the existing level of service

The Otorohanga Stock Pound is located on Otewa Road. Otorohanga Animal Control Services are contracted to carry out the duties of Pound Keeper and Stock Ranger under the Impounding Act.

This service is provided to ensure public safety and manage nuisance by removing wandering animals from roadway, public places and private property.

Council contracts to the Land Transport Safety Authority to provide a stock ranging service on state highway located within the Otorohanga District.

What additional Asset Capacity is required

The fence around the stock pound is very old and no longer adequately contains the variety of animals that are held there. It is proposed to erect a new wire mesh fence around the whole pound.

What is the estimated cost for the provision of additional Asset Capacity

A quote for a new fence of \$5,000 has been received from a fencing contractor.

How will the maintenance, renewal and replacement of assets be undertaken

Asset maintenance will be undertaken by Council staff or contractors as required.

How will the maintenance, renewal and replacement of assets be funded

Council will fund this activity by maximising (to what the market can bear) the poundage fees and sustenance charges levied on the owners of impounded stock (2.5%) and the remainder (97.5%) will be funded from the Uniform Annual General Charge over the whole District.

The effect of this policy is that the general ratepayer subsidises those who benefit.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



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Manage the Natural and Physical environment in a sustainable manner



Protect the special character of our harbours and their catchments



Recognise the importance of the District's rural character

Key Stock Ranging and Impounding Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Wandering animals are removed from roadways, public places and private property.	Public safety is enhanced because wandering animals are removed from roads and public places.	Calls about stock wandering on roads are actioned immediately. Response time depends on location of stock and travelling times	100%	100%	100%	100%	100%

Environmental Health

What is the extent of Council's responsibility?

Council administers Acts and Health Regulations that cover public safety issues relating to food safety, safe water, disease containment and environmental nuisance. In addition this activity is responsible for licensing and monitoring premises where liquor is sold, noise control responsibilities and businesses that hold a licence issued under the Trade Waste Bylaw.

What are the significant negative effects

Licence holders may feel restricted by the requirements of bylaws and regulations. The freedom to operate a business or licenced premise must be balanced against the wellbeing and safety of the wider community.

How are these negative affects mitigated

This effect can be mitigated by Council officers discharging their duties in a fair and impartial manner. Licence holders must be allowed to participate in the development of bylaws or regulations that affect their livelihood.

What is the existing level of service

Council does not employ a full time Environmental Health Officer (EHO). A qualified EHO provides two days service per week. This is sufficient to maintain an adequate level of service to existing licence holders and to investigate and report on communicable diseases.

Council has agreed in principle to join a shared services agreement with Waitomo and Waipa District Councils for an enhanced Environmental Health service. This proposal will see the current service level maintained with the additional capacity of the Waipa District available to provide backup, relieving staff and assistance on large projects such as food fairs.

What will be the effect of change in Levels of Service

It is not expected that there will be any change in the level of service.

How will this activity be funded

There are statutory limits on some of the charges that can be levied, and Council recognises that in some cases the cost of the activity can not be recovered.

Council concluded that it would fund this activity by maximising user charges to what the market can bear where possible including a portion for general enquiries and fund the balance equally by way of the Uniform Annual General Charge over the whole district and the general rate.

The effect of this policy is that the general ratepayer will subsidise those who receive the benefit.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



Ensure services and facilities meet the needs of the Community



Manage the Natural and Physical environment in a sustainable manner



Protect the special character of our harbours and their catchments



Recognise the importance of the District's rural character

Key Environmental Health Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Cases of communicable disease that are notified to the District Health board are referred to the Environmental Health officer for investigation. The affected family is interviewed and good hygiene practice is discussed. The outcome of the interview is reported back to the DHB	The cause of communicable disease is identified and further transmission of the infection is avoided	All communicable disease reports received from the District Health Board are investigating within 5 working days. The result of the investigation is reported back to the Medical Officer of Health no later than 7 working days from receiving the report.	100%	100%	100%	100%	100%
All premises in the District that prepare food for sale receive at least one annual inspection to check for compliance with the food hygiene regulations	Having healthy food services, helps achieve safe communities	All premises in which food is sold or processed, hold a current licence.	100%	100%	100%	100%	100%
		All licenced premises receive at least one annual inspection. All inspections recorded in the NCS database.	1	1	1	1	1
All premises in the District that sell liquor are inspected annually to ensure the operations comply with the provisions of their liquor licences. Managers of these premises are required to hold current managers certificates.	The Council will help to achieve safe and healthy communities through preventing bad behaviour as a result of liquor supply	A liquor licence is held in respect of all premises at which liquor is sold or supplied, and every premise licensed for the sale or supply of liquor is managed by an appropriately qualified person	100%	100%	100%	100%	100%

Rural Fire

What is the extent of Council's responsibility?

Council provides a Rural Fire Service to fulfil its obligations under the Fire Service Amendments Act, Forest and Rural Fires Act and the Fire Service Amendment Act. Council provides fire prevention services, fire fighting equipment, fire management and associated administrative support.

Council is assisted by the NZ Fire Service and the National Rural Fire Authority in providing this service.

What are the significant negative effects

Ongoing increases in the standard of service and auditing requirements set out in the Forest and Rural Fire Regulations 2005 will result in increased costs not forecast.

Failure to provide an adequate fire response capability could result in significant damage to property and possible loss of life.

Circumstances could arise where substantial fire control costs might not be fully recoverable from the National Rural Fire Authority or some other party, leaving Council to pay such costs.

How are these negative affects mitigated

Joint service delivery options will be investigated if costs significantly increase, or capability appears to be inadequate.

What is the existing level of service

A basic level of service is provided to meet the requirements of relevant legislation. A key target during Restricted Fire Seasons is to process and where appropriate issue fire permits within 3 days of the receipt of an application for such a permit.

What will be the effect of change in demand

No change in demand for this service is expected.

What will be the effect of change in Levels of Service

No change in level of service is expected.

What additional Asset Capacity is required

No additional asset capacity is expected to be required.

How will the maintenance, renewal and replacement of assets be undertaken

On an 'as required' basis. It is probable that Council will investigate the option of entering a shared service arrangement with other Local Authorities in relation to rural fire control during the period of this LTCCP. If this was to prove successful Council would not be directly responsible for renewing its existing assets.

How will the maintenance, renewal and replacement of assets be funded

Council recognizes that it is impossible to identify and measure the extent of the benefit and considers that the activity should be funded publicly. However Council has the ability to charge for call outs. Council has concluded that the activity would be funded by charging for call outs, with the balance from the separate rate on the Rural Area based on capital value.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live










Ensure services and facilities meet the needs of the Community

Key Rural Fire Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
To provide a rural fire service to meet the requirements of the Forest and Rural Fires Act and Regulations.	Aid in the reduction of uncontrolled fires and reduce the cost of rural fires to the ratepayers which will ensure that our essential services and the environment are protected.	Permits are to be issued within 3 working days Annual Restricted Fire Season.	>90%	>90%	>90%	>90%	>90%
		Recovery of the costs of fires from those responsible for lighting fire or their insurers.	>90%	>90%	>90%	>90%	>90%
		Review of the rural fire plan contact details annually and full review 2 yearly by 30 September	New Measure	Contact Details	Full Review	Contact Details	Ongoing Reviews



Governance and Leadership

What Community Outcome Does Governance and Leadership Contribute To

	Community Outcomes	Democracy	Council Support	Corporate Planning	Resource Management Policy Development	Iwi Liaison
	Otorohanga District is a safe place to live	Advocate			Implementer Regulator	
	Ensure services and facilities meet the needs of the Community	Advocate			Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor
	Provide for the unique history and culture of the district	Advocate	Partner Advocate			Implementer Partner Advocate
	Promote the local economy and opportunities for sustainable economic development	Partner Advocate			Implementer Regulator	
	Manage the Natural and Physical environment in a sustainable manner	Advocate			Implementer Partner Advocate Regulator Monitor	Implementer Partner Advocate Regulator Monitor
	Foster an involved and engaged community	Implementer Partner Advocate	Partner Advocate	Implementer Partner Advocate	Implementer Partner	Implementer Partner
	Protect the special character of our harbours and their catchments	Advocate			Implementer Partner Regulator Advocate	Partner Advocate
	Recognise the importance of the District's rural character	Advocate			Implementer Partner Regulator Monitor	




WHAT IS GOVERNANCE AND LEADERSHIP

The purpose of local government as defined in the Local Government Act 2002 is:

-  To enable democratic local decision-making and action by, and on behalf of communities; and
-  To promote the social, economic, environmental, and cultural well being of communities, in the present and for the future.






The Otorohanga District Council has stated its governance and leadership role in achieving this purpose is:

To ensure the successful...

-  Provision of services and facilities;
-  Advocacy on behalf of the community; and
-  Use and management of resources.










...for all who live in the Otorohanga District.

WHICH ACTIVITIES ARE INCLUDED IN THE GOVERNANCE AND LEADERSHIP GROUP

-  Democracy
-  Council Support
-  Corporate Planning
-  Resource Management Policy Development
-  Iwi Liaison

WHY ARE THESE ACTIVITIES INCLUDED ?

These activities collectively provide the governance and policy development required to enable Council to meet its legislative requirement to:

-  Formulate the Districts strategic direction in conjunction with the community needs – called the Otorohanga District LTCCP;
-  Determine the services and activities to be undertaken;
-  Consult with the community on all significant issues;
-  Manage principal risks;
-  Administer various statutes and regulations;
-  Deliver the Otorohanga District LTCCP, the Annual Plan and the Annual Report;
-  Ensure the integrity of management control systems;
-  Safeguard public interest;
-  Report to ratepayers and residents.

RATIONALE OF GOVERNANCE AND LEADERSHIP

Democracy

One of the main purposes of territorial authorities is to enable democratic decision making and action.

At a basic level this involves people being involved in the decisions that affect them. However, effective democracy is about more than Council's decision making; democracy in New Zealand is synonymous with human rights, fairness, justice and equity. This means that everyone should have the same opportunities to achieve their

potential, everyone should be able to participate and be part of our communities, and should have access to recreational, educational and employment opportunities.

Council now has a broader mandate from central government to consider how they meet the needs of the community. A consequence of this is Council's increased responsibility to ensure that the community is well informed and involved in Council decision making.

Democracy activities represent Council's commitment to ensuring equity and positive growth throughout our district. In many cases Council is not alone in seeking to maximise community participation and equity. This requires Council to identify and collaborate with other district, regional and national agencies with similar or complimentary goals.

Council Support

Council is required by legislation to disperse grants. It facilitates the distribution of funds from Sport and Recreation New Zealand (SPARC) and Creative Communities New Zealand. Local Residents and staff are represented on the distribution committees along with Councillors.

The provision of grants is an integral component of Council's strategy to empower local communities and assist them in achieving their vision and strategic outcomes, by encouraging and rewarding community spirit.

Corporate Planning

The Local Government Act 2002 requires every local authority to carry out a process to identify community outcomes – statements of community aspirations for the immediate to long-term future.

The process provides opportunities for people to discuss their desired community outcomes in terms of present and future social, economic, environmental and cultural well-being. The intention is that these outcomes become the basis for increased transparency and accountability by councils and other stakeholders, as a base for improving community well-being and sustainable development.

In addition to developing the community outcomes, Council must identify what it will contribute towards these, along with other agencies within its Long Term Council Community Plan and Annual Plans. Council must monitor its performance and achievement towards these outcomes as well as monitoring the achievement of the community outcomes.

Policy Development

The purpose of this activity is to formulate strategic direction in all policies, by-law and planning matters. Predominant drivers for policy development stem from legislative requirements. Council is involved in this activity because of public demand and statutory responsibility.

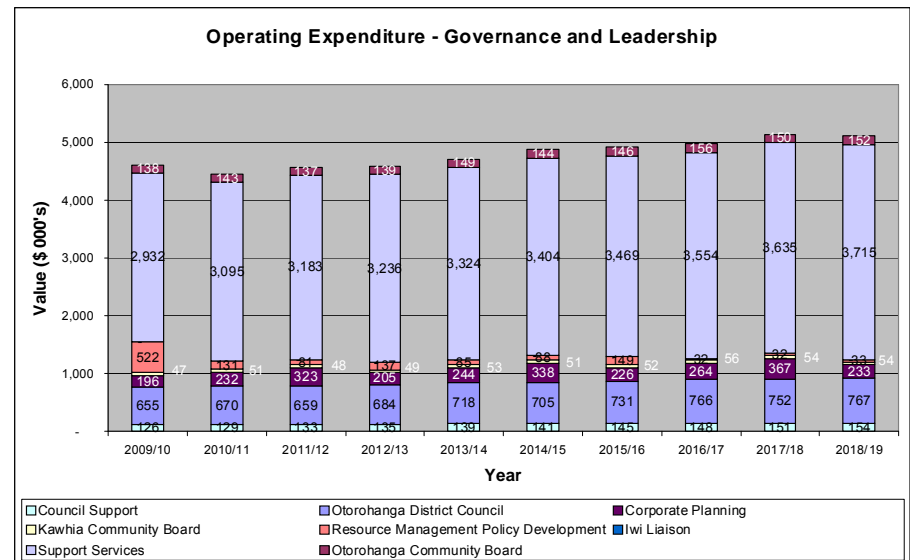
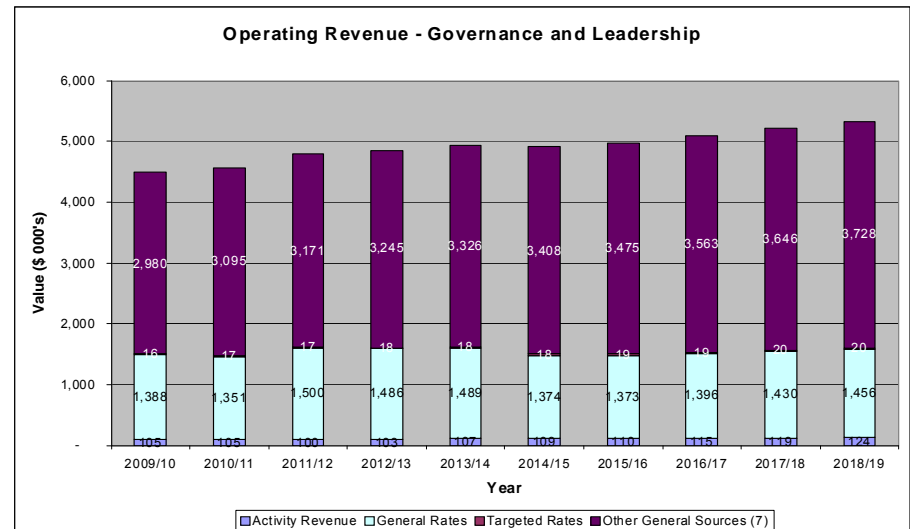
Iwi Liaison

The purpose of Iwi Liaison is to independently facilitate input from the Maori Community into democratic and community processes. Council has a statutory responsibility for this activity under the Local Government Act 2002 and the Resource Management Act 1991.

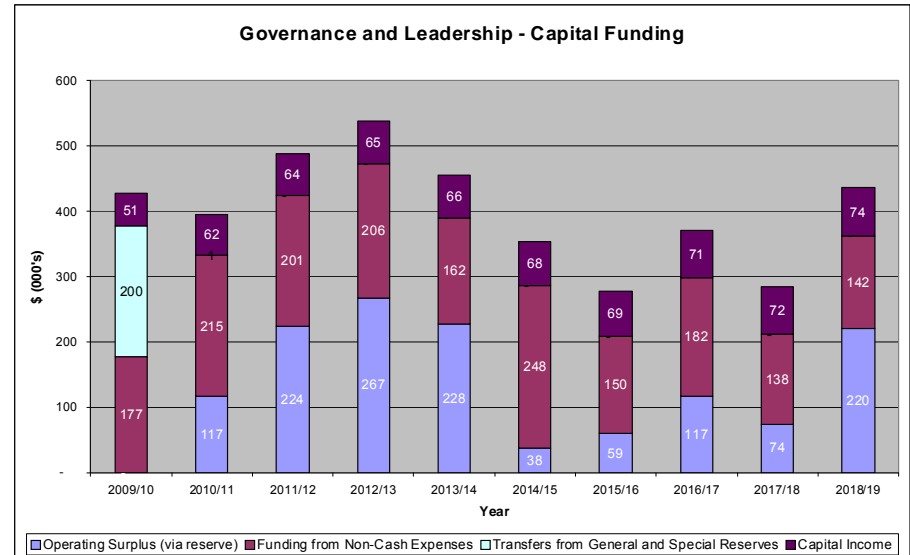
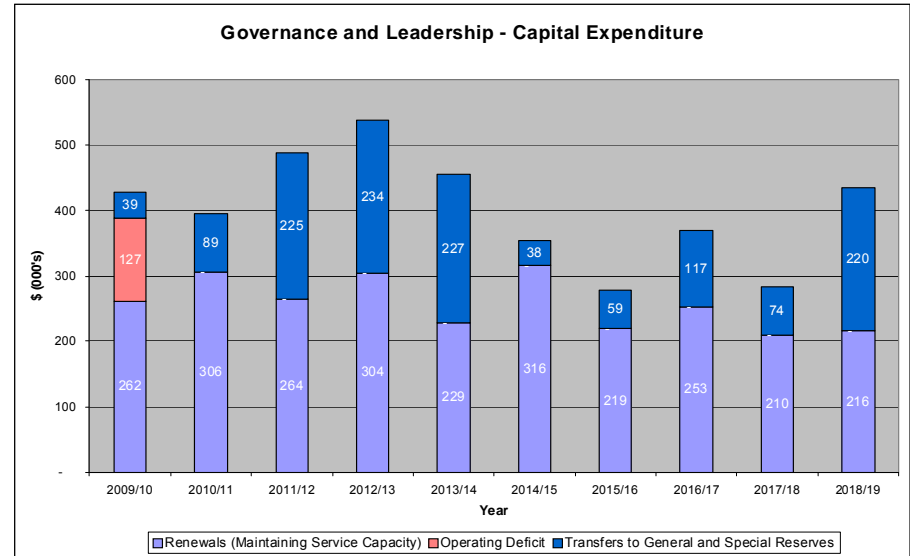
Governance and Leadership Financial Statements

Governance and Leadership - Operating Statement	2009/10	2010/11	2011/12
Operating Revenue			
Activity Revenue	105	105	100
Targeted Rates	16	17	17
Development Contributions	-	-	-
General Rates	1,388	1,351	1,500
Other General Sources ⁽⁷⁾	2,980	3,095	3,171
Total Operating Revenue	4,489	4,568	4,788
Operating Expenditure			
Otorohanga District Council	655	670	659
Otorohanga Community Board	138	143	137
Kawhia Community Board	47	51	48
Council Support	126	129	133
Corporate Planning	196	232	323
Resource Management Policy Development	522	131	81
Iwi Liaison	-	-	-
Support Services	2,932	3,095	3,183
Total Operating Expenditure	4,616	4,451	4,564
<i>includes:</i>			
Salaries and Wages	1,757	1,696	1,734
Depreciation	219	229	246
Interest	-	-	-
Operating Surplus (Deficit) \$	- 127	117	224
Operating Surplus transferred to Reserves; or	-	117	224
Operating Deficit funded from Reserves	127	-	-

⁶ This represents income earned from internal charging between departments for staff time spent working for other departments.







Governance and Leadership - Capital and Reserves Funding Statement	2009/10	2010/11	2011/12
Capital and Reserves Funding Requirements:			
Capital Expenditure			
Renewals (Maintaining Service Capacity)	262	306	264
Growth (Improving Service Capacity)	-	-	-
Level of Service (Improvements to Service)	-	-	-
New Statutory Requirements	-	-	-
Total Capital Expenditure	262	306	264
Loans repaid	-	-	-
Operating Deficit	127	-	-
Transfers to General and Special Reserves	39	89	225
Total Funding Required	428	395	489
Funded by:			
Operating Surplus (via reserve)	-	117	224
Funding from Non-Cash Expenses	177	215	201
Loans Raised	-	-	-
Transfers from General and Special Reserves	200	1	-
Capital Income	51	62	64
Total Funding Applied	428	395	489



Democracy

What is the extent of Council's responsibility?

The Democracy activity provides for :

-  Council's governance at District and local level.
-  Administration of elections.
-  Council's advocacy on issues that impact on the Community Outcomes.
-  The planning and policy development that provides a framework for the Community's strategic direction.

From this activity of Council, policies guiding strategic direction and strategic financial decisions are prepared and consulted on, including the future Otorohanga Long Term Council Community Plan.

What are the significant negative effects

Policy can often advantage some individuals or groups at the expense of others as policy decisions affect all well-beings – some more positively than others.

How are these negative effects mitigated





By Council interpreting policy and undertaking decision making in a balanced manner that recognises competing demands but attempts to make decisions that are in the best interests of the entire District.

What is the existing level of service




The Mayor and Councillors are elected every three years. Their role is to provide governance and leadership to the community, to assess community related issues and make decisions on behalf of residents, ratepayers and stakeholders which affect the Otorohanga District.

Council provides governance, leadership and direction in community management through decision-making, advocacy, facilitation, and monitoring.





Section 14 of the Local Government Act, 2002 defines the principles that Council must act in accordance with. A summary of these principles is:

-  Conduct all its business in an open and transparent manner;
-  Deliver its services effectively;
-  Make itself aware of community views;
-  Have regard to the views of its communities.




When making decisions the Council should take account of:

-  The diversity of its communities interest;
-  The interests of the communities in the future;
-  The effect of its decisions on community well-being

The Council should also:

-  Work with other councils and groups to ensure collaborative objectives are achieved;
-  Operate any commercial operation with sound business practices;
-  Manage resources on behalf of the Otorohanga District community and use them effectively;
-  Provide opportunity for Maori to take part in decision-making processes.

The Council, in taking a sustainable approach, should take into account:

-  The social, economic and cultural well-being of the people and communities;
-  Maintaining and enhancing the environment;
-  The reasonable foreseen needs of future generations.

Council exercises its responsibilities under the Local Government Act 2002 and approximately 100 other Acts and associated regulations.



What will be the effect of change in demand

Future demand for democracy is difficult to ascertain with the level of information available. While trends indicate a population that is slowly declining or remaining static in parts of the district, other areas are experiencing growth. Combined with changing demographic patterns, the diversity and expectations of the community to be involved is increasing, necessitating more comprehensive engagement processes. Expected demands will focus on the processes Council already has in place to engage with diverse groups within the community whilst utilising the consultation database it has in place.

What will be the effect of change in Levels of Service

Triennial elections are scheduled for October 2010.

Prior to each triennial election, Council must decide which electoral system to use:

-  First past the Post
-  Single Transferable Vote

At the last review the First Past the Post system was retained.

How will this activity be funded

Otorohanga District Council

50% by way of UAGC over the whole District, to ensure that all people make some contribution and 50% from general rate to recognise benefit to property.

Otorohanga / Kawhia Aotea Community Boards

To recognise the role of the community boards in the overall governance of the district, 30% of the support costs to be funded 50% from the UAGC and 50% from General rate, and the remaining 70% to be funded 50% by Uniform Targeted rate and 50% by Targeted rate based on CV over the respective communities of Otorohanga and Kawhia/Aotea.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



Ensure services and facilities meet the needs of the Community



Provide for the unique history and culture of the district



Promote the local economy and opportunities for sustainable economic development



Manage the Natural and Physical environment in a sustainable manner



Foster an involved and engaged community



Protect the special character of our harbours and their catchments



Recognise the importance of the District's rural character

Key Democracy Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Communicate and consult with the community on key issues	An active supportive community is achieved through the Council providing opportunities for residents and ratepayers to contribute to decision-making processes by providing their community views	Produce six-monthly Council newsletter	2 newsletters per annum	Minimum 2 newsletters per annum	Minimum 2 newsletters per annum	Minimum 2 newsletters per annum	Minimum 2 newsletters per annum
Meet Local Government Act 2002 statutory planning and reporting requirements.	By achieving statutory planning and reporting requirements a high standard of accountability is demonstrated to the community	Draft LTCCP/ Annual Plan to be adopted by 30 June each year Annual Report to be adopted by 31 October each year	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance
Council will make itself aware of community views and have regard to views of its communities.	An active supportive community is achieved through the Council providing opportunities for residents and ratepayers to contribute to decision-making processes by providing their community views	Triennial Residents Survey to be undertaken on community satisfaction relating to delivery of services and Council efficiency	New Measure	Not Measured	Not Measured	>75% of residents in general satisfied with the performance of Council.	>75% of residents in general satisfied with the performance of Council in 2014 and 2017.

Council Support

What is the extent of Council's responsibility?

Council has a historic role in providing grants to different community organisations. This is generally in response to community expectations. Each application for assistance will be considered on its merits.

What are the significant negative effects



Accusations of favouritism on the Council may arise from funding allocation decisions. Requests for significant additional Council support may arise if existing government funding or externally sourced funding ceases to become available for currently supported or unsupported organizations, or if the number of community organizations significantly increases.

How are these negative effects mitigated

Open, consistent and transparent processes are followed by Council in allocating support, with Council reconsidering its position regarding the continuation of existing funding if changing financial or social circumstances indicate this to be appropriate.

What is the existing level of service

Council acts as an agent and distributes grants on behalf of two government funded initiatives. They are:

-  Creative Communities New Zealand Fund to encourage and assist the community to participate in arts and cultural projects.
-  SPARC to encourage and assist sporting teams and groups to participate in arts and cultural projects.

Council has a historic role in providing grants to different community organisations. This is generally in response to community

expectations. Each application for assistance will be considered on its merits.

What will be the effect of change in demand

Potential growth in parts of the district will increase demand for grants to enable local communities to participate in sport, recreation, arts, cultural, environmental and heritage activities in future years. However, there is no provision at this stage for Council to increase its contribution.

What will be the effect of change in Levels of Service

Any reduction in levels of service may affect the viability of the various community organisations that Council supports.

How will this activity be funded

Council considers that there is no practical mechanism to easily capture the private benefit and concludes that this activity should be funded from the general rate.

The effect of the policy is that the general ratepayer might subsidise those who benefit.

In terms of external grants such as the Rural Travel Fund and the Creative Communities grants, these are funded through grants received from the relevant agencies, with administrative costs covered from the general rate.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Provide for the unique history and culture of the district



Foster an involved and engaged community

Key Council Support Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Management and provision of Creative Communities and SPARC funding schemes	The Council supports the development of communities by providing funding to agencies where it sees that such funding will positively support and make our communities more healthy, active and creative	Distribution of funds to Creative Communities and SPARC funding schemes on application from qualifying organisations	New Measure	> 85% allocated	> 85% allocated	> 85% allocated	> 85% allocated
Management and provision of Otorohanga District Council community funding	The Council supports the development of communities by providing funding to agencies where it sees that such funding will positively support and make our communities more healthy, active and creative and also support the vulnerable and those at risk	Provision of Otorohanga District Council General Grants and ongoing Grants	New Measure	Within annual budget allocation	Within annual budget allocation	Within annual budget allocation	Within annual budget allocation

Corporate Planning

What is the extent of Council's responsibility?

The Corporate Planning activity has two primary roles, ensuring organisational compliance to legislative requirements, and implementation of Council strategies.

This activity has a key role in developing and shaping organisational culture and direction through coordinating and managing organisational strategy development for the purpose of continued effectiveness and efficiencies.

Additionally, Council frequently needs to respond to legislative expectations and this activity is Council's primary mechanism for ensuring compliance with many of these expectations. For example, The Local Government Act 2002 requires every local authority to carry out a process to identify community outcomes – statements of community aspirations for the immediate to long-term future.

This activity is also involved in building strategic relationships for the purpose of furthering Council and community goals and objectives and the provision of strategic information for long-term decision making.



What are the significant negative effects

Changes to new goals can take some time to have policy developed. Significant assumptions may be affected by outside influences that weren't for seen at the time of preparation of the plan.

How are these negative effects mitigated

By remaining alert for divergence from assumptions and retaining planning resources and structure that allow prompt responses to significant plan / actual variances where deemed appropriate.






What is the existing level of service

-  The LTCCP – Council's public strategy document outlining Council direction and goals for a 10 year period with specific detail for the first three years; required to be updated every three years.
-  Community Outcomes – a consultation process identifying community goals for a 10 year or greater period; required to be updated every six years and progress reported every three years.

What will be the effect of change in demand




The Corporate planning activity reflects the community's vision. As such it needs to have the ability to be amended in accordance with the changing circumstances of the community. Staff resources with some minor resourcing through external assistance will enable these changes to occur.

The key trends impacting on demand for the Corporate Planning function are;

-  Changing population demographics
-  A potential decrease in population numbers in parts of the district
-  An increase in public awareness and expectations of higher standards.
-  Pressure to maintain and enhance values of all members of the community
-  Achievement of all community outcomes within unrealistic timeframes.

What will be the effect of change in Levels of Service

The levels of service are driven by the need to meet legislation requirements whereby involvement of the community occurs. The key areas to assess whether Council's meeting legislative expectations are:

-  The rates of participation in processes and feedback received on these processes.
-  Legislative timeframes being met.
-  Meeting the purpose of legislation through effective and efficient use of resources and services.

Council is required to discuss the levels of service with the community to ascertain support for specific target levels and levels of funding to achieve these targets.

Key Corporate Planning Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
Reporting back to the community on monitoring of community outcomes	The identification of local and District-wide visions will guide decision making and planning for the future	A 3 yearly published report on the progress towards achieving community outcomes	New Measure	Report available in October 2009	Not measured	Not measured	Report available in October 2012,2015 & 2018
Existing levels of service as identified in Councils triennial survey meets the needs of the community	Having plans in place to ensure growth and change is managed will help ensure our community's vision will happen	A triennial Levels of Service Survey to all affected ratepayers	New Measure	Not measured	Not measured	2011 survey, target 40% response	2014,2017 survey, target 50% response


How will this activity be funded

Council concluded that this activity should be funded equally by way of the Uniform Annual General Charge and the District Wide general rate.

Information on the reasoning behind this funding method can be found in the Revenue and Financial policy, beginning on page 200.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes

-  Foster an involved and engaged community

Policy Development

What is the extent of Council's responsibility?

Council has a legal obligation to meet the requirements of the Resource Management Act 1991 to review Councils' District Plan and where and when necessary amend the District Plan to give effect to other planning documents such as National Policy Statements, National Environmental Standards and Regional Plans.

What are the significant negative effects

Council would be in breach of its statutory obligations as defined by the Resource Management Act 1991 if the District Plan was not reviewed within the 10 year period. Further to this, if the District Plan review is not undertaken there would be implications to economic, environmental and cultural well beings as greater costs would impact the resource consent process and environmental and cultural resource management issues would not reflect advances made in resource management since the development of the current Plan. Nor would the Plan reflect changes and advances incorporated into legislation, for example a number of National Policy Statements and the Vision and Strategy of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill.

How are these negative effects mitigated

These negative effects will be mitigated through the review of the District Plan in light of current good practise and reflective of current legislation.

What is the existing level of service

Currently the District is serviced by the operative Otorohanga District Plan 1999.

What will be the effect of change in demand

The District Plan provides guidance and direction in regards to changes in land use and subdivision activities. Any increase in demand for these types of activities will be managed according to the relevant provisions in the District Plan.

What will be the effect of change in Levels of Service

Any change in service may result in a greater or lesser degree of regulation within the next District Plan than is currently provided in the operative District Plan 1999. This will have a bearing on the consent process where a land use or subdivision application may be required to be undertaken. This may have direct cost implications to the applicant in regards to notification and potential hearing processes.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Otorohanga District is a safe place to live



Ensure services and facilities meet the needs of the Community



Promote the local economy and opportunities for sustainable economic development



Manage the Natural and Physical environment in a sustainable manner



Foster an involved and engaged community



Protect the special character of our harbours and their catchments



Recognise the importance of the District's rural character

Key Policy Development Level of Service Targets





Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13 – 2018/19
Ensure major decisions are made in a democratically accountable way	Ensures Council's decision making processes involves and engages the community	100% of all significant decisions are made subject to respective consultative procedures that meet the requirements of the Local Government Act 2002 and/or Resource Management Act 1991	100% 2009	100%	100%	100%	100%
Policy development is visible and accountable	Ensures transparency in policy development to provide better information supporting community involvement and awareness	Key draft policy documents subject to consultation are available on Council's website	100% 2008	100% are available by the date of public notification of the policy/planning document	100% are available by the date of public notification of the policy/planning document	100% are available by the date of public notification of the policy/planning document	100% are available by the date of public notification of the policy/planning document
		Environmental Monitoring Reports are published	New measure	No target	No target	Reports are produced in 2012	Reports are produced in 2015 and 2018

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13 – 2018/19
Provide location legislation	Put in place management controls that address issues and are consistent with Council policies, Central Government legislation, and which reflect the Community Outcomes	Review of bylaws undertaken	New Measure	No target	30 June 2011	No target	Reviewed at least by 30 June 2016
Council meets statutory planning requirements	Ensures processes and policies are developed in a consistent manner and reflective of community input	Proposed District Plan to be notified by end of 2009 Calendar year	New Measure	By end of 2009 calendar year	No target	No target	All necessary amendments to the District Plan meet statutory timeline

Iwi Liaison

What is the extent of Council's responsibility?

The Local Government Act 2002 requires that Council recognise Maori as a specific group within the community and places a specific responsibility on Council to:

-  Provide opportunities for Maori to be involved in decision-making processes.
-  Develop policies for consultation with Maori.
-  Foster capacity building for Maori to take part in local government processes;
-  Acknowledge the relationship of Tangata Whenua with the Natural environment.

Other legislation also places similar expectations on Local Government to inform, consult and engage with Iwi/Maori of the community in carrying out functions in accordance with the legislation, such as the Resource Management Act 1991.

Further to this is the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill which is currently going through the processes of becoming an Act, where the Crown and Waikato Tainui have committed to co-management in principle in regards to the management of the Waikato River. Implications to this Council are in relation to Councils duty to have regard to the Vision and Strategy of the Guardians of the Waikato River. This will place greater emphasis on communication and involvement of the Guardians in the review processes of the District Plan and ensuring resource consents do not negatively impact the health and well being of the Waikato River.

Council also acknowledges that Maniapoto Maori Trust Board and Raukawa Trust Board are at various stages of negotiation with the Crown regarding co-management of the upper reaches of the Waipa

and Waikato Rivers respectively. Council processes will need to be reflective of these and it would benefit Council to work along side these Iwi Authorities to further develop relationships and understanding as to subsequent implications to Council.

A clear understanding of the principle of co-management in real terms is yet to be defined and therefore it is still to be seen what the full implications to Council will be as a result of the above being enacted through legislation.

What are the significant negative effects

Council would be in breach of its statutory obligations as defined by the Local Government Act 2002 and Resource Management Act 1991. Detrimental effects may be experienced regarding Council and Iwi/Maori relationships that have developed over time and expectations of Council may not be met.

Such an approach would in Councils opinion diminish all four well beings, these being Social, Cultural, Environmental and Economic.

How are these negative effects mitigated

Through Councils up front commitment to this work this will be mitigated.

What is the existing level of service

Council has and is committed to actively developing relationships, networks and opportunities to work with Iwi/Maori of the District. Council has worked both directly and indirectly with Iwi/Maori authorities, as well as committing dedicated staff resources in order to enable and progress this area of work.

The genuine and upfront commitment of Council to this work has been defined in Councils "Statement of Commitment – Working with Iwi/Maori" which forms the basis for Councils' "Involving Maori in Decision Making Policy". Through clearly defining Councils'

commitment it is anticipated that Iwi Maori have a platform of certainty on which to engage and further develop relationships and opportunities to work with Council.

Council will continue to actively pursue opportunities to develop this work. Given this, Council is aware of the pressures and demands placed on Iwi/Maori authorities and will work with Iwi/Maori to make progress towards mutual benefits.

What will be the effect of change in demand

Council is endeavouring to increase opportunities to work with Iwi/Maori authorities into the future, and to reflect this, Council has committed more resources and increased its own internal capabilities. Council's resources are limited and therefore progression will need to be managed in light of the capabilities and resources of Council and Iwi/Maori authorities.

What will be the effect of change in Levels of Service

It is hoped that any change in the Level of Service is positive for Council, Iwi/Maori authorities and the community as a whole.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes



Ensure services and facilities meet the needs of the Community



Provide for the unique history and culture of the district



Manage the Natural and Physical environment in a sustainable manner



Foster an involved and engaged community



Protect the special character of our harbours and their catchments

Key Iwi Liaison Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13 – 2018/19
Foster capacity building for Maori to take part in local government processes	<ul style="list-style-type: none"> - Provides opportunity for Maori to be involved and engaged in decision making processes of Council - Provides opportunity for Council policies to address issues affecting Maori 	Adoption of formalised partnerships with Iwi/Maori authorities and groups	New Measure	No Target	No Target	2 partnerships formally adopted by 1 July 2012	No Target
Acknowledge the relationship of Tangata Whenua with the natural environment	Recognise the unique relationship of Maori with the natural environment	Have in place agreed processes of consultation and opportunities for input into consent processes with Tangata Whenua authorities	New Measure	By 30 June 2009	No Target	No Target	No Target
Provide opportunities for Maori to be involved in decision-making processes	Ensure Council decisions reflect the Maori history and culture of the district and the unique	Enter into and obtain resolution regarding options for Iwi/Maori and Council representation	New Measure	No Target	Resolution obtained by 30 June 2011	No Target	At least annual forums held

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13 – 2018/19
	relationship of Maori with the natural environment	forum(s)					
		Establishment and operation of representation forum(s) as agreed to by Iwi/Maori authorities and Council	New Measure	No Target	No Target	Forum(s) to be established by 30 June 2012	Meetings at least annually

Community Development

What Community Outcome Does Community Development Contribute To





Community Outcomes	Property Development	District Promotion
Provide for the unique and culture of the district		Partner Advocate
Promote the local economy and opportunities for sustainable economic development	Implementer	Partner Advocate
Protect the special character of our harbours and their catchments		Partner Advocate

WHAT IS COMMUNITY DEVELOPMENT

Community Development encompasses a range of activities that contribute to the economic wellbeing and sustainability of communities within the District.

WHICH ACTIVITIES ARE INCLUDED IN THE COMMUNITY DEVELOPMENT GROUP

-  Property Development
-  District Promotion

WHY ARE THESE ACTIVITIES INCLUDED ?

The Community Development group of activities has strong relationships to the desire for economic and residential growth that has been expressed through the Key Areas of Focus identified by Council in a previous section of this LTCCP.

Potential benefits of this group of activities includes attracting outside industries, creating employment, expanding the rating base, increasing property values, supporting present businesses, ensuring a future for our young citizens and promoting the future of the District.



RATIONALE OF COMMUNITY DEVELOPMENT

Property Development

Council has engaged in this activity to stimulate community growth through provision of sites suitable for residential, commercial or industrial purposes where it has been felt that an adequate resource of such sites has not existed in the market.

District Promotion

This group of activities is undertaken to:

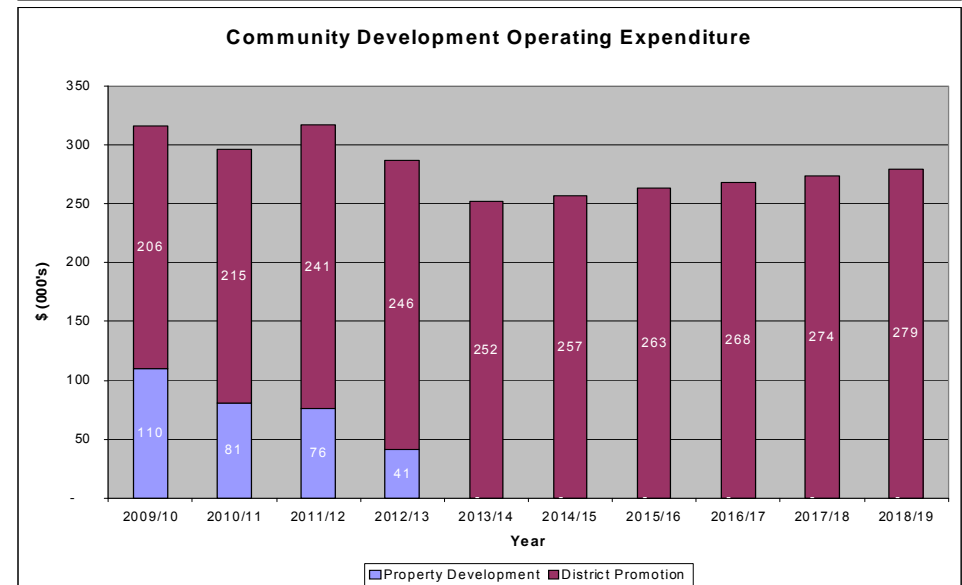
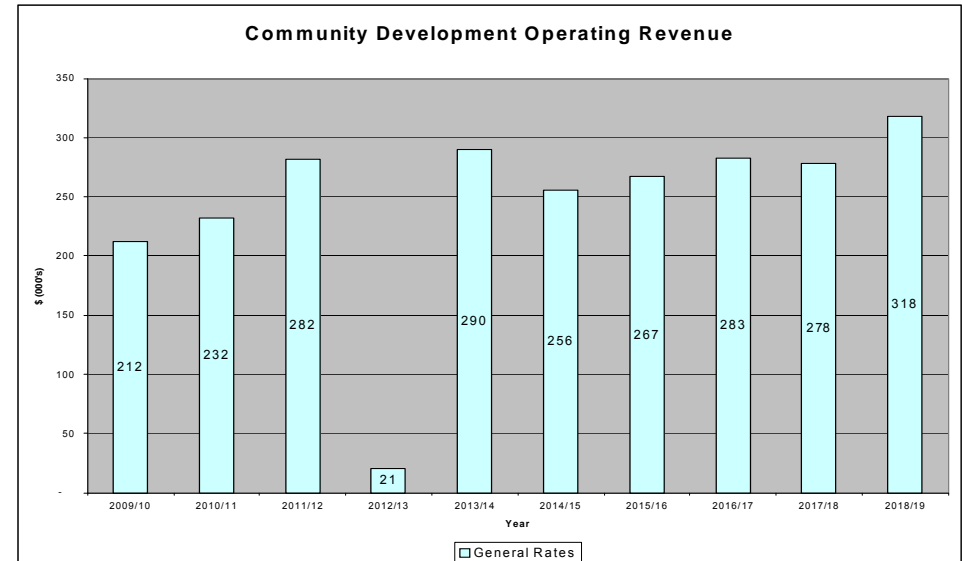
-  Assist coordinated multi-agency contributions to the economic vitality of the District that will support local businesses and the general well being and sustainability of communities.
-  Actively market the District as a good place to visit, and in which to live, work and do business.

Such promotion should be undertaken in a manner that builds upon, the historical, cultural and environmental character of the District.

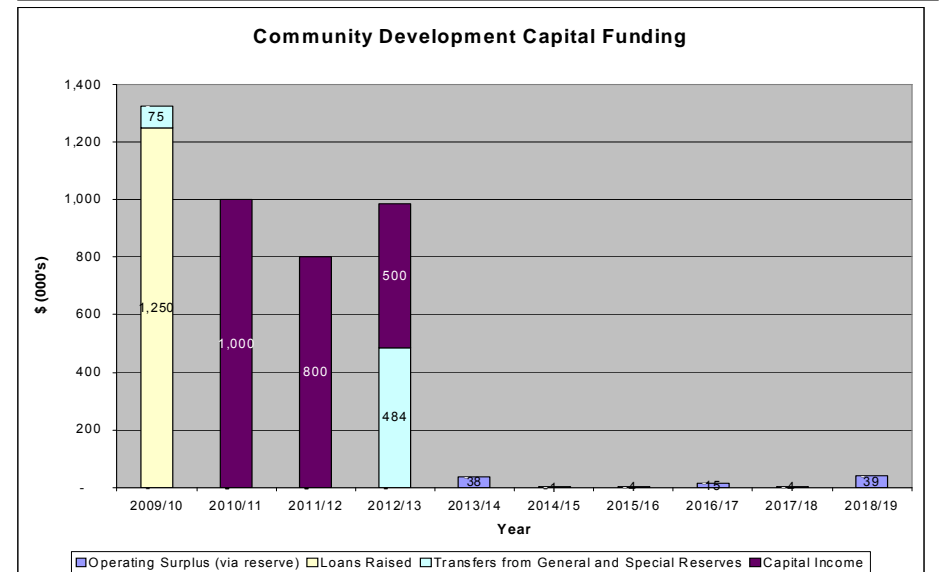
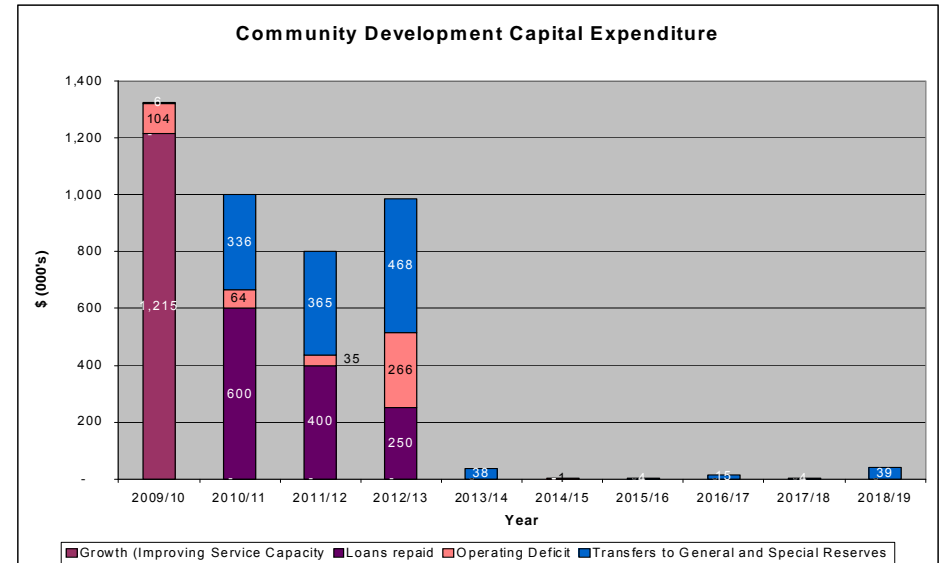
The District Promotion group of activities is complementary to Council's Property Development activity, in that whilst this helps provide places for new residents and businesses to come to, District Promotion helps provide the incentives for such parties to move to and remain in those places.

Community Development Financial Statements

Community Development - Operating Statement	2009/10	2010/11	2011/12
Operating Revenue			
Activity Revenue	-	-	-
Targeted Rates	-	-	-
Development Contributions	-	-	-
General Rates	212	232	282
Other General Sources ⁽¹⁾	-	-	-
Total Operating Revenue	212	232	282
Operating Expenditure			
Property Development	110	81	76
District Promotion	206	215	241
Total Operating Expenditure	316	296	317
<i>includes:</i>			
Salaries and Wages	-	-	-
Depreciation	-	-	-
Interest	44	23	9
Operating Surplus (Deficit) \$	- 104	- 64	- 35
Operating Surplus transferred to Reserves; or	-	-	-
Operating Deficit funded from Reserves	104	64	35



Community Development - Capital and Reserves Funding Statement			
	2009/10	2010/11	2011/12
Capital and Reserves Funding Requirements:			
Capital Expenditure			
Renewals (Maintaining Service Capacity)	-	-	-
Growth (Improving Service Capacity)	1,215	-	-
Level of Service (Improvements to Service)	-	-	-
New Statutory Requirements	-	-	-
Total Capital Expenditure	1,215	-	-
Loans repaid	-	600	400
Operating Deficit	104	64	35
Transfers to General and Special Reserves	6	336	365
Total Funding Required	1,325	1,000	800
Funded by:			
Operating Surplus (via reserve)	-	-	-
Funding from Non-Cash Expenses	-	-	-
Loans Raised	1,250	-	-
Transfers from General and Special Reserves	75	-	-
Capital Income	-	1,000	800
Total Funding Applied	1,325	1,000	800



Property Development

What is the extent of Council's responsibility?

Council has purchased and developed residential (Westridge) and commercial/industrial (Progress Park) subdivisions in Otorohanga, and is currently considering the development of a residential subdivision on Waiwera Street in Kawhia.

What are the significant negative effects

It is recognised that this activity is speculative in nature and not part of Council's core business.

Developments that create a significant number of additional allotments have the potential to affect the prevailing local market prices for land.

There is potential for Council property development projects to fail to achieve associated financial targets, imposing additional costs on relevant communities.

How are these negative effects mitigated

Council exercises a conservative approach to property development and has access to advisors with significant experience and expertise in the local property market that can supply proven guidance on investment decisions, taking accounts of acceptable levels of risk for the particular communities funding the developments.

What is the existing level of service

That identified opportunities to address significant perceived shortages in the availability of particular types of property in the District are effectively explored.

That all Council developed sections are promptly sold.

What will be the effect of change in demand

Further property development will only be conducted by Council if strong and unsatisfied market demand for a particular type of property is considered to exist.

What will be the effect of change in Levels of Service

No changes to the current levels of service are envisaged.

What additional Asset Capacity is required

If any significant further property development is to be undertaken Council would be required to acquire land for this purpose, because the existing Council stock of potentially developable land is very small.

How will the provision of additional Asset Capacity be undertaken

Required land will be obtained through appropriate land purchases. Required additional infrastructural asset capacity within the development will be provided as part of the normal physical works associated with subdivision development. Additional external asset capacity would be provided by Council in the normal manner.

What is the estimated cost for the provision of additional Asset Capacity

This will be entirely dependant on the nature of development(s).

How will the provision of additional asset capacity be funded

Additional assets internal to the development (including both land and infrastructure) will be directly funded by Council as the developer.

Additional asset capacity external to the development will be funded through Financial and Development Contributions. All associated costs would be expected to be recovered through sale of the developed properties.

How will the maintenance, renewal and replacement of assets be undertaken

It would be intended that such responsibilities would be promptly transferred from Council as a the developer to Council as the local authority upon sale of the developed properties.

How will the maintenance, renewal and replacement of assets be funded

By Council through the relevant network services activities.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes:



Promote the local economy and opportunities for sustainable economic development




Key Property Development Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
That identified opportunities to address significant perceived shortages in the availability of particular types of property in the District are explored.		Decision making on physical works stage in respect of identified opportunities	New Measure	Decision on Waiwera Street Development by 30 June 2010	Not Measured	Not Measured	Not Measured

District Promotion

What is the extent of Council's responsibility?

Council has no legal obligation to provide this service, but believes that an appropriately coordinated multi-agency effort can make a very cost-effective contribution to the overall wellbeing and sustainability of communities within the District.

-  Council provides funding to the Otorohanga District Development Board and other tourism entities whose main roles are to promote tourism and business development in the District.
-  Council will provide funding towards investigation and potential establishment and operation of a Regional Tourism Organisation that will effectively promote the broader Waikato Region.
-  Council provides informal support to Project Kiwiana, the Kawhia Kai Festival and other organisations or events which effectively promote the District.

What are the significant negative effects




It is possible that the activity may not be cost effective, though this will be very difficult to assess.

There could be a perception that some of the potential benefits of this activity favour particular sectors of the business community.

How are these negative effects mitigated

By periodically reassessing the perceived effectiveness of the activity, and making adjustments to strategy where deemed appropriate.

What is the existing level of service

-  I-sites are effectively operated in Otorohanga and Kawhia
-  Tourism activity in the District is supported
-  The Otorohanga District Development Board provides regular reports on progress made by them towards achievement of specified community outcomes

What will be the effect of change in demand

'Demand' in relation to this activity is difficult to define. It is suspected that most ratepayers are either unaware or unconcerned in relation to it. As such the 'demand' comes primarily from Council and other relevant agencies, in response to prevailing social and economic conditions. The potential negative effects associated with this activity, as previously described, may limit the extent to which this activity can be extended in response to increased 'demand'.

What will be the effect of change in Levels of Service

As described previously the effects of changes in levels of service, other than changes in cost, are difficult to reliably predict.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes:



Provide for the unique and culture of the district



Promote the local economy and opportunities for sustainable economic development



Protect the special character of our harbours and their

catchments

Key District Promotion Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
District is effectively promoted as a place to visit or live in	Promoting Tourism and higher tourist spending will contribute to a stronger district economy	Total number of visitors to Otorohanga and Kawhia I-sites, previous year to 31 December	12,530	12,500	13,000	14,000	Increasing by 500 per year
		Total number of visits to otorohanga.co.nz website, previous year to 31 December	87,400	90,000	95,000	100,000	Increasing by 5000 per year
Tourism activity in District is supported		Total accommodation guest stay nights in District for previous year to 31 December (Ministry of Tourism data)	36,947	36,947	38,000	40,000	Increasing by >1000 per annum

FINANCIAL INFORMATION

Prospective Statement of Comprehensive Income

For 10 Years Commencing 1 July 2009

	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Income										
Rates revenue	9,684	10,193	10,739	11,048	11,119	11,315	11,603	11,666	11,867	12,013
Other income	4,315	5,744	4,623	4,817	4,857	5,160	5,216	5,376	5,354	5,425
Other gains/(losses) on asset disposal	-	457	365	228	-	-	-	-	-	-
Total income	13,999	16,394	15,727	16,093	15,976	16,475	16,819	17,042	17,221	17,438
Expenditure										
Employee benefit expenses	2,855	2,821	2,886	2,958	3,028	3,097	3,167	3,249	3,334	3,417
Depreciation and amortisation	3,369	3,394	3,746	3,745	3,799	4,052	4,061	4,076	4,352	4,384
Other expenses	6,038	6,159	6,447	6,435	6,644	6,846	6,949	7,025	7,239	7,192
Finance costs	857	816	779	760	740	690	638	586	540	494
Total operating expenditure	13,119	13,190	13,858	13,898	14,211	14,685	14,815	14,936	15,465	15,487
Profit before income tax expenses	880	3,204	1,869	2,195	1,765	1,790	2,004	2,106	1,756	1,951
Tax expense										
Profit for the year	880	3,204	1,869	2,195	1,765	1,790	2,004	2,106	1,756	1,951
Other Comprehensive Income										
Gain/(loss) on property revaluation	-	-	23,121	-	-	23,615	-	-	27,395	-
Total other comprehensive income	-	-	23,121	-	-	23,615	-	-	27,395	-
Total Comprehensive Income for the year	880	3,204	24,990	2,195	1,765	25,405	2,004	2,106	29,151	1,951

Reconciliation of Prospective Statement of Comprehensive Income and Prospective Combined Cost of Service Statement

For 10 Years Commencing 1 July 2009

	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Total Operating Revenue (Income Statement)										
Total income	13,999	16,394	15,727	16,093	15,976	16,475	16,819	17,042	17,221	17,438
Total Operating Revenue (Cost of Service Statements)										
Activity Revenue	4,246	5,689	4,566	4,757	4,795	5,094	5,148	5,303	5,278	5,345
Targeted Rates	6,018	6,318	6,424	7,050	6,709	7,501	7,567	7,416	7,762	7,526
Development Contributions	25	25	25	25	25	25	25	25	25	25
General Rates	3,667	3,875	4,315	3,999	4,410	3,814	4,036	4,249	4,105	4,487
Other General Sources	3,965	4,100	4,197	4,293	4,399	4,505	4,601	4,707	4,816	4,920
	17,921	20,007	19,527	20,124	20,338	20,939	21,377	21,700	21,986	22,303
Variance	(3,922)	(3,613)	(3,800)	(4,031)	(4,362)	(4,464)	(4,558)	(4,658)	(4,765)	(4,865)
<i>Reconciling items:</i>										
Internal recoveries	3,965	4,100	4,197	4,293	4,399	4,505	4,601	4,707	4,816	4,920
Interest income on Special Funds	(42)	(29)	(31)	(33)	(36)	(40)	(42)	(48)	(50)	(54)
Gain/(loss) on sale of development properties	0	(457)	(365)	(228)	0	0	0	0	0	0
Dividend Income	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	3,922	3,613	3,800	4,031	4,362	4,464	4,558	4,658	4,765	4,865
Total Operating Expenditure (Income Statement)										
Total operating expenditure	13,119	13,190	13,858	13,898	14,211	14,685	14,815	14,936	15,465	15,487
Total Operating Expenditure (Cost of Service Statements)										
Network Services	9,087	9,370	9,901	10,012	10,255	10,612	10,675	10,800	11,154	11,229
Regulatory Services	1,362	1,420	1,477	1,479	1,538	1,553	1,613	1,626	1,690	1,729
Community Services	1,702	1,752	1,795	1,826	1,849	1,894	1,944	1,970	2,019	2,059
Community Promotion	316	296	317	287	252	257	263	268	274	279
Governance and Leadership	4,616	4,451	4,564	4,585	4,712	4,871	4,918	4,976	5,141	5,108
	17,083	17,289	18,054	18,189	18,606	19,187	19,413	19,640	20,278	20,404
Variance	(3,964)	(4,099)	(4,196)	(4,291)	(4,395)	(4,502)	(4,598)	(4,704)	(4,813)	(4,917)
<i>Reconciling Items:</i>										
Internal Recoveries	3,965	4,100	4,197	4,293	4,399	4,505	4,601	4,707	4,816	4,920
Landfill aftercare provision	(1)	(1)	(1)	(2)	(4)	(3)	(3)	(3)	(3)	(3)
	3,964	4,099	4,196	4,291	4,395	4,502	4,598	4,704	4,813	4,917
Profit before income tax expenses	880	3,204	1,869	2,195	1,765	1,790	2,004	2,106	1,756	1,951
Tax expense										
Profit for the year	880	3,204	1,869	2,195	1,765	1,790	2,004	2,106	1,756	1,951
Other Comprehensive Income										
Gain/(loss) on property revaluation	-	-	23,121	-	-	23,615	-	-	27,395	-
Total other comprehensive income	-	-	23,121	-	-	23,615	-	-	27,395	-
Total Comprehensive Income for the year	880	3,204	24,990	2,195	1,765	25,405	2,004	2,106	29,151	1,951

Prospective Statement of Changes in Equity

For 10 Years Commencing 1 July 2009

	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Balance at 1 July	230,344	231,224	234,428	259,418	261,613	263,378	288,783	290,787	292,893	322,044
Available for sale investments gain/(loss) taken to equity										
Surplus/(deficit) for the year	880	3,204	24,990	2,195	1,765	25,405	2,004	2,106	29,151	1,951
Total recognised income/(expense) for the year ended 30 June	880	3,204	24,990	2,195	1,765	25,405	2,004	2,106	29,151	1,951
Balance at 30 June	231,224	234,428	259,418	261,613	263,378	288,783	290,787	292,893	322,044	323,995
Comprised of:										
Retained Earnings	152,550	155,754	157,623	159,818	161,583	163,373	165,377	167,483	169,239	171,190
Other Reserves	78,674	78,674	101,795	101,795	101,795	125,410	125,410	125,410	152,805	152,805
	231,224	234,428	259,418	261,613	263,378	288,783	290,787	292,893	322,044	323,995

Prospective Balance Sheet

For 10 Years Commencing 1 July 2009

	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Assets										
Current Assets										
Cash and cash equivalents	1,272	1,315	1,346	1,376	1,406	1,436	1,467	1,497	1,529	1,561
Trade and other receivables	1,750	1,811	1,851	1,894	1,934	1,976	2,018	2,060	2,104	2,147
Other financial assets	-	-	-	-	-	-	-	-	-	-
Development property held for sale	1,250	707	272	-	-	-	-	-	-	-
Total current assets	4,272	3,833	3,469	3,270	3,340	3,412	3,485	3,557	3,633	3,708
Non-current assets										
Trade and other receivables										
Equity investments	538	538	538	538	538	538	538	538	538	538
Property plant and equipment	243,568	246,680	270,306	272,103	272,161	296,659	297,543	298,291	326,643	326,668
Intangible assets	31	32	33	34	36	38	41	45	49	53
Total non-current assets	244,137	247,250	270,877	272,675	272,735	297,235	298,122	298,874	327,230	327,259
Total assets	248,409	251,083	274,346	275,945	276,075	300,647	301,607	302,431	330,863	330,967
Liabilities										
Current liabilities										
Trade and other payables	1,774	1,828	1,867	1,902	1,938	1,973	2,010	2,046	2,081	2,117
Provisions	2	2	2	2	1	1	1	1	1	1
Employee benefit liabilities	273	280	286	293	301	308	315	323	332	340
Borrowings	7,019	3,592	4,768	3,640	4,679	3,878	4,089	4,326	3,765	4,420
Total current liabilities	9,068	5,702	6,923	5,837	6,919	6,160	6,415	6,696	6,179	6,878
Non-current liabilities										
Provisions	26	24	21	19	20	20	19	18	18	17
Employee benefit liabilities	62	64	65	67	68	70	72	73	75	77
Borrowings	8,029	10,865	7,919	8,409	5,690	5,614	4,314	2,751	2,547	-
Total non-current liabilities	8,117	10,953	8,005	8,495	5,778	5,704	4,405	2,842	2,640	94
Total liabilities	17,185	16,655	14,928	14,332	12,697	11,864	10,820	9,538	8,819	6,972
Net assets	231,224	234,428	259,418	261,613	263,378	288,783	290,787	292,893	322,044	323,995
Equity										
Retained earnings	152,550	155,754	157,623	159,818	161,583	163,373	165,377	167,483	169,239	171,190
Other reserves	78,674	78,674	101,795	101,795	101,795	125,410	125,410	125,410	152,805	152,805
Total equity attributable to ODC	231,224	234,428	259,418	261,613	263,378	288,783	290,787	292,893	322,044	323,995

Prospective Statement of Cash Flow

For 10 Years Commencing 1 July 2009

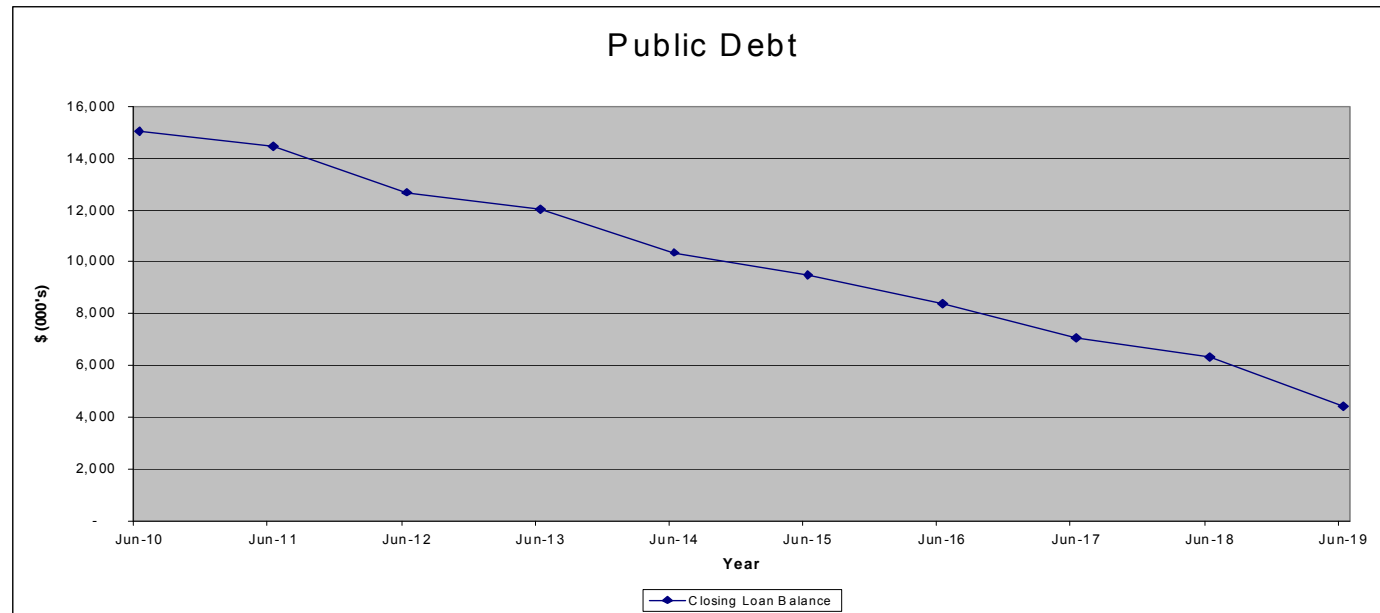
	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Cash flows from Operating Activities										
Receipts from rates revenue	9,684	10,193	10,739	11,048	11,119	11,315	11,603	11,666	11,867	12,013
Receipts from other revenue	4,211	5,659	4,541	4,732	4,770	5,069	5,123	5,278	5,253	5,320
Interest received	104	84	82	84	87	90	93	97	101	104
Dividends received	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Payments to suppliers and employees	(8,894)	(8,979)	(9,331)	(9,392)	(9,672)	(9,943)	(10,115)	(10,273)	(10,572)	(10,607)
Interest paid	(857)	(816)	(779)	(760)	(740)	(690)	(638)	(586)	(540)	(494)
Net cash provided by/(used in) Operating Activities	4,247	6,140	5,251	5,711	5,563	5,840	6,065	6,181	6,108	6,335
Cash flows from investing activities										
Proceeds from Sale of Property, Plant and Equipment	51	62	64	65	66	68	69	71	72	74
Proceeds from sale of development property held for sale	0	1,000	800	500	0	0	0	0	0	0
Purchase of property, plant and equipment	(5,274)	(6,545)	(4,293)	(5,584)	(3,899)	(4,978)	(4,990)	(4,872)	(5,358)	(4,459)
Purchase of investments	(375)	0	0	0	0	0	0	0	0	0
Purchase of intangible assets	(30)	(21)	(21)	(22)	(22)	(23)	(23)	(24)	(24)	(25)
Net cash provided by/(used in) Investing Activities	(5,628)	(5,504)	(3,450)	(5,041)	(3,855)	(4,933)	(4,944)	(4,825)	(5,310)	(4,410)
Cash flows from financing activities										
Proceeds from borrowings	8,399	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Repayment of borrowings	(7,019)	(3,592)	(4,768)	(3,640)	(4,679)	(3,878)	(4,089)	(4,326)	(3,765)	(4,892)
Net cash provided by/(used in) Financing Activities	1,380	(592)	(1,768)	(640)	(1,679)	(878)	(1,089)	(1,326)	(765)	(1,892)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(1)	44	33	30	29	29	32	30	33	33
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,272	1,271	1,315	1,348	1,378	1,407	1,436	1,468	1,498	1,531
Cash and cash equivalents at the end of the year	1,271	1,315	1,348	1,378	1,407	1,436	1,468	1,498	1,531	1,564

Prospective Statement of Debt

For 10 Years Commencing 1 July 2009

The Public Debt Profile is based on the financial projections of the Otorohanga District Council until the 2018/19 financial year. These statements are based on activity expenditure and revenue projections and the assumptions and policies provided in this document, the Treasury Management Policy, Funding Policy, and Asset Management Plans.

	30/06/2010 Estimate	30/06/2011 Estimate	30/06/2012 Estimate	30/06/2013 Estimate	30/06/2014 Estimate	30/06/2015 Estimate	30/06/2016 Estimate	30/06/2017 Estimate	30/06/2018 Estimate	30/06/2019 Estimate
External Loan Balance										
Opening Loan Balance	13,669	15,049	14,457	12,689	12,049	10,370	9,492	8,403	7,077	6,312
Net loans required	8,399	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Loans repaid	(7,019)	(3,592)	(4,768)	(3,640)	(4,679)	(3,878)	(4,089)	(4,326)	(3,765)	(4,892)
Closing Loan Balance	15,049	14,457	12,689	12,049	10,370	9,492	8,403	7,077	6,312	4,420



Statement of Accounting Policies

Reporting Entity

Otorohanga District Council (ODC) is a territorial local authority governed by the Local Government Act 2002.

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

Statement of Compliance

These prospective financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The Long-term Community Council Plan (LTCCP) is in full compliance with Financial Reporting Standard 42 (FRS 42) 'Prospective Financial Statements'.

Basis of Preparation

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

The prospective financial statements have been prepared on a historical cost basis, apart from the revaluation of land and buildings, certain infrastructural assets and financial instruments, which are stated at their fair value.

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional and reporting currency of ODC is New Zealand dollars.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

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

Other income

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

ODC receives government grants from Land Transport New Zealand, which subsidises part of ODC'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.

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.

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

Interest income is recognised using the effective interest method.

Dividends are recognised as income when the rights to receive payment have been established.

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time the Council provides, or is able to provide, the service. Development contributions are classified as part of “Other Income”

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 ODC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the ODC’s decision.

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 and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowing in current liabilities in the Balance Sheet.

Financial Assets

ODC classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available for sale financial assets. ODC currently only has loans and receivables and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluate this designation at every reporting date.

Financial assets are initially recognised at fair value plus transaction costs except for those financial assets classified as fair value through profit and loss. Financial liabilities are recognised initially at fair value net of transaction costs.

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for an asset held or liability to be issued is the current bid price and for an asset to be acquired or liability held, the asking price.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured shall be measured at cost.

The categories of financial assets held by ODC are:

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of a financial asset or where appropriate, a shorter period to the carrying amount of the financial asset.



Gains and losses when the asset is impaired or derecognised are recognised in the Income Statement. 'Trade and other receivables' and 'Rural Housing loans' are classified as loans and receivables.

A provision for impairment of receivables is established when there is objective evidence that ODC 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 assets carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Available for sale financial assets

Available for sale financial assets are those that do not fall into any other financial instrument category.

This category encompasses:

-  Investments that ODC intends to hold long-term but which may be realised before maturity; and
-  Shareholdings that ODC holds for strategic purposes.

After initial recognition the shareholdings in listed companies are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the Income Statement. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in Income Statement even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Income Statement.

Impairment of financial assets

At each balance sheet date ODC 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 Income Statement.

Development Property Held For Sale



Development Property Held for Sale is measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of Development Property Held For Sale are recognised in the Income Statement.

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

Property, plant and equipment

Property, plant and equipment consist of:

-  Operational assets – These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.
-  Restricted assets – Restricted assets are parks and reserves owned by ODC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.



Infrastructure assets – Infrastructure assets are the fixed utility systems owned by ODC. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

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

Additions

The cost of an item 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 ODC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at 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 Income Statement. 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 ODC and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis or diminishing value basis on all property, plant and equipment other than land, at rates

that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Useful Life (Years)	Depreciation Rate
Buildings – Concrete	100	1%
Buildings – Wooden	40	2.5%
Improvements	20	5%
Vehicles	6.6	15%
Computers	3-4	25-33.33%
Office Equipment	4-10	10-25% DV
Furniture/ Fixtures	10	10% DV
Library Books	6.6	15% DV
Plant and Machinery	2.5-3	33.33 – 40%
Water Treatment		
Piping	36-80	1.25-2.7%
Equipment	2-50	2-50%
Other	20	5%
Water Reticulation		
Piping	5-80	1.25-20%
Equipment	5-30	3.33-20%
Other	25	4%
Wastewater		
Piping	14-80	1.25-7.14%
Equipment	3-60	1.66-33%
Other	19-37	2.7-5.26%

	Useful Life (Years)	Depreciation Rate
Stormwater		
Piping	13-80	1.25-7.7%
Equipment	8-60	1.66-12.5%
Other	25	4%
Roading		
Pavement (Basecourse)	1-60	1.66-100%
Sealed	1-6	16.5-100%
Unsealed	1-15	6.7-100%
Seal	10-80	1.25-10%
Culverts	12-94	1-8.5%
Bridges		
Kerb & Channel/	45	2.2%
Catchpits	20-55	1.8-5%
Footpaths	5-46	2-20%
Streetlights	5-20	5-20%
Signposting	3-7	14.3 -33.3%
Delineators/ RPMs		

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluation

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference, then the off-cycle asset classes are revalued. All valuations are completed during the year they take effect, and take effect from the 1st of July in that financial year.

Operational land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value (Registered Valuers) and the valuation took effect in the financial year ended 30 June 2009.

Restricted land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value (Registered Valuers), and the valuation took effect in the financial year ended 30 June 2009.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems:

At fair value determined on a depreciated replacement cost basis by sufficiently experienced in-house engineering staff. The valuation was independently reviewed and confirmed to have met the appropriate valuation and financial reporting standards, and deemed suitable for inclusion in the prospective financial statements by Maunsell (Registered Valuers). The most recent valuation took effect in the financial year ended 30 June 2009.

Land under roads

Land under roads, was valued based on land value of land within the ward the road is in. This valuation was performed by Darroch Valuations (Registered Valuers) and the valuation took effect in the financial year ended 30 June 2009.

Accounting for revaluations

ODC 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 amount is rather expensed in the Income Statement. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Income Statement will be recognised first in the Income Statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Intangible assets

Software acquisition

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

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

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follow:

Computer software 3 years 33.3%

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 assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

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

The value in use for cash-generating assets is the present value of expected future cash flows.

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the Income Statement.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in Income Statement, a reversal of the impairment loss is also recognised in the Income Statement.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the Income Statement.

Employee benefits

Short-term benefits

Employee benefits that ODC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at the rates expected to apply at the time of settlement.

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

ODC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that ODC anticipates it will be used by staff to cover those future absences.

Long-term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave, have been calculated on an actuarial basis. The calculations are based on:

Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and

The present value of the estimated future cash flows. A discount rate of 8.25%, and an inflation factor of 2.5% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Retirement leave is recorded at the time of entitlement of staff, as this represents the amount that can be claimed at any time after entitlement.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Income Statement as incurred. Defined contribution schemes includes Kiwisaver, where legislation states that Council must contribute a matching contribution to the employee of 2%.

Provisions

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

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

Borrowings

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

Equity

Equity is the community's interest in ODC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- 🌱 Retained earnings
- 🌱 Restricted reserves
- 🌱 Asset revaluation reserves
- 🌱 Available for sale revaluation reserve

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 ODC.

Restricted reserves are those subject to specific conditions accepted as binding by ODC and which may not be revised by ODC 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.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party of the Courts. Transfers to and from these reserves are at the discretion of the Council.

The asset revaluation reserve arises on the revaluation of land, buildings and infrastructural assets. Where a revalued land, building or infrastructural asset is sold that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained earnings.

The available for sale revaluation reserve arises on the revaluation of available for sale financial assets. Where a revalued asset is sold, the

portion of the reserve that relates to that financial asset, and is effectively realised, is recognised in profit or loss. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in profit or loss.

ODC's objectives, policies and processes for managing capital are described in the Treasury Management and Liability Management policies.

Landfill post-closure costs

ODC, as operator of the Otorohanga and Kawhia closed landfills, has a legal obligation under the resource consents to provide ongoing maintenance and monitoring services at the landfill. A provision for post-closure costs is recognised as a liability.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Goods and Services Tax (GST)

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

The net GST paid to, or received for the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitment and contingencies are disclosed exclusive of GST.

Cost Allocation

ODC has derived the cost of service for each significant activity of ODC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Trade and other payables

Trade and other accounts payable are recognised when ODC becomes obliged to make future payments resulting from the purchase of goods and services. Subsequent to initial recognition, trade payables and other accounts payable are recorded at amortised cost.

Financial Instruments issued by the Council

Debt and Equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instrument.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair value and are subsequently measured at the higher of the amount of the obligation under the contract, as determined in accordance with NZ IAS-37 'Provisions, Contingent Liabilities and Contingent Assets';

and the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with NZ IAS-18 'Revenue'.

Statement of Cashflows

Cashflows from operating activities are presented using the direct method. Definitions of terms used in the Statement of cashflows:

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

Investing activities comprise the purchase and sale of property, plant & equipment and investments.

Financing activities comprise the change in equity and debt capital structure of ODC

Operating activities include all transactions and events that are not investing or financing activities.

Critical accounting estimates and assumptions

In preparing these prospective financial statements ODC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumption that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural assets

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

The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;

Estimating and obsolescence or surplus capacity of an asset; and

Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then ODC could be over or under estimating the annual depreciation charge recognised as an expense in the Income Statement. To minimise this risk ODC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the ODC's asset management planning activities, which gives ODC further assurance over its useful life estimates.

Critical judgements in applying ODC's accounting policies

Management has exercised the following critical judgements in applying the ODC's accounting policies for the period of the LTCCP:

Classification of property

ODC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the ODC's social housing policy. These properties are accounted for as property, plant and equipment.

Classification of investments

ODC owns a number of investments in other companies. The dividends received from these investments are incidental to holding the investments. These investments are held for strategic purposes, and are intended to be held for the long term. As such these investments have been classified as available for sale financial assets.

Useful lives of Property, Plant and Equipment

The useful lives of property, plant and equipment have been determined based on the asset management plans used during the creation of the LTCCP. For infrastructural assets this has been based on the information provided by the National Asset Management Steering Group (NAMS) regarding the useful life of infrastructural assets. For all other property, plant and equipment, the depreciation schedules included in the Income Tax Act have been used as a basis for setting the useful lives.

Additional Financial Information

Balanced Budget Requirement

Section 100 of the Local Government Act 2002 states:

- (1) A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.
- (2) Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to:
 - (a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the LTCCP, including the estimated expense associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life;
 - (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
 - (d) the funding and financial policies adopted under section 102.

Council has decided not to fund depreciation on the following assets, while this does not comply with the legislation, it is acceptable providing appropriate community consultation has taken place.

Community Facilities – Depreciation has not been funded on some of these assets as they are considered non-strategic and will not be replaced once they are no longer useful.

Waipa Rural Water Supply – After consultation with the Water Supply Committee the decision was made not to fund depreciation. It was considered that the scheme was relatively new with minimal renewal work required over the next 20 years and consumers had also paid a capital contribution to join the scheme. It is envisaged that sustaining current income levels over the term of the LTCCP will result in sufficient surpluses to fund desired capital expenditure.

	2009/2010 \$	2010/2011 \$	2011/2012 \$
Community Facilities			
Community Halls	6,760	6,760	7,368
Kawhia Community Centre	6,150	6,150	6,704
Kawhia Wharf	10,000	10,000	10,900
Kawhia Housing for the Elderly	4,995	5,013	5,445
Otorohanga Housing for the Elderly	26,000	26,250	28,340
	53,905	54,173	58,757
Waipa Rural Water Supply	40,532	41,143	44,423
Depreciation not funded	94,437	95,316	103,180

Commitments and contingencies in 2009-19 LTCCP

During May 2004 the shareholders of Waikato Regional Airport Limited (of which ODC has a 3.125% shareholding) authorised the company to issue further shares totalling \$21.6m to existing shareholders.

This capital restructure was part of the WRAL Airport Development and has allowed WRAL to borrow at commercially favourable interest rates.

Council has recorded a contingent liability for \$375,000 for uncalled capital in the financial statements.

With the loss of Air New Zealand as the international carrier, the resulting significant impact on operating revenues, and the requirement to meet banking covenants, a portion of this uncalled capital has been called up from all 5 shareholders, and has been included in the LTCCP adopted by Council in June 2009.

LTCCP information

This LTCCP has been authorised for issue on 21st of April 2009, and was authorised for issue by the Council.

The Council, who are authorised to do so and believe that the assumptions underlying these prospective financial statements are appropriate, has approved the Long-term Council Community Plan for distribution.

The Council and management of the Otorohanga District Council accept responsibility for the preparation of their prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.





Funding Impact Statement

Introduction

The Local Government (Rating) Act 2002 sets out the methods by which local authorities can rate and the detailed criteria around their uses.

The Local Government Act 2002 sets out processes and policies that local authorities must apply in the establishment of their rating systems, including the provisions of information to communities.

This funding impact statement, which has been prepared in accordance with clause 13 of schedule 10 of the Local Government Act 2002, as well as Sections 13 to 19 of the Local Government (Rating) Act 2002, sets out:

-  The revenue and financing mechanisms used;
-  An indicative level or amount of funding for each mechanism;
-  Explanatory information supporting the use of general and targeted rates; and
-  A summary of the total rates requirement.

The application of funding methods to Council's activities is summarised in a table at the end of this section.

This statement should be read in conjunction with Council's Revenue and Financing policy that sets out Council's policies in respect of each source of funding of operating and capital expenses.

Revenue and Financing Mechanisms Background

The Revenue and Financing mechanisms to be used by the Council in relation to the Long-Term Council Community Plan can be found on page 167 of this funding impact statement. These apply to all years covered by this plan.

Amount of funds to be Produced

The amount of funds to be produced by each mechanism in relation to the Long-Term Council Community Plan can be found on page 167 of this funding impact statement.

The amount to be produced from each rating mechanism is further broken down by the Note of the funding impact statement.

General Rate

The valuation system to be used for the general rate is capital value.

Uniform Annual General Charge

A uniform annual general charge will be set at a fixed dollar amount for each separately used or inhabited part of a rating unit in the District.

A separately used or inhabited part of a rating unit includes any part of a rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease or other agreement. As a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or separate use. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one separately used or inhabited part.

Under the Local Government (Rating) Act 2002 the Council is required to ensure that its uniform charges do not exceed 30% of the total rates take. For the 2009/10 year the uniform charges equate to 20.84% of the total rates take.

Targeted Rates

Individual targeted rates to be set and assessed for the Long-Term Council Community Plan are listed on page 167 of this Funding Impact Statement.

Definitions of various categories of rateable land used on page 167 for setting targeted rates are as follows:

Land Transport Rate

All properties within the District fall under this category.

Rural Rate

All areas not within either the Otorohanga or Kawhia Communities fall under this category. Valuation numbers begin with 05550, 05620, 05650, 05670 or 05680.

Otorohanga Community Rate

The area of the Otorohanga Community is defined on a map approved by Council. Valuation numbers begin with either 05540 or 05541.

Kawhia Community Rate

The area of the Kawhia Community is defined on a map approved by Council. Valuation numbers begin with 05640.

Water Supply Targeted Loan Rates

Properties in the Tihiroa and Waipa Rural Water supply areas that have not made a capital contribution to their respective schemes are levied a targeted loan rate to finance loan repayment costs in respect of loans raised in lieu of the capital contributions being received.

Hall Targeted Rates

Hall areas are defined on maps approved by the hall committees and Council. Funds received are generally available to Hall Committees to go towards the operation, maintenance, renovation and/or extension of those facilities.

Water Supplied By Volume Rates – Rural Water Schemes (Arohena, Tihiroa, Ranginui and Waipa)

Separate rating units in the Rural Water Supply areas with water meters are levied a targeted rate for water usage. This rate is set on a per cubic metre usage basis.

Separate rating units in the Rural Water Supply areas also attract a charge for each meter connected to the Rural Water Scheme.

Otorohanga Refuse Targeted Rate

All properties situated in the Otorohanga Community that have a building erected thereon are levied a uniform targeted rate for each separately occupied portion of any building.

Security Targeted Rate

The area of benefit is defined on a map approved by Council.

Otorohanga Water Supply

All properties connected to the Otorohanga Water Supply Scheme are levied a rate per connection.

Otorohanga Sewerage

All properties that are connected to the Otorohanga Sewerage Treatment & Reticulation Scheme are levied a rate per separately used or inhabited part of the rating unit. All properties with four or less water closets or urinals pay a flat fee. For all water closets or urinals over 4, a charge for each additional water closet or urinal applies.

Otorohanga Targeted Sewerage Loan Rate

Areas of benefit are defined on maps and approved by Council.

Otorohanga Targeted Water Loan Rate

Areas of benefit are defined on maps and approved by Council.

Water Supplied By Volume Rates - Otorohanga

Properties in the Otorohanga Community water supply area with water meters are levied a targeted rate for water usage over the free allowance. This rate is set on a per cubic metre usage basis.

Every non-rateable separate rating unit within the Otorohanga Community has a targeted rate per annum. Those that are metered are charged for consumption, with a minimum charge applying.

Properties outside the Otorohanga Community water supply area, whether rateable or non-rateable, that are using water from the Otorohanga scheme are levied a targeted rate for water usage, on a per cubic metre basis, with a minimum charge per annum.

All properties, either rateable or non-rateable, receiving an extraordinary supply from the Otorohanga Community Water Supply will have a charge for each water meter.

Kawhia Refuse Targeted Rate

All properties situated in the Kawhia Community that have a building erected thereon are levied a uniform targeted rate for each separately occupied portion of any building.

Kawhia Water Supply

All properties that are connected to the Kawhia Water Supply Scheme are levied a uniform targeted rate per connection.

Kawhia Targeted Water Loan Rate

Properties in the Kawhia Community water supply area are levied a targeted loan rate to finance loan repayment costs in respect of loans raised for capital expenditure on the Kawhia water scheme.

Water Supplied By Volume Rates - Kawhia

Separate rating units in the Kawhia Community water supply area with water meters are levied a targeted rate for water usage over the free allowance. This rate is set on a per cubic metre usage basis.

Separate rating units outside the Kawhia Community water supply area with water meters that are using water from the Kawhia scheme are levied a targeted rate for water usage, on a per cubic metre basis, with a minimum charge per annum.

All separate rating units, either rateable or non-rateable, receiving an extraordinary supply from the Kawhia Community Water Supply will have a charge for each water meter.

Water Supplied By Volume Rates – Kawhia (Peak Season Metered Water Charge)

Separate rating units, both rateable and non-rateable, in the Kawhia Community water supply area that would have been liable for a Development Contribution in respect of the Kawhia Water Treatment Plant Upgrade after 30 June 2009 (or which has provided water to such a rating unit from the Kawhia Community Supply) shall be charged for a proportion of metered water used during the period from 20 December to the following 20 February at a higher rate per cubic metre. The proportion of metered water used to which the Peak Season Metered Water Charge (PSMWC) shall be applicable for a particular rateable or non-rateable unit shall be established based upon the following table:

Water Consuming Unit Category	Proportion of metered water volume to which PSMWC charges applicable for consuming unit
New residential unit	100%
Unit identified as supplying water to another unit liable for PSMWC charges	100%
Addition of Minor Household Unit to existing residential lot to which PSMWC not applicable	33%
Other developments	Case by case assessments based upon the proportion of development contribution applicable Household Equivalent Units (HEUs) ⁷ as a proportion of the total Household Equivalent Units of the property after development. Example: 2 HEU property developed to 5 HEU Proportion = $(5 - 2)/5 = 60\%$

Differential Definitions

Properties within the Otorohanga Community may be charged targeted rates under one of two differentials. The differentials are applied based on the use to which the land is put.

⁷ Where HEUs are defined as in Council's Policy on Development and Financial Contributions

The definitions of the two land use categories are:



Otorohanga Commercial



Otorohanga Residential

Other Definitions

The definition of a separately used or inhabited part of a rating unit is the same as for the uniform annual general charge.

Metered supply for the purpose of extraordinary water supply shall exclude those properties where a water meter has been installed for research purposes only, or which do not otherwise satisfy the criteria for an Extraordinary Water Supply as defined below.

The supply of water to a customer which is used solely for domestic purposes in the dwelling unit shall be deemed to be an Ordinary Supply.

All other purposes for which water is supplied other than Ordinary Supply shall be deemed to be an Extraordinary Supply and may be subject to specific conditions and limitations. Extraordinary Supply, as defined in Council's Water Services Bylaw 2007, refers to the following circumstances:

All premises outside the Otorohanga and Kawhia Communities which are connected to and draw water from the public water supply networks serving those communities, excluding those premises within the defined area of the Waipa Rural Water Supply Scheme; and

All premises within the Otorohanga or Kawhia communities used for commercial, industrial or agricultural purposes, and schools, clubs and other non-residential premises where levels of water consumption would be expected to be significantly higher than that of a typical residential property.

Funding Impact Statement

For 10 Years Commencing 1 July 2009

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Gross Cost of Services										
Operating Expenditure										
Operating Expenses	12,262	12,375	13,078	13,138	13,470	13,995	14,177	14,350	14,925	14,993
Finance Costs	857	816	779	760	740	690	638	586	540	494
Total Operating Expenditure	13,119	13,191	13,857	13,898	14,210	14,685	14,815	14,936	15,465	15,487
Capital Expenditure										
Property, Plant and Equipment										
Renewals (Maintaining Service Capacity)	3,421	3,860	3,728	3,929	3,471	3,922	3,992	4,208	4,186	4,008
Growth (Improving Service Capacity)	1,444	356	68	542	55	133	98	59	60	61
Level of Service (Improvements to Service)	338	788	520	674	396	947	924	627	1,135	415
New Statutory Requirements	101	1,562	0	461	0	0	0	0	0	0
Loan Repayments	7,019	3,592	4,768	3,640	4,679	3,878	4,089	4,326	3,765	4,892
Total Capital Expenditure	12,323	10,158	9,084	9,246	8,601	8,880	9,103	9,220	9,146	9,376
Transfers to Reserves	192	660	972	1,091	743	57	179	464	215	690
Total Funding Requirement	25,634	24,009	23,913	24,235	23,554	23,622	24,097	24,620	24,826	25,553
Revenue and Financing Mechanisms (as defined in Revenue and Financing Policy)										
Sale of Property, Plant and Equipment	51	1062	864	565	66	68	69	71	72	74
Contributions	25	25	25	25	25	25	25	25	25	25
Interest Revenue	44	29	32	34	37	40	43	47	51	54
Loans Raised	8,399	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Rates	9,684	10,193	10,739	11,049	11,119	11,315	11,603	11,665	11,867	12,013
Subsidies	2,832	3,015	3,040	3,190	3,109	3,357	3,352	3,465	3,400	3,425
Activity Revenue	1,415	2,675	1,527	1,568	1,687	1,738	1,797	1,839	1,879	1,921
Funding from Non-Cash Expenses	2,704	3,823	4,413	4,021	4,306	3,814	4,027	4,319	4,323	4,845
Transfers from Reserves	480	187	273	783	205	265	181	189	209	196
Total Revenue and Financing Mechanisms	25,634	24,009	23,913	24,235	23,554	23,622	24,097	24,620	24,826	25,553

Rating Mechanisms Statement

	2009/10 NZ \$000's	2010/11 NZ \$000's	2011/12 NZ \$000's	2012/13 NZ \$000's	2013/14 NZ \$000's	2014/15 NZ \$000's	2015/16 NZ \$000's	2016/17 NZ \$000's	2017/18 NZ \$000's	2018/19 NZ \$000's
Rating Mechanisms										
General Rate	1846	1892	2078	1737	2048	1864	1953	1995	1977	2200
Uniform Annual General Charge	1041	1182	1339	1428	1330	1217	1237	1287	1285	1398
Targeted Rates										
Land Transport Targeted Rate	4188	4408	4452	4934	4529	5266	5274	5062	5363	5075
Rural Targeted Rate	247	252	290	265	395	174	263	381	263	316
Otorohanga Community Targeted Rate	373	389	447	407	446	394	419	405	418	413
Kawhia Community Targeted Rate	100	98	101	101	130	105	98	109	99	99
Refuse Collection Targeted Rate	242	256	252	255	262	262	265	268	272	276
Water Supply Targeted Rate	359	370	384	467	486	500	514	535	544	559
Water Supply Targeted Loan Rate	77	90	105	110	115	114	112	111	109	108
Sewerage Treatment Targeted Rate	340	352	360	373	381	390	398	406	415	423
Sewerage Treatment Targeted Loan Rate	50	55	55	60	60	60	60	60	60	60
Rural Halls Targeted Rate	20	20	20	20	20	20	20	20	20	20
Aotea Erosion Targeted Rate	15	15	12	12	12	12	12	12	12	12
Aotea Erosion Targeted Loan Rate	16	15	15	14	15	15	14	14	13	13
CBD Development Rate	28	32	30	31	31	32	36	45	34	35
Security Patrol Rate	74	77	79	81	83	85	92	100	102	104
Water Supplied By Volume	622	643	673	705	727	759	786	809	832	855
Penalties	46	47	47	49	49	46	50	46	49	47
Total	9684	10193	10739	11049	11119	11315	11603	11665	11867	12013

2009/10 Rates Information

Total Revenue Required	Rates 2009/10 (GST Inclusive)	Categories on which Rate is set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Units of Measure	Rate or Charge
2,076,995	General Rate (partially funds activities as detailed below)	Every rating unit in the district	Rate in the \$ on capital value			3,583,271,950	\$0.000580
1,170,985	Uniform Annual General Charge (partially funds activities as detailed below)	Every rating unit in the district	Fixed amount for each separately used or inhabited part of a rating unit			4,106	\$285.19
4,711,251	Land Transport Rate (partially funds the Land transport programme in compliance with the Revenue and Financing Policy).	Every rating unit in the district	Rate in the \$ on capital value			3,583,271,950	\$0.001052
			Fixed amount for each separately used or inhabited part of a rating unit			4,106	\$229.48
277,452	Rural Targeted Rate (partially funds activities as detailed below)	Every rating unit in the defined rural rating area	Rate in the \$ on capital value			3,044,282,886	\$0.000019
			Fixed amount for each separately used or inhabited part of a rating unit			2,175	\$100.72
419,228	Otorohanga Community Targeted Rate (partially funds activities as detailed below)	Every rating unit in the defined Otorohanga Community area	Rate in the \$ on capital value	Commercial Properties Residential Properties	Ratio 2.5 Ratio 1.0	81,633,051 273,090,200	\$0.000783 \$0.000313
			Fixed amount for each separately used or inhabited			1,306	\$206.51

Otorohanga District Council – Long Term Council Community Plan 2009/10 to 2018/19

Total Revenue Required	Rates 2009/10 (GST Inclusive)	Categories on which Rate is set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Units of Measure	Rate or Charge
			part of a rating unit				
112,485	Kawhia Community Targeted Rate (partially funds activities as detailed below)	Every rating unit in the defined Kawhia Community area	Rate in the \$ on capital value Fixed amount for each separately used or inhabited part of a rating unit			184,265,813 613	\$0.000341 \$80.93
150,823	Refuse Collection Targeted Rate Otorohanga	Every rating unit in the defined Otorohanga Community area	Fixed amount for each separately used or inhabited part of a rating unit			1,332	\$113.23
121,806	Refuse Collection Targeted Rate Kawhia	Every rating unit in the defined Kawhia Community area	Fixed amount for each separately used or inhabited part of a rating unit			527	\$231.13
278,438	Water Supply Targeted Rate Otorohanga	Every rating unit in the defined Otorohanga Water Supply area	Fixed amount for each separately used or inhabited part of a rating unit	Otorohanga Community Outer Area	Ratio 1.0 Ratio 1.0	1,340 4	\$206.95 \$281.45
124,933	Water Supply Targeted Rate Kawhia	Every rating unit in the defined Kawhia Water Supply area	Fixed amount for each separately used or inhabited part of a rating unit			421	\$296.75
53,438	Water Supply Targeted Loan Rate – Otorohanga	Every rating unit in the defined Otorohanga Water Supply area	Rate in the \$ on capital value	Commercial Properties Residential Properties	Ratio 2.5 Ratio 1.0	71,711,500 273,090,200	\$0.000295 \$0.000118
15,977	Water Supply Targeted Loan Rate – Kawhia	Every rating unit in the defined Kawhia Water Supply area	Rate in the \$ on capital value			136,943,000	\$0.000117

Otorohanga District Council – Long Term Council Community Plan 2009/10 to 2018/19

Total Revenue Required	Rates 2009/10 (GST Inclusive)	Categories on which Rate is set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Units of Measure	Rate or Charge
16,901	Water Supply Targeted Loan Rate – Rural Schemes	Every rating unit in the defined Rural Water Scheme areas	Rate in the \$ on capital value	Arohena Rural Water Scheme		116,846,000	\$0.000145
382,500	Sewerage Treatment Targeted Rate	Every rating unit in the defined Otorohanga Sewerage Treatment area	Fixed amount for each separately used or inhabited part of a rating unit	Less than 4 5 or more	 per urinal	1,306 30	\$291.73 \$50.00
56,250	Sewerage Treatment Targeted Loan Rate	Every rating unit in the defined Otorohanga Sewerage Treatment area	Rate in the \$ on capital value	Commercial Properties Residential Properties	Ratio 2.5 Ratio 1.0	71,071,500 260,072,200	\$0.000321 \$0.000128
20,462	Rural Halls Targeted Rate	Every rating unit within the defined Rural Hall areas	Rate in the \$ on capital value Fixed amount for each separately used or inhabited part of a rating unit	Arohena Kio Kio Puketotara/Ngutunui Maihihi Honikiwi Arohena Kio Kio Crossroads Puketotara/ Ngutunui Otewa Whawharua		173,476,100 271,235,900 246,348,500 123,179,600 128,007,300 62 190 175 255 129 75	\$0.000005 \$0.000009 \$0.000003 \$0.000017 \$0.000013 \$45.00 \$20.00 \$4.00 \$9.00 \$18.00 \$10.00
16,875	Aotea Erosion Targeted Rate	Every rating unit within the defined Aotea Community area	Fixed amount for each rating unit			163	\$103.53
17,800	Aotea Erosion Targeted Loan Rate	Every rating unit within the defined	Fixed amount for each property that			28	\$635.71

Otorohanga District Council – Long Term Council Community Plan 2009/10 to 2018/19

Total Revenue Required	Rates 2009/10 (GST Inclusive)	Categories on which Rate is set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Units of Measure	Rate or Charge
		Aotea Community area	did not make a capital contribution				
31,943	CBD Development Rate	Every commercial property within the defined Otorohanga Commercial area	Rate in the \$ on capital value Fixed amount for each rating unit			81,633,051 151	\$0.000113 \$150.64
83,250	Security Patrol Rate	Every commercial property within the defined Otorohanga Commercial area	Rate in the \$ on capital value Fixed amount for each rating unit			48,828,250 123	\$0.000852 \$338.41
544,500	Water Supplied by Volume – Rural Water Supplies	Every property connected to the defined Rural Water Schemes.	Fixed amount for each cubic metre of water consumed Fixed amount per meter	Arohena Tihiroa Ranginui Waipa Arohena Tihiroa Ranginui Waipa		370,592 158,388 141,129 247,500 71 45 17 117	\$0.38 \$0.78 \$0.31 \$0.58 \$425.00 \$450.00 \$1,000.00 \$100.00
140,625	Water Supplied by Volume – Otorohanga Water Supply	Every property connected to the defined Otorohanga Water Supply Scheme	Fixed amount for each cubic metre of water consumed (220 cubic metre free allowance) Fixed amount per	Rateable properties Non-rateable properties Property outside Otorohanga Community	% of Revenue 51.1% 3.2% 45.7%	96,888 4,515 64,483	\$0.64 \$0.86 \$0.86

Otorohanga District Council – Long Term Council Community Plan 2009/10 to 2018/19

Total Revenue Required	Rates 2009/10 (GST Inclusive)	Categories on which Rate is set	Factor or Factors	Differential Categories	Differential Calculation	Indicative	
						Units of Measure	Rate or Charge
			meter	Non rateable inside Community		10	\$202.77
				All connected properties		150	\$115.00
10,125	Water Supplied by Volume – Kawhia Water Supply	Every property connected to the defined Kawhia Water Supply Scheme	Fixed amount for each cubic metre of water consumed (220 cubic metre free allowance)	Within Community	% of Revenue 68.5%	5,047	\$1.14
				Outside Community	31.5%	2,005	\$1.32
			Fixed amount per meter	All connected properties		15	\$115.00
4,163	Water Supplied by Volume – Kawhia Water Supply (PSMWC)	Every property connected to the defined Kawhia Water Supply Scheme meeting the conditions.	Fixed amount for each cubic meter of water consumed between 20 December and 20 February each year.			362	\$11.50
10,839,205	TOTAL						

Rate Contributions to Activities

Unifrom Annual General Charge and Community Fixed Targeted Rates

	District	Rural Community	Otorohanga Community	Kawhia Community
Democratic Process	94.60		45.73	35.19
Corporate Planning	18.81			
District Promotion	34.32			
Policy Development	12.02			
Civil Defence	12.47			
Environmental Health	9.84			
Dog Control	3.26			
Ranging & Impounding	0.56			
Litter Control	7.72			
District Co-Ordinator Scheme	13.47			
Parks & Reserves	25.73			
Refuse	1.18	23.60		
Water Supply	7.47			
Otorohanga Sewerage	5.27			
Library	28.10			
Public Conveniences	7.01			
Kawhia Medical Centre	0.45			3.07
Kawhia Wharf	2.90			6.61
District Property		-9.22	-6.10	4.45
Pool		86.34	159.62	12.62
Security Patrol			7.26	
Kawhia Community Centre				18.99
	285.19	100.72	206.51	80.93

The following schedule indicates how the proportion of general rates, and targeted rates set as a rate in the dollar on capital value, are spent on individual activities, for each \$10,000 of capital value.

	District	Rural Community	Otorohanga Community Residential	Otorohanga Community Commercial	Kawhia Community
Democratic Process	\$1.08		\$1.25	\$3.13	\$1.17
Corporate Planning	\$0.22				
District Promotion	\$0.26				
Environmental Services Manager	\$0.27				
Planning & Development	\$0.30				
Policy Development	\$0.77				
Building Control	\$0.41				
Environmental Health	\$0.11				
Litter Control	\$0.04				
District Co-Ordinator Scheme	\$0.08				
Council Support	\$0.33				
Refuse	\$0.01				
Parks & Reserves	\$0.91				
Library	\$0.48				
Security Patrol	\$0.01				
Cemeteries	\$0.17				
Public Conveniences	\$0.28				
Kawhia Wharf	\$0.03				\$0.22
Kawhia Medical Centre	\$0.01				\$0.10
Rural Fire		\$0.20			
District Property		-\$0.06	-\$0.17	-\$0.42	\$0.15
Stormwater		\$0.05	\$2.05	\$5.12	\$1.77
	\$5.80	\$0.19	\$3.13	\$7.83	\$3.41

Examples of Contributions to Council Services – 2009/10 year

Property Value	250,000	300,000	250,000	500,000	200,000	300,000	1,000,000	1,500,000	4,500,000
Activity	Otorohanga Residential	Otorohanga Residential	Otorohanga Commercial	Otorohanga Commercial	Kawhia	Kawhia	Rural	Rural	Rural
Democratic Process	198.71	210.38	245.64	350.95	174.88	197.43	203.07	257.30	582.70
Corporate Planning	24.20	25.28	24.20	29.59	23.12	25.28	40.37	51.15	115.84
District Promotion	40.88	42.19	40.88	47.44	39.57	42.19	60.56	73.68	152.39
Policy Development	31.37	35.24	31.37	50.71	27.50	35.24	89.40	128.09	360.21
Civil Defence	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47	12.47
Environmental Health	12.66	13.22	12.66	15.48	12.10	13.22	21.12	26.76	60.61
Dog Control	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26
Ranging & Impounding	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56
Litter Control	8.83	9.05	8.83	9.94	8.61	9.05	12.15	14.37	27.65
District Co-Ordinator Scheme	15.37	15.75	15.37	17.28	14.99	15.75	21.08	24.88	47.71
Parks & Reserves	48.52	53.07	48.52	71.31	43.96	53.07	116.89	162.47	435.95
Refuse	114.74	114.81	114.74	115.08	232.58	232.71	26.13	26.80	30.84
Water Supply	214.42	214.42	214.42	214.42	304.22	304.22	7.47	7.47	7.47
Otorohanga Sewerage	297.00	297.00	297.00	297.00	5.27	5.27	5.27	5.27	5.27
Library	40.19	42.60	40.19	52.27	37.77	42.60	76.44	100.61	245.61
Public Conveniences	14.09	15.50	14.09	21.17	12.67	15.50	35.32	49.48	134.42
Kawhia Medical Centre	0.58	0.60	0.58	0.71	5.66	6.74	0.96	1.22	2.77
Kawhia Wharf	3.74	3.90	3.74	4.57	14.57	17.10	6.23	7.90	17.88
District Property	-10.27	-11.10	-16.52	-26.95	7.40	8.88	-14.75	-17.52	-34.11
Pool	159.62	159.62	159.62	159.62	12.62	12.62	86.34	86.34	86.34
Security Patrol	7.58	7.65	558.99	772.32	0.26	0.39	1.30	1.95	5.85
Kawhia Community Centre	0.00	0.00	0.00	0.00	18.99	18.99	0.00	0.00	0.00
Environmental Services Manager	6.72	8.06	6.72	13.43	5.37	8.06	26.87	40.30	120.91
Planning & Development	7.60	9.12	7.60	15.20	6.08	9.12	30.40	45.60	136.81
Building Control	10.29	12.35	10.29	20.58	8.23	12.35	41.17	61.75	185.25
Council Support	8.35	10.02	8.35	16.70	6.68	10.02	33.41	50.11	150.33
Cemeteries	4.22	5.07	4.22	8.45	3.38	5.07	16.89	25.34	76.02
Rural Fire	0.00	0.00	0.00	0.00	0.00	0.00	19.99	29.98	89.94
Stormwater	51.16	61.39	127.98	255.97	35.41	53.11	5.02	7.53	22.60
Land Transport	492.48	545.08	492.48	755.48	439.88	545.08	1281.48	1807.48	4963.48
Sewerage Loan	32	38.4	80.25	160.5					
Water Loan	29.5	35.4	73.75	147.5	23.4	35.1			
CBD Development			178.89	207.14					
	\$ 1,880.84	\$ 1,990.39	\$ 2,821.14	\$ 3,820.14	\$ 1,541.48	\$ 1,750.48	\$ 2,266.87	\$ 3,092.61	\$ 8,047.05

Proposed Rates Levies and Funding Mix

Otorohanga District

		2009/2010	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Rate											
Otorohanga Rural	Capital Value	1,772,260	1,816,218	1,995,039	1,667,474	1,966,363	1,789,430	1,875,113	1,914,722	1,897,387	2,111,738
Otorohanga Community	Capital Value	199,811	204,767	224,928	187,997	221,695	201,747	211,407	215,873	213,919	238,085
Kawhia Community	Capital Value	104,923	107,526	118,113	98,720	116,415	105,940	111,013	113,358	112,331	125,022
		2,076,995	2,128,511	2,338,080	1,954,191	2,304,473	2,097,116	2,197,533	2,243,952	2,223,637	2,474,844
Uniform Annual General Charge											
Otorohanga Rural	per Property	620,571	704,778	798,349	851,303	792,913	725,292	737,639	767,238	766,372	833,511
Otorohanga Community	per Property	375,594	426,559	483,192	515,242	479,902	438,975	446,448	464,362	463,838	504,473
Kawhia Community	per Property	174,821	198,543	224,903	239,820	223,371	204,322	207,800	216,138	215,894	234,808
		1,170,985	1,329,879	1,506,444	1,606,365	1,496,187	1,368,589	1,391,886	1,447,738	1,446,104	1,572,793
Separate Rooding Rate											
Otorohanga Rural	Capital Value	3,216,017	3,384,942	3,418,956	3,789,218	3,477,844	4,044,363	4,050,128	3,887,079	4,118,529	3,897,355
Otorohanga Community	Capital Value	362,586	381,631	385,466	427,211	392,105	455,977	456,626	438,244	464,338	439,402
Kawhia Community	Capital Value	190,398	200,399	202,413	224,334	205,899	239,439	239,780	230,127	243,830	230,736
		3,769,001	3,966,972	4,006,835	4,440,762	4,075,849	4,739,779	4,746,535	4,555,450	4,826,698	4,567,493
Separate Rooding Uniform Annual Charge											
Otorohanga Rural	per Property	499,351	525,580	530,862	588,352	540,005	627,969	628,864	603,547	639,485	605,143
Otorohanga Community	per Property	302,227	318,102	321,298	356,094	326,832	380,071	380,613	365,290	387,041	366,256
Kawhia Community	per Property	140,672	148,061	149,549	165,744	152,125	176,905	177,157	170,025	180,149	170,475
		942,250	991,743	1,001,709	1,110,191	1,018,962	1,184,945	1,186,634	1,138,863	1,206,674	1,141,873
Total Rate Levy District Wide		\$7,959,232	\$8,417,105	\$8,853,068	\$9,111,509	\$8,895,471	\$9,390,429	\$9,522,587	\$9,386,003	\$9,703,113	\$9,757,003
Rate Increase		3.3%	5.8%	5.2%	2.9%	-2.4%	5.6%	1.4%	-1.4%	3.4%	0.6%

Otorohanga Rural

		2009/2010 \$	2010/11 \$	2011/12 \$	2012/13 \$	2013/14 \$	2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$
Rural Separate Rate	Capital Value	58,377	53,482	87,066	75,602	106,753	52,164	71,576	112,365	66,989	64,540
Rural Uniform Separate Charge	per Property	219,074	229,950	239,345	223,067	338,069	143,362	224,798	316,027	229,185	290,507
		277,452	283,432	326,412	298,669	444,821	195,526	296,374	428,392	296,173	355,048
Water Supply Rates											
Arohena RWS Loan	Capital Value	16,901	16,315	15,729	18,843	25,890	25,008	24,125	23,243	22,361	21,478
Tihiroa RWS Loan	Capital Value	0	0	0	0	0	0	0	0	0	0
Waipa RWS Loan	Capital Value	0	0	0	0	0	0	0	0	0	0
Halls											
Arohena Hall	Capital Value	867	867	867	867	867	867	867	867	867	867
Arohena Hall	per Property	2,790	2,790	2,790	2,790	2,790	2,790	2,790	2,790	2,790	2,790
Kio Kio Hall	Capital Value	2,441	2,441	2,441	2,441	2,441	2,441	2,441	2,441	2,441	2,441
Kio Kio Hall	per Property	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
Crossroads Hall	per Property	700	700	700	700	700	700	700	700	700	700
Puketotara/Ngutunui Hall	Capital Value	739	739	739	739	739	739	739	739	739	739
Puketotara/Ngutunui Hall	per Property	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295
Wharepuhunga Hall	Capital Value	0	0	0	0	0	0	0	0	0	0
Maihihi Hall	Capital Value	2,094	2,094	2,094	2,094	2,094	2,094	2,094	2,094	2,094	2,094
Honikiwi Hall	Capital Value	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664
Otewa Hall	per Property	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322
Rangiatea Hall	per Property	0	0	0	0	0	0	0	0	0	0
Whawharua Hall	per Property	750	750	750	750	750	750	750	750	750	750
District Wide	Various	6,108,200	6,431,517	6,743,206	6,896,347	6,777,126	7,187,054	7,291,743	7,172,586	7,421,773	7,447,746
Total Rate Levy Otorohanga Rural		\$6,423,016	\$6,751,727	\$7,105,809	\$7,234,322	\$7,268,300	\$7,428,050	\$7,632,705	\$7,644,684	\$7,760,769	\$7,844,735
Rate Increase		3.9%	5.1%	5.2%	1.8%	0.5%	2.2%	2.8%	0.2%	1.5%	1.1%

Otorohanga Community

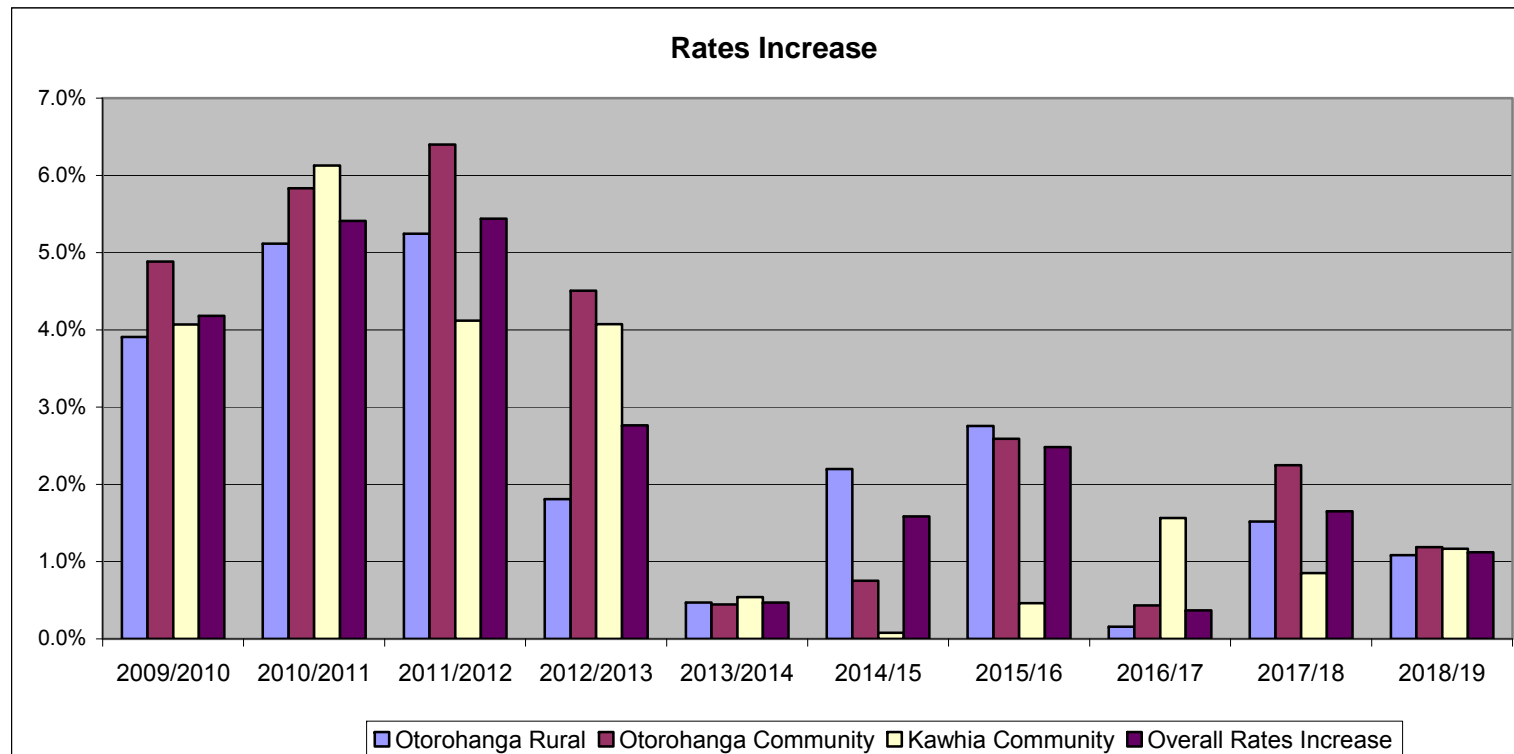
		2009/2010 \$	2010/11 \$	2011/12 \$	2012/13 \$	2013/14 \$	2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$
Separate Otorohanga Community Rate											
Differential Rating Area No 1	Capital Value	63,952	68,660	82,753	80,763	81,943	72,068	75,248	72,098	73,458	72,448
Differential Rating Area No 2	Capital Value	85,577	91,877	110,734	108,071	109,651	96,437	100,692	96,477	98,297	96,946
		149,530	160,537	193,487	188,834	191,594	168,504	175,939	168,576	171,756	169,394
Separate Otorohanga Community Uniform Annual Charge											
Uniform Annual General Charge	per property	269,698	277,060	309,470	269,200	309,946	275,018	295,914	286,911	298,987	295,028
Sewerage Loan Special Rate											
Differential Rating Area No 1	Capital Value	22,831	25,114	25,114	27,398	27,398	27,398	27,398	27,398	27,398	27,398
Differential Rating Area No 2	Capital Value	33,419	36,761	36,761	40,102	40,102	40,102	40,102	40,102	40,102	40,102
		56,250	61,875	61,875	67,500	67,500	67,500	67,500	67,500	67,500	67,500
Water Loan Special Rate											
Differential Rating Area No 1	Capital Value	21,178	26,751	31,209	31,209	31,209	31,209	31,209	31,209	31,209	31,209
Differential Rating Area No 2	Capital Value	32,260	40,749	47,541	47,541	47,541	47,541	47,541	47,541	47,541	47,541
		53,438	67,500	78,750	78,750	78,750	78,750	78,750	78,750	78,750	78,750
Refuse Rate											
Separate Uniform Refuse Rate	Per Unit	150,823	158,884	155,993	157,754	159,409	161,170	162,933	164,694	166,564	168,434
Water Supply Rates											
Separate Water Rate	Per Connection	277,312	277,959	292,564	376,864	400,136	411,968	424,158	435,990	448,181	460,730
Outer Area Water Rate	Per Connection	1,126	1,128	1,188	1,530	1,624	1,672	1,722	1,770	1,819	1,870
		278,438	279,087	293,752	378,394	401,760	413,640	425,880	437,760	450,000	462,600
Sewerage Rate											
Separate Sewerage Rate	Per Connection	381,000	394,005	403,185	418,451	427,378	436,693	446,008	455,323	465,026	474,729
Separate Sewerage Rate	Not Connected	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
		382,500	395,505	404,685	419,951	428,878	438,193	447,508	456,823	466,526	476,229
Security Patrol											
Separate Security Patrol Rate	Capital Value	41,625	43,040	44,634	45,647	46,617	47,630	51,885	56,275	57,471	58,666
Separate Uniform Annual Charge	per property	41,625	43,040	44,634	45,647	46,617	47,630	51,885	56,275	57,471	58,666
		83,250	86,081	89,269	91,294	93,234	95,259	103,770	112,551	114,941	117,332
CBD Development Rate											
Separate CBD Rate	Capital Value	9,197	9,510	9,730	9,951	10,163	10,383	10,604	10,825	11,055	11,285
Separate CBD Uniform Annual Charge	per property	22,746	26,307	24,062	24,608	25,132	25,679	30,117	40,013	27,341	27,909
		31,943	35,816	33,792	34,559	35,295	36,062	40,721	50,838	38,395	39,194
District Wide Rates	Various	1,240,217	1,331,059	1,414,884	1,486,543	1,420,535	1,476,770	1,495,094	1,483,769	1,529,136	1,548,217
Total Rate Levy Otorohanga Community		\$ 2,696,086	\$ 2,853,404	\$ 3,035,956	\$ 3,172,779	\$ 3,186,901	\$ 3,210,867	\$ 3,294,009	\$ 3,308,171	\$ 3,382,555	\$ 3,422,678
Rate Increase		4.9%	5.8%	6.4%	4.5%	0.4%	0.8%	2.6%	0.4%	2.2%	1.2%

Kawhia Community

		2009/2010 \$	2010/11 \$	2011/12 \$	2012/13 \$	2013/14 \$	2014/5 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$
Separate Kawhia Community Rate	Capital Value	62,875	61,251	65,352	66,725	80,440	64,528	59,535	70,330	59,620	59,165
Separate Kawhia Community Uniform Annual Charge	per property	49,610	49,008	48,583	46,840	66,258	53,593	50,477	52,594	52,197	52,298
Aotea Erosion Protection Rate		112,485	110,260	113,936	113,565	146,698	118,121	110,013	122,925	111,817	111,463
Aotea Erosion Separate Rate	per Property	16,875	16,875	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Aotea Erosion Loan Rate	per Property	17,800	17,248	16,696	16,169	16,942	16,390	15,838	15,286	14,735	14,183
Separate Water Rate - Debt Servicing		15,977	17,774	23,490	26,032	25,199	24,366	23,533	22,700	21,867	21,034
Seperate Water Rate-Connected Properties	per Connection	124,933	137,036	138,339	146,935	144,545	149,077	152,811	163,860	161,849	166,755
		124,933	137,036	138,339	146,935	144,545	149,077	152,811	163,860	161,849	166,755
Aotea Refuse Rate		0	0	0	0	0	0	0	0	0	0
Kawhia Refuse Rate	per unit	121,806	129,541	126,961	129,034	135,506	133,080	135,153	137,226	139,400	141,574
District Wide Rates	Various	610,815	654,529	694,977	728,618	697,810	726,606	735,750	729,648	752,205	761,040
Total Rate Levy Kawhia Community		\$1,020,691	\$1,083,262	\$1,127,899	\$1,173,853	\$1,180,200	\$1,181,140	\$1,186,597	\$1,205,145	\$1,215,372	\$1,229,549
Rate Increase		4.1%	6.1%	4.1%	4.1%	0.5%	0.1%	0.5%	1.6%	0.8%	1.2%

Combined Otorohanga District Summary

	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/15	2015/16	2016/17	2017/18	2018/19
Otorohanga Rural	3.9%	5.1%	5.2%	1.8%	0.5%	2.2%	2.8%	0.2%	1.5%	1.1%
Otorohanga Community	4.9%	5.8%	6.4%	4.5%	0.4%	0.8%	2.6%	0.4%	2.2%	1.2%
Kawhia Community	4.1%	6.1%	4.1%	4.1%	0.5%	0.1%	0.5%	1.6%	0.8%	1.2%
Overall Rates Increase	4.18%	5.41%	5.44%	2.76%	0.47%	1.59%	2.48%	0.37%	1.65%	1.12%



Example Rate increases

The following rate increases are indicative only, and are only for reference purposes. The actual increases in later years may be impacted by revaluations of the rating roll and any changes in the

number of properties in an area. The following examples exclude specific rates such as Aotea Erosion rates and Rural Hall rates.

Property	2009/10		2010/11		2011/12	
	% Increase	\$ increase	% Increase	\$ increase	% Increase	\$ increase
\$250,000 value Otorohanga Residential	3.74%	\$67.82	5.67%	\$106.62	6.44%	\$128.03
\$300,000 value Otorohanga Residential	4.06%	\$77.57	5.70%	\$113.42	6.48%	\$136.23
\$250,000 value Otorohanga Commercial	4.95%	\$133.12	6.15%	\$173.57	5.70%	\$170.53
\$500,000 value Otorohanga Commercial	6.44%	\$231.12	6.27%	\$239.57	6.31%	\$256.03
\$200,000 value Kawhia Residential	4.29%	\$63.45	6.98%	\$107.55	4.42%	\$72.80
\$300,000 value Kawhia Residential	4.29%	\$72.05	6.57%	\$114.95	4.57%	\$85.20
\$1,000,000 value Rural	3.34%	\$73.21	5.37%	\$121.79	5.70%	\$136.00
\$1,500,000 value Rural	3.30%	\$98.71	5.06%	\$156.29	5.39%	\$175.00
\$4,500,000 value Rural	3.23%	251.71	4.52%	\$363.29	4.86%	\$409.00

Schedule of Fees and Charges

All Fees include GST

NETWORK SERVICES			2008	2009		2008	2009
TEMPORARY ROAD CLOSURE COSTS					STOCK DROVING		
Approved Community Events					Refundable Bond (Costs or expenses covered by droving)	\$625.00	\$625.00
The Event is being organised by a non-commercial, not-for-profit organisation							
The Event is appropriate for all members of the Community to enjoy					Construction of a cattle race on a road reserve		
The Event have had event at least annually for 3 years					Application Fee	\$140.00	\$140.00
e.g. Fishing Contest, Christmas Parade, Kawhia Regatta, Targa, Kai Festival							
Application – Local Roads					Installation of a road crossing for dairy cattle		
Application Fee	No Charge	No Charge			Application Fee	\$140.00	\$140.00
External Advertising	Actual costs	Actual costs					
Other Events – Sealed Roads (Rally's, Hill Climbs, Car Testing, Cycle Races etc)					Cattle Underpass		
(Each application will be considered on its merits)					Refundable Bond (To ensure satisfactory completion of the work)	\$1,000.00	\$1,000.00
Application fee for administering the Road closure	\$400.00	\$400.00					
External Advertising	Actual costs	Actual costs			KERB / FOOTPATH CROSSING BOND		
Other Events – Unsealed Roads (Rally's, Hill Climbs, Car Testing, Cycle Races etc)					A deposit toward the cost of reinstatement of road carriageway or berm, from damage caused by building works	\$1,000.00	\$1,000.00
(Each application will be considered on its merits)							
Application fee for administering the Road closure and Damage assessment	\$2,000.00	\$2,000.00			A deposit toward the cost of construction of a new kerb crossing. (Adj. at completion of work to actual cost)	\$1,000.00	\$1,000.00
Plus, Bond (per road per day, unsealed roads only)	\$2,000.00	\$2,000.00			OR		
External Advertising	Actual costs	Actual costs			A bond where a new or upgraded vehicle entrance will be installed by a preapproved Contractor directly by the owner	\$1,000.00	\$1,000.00
Reimbursement	Actual Costs	Actual Costs					

NETWORK SERVICES							
		2008	2009			2008	2009
WATER CONNECTION CHARGES				Otorohanga Community			
(RURAL WATER SUPPLIES ONLY)				<u>OTOROHANGA RECYCLING</u>			
<u>Connection Fee</u>				<u>CENTRE FEES</u>			
Arohena	Capital Contribution	Set on Application	Set on Application	Rubbish			
	Connection Costs	Actual	Actual	Official Bag	Each	Free	Free
	Administration Fee	\$300.00	\$315.00	Bag - standard	Each	\$2.00	\$4.00
Ranginui	Capital Contribution	Set on Application	Set on Application	Bag - large	Each		\$7.00
	Connection Costs	Actual	Actual	Truck and other	Per m³	\$80.00	\$80.00
	Administration Fee	\$300.00	\$315.00	Cleanfill/Greenwaste			
Tihiroa	Capital Contribution	Set on Application	Set on Application	Standard Bag	Each		\$3.00
	Connection Costs	Actual	Actual	Large Bag	Each		\$5.00
	Administration Fee	\$300.00	\$315.00	Fadge/ Car Boot	Per load		\$10.00
Waipa	Capital Contribution	\$45 per k LV	\$45 per k LV	Station Wagon / 4WD	Per load		\$30.00
	Connection Costs	Actual	Actual	6 x 4 Trailer	Per m3		\$30.00 (Min \$30.00)
	Administration Fee	\$300.00	\$315.00	Trailer - other	Per m3		\$30.00 (Min \$40.00)
Special Meter reading fee		\$90.00	\$100.00	Truck	Per m3		\$30.00 (Min \$60.00)
				Whiteware (must be degassed)	each	\$15.00	\$10.00
				Drop off sorted recyclables	Drum	Free	Free
				Plastic Milk Bottles, Soft Drink (1&2), Steel Cans (Washed and Squashed)		Free	Free
				Aluminium Cans, Paper (Non Food), Cardboard (Non Food/Flattened)		Free	Free
				Batteries	Each	\$2.00	\$5.00
				Car Tyres (must be derimmed and cut into 4)	Each	\$10.00	\$10.00
				LPG Bottles (must be degassed)	Each		\$10.00
				Computers	Each	\$15.00	\$15.00
				Electric Motors	Each	\$5.00	\$10.00
				Scrap Steel	Item (small)	\$5.00	\$10.00
				Television	Each	\$25.00	\$25.00

NETWORK SERVICES			2008	2009
Toasters/ Kettles	<i>Each</i>		\$2.00	\$5.00
Video Recorders	<i>Each</i>		\$5.00	\$5.00
Clean Reuseable Timber	<i>Each</i>		Free	Free
Firewood Timber	<i>Trailer</i>		\$10.00	\$10.00
Timber to be dumped	<i>Trailer</i>		\$55.00	\$55.00
TRADE WASTE				
(Trade Waste By Law)				
Application Fee	<i>All Classes</i>		\$100.00	\$100.00
Controlled Consents	<i>1 yearly fee</i>		\$120.00	\$120.00
Controlled Consents	<i>3 yearly fee*</i>		\$240.00	\$240.00
Conditional Consents (Set on Application-Refer to By Law)				
Discharge of Septic Tank Waste				
Domestic Septic Waste (Within District)	<i>Per m³*</i>		\$9.90	\$9.90
Domestic Septic Waste (Outside District)	<i>Per m³*</i>		\$56.00	\$56.00
* Conditions Apply				
WATER CONNECTION CHARGES				
Application Fee Within Otorohanga Community				
Application fee			\$150.00	\$160.00
Standard Domestic Connection (for 20 / 25mm service within 4.0m of the watermain) if by ODC contractor			\$402.00	\$721.00
All other connections		Fixed price quote to be provided by Council approved Contractor		
Application Fee - Outside Otorohanga Communities			2008	2009
Application fee			\$150.00	\$160.00
Capital Contribution			\$1,500.00	\$1,500.00
Standard Domestic Connection		Fixed price quote to be provided by Council approved Contractor		
Extraordinary Use				
Right to withdraw from Fire Hydrant		<i>1 day</i>	\$100.00	\$100.00
Right to withdraw from Fire Hydrant		<i>1 year</i>	\$750.00	\$750.00
* Conditions Apply				
SEWER CONNECTION FEE				
Within Otorohanga Community				
Application fee			\$180.00	\$190.00
Connection		Fixed price quote to be provided by Council approved Contractor		
Outside Otorohanga Community				
Application fee			\$180.00	\$190.00
Capital Contribution			\$1,500.00	\$1,500.00
Connection		Fixed price quote to be provided by Council approved Contractor		
* Note: Connections into Councils reticulation can be made by other approved contractors subject to Councils terms and conditions. In these cases the applicant is liable for the application fee and capital contribution (if applicable) only.				

NETWORK SERVICES			
Kawhia Community		2008	2009
KAWHIA RECYCLING CENTRE			
Rubbish			
Official Bag	<i>Each</i>	Free	Free
Bag - standard	<i>Each</i>	\$2.00	\$4.00
Bag - large	<i>Each</i>		\$7.00
Truck and other	<i>Per m³</i>	\$80.00	\$80.00
Cleanfill/Greenwaste			
Standard Bag	<i>Each</i>		\$3.00
Large Bag	<i>Each</i>		\$5.00
Fadge/ Car Boot	<i>Per load</i>		\$10.00
Station Wagon / 4WD	<i>Per load</i>		\$30.00
6 x 4 Trailer	<i>Per m3</i>		\$30.00 (Min \$30.00)
Trailer - other	<i>Per m3</i>		\$30.00 (Min \$40.00)
Truck	<i>Per m3</i>		\$30.00 (Min \$60.00)
Whiteware (must be degassed)	<i>each</i>	\$15.00	\$10.00
Drop off sorted recyclables	<i>Drum</i>	Free	Free
Plastic Milk Bottles, Soft Drink (1&2), Steel Cans (Washed and Squashed)		Free	Free
Aluminium Cans, Paper (Non Food), Cardboard (Non Food/Flattened)		Free	Free
Batteries	<i>Each</i>	\$2.00	\$5.00
Car Tyres (must be derimmed and cut into 4)	<i>Each</i>	\$10.00	\$10.00
LPG Bottles (must be degassed)	<i>Each</i>		\$10.00
Computers	<i>Each</i>	\$15.00	\$15.00
Electric Motors	<i>Each</i>	\$5.00	\$10.00
Scrap Steel	<i>Item (small)</i>	\$5.00	\$10.00
Television	<i>Each</i>	\$25.00	\$25.00
Toasters/ Kettles	<i>Each</i>	\$2.00	\$5.00
Video Recorders	<i>Each</i>	\$5.00	\$5.00
Clean Reuseable Timber	<i>Each</i>	Free	Free
Firewood Timber	<i>Trailer</i>	\$10.00	\$10.00
Timber to be dumped	<i>Trailer</i>	\$55.00	\$55.00

		2008	2009
WATER CONNECTION CHARGES			
Application Fee Within Kawhia Community			
Application Fee		\$150.00	\$160.00
Standard Domestic Connection (for 20 / 25mm service within 4.0m of the watermain)		\$492.00	\$1,063.00
All other connections	Fixed price quote to be provided by Council approved Contractor		
Application Fee Outside Kawhia Community			
Application fee		\$150.00	\$160.00
Capital Contribution		\$1,500.00	\$1,500.00
Standard Domestic Connection	Approved Contractor	Quote	Quote
Extraordinary Use			
Right to withdraw from Fire Hydrant	1 day	\$100.00	\$100.00
Right to withdraw from Fire Hydrant	1 year	\$750.00	\$750.00
* Conditions Apply			

COMMUNITY SERVICES			
		2008	2009
Otorohanga Community CEMETERY			
Plots			
Adults		\$500.00	\$500.00
Children		\$100.00	\$100.00
Columbarium (Ash Wall) and Ash Berm		\$200.00	\$200.00

COMMUNITY SERVICES					
	2008	2009			
Interment			New Books (Fiction and selected popular non-fiction) (All Issues)	<i>per book</i>	\$2.00 \$2.00
Adults	\$725.00	\$725.00	Non Fiction and Large Print Renewal - New fiction and selected popular non fiction	<i>per book</i>	Nil Nil
Extra Depth	\$750.00	\$750.00	New Magazines (6 months only)	<i>per book</i>	\$2.00 \$2.00
Child 11yrs and under	\$450.00	\$450.00	Renewal - New Magazines	<i>per magazine</i>	\$1.00 \$1.00
Stillborn	\$100.00	\$100.00	Renewal - Magazines	<i>per magazine</i>	\$0.50 \$0.50
Columbarium (inc. Council installation of plaque and interment)	\$250.00	\$250.00	Overdue Charges	<i>per day after 3 weeks</i>	\$0.20 \$0.20
Columbarium (inc. Own installation of plaque and interment)	\$100.00	\$100.00	Book Reserve Fee		\$0.50 \$0.50
				2008	2009
Additional Fees			Other Fees & Charges		
Saturday, Sunday and Statutory Holidays	\$150.00	\$150.00	Internet Fees	<i>per 15 mins</i>	\$5.00 \$5.00
Breaking Concrete	\$75.00	\$75.00	Internet Fees (Minimum Charge)		\$2.50 \$2.50
Extracts from cemetery plans and records	nil	nil	Sale of Books	<i>per book</i>	\$0.50 \$0.50
			Lost Books	<i>Cost</i>	replacement cost replacement cost
LIBRARY			Photocopying	<i>per copy – A3</i>	\$0.20 \$0.20
GOLD CARD				<i>per copy – A4</i>	\$0.30 \$0.30
Free New Fiction, Magazines, General Fiction, Non Fiction, Children's Books, Large Print	<i>per card</i>	\$40.00 \$40.00	Faxing	<i>per page</i>	\$0.50 \$0.50
Renewal - New fiction and selected popular non fiction	<i>per renewal</i>	\$2.00 \$2.00	Videos	<i>per video (per week)</i>	\$2.50 \$2.50
Renewal - New Magazines	<i>per renewal</i>	\$1.00 \$1.00	Out of district membership fee	<i>per annum</i>	\$30.00 \$30.00
Overdue Charges	<i>per day after 3 weeks</i>	\$0.20 \$0.20			
Book Reserve Fee	<i>per item</i>	\$0.50 \$0.50	LIBRARY MEETING ROOM		
Extra Card		\$5.00 \$5.00	Hire During Day (7.00am to 6.00pm)		
Interloan		\$4.00 \$4.00	Outside	<i>initial hour</i>	\$40.00 \$40.00
				<i>each additional hour or part there of</i>	\$20.00 \$20.00
STANDARD CARD			Local	<i>initial hour</i>	\$20.00 \$20.00
Free Fiction, Non Fiction, Large Print, Children's Books				<i>each additional hour or part there of</i>	\$10.00 \$10.00
	2008	2009	Bond		\$100.00 \$100.00

COMMUNITY SERVICES					
	2008	2009		2008	2009
Hire During Evening (6.00pm to 1.00am)			SECURITY PATROL SERVICE		
Social Function	\$100.00	\$100.00	Charges for properties outside defined area	<i>Capital Value</i>	Current Rate
Meeting (Local)	\$40.00	\$40.00	(Former Differential Rating Area No 1)	<i>Uniform Charge</i>	Current Rate
Other	\$60.00	\$60.00			
Bond	\$100.00	\$100.00			
SWIMMING POOLS			Kawhia Community CEMETERY		
Admission			Plots		
Adults	\$2.50	\$3.00	Adults	\$600.00	\$600.00
Children (Up to 16 years)	\$1.50	\$1.50	Children	\$100.00	\$100.00
Children (Under 4 years)	\$0.50	\$0.50	Ash Wall	\$250.00	\$250.00
Students (With I.D)	\$1.50	\$1.50			
P.W.D	\$1.50	\$1.50	Interment		
Seniors	\$1.50	\$1.50	Adults	\$725.00	\$725.00
Spectators	Free	Free	Extra Depth	\$750.00	\$750.00
Concession			Children 11 years and under	\$450.00	\$450.00
Family Day Pass (2 adults, 3 children)	\$7.00	\$7.00	Stillborn	\$100.00	\$100.00
Adult (10 swim)	\$22.50	\$22.50	Ash wall (including installation of plaque)	\$250.00	\$250.00
Child (10 swim)	\$10.00	\$13.50			
Senior (10 swim)	\$10.00	\$13.50	Additional Fees		
Family (2 month pass)	\$50.00	\$50.00	Saturday, Sunday & Statutory Holidays	\$150.00	\$150.00
Key to Fitness	-	-	Breaking Concrete	\$75.00	\$75.00
Aquacise Pass (Public) (10 swim)	\$31.50	\$31.50	Extracts from Cemetery Plans and Records	nil	nil
Aquacise Pass (Senior) (10 swim)	\$27.00	\$27.00			
Pool Hire (non-exclusive, conditions apply)			KAWHIA WHARF		
Within Otorohanga – per hour	\$22.50	\$22.50	Shed Rentals		
Outside Otorohanga – per hour	\$35.00	\$35.00	NZ Steel	\$1,040.00	\$1,040.00
Lifeguard supervision – per hour	\$20.00	\$20.00	Other Sheds	\$850.00	\$850.00
			<i>per shed connected</i>	\$168.75	\$168.75
			Power Charge		
			Berthage		
			NZ Steel	\$1,040.00	\$1,040.00
			Other Permanent Users	\$850.00	\$850.00
			Casual	<i>per day</i>	\$50.00

REGULATORY SERVICES

	2008	2009
RESOURCE MANAGEMENT FEES		
All references are to the Resource Management Act 1991 unless specified otherwise		
Notes to Payment Of Charges		
All the deposits and specified amounts are payable in advance. Pursuant to Section 36 (7) of the Resource Management Act 1991 Council need not perform the action to which the charge relates until the charge has been paid to it in full. An additional charge may be required under Section 36 (3) where the set charge is inadequate to enable Council to recover its actual and reasonable costs relating to any particular application.		
Deposits made will be non-refundable		
Application For Change To District Plan	\$6,000.00	\$6,000.00
Deposit payable on receipt of the application with the balance of Council's costs recoverable on an actual and reasonable basis.		
Staff time will be calculated at an hourly rate from 1st July 2007	Actual Time	Actual Time
Receiving And Processing Notified Applications for Resource Consent (Landuse and Subdivision)		
This category includes the following:		
– Controlled activities		
– Discretionary activities		
– Non-complying activities		
– Extension of consent periods (Section 125)		
– Change or cancellation or consent condition (Section 127)		

	2008	2009
Deposit payable on receipt of the application with the balance of Council's costs recoverable on an actual and reasonable basis.	\$3,300.00	\$3,300.00
Staff time will be calculated at an hourly rate from 1st July 2007	Actual Time	Actual Time
In addition to staff time, a charge shall be payable by the applicant per half day of hearing meeting held or part thereof and site visit by hearing Committee	\$1,500.00	\$1,500.00
Limited Notified Application	deposit	
	\$2,500.00	\$2,500.00
Receiving And Processing Non-Notified Applications for Resource Consent (Landuse)		
This category includes the following		
– Controlled activities		
– Discretionary activities		
– Non-complying activities		
– Extension of consent periods (Section 125)		
– Change or cancellation or consent condition (Section 127)		
	deposit	
	\$950.00	\$950.00
Relocatable dwellings and small signs	deposit	
	\$600.00	\$600.00
Staff time will be calculated at an hourly rate from 1st July 2007	Actual Time	Actual Time
In the case of Land Use consents an additional fee to apply at the time of issuing the consent to cover the cost of ongoing monitoring.	\$250.00	\$250.00

REGULATORY SERVICES			2008	2009		2008	2009
Receiving and Processing Non-Notified Applications for Resource Consent (Subdivision)					Designations And Notices of Requirements		
This category includes the following:					Deposit payable on a receipt of a designation or notice of requirement with the balance of Council's costs recoverable on an actual and reasonable basis.	\$3,200.00	\$3,200.00
– Controlled activities					Deposit payable by a Requiring Authority where Council is required to take action under Section 182 (2) consequent to the removal of a designation.	\$550.00	\$550.00
– Discretionary activities					Deposit payable by a Requiring Authority where Council is required to decide on a Section 184 application to extend the life of a designation.	\$550.00	\$550.00
– Non-complying activities					Outline Plan of Works – Deposit payable on receipt of an outline plan of works pursuant to Section 176A.	\$650.00	\$650.00
– Extension of consent periods (Section 125)					The balance of Council's costs recoverable on an actual and reasonable basis. Staff time will be calculated at an hourly rate from 1st July 2007	Actual Time	Actual Time
– Change or cancellation or consent condition (Section 127)					Heritage Orders		
Three allotments or less	<i>deposit</i>	\$1,900.00	\$1,900.00		Deposit payable on receipt of a heritage order or notice of requirement with the balance of Council's cost recoverable on an actual and reasonable basis (Section 189).	\$850.00	\$850.00
Other - Deposit payable on receipt of the application with the balance of Council's costs recoverable on an actual and reasonable basis.		\$2,250.00	\$2,250.00		Staff time will be calculated at an hourly rate from 1st July 2007	Actual Time	Actual Time
Staff time will be calculated at an hourly rate from 1st July 2007		Actual Time	Actual Time		Deposit payable by a requiring authority where Council is required to take action under Section 196 consequent to the removal of a heritage order.	\$550.00	\$550.00
Change or Cancellation of Consent Notice including Preparation of Document		\$450.00	\$450.00				
Receiving and processing Certificates of Compliance under Section 139 of the Resource Management Act 1991							
Each Application	<i>standard fee</i>	\$950.00	\$950.00				

REGULATORY SERVICES				2008	2009
Miscellaneous		2008	2009		
Receiving, and processing and determining an application to extend an existing use pursuant to Section 10 (2) of the Resource Management Act 1991.	standard fee	\$250.00	\$250.00	Section 124 (b) conferring the power on the consent authority to allow a consent holder who had made application for a new consent within the period beginning six months before and ending three months before the expiry of the original consent to continue	deposit \$320.00 \$330.00
Receiving and processing an application for a 223 Certificate where the 223 Certificate approval is not part of an application for a 244 (completion) certificate.	standard fee	\$250.00	\$250.00	Section 126 (b) which confers the power on the Council to fix a longer period than three months after the expiry of the period of two years during which a consent has not been exercised, as the time within which the consent holder may make an application	deposit \$320.00 \$330.00
Receiving and processing an application for a 224 (completion) certificate – a deposit of		\$380.00	\$380.00	Section 176 (b) which deals with the power of the requiring authority to grant consent to any person to do anything in relation to the land that is the subject of a designation or heritage order.	deposit \$320.00 \$330.00
Staff time will be calculated at an hourly rate from 1st July 2007	Actual Time	Actual Time		Section 177 (1) (a) which confers the power on the authority responsible for the earlier designation or order to consent to the requiring authority responsible for a later designation to act.	deposit \$320.00 \$330.00
Section 109 (4) dealing with the power to allow a consent holder further time to complete works.	deposit	\$200.00	\$200.00	Section 178 (1) which confers the power on the requiring authority which has given notice of a requirement to consent to anyone doing anything that would prevent or hinder the public work, project or work.	deposit \$320.00 \$330.00
Preparation and signing of any Bond (except relocatable Bond), covenant, legal document or variation thereto required as a condition of consent (s.108,109) or application to vary or extend time in respect of any bond, covenant or consent notice under s.108 and/or 109 including preparation of documents	deposit	\$550.00	\$550.00	Section 184 (1) (b) which confers the power to determine that a designation should not lapse on the basis that substantial progress has been made towards giving effect to it.	deposit \$320.00 \$330.00
Bond discharges (except cash relocatable bonds)	standard fee	\$320.00	\$320.00	Section 184 (2) (b) which confers the power to determine that a second extension should be granted or that where a period other than five years was specified for the duration of the designation, that period should be extended on the grounds that substantial progress or effort has been made towards giving effect to the designation	deposit \$320.00 \$320.00
Relocatable Buildings					
Bond Preparation Fee		\$200.00	\$206.00		
Partial Bond Refunds		\$200.00	\$206.00		

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REGULATORY SERVICES		2008	2009		2008	2009
	<i>Rural area add travel for 3 inspections</i>			Single storey dwellings in excess of 200m²	<i>Rural area add travel for 9 inspections</i>	
Small Additions or alterations up to 30m ² with no plumbing & drainage		\$505.00	\$520.00		\$1,712.00	\$1,763.00
	<i>Rural area add travel for 4 inspections</i>			Dwellings Two Storey or more up to 200m²	<i>Rural area add travel for 9 inspections</i>	
Detached habitable buildings with plumbing/drainage		\$705.00	\$726.00		\$1,900.00	\$2,008.00
Sleepouts with Toilet/Shower				Dwellings two storey or more over 200m²	<i>Rural area add travel for 10 inspections</i>	
	<i>Rural area add travel for 4 inspections</i>				\$2,090.00	\$2,153.00
Small Additions or alterations up to 30m ² with plumbing & drainage		\$705.00	\$726.00	Small Commercial/Industrial Buildings up to 300m²	<i>Rural area add travel for 9 inspections</i>	
	<i>Rural area add travel for 4 inspections</i>				\$1,618.00	\$1,666.00
Additions between 30 & 60m ² Note: for work over 60m ² , dwelling, commercial & industrial fees apply		\$800.00	\$824.00	Commercial/Industrial Buildings in excess 300m²	<i>Rural area add travel for 10 inspections</i>	
	<i>Rural area add travel for 5 inspections</i>				\$2,452.00	\$2,526.00
Dairy Sheds		\$894.00	\$920.00	Travel Costs (inclusive of staff time)	<i>per km each way</i>	
	<i>Rural area add travel for 5 inspections</i>			Applies to building consents in excess of 5 km from Otorohanga	\$2.50	\$2.60
Resited Dwellings		\$1,004.00	\$1,034.00	A set rate will be charged with any building work in Kawhia	<i>per Trip</i>	
A refundable performance bond based on the estimated cost of remedial work required to meet Resource Consent conditions is also required				A flat rate will be charged with any building work in Otorohanga	\$100.00	\$100.00
	<i>Rural area add travel for 8 inspections</i>				<i>per Trip</i>	
Single storey dwellings up to 100m ²		\$1,430.00	\$1,473.00	Extra Inspections	\$25.00	\$25.00
	<i>Rural area add travel for 8 inspections</i>			Where an inspection is requested but the project is not ready fails inspection	\$90.00	\$90.00
Single storey dwellings up to 200m ²		\$1,618.00	\$1,666.00	Report on Buildings to be Relocated	<i>Inspection and Report</i>	
				A refundable performance bond based on the estimated cost of remedial work required to meet Resource Consent conditions is also required	\$270.00	\$270.00
					(plus travel costs)	(plus travel costs)

REGULATORY SERVICES		2008	2009		2008	2009
Inspections of Existing Swimming Pool Fences (Plus Travel)	<i>per inspection</i>	\$90.00	\$90.00	Cancellation of Building Consent Upon cancellation of a building consent that has been approved Council will refund all fees less 50% of the Building Consent Fee	<i>Per consent</i>	
Inspections of Buildings for Compliance with Section 224(f) Resource Management Act 1991	<i>per inspection</i>	\$180.00	\$180.00	Building Consent Information – Others	<i>per year</i>	\$300.00 \$300.00
Code Compliance Certificate for each additional inspection necessary to obtain compliance (Plus Travel)	<i>per inspection</i>	\$90.00	\$90.00	External Consultant Fees When external consultants are engaged to peer review Consent applications the applicant will be charged the actual cost for those services.	Actual Cost	Actual Cost
Extension of Time for which Building Consent is Valid Max 2 extensions of 6 months each		\$50.00	\$50.00	AMUSEMENT DEVICES		
Dept of Building and Housing levy		\$1.97 per \$1,000	\$1.97 per \$1,000	Permit Fees - First Device	\$11.25	\$11.25
B.R.A.N.Z levy		\$1.00 per \$1,000	\$1.00 per \$1,000	Permit Fees - Each additional device	\$2.50	\$2.50
BCA Accreditation levy	<i>per consent</i>	\$21.00	\$21.00	LIQUOR LICENSING FEES		
Application for Certificate of Acceptance per inspection		\$400.00 \$90.00	\$412.00 \$90.00	Special Licences	\$63.00	\$63.00
Application for Certificate of Public Use per inspection		\$400.00 \$90.00	\$412.00 \$90.00	Licence renewals, variations of conditions and new licences	\$776.00	\$776.00
Notice to Fix per inspection		\$180.00 \$90.00	\$186.00 \$90.00	Managers Certificates	\$132.00	\$132.00
Section 71 and Section 77 Building Act 2004				Public request for information from register etc.	\$20.00	\$20.00
Preparation, signing and registration of Notices and Certificates charged at actual cost	<i>deposit</i>	\$300.00	\$330.00	Temporary Authority	\$132.00	\$132.00
				Resource Management Certificate of Compliance	\$100.00	\$100.00
				Certificate pursuant to Building Act 1991	\$100.00	\$100.00
				PUBLIC HEALTH FEES		
				FOOD PREMISES		
				Application for Food Premises Licence - initial inspection and interview plus apportioned annual fee or \$100.00, whichever is greater	\$220.00 plus apportioned annual fee	\$220.00 plus apportioned annual fee
				Annual Fee required by risk assessment		
				Low risk premises	\$275.00	\$275.00
				High risk	\$350.00	\$350.00

REGULATORY SERVICES		2008	2009
Change of ownership	All License Categories	\$100.00	\$100.00
Premises not required to be registered but requiring inspection			
Licensed premises, eating houses and food preparation premises		\$275.00	\$275.00
General inspection fee		\$90.00	\$90.00
HAIRDRESSERS			
Initial registration of premises			
Initial inspection and interview plus apportioned annual fee or \$100.00, whichever is greater		\$220.00 plus apportioned annual fee	\$220.00 plus apportioned annual fee
Renewal annual fee		\$275.00	\$275.00
OFFENSIVE TRADES			
Initial registration			
Initial inspection and interview plus apportioned annual fee or \$100.00, whichever is greater		\$220.00 plus apportioned annual fee	\$220.00 plus apportioned annual fee
Renewal annual fee		\$275.00	\$275.00
CAMPING GROUNDS			
Initial registration			
Initial inspection and interview to check compliance with Camping Ground Regulations plus apportioned annual fee or \$100.00, whichever is greater		\$220.00 plus apportioned annual fee	\$220.00 plus apportioned annual fee
Renewal annual fee		\$275.00	\$275.00
HAWKERS AND MOBILE SHOPS			
Hawkers		\$100.00	\$100.00
Mobile Shops		\$150.00	\$150.00
Itinerant Traders		\$150.00	\$150.00

DOG CONTROL

Pursuant to Section 37 of the Dog Control Act 1996 the dog registration fees for the 2007/08 registration year and payable from 1 July 2007 in respect of all dogs aged 3 months or over, be based on the existing fees, as follows:

	2008	2009
Urban Dogs	\$110.00	\$114.00
Urban plus Neutered Dogs	\$85.00	\$88.00
Urban plus Special Owner Dogs	\$85.00	\$88.00
Rural Dogs	\$85.00	\$88.00
Special Owner plus Neutered Dogs	\$44.00	\$47.00
Rural plus Special Owner Dogs	\$44.00	\$47.00

That an additional registration fee of 50% of the fee that would have been payable on dogs not registered by 31 July shall apply.

Registration tags to be supplied free of charge.
Replacement tags to be supplied free of charge.

Dog collars to be supplied at true cost.
That all fees be inclusive of Goods and Services Tax.

POUNDAGE

DOGS

That pursuant to Section 68 of the Dog Control Act 1996 the following fees be payable for impounding of dogs-

A poundage fee of	per dog	\$45.00	\$45.00
An additional poundage fee for second and subsequent impoundings.	per dog	\$45.00	\$45.00

**Fee for dogs uplifted for barking complaints, threatening public safety, non-registration or any other purpose authorised under the Dog Control Act 1996, the actual and reasonable costs incurred.*

REGULATORY SERVICES		2008	2009		2008	2009
	<i>per dog per day or part thereof</i>			Notification Advertisement		
Sustenance fee		\$12.00	\$12.00	That in addition to the above fees and to be considered part of the poundage fee, where applicable, a notification fee of a newspaper circulating in the local authority district.	\$15.00	\$15.00
Notification Fee		\$12.00	\$12.00	Repeated Impounding		
<i>That impounded dogs only be released from the pound between the hours of 8.30am to 5.00pm Monday to Friday on full payment of all fees. No releases to be made on Saturdays, Sundays or public holidays.</i>				That where stock, not necessarily the same animal, but owned by the same person is impounded on a second or subsequent occasion, the Poundage fee shall be twice that charged on the initial impounding.	Double initial impounding Fee	Double initial impounding Fee
OTHER ANIMALS				Sustenance		
pursuant to Section 14 of the Impounding Act 1955				<i>per head of stock per day.</i>		
Poundage				That sustenance fees shall be payable by the owner of impounded stock sufficient to reimburse the Council for all actual and reasonable costs incurred in the sustenance of the stock provided that no such fee shall be less than.	\$8.00	\$8.00
For every horse, mare, gelding, colt, filly or foal		\$45.00	\$45.00	Driving Charges		
For every mule or ass		\$45.00	\$45.00	That in the case of any stock found trespassing, straying or wandering on any road, the owner shall pay to the Council all actual and reasonable costs incurred in loading, driving or conveying the stock from the place where it is found to the nearest pound.	\$12.00	\$12.00
For every bull above the age of 9 months	<i>Per head up to 6 head</i>	\$45.00	\$45.00			
For every bull above the age of 9 months	<i>For every head over 6 head</i>	\$20.00	\$20.00	That impounded stock only be released from the pound between the hours of 8.30am to 5.00pm Monday to Friday on full payment of all fees. No releases to be made on Saturdays, Sundays or public holidays.		
For every ox, cow, steer, heifer or calf	<i>Per head up to 6 head</i>	\$35.00	\$35.00			
For every ox, cow, steer, heifer or calf	<i>For every head over 6 head</i>	\$20.00	\$20.00	TRESPASSING		
For every stag above the age of 9 months		\$45.00	\$45.00	Trespass on any paddock of grass or stubble		
For all other deer		\$35.00	\$35.00	For every horse, cattle, beast, deer ass or mule	<i>Per day</i>	\$3.00
For every ram above the age of four months		\$15.00	\$15.00	For every sheep	<i>Per day</i>	\$1.00
For every ewe, wether, or lamb		\$10.00	\$10.00	For every pig or goat	<i>Per day</i>	\$6.00
For every goat		\$10.00	\$10.00	Trespass on any land bearing any growing crop or from which the crop has not been removed, or in any reserve, cemetery or burial ground		
For every boar		\$40.00	\$40.00			
For all other pigs		\$40.00	\$40.00			

REGULATORY SERVICES

		2008	2009
For every horse, cattle, beast, deer ass or mule	<i>Per day</i>	\$6.00	\$6.00
For every sheep	<i>Per day</i>	\$2.00	\$2.00
For every pig or goat	<i>Per day</i>	\$12.00	\$12.00

GOVERNANCE AND LEADERSHIP

GIS PLANS

For custom maps the GIS Officers time should be charged at

Raster Data

Sheet	Size	2008	2009
A4	(210 x 297)	\$10.00	\$10.00
A3	(420 x 297)	\$12.00	\$12.00
A2	(420 x 594)	\$15.00	\$15.00
A1	(840 x 594)	\$30.00	\$30.00

Vector Data

		2008	2009
A4	(210 x 297)	\$7.00	\$7.00
A3	(420 x 297)	\$8.00	\$8.00
A2	(420 x 594)	\$15.00	\$15.00
A1	(840 x 594)	\$20.00	\$20.00

Raster plots are dearer as they are solid graphics like topographical maps or aerial photography, whereas vector data is only line work and text and therefore uses considerably less ink.

PHOTOCOPYING

Single <5

A4 White	\$0.40	\$0.40
A3 White	\$0.60	\$0.60
A4 Coloured	\$1.00	\$1.00

Single >5

A4 White	\$0.35	\$0.35
A3 White	\$0.50	\$0.50
A4 Coloured	\$0.80	\$0.80

Double sided <5

A4 White	\$0.60	\$0.60
A3 White	\$0.80	\$0.80
A4 Coloured	\$1.50	\$1.50

Double sided >5

A4 White	\$0.50	\$0.50
A3 White	\$0.70	\$0.70
A4 Coloured	\$1.25	\$1.25

Own Paper less 2c per copy, Staff
Schools/Clubs less 25%, Large Volumes by negotiation, Cash only under \$50

LAND INFORMATION MEMORANDUM

Application Fee	\$225.00	\$225.00
Urgent Fee (within 5 working days)		
Any follow up work as a result of a LIM	Additional	\$125.00
		Actual costs

GOVERNANCE AND LEADERSHIP

		2008	2009
LEGAL DOCUMENTS			
Preparation of Leases and Licences of Council land (plus actual disb. Costs i.e. any advertising fees)	Standard Fee	\$200.00	\$200.00
Preparation of Leases and Licences of Council land – renewal	Standard Fee	\$150.00	\$150.00
Sealing Fee per set of documents		\$35.00	\$35.00
Title Search	Standard (plus disbursements) per document	\$10.00	\$20.00
	Complex (plus disbursements) per document	\$15.00	\$20.00
Search Fee for Complex Title			
Search Staff Time	per hour	\$50.00	\$50.00
		2008	2009
RATING INFORMATION			
Road / Street Index		\$500.00	\$500.00
Written confirmation of individual property information and requisitions		\$50.00	\$50.00
Verbal information on properties to the owner, occupier or their representatives.		Nil	Nil

DEVELOPMENT CONTRIBUTIONS

	Area of Benefit	2009
ROADING PROJECTS		
Safety Improvements	Hanning, Te Tahi and Mangati Roads Calculated based on distance up road from State Highway 39, with a minimum charge of	\$12,832.00
WATER/ WASTEWATER/ STORMWATER		
Otorohanga Community Water Reservoir	Refer to Map Five in Development Contributions Policy	\$799.00
Otorohanga Community Water Treatment Plant	Refer to Map Five in Development Contributions Policy	\$720.00
Kawhia Community a) Treatment & b) Headworks	Refer to Map Three in Development Contributions Policy	\$1,240.00
Thompson/ Harper Avenue water main ring main completion	Refer to Map Two in Development Contributions Policy	\$435.00
Otorohanga Community pre-treatment	Refer to Map Five in Development Contributions Policy	\$1,319.00
Stormwater capacity upgrade	Refer to Map One in Development Contributions Policy	\$597.00
RESERVE CONTRIBUTIONS		
Under Section 108 Resource Management Act 1991	For every new lot created	\$990.00

AUDIT OPINION

Deloitte

**REPORT TO THE READERS OF
OTOROHANGA DISTRICT COUNCIL'S
LONG-TERM COUNCIL COMMUNITY PLAN STATEMENT OF PROPOSAL
FOR PUBLIC CONSULTATION FOR THE TEN YEARS COMMENCING 1 JULY 2009**

The Auditor-General is the auditor of Otorohanga District Council (the District Council). The Auditor-General has appointed me, Bruce Taylor, using the staff and resources of Deloitte, to report on the Statement of Proposal for adoption of a Long Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 84(4) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the Statement of Proposal complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the Statement of Proposal; and
- the extent to which the forecast information and proposed 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 Statement of Proposal for adoption of an LTCCP.

Opinion

Overall Opinion

In our opinion the Statement of Proposal for adoption of an LTCCP of the District Council incorporating pages 1 to 320 dated 21 April 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 84(4) 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 Statement of Proposal provide a reasonable and supportable basis for the preparation of the forecast information;
- the extent to which the forecast information and proposed performance measures within the Statement of Proposal 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.

Deloitte

Our report was completed on 21 April 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 Statement of Proposal for adoption of an 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 Statement of Proposal 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 Statement of Proposal is financially prudent, and has been clearly communicated to the community in the Statement of Proposal;
- the presentation of the Statement of Proposal complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the Statement of Proposal are compliant with the decision-making and consultation requirements of the Act;
- the information in the Statement of Proposal is based on materially complete and reliable asset or activity management plans;
- the agreed levels of service are fairly reflected throughout the Statement of Proposal;
- 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 Statement of Proposal 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 Statement of Proposal.

We do not guarantee complete accuracy of the information in the Statement of Proposal. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the Statement of Proposal 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 a 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 Statement of Proposal for adoption of an LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 84(4) of the Act.

Independence

When reporting on the Statement of Proposal for adoption of an 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 annual audit, we have no relationship with or interests in the District Council.

Bruce Taylor

Deloitte

On behalf of the Auditor-General

Hamilton, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the Statement of Proposal: Long Term Council Community Plan (SOP LTCCP) of Otorohanga District Council for the period 2009-2019 included on Otorohanga District Council's web-site. Otorohanga District Council's Council is responsible for the maintenance and integrity of Otorohanga District Council's web site. We have not been engaged to report on the integrity of Otorohanga District Council's web site. We accept no responsibility for any changes that may have occurred to the SOP LTCCP since they were initially presented on the web site.

The audit report refers only to the SOP LTCCP named above. It does not provide an opinion on any other information which may have been hyperlinked to from this SOP LTCCP. 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 SOP LTCCP and related audit report dated 21 April 2009 to confirm the information included in the audited SOP LTCCP presented on this web site.

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

COUNCIL POLICIES

Revenue and Financing Policy

Introduction



The Local Government Act 2002 requires all Councils to adopt a Revenue and Financing Policy as part of its Long Term Council Community Plan. This policy is used to demonstrate how the Council proposes to fund its operating and capital expenditures in respect of its various activities. More importantly it will show who will pay these costs and why.




The use of a formal process to determine funding arrangements is not new. Since 1996, Councils have been required to examine their activities and to arrange the funding between the community as a whole and the users and beneficiaries of the various services that Council provides. These two funding streams were referred to as “public” i.e. the community as a whole, and “private” i.e. the individuals that use the service.

The 2002 Act takes this public/ private split to another stage. Councils now need to show how these activities link to the community outcomes, who benefits from them, the time period over which these benefits are expected to occur and whether the actions or inactions of particular groups have given rise to the need for the activity. Where an activity is separately funded, the Council needs to show the benefits from maintaining this separate funding.

Lastly the Council has to demonstrate that in making its overall funding decisions; it has given consideration to the impact on the community and in particular the affect on its current and future well-being.

This policy is set out under the following major headings:






-  Policy Statement
-  Legal Requirements of the Revenue and Financing Policy

-  Council's process for applying these legal requirements
-  Overall funding considerations
-  Individual activity analysis

Philosophy

The Council will manage its financial affairs prudently and in a manner that promotes the current and future interests of the community. The aim of the policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to fund its activities from the most appropriate source after consideration of who benefits from each activity. As a general rule, operating activities will be funded from operating revenue.

The Council activities will be funded from appropriate sources of revenue following consideration of:

-  The community outcomes to which the activity primarily contributes; and
-  The distribution of benefits between the community as a whole and any identifiable groups or individuals within the community; and
-  The period over which the benefits are expected to occur; and
-  The extent to which the actions or inactions of individuals contribute to the need for the activity; and
-  The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from the other activities; and

- 👤 The overall impacts of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

In funding its activities the Council may need to borrow and invest funds and as a result has risks such as interest rate, liquidity, credit and internal control. The Council's policies in relation to borrowing and the associated risks are contained in the Liability Management Policy. The policies in relation to investments are contained in the investment policies.

Policy Statement

Funding of Operating Expenditure

Council funds operating expenditure from the following sources :

👤 General rates

General rates are used to fund those services where Council believes there is a public benefit even though it may not be to the whole community. It typically funds "public goods" for which there is no practical method for charging individual users as the benefit is wider than just specific users.

👤 Targeted rates for :

- Community and Ward Services
- Water Supply
- Refuse Collection
- Roding
- Halls
- Security Patrol
- Debt Servicing

- Sewerage
- Aotea Erosion Protection
- Otorohanga CBD Development

Targeted rates for water reflect the different levels of service and areas of benefit for individual schemes, and also attempt to provide equity between large volume users and smaller volume users. A uniform targeted rate is used for many of the schemes due to the efficiency of the charge and the high cost and marginal benefit of universal metering.

👤 Charges for services including fees, fines and charges

Fees and charges are used for services where there is a benefit to an individual. If it is possible to efficiently impose a charge, the Council does so on the basis of either recovering the full cost of the service, the marginal cost added by the users, or a rate that the market will pay.

The market rate becomes an issue to limit the potential for charging. It applies in circumstances where the Council believes that a charge set too high will reduce use and therefore diminish the value of the facility to the community, and impose a greater cost on the ratepayers.

👤 Interest and dividends from investments

👤 Grants and subsidies towards operating expenses (subsidies towards capital expenditure are applied to the related capital expenditure only)

👤 Other operating revenue, including :

- Petrol tax
- Property rentals
- Other income




Council may choose not to fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when it would be beneficial to avoid significant fluctuations in rates, fees or charges.





The Act also requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered by the Long Term Council Community Plan. The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

Funding of Capital Expenditure

Council funds capital expenditure from subsidies, borrowing, reserves, development contributions and operating surpluses. When funded by debt, Council spreads the repayment of that borrowing over several years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Treasury Management Policy. Whilst seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets when practical. Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include :

-  Council reserves.
-  Financial contributions under the Resource Management Act 1991 and Development Contributions under the Local Government Act 2002.
-  Contributions towards capital expenditure from other parties such as NZTA (in relation to certain roading projects).

-  Revenue collected to cover depreciation charges
-  Proceeds from sale of assets
-  Targeted rates
-  Operating surpluses

The Forecast Financial Statements included in the Long Term Council Community Plan contain a Statement of Prospective Net Debt Position. This statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.

Legal Requirements of the Revenue and Financing Policy

This Revenue and Financing Policy has been prepared in accordance with the requirements of the Local Government Act 2002. The relevant sections of Local Government Act 2002. The relevant sections of that Act are reproduced below.

S101 Financial Management

- 1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
- 2) A local authority must make adequate and effective provision in its long-term Council community plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term Council community plan and annual plan.
- 3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,-

- a) in relation to each activity to be funded,-
 - (i) the community outcomes to which the activity primarily contributes; and
 - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - (iii) the period in or over which those benefits are expected to occur; and
 - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

S102 Funding and financial policies

- 1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies described in subsection (4).
- 2) A local authority must, subject to subsection (3), use the special consultative procedure in adopting a policy under this section.
- 3) A policy under this section may be adopted by a local authority as part of its long-term Council community plan.
- 4) A local authority must adopt-
 - a) a revenue and financing policy; and

- b) a liability management policy; and
 - c) an investment policy; and
 - d) a policy on development contributions or financial contributions; and
 - e) a policy on partnerships between the local authority and the private sector; and
 - f) a policy on the remission and postponement of rates on Maori freehold land.
- 5) A local authority may adopt all or any of the following policies:
 - a) a rates remission policy;
 - b) a rates postponement policy.
- 6) A policy described in this section may be amended only as an amendment to the long-term Council community plan.

S103 Revenue and Financing policy –







- 1) A policy adopted under section 102(4)(a) must state-
 - a) the local authorities policies in respect of the funding of operating expenses from the sources listed in subsection (2)
 - b) the local authorities policies in respect of the funding of capital expenditure from the sources listed in subsection (2).
- 2) The sources referred to in subsection (1) are as follows:
 - a) general rates, including-
 - (i) choice of valuation system
 - (ii) differential rating
 - (iii) uniform annual general charges




- b) targeted rates
- c) fees and charges
- d) interest and dividends from investments
- e) borrowing
- f) proceeds from asset sales
- g) development contributions
- h) financial contributions under the Resource Management Act 1991
- i) grants and subsidies
- j) any other source

- 3) A policy adopted under section 102(4)(a) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).

S14 Principles relating to local authorities –






Section 14 lists a set of general principles applying to all significant decisions, which includes the funding policy. In summary the general principles of section 14 require the conduct of Council business and decision making to be:

-  Transparent and accountable
-  Efficient and effective
-  Focused on meeting community outcomes
-  Responsive to diverse community interests including future generations
-  Inclusive of Maori
-  Collaborative with over local authorities

-  Based on sound business practices in the case of commercial transactions
-  Demonstrative of prudent stewardship of resources
-  Based on a sustainable approach reflecting social, economic, environmental and cultural well-being of future generations

S77 Requirements in relation to decisions –






Section 77 lists a set of requirements that a Council must apply when making decisions. In summary the general requirements of Section 77 require that a Council must;

-  Identify all reasonably practical options to achieve the objectives of the decision,
-  Consider the benefits and costs of each option in terms of the district's well-being,
-  How the decision supports the community outcomes
-  Consider any statutory responsibilities
-  Where the decision is in relationship to land or a body of water the Council must take into account the relationship between Maori and the land or body of water.

Council's Process for applying these Legal requirements

The first step of the process followed by Council when developing the Revenue and Financing Policy has been to analyse the requirements of section 101(3)(a) of the Act. This has involved considering each of the significant activities of Council in terms of this section of the Act.

The headings used for this analysis are:

-  Community Outcomes
-  Distribution of benefits
-  Period of benefits
-  Exacerbator pays
-  Costs and benefits of distinct funding

Community Outcomes

Section 101(3)(a)(i) requires Council to identify the community outcome to which each activity primarily contributes. The community outcomes are described in the Long Term Council Community Plan; these are:



Otorohanga District is a safe place to live.



Ensure services and facilities meet the needs of the community.



Provide for the unique history and culture of the district.



Promote the local economy and opportunities for sustainable economic development.



Manage the natural and physical environment in a sustainable manner.



Foster an involved and engaged community.



Protect the special character of our harbours and their catchments.



Recognise the importance of the District's rural character.

The Long Term Council Community Plan, sets out under each activity the outcome or outcomes to which it primarily contributes, and states why each activity is undertaken.

Distribution of Benefits

Section 101(3)(a)(ii) requires Council to assess the benefits from each activity flowing to the community as a whole, and those flowing to individuals or identifiable parts of the community.

In order to assess the distribution of benefits, it is necessary to first describe and define the different types of benefits that flow from Council activities.




Existence benefit: an existence benefit is one that arises simply from the fact that a facility or service exists. For an activity such as libraries or other community facilities, the fact that the community protests when the closure of such facilities is mooted suggests that the community as a whole derives a benefit from the existence of the facility.

Non-rival benefit: the enjoyment of a benefit by a person does not prevent the benefit being enjoyed by other people at the same time. An example is street lighting. Rival – has the opposite meaning.

Non-excludable benefit: no person or group can be prevented from enjoying the benefit. An example is reserves. Excludable has the opposite meaning.

Public goods: goods or services that can often only be supplied by the community, and are usually both non-rival and non-excludable.

Benefits flow to the community as a whole directly where:

-  Additional people benefiting has little or no impact on costs e.g. democracy
-  The person or people benefiting cannot be identified e.g. parks and reserves
-  The community in general benefits e.g. Elected Members

The community as a whole can also benefit indirectly from option benefits and existence benefits. Generally, benefits that flow to the community as a whole are non-rival and non-excludable.

For benefits of this type it is not possible, nor practical, or it is undesirable to charge people directly, so they are funded through general rates. It is not necessary that the entire community benefits for this principle to be applied.

Direct benefits to an individual or groups of people can be identified when it is possible to identify the user and it is possible to withhold the service if the user chooses not to pay. An example is building consents. In this case the costs of those benefits should be funded on a user pays basis.

Period of Benefits

Section 101(3)(a)(iii) requires the Council to assess the period over which the benefits from each activity will flow. This in turn indicates 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 on an annual basis from annual revenue.

Assets, purchased from capital expenditure, provide benefits for the duration of their useful lives. Useful lives range from a few years in the case of office equipment through to many decades for infrastructural assets such as pipe networks. This introduces the concept of intergenerational equity. This concept reflects the view that benefits occurring over time should be funded over time. This is particularly relevant for larger capital investments such as the wastewater treatment plants, bridges, landfills etc.

One method used to spread these costs over time is loan funding. This ensures that current ratepayers do not pay for benefits received by future ratepayers. Each year's ratepayers pay the interest (representing the cost of capital) and depreciation charges that are associated with the asset. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it. The other method of achieving this objective is through the use of development contributions where the calculation of the contribution includes an element to reflect the value or cost of the asset that has capacity for future growth.

Who's act creates a need

Section 101(3)(a)(iv) requires Council to assess the extent to which each activity exists only because of the actions or inaction of an individual or group. Examples are attending to a rural fire, dog control, littering etc. Sometimes known as polluter pays, this principle aims to identify the costs to the community of controlling the negative effects of individual or group actions.

The principle suggests that Council should recover any costs directly from those causing the problem. Most activities do not exhibit exacerbator pays characteristics.

Costs and Benefits of Distinct Funding

101(3)(a)(v) requires Council to consider the costs and benefits of distinct funding for each activity. This section is interpreted as requiring

Council to consider the costs and benefits of funding each activity in a way that relates exclusively to that activity.

An example of this would be funding libraries entirely from user charges, or water from a targeted rate. The consideration of the costs and benefits of distinct funding must include the consequences of the chosen funding method for transparency and accountability.

Transparency and accountability are most evident when an activity is totally distinctly funded. This allows ratepayers or payers of user charges. As the case may be, to see exactly how much money is being raised for and spent on the activity, and to assess more readily whether or not the cost to them of the activity represents good value.

Funding every activity on such a distinct basis would be extremely administratively complex. For some activities the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative costs and lack of significance would lead Council to fund a number of activities by way of a general rate.

Overall impact on the Community Well-Being

As part of the preparation of this policy the Council took into account the interests of residents and ratepayers, principles of fairness and equity, Council policy and the avoidance of hardship from significant changes in cost allocation. Where appropriate the Council modified the strict economic analysis of funding allocation after considering the effects on the current and future social, economic, environmental and cultural well-being of the community.

An example of this is the use of district wide funding of most of the Council's activities. After considering the costs of providing these services on an individual basis, Council decided that allocating the liability for funding on a district wide basis best met the requirements to take into account the community's well-being.

Overall Funding Results

Funding of operational expenditure

The following table shows the overall results of the individual activity analysis. It indicates that the operating expenses should be funded from the following sources:

Significant Activities	General Rates	Targeted Rates	Subsidies	Fees & Charges
Roads		✓	✓	✓
Refuse Collection		✓		✓
Transfer Station Management		✓		
Rural Water Supply Schemes		✓		✓
Community Water Schemes	✓	✓		✓
Wastewater	✓	✓		✓
Flood Protection				✓
Stormwater		✓		✓
Land Drainage		✓		
Reserves (incl Public Conveniences)	✓	✓		✓
Library	✓			✓
Swimming Pools	✓			✓
Cemeteries	✓			✓
Security Patrol	✓	✓		✓
District Sports Co-ordinator	✓			
Kawhia Wharf	✓	✓		✓
Public Halls		✓		✓
Planning & Development	✓			✓

Significant Activities	General Rates	Targeted Rates	Subsidies	Fees & Charges
Building Control	✓			✓
Civil Defence	✓		✓	✓
Dog Control	✓			✓
Stock Ranging & Impounding	✓			✓
Environmental Health	✓			✓
Council Property		✓		✓
Litter Control	✓			✓
Rural Fire		✓		
District Promotion & Devpt	✓			
Council Grants	✓			
Corporate Planning	✓			
Democratic Process	✓	✓		
Housing for the Elderly				✓



General Rates

The general rates will be set on the basis of capital value.

Differential Rating

The Otorohanga Community targeted rate and Otorohanga Community Water Supply and Sewerage targeted rate for debt servicing is differentiated based on land use (Schedule 2 Local Government (Rating) Act 2002).

The differential categories are :

-  Group 1 Commercial/ Industrial – all rating units that are used primarily for any commercial or industrial purpose.
-  Group 2 Residential – all rating units with a land area of 1 hectare or less, not being rating units in Group 1, used for residential and related purposes.

Water Supply (Non Metered and Metered)

The Council proposes to set a targeted rate for water supply on the basis of a uniform targeted rate per separately used or inhabited part of a rating unit connected to one of the Urban Water Supply Areas of Otorohanga or Kawhia.

The Council proposes to set a targeted rate for water supply based on volume of water supplied per separately used or inhabited part of a rating unit which are metered and connected to one of the Urban Water Supply Areas of Otorohanga or Kawhia and Rural Water Supply areas of Aroheua, Ranginui, Tihiroa or Waipa.

Sewage Disposal

The Council proposes to set a targeted rate for sewage disposal in the Otorohanga Community based on a uniform targeted rate per separately used or inhabited part of a rating unit in respect of each water closet or urinal connected either directly or through a private drain to a public sewerage drain that :

- 1) Every separately used or inhabited part of a rating unit used exclusively or principally as the residence of not more than one household shall be deemed to have not more than one water closet or urinal.
- 2) Where a separately used or inhabited part of a rating unit, not being used as a residential property as in (a) above, has three

or more water closets or urinals, the first shall be charged at 100% of the targeted rate per water closet or urinal and the second to fourth shall be charged at 0% of the targeted rate per water closet or urinal and the remainder to be charged at a fixed rate per water closet or urinal.

Rating units, which are neither connected to the sewerage system or are not serviceable, are not liable for this rate.

Uniform Annual General Charge

Council will continue to set a Uniform Annual General Charge (UAGC). This charge will be assessed as a fixed amount per rating unit.

Council uses the UAGC to fund or partly fund activities that are considered people related in that the benefits of those activities are equally available to all residents of the district. However as Council does not have the ability to rate individuals it considers that the activities are therefore equally available to each property. In these circumstances it is considered appropriate to have each property pay the same amount for the benefit received or available to them. This can be achieved through the UAGC.

Funding of capital expenditure

Capital expenditure will be funded from the following sources :

Significant Activities	General Rates	Targeted Rates	Borrowings	Reserves	Funding Assistance
Roads			✓	✓	✓
Transfer Station Management			✓		
Rural Water Supply				✓	

Significant Activities	General Rates	Targeted Rates	Borrowings	Reserves	Funding Assistance
Schemes					
Community Water Schemes			✓	✓	
Wastewater			✓	✓	
Stormwater			✓	✓	
Reserves (incl Public Conveniences)	✓			✓	
Library				✓	
Swimming Pools			✓	✓	
Cemeteries	✓			✓	
Housing for the Elderly				✓	
Council Property	✓		✓	✓	
Rural Fire	✓			✓	

Council believes that this allocation of funding requirements represents a reasonable balance between user pays and district funding and considers that the impacts of these do not adversely affect the current and future well-being of the community.

Detailed Funding Sources

Individual Activity Analysis

An analysis of the distribution of benefits for each activity has been used to develop the funding allocation. These activities are presented in the activity groupings used throughout the LTCCP.

Network Services

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
District Roothing Roothing provides a mix of private and public benefits. The public benefits include the provision of a safe and efficient roading network providing access to, from and within the District. This benefit can be seen as both social and economic in nature. The private beneficiaries of this activity are various and include the users of the roads, owners of properties adjacent to or connected to the network, commercial operators depending on the network and visitors to the district.	Recognising that the roading network benefits all residents ensures that the intergenerational equity issues associated with an ongoing roading programme are appropriately addressed. For example, residents of a particular road will contribute to the funding of the District roading programme, which for many years may not result in any significant expenditure on their road. However in some years there will be significant expenditure on their road, which will be funded by other residents of the District.	The need for expenditure is increased by the amount of traffic on the roads causing congestion for both travel and parking. Notwithstanding that, there is no effective mechanism to charge the exacerbator therefore the activity is funded on a district basis.	Operating Council considers that roading should be funded as follows: <ul style="list-style-type: none"> Maximise funding from NZTA and other sources 20% of the remainder from a Uniform Targeted Rate on each rateable property in the district, which is considered to be a fair charge to connect every property to a roading network, and to recognise that all properties should make some contribution. 80% of remainder from a Targeted Rate on capital value of each property in the district. 	Council considered that the roading network throughout the district is an asset of the entire district and the benefits of the expenditure on this activity were 30% public in nature and 70% private in nature. Council currently receives funding from NZTA amounting to approximately 45% of its annual roading expenditure (including subsidised and non-subsidised expenditure). This is less than Council's assessment of the private benefit (70%), and Council accepts that there are no other practical ways of directly funding the private benefit. Accordingly Council recognises that it must fund the net cost of roading (after funding assistance) from rates, an effect of which is to require possible non-users or low-users to pay for more than they receive.

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
Solid Waste Council considers that 90% of the benefit of solid waste collection, is to the user ie; those who create it are able to dispose of their waste. Council recognises that there is some public benefit to all residents of the District, by having the communities waste disposed of in a controlled and acceptable manner.	The operating costs of Solid Waste are an annual cost and therefore funded on an annual basis.	The need for this activity is entirely due to the actions or inactions of individuals or groups, as such, it is therefore an exacerbator issue.	<p>Refuse</p> <p>The residents of Otorohanga, Kawhia and Aotea communities will fund the costs through a Uniform Targeted Rate over the properties in the Otorohanga, Kawhia and Aotea communities to recover 90% of the costs and a targeted Community Rate on Capital Value to fund the remaining 10%</p> <p>Solid Waste Management</p> <p>Council considers that both Otorohanga and Kawhia closed landfills and recycling centre should be funded 80% from the Otorohanga and Kawhia/Aotea community respectively and 20% from the Rural area.</p>	<p>Refuse</p> <p>Council considers that the contribution it makes to the costs of solid waste collection should be funded by those who benefit.</p> <p>Solid Waste Management</p> <p>Council considers that the closed Otorohanga Landfill and recycling centre and that the closed Kawhia landfill and recycling centre should be funded 100% Uniform targeted rates from the communities that benefit.</p>
Water Supplies The benefits of this activity are considered almost exclusively private to those	The operating costs of Water Supply are an annual cost and therefore funded on an annual basis.	The need for this activity is entirely due to the actions or inactions of individuals or groups, as such, it is therefore an	<p>Otorohanga & Kawhia</p> <p>Council concluded 5% of the cost of water should be met from the UAGC, and the balance of 95% to</p>	Council concluded that those with entitlements to a reticulated water supply should pay the costs of operating through a combination of

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
consumers who are connected to the water supply schemes. There is some public benefit to the Otorohanga and Kawhia Communities through the availability of water for fire protection, public toilets and to maintain public health.		exacerbator issue.	<p>be funded from a Uniform Targeted Rate and that water meters for extraordinary supplies would be encouraged.</p> <p>Council policy is to fund loan charges for loans raised to finance capital expenditure from targeted rates based on capital value (with the same commercial differentials) over the area of benefit.</p> <p>Rural Supplies</p> <p>Council concluded that those connected to a reticulated water supply should pay the costs of operating through a combination of consumption and availability charges. The Arohena RWS has a targeted rate on CV to fund the cost of debt raised on the existing infrastructure.</p>	consumption charges and Uniform Targeted Rates.
Wastewater	The operating costs of Waste Water are an annual cost and therefore funded	Some of the users of this service can be considered to be	Council concluded 5% of the cost of waste water to the Otorohanga	Council concluded that those with entitlements to a reticulated waste water system

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
Council considers that 95% of the benefit of wastewater disposal is to the user, ie those who create it. The private beneficiaries are the occupiers of the properties that are connected to the system and those properties that can be but are not connected. Council considers that 5% of the benefit of wastewater disposal is public due to the requirement to maintain good health, and in relation to public toilets.	on an annual basis.	extraordinary users as they dispose of large quantities, for example truck wash. Other beneficiaries are those with septic tanks, as their wastes can be disposed of in the system, when their septic tanks are cleaned and serviced.	Community should be met from the UAGC, and the balance of 95% from extraordinary users and a Uniform Targeted Rate on each property benefiting from the service or able to benefit from the service. Council policy is to fund loan charges for loans raised to finance capital expenditure from targeted rates based on capital value (with the same commercial differentials) over the area of benefit.	should pay the costs of operating through a Uniform Targeted Rates.
Storm Water/ Flood Protection Council considers that the expenditure on the Otorohanga and Kawhia stormwater schemes has 80% private benefit and 20% public benefit, to the respective communities. Private benefits arise from the protection of private property, and there is a public	The operating costs of Storm Water/ Flood Protection/ Land Drainage are an annual cost and therefore funded on an annual basis.	Stormwater Council considers that those properties in the communities that are more developed are likely to receive greater benefits from the systems as they have more property to protect. Land Drainage	Stormwater Otorohanga stormwater is to be funded by a Uniform Targeted rate across the Otorohanga Community and Kawhia stormwater is to be funded by a Uniform Targeted rate being 70% across the Kawhia/ Aotea community and 30% across the rural area.	Stormwater Council considers that those properties in the communities that are more developed are likely to receive greater benefits from the systems as they have more property to protect. Kawhia Stormwater benefits the Kawhia Community and also the surrounding rural area. It was considered inequitable to fund the Rural

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>benefit, as the schemes exist to protect public property and public health.</p> <p>Land Drainage</p> <p>Council considered the benefits of the service to be 100% private to those landowners whose land is drained enabling them to use their properties as viable pastoral units.</p>		<p>The Council recognises that those properties with larger floodable areas are likely to receive a greater benefit from the system as they have greater areas to drain.</p>	<p>Land Drainage</p> <p>Land Drainage legalisation work is to be funded by a Targeted Rate on Capital Value across the Rural area.</p>	<p>share from the area of benefit and concluded that it should be funded across the rural area.</p> <p>Land Drainage</p> <p>Land Drainage schemes are funded separately through Environment Waikato. Council is still undertaking some legalisation work and it was considered more effective to fund this across the rural area.</p>

Community Services

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>Parks and Reserves (including Public Conveniences)</p> <p>The beneficiaries of active reserves are generally the sports clubs that use the reserves. Council considered that 75% of the benefit is private, accruing to users such as sports clubs, teams and associations, and 25% of the benefit is public, accruing to users such as the general public who have opportunity to use the reserves. Council determined that 50% of the benefits derived from passive reserves were private in nature, to those who use them. The remaining 50% is considered a public benefit through the availability of free access to the reserves and enhancement of the Districts image. Council considers that the benefit of the public conveniences is 50% private and 50% public.</p>	<p>The operating costs of Parks and Reserves (including Public Conveniences) are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>District and Community Reserves</p> <p>75% of this activity will be funded by the General Rate across the District with the balance of 25% funded by the Uniform Annual General Charge.</p> <p>Public Conveniences</p> <p>Otorohanga Community</p> <p>60% funded by the General Rate across the district, 20% by the Uniform Annual General Charge and 20% by a Uniform Targeted Rate across the Otorohanga Commercial ratepayers.</p> <p>Kawhia Community</p> <p>80% funded by the General Rate across the district and 20% funded by the Uniform Annual General Charge.</p>	<p>Council considers that high charges on private users such as sports clubs would be inconsistent with Council's policy to promote sport and recreation. Council recognises that it is difficult to charge for the private benefit associated with the use of reserves to the user and considers that it is not cost effective to charge for the use of public conveniences. For the use of active reserves, Council will continue to maximise user charges to a level that the market can sustain.</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>Library</p> <p>Council considered that 90% of the benefits accrue to the actual users of the library services. However, Council also recognised the public benefit of 10% of having the library available to everyone, and that community education will benefit.</p> <p>Council considers that the existence of a library service throughout the district benefits all residents of the district and is available for all residents.</p>	<p>The operating costs of the Library are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council will maximise user charges and the remaining costs of this activity will be funded 40% from the Uniform Annual General Charge and 60% from the General Rate.</p> <p>Council acknowledges that the effect of the policy is that non-users may be receiving less benefit and subsidising users but consider that the policy is in the best interests of the district.</p>	<p>Council recognised that a recovery of 90% is not possible from library fees. The impact of an increase to 90% library fees is likely to lead to a decrease in demand, ie; it is likely that people would stop using the library.</p> <p>Council considered that it would be inequitable to collect such a high proportion of the costs from the users when the libraries are available to all residents of the district. Council noted that it provides library services to enrich the community, not to make a profit. Council wants to encourage, not discourage the use of libraries. Council considered libraries should be funded 15% private and 85% public.</p>
<p>Swimming Pool</p> <p>This activity provides facilities for leisure, fitness and recreation including leisure options for youth, swimming lessons and water safety.</p>	<p>The operating costs of the Swimming Pool are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council considers that 54% should be funded by way of a Uniform Targeted Rate over the Otorohanga Community, 44% from a Uniform Targeted Rate over the Rural area and 2% from a Uniform</p>	<p>Council noted the impact that high user charges would have on pool users. Council concluded that the contract price for operating the pool reflected the income from users. Ability to pay was also a major consideration. The</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>The main beneficiaries are the users of the pools – individuals, clubs, children and schools. There is also benefit to the public generally, as the pool is available for every one to use, although there is obviously a greater benefit to those living in the Otorohanga Community where the swimming pool is located.</p> <p>Based on these observations Council considered that 90% of the benefit is private and 10% is public.</p>			Targeted Rate over the Kawhia Community.	<p>Council wants to encourage use of the facilities, and a high entry fee would make it prohibitive.</p> <p>Council recognises that due to the distance from the Swimming Pool, opportunity for use is not equally available to all residents of the district. Council considers that the benefits of the Swimming Pool are 54% Otorohanga Community, 44% Rural and 2% Kawhia Community.</p>
<p>Cemeteries</p> <p>Council considered that the provision of this activity provides private benefits to individuals as well as indirect benefits to the public as a whole. The private benefits, assessed as 90%, are to the families of the deceased, both within and outside the district, who chose to be buried in cemeteries within</p>	The operating costs of Cemeteries are an annual cost and therefore funded on an annual basis.	This activity has no exacerbator issues.	Council will continue to maximise plot charges, fully recover grave digging and sexton charges (approximately 5%). The remainder will be funded from General Rates. The impact of this policy is that the general ratepayer subsidises those who use the cemeteries.	Councils current policy is to maximise plot charges and fully recover the costs of grave digging and sexton charges. Currently 60% of cemetery costs in Otorohanga Community and 25% of Kawhia Community are met by way of user charges (these will vary depending on the number of plots sold). As the demand for Kawhia cemetery is infrequent, Council considered that it was unfair and equitable

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
the district. The public benefit, assessed as 10%, is from the general promotion of public health and sanitary disposal of the deceased. There are also public benefits from the heritage value of cemeteries, reserve values and the fact that residents can be buried within the district. Council considered that the existence of cemeteries in the district is of no benefit to all residents of the district.				to increase income from sale of plots.
Security Patrol Council recognised that there is an element of public good in the service but the principle benefit accrues to those that are private users. There are also users outside the targeted rating area that benefit, and they are expected to contribute by way of user charges. There is a benefit in different degrees to the Otorohanga Community residents and the	The operating costs of Security Patrol are an annual cost and therefore funded on an annual basis.	This activity has no exacerbator issues.	Council concluded that it would maximise recoveries from properties outside the area using the service and 5% of the cost of this activity would be funded from the General Rate, and a further 10% to be funded from a Targeted Rate across the Otorohanga Community. The balance to be funded from the defined Security Patrol area equally by way of a Uniform Targeted Rate and Uniform	Council recognised that there is an element of public good in the service but the principle benefit accrues to those that are private users. There are also users outside the targeted rating area that benefit, and they are expected to contribute by way of user charges. There is a benefit in different degrees to the Otorohanga Community residents and the wider district. Council considered that the benefits were both property and people related.

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
wider district. Council considered that the benefits were both property and people related.			Targeted Rate based on Capital Value.	
District Sports Co-ordinator Council considered that there may be a direct benefit to certain individuals or groups of 10% but the primary benefit is the existence of the scheme which is a public benefit (90%) to all residents of the District. Council noted that part of this activity is funded through user charges, sponsorship and other funding that is collected directly by Sport Waikato.	The operating costs of District Sports Co-ordinator Scheme are an annual cost and therefore funded on an annual basis.	This activity has no exacerbator issues.	Council concluded that this activity was a people driven activity, and funding should be 67% by way of the Uniform Annual General Charge over the whole District and 33% from the General Rate. Council acknowledges that the effect of the policy is that non-users may be receiving less benefit and subsidising users but consider that the policy is in the best interests of the district.	Council acknowledged that funding should be 100% public because it wishes to encourage active participation in recreation and sport.
Kawhia Wharf Although the wharf has local historical origins, Council considers the facility is of benefit to the whole district and that ratepayers of the	The operating costs of the Kawhia Wharf are an annual cost and therefore funded on an annual basis.	This activity has no exacerbator issues.	Council will maximise user charges to what the market can bear, 25% of the remainder will be funded equally by way of a Uniform Targeted Rate and a Targeted Rate on CV across the Kawhia	Council considered that the benefits were 80% private and 20% public. The private beneficiaries are the users of the facilities such as, commercial boats and recreational users. The public benefit is derived from the

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>district support Council's continued involvement.</p> <p>Council considered that the benefits were 80% private and 20% public. The private beneficiaries are the users of the facilities such as, commercial boats and recreational users. The public benefit is derived from the availability of the structure, and the Community value that it has.</p>			<p>Community. 75% of the remainder to be funded equally by the Uniform Annual General Charge and General Rate across the District.</p>	<p>availability of the structure, and the Community value that it has.</p>
<p>Public Halls</p> <p>Council considers that the benefit of the Kawhia Community Centre is primarily private to the Kawhia Community.</p>	<p>The operating costs of Public Halls are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council will maximise user charges to what the market can bear and the remainder of the cost of the Kawhia Community Centre will be funded by way of a Uniform Targeted Rate over the Kawhia Community.</p>	<p>Council considers that the benefit of the Kawhia Community Centre is primarily private to the Kawhia Community.</p>
<p>Housing for the Elderly</p> <p>Council considered the benefits of the provision of this service 90% private (benefit to the tenants) and 10% public.</p>	<p>The operating costs of Housing for the Elderly are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council confirmed its policy that this activity should be fully funded by property rentals.</p>	<p>Councils current policy is the Housing for the Elderly will be self-funding. This has developed from past practice and recognises that the benefit is primarily private.</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>Other Property</p> <p>Council considered that the benefit for this activity was exclusively public and that based on the historical background of these properties, the "ownership" (and therefore benefit) of each property remains within the area which it is located except for properties considered to be district wide assets.</p>	<p>The operating costs of Other Property are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council will charge rentals that the market will sustain (approximately 70%) and the remaining costs will be funded equally from Uniform Targeted Rates and targeted rates on capital value over the whole district. Rural area, Otorohanga Community and Kawhia Community, generally based on the property location or whether a property is considered to be a district wide asset.</p>	<p>Council policy is to maximise the recovery of costs through the rental of other property as where property, is rented that is primarily of private benefit.</p>
<p>Litter Control</p> <p>100% of this activity was identified as private, as the exacerbator in this activity is the person who drops the rubbish.</p>	<p>The operating costs of Litter Control are an annual cost and therefore funded on an annual basis.</p>	<p>The exacerbator is the person who is responsible for dropping the rubbish.</p>	<p>Council recognised that it is impossible to identify the exacerbator (those responsible for the rubbish) and considered that the activity should be funded publicly.</p> <p>Council considers that litter control should be funded 33.33% from the Uniform Annual General Charge and 66.66% from the District Wide general rate.</p>	<p>Council considered that the benefit of this activity is primarily property related, and that there is potentially equal benefit from this activity to all areas of the District.</p>

Regulatory Services

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>Planning & Development</p> <p>Council considers that the benefits of expenditure on this activity (consent application and monitoring) are 100% private, based on the exacerbator principle.</p>	<p>The operating costs of Planning and Development are an annual cost and therefore funded on an annual basis.</p>	<p>Those people applying for resource consents and creating pressure on resources through development are creating a need.</p>	<p>Council recognises that a significant portion of the cost of this activity involves dealing with general public enquiries, many of which lead to a consent application, but some that do not. Council considered that it was not appropriate to charge for general enquiries, as that would be a disincentive, which would not be in the best interests of the district.</p> <p>Council determined that the cost of processing and monitoring consent applications should be funded by maximising user fees such that consent applicants are paying the full cost of the application. The remainder, including the cost of public enquiries, should be funded by the District Wide general rate based on Capital Value.</p>	<p>Council considers that the benefits of expenditure on this activity (consent application and monitoring) are 100% private, based on the exacerbator principle.</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>Building Control</p> <p>Council considers that the benefits of expenditure on this activity are 100% private, based on the exacerbator principle.</p> <p>Council recognises that a portion of the cost of this activity involves dealing with general public enquiries, many of which lead to a building consent application, but some that do not. Council considers that general enquiries provide a public benefit to the District as a whole.</p> <p>Council considers that the benefits of this activity are property related.</p>	<p>The operating costs of Building Control are an annual cost and therefore funded on an annual basis.</p>	<p>Those people applying for building consents and creating pressure on resources through development are creating a need.</p>	<p>Council determined that the costs of processing building consents and inspections should be funded by maximising user fees such that applicants pay all costs relating to their application. The remainder (approximately 40%) including the cost of public enquiries should be funded by a general rate based on capital value.</p>	<p>Council considers that the benefits of expenditure on this activity are 100% private, based on the exacerbator principle.</p> <p>Council recognises that a portion of the cost of this activity involves dealing with general public enquiries, many of which lead to a building consent application, but some that do not. Council considers that general enquiries provide a public benefit to the District as a whole.</p> <p>Council considers that the benefits of this activity are property related.</p>
<p>Civil Defence</p> <p>Council determined that the benefits of expenditure on this service were entirely public (100%) in nature in that the whole district benefited from the knowledge</p>	<p>The operating costs of Civil Defence are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council concluded that this function should be funded 100% from the Uniform Annual General Charge over the District to recognise that the benefit is equally available to all people of the District.</p>	<p>Council determined that the benefits of expenditure on this service were entirely public (100%) in nature in that the whole district benefited from the knowledge that there was a state of readiness in the event of a civil emergency.</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>that there was a state of readiness in the event of a civil emergency.</p> <p>Council noted that the allocation in step one is fair and equitable.</p>				<p>Council noted that the allocation in step one is fair and equitable.</p>
<p>Dog Control</p> <p>Council recognises that primary benefit of this activity is to groups such as dog owners who benefit through education and the identification of their animals. However, Council noted that some benefits accrue to the public by way of promotion of public safety and order, and the minimisation of public nuisances. The benefits received are likely to differ within the different sectors of the public, eg; there is more need for dog control in urban areas than rural.</p> <p>Council concluded that 90% of the benefits were private in nature (dog owners/exacerbators), while 10% of</p>	<p>The operating costs of Dog Control are an annual cost and therefore funded on an annual basis.</p>	<p>In this case it is the dog owners who are the exacerbators and Council considered that their contribution to the need for this expenditure should be emphasised.</p>	<p>Council concluded that 90% of this activity would be funded through dog control fees and 10% through the Uniform Annual General Charge.</p>	<p>Council confirmed its policy of maximising user pays where appropriate and believes that the dog owners should pay 90% of the costs to discourage the proliferation of dogs, and promote better control by owners.</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
the benefits accrue to the public.				
Stock Ranging & Impounding Although there is some degree of private benefit in that stock owners receive benefit from the removal of their stock from public areas, Council considered that the public benefited primarily from this service as they were protected from the potential property and personal damage caused by wandering stock (75%). Council considers that the benefit of this activity is equally available to all residents of the District.	The operating costs of Stock Ranging and Impounding are an annual cost and therefore funded on an annual basis.	In this case it is the stock owners who are the exacerbators.	Council will fund this activity by maximising (to what the market can bear) the poundage fees and sustenance charges levied on the owners of impounded stock (2.5%) and the remainder (97.5%) will be funded from the Uniform Annual General Charge over the whole District. The effect of this policy is that the general ratepayer subsidises those who benefit.	There are statutory limitations on trespass fees, often the stockowner cannot be identified and often the stock is worth less than what Council would charge. Council also noted that a significant component of the cost of this activity is fixed, regardless of the number of animals impounded. Council considered that almost 100% of the cost of this activity would have to be publicly funded.
Environmental Health The benefits of this activity are the maintenance of public health and safety and consumer protection through ensuring minimum standards	The operating costs of Environmental Health are an annual cost and therefore funded on an annual basis.	Most of the costs of this activity relate to private benefits and the control of negative effects. The ability to recover costs distinctly is governed by statute. It is also often difficult to identify	There are statutory limits on some of the charges that can be levied, and Council recognises that in some cases the cost of the activity can not be recovered. Council concluded that it	The Council felt that as this is a mandatory activity, a major proportion of the costs is fixed and is independent of the number of users/ applicants. It was noted that under Step One allocation the costs to direct beneficiaries could

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>are met. There is some limited economic benefit through the regulation of various industries. The Council determined that 60% of the benefit on this activity would be received by the general public through general consumer protection, and maintenance of public health and safety. The remaining 40% was considered to be received by the applicants of the various permits and consents, in that without such permits or consents they could not operate.</p> <p>Council recognises that this activity benefits both people and property.</p>		<p>exacerbators so expenditure on non-recoverable negative effects will be funded by Council. The scale of this activity does not warrant separate funding therefore unrecovered costs will be funded from General Rates.</p>	<p>would fund this activity by maximising user charges to what the market can bear where possible including a portion for general enquiries and fund the balance equally by way of the Uniform Annual General Charge over the whole district and the general rate.</p> <p>The effect of this policy is that the general ratepayer will subsidise those who receive the benefit.</p>	<p>become disproportionately high, if there were relatively few applications. The Council felt that, although step one indicated 40% of fees should be collected by user charges, this may not be a fair way to collect fees.</p>
<p>Rural Fire</p> <p>Council considers that the benefits of the expenditure on this activity are 100% private to rural property owners through the availability of the rural fire service, and that the</p>	<p>The operating costs of Rural Fire are an annual cost and therefore funded on an annual basis.</p>	<p>Rural ratepayers who carelessly light fires create a need for the service.</p>	<p>Council recognizes that it is impossible to identify and measure the extent of the benefit and considers that the activity should be funded publicly. However Council has the ability to charge for call outs. Council has concluded that the activity would be</p>	<p>Council considers that the benefits of the expenditure on this activity are 100% private to rural property owners through the availability of the rural fire service, and that the benefit is property related.</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
benefit is property related.			funded by charging for call outs, with the balance from the separate rate on the Rural Area based on capital value.	

Governance And Leadership

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>Democracy</p> <p>Council determined that the benefits of expenditure on this service were 100% public. Council recognises that the Otorohanga Community and District benefits from the activities from the Otorohanga Community Board, and that the Kawhia/ Aotea Community and District benefits from the activities of the Kawhia Community Board. The Community Boards enable the communities to keep their autonomy and provide them with unique benefits. It also noted that while the democratic activity benefits all residents of the District, the activities of Council can be of greater benefit to larger properties.</p>	<p>The operating costs of Democratic Process are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Otorohanga Dist</p> <p>50% by way of UAGC over the whole District, to ensure that all people make some contribution and 50% from general rate to recognise benefit to property.</p> <p>Otorohanga/Kawhia Aotea</p> <p>To recognise the role of the community boards in the overall governance of the district, 30% of the support costs to be funded 50% from the UAGC and 50% from General rate, and the remaining 70% to be funded 50% by Uniform Targeted rate and 50% by Targeted rate based on CV over the respective communities of Otorohanga and Kawhia/Aotea.</p>	<p>Council determined that the benefits of expenditure on this service were 100% public. Council recognises that the Otorohanga Community and District benefits from the activities from the Otorohanga Community Board, and that the Kawhia/ Aotea Community and District benefits from the activities of the Kawhia Community Board. The Community Boards enable the communities to keep their autonomy and provide them with unique benefits. It also noted that while the democratic activity benefits all residents of the District, the activities of Council can be of greater benefit to larger properties.</p>
<p>Council Support</p>	<p>The operating costs of Council Support are an annual cost and therefore</p>	<p>This activity has no exacerbator issues</p>	<p>Council considers that there is no practical mechanism to easily</p>	<p>Council considers that 100% of the benefits of the expenditure on this activity are public in</p>

<p>Council considers that 100% of the benefits of the expenditure on this activity are public in nature and that generally the activities benefit the whole of the District. Council recognizes that the benefits of this activity are primarily people related.</p>	<p>funded on an annual basis.</p>		<p>capture the private benefit and concludes that this activity should be funded from the general rate.</p> <p>The effect of the policy is that the general ratepayer might subsidise those who benefit.</p> <p>In terms of external grants such as the Rural Travel Fund and the Creative Communities grants, these are funded through grants received from the relevant agencies, with administrative costs covered from the general rate.</p>	<p>nature and that generally the activities benefit the whole of the District. Council recognizes that the benefits of this activity are primarily people related.</p>
<p>Corporate Planning</p> <p>Council has determined that the benefits of the expenditure on this services is 100% public, as they are related to Council complying with various statutory responsibilities. Council recognizes however that larger properties generally have the opportunity for greater benefit from Council's</p>	<p>The operating costs of Corporate Planning are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues</p>	<p>Council concluded that this activity should be funded equally by way of the Uniform Annual General Charge and the District Wide general rate.</p>	<p>Council has determined that the benefits of the expenditure on this services is 100% public, as they are related to Council complying with various statutory responsibilities. Council recognizes however that larger properties generally have the opportunity for greater benefit from Council's collective activities.</p>

collective activities.				
<p>Policy Management</p> <p>Council considered that 100% of the benefits of the expenditure are public in nature. The public benefits are the general preservation and sustainable management of the resources of the District and protection of those who may be subject to environmental impacts. Council considers that the benefits of this activity are property related and that properties with greater value are likely to receive greater benefit.</p>	<p>The operating costs of Policy Management are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council concluded that 100% of this activity should be funded equally by way of a Uniform Annual General charge over the whole district and a general rate on capital value.</p>	<p>Council considered that 100% of the benefits of the expenditure are public in nature. The public benefits are the general preservation and sustainable management of the resources of the District and protection of those who may be subject to environmental impacts. Council considers that the benefits of this activity are property related and that properties with greater value are likely to receive greater benefit.</p>

Community Development

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>District Promotion and Development</p> <p>Council considers that 50% of the benefits of the expenditure on this activity are public in nature as the whole District benefits from the promotion of the District and the attraction of visitors to the District, The private benefit is considered to be 50% to those who benefit directly from visitors to the District, for example tourism operators and associated service industries. The activity has the potential to benefit all residents of the District, but it is likely to be of lesser benefit to the rural area.</p>	<p>The operating costs of District Promotion and Development are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council considers that there is no practical mechanism to easily capture the private benefit and concludes that this activity will be funded by seeking direct external funding with 60% of the remainder funded through the Uniform Annual General Charge over the whole District and 40% of the remainder funded from the District Wide general rate.</p> <p>The effect of the policy is that the general ratepayer may subsidise those who benefit.</p>	<p>Council considers that 50% of the benefits of the expenditure on this activity are public in nature as the whole District benefits from the promotion of the District and the attraction of visitors to the District, The private benefit is considered to be 50% to those who benefit directly from visitors to the District, for example tourism operators and associated service industries. The activity has the potential to benefit all residents of the District, but it is likely to be of lesser benefit to the rural area.</p>
<p>Property Development</p> <p>Council recognises that this development will be of potential benefit to all residents of the District with</p>	<p>The public benefit will extend many years into the future by promoting future growth and economic well being.</p>	<p>This activity has no exacerbator issues.</p>	<p>To recognise the longer-term benefits of this development, expenditure will be met by borrowing with the cost of borrowing's being funded</p>	<p>Councils policy is to recover all of the costs of the development from the sale of sections with any shortfall funded by the Otorohanga Community, or in the case of</p>

<p>10% being public and 90% private. Council considers that the private benefit of this development is to those who occupy the industrial or residential sites. The public benefit is considered to be an increase in the rating base which leads to a greater number of ratepayers to spread the rate requirement across, and an increase in property values. While it is considered that all residents of the District can benefit from this development, it is recognised that larger properties are likely to receive greater benefit.</p> <p>Council also recognises that this activity will also benefit future generations of ratepayers.</p>			<p>from section sales.</p>	<p>the Waiwera Street subdivision 50% from the Kawhia/ Aotea community and 50% from the Otorohanga District.</p> <p>The policy recognises that the benefit is primarily private.</p>
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Rates Policy

Introduction

Council operates three financial divisions to facilitate the operation of Council and the collection of rates. The financial divisions recognise the three areas of the District with Community boards (Otorohanga Community and Kawhia Community) and the Rural area.

The existence of financial divisions ensures that activities not benefiting the whole of the District or impacting areas of the District differently are considered in an appropriate forum and that identifiable areas of benefit pay for the benefit received. Activities that are considered to benefit all areas of the District are included in the District wide rate and/or UAGC and are not allocated to the three financial divisions.

The rates received within each financial division are generally spent in that area. The Community rating areas are under the control of a Community Board.






Rates levied on the value of properties vs Uniform Annual General Charge (UAGC)/Uniform Targeted Rate.

A number of Council activities are people related in that the benefits of those activities are equally available to all residents of the District. However as Council does not have the ability to rate individuals it considers that the activities are therefore equally available to each property. In these circumstances it is considered appropriate to have each property pay the same amount for the benefit received or available to them. This can be achieved through Uniform Annual General Charges or Uniform Targeted Rates.

Other Council activities are generally property related with the extent of benefit, or potential benefit directly relating to the size and corresponding value of the property. In these circumstances it is appropriate for Council to levy rates based on the value of properties.

The levying of rates on the value of properties or Uniform Targeted Rates can be considered as two starting points between which a number of factors can be accommodated by way of using a combination of rates levied on the Value of properties and Uniform Annual General Charges/ Uniform Targeted Rates.

Factors that should be taken into account when considering a combination of rates levied on the value of property and Uniform Annual General Charges/ Uniform Targeted Rates are:

-  *Should all properties make a reasonable contribution to the cost of the activity?*
If so, then there should be some degree of Uniform Annual General Charge /Uniform Targeted Rate.
-  *Should those who have a greater ability to pay, pay more towards the cost of the activity?*
If so, then a significant amount of the rate should be levied on the value of properties.
-  *Is it desirable for the Community to encourage the use of a service or facilities by those who may not otherwise be able to afford it?*
If so, then a significant amount of the rate should be levied on the value of properties.
-  *Should a property with a larger number of occupants pay more than a property with fewer occupants?*
If so, then a significant amount of the rates should be levied on the value of properties.
-  *Is there both benefit to people and to property?*
If so, then some of the rate should be levied by Uniform Annual General Charge/Uniform Targeted Rate to recognise the

benefit to people and some of the rate should be levied on property value, to recognise the benefit to property.

The Local Government (Rating) Act 2002 sets out the methods by which local authorities can rate and the detailed criteria around their uses.




The Local Government Act 2002 sets out processes and policies that local authorities must apply in the establishment of their rating systems, including the provisions of information to communities.

Maximum Revenue from Certain Rates

Subject to Section 21 of the Local Government (Rating) Act 2002 certain rates must not exceed 30% of total rates revenue.

The rates revenue sought by a local authority in any one year from the rates described in subsection (2) must not exceed 30% of the total revenue from all rates sought by the local authority for that year.

The rates are:

-  Uniform Annual General Charges that are set in accordance with section 15; and
-  Targeted Rates that are set on a uniform basis and are calculated in accordance with section 18(2) or clause 7 of Schedule 3.
-  Subsection (2) does not apply to targeted rates that are set solely for water supply or sewage disposal.

Currently Otorohanga District Council's maximum revenue from certain rates is set at 20.83% of the maximum.






Rates Remission Policy

Remission of Rates

This policy is prepared pursuant to Section 109 of the Local Government Act 2002.



Section 85 of the Local Government (Rating) Act 2002 states a Council can remit all or part of the rates if a Remission policy has been adopted and notice to the ratepayers is given.

The policy includes :

-  The objectives sought to be achieved by remission of rates ; and
-  Conditions and criteria to be met in order for rates to be remitted.
-  The policy may be amended or revoked by using the Special Consultative Procedure.
-  For the purposes of Rates Remissions Rates includes penalties payable on unpaid rates.
-  Remissions for Community, Sporting and Other Organisations

Objective

This policy is intended to facilitate the ongoing provision of non-commercial community services and recreational opportunities for the residents of Otorohanga District. The purpose of granting rates remission to an organisation is to:

-  Assist the continued existence of non-profit organisations.
-  Make membership of the organisation more accessible to the general public.





Conditions and Criteria

This part of the policy will apply to land owned by Council and/or owned and occupied by a registered charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy does not apply to any body (including a society, associated organisation, whether incorporated or not) that is carried on for the purpose of profit or gain.

The policy does not apply to groups or organisations who engage in recreational, sporting or community services as a secondary purposes only.

Organisations making applications should include the following documents in support of their application.

-  Statement of Objectives
-  Full financial statements
-  Information on planned activities and programmes
-  Details of membership

All remissions made under this policy will be confirmed by Otorohanga District Council in open meeting.

Annual remissions of 50% will be applied to those societies and associations who qualify for the 50% non rateable category under Schedule 1, Part 2 of the Local Government (Rating) Act 2002.

All other community and sporting organisations fitting the criteria stated in this policy will receive due consideration for the remission of all or part of their rates.

Remission relating to Covenanted Land

Objective

To provide for relief for land where an open-space covenant under Section 22 of the Queen Elizabeth the Second National Trust Act 1977 has been registered against the title of a property.

To provide relief for land where a covenant or consent notice is registered on the title to the land to secure an appropriate interest in perpetuity for conservation purposes under the Resource Management Act 1991.

Conditions and Criteria

The Local Government (Rating) Act 2002 provides for land owned or used by the QE2 National Trust to be non-rateable. Where the land to which the covenant relates remains in the ownership of the ratepayer, the covenanted land will be eligible for a remission of rates. Where a covenant or consent notice under the Resource Management Act 1991 as described in the objective above is registered, the covenanted land will be eligible for a remission of rates.

The remission applied will be 100% of all rates other than targeted rates for water supply or sewage disposal.

Remission of Penalties

Objective




The objective is to provide a fair and equitable mechanism for remission of penalties on rates where circumstances are reasonable to do so.

Conditions and Criteria





This part of the policy relates to penalties on unpaid current rates and unpaid arrears of rates.

All applications for remission of penalty are to be in writing. Applications will be considered at a meeting of the Council.

UNLESS

-  The payment is clearly postmarked before penalty date.
-  The rates are paid in equal instalments between 1 August and 31 May of the rating year.
-  An error has been made by the Council.

The Chief Executive and/ or Finance and Administration Manager be authorised to remit penalty where:

-  There has been a death, illness or injury (requiring hospitalisation) which has resulted in late payment.
-  It is established that the ratepayer does not have a record of late payment during the previous 6 years and pays the rates instalment in full in the 2 weeks following penalty date.
-  Where it is considered the circumstances are appropriate and the penalty is less than \$100.
-  There is a long term rate arrears problem and the remission of the penalty will assist to resolve the problem.

Remission of Wastewater Charges to Schools

Objective

To provide relief and assistance to educational establishments in paying wastewater charges.

Conditions and Criteria




The policy will apply to educational establishments as defined in Schedule 1 Part 1 clause 6 (a-b) of the Local Government (Rating) Act 2002.

The policy does not apply to school houses or any part of a school used for residential purposes.

Wastewater charges for schools will be calculated as follows :

Staff plus pupils/ 20 = number of pans

The wastewater charge for the educational establishment will be charged at:

-  100% for the first four pan charges then
-  The fifth to tenth pan charges will be discounted to 75% and
-  All pan charges exceeding ten will be discounted to 50%.

The student numbers is the number of students on the roll on March 1 in the year immediately before the year in which the charge relates.

The number of staff is the number of full time equivalent and administration staff employed on 1 March immediately before the year in which the charge relates.

The policy applies to all Wastewater charges including Uniform Targeted Rates and targeted rates for debt servicing.



Rates Remission for a Rating Unit affected by Calamity

Objective

The objective of this remission policy is to permit the Council to remit part or whole of the rates charged in any financial year on any land that has been detrimentally affected by erosion, subsidence, submersion, or other calamity.

Conditions and Criteria

The Council may remit the rates charged on a rating unit if :

-  Land is detrimentally affected by erosion, subsidence, submersion, or other natural calamity or
-  The land is unable to support the activity which it was used prior to the calamity. For example a residence or commercial building that is unable to be occupied as a result of a calamity.

Rates remissions will only be considered and made following the receipt of an application by a qualifying property to the financial year in which the application was received. There will be no backdating of rates remissions.

Rates remissions (for part or all) may be applied to all rates charged on the qualifying properties.

Remission of charges on contiguous properties




Definition of Contiguous :

Sharing an edge or boundary ; touching ; or separated only by a road, railway, drain, water race, river or stream.

All ratepayers will pay at least one set of targeted rates. A set of targeted rates refers to the Uniform Annual General Charge and all Uniform Targeted rates with the exception of targeted rates levied for Refuse, Water and Sewerage.

Objective

This policy provides for the remissions of rates where two or more sets of targeted rates are set on rating units that are :



-  Contiguous and
-  Owned or occupied by the same person or persons and
-  Used jointly for a single residential or farming use

Conditions and Criteria

The rating unit must be contiguous

The policy applies to ratepayers who are recorded as ratepayers of two or more separate rating units. Each rating unit will attract a set of targeted rates.

The rating unit must :

-  In the case of an urban property, be owned by the same ratepayer/s who use the rating units jointly as a single residential property, or
-  In the case of a rural property, be separately occupied by the same ratepayer/s who uses the rating units jointly as a single purpose.

The Council may on written application from a ratepayer of such rating units reduce or cancel any targeted rates set on the rating units if it considers it to be fair and reasonable to do so.

Remissions for new subdivisions

A remission of the Uniform Annual General Charge and Targeted Rates may be remitted for the second and subsequent lots of a new subdivision as long as the lots remain unsold and unoccupied.

Objective

To facilitate subdivision development in the Otorohanga District.

Conditions and Criteria

The subdivided new lots must be unsold and unoccupied.

Rates remission will apply to the second and subsequent lots of the subdivision.

Policy for Remission and Postponement of Rates on Maori Freehold Land

Introduction





Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is the subject of such an order may qualify for remission under this policy. Whether rates are remitted in any individual case will depend on the individual circumstances of each application. The policy has been formulated for the purposes of:



Ensuring the fair and equitable collection of rates from all sectors of the community by recognising that certain Maori owned lands have particular conditions features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.

Meeting the requirements of Section 102 and 108 and the matters in Schedule 11 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Maori freehold land.

Objective

The objectives of this policy are:




-  To recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
-  To set aside land that is better set aside for non-use because of its natural features (whenua rahui)
-  To recognise matters related to the physical accessibility of the land.
-  To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.

-  Where part only of a block is occupied, to grant remission for the portion of land not occupied.
-  To facilitate development or use of the land where Council considers rates based on the rateable value make the use of the land uneconomic.

Conditions and Criteria

Application for this remission should be made prior to commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Council.


Owners or trustees making application should include the following information in their applications:





-  details of the rating units involved
-  the objectives that will be achieved by providing a remission
-  documentation that shows the land which is the subject of the application is Maori freehold land

Council may of its own volition investigate and grant remission of rates on any Maori freehold land in the district.

Relief, and the extent thereof, is at the sole discretion of Council and may be cancelled or reduced at any time.

Council may give a remission of up to 100% of all rates, except targeted rates set for water supply or waste disposal based on the following criteria:

-  The land is unoccupied and no income is derived from the use or occupation of that land, or

-  The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land
-  The land is inaccessible and is unoccupied.
-  The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use.
-  The property is not used for residential purposes, and its value is significantly less than the value assessed by Quotable Value.

Treasury Management Policy

Introduction

Otorohanga District Council ("Council") undertakes borrowing and investment activities, referred to in this document as "treasury activity". Council's treasury activities are carried out within the requirements of the Local Government Act 2002.

In particular Sections 104 and 105 of the Act outline the requirements of the underlying Liability Management Policy and Investment Policy.

This treasury policy document provides the policy framework for all of Council's treasury activities, defines key responsibilities and the operating parameters within which borrowing and investment activity is to be carried out.

The Treasury Management Policy allows Council to manage its, investment and borrowing requirements in a co-ordinated manner. Together these funds form one pool from which Council can manage its treasury requirements.

Council now has the flexibility to finance the capital expenditure or short term operating deficit for one activity from surpluses.

By establishing an internal borrowing and investment portfolio Council is able to ensure that the borrowing activity is charged for the costs of the borrowing and the lending activity receives a return on its "investment".

Philosophy

Council acknowledges that there are various financial risks such as interest rate risk, liquidity risk and credit risk arising from its borrowing and investment activities.

The Council is a risk adverse entity and does not wish to incur additional risk from its treasury activities.

Council's treasury function is a risk management function focused on protecting Council's budgeted interest costs and stabilising the Council's cashflow.

The Council will not undertake any treasury activity unrelated to its underlying cashflow or is purely speculative in nature.







Council will not borrow or enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

Policy Setting and Management

Council approves policy parameters in relation to treasury activities.

The Chief Executive and Finance and Administration Manager have overall financial management responsibility for Council's borrowings and investments.

The following broad objectives provide direction for Council's borrowing, investment and cash management activities:

-  To minimise Council's cost of borrowing and to maximise its return on investment within authorised limits;
-  To ensure that Council's investments are risk averse and secure;
-  To ensure Council's liquidity is managed in order to meet its operating obligations;
-  To manage Council's interest rate risk and maintain its exposure within acceptable limits for both borrowings and investments;
-  To protect Council's investments by reviewing the viability of equities and the credit ratings of approved financial institutions; and
-  To maintain good internal control to ensure that funds are invested and borrowed in accordance with Council Policy.

Liability Management Policy




General Policy

Council borrows as it considers appropriate within the flexible and diversified borrowing powers of the Local Government 2002.

Council approves borrowing in general terms during the Annual Planning process with specific resolutions to follow.





Projected debt levels are ascertained from cashflow forecasts prepared during the Long Term Financial Strategy and Annual Plan preparation process.





The Council raises borrowing for the following primary purposes:

-  General borrowing to fund the Council's ongoing activities;
-  Specific borrowing associated with "special one-off" projects; and
-  To fund assets with intergenerational qualities.

Council is able to borrow through a variety of market mechanisms including the issue of stock and debentures and direct bank borrowing or through accessing the capital markets.




In evaluating new borrowings (in relation to source, term, size and pricing) the Finance and Administration Manager takes into account the following:

-  The size and the economic life of the project;
-  The impact of the new debt on Council's borrowing limits;
-  Relevant margins under each borrowing source;
-  Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time;

-  Prevailing interest rates relative to term for both stock issuance and bank borrowing and management's view of future interest rate movements;
-  Available term from bank and stock issuance;
-  Ensuring that the implied finance terms within the specific debt are at least as favourable as the Council could achieve in its own right; and
-  Legal documentation and financial covenants.

Borrowing Limits

In managing borrowing, Council will generally adhere to the following limits:


-  Borrowings will not exceed 10% of total assets;
-  The annual interest expense of all external borrowings will not exceed 15% of annual rates; and
-  Council may exceed the above limits provided the reasons and amount that the limit is being exceeded is disclosed in the Draft Annual Plan which is subject to the Special Consultative Procedure.

Liquidity and Credit Risk Management

Council's ability to readily attract cost effective borrowing is largely driven by its ability to maintain a strong balance sheet as well as its ability to rate, manage its image in the market and its relationships with bankers.

To minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high for reasons within or beyond Council's control, Council ensures debt maturity is spread over a wide band of maturities.

Council manages this specifically by ensuring that:


-  No more than 25% of total borrowing is subject to refinancing in any financial year. Total borrowing includes any forecast borrowing.

Interest Rate Risk Management



Council's borrowing gives rise to direct exposure to interest rate movements. Generally, given the long term nature of Council's assets, projects and intergenerational factors, and Council's preference to avoid an adverse impact on rates, there is a general tendency to have a high percentage of long term fixed rate or hedged borrowing.

The Finance and Administration Manager sets the interest rate risk management strategy by monitoring the interest rate markets on a regular basis and evaluating the outlook for short term rates in comparison to rates payable on its fixed rate borrowing.





The Council's general tendency is to have a high percentage of fixed rate or hedged borrowing. Notwithstanding the above, it may be appropriate from time to time, depending on the Council's outlook on interest rates to have a floating rate profile (any debt or interest rate risk management instrument where interest rates are being reset on a frequency of 180 days or less). The Council manages this specifically using the following operating parameter:

-  The Finance and Administration Manager can approve up to 50% of the total debt to have a floating rate profile.

Management implements an interest rate risk management strategy through the use of the following:

-  Adjusting the average maturity of its borrowings, thereby managing interest rate risk; and
-  Interest rate risk management products to convert fixed rate borrowing into floating rate, floating rate borrowing into fixed or hedged borrowing.

The following interest rate risk management instruments may be used for interest rate risk management activity, after seeking formal prior approval of the Council:

-  Forward rate agreements.
-  Interest rate swaps;
-  Purchase of interest rate options products; and
-  Interest rate collar type option strategies.

Security

Generally, Council offers rates as security for general borrowing programmes. From time to time, with prior Council approval, security may be offered by providing a charge over one or more of Council's assets.

Credit Exposure

The Finance and Administration Manager will monitor the risk to Council of the part of any Counterparty.

Debt Repayment

Council repays debt by funding the internal principal repayment for each activity with borrowings over 25 years. The internal principal repayment is funded from General Rates, Targeted Rates or utilization of depreciation reserves.

Short – Term Overdraft Facilities

Overdraft facilities are utilised as little as practical but it is acknowledged that, from time to time, they may be necessary. The Finance and Administration Manager, is authorised to arrange an overdraft facility with the Council's primary Banker of up to \$750,000. Overdraft facilities over this amount require prior Council approval. The use of overdraft facilities is to be reported to Council quarterly.

Fixed Term Overdrafts and Revolving Credit Facilities

The Finance and Administration Manager is authorised to arrange Fixed Term overdrafts and Revolving Credit facilities provided that no more than 50% of total debt has a floating rate profile and subject to Council approval.

Contingent Liabilities




Council provides financial guarantees to community and service organisations. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of the Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council takes immediate action to recover the money.




Internal Borrowings

Council may adopt internal loan funding mechanisms to fund capital projects from existing surplus funds.




The treasury function is responsible for administering the Council's internal borrowings.

Loans are set up within the internal debt portfolio based on planned loan funded capital expenditure and allocated to the activity incurring the capital expenditure to achieve the following objectives:

-  To minimise interest rate variations between invested funds and borrowed funds of the Council;
-  To best utilise and manage any surplus funds generated to fund depreciation;
-  To provide consistency in interest rates and conditions of borrowing for all Council activities, irrespective of the time capital expenditure is incurred;

-  To obtain maximum benefits from the higher degree of predictability of rate cashflows and all other funds required for capital expenditure;
-  To reduce or eliminate the need for refinancing loans borrowed to fund infrastructural projects that have a 'useful life span' longer than loan repayment periods available from financial institutions; and
-  To reduce the overall cost of funds to Council.

The following operational parameters apply to the management of the Council's borrowings:

-  A notional internal loan is set up for all capital expenditure and allocated in the internal portfolio to the activity incurring the expenditure;
-  Interest is charged to activities on year-end loan balances at an agreed rate; and
-  The interest rate is based on the Council's expected weighted average cost of funds, and takes into account factors such as the Council's long term cost of funds, anticipated cost of new debt over the next eighteen months and a buffer which provides for certainty in the charging rate and avoids frequent adjustments. The rate is reviewed by the Council and is fixed for the next financial year.





The Finance and Administration Manager uses the internal debt portfolio as an input into determining Council's external debt requirements.

Where possible, the Council's reserves are used to reduce external debt, effectively reducing the Council's net interest cost.

Investment Policy




General Policy

Council maintains investments in the following financial assets:




-  Treasury investments incorporating longer term and liquidity instruments for the management of cash surpluses;
-  Property Investments;
-  Equity investments.
-  Loan and mortgage advances for community facility purposes.




Council's philosophy to managing investments is to optimise returns in the long term while balancing risk and return considerations. Council recognises that as a responsible public authority any investments that it does hold should be low risk. It also recognises that lower risk generally means lower returns.

Council seeks to:

-  Optimise investment returns;
-  Ensure, where possible, investments are liquid; and
-  Manage potential capital losses due to interest rate movements if investments need to be liquidated before maturity.

Other than treasury investments, investments in companies, organisations and property must be approved by specific resolution of Council having regard to all relevant information, including (but not limited to) the following:

-  Legislative authority to hold such investments;
-  The degree of equity interest or control able to be exercised;
-  Prudence generally;





-  The likely returns on the investment compared with lower risk investments;
-  Re-saleability of real property held for investment purposes; and
-  Other advantages.

Council currently maintains investments in the following financial assets:

Treasury Investments

From time to time, Council has daily cashflow surpluses and borrowing requirements due to the mismatch of daily receipts and payments.

Management monitor cash flow on a daily basis and prepare cash flow forecasts, in broad terms, up to 12 months in advance. These cash flows determine the Council's surpluses for investment which must be undertaken within the following parameters:







-  To ensure Council can meet its commitments as they fall due, in both the short and long term, through cashflow and investment management;
-  To effectively manage the Council's return on its investments. Interest rate risk management on Treasury Investments is not permitted;
-  To protect Council's investment by reviewing credit worthiness of institutions with whom the Council invests; and
-  To ensure internal controls are adequate, in place and followed such that funds are invested in accordance with Council policy.




Acquisition of New Investments

New investments may be acquired if an opportunity arises or if investment supports Council's outcomes and is considered the best means of achieving the outcome.

Council does not have any plans to acquire any major new investments in the current planning horizon. Property investments are required to provide a better investment mix to any individual portfolio.

Approved Issuers, Instruments and Limits

Issuers	Instruments	Limits (% of total treasury portfolio)
Risk Free	Treasury Bills	100%
Government Guaranteed	Government Stock	
Near Risk Free		
Local authorities and other institutions with the ability to levy rates or taxes.	 Local authority Stock  Local authority Debentures	Up to 100% subject to not more than 30% of total treasury investment portfolio with one issuer.
Low Risk		
Major banks registered with the Reserve Bank with a short term credit rating of at least A1 or better and/or long term credit rating of at least A or better as rated by Australian Rating Agency or	 Money market call deposits  Money market term deposits  Transferable certificates of deposit  Negotiable certificates of deposit	No more than 30% of total treasury investment portfolio with one registered bank except for Council's bank which may from time to time exceed this ratio. Up to 30% but no more than 20% of

Issuers	Instruments	Limits (% of total treasury portfolio)
equivalent rating of other international agencies Other issuers as long as they have a short term credit rating of at least A2 or better and/or long term credit rating of at least A or better as rated by Australian Rating Agency or equivalent rating of other international agencies.	 Bank Bills  Promissory notes  Corporate Bonds	total treasury investment portfolio with any single issuer.

Application of Proceeds from Treasury Investments

Upon maturity of a treasury investment the following must be determined and specifically addressed relating to the proceeds:

Was the investment held for short term or long term investment?

Are the withdrawal proceeds required for cashflow purposes, if so, was it formally addressed (Long Term Council Community, Plan, Asset Management Plan etc). If not, what action will be required to replace the investment, or is a specific resolution required to reduce the level of investments?

If an investment matures, which is not required for cashflow purposes, then the proceeds are to be reinvested as per the Investment Policy.

Property Investments

Council may from time to time invest in property if it is seen as a benefit to the District.

Council accepts that investment in property is not without risk. However it believes that the risks are more than offset by the benefits of Council ownership to the residents and ratepayers of the District.

These benefits include Council's ability to provide facilities for community use at less than commercial rates and where the private sector might be unwilling to make a property available.

Risks are that the value of the properties decrease, maintenance is required at a cost greater than expected and rents received are less than expected. Council believes that these risks are minimal and is happy to accept them.

Equity Investments
In general, Council will not become involved in equity investments purely for income earning purposes. Council will only become involved when there are strategic or other similar reasons for doing so, or where it is considered to be the most appropriate way to administer a Council function.

Loan and Mortgage Advances

Council will not become involved in any new Loan and Mortgage Advances of a General Nature.

It will consider from time to time making an advance to ratepayers to fund their Capital Contribution towards defined projects, which will be repaid over a period of time through levying a targeted rate.





Interest Rate Risk Management

Council's investments give rise to a direct exposure to a change in interest rates, impacting on the return and capital value of its investments.

The District Accountant sets the rate interest risk management strategy by monitoring the interest rate markets on a regular basis and after taking appropriate advice, evaluates the outlook and determines the interest rate profile to adopt for investments.

Management implements interest rate risk management strategy by reviewing rolling cashflow forecasts and by using risk management instruments to protect investment returns and /or to change the interest rate and maturity profile.

The following interest rate risk management instruments may be used for interest rate risk management activity, after formal prior approval of the Council:

-  Forward rate agreements;
-  Interest rate swaps;
-  Purchase of interest rate options products; and
-  Interest rate collar type strategies.

Selling interest rate options for the purpose of generating premium income, which are not part of a collar type strategy or unwinding cover already in place, are not permitted.

Reporting Procedure




Treasury investments will be managed by the Finance Division and the Council will receive a report every three months.

All other investments will be approved by Council who will also consider reporting procedures for each investment.

Council-Controlled Organisations

The Local Government Act 2002 requires that Council include in the LTCCP information on those organisations in which Council is a shareholder.

In particular, Council must include:

-  Its significant policies and objectives regarding ownership and control of the organisation;
-  The nature and the scope of the activities to be provided by the organisation; and
-  The key performance targets and other measures by which performance may be judged.

Waikato Regional Airport

Waikato Regional Airport Ltd (Hamilton International Airport) is jointly owned by five local authorities: Hamilton City, Waikato District, Waipa District, Otorohanga District and Matamata / Piako District Councils.

Otorohanga District Council's shareholding is 3.125%

Corporate Mission

The mission of Waikato Regional Airport is to operate a successful commercial business providing safe, appropriate and efficient services for the transportation of people and freight in and out of the port of Hamilton.

Goal

Retention of the Airport as a major infrastructural facility, important to the economy of the Waikato. A Statement of Intent provided by the Airport Company (as required by Section 64 of the Local Government Act 2002) is available but does not form part of this Plan.

Policies and Objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Regional Airport.

Performance Targets

	2010	2011	2012
Net profit after tax to average shareholders' funds* * Appears low due to the value of the company's large land holdings	-1.24%	-1.68%	-1.70%
Net Profit before tax / interest to total assets.	-0.30%	-0.67%	-0.75%
Net profit after tax to total assets.	-0.83%	-1.37%	-1.40%
Net profit before tax / interest to average shareholders' funds.	-0.45%	-0.82%	-0.91%
Percentage of Non Landing Charges Revenue.** ** Non Landing Charges Revenue is defined as revenue that has not been recovered directly from airlines	73.11%	72.08%	72.56%
Total Liabilities / Shareholders Funding (Debt / Equity Ratio)	20:80	19:81	18:82

Interest rate cover

The interest cover measures the number of times the Net Profit Before Interest, Tax and Depreciation (EBITDA) covers interest paid on debt and is used as an indicator of under-capitalisation.

The forecast interest coverage of 2.49:1 for 2009/10 complies with the ASB Bank's requirement that the interest rate coverage ratio does not fall below 1.5.

During May 2004 the shareholders of Waikato Regional Airport Limited (of which Otorohanga District Council has a 3.125% shareholding) authorised the company to issue further shares totalling \$21.6m to existing shareholders.

This capital restructure was part of the WRAL Airport Development and has allowed WRAL to borrow at commercially favourable interest rates.

With the loss of Air New Zealand as the international carrier, the resulting significant impact on operating revenues, and the requirement to meet banking covenants, \$12m of the uncalled capital has been called up. For Otorohanga District Council, this equates to \$375,000, which is due to be paid in July 2009.

With the announcement of Pacific Blue providing international services to Australia from mid September, this should relieve the financial pressures at Waikato Regional Airport limited, and we foresee that no further uncalled capital will be called up within the next 10 years. Council has recorded a contingent liability for \$300,000 for the remaining uncalled capital in the financial statements.

Local Authority Shared Service Limited

Establishment

The local authorities of the Waikato Region have worked closely together over a number of years on mutually beneficial joint projects. These projects have demonstrated the benefits that can be gained, both in terms of outcomes achieved and reductions in costs to the community.

Taking this a step further the local authorities have begun to develop new shared service initiatives, including a valuation database to provide on-line, up-to-date, information for all Councils.

The initiative has been formalised by the establishment of Local Authority Shared Service Limited (LASS).

Local authorities of the Waikato Region have established LASS as a Council Controlled Organisation by way of a company, in which each local authority will have a single share. This company will be used as an umbrella for future development of shared services throughout the region.

Share Holders

Local Authority Shared Service Limited is jointly owned by the 13 local authorities of the Waikato region, being:

-  Waikato Regional Council (Environment Waikato);
-  Hamilton City Council;
-  Franklin District Council;
-  Hauraki District Council;
-  Matamata-Piako District Council;
-  Otorohanga District Council;
-  Rotorua District Council;
-  South Waikato District Council;
-  Taupo District Council;
-  Thames-Coromandel District Council;
-  Waikato District Council;
-  Waipa District Council; and
-  Waitomo District Council.

Constitution

The constitution of Local Authority Shared Services Limited sets out the principles according to which the company will be operated and

governed. This includes shareholders' rights and the appointment of directors.

The annual Statement of Intent identifies the activities and intentions of the company for the year, and the objectives to which those activities will contribute.




Company Objectives


The company, Local Authority Shared Services Limited (LASS), provides Waikato Region local authorities with a vehicle to procure shared services and provide them to local authorities.

The services that will be initiated under the umbrella of this company will only be promulgated if the business case shows that they will provide benefit to the shareholders in terms of improved levels of service and/or reduced cost. All such proposals will be presented to the Directors for approval prior to implementation.

Nature and Scope of Activities

The principle nature and scope of the activity for the company is to:

-  Provide shared services to all local authorities within the Waikato Region. LASS may also sell processes and systems, as set up under individual agreements, to local authorities outside the region.
-  Pursue all opportunities to procure shared services that may benefit the community, either through enhanced services and/or through reduced cost.
-  Give consideration to developing shared services that a majority of local authorities of the Region believe are of value. The objective is to provide the most effective access to Regional information that may be of value to the community, using modern technology and processes.

-  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.

Future Developments

A business case will be developed for any new service that is proposed. This business case will be approved by the Directors prior to any service proceeding. The investigation of any new services will be fully funded by Councils that wish to promote that service.

The Shared Valuation Database Service will continue to be developed to enable greater contestability in the provision of valuation services to Councils, and to provide the Regional Council, and others, with up to date and accurate valuation data.



LASS will work to improve the flow of property related data and information to its stakeholders, to the public and to the market, and, where appropriate, to cover the costs by selling the data.


LASS will explore opportunities to partner with other authorities within New Zealand to deliver services effectively and efficiently. It is anticipated that new services, which will be operated as separate business units, will be developed in the area of information services.


Performance Targets

Performance targets relate to the level of services that are current or under development. It is envisaged that these targets will change as new services are developed.

The Performance Targets are that:

-  Positive cash flow will be maintained so that the equity ratio is maintained at a minimum of 40 percent.
-  Customers will be surveyed annually to ensure that there is at least 90 percent satisfaction with the services provided.

 Expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the Directors.

 The CEO will provide a written report on the business operations and financial position of the LASS at a minimum on a six monthly basis.

Directors

The current directors of Local Authority Shared Service Limited are noted below:

Directors	Position	Councils Director Represents
Bob Laing	CEO Environment Waikato	Environment Waikato
Michael Redman	CEO Hamilton City Council	Hamilton City Council
John Inglis	CEO Waipa District Council	Waipa, Otorohanga and Waitomo District Councils
Langley Cavers	CEO Hauraki District Council	Thames-Coromandel, Hauraki and Matamata-Piako District Councils
Gavin Ion	CEO Franklin District Council	Franklin and Waikato District Councils
Peter Guerin	CEO Rotorua District Council	Rotorua, South Waikato and Taupo District Councils

Minor Shareholdings

Council continues to hold minor shareholdings in the following companies:






King Country Energy	0.054%
Balance Agrinutrients	0.0046%
NZ Local Govt Insurance Corp	0.0078%

Policy on Significance

Otorohanga District Council must adopt, by special consultative procedure, a policy on significance. Having such a policy allows the Council to identify and recognise issues that the community regards as significant and wishes to be consulted on. It will assist the Council to assess significance consistently, and match its consultation and consideration of issues to community expectations.



The intent of this policy is to enable Council to undertake its day to day operating activities in an efficient and effective manner.




Council will take into consideration the following:

-  The current and future social, economic, environmental or cultural well being of the District;
-  The impact of the decision on Council's strategic direction as outlined in the Long Term Council Community Plan;
-  The impact of the decision on individual communities and the appropriate community plan;
-  The public interest (both historical and current) in relation to decisions concerning this issue; and
-  The financial consequence of the issue. An issue which has a direct annual financial consequence of more than 10% of total operating expenditure would be regarded as significant.

Criteria





The following is the criteria for assessing the significance of an issue:

-  Whether the asset is a strategic asset within the meaning of the Local Government Act 2002 or listed in this policy.
-  The extent to which there is, or likely to be, a change in the level of service in carrying out any significant activity;

-  The extent to which there is, or is likely to be, a change in the way in which any significant activity is carried out;
-  The extent to which there is, or is likely to be, a change in the capacity of the Council to provide any significant service or carry out any significant activity; and
-  The assets being considered must be owned by Otorohanga District Council.

Thresholds









The following are the thresholds which Council will use to determine the significance of issues:

-  Any one project with an expenditure of more than 10% of total operating expenditure in any financial year;
-  Any transfer to or from Council of ownership or control, of an asset at a value greater than 10% of total operating expenditure;
-  Entry into any partnership with the private sector to carry out an entire activity (as defined in the Revenue and Financing Policy) which has an annual operating expenditure of more than 10% of total operating expenditure; and
-  Exemptions from these thresholds will be:
 - Any land and buildings in fee simple (freehold title);
 - Any emergency works whatsoever such as natural disasters; and
 - Roading maintenance contracts (including reseals).

Processes

The decision to determine whether or not a project or issue is significant will be decided by Council through reports to either committee meetings or Council directly.

In terms of the Local Government Act 2002, the following assets are considered to be strategic:

-  The roading network and associated infrastructure;
-  Parks and Reserves, associated buildings (excluding community halls), and infrastructure;
-  Water supply schemes;
-  Wastewater schemes;
-  Urban stormwater schemes;
-  Housing for the Elderly units;
-  Kawhia Wharf; and
-  Shareholding in Waikato Regional Airport Limited.

Policy on Development and Financial Contributions

Introduction

In recent times the Otorohanga District has, after some years of stability or slight decline, begun to experience development pressures in both its urban and rural areas. Whilst population growth is forecast to remain relatively slow over the next ten years, subdivision growth arising from drivers other than increased population has the potential to create increased demand on Council infrastructure.

A small proportion of Council's ten-year capital expenditure identified in the Long Term Council Community Plan (LTCCP) provides additional infrastructure capacity to accommodate such growth.

In the interests of achieving financial equity between existing ratepayers and new developers, Council has decided that developers should pay the growth related capital expenditure costs of providing infrastructure in those cases where a linkage between growth and infrastructure development requirements can be clearly established at a local, regional or District – wide level.

Because significant growth has only recently commenced in the District, some infrastructure (for example libraries and swimming pools) is believed to have sufficient spare capacity to cater for any growth that is likely over the next ten years.

It is however now expected that some growth-driven development of road and piped services network infrastructure will be required within the period of the LTCCP. As might be expected in the early stages of growth, the need for such infrastructure development in the near future is forecast to be relatively localised at a small number of discrete locations. Whilst broader pressures on Councils roading network may become evident in time (as is understood to be currently occurring in the adjacent Waipa District) this is not expected within the Otorohanga District during the next ten years, and as such it is expected that linkages between growth and infrastructure development requirements

will exist mainly at relatively localised levels within the period of the LTCCP.

Council will continue to fund the provision of new parks and reserves infrastructure through its existing financial contributions policy under the District Plan.

This policy provides a summary of the financial contributions specified in the District Plan. It then outlines Council's policy in relation to development contributions under the Local Government Act 2002 (LGA). The financial contributions and development contributions are separate charges and are used to fund separate categories of expenditure by Council.

Development contributions may be required where the effect of the development (or of the development in combination with other developments) is to require Council to invest in new or additional assets or assets of increased capacity.

This policy summarises and explains the capital expenditure identified in the LTCCP that Council expects to incur to meet the increased demand for network infrastructure resulting from growth in the District.

The LGA allows development contributions to be collected for historic capital expenditure made with the expectation of fee recovery from future development. However, no historic expenditure of this nature is recognised in this policy.

The Policy refers to some of Council's assumptions in relation to growth in the Otorohanga District over the next ten years.

The Policy sets out how and when Development Contributions are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution.

The background information supporting the Development Contributions Policy is included in the Methodology section.

FINANCIAL CONTRIBUTIONS IN THE DISTRICT PLAN – A SUMMARY




A Development Contributions Policy under the LGA may be used in place of, or alongside, the RMA system of financial contributions applied via the District Plan.

Council's policy is to utilise development contributions under this Policy and the following financial contributions under the District Plan where individual developments give rise to capital expenditure on a localised basis that is not budgeted for in the LTCCP and therefore not included in Council's Development Contributions Policy.

The following is a summary of Council's specific financial contributions under the RMA, detailed in the District Plan and Change 4 to the District Plan. Copies of the District Plan are available for inspection at the main Council Building.

Under the District Plan, a subdivider or developer of an existing lot is responsible for funding all work within its boundaries relating to services directly required for the subdivision or development.

Financial contributions for public works and services may be imposed as a condition of either land use or subdivision consent as set out below.

-  New roads and footpaths, and safety improvements to existing roads. Payment may be required for a proportion of costs based on the development's share of new demand provided for by the new works.
-  Public parking fee of \$1,000 plus gst per parking space that cannot be provided on site.
-  Public water supply, sewage and stormwater collection, treatment and disposal. Payment may be required for a proportion of costs based on the development's share of new demand provided for by the new works.



Publicly owned reserves, sports fields and community facilities. The calculation methodology for these financial contributions is set out in Plan Change 4. The charge is based on the concept of a buy-in to the Council's existing reserves infrastructure investment. The charge is calculated as follows:

(Value of Council owned reserve land & buildings divided by the district population) multiplied by the average household size. The sum is rounded down to the nearest ten dollars and GST is added.

Based on data as at 31 August 2005 the reserve contribution is (\$2,928,671 divided by 9,279) multiplied by 2.8 = \$883.75, rounded down to \$880 and multiplied by 1.125 (GST) to give a charge of \$990.

OTHER CAPITAL FEES AND CHARGES


Council's fees and charges for properties outside the community areas defined as "urban services" in the district plan include: A capital contribution of \$1,500 for connection to water in both Otorohanga and Kawhia for properties outside the Community area.





A capital contribution of \$1,500 for sewer connections in Otorohanga for properties outside the Community area.


Funding considerations


The LGA s101 (3) states that Council funding must be met from appropriate sources with regard to community outcomes, the distribution of benefits across the community over time, those driving the need for the expenditure, costs and benefits and impact on future revenue requirements. Council has made the general considerations noted below. Discussion of the specific considerations made under LGA s 101(3) for each infrastructure item is noted in Section 8.0 Methodology by Activity further below.


 **Community outcomes.** Otorohanga District's community outcomes addressed by this policy are those economic and environmental objectives that are delivered by adequate funding of Council's capital programmes, balanced by outcomes of ensuring ongoing business growth and affordability for residents.

 **Distribution of benefits between the existing community and newcomers.** It is appropriate that development contributions fund the addition of capacity benefiting new households. On the other hand, the cost of maintaining or improving levels of service provided by Council infrastructure to the existing population cannot be included in capital expenditure to be funded out of development contributions, as this expenditure does not benefit developers or new households.

 **The period over which the benefits are expected to occur** in terms of current capacity, projected growth, economic efficiency and affordability. The design capacity of the infrastructure has been a principal consideration in setting fees and in some cases the capacity may provide for growth well beyond ten years.

 **The impact of the actions of developers causing demand on the district's infrastructure;** The need to install new capacity in Council-provided roading, stormwater, wastewater and water supply networks is caused by those undertaking subdivision and development in the district resulting in the creation of new household equivalent units. Accordingly it is appropriate for the costs of installing additional capacity to be passed on through development contributions payable by developers on the granting of resource or building consent.

 **Costs, benefits, transparency and accountability in funding the additional infrastructure needed as a result of growth through development contributions.** The benefits of collecting development contributions are expected to outweigh the marginal administrative costs of collection. Benefits also include greater transparency and allocative efficiency through passing on the true costs to developers.

 **Overall impact on community wellbeing.** Ensuring adequate levels, and balance, between the various sources of funding to provide appropriate infrastructure is central to promoting the social, economic, environmental and cultural wellbeing of the district. Funding the cost of providing increased capacity in Council infrastructure through development contributions rather than rates serviced debt promotes equity between existing residents and those responsible for Council incurring these additional costs.

Development Contribution Basis - Summary

A summary of the basis on which Development Contributions are calculated as at 30 June 2009 is presented in Table 1 below. Elements of this Contribution Basis may be revised at any time. Resultant levels of Development Contributions are contained in Council's schedule of fees and charges.

Table 1. Contribution Basis Summary

a	b	c	d	e
Activity & project	Area of benefit and application of fee	Year(s) & cost (inflation adjusted \$)	Growth percentage and \$	Growth HEUs
Roading				
Safety improvements	Hanning, Te Tahi and Mangati Roads	2008 – 13 \$1,845,000	100% \$1,845,000	149
Water				
Otorohanga Community water reservoir	Otorohanga urban area	2010/11 \$347,110	Up to 100% \$347,110	434
Otorohanga Community water treatment plant	Otorohanga Community and possibly the Waipa Rural Water Scheme	2009/10/11 \$1,562,600	20% \$312,520	434
Kawhia community a) Treatment & b) Headworks	Kawhia Community	2008/9/10 a) \$400,000 b) \$40,000	a) 21% \$84,000 b) 100% \$40,000	100
Thompson / Harper Avenue water main ring main completion	Westridge / Harper Avenue extension properties	2014/15 \$68,820	100% \$68,820	158
Otorohanga Community pre-treatment	Otorohanga urban area	2012/13 \$488,250	100% \$488,250	370
Stormwater capacity upgrade	State Highway 3 / Factory Drive / Timber Company area.	2009/10 \$160,000	100% \$160,000	268


How to calculate your development contribution


Residential - roading, water, wastewater and storm water


- 1) Identify the catchment(s) within which your subdivision or development is located. See appendix one for catchment maps.
- 2) For each relevant catchment type, identify the fees payable per Household Equivalent Unit (HEU) from Council's Schedule of Fees and Charges.
- 3) Calculate how many HEUs your development will create (See sections 7.4 to 7.6).
- 4) Calculate how many (if any) HEU credits apply to your development (see section 7.8) and deduct the number from the number of HEUs in step 3 above.
- 5) Multiply the number of HEUs from step 3 above by the fee per HEU in step 2 and add 12.5% GST. This is the total development contribution fee payable IN ADDITION to financial contribution fees that may be payable under the District Plan.


Non-Residential – roading, water, wastewater and storm water

- 1) Identify the catchment(s) within which your subdivision or development is located. See appendix one for catchment maps.
- 2) With reference to Table 4 in section 7.7 determine the level of demand from the proposed development in household equivalent terms for the following asset types:

 Roading: daily traffic movements.

 Water supply: daily consumption.

 Wastewater: daily production.

 Storm water: impervious area.

- 3) Go to the section on “Credits”, calculate the credit in HEUs for each asset type, and subtract from the numbers of HEUs calculated in step 2 above.
- 4) Refer to Council's Schedule of Fees for the fees payable per HEU for each asset type, and multiply the number of HEUs by the fee per HEU, and add 12.5% GST to give a total contribution for each asset type.

GENERAL POLICY

Adoption

This Policy was revised as part of Council's 2009 LTCCP. The Policy will come into force on 1 July 2009 and will apply to all resource consents, building consents and authorisations for service connections that are granted on, or after that date.


The Policy will be subject to continuous review. Any amendments to the Policy will most likely take place concurrently with the LTCCP process.

LGA Requirements


Section 201(1) of the LGA 2002 requires the Development Contribution Policy to include, in summary form, an explanation of and justification for the way each development contribution is calculated.

In summary, each contribution has been calculated in accordance with the methodology set out in schedule 13 of the LGA 2002, by using the following seven-step process.

Table 2. Methodology steps

Step	Explanation	LGA Reference
One	<p>Define catchments</p> <p>A catchment is the area served by a particular infrastructure, e.g. reservoirs, pumping stations and pipes.</p> <p>Catchments are defined with reference to characteristics of the service, the common benefits received across the geographical area supplied and judgement involving a balance between administrative efficiency and the extent of common benefits.</p>	LGA Schedule 13 1(a)
Two	<p>Identify ten-year capital expenditure resulting from growth</p> <p>Historic capital expenditure in anticipation of growth</p> <p>The proportion of total planned costs of capital expenditure for network and community infrastructure and reserves from the LTCCP resulting from growth.</p> <p>Growth costs (capacity increase to cater for new entrants) can be funded in full or in part by using development contributions. This is one of three components of the total ten-year capital costs budgeted in the LTCCP, the other two components being level of service improvements and renewals. These two costs must be met from funding sources other than development contributions.</p> <p>Justification for the level of growth capital expenditure should be supported by Financial Management funding considerations and show significant assumptions and impacts of uncertainty.</p>	<p>LGA 199(2)</p> <p>LGA 106(2)a and Schedule 13 1(a)</p> <p>LGA 106(2)(a)</p> <p>LGA 101(3)(a)</p> <p>LGA 201(1)(b)</p>
Three	<p>Identify the percentage of growth related ten year capital expenditure to be funded by development contributions</p> <p>For all but one of the identified growth-driven projects 100% of the growth related capital expenditure will be funded by development contributions because:</p> <p> It directly relates to the planned capital expenditure set</p>	LGA 106(2)(b)

Step	Explanation	LGA Reference
	<p>out in the LTCCP and detailed in the Council's Asset Management Plans; and</p> <p>👤 The capital expenditure identified for growth can be reasonably identified.</p> <p>The one exception to this case is the road improvements on Te Tahī, Mangati and Hanning Roads, where something less than 67% of the non-LTNZ subsidised capital cost of these works will be funded by development contributions, recognising that a proportion of the additional capacity created by these works will benefit developments completed before this policy took effect. Funding of the portion of cost not provided for by development contributions will be through a District wide general rate.</p> <p>That 100% funding through development contributions has been adopted for all other identified projects does not reflect a high level policy decision of Council that may overlook the requirements of LGA 101 (3).</p> <p>The adopted 100% figures instead reflects that there are in all cases extremely strong linkages between growth and infrastructure requirements at a very localised level, which makes determinations in respect of LGA 101 (3) relatively straightforward and justifies allocation of all benefits to developers at these locations.</p>	
Four	<p>Identify the appropriate units of demand</p> <p>The selected unit of demand is Household Equivalent Units ("HEU") calculated as follows:</p> <p>👤 For greenfield residential development, fees per HEU will be applied uniformly for each lot regardless of size for reasons of administrative simplicity and lot size is not considered to have a material impact on demand.</p>	LGA Schedule 13(1)(b)

Step	Explanation	LGA Reference
	 For an infill residential development, a residential dwelling as defined in the District Plan.	
Five	<p>Identify the designed capacity (in units of demand) provided for growth</p> <p>The designed capacity may vary between different types of infrastructure. In some cases it may be considered economically prudent to provide spare growth capacity considerably beyond current ten-year expectations of growth.</p> <p>Costs are recovered across the full designed number of HEUs. Projected growth in HEUs over the ten year period of the LTCCP will be relevant to the Council's budgeting of revenue but not to the calculation of the development contribution per HEU.</p>	LGA Schedule 13(1)(b) & (2)
Six	<p>Allocate the costs to each unit of demand for growth</p> <p>The development contribution charge per HEU is calculated by dividing the total capital expenditure resulting from growth (step two) by the designed units of demand for growth (step five).</p>	LGA Schedule 13(1)(b)
Seven	<p>Prepare schedule of fees</p> <p>A detailed schedule must be prepared as part of the policy that enables the development contributions to be calculated by infrastructure type and catchment.</p> <p>The policy will be supported by the significant assumptions made to determine the development contributions payable and their impacts, contribution and conditions and criteria for remission, postponement or refund, the valuation basis for assessment of maximum reserves and catchment maps.</p>	LGA 201(2) LGA 201 (1)(a) LGA 201(1)(b),(c) & (d)

Units of demand

The unit of demand used for each activity is the Household Equivalent Unit (HEU). An HEU represents one household unit.

Residential and non-residential development

Residential developments will be assessed on the number of additional household units created by the development.





Non-residential developments will be assessed on the basis of additional HEUs created on the basis of a case-by-case assessment of demand and conversion to household equivalent units.

Significant Assumptions

Section 201(b) of the LGA 2002 requires the Development Contributions Policy to state the significant assumptions underlying the calculations in the Development Contributions Policy. These include the growth, financial and costing assumptions below.

Otorohanga District growth assumptions for 2009-2019

The drivers of growth related capital expenditure by Council include:

-  Population growth.
-  Increased household formation as indicated by declining average number of inhabitants per household. This trend can occur even where a population is not growing.
-  Subdivisional growth with occupants not necessarily being recorded in the census – such as second home owners, or possibly speculative development that may demand service connections, but is not as yet occupied.
-  Non-residential commercial, industrial or retail development.

The LTCCP notes declining population recorded in the last two censuses, but also notes that building consent, subdivision and local knowledge would make a static or very slowly growing population outlook the expected outcome.

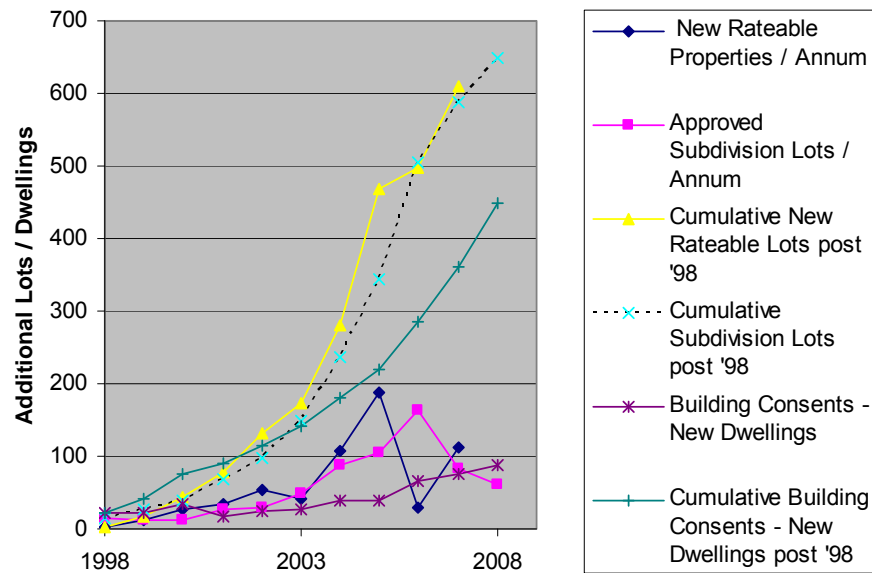
While strong population growth prospects may not be likely for the Otorohanga District, it is often prudent for engineers to provide for additional growth capacity when existing capacity limits have been reached.

For most activities no growth pressure is assumed in development of the LTCCP's capital expenditure. In this majority of cases the existing infrastructure has spare capacity to handle growth if it occurs.

There are however localised exceptions where development imposes capital costs, such as roading works around Pirongia and localised water and roading costs around subdivision developments. Additionally, some of the water infrastructure serving Otorohanga and Kawhia is at its design capacity. It is therefore prudent to provide additional capacity when renewals or levels of service upgrades are proposed.






There has been a pronounced increase in property development activity within the District in recent years as shown in the graph below.

Development Indicators - Otorohanga District



This increased development activity has in part been driven by a buoyant national property market, which has included a significant element of speculative development. With the market now cooling there is believed to be a significant stock (above 200 sections) of newly subdivided property in the District upon which building has not taken place, and which may not take place for some years. This unused stock is considered likely to limit further subdivision in the next 2 to 5 years, but population growth may still occur as existing new sections are built upon.

Financial and costing assumptions

-  Average costs have been applied in calculating the growth HEUs share of total costs when apportioning costs between expenditure that benefits existing residents.
-  All costs from projects in the LTCCP used in the Development Contributions Policy are based on current estimates of infrastructure construction prices in 2007-dollar terms. The LTCCP provides further inflation adjustment of all operating and capital costs over the ten years of the plan. It is assumed that interest received on fees collected in anticipation of construction later in the LTCCP ten-year period will go some way to offsetting construction cost inflation. No cost of capital, including interest and compensation of Council for taking the risk of building infrastructure in advance of demand, is included at this stage in growth cost calculations. Future development contributions policies may develop cost of capital calculations.
-  Income generated from rates will be sufficient to meet the operating costs of growth related capital expenditure into the future.
-  All Land Transport New Zealand subsidies will continue at present levels and that eligibility criteria will remain unchanged.
-  The methods of service delivery will remain substantially unchanged.





POLICY DETAILS

Catchments

Council has defined specific catchments for each activity and capital expenditure subject to a development contribution fee.

Requirement for development contributions

Development contributions shall be required for the following activities:

-  Roading for properties on Hanning, Te Tahi and Mangati Roads.
-  Water supply for both the Otorohanga and Kawhia Communities. Otorohanga Community has a number of smaller water catchments for items of infrastructure providing further capacity for growth.
-  Wastewater in the Otorohanga Community.
-  Stormwater in one area of the Otorohanga Community.

A contribution towards parks and reserves capital expenditure is made through the District Plan's financial contributions.

Financial contributions under the District Plan towards road improvements on the upper sections of Mangati Road (above RP 4.95km) and Te Tahi Roads (above RP 1.9km) may also be levied on a case by case basis, these being in addition to the development contributions applicable to all developments on these roads.

Developments where there is no practical connection to water supply or wastewater reticulation systems will not be required to pay water and wastewater fees. If the Development is subsequently connected to the water and/or wastewater reticulation systems, the applicable contribution will be payable prior to connection.




Development contributions shall be required in money unless, at the sole discretion of Council or an authorised officer, a piece of land or infrastructure is offered by the developer that would adequately suit the purposes for which the contribution is sought.

Where Council accepts, at its sole discretion, a developer's offer to provide network infrastructure or community infrastructure in lieu of

paying a development contribution, the parties will need to enter into a development agreement (detailed further below).

Assessment

The development contribution will be assessed on any:

-  Resource consent granted under the Resource Management Act 1991; or
-  Building consent granted under the Building Act 2004; or
-  Authorisation approved for a service connection.

A reassessment may be made on each and every event described above.






An applicant may pay the development contribution within 12 months of the date of each assessment. If payment is not received in accordance with the table below Council may, at its discretion, review its assessment.

The development contribution must be paid as set out in table 3 below.

Table 3. Situations triggering assessments and request for payment of development contributions.

Subdivision resource consent	Prior to issue of section 224(c) certificate
Other resource consent	Prior to commencement of the consent
Building consent	Prior to issue of code compliance certificate
Service connection	Prior to connection

Unless the development contribution has been paid in full, the Council may:

-  In the case of subdivision consent, withhold the section 224(c) certificate.
-  In the case of any other resource consent, prevent the commencement of the resource consent.
-  In the case of a building consent, withhold the code compliance certificate.
-  In the case of a service connection, withhold the service connection.
-  Register the outstanding development contribution as a charge on the subject land under the Statutory Charges Registration Act 1928.

Residential Development

The unit of demand for each activity is the HEU. An HEU represents one household unit. Residential developments will be assessed on the number of additional household units created by the development.

Minor Household Units

Minor household unit means a residential household unit with a maximum gross floor area of 65 square metres that is additional to a residential household unit already established on the allotment. A minor household unit shall be assessed at 0.5 of an HEU per additional unit.

Fee Simple Subdivision

Each allotment in a fee simple subdivision represents one HEU.

Non-residential Development

Where the level of demand is known for a non-residential development, the number of HEUs generated by the development will

be determined by reference to the following table (which sets out the average level of demand per HEU).

Table 4. Household Equivalent Units

Activity	Units of Demand – Residential	Units of Demand – Non-Residential HEUs
Roading	10 light vehicle movements per day	Case by case assessment of the likely level of traffic generation converted into HEUs.
Water Supply	1,500 litres per day per household.	Case by case assessment
Wastewater	1,200 litres per day per household.	Case by case assessment
Stormwater	200m ² of impervious area based on an assumed 600m ² average lot size with 30% impervious area coverage.	Case by case assessment. Each 200m ² of proposed impervious area (constructed and paved area) is an HEU.

The above table does not apply where the level of demand is unknown, in which case the Council will require a special assessment as detailed further below. An applicant for resource consent, building consent or service connection may also elect, at their own cost, to provide a special assessment provided that any Council fees for processing the special assessment are met.

Development contributions for non-residential development will not apply to an addition of less than 10 square metres of gross floor area to an existing building.

Credits

Credits are expressed in units of demand and may be used to reduce the number of units of demand created by a development.

Credits only apply in respect of an existing or prior use of the site, and cannot be used to reduce the number of additional units of demand from the proposed development to less than zero.

The prior use of the site must have been current within the 2 years prior to the application. Credits from a prior use cannot be transferred to or from another site.

Existing allotments as at 1 July 2000 are deemed to have a credit of one HEU.



Remissions, Reviews and Postponement





At the request of an applicant, the development contributions required on a development may be considered for remission at Council's discretion on a case-by-case basis.

The applicant shall make any such request in writing within 15 working days after Council has advised the applicant in writing of the amount of development contribution required on the development. The application must be made before any development contribution is paid, as the Council will not consider a retrospective application for remission.

In undertaking the review the Council shall as soon as reasonably practicable consider the request. The Council may determine whether to hold a meeting for the purposes of the review, and if so, give the applicant at least five working days notice of the date, time and place of that meeting.

Council may, at its discretion, uphold, reduce or cancel the original amount of development contribution required on the development. The Council may delegate these responsibilities and decisions to an authorised officer. Where Council decides to consider such a request the following matters shall be taken into account:






-  The Development Contributions Policy.
-  Council's financial modelling.

-  Council's funding and financial policies.
-  The extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.
-  Any credits that may apply to the site.
-  Whether Council determines that the development contributions are manifestly excessive in relation to the impact of the development on infrastructure:

Council will not consider any request to postpone a development contribution.

Refunds

Sections 209 and 210 of the Local Government Act 2002 apply to refunds of development contributions paid to Council, where:

-  Resource consents lapse or are surrendered; or
-  Building consents lapse; or
-  The development or building does not proceed; or
-  The Council does not spend the money on the purpose for which the development contribution was required; or
-  Previous overpayment has been made (for whatever reason).

The development contribution assessment (less a fair and reasonable administration fee, where this is considered appropriate) will be refunded to the registered proprietors of the subject allotment as at the date of the refund.

Cross boundary issues

In some cases, developments may cross District Council boundaries. Where the development crosses District Council boundaries, the Council will only assess the development for that part of the development, which is within Otorohanga District.




Special assessment and development agreements

Council reserves its discretion to require a developer to provide a 'special assessment' either where the level of demand on Council infrastructure is unknown or where a proposed development may have a significantly greater impact than is envisaged in the averaging implicit in Council's development contributions model after applying methodology in this policy (including the application of any credits arising). For all special assessments, the applicant will be expected to provide supporting information and detailed calculations of their development's units of demand on various activities and such further details as to support the credits applied for under the policy.

Where it is in the best interests of all parties, Council may enter into a development agreement with the developer. The development agreement must clearly state the departure from the standard processes and calculations, and the reasons for these differences.


Valuations

Where land is required to be valued, the assessment of land value will be carried out by a registered valuer based on the market value of the land being developed:

-  In its 'developed' state (which includes the proposed development and any other development authorised by resource or building consents);
-  As assessed not more than 12 months before the contribution is paid; and
-  Including GST.

Guarantee

An applicant may request that Council accept a guarantee for development contributions in excess of \$50,000. This request will be considered at the discretion of an authorised officer. Guarantees:

-  Will only be accepted from a registered trading bank.
-  Shall be for a maximum period of 24 months, subject to later extensions as may be agreed by an authorised officer.
-  Will have an interest component added, at an interest rate of 2% per annum above the Reserve Bank official cash rate on the day the guarantee document is prepared. The guaranteed sum will include interest, calculated on the basis of the maximum term set out in the guarantee document.
-  Shall be based on the GST inclusive amount of the contribution.

At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately to Council.

If Council accepts the guarantee, the applicant will meet all costs for the preparation of the guarantee documents.

Goods and Services Tax

All assessments are exclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985. The time of supply shall be the earlier of:

Council issuing an invoice to the developer; or

The payment of the development contribution in accordance with this policy (including the execution of a guarantee in accordance with this policy).

GST will be added to the invoice at the time of supply as required by the Goods and Services Tax Act 1985.

Council Developments

Council developments are liable to pay development contributions.

Transitional Provisions

Assessments for development contributions under this Policy will apply to all applications for resource consent or building consent received on or after 1 July 2007, and to authorisations for service connections granted on or after 1 July 2007.

For those subdivisions where a resource consent authorising the subdivision has been issued prior to 1 July 2007, then no development contribution under this Policy will be payable on a building consent and/or service connection application that are received before 1 January 2008 to give effect to an identical development.

Methodology by Activity

Note: Cost figures contained in this section reflect project cost estimates made as at 30 June 2009, and these costs may change as better information becomes available. The following sections reflect the general principles upon which development contribution fees will be based, but do not necessarily identify the applicable level of fees, which are instead contained in Council's Schedule of Fees and Charges.

District Roothing

No historic roading capital expenditure made in anticipation of growth and with an expectation of recovery through a development contribution is recognised.

Roothing is generally considered a district-wide network providing district-wide benefits that should be funded on a district-wide basis through the general rate.

However, growth related non-subsidised roading capital expenditure totalling \$1,845,000 is recognised on Hanning, Te Tahi and Mangati Roads in the north of the district around Mt Pirongia.

These roads have been the first in the District to have experienced significant growth pressures, with small scale rural subdivisions creating 'lifestyle blocks' having occurred steadily over the past 5 or so years. Whilst the impact of these individual developments on the vehicle carrying capacity of these roads has typically been small, they have together created a cumulative effect that has resulted in the carrying capacities of these roads now being fully utilised.

For further development to safely occur on these roads it is considered essential that widening, alignment and pavement improvements are undertaken to increase the vehicle carrying capacity of each road, and a program of works with an estimated total cost of \$2.452 million has been identified as being appropriate. A component of these improvement works are however eligible for subsidy from Land Transport New Zealand, and as such the 'local share' of this cost is estimated to be the non-subsidised portion of \$1.845 million.

The area of benefit is focused around the properties serviced by the three roads. As with all roads, and with reference to LGA s101 (3) a) (ii) & (v), there is a district wide public good benefit element to these works, however the causality principle (LGA s 101 (3) a) (vi) is important in this case. This principle suggests that persons whose development actions cause a need for new works should meet those costs. The associated benefits to existing ratepayers in wider spread locations are limited because the roads in question are all no-exit roads in quiet rural locations and are serendipitous for them. The existing and wider-spread ratepayers, in the absence of the development activity, would not have undertaken the works and cannot be expected to meet a share of the funding. 100% of the costs are therefore considered growth related costs to be met where practical from those developments creating the demand.

Applying the causality principle, the number of both existing and potential lots, which both cause and benefit from the proposed capital expenditure totals 149 as calculated in Table 5 below. The non-subsidised cost of necessary improvement works is divided by 149 to give the fee per Household Equivalent Unit (HEU).

carrying capacity along the higher sections of these roads could not be achieved at a level of cost where a significant proportion of this cost would be realistically recoverable from developers on a uniform basis.

Where applications are made for further development on Te Tahi Road above the 1.9 km point, or on Mangati Road above the 4.95 km point, applicants will therefore need to demonstrate that associated additional traffic generation resulting from the development would be adequately mitigated by additional road improvement works undertaken at the developer's own cost that are over and above those funded by the Development Contribution fee described previously.

The cost of such additional works may be recovered by Council through an associated Financial Contribution levied under the District Plan.

Council's considerations in reaching its decision to impose a development contribution fee across properties on Hanning, Te Tahi and Mangati Roads causing the need for growth related capital works are discussed below.

Some of the affected properties have already been subdivided but will be levied with the development contribution fee at the building consent stage. To ensure properties subdivided since 1 July 2000, but yet to receive building consent, are levied a development contribution fee, Section 7.8 of this policy provides that "Existing allotments as at 1 July 2000 are deemed to have a credit of one HEU".

While it is preferable that Council does not change fees and charges halfway through planning and investment processes, it is also fair that the costs of development are sheeted home to those both benefiting from (LGA s 101 (3) a) (ii)) and causing the costs (LGA s101 (3) a) (iv). Implementation of policy changes such as this charge will inevitably affect someone in the middle of a development process. The alternative of an equivalent one-off charge on each of the district's 4,500 rateable properties would pose even greater unfairness. The Transition Provisions of section 7.17 of this policy also provide a limited opportunity for someone in the middle of a development

process to avoid payment of a Development Contribution if the development can be completed in the near future.

This calculation excludes from any development contribution fee those properties that have existed for many years on the roads in their current state, which is adequate to meet their needs in the absence of any increased traffic volumes from further subdivision.

Hanning, Te Tahi and Mangati Roads are 2.4, 4.9 and 8.8 kilometres long respectively. Whilst there is some limited variation in how the \$1,845,000 of works are spread between different sections of these roads, there is also some significant uncertainty in respect of underlying assumptions, in particular regarding the number of development contributions likely to be recoverable on each road. For this reason it is considered appropriate that development contributions are applied on an 'averaging' basis across the three roads.

Properties at the top of each road also receive a benefit from a significantly greater amount of capital expenditure than properties at the bottom of each road. Council has considered a system of spreading the fee in proportion to the length of improved road the property benefits from. Properties at the top of the roads would therefore pay more than those at the bottom.

For reasons of administrative simplicity (LGA 101 3) a) (v)) however, the development contribution fee is spread evenly across all properties on the three roads. Other funding options considered for allocation of growth related capital expenditure at Hanning, Te Tahi and Mangati Roads comprised the following:

- Three separate individual roading development contribution fees for works on each of Hanning, Mangati and Te Tahi Roads was not considered appropriate because of the high level of uncertainty regarding some of the assumptions upon which the levels of contribution would be based, in particular the number of future developments likely to occur on each road.

- 👤 A roading development contribution fee for works around Pirongia, charged on new development district-wide was not considered an equitable alignment of who pays and who benefits.
- 👤 A targeted rate set over recently subdivided properties creating the need for the new works on the three roads only would be similarly fair in comparison to a development contribution fee in its allocation of costs, but a development contribution fee in comparison to a targeted rate has the advantage of sheeting development costs back to developers at the time of development, rather than spreading these costs over subsequent owners.
- 👤 District-wide general rate funding of the works is Council's default option whereby the costs are added to the general rate across the district. It is not considered equitable to charge all properties when the primary driver and beneficiaries of the work are an identifiable group.

The proposed works on Hanning, Mangati and Te Tahi Roads will be undertaken progressively as revenue from development contributions is received. The rate at which such contributions is received is uncertain, and the recent slowing of the property market suggests that this rate may be significantly slower than was originally anticipated. For this reason a conservative expenditure of \$50,000 per annum for this purpose has been indicated as 'roading capacity works' in budgets over the period of the 2009-19 LTCCP.

Other roading capital expenditure considered for application of a development contribution included:

Harpers Avenue seal extension, excluded because of inability to secure adequate revenues.

Footpath construction on Old Te Kuiti Road, Progress Drive, Main North Road, Bluck Road and Merrin Avenue Walkway was rejected because under existing Council footpath policy, the work would probably proceed regardless of any growth.

Water supply capital expenditure

No historic water supply capital expenditure made in anticipation of growth and with an expectation of recovery through a development contribution is recognised. Water supply capital costs for growth are to be allocated 100% to growth activities given consideration, in particular of LGA s 101(3) a) (ii) and (iv) as noted for each piece of infrastructure in a) to e) below. The other option considered in all cases was allocation of costs to existing residents through rating mechanisms. This was not considered a fair allocation of costs in consideration of LGA s 101(3) a) (ii) and (iv), .

a) Additional Otorohanga Water Reservoir - timber tank at Thomson Avenue.

The catchment area of benefit is the Otorohanga Community area. Refer to map in Appendix One.

The total project cost is estimated to be \$347,110 in 2010/11. This project has a mix of two benefits. The first benefit is improvement of the security of supply for existing residents, which is currently approximately two thirds of typically expected national standards. The second benefit is the provision of spare capacity for growth, being a consideration under (LGA s 101 (3) a) (ii). Any increased demand from development growth however would come at the expense of a reduction in the security of supply for existing residents. Considering these two benefits, it is concluded that any new development should therefore make a contribution to the upgrade costs on the following basis.

The project provides additional capacity to service 1,000m³ additional capacity. Assuming this additional capacity is completely used to service growth it would provide for 434 HEUs assuming an average household mean day maximum month consumption of 2.3m³ per day. While this is a significant level of subdivisional growth, Otorohanga would likely have sufficient land to provide for this increase and any such growth is likely to take place over a period well beyond ten years. Assuming 100% of the growth proportion of the capital expenditure is

funded through development contributions, the fee per additional HEU would therefore be the total project cost divided by 434.

b) Otorohanga Community water treatment plant upgrade

The catchment area of benefit is the Otorohanga Community and the Waipa Rural Water Supply areas. Refer to map in Appendix One. It is noted that unless the entry rules for the Waipa scheme were to be changed however, that little or no development contributions for this activity would be forthcoming from this area.

The total project cost is estimated to be \$1,562,600 in 2009/10/11. The project benefits are both improved water standards and increased capacity. Existing demand is at the limit of the existing 4,000m³ per day capacity. The project will provide total design capacity of 5,000 m³ per day, which includes an additional 1,000m³ design capacity, being 20%, available to service growth.

1,000m³ per day is sufficient to service 434 HEUs assuming the current mean day maximum month household consumption of 2.3m³ per day.

On an average cost basis, 20% of the total project cost, or \$312,520, provides spare capacity to service growth. 100% of the costs attributable to growth are given consideration of (LGA s 101 (3) a) (ii) to be recovered by development contribution with a fee based upon dividing this growth related cost by 434.

c) Kawhia community water treatment plant upgrade

The total project cost is estimated as \$440,000 in 2008/9/10 in two parts:

(i) \$400,000 work on the treatment plant. The 700m³ per day design capacity will provide 150m³ spare capacity for growth over the 550m³ per day current capacity, which is at times of peak demand fully utilised by existing residents. The spare capacity represents approximately 21% of total costs or \$84,000. Assuming average consumption of 1.5m³ per day for future development, the 150m³ spare design

capacity will provide for 100 further HEUs. 100% of the costs attributable to growth are to be recovered by development contribution given consideration of (LGA s 101 (3) a) (ii). The fee per HEU for the treatment plant is derived by dividing this cost by 100.

(ii) \$40,000 head works capital expenditure, which provides 100% for the 100 growth HEUs identified above. 100% of the costs attributable to growth are to be recovered by development contribution given consideration of (LGA s 101 (3) a) (ii). The fee per HEU for the headworks component is derived by dividing this cost by 100.

The total fee per HEU is the sum of the fees calculated in subsections i and ii above.

d) Thompson / Harper Avenue water main ring main completion

Total project cost is estimated as \$68,820 in 2014/15. The ring main is driven 100% by the need to provide minimum security of supply standards for future subdivision growth.

158 possible subdivision lots benefit from this work comprising:

- 🌳 112 lots at Westridge Stages II – IV
- 🌳 10 lots along a track continuing from Harpers Avenue, which have already been developed by Mr Martin. While the Martin properties are included in the calculation of the fee per HEU, fees would not be payable by this party as Council has already accepted other works in consideration of this development's growth impacts.
- 🌳 36 Westridge Stage I lots. It may be difficult for Council to impose a fee in this instance given that it was the developer.

Whilst a further 100 possible lots on the Thompson land would benefit in the long term the likelihood of development levels extending to this level in the next ten years is low. With reference to LGA s 101(3) a) (ii) and (iv), it would impose an unreasonable financial burden on Council and existing ratepayers if costs were recovered over a period in which the Thompson land might be developed.

100% of the costs attributable to growth are to be recovered by development contribution. The fee per HEU is derived by dividing the total project cost by 158.

Wastewater capital expenditure

No historic wastewater capital expenditure made in anticipation of growth is recognised. Wastewater capital costs for growth are to be allocated 100% to growth activities given consideration, in particular of LGA s 101(3) a) (ii) as noted below. The other option considered was allocation of costs to existing residents through rating mechanisms. This was not considered a fair allocation of costs in consideration of LGA s 101(3) a) (ii).

a) Upgrade of Otorohanga wastewater treatment plan (pre-treatment improvement)

The catchment of benefit is the Otorohanga Community area.

The estimated total project cost is \$488,250 in 2012/13. The current plant has a design capacity of 3,000 persons, and this capacity is likely to be nearly fully utilised as recently approved developments are completed. The \$488,250 capital expenditure will provide a further 1,000 persons capacity which at an average household size of 2.7 persons is 370 HEUs. 100% of the costs attributable to growth are to be recovered by development contribution, given consideration of (LGA s 101 (3) a) (ii). The \$488,250 only provides for growth and no portion provides improved treatment standards for existing users.

The fee per HEU is derived by dividing the total project cost by 370.

Flood protection / Stormwater / land drainage capital expenditure

No historic flood protection / stormwater / land drainage capital expenditure made in anticipation of growth is recognised. Stormwater capital costs for growth are to be allocated 100% to growth activities given consideration, in particular of LGA s 101(3) a) (ii) and (iv) as noted below. The other option considered was allocation of costs to existing residents through rating mechanisms. This was not considered

a fair allocation of costs in consideration of LGA s 101(3) a) (ii) and (iv).

a) Stormwater capacity upgrades State Highway 3 / Factory Drive / Timber Company area.

The estimated total project cost is \$160,000 in 2009/10. The proposed works are for expansion of the existing capacity, through construction of an additional stormwater pipe running parallel to the existing pipe.

The need for the works is caused by the potential development of 268 HEUs. This total comprises 36 Council developed residential lots, 112 Westridge residential lots and the equivalent of 120 HEUs in industrial area development. The calculation of HEUs for the industrial area is calculated on the assumption of 60, 000 m² of developable industrial area divided by 1,000m² per average residential lot including share of access road areas. This gives a total of 60 residential lots. Industrial development is further assumed on average to result in twice the impervious area compared with an average residential development, giving 120 HEUs.

100% of the costs attributable to growth are to be recovered by development contribution given consideration of (LGA s 101 (3) a) (ii) and (iv). The fee per HEU is derived by dividing the total project cost by 268.

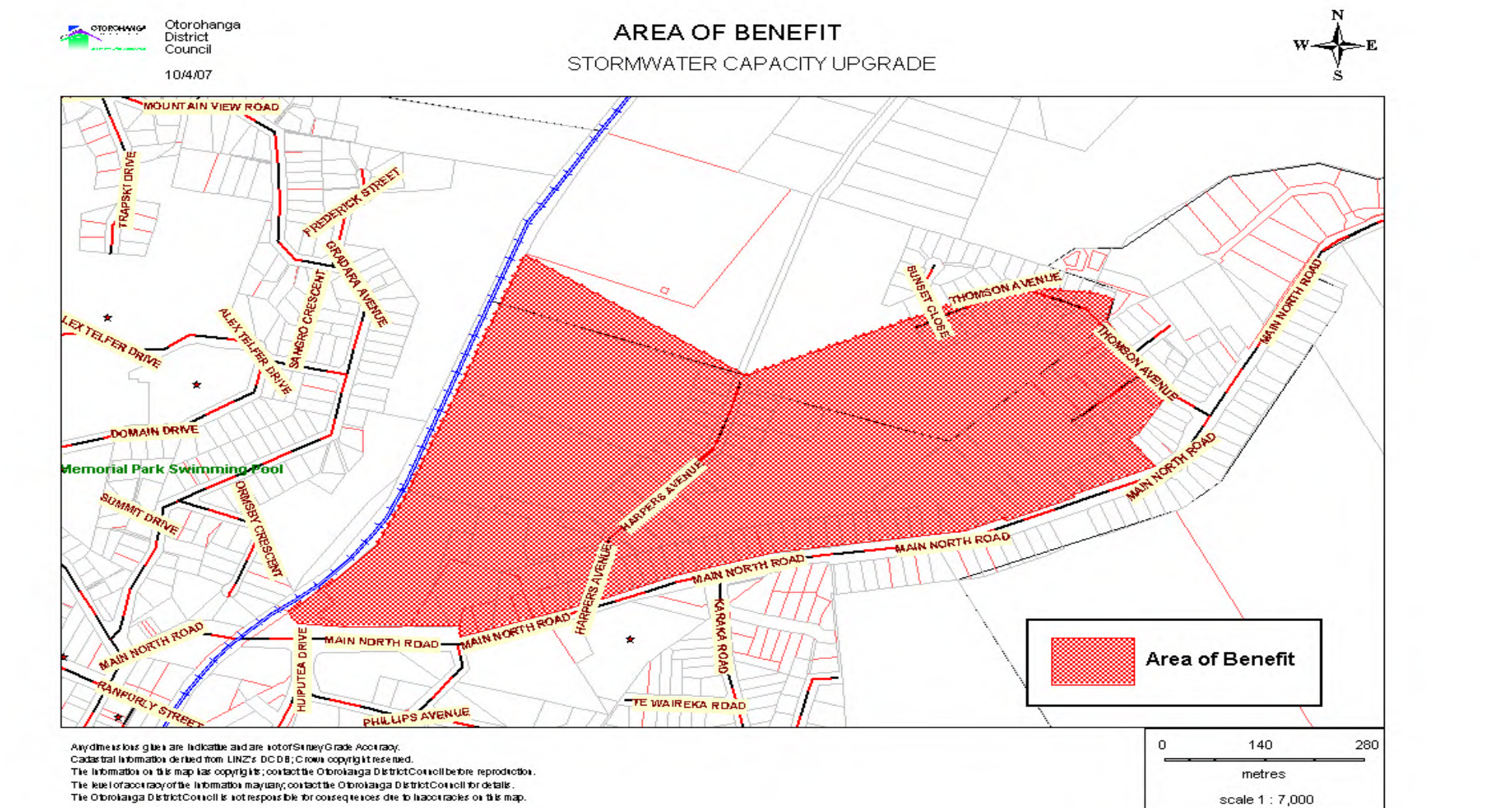
Other significant activities

Council continues to collect the \$990 financial contribution under the District Plan for addition of parks and reserves capacity to service new subdivisions. These fees are in addition to development contributions for other infrastructure.

No historic or forecast capital expenditure driven by growth in the 2009 – 2019 LTCCP is recognised for the balance of Council's activities noted below. The capital expenditure in these cases is considered by management to be either renewals or increased levels of service that provide benefits for existing residents.

-  Solid waste
-  Library
-  Swimming pool
-  Cemeteries
-  Security patrol
-  District sports co-ordinator
-  Environmental services
-  Democratic processes
-  Other activities

The funding mechanism for these costs is through the general rate, district wide.



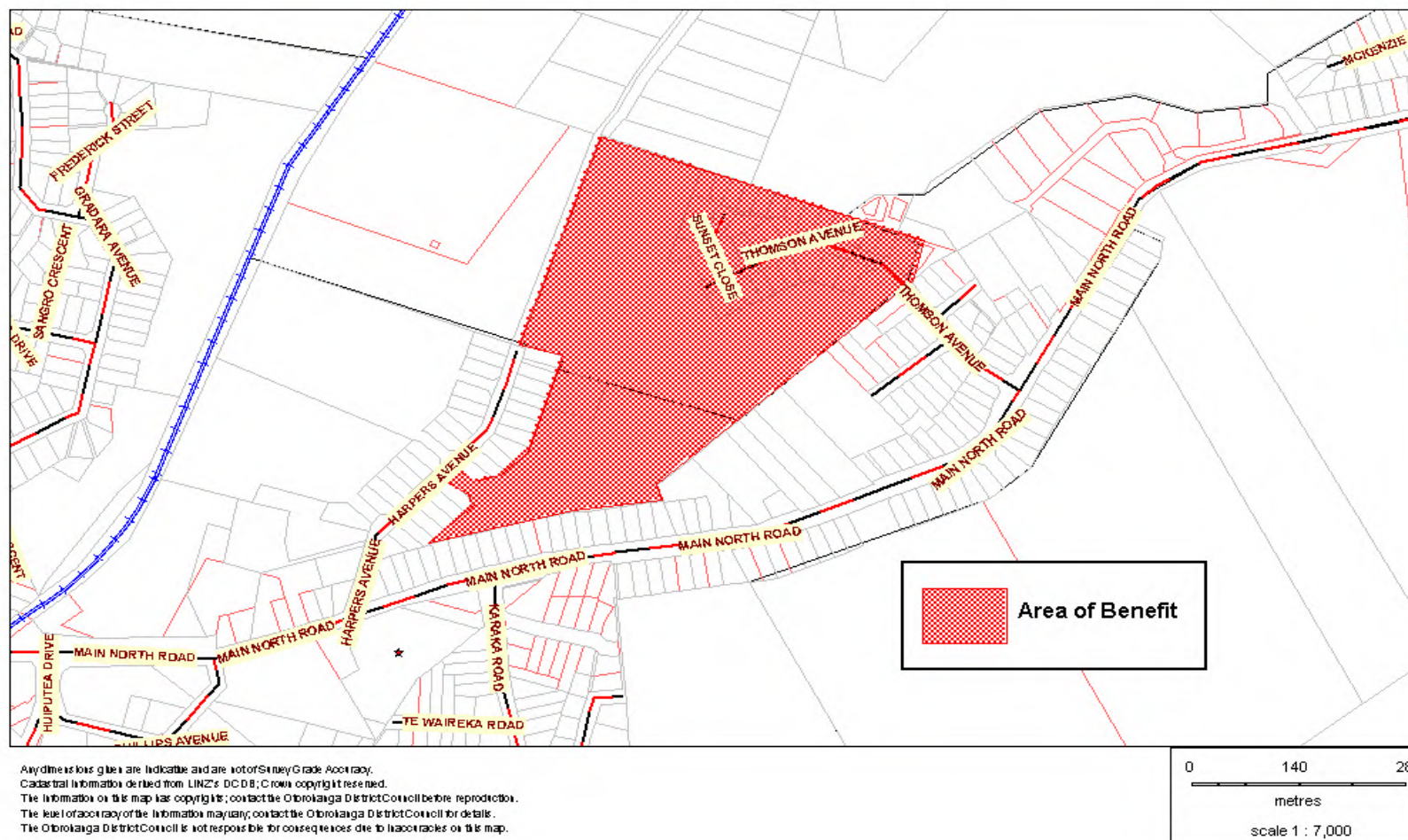
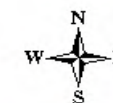


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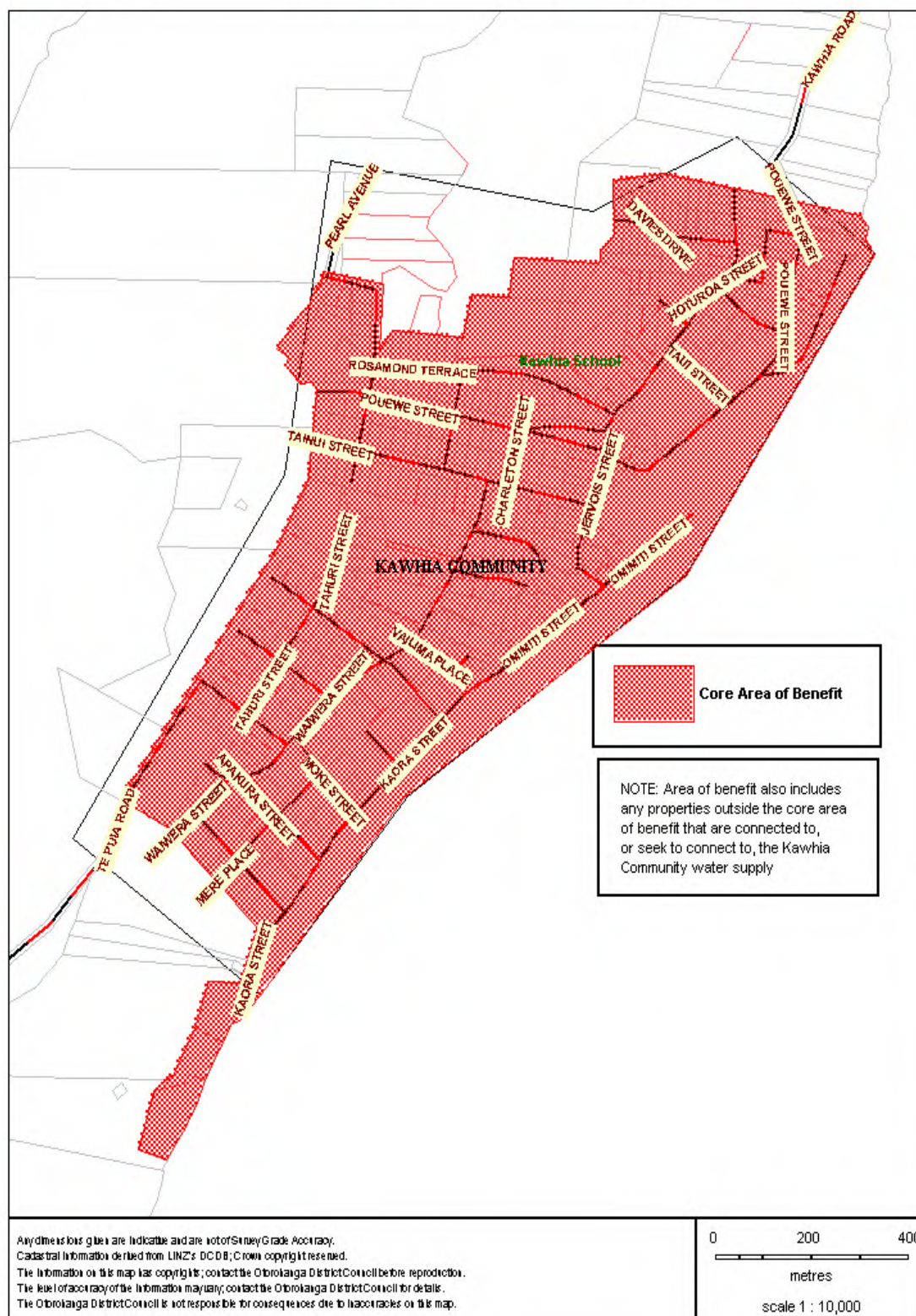
10/4/07

AREA OF BENEFIT

THOMPSON / HARPER AVE. RING MAIN



Map Two



Map Three

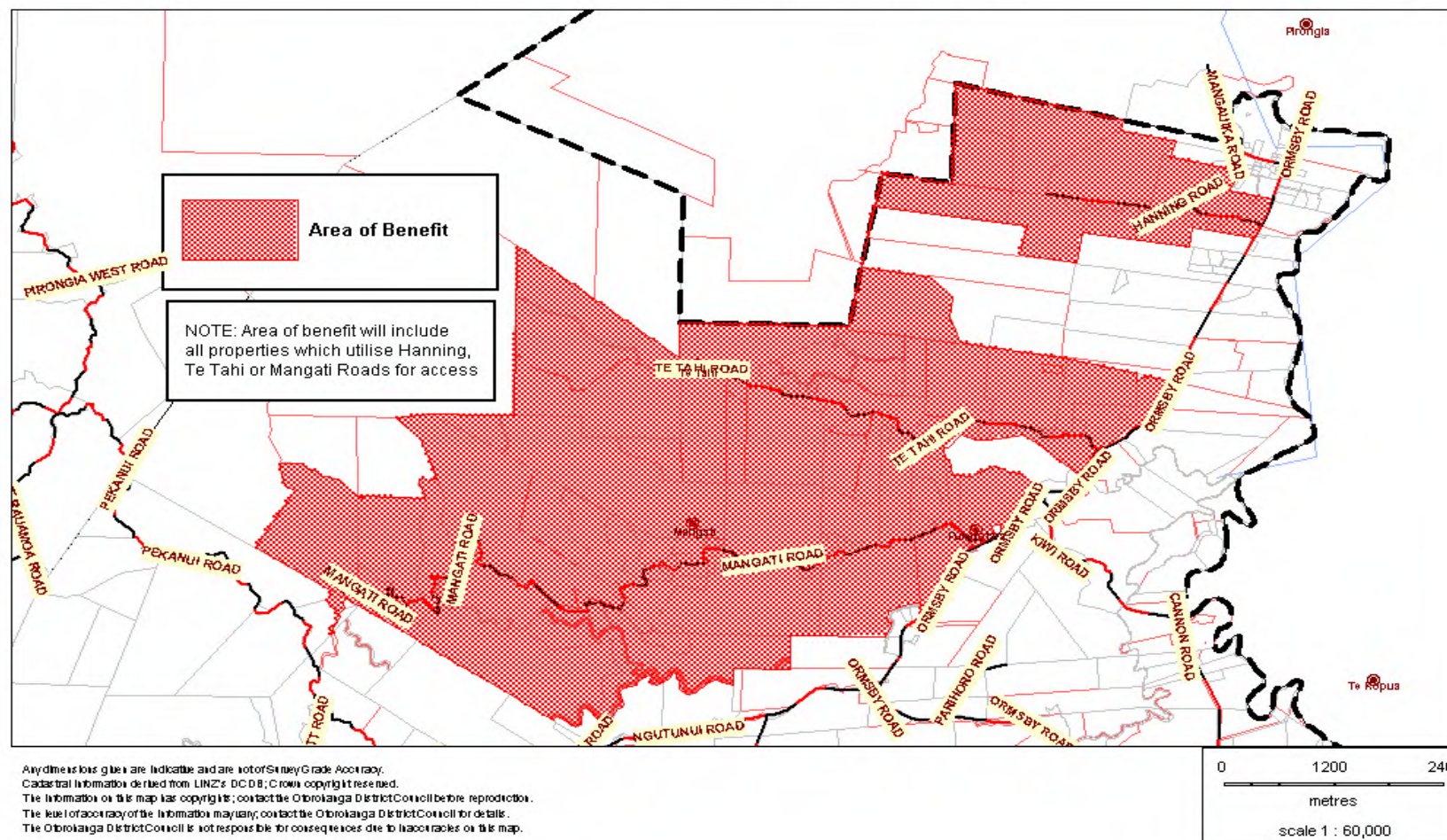
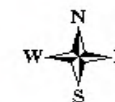


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AREA OF BENEFIT

HANNING, TE TAHI, MANGATI ROAD IMPROVEMENTS



Map Four

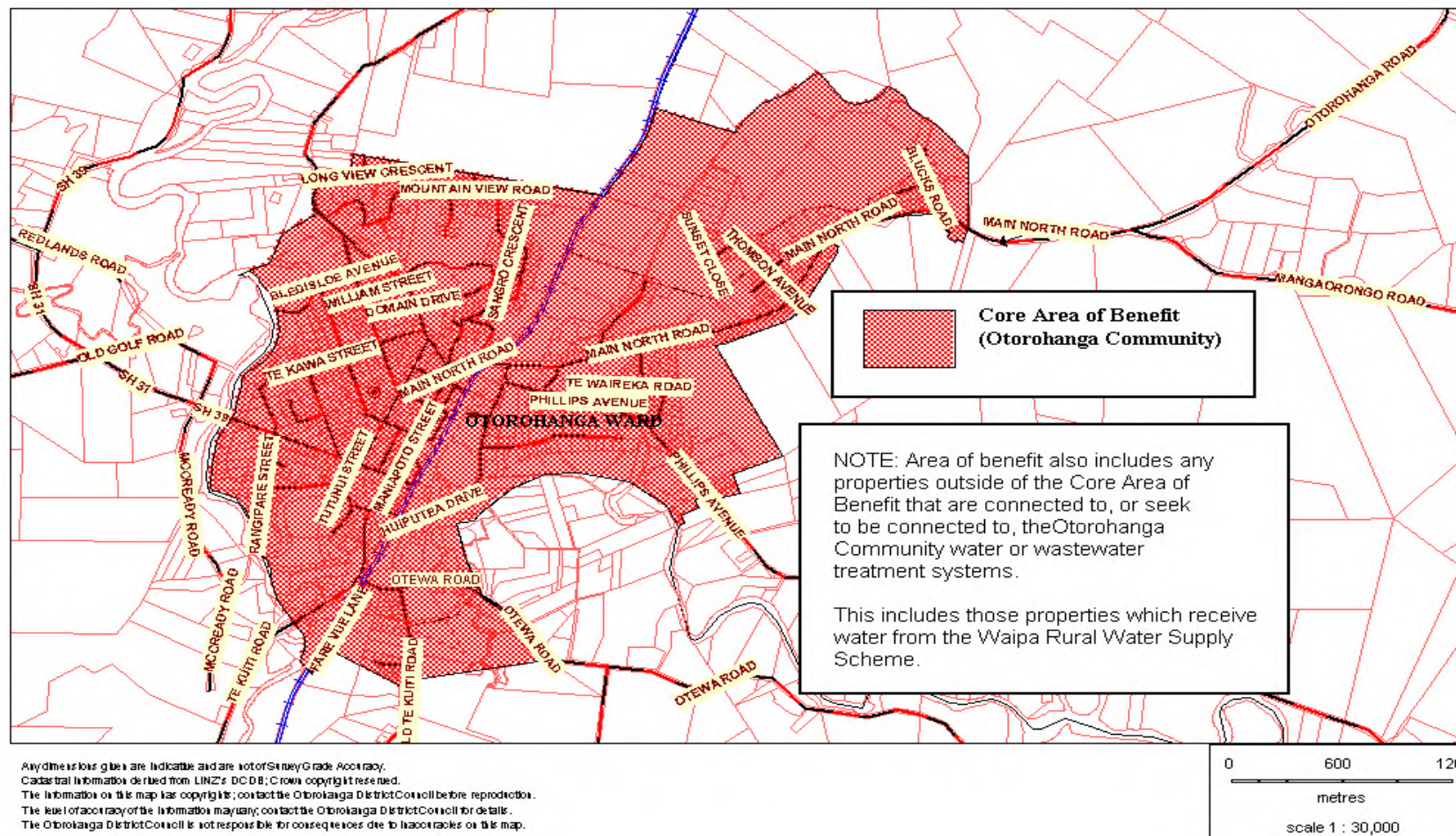
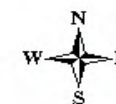


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CORE AREA OF BENEFIT

OTOROHANGA WATER RESERVOIR & TREATMENT, WASTEWATER TREATMENT PROJECTS



Map Five

Policy on Partnerships with the Private Sector

Background

The Council is required to adopt a policy on partnerships between the Council and the private sector under Section 102(4)(e) of the Local Government Act 2002.




The purpose of this policy is to set out the circumstances and terms for the commitment of Council resources to partnerships with the private sector.





For the purposes of this policy, a partnership with the private sector is defined according to the Local Government Act 2002 as any arrangement or agreement that is entered into between one or more local authorities and one or more persons engaged in business, but does not include an agreement in which the only parties are local authorities or Council Organisations.

A contract for the supply of any goods or services to, or on behalf of, a local authority is not defined as a partnership with the private sector.

Circumstances where Partnerships with the Private Sector will be considered

The Council will consider entering into a partnership arrangement with the private sector where it can be identified that the partnership will:

-  Contribute to achieving the community outcomes identified in the LTCCP in an integrated and efficient manner; or
-  Assist with the achievement of Council's strategic objectives as identified in any other planning document formally adopted by the Council; or
-  Promote the social, economic, cultural or environmental well-being of the District; or

-  Be a prudent, efficient and effective use of Council's resources in the interests of the District; or
-  Enable the provision of a product or service which is in the interests of the community but which the private sector is unwilling or reluctant to provide sufficient resources without Council support; or
-  Enable the provision of a product or service which is in the interests of the community but which the public sector is unwilling or unable to provide sufficient resources; and
-  Where such a partnership is likely to deliver better value for money, based on cost, time and financial arrangements than alternative delivery methods.

Consultation






The Council will not normally consult on partnerships that fall within the circumstances outlined in this policy, unless the Council determines that public consultation should occur having regard to the significance of the proposal.

The Council will consult when the proposed partnership is regarded as significant in terms of the Council's significance policy.

Where possible consultation will be performed through the consultation provisions required for the adoption of a Long Term Council Community Plan or Annual Plan.





Conditions to be Imposed

Before committing any resources to any form of private sector partnership, the Council will establish the following conditions:


-  Private participation must be subject to the Council's normal purchasing protocols, including competitive tendering processes where appropriate;
-  Emphasis will be placed on the need for transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentialities where appropriate;
-  Outputs will be clearly specified, and include measurable performance standards;
-  A clear and enforceable risk management regime will be agreed; and
-  The Council's information requirements for monitoring of outcomes will be agreed.

Risk Assessment and Management

A comprehensive assessment of risks associated with any partnership proposal will be undertaken before any commitment to proceed. The assessment of risks shall include the identification and consideration of:

-  The risks associated with the partnership.
-  The probability of the risks being realised.
-  The potential effect of the risks being realised.
-  The following areas of risk will be addressed.
 - 1) Financial risks.
 - 2) Legal risks.
 - 3) Risk to the Reputation of Council.
 - 4) Health and Safety risks.

- 5) Risk to the capacity of Council to carry out its activities, now and in the future.

-  Any other relevant risks.

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 in accordance with a financial and progress reporting regime developed and agreed between the parties before the partnership is established.

Assessing, Monitoring and Reporting on the Achievement of Community Outcomes

Monitoring and reporting will be proportionate to the significance of the proposal, and will be through existing mechanisms such as the Annual Report.




Policy on Appointment of Directors

Introduction



Under Section 57 of the Local Government Act 2002 the Council is required to adopt a policy on the appointment of directors.

Section 57 of the Local Government 2002 specifies that:

A local authority must adopt a policy that sets out an objective and transparent process for:

-  The identification and consideration of the skills, knowledge and experience required of directors of a Council organisation; and
-  The appointment of directors to a Council organisation; and
-  The remuneration of directors of a Council organisation.

A local authority may appoint a person to be a director of a Council organisation only if the person has, in the opinion of the local authority, the skills, knowledge, or experience to:

-  Guide the organisation, given the nature and scope of its activities; and
-  Contribute to the achievement of the objectives of the organisation.







Council Policy

In order to achieve the objectives of this section of the Act the following draft policy has been developed:






Identification of Skills, Knowledge and Experience Required of Directors

In any case where a director is to be appointed the Council will develop a Director Specification for the role.

The Director Specification will detail the skills, knowledge and experience required for that role. The role specification will take into account:

-  The nature and scope of the organisation;
-  The organisation's future direction;
-  The organisation's constitutional arrangements;
-  The strategic objectives of the organisation and the attributes, skills and knowledge that will be required to achieve the strategic objectives;
-  The skills of the current directors of the company or the required skills of all the directors of the company; and
-  Any specific skill, knowledge and experience that is currently required or may be required in the future.


The role specification will detail:


-  The functional relationships of the role;
-  The responsibilities and liabilities attached to the role;
-  The key result areas for the role;
-  The personal attributes for the role; and
-  The specific skills/qualifications required for the role.

The Appointment Process for Directors


A list of potential directors will be achieved by all or any of the mechanisms listed below:


-  Publicly advertising the position/positions that are available;


 Directly approaching people it is felt may be appropriate for the role;


 Asking relevant groups within the community for nominations for the role of directors;

Asking the candidates to supply:


 A curriculum vitae which establishes how well they meet the role specification for the directorship role;


 A letter detailing why they are interested in the particular role; and

 A report on any conflicts of interest their appointment may cause.

 A selection panel will be established that will consider all applications, short list applicants for interview and make a recommendation to Council.

The panel will include:

 His Worship the Mayor and other such Councillors and/or Community Board Members that the Council may deem appropriate;

 The Council's Chief Executive Officer and other such Council staff or external consultants that would add value to the process.

The selection panel will make a recommendation to Council for adoption by resolution.

The term of the Director's position will be determined by the constitution of the organisation to which the director is appointed.

At the end of each term the candidate selection panel will review the director's performance. This review will be used to determine whether or not to reappoint the director.

A director may only be re-appointed for one term. Thereafter the position will be opened to the full application process. A retiring director is eligible to re-apply for the appointment under this process.

The Appointment of Staff or Councillors as Directors

It is not considered appropriate for either staff or Councillors to act as directors of Council controlled organisations.

The reason for this policy is that a conflict of interest could be created between an elected member's role as an objective decision maker on behalf of residents and ratepayers or the role of staff as advisors to Council, and the responsibilities of the role of director.

Notwithstanding the above, it is recognised that from time to time it may be appropriate for an elected member or member of Council Staff to be appointed as a director. In these cases appointment must be ratified through a formal resolution of Council.

Remuneration of Directors

The director's role specification will be used to establish an appropriate level of remuneration. In the case of profit seeking organisations the Council will determine an appropriate rate of

remuneration based upon market rates for comparable positions at the time of appointment.

Market rates will be reviewed on an annual basis.

The expectation will be that directors who are performing adequately will receive any market-based increase on an annual basis.








Waikato Regional Airport Limited

Notwithstanding the above, the appointment and remuneration of directors to the Board of the Waikato Regional Airport Limited will be undertaken in accordance with a shareholders agreement, as adopted by resolution of the Council from time to time.





Local Authority Shared Services Limited

The appointment and remuneration of Directors to the LASS shall be in accordance with section 13.1 of the Company's constitution, which states:




The board shall consist of not less than three (3) and not more than nine (9) directors, of whom:

-  One shall be appointed by Waikato Regional Council;
-  One shall be appointed by Hamilton City Council;
-  One shall be appointed by agreement between Franklin District Council and Waikato District Council;
-  One shall be appointed by agreement between Thames-Coromandel, Hauraki and Matamata-Piako District Councils;
-  One shall be appointed by agreement between Waipa, Otorohanga and Waitomo District Councils;
-  One shall be appointed by agreement between South Waikato, Taupo and Ruapehu District Councils; and
-  Up to three additional directors may be appointed by the board.

Such appointees must have one or more of the following skills:

-  Specialist information technology skills;
-  Specialist financial skills;
-  Specialist commercial skills; and
-  Specialist entrepreneurial skills.

The appointee on behalf of the Otorohanga, Waipa and Waitomo District Councils shall be determined as follows:

-  The Mayors of Otorohanga, Waipa and Waitomo District Councils will meet annually to review the performance of the appointed director and agree on the re-appointment of a director for the next twelve months.
-  The recommendation of the Mayors will be presented for ratification at an ordinary meeting of each Council, notwithstanding that the authority to appoint a director may be delegated, in which case Council will be advised of the appointment or re-appointment at its next ordinary meeting.
-  The appointed director must be the Chief Executive of either Waipa District Council, Otorohanga District Council or Waitomo District Council.

Remuneration (LASS Section 16.2)
The payment of remuneration or the provision of other benefits of the Company to a Director for services as a director, or in any other capacity, may only be authorised by ordinary resolution of shareholders






SUPPORTING INFORMATION

Equal Employment Opportunities Programme

The Otorohanga District Council is committed to supporting the principles of equal opportunity in recruitment, selection, employment, training and promotion.

The policy of the Council is to ensure that no employee, or potential employee, shall gain any advantage or suffer any disadvantage by reason of their race, colour, ethnic or national origin, gender, marital status, sexual preference, age, religious or political beliefs, or personal disability where said disability is irrelevant to an individual's ability to carry out the job.

This policy will remain consistent with:

-  Good personnel policy and practices;
-  The Human Rights Act 1993;
-  Employment Contracts Act 1991;
-  Local Government Act 2002; and
-  Other relevant legislation as it is enacted.

Council is committed to a programme of action to ensure its activities are carried out without discrimination

Maori Involvement in Decision Making

Council Iwi/Maori Relationship Framework

Council has made a clear commitment in further developing its work with Iwi/Maori across the Otorohanga District by defining a treaty based Council Iwi/Maori Relationship Framework. This framework sets forth Councils' clear intention in developing and continuing its relationships with Iwi/Maori through defining Councils' commitments to these relationships.

Commitment Statement

The primary objective of the Relationship Framework is defined as Councils' Commitment Statement.

Councils' Commitment Statement is;

A partnership through respectful engagement and the building of positive relationships between Iwi/Maori and Council for the good of our communities.

Principles of the Treaty of Waitangi

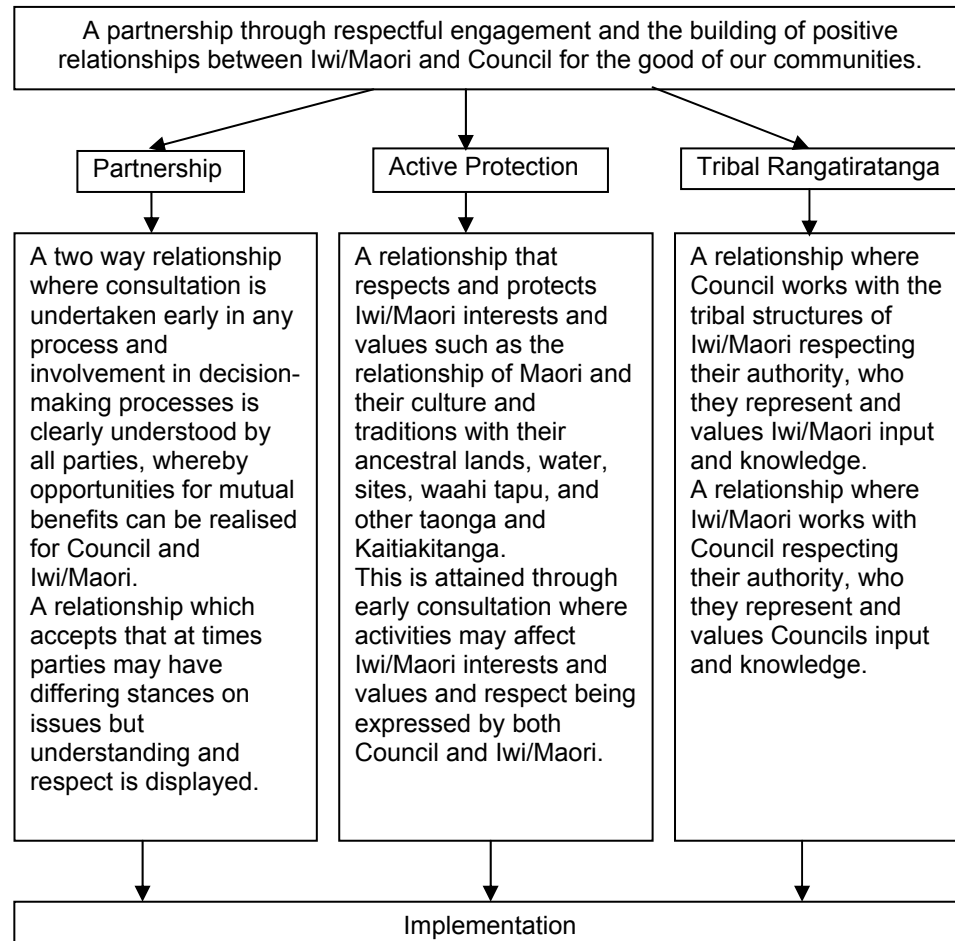
Council recognises the importance of the Treaty of Waitangi as the founding document of New Zealand which sets up a relationship between the Treaty partners, these being Iwi/Maori and the Crown.

Council also recognises that through legislation, such as the RMA and LGA, local government is devolved powers from the Crown for the whole community, as well as specific responsibilities to Iwi/Maori.

In recognising the primary relationship of the Treaty of Waitangi, the legislative directive to the Principles of the Treaty of Waitangi and guidance from the Parliamentary Commissioner for the Environment (1988). Council has defined its commitment to and interpretation of the

Principles of the Treaty of Waitangi as a means to provide certainty and clarity from which greater interaction can be derived. These commitments also provide the basis for which Council will involve Iwi/Maori in all Council processes.

Council Iwi/Maori Relationship Framework



Implementation Mechanisms

The mechanisms to implement the Statement of Commitment and the Principles as defined above will need to be defined through ongoing discussions with Iwi/Maori Authorities, taking note of the respective aspirations and capacity of these groups.

ORGANISATION

District Personnel

Mayor:

Dale Williams

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Fax: (07) 873 7991

Mob: (0274 691 933

Postal: PO Box 11, Otorohanga

Website: www.otorohanga.co.nz

Deputy Mayor:

Hugh Earwaker – Kiokio/Korakonui Ward

(07) 871 1761

Councillors:

Sue Blackler – Waipa Ward

(07) 872 2760

Steve Adam – Tihiroa Ward

(07) 871 9963

Leveson Gower – Wharepuhunga Ward

(07) 872 2825

Andrew Ormsby – Otorohanga Ward

(07) 873 8300

Deborah Pilkington – Kawhia Ward

(07) 871 0654

Robert Prescott – Otorohanga Ward

(07) 873 8941

Otorohanga Community Board:

Liz Cowan – Chair

(07) 873 0849

Tim Jones – Deputy

(07) 873 8380

Brendon McNeil

(07) 873 7842

Andrew Ormsby

(07) 873 8300

Phil Tindle

(07) 873 8810

Robert Prescott

(07) 873 8941

Kawhia Community Board:

Lou Sherman – Chair

(07) 871 0782

Hano Ormsby – Deputy

(07) 871 0880

Deborah Pilkington

(07) 871 0654

Jan Bennett

(07) 871 0276

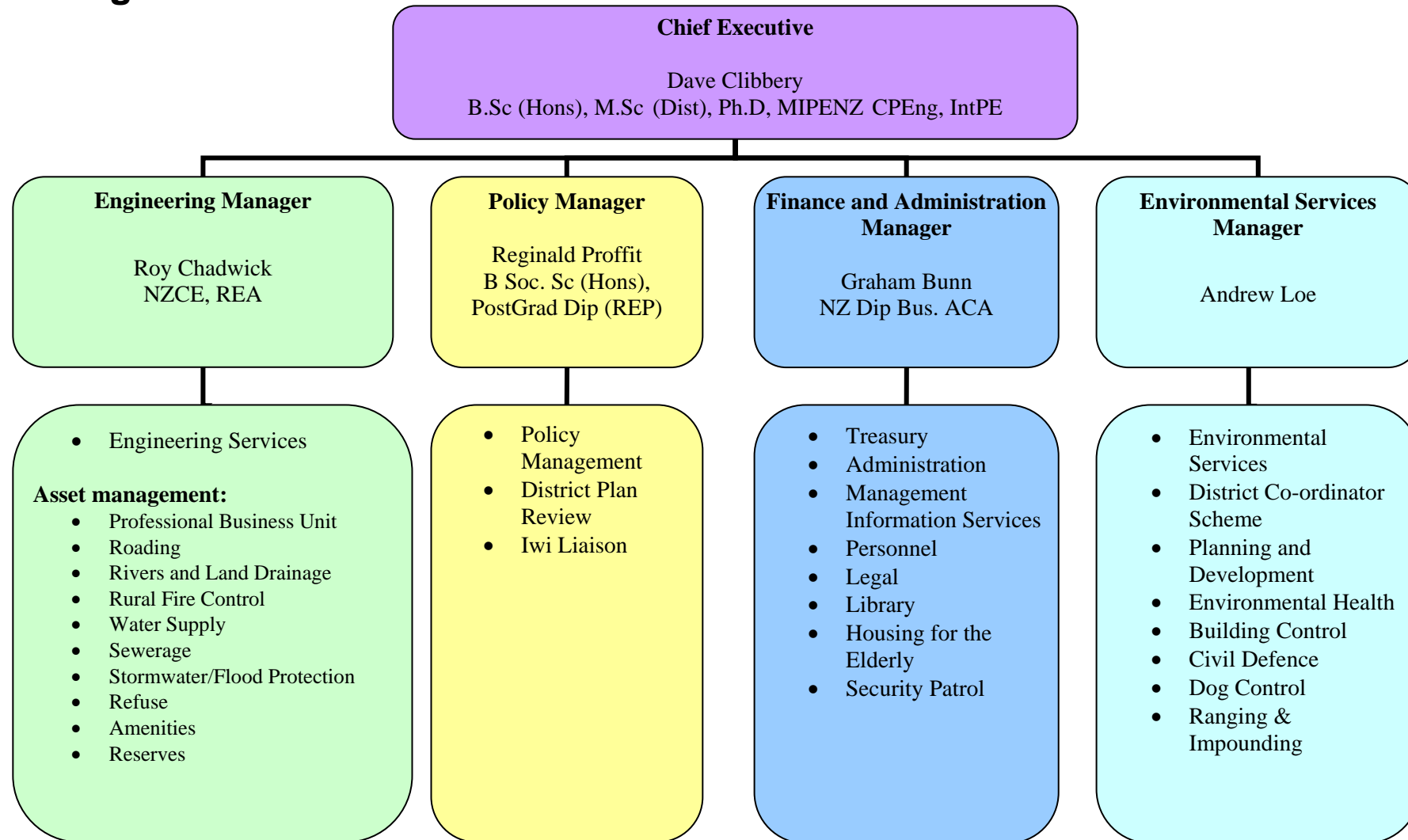
Kit Jeffries

(07) 873 7615

Kathy Workman-Beal

(07) 871 0759

Management Structure



Contact Details

Postal Address:	PO Box 11, Otorohanga
Council Chambers:	Maniapoto Street, Otorohanga
Telephone Number:	(07) 873 4000
Free phone, ratepayers only:	0800 734 000
Fax Number:	(07) 873 4300
Email:	info@otorohanga.govt.nz
Website	www.otorohanga.co.nz
Bankers:	Bank of New Zealand, Otorohanga
Auditors:	Deloitte, Hamilton
Solicitors	Gallie Miles, Te Awamutu

APPENDICES

Appendix 1 - District-Wide Level of Service Survey - July 2008

Background

During July 2008 a 'preferred level of service survey' was distributed to all of the District's ratepayers, a typical example of which is attached to this report. In the survey a range of Level of Service ('LoS') options was described for the major infrastructural services provided by Council. These options typically encompassed retaining the existing level of service, adopting a lower level of service (where practical), or adopting a slightly higher 'Improved' or much high 'Enhanced' level.

Each of these options was accompanied by information that enabled the ratepayer to estimate the likely associated cost to them of such LoS changes, enabling these ratepayers to make, for the first time, properly informed decisions on which option they preferred.

In addition to indicating their preferred level of service, respondents were provided with the opportunity to make general comments in relation to the relevant activities.

Survey Results - Level of Service Preferences

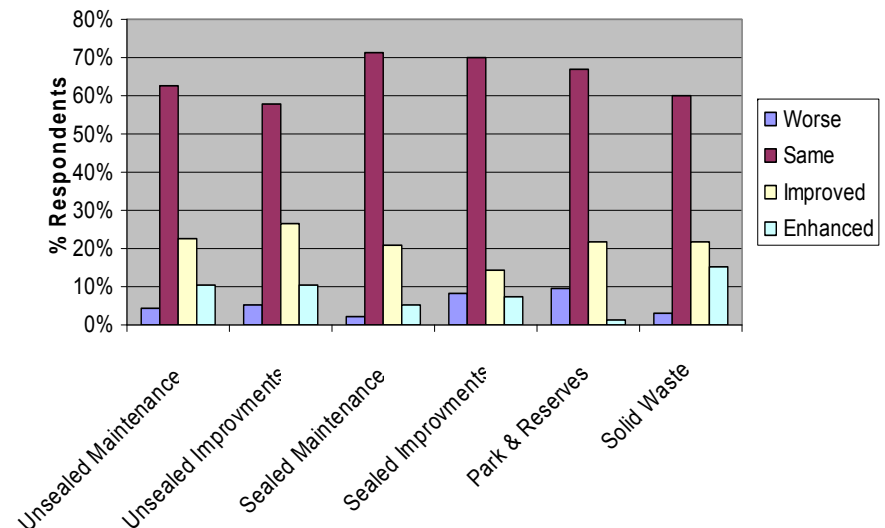
The survey formally closed on 31 July 2008, with a total of 240 completed survey forms received by this date, comprising 55 from Otorohanga, 53 from Kawhia and 132 from the rural area.

This level of response is believed to represent approximately 7% of ratepayers, given that many ratepayers own multiple properties, but are likely to complete only one survey form. Though clearly not overwhelming, this level of response is believed to be comparable to (and in some cases better than) that obtained by other local authorities which have conducted such surveys, and is adequate for conclusions to be drawn from this data.

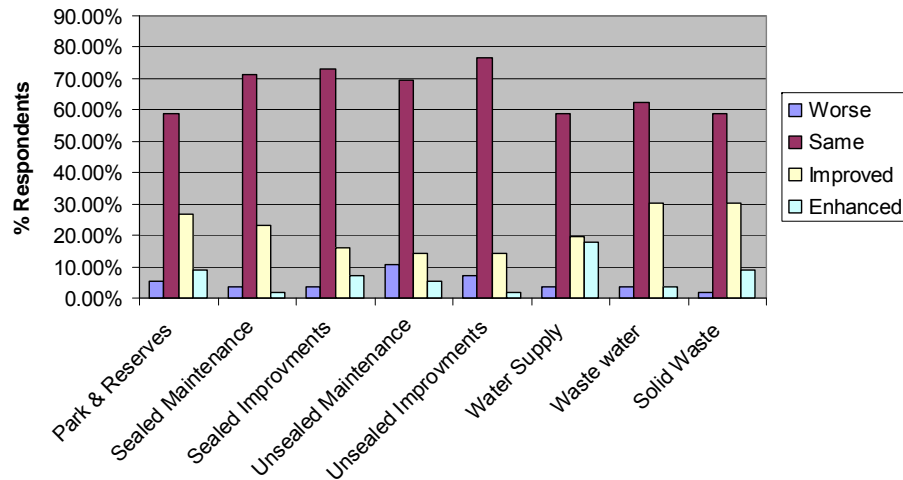
The results of the basic level of service preference questions are presented in the following three graphs, which reflect the distribution of

LoS preferences amongst those who responded to the survey. These graphs indicate a high level of satisfaction both in terms of the overall package of services provided, and the levels of service for particular activities, with the existing level of service being the preferred choice of the majority of respondents for every activity surveyed.

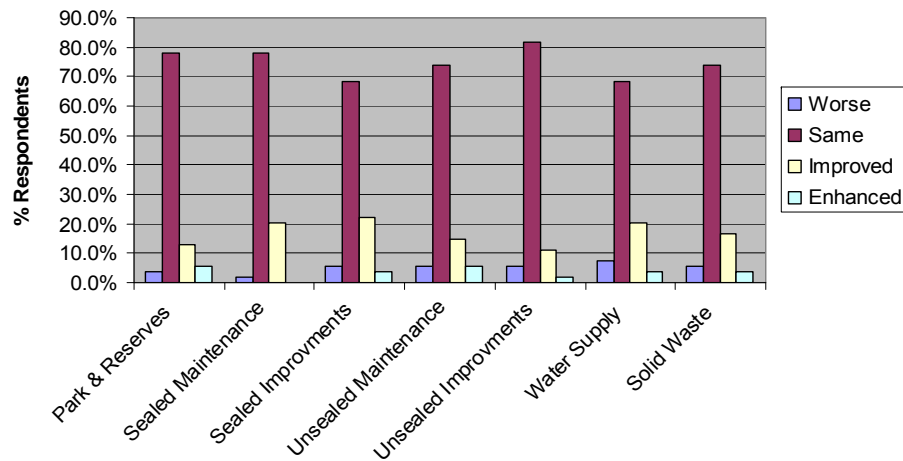
Preferred Levels of Service - Rural Ratepayers



Preferred Levels of Service - Otorohanga Ratepayers



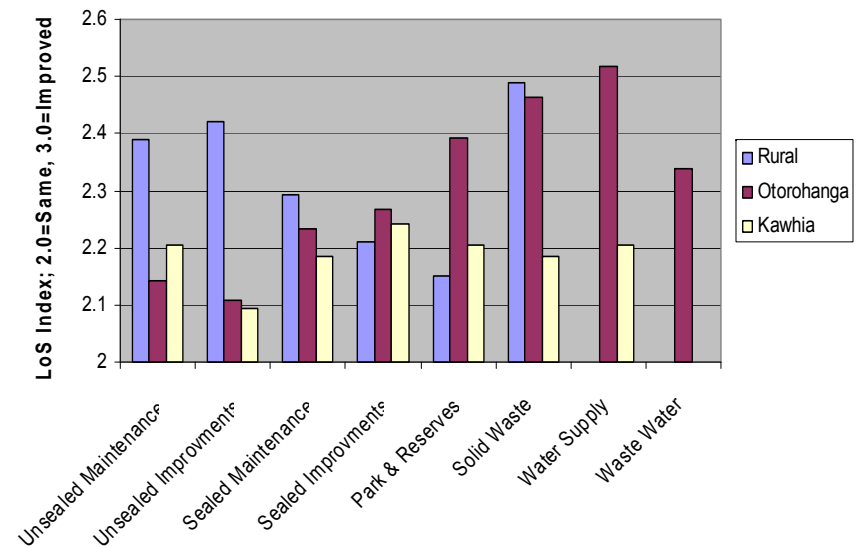
Preferred Levels of Service - Kawhia Ratepayers



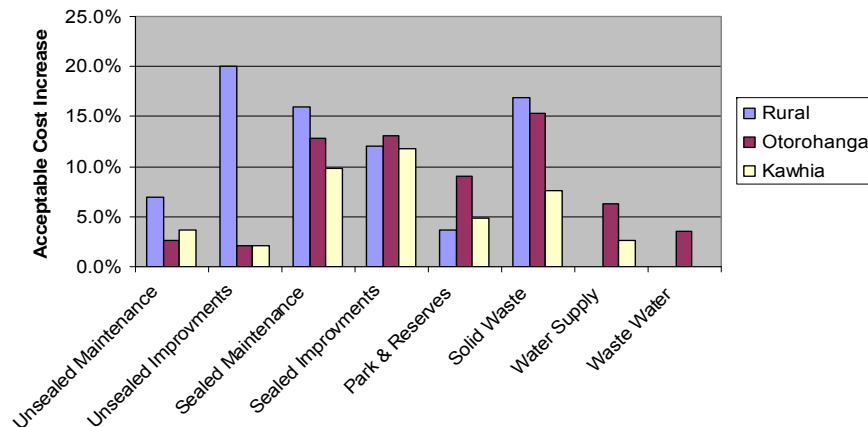
The next graph attempts to numerically combine the individual preferences for each activity into an overall 'preferred level of service index' to allow comparison of the indicated desires for service improvement. This suggests that amongst the survey respondents the greatest desire for LoS improvement is in respect of solid waste services, though improvement of unsealed roads (for rural residents) and of the Otorohanga water supply also feature strongly.

These general conclusions are also supported by the final graph, where LoS preferences are combined into implied acceptable service cost increases, based upon the indicated costs associated with each of the LoS options presented in the survey.

Average Preferred Levels of Service - Survey Respondents



Implied Acceptable Activity Cost Increase - Survey Responses



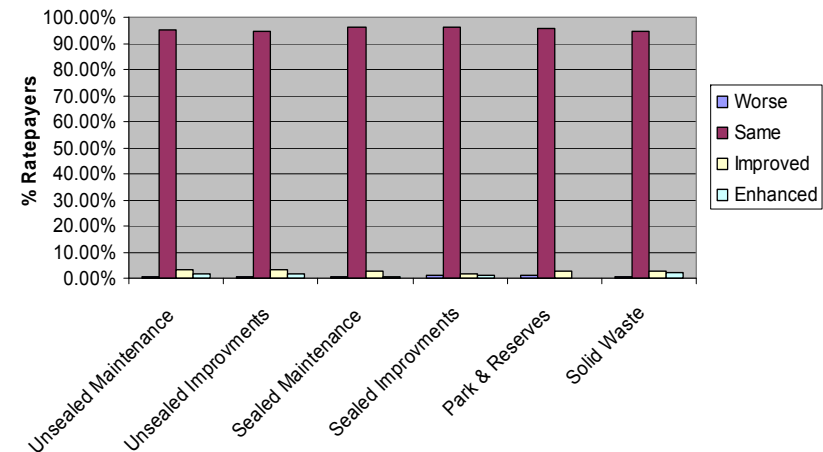
Whilst these the results of the 'raw' data produced by the survey are generally encouraging, it is believed that it may not be unreasonable to extend the conclusion of general ratepayer satisfaction even further, on the basis that it was clearly communicated to survey recipients, that a failure to complete and return the survey form would be interpreted as an expression of approval for the existing levels of service. On this basis, and given the relatively low response rate to the survey, the results presented in the previous graphs would significantly over-estimate the extent of dissatisfaction with existing service levels.

It is however acknowledged that the approach of assuming all non-responses represent support for the status quo may not be fully valid, because for some ratepayers apathy or a perceived sense of futility may have outweighed their existing dissatisfaction with LoS. A more realistic interpretation may therefore be based upon assuming that such unexpressed dissatisfaction existed to the same extent as the expressed dissatisfaction, and that the overall number of dissatisfied parties (favouring either high or lower levels of service) is twice the

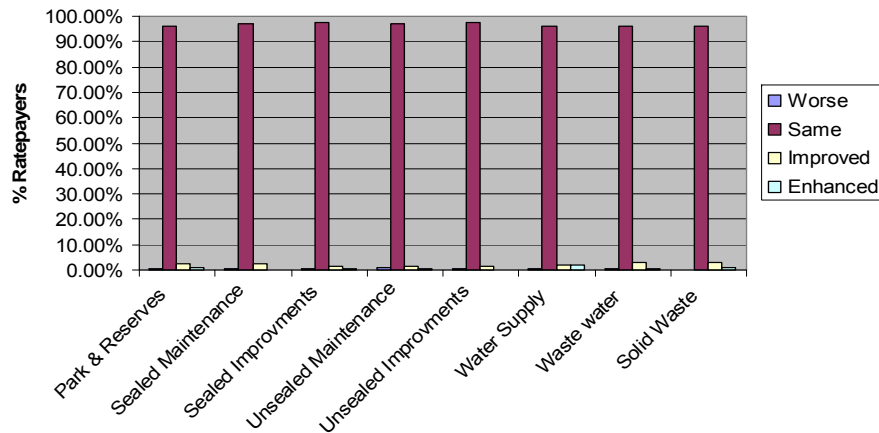
number who responded in this manner to the survey, will all the remainder favouring the status quo.

A set of 'inferred' results, based on this interpretation and an assumed total of 3500 individual ratepayers, is presented in the following three graphs, created on the same basis as the previous five:

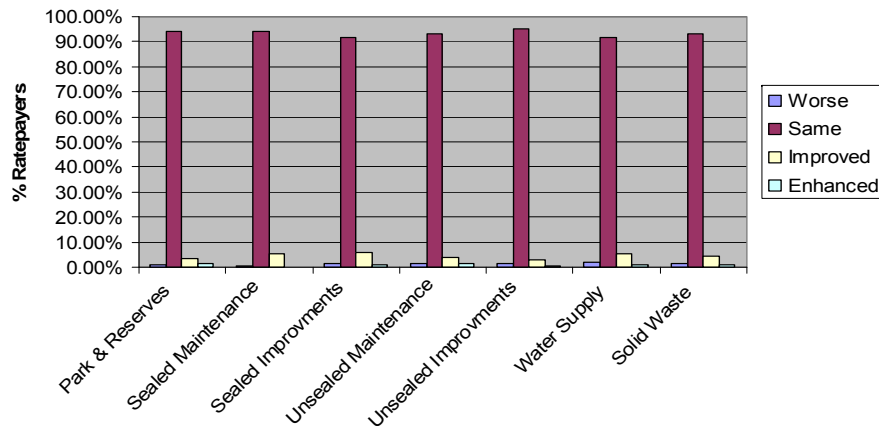
Inferred Preferred Levels of Service - All Rural Ratepayers



Inferred Preferred Levels of Service - All Otorohanga Ratepayers



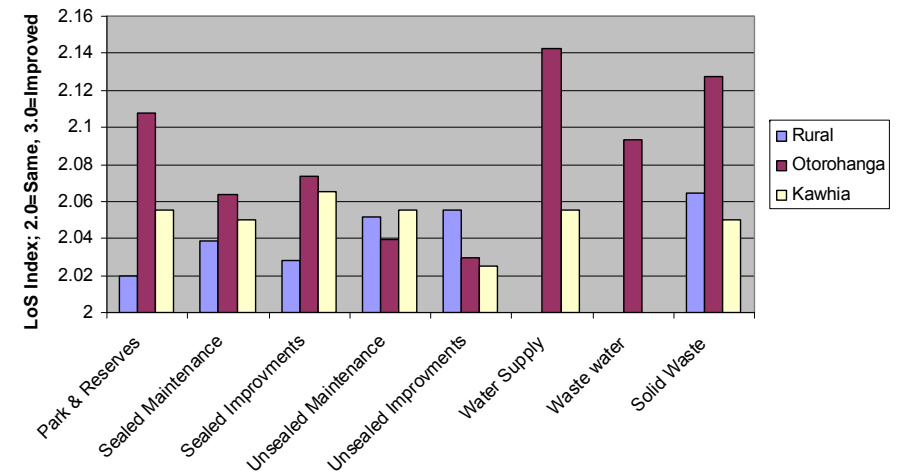
Inferred Preferred Levels of Service - All Kawhia Ratepayers



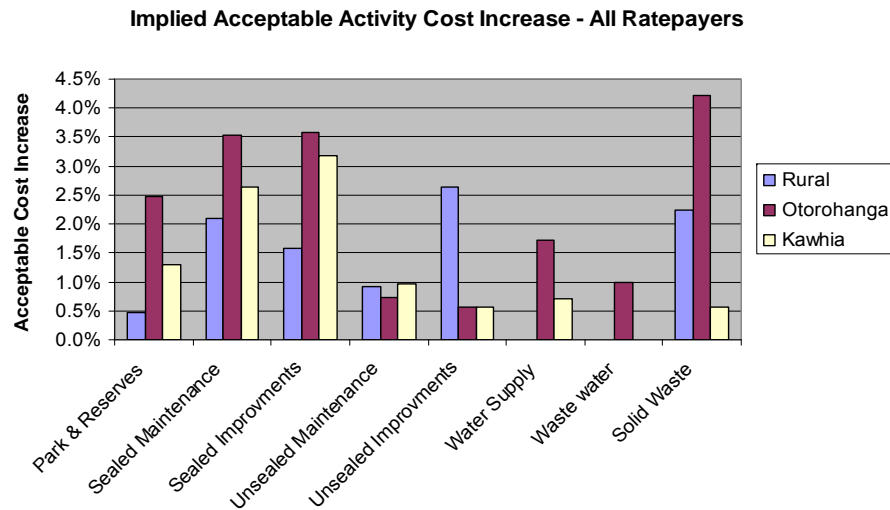
It is clear that even if such an 'intermediate' approach to non-response to the survey is adopted, the inferred levels of overall satisfaction with existing LoS for these activities amongst all ratepayers are very high - typically above 95% in Otorohanga and the rural areas, and between 90% and 95% in Kawhia.

As such the extent of level of service improvement that can be justified on a 'weighted average' basis across all ratepayers is clearly very limited. The graph below shows that even for the activity / community combination with the greatest indicated desire for LoS improvement (water supply in Otorohanga) the inferred justifiable change to the 'Level of Service Index' (where 2.0 represents the current LoS and 3.0 is the 'Improved' LoS option) is only up to 2.14, which is well short of the 3.0 for the 'Improved' option.





Inferred Average Preferred Levels of Service - All Ratepayers



Similarly when translated into implied acceptable cost increases for all ratepayers, as shown in the final graph, these increases are all very small (all less than 5%), and would not be sufficient to enable any discernable improvement in LoS.



Though the survey results do not indicate any justification for immediate significant changes to existing LoS, it is however notable that in relative 'willingness to pay' terms there are some activities that stand out as potential targets for LoS improvement, if the opportunity became available, in particular the following:

-  Solid Waste Services - Otorohanga and Rural Areas
-  Sealed Road Maintenance and Improvement - Rural and Kawhia
-  Unsealed Road Improvements
-  Parks and Reserves - Otorohanga

Such results are not considered surprising, and reflect opinions previously held by Council.

Overall the results of the survey in respect of LoS preferences are considered to provide strong support for maintaining the existing levels of service in the surveyed activities, and also suggest that there is a general level of satisfaction with the level of Council services that extends beyond this range of activities.

This latter statement is made on the basis that Council has previously believed it is well connected to its communities, with a sound understanding of ratepayer's needs and desires, and this survey has supported that view.

It is interesting that on an 'inferred' basis that took account of non-responses to the survey, the Kawhia Community stood out as being the least satisfied with existing levels of service, even though the overall level of satisfaction was still relatively high, at above 90%. This relatively lower level of inferred satisfaction across all ratepayers was however in contrast to a relatively low level of dissatisfaction amongst those who responded to the survey, with the high level of survey response in this community creating this inconsistency.

These results once again highlight that Kawhia is a complex community, with a broad range of residents holding strong but often disparate views, and it is likely that strong expressions of desire for LoS improvements will continue to be received from individuals, even though this does not appear to reflect the 'typical' view of the community.

Survey Results - General Comments

Many survey respondents took the opportunity provided in the survey to provide general comments in addition to identifying their preferred level of service options.

These general comments were extremely varied, and an exercise was therefore conducted to summarise and group these comments in a form that would be suitable for consideration by Council or the relevant Community Board.

Such consideration by elected members is still under way, but it appears unlikely that any significant decisions in respect of changing LoS will arise from these comments, because there was little consistency amongst them and a significant number had little relevance to broader level of service issues.

These comments are nevertheless considered worthwhile, since they serve to maintain Council's connection with the particular communities.

Levels of Service that you
feel should be provided within
the Otorohanga District

Have your Say!



ANNUAL COST EXAMPLES - ALTERNATIVE LEVELS OF SERVICE
(Indicated cost increases and savings are relative to the current 'same' total cost of the activity)

Property Location	Otorohanga	Otorohanga	Otorohanga	Otorohanga
Property Type	Residential	Residential	Commercial	Commercial
Property Value	\$200,000	\$300,000	\$250,000	\$500,000
ACTIVITY				
Parks and Reserves	Level of Service			
	Same: Total Cost	\$53	\$64	\$58
	Worse: Cost Saving	-\$8	-\$10	-\$9
	Improved: Cost Increase	+\$10	+\$12	+\$11
Sealed Roads Maintenance	Enhanced: Cost Increase	+\$26	+\$32	+\$29
	Same: Total Cost	\$32	\$40	\$36
	Worse: Cost Saving	-\$7	-\$8	-\$8
	Improved: Cost Increase	+\$16	+\$20	+\$18
Sealed Road Improvements	Enhanced: Cost Increase	+\$35	+\$44	+\$39
	Same: Total Cost	\$14	\$18	\$15
	Worse: Cost Saving	-\$3	-\$3	-\$3
	Improved: Cost Increase	+\$5	+\$7	+\$6
Unsealed Road Maintenance (metalling and grading)	Enhanced: Cost Increase	+\$14	+\$18	+\$16
	Same: Total Cost	\$61	\$76	\$69
	Worse: Cost Saving	-\$10	-\$12	-\$11
	Improved: Cost Increase	+\$9	+\$11	+\$10
Unsealed Road Improvements	Enhanced: Cost Increase	+\$24	+\$30	+\$27
	Same: Total Cost	\$18	\$22	\$20
	Worse: Cost Saving	-\$18	-\$22	-\$20
	Improved: Cost Increase	+\$9	+\$11	+\$10
Water Supply	Enhanced: Cost Increase	+\$20	+\$25	+\$23
	Same: Total Cost	\$225	\$235	\$230
	Worse: Cost Saving	-\$12	-\$12	-\$12
	Improved: Cost Increase	+\$22	+\$23	+\$23
Wastewater Services (Sewerage)	Enhanced: Cost Increase	+\$56	+\$58	+\$57
	Same: Total Cost	\$317	\$331	\$324
	Worse: Cost Saving	-\$16	-\$17	-\$17
	Improved: Cost Increase	+\$31	+\$33	+\$32
Solid Waste Services (Refuse and Recycling)	Enhanced: Cost Increase	+\$63	+\$66	+\$64
	Same: Total Cost	\$115	\$115	\$115
	Worse: Cost Saving	NA*	NA*	NA*
	Improved: Cost Increase	+\$34	+\$34	+\$34
All Other Activities	Enhanced: Cost Increase	+\$80	+\$90	+\$81
	Current Total Cost	\$1,312	\$1,461	\$2,265
TOTAL RATES	Current	\$1,715	\$1,916	\$2,694

* Reductions to solid waste services are contrary to Council's Zero Waste policy

Thank you for filling out this questionnaire.
Please place the sheets in the enclosed envelope and post to Council before 31 July 2008.

Page 4

Otorohanga

Levels of Service that you
feel should be provided within
the Otorohanga District

Have your Say!



THIS INFORMATION IS IMPORTANT TO COUNCIL.
IF YOU DO NOT COMPLETE AND RETURN THIS QUESTIONNAIRE IT WILL BE ASSUMED THAT YOU
ARE SATISFIED WITH ALL OF THE CURRENT LEVELS OF SERVICE FOR THESE ACTIVITIES.

This questionnaire is to assess the levels of service that residents and ratepayers want for some of the Council's key activities.

Each 'Activity' category is followed by a range of 'Level of Service Options' and a short description of the changes to the level of service that could be expected with each option. The 'change of cost' percentage applies to the portion of rates collected for that activity - not to the total amount of rates paid. The approximate current cost of the activity for an Otorohanga urban property of \$200 000 value are shown in the 'same' boxes below. Costs for the differing levels of service for other property values are shown in the attached 'Cost Examples' table on page 4.

Please indicate which option you would prefer for each activity by ticking the appropriate boxes below. If you wish to make comments on how changes could be implemented for your chosen level of service options these can be provided on the 'Comments' page.

It should be noted that it is not often possible to significantly improve services without increasing the cost of providing them; and that savings through cost cutting may not be achievable until the setting of new contracts for the work.

Activity

Level of Service Option

(Change to cost shown in Brackets)

Parks, Reserves and Public Toilets

worse (15% less)	same (\$53)	improved (20% more)	enhanced (50% more)
---------------------	----------------	------------------------	------------------------

Worse would be less frequent mowing and gardening and no reserve improvements; **improved** would allow more frequent inspections, improved response to vandalism and wear & tear; **enhanced** would also allow improved mowing and gardening maintenance, together with extra reserve improvements.

Sealed Road Maintenance

(pothole repair, signs, drains, etc.)

worse (20% less)	same (\$32)	improved (50% more)	enhanced (110% more)
---------------------	----------------	------------------------	-------------------------

Worse would be repairs to items like potholes being done less frequently, and slower response times for maintenance and reported problems; **improved** would allow quicker response times and more frequent maintenance; **enhanced** would also allow further enhanced maintenance response using additional dedicated staff.

Sealed Road Improvements

(straightening and widening)

worse (15% less)	same (\$14)	improved (40% more)	enhanced (100% more)
---------------------	----------------	------------------------	-------------------------

Worse would be improvements only when required - from accidents, etc.; **improved** would allow additional minor straightening and widening; **enhanced** would also allow major improvements on busier roads.

Unsealed Road Maintenance

(metalling and grading)

worse (15% less)	same (\$61)	improved (15% more)	enhanced (40% more)
---------------------	----------------	------------------------	------------------------

Worse would be less frequent grading, less metal run on roads and less frequently; **improved** would allow additional metalling and some additional grading; **enhanced** would also allow rollers to be used with graders for longer lasting road surfaces.

Unsealed Road Improvements

(straightening, widening and sealing)

worse (100% less)	same (\$18)	improved (50% more)	enhanced (115% more)
----------------------	----------------	------------------------	-------------------------

Worse would be no further improvements made; **improved** would allow additional improvements or a better standard of improvements; **enhanced** would also allow even more additional work to be done and/or to a better standard.

Please turn over and complete other side.

Page 1

Otorohanga

Levels of Service that you
feel should be provided within
the Otorohanga District

Have your Say!



THIS INFORMATION IS IMPORTANT TO COUNCIL.
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ARE SATISFIED WITH ALL OF THE CURRENT LEVELS OF SERVICE FOR THESE ACTIVITIES.

Service Provision

Preferred Level of Service Option

(Change to cost shown in Brackets)

Water Supply

worse (5% less)	same (\$225)	improved (10% more)	enhanced (25% more)
--------------------	-----------------	------------------------	------------------------

Worse would be no upgrading of systems until there are water shortages; **improved** would allow increased water testing, more frequent inspections and faster response to callouts; **enhanced** would also allow further improved maintenance response and increased improvements to treatment and supply.

Wastewater Services (Sewerage)

worse (5% less)	same (\$317)	improved (10% more)	enhanced (20% more)
--------------------	-----------------	------------------------	------------------------

Worse would be no upgrading of treatment capacity until it is urgently needed; **improved** would allow increased testing, more frequent inspections and faster response to callouts; **enhanced** would allow enhanced maintenance response and increased improvements to reticulation and treatment.

Solid Waste Services (Refuse and Recycling)

worse (*NA)	same (\$115)	improved (30% more)	enhanced (70% more)
----------------	-----------------	------------------------	------------------------

***Worse** is not considered practical (and is contrary to Council's Zero Waste Policy); **improved** would allow a small increase in range of materials recycled and improvements to the kerbside recycling service; **enhanced** would also allow extension of the recycling centre opening hours and further extension of the range of materials recycled.

General Questions

Are you a Resident of the District ? YES / NO

Are you a Ratepayer of the District ? YES / NO

Do you make regular use of unsealed roads in the District ? YES / NO

Do you live on or near an unsealed road ? YES / NO

Do you make use of Council's refuse and recycling services ? YES / NO

Which of the activities identified in this questionnaire are of particular importance to you ?

Thank you for filling out this questionnaire.
Please place the sheets in the enclosed envelope and post to Council before 31 July 2008.

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Otorohanga

Levels of Service that you
feel should be provided within
the Otorohanga District

Have your Say!



Your Comments (optional)

Parks, Reserves and Public Toilets

Sealed Road Maintenance and Improvements

Unsealed Road Maintenance and Improvements

Water Supply

Wastewater Services (Sewerage)

Solid Waste Services

Thank you for filling out this questionnaire.
Please place the sheets in the enclosed envelope and post to Council before 31 July 2008.

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Otorohanga

Appendix 2 – Assessment of Water and Sanitary Services 2005 - Summary

1.0 Council Administered Water Supplies

On a practical level all of Council's water supplies are providing a sound basic level of service in that they are meeting normal demand for water and the water supplied has not been associated with, or suspected as having been associated with any outbreak of water related disease over the last 15 years.

All of the supplies are however believed to be incapable of complying with the current or forthcoming version of the New Zealand Drinking Water Standards (NZDWS), and significant upgrading of water treatment plants is likely to be required if such compliance is to be achieved.

The most significant public health risk amongst the supplies is considered to be the absence of disinfection on the Taupaki Rural Water Scheme. This could be easily remedied, but the water is used predominantly for stock, and the relatively small numbers of persons connected to the scheme have indicated that they have a preference for no disinfection.

The Ranginui Rural Water Scheme has some water quality issues because of low residual disinfectant levels that are associated with the extensive reticulation of the scheme, and this may be difficult to address on an affordable basis. The scheme does however serve a small number of persons and other options exist to manage this issue.

The Otorohanga, Kawhia and Arohena (Kahorekau) supplies all have limited ability to accommodate possible future increases in demand for water. Of these supply issues it is that of Kawhia that will be the most difficult to remedy because of affordability issues associated with development of a new water source.

Though there are some issues in respect of the existing supplies it is considered that continuation of the existing services is preferable to

withdrawing these services and requiring currently connected properties to develop their own individual water supply arrangements.

Work has been conducted to evaluate requirements for achieving compliance with NZDWS (2005) for each supply, including evaluation of water sources. Monitoring of water consumption and associated factors in Otorohanga and Kawhia will continue to better define demand trends.

Resource consent non-compliance on the Arohena (Kahorekau) scheme has been resolved through investigation and resultant revision of consent conditions.

2.0 Council Administered Wastewater System

The only Council administered wastewater system is that which serves Otorohanga. This system is meeting all of the current needs of the community, with only very minor adverse environmental effects.

The existing system has limited ability to accommodate additional demand, but it is not expected that the capacity of the system will be exceeded in the near future, and it is believed that potential exists for affordable upgrading.

Much consideration has been given to the potential for providing a Council administered wastewater service to the Kawhia Community.

Whilst financial assistance towards the cost of constructing such a system is likely to be available from central government through the Sanitary Works Subsidy Scheme, it is believed that the residual capital cost and on-going operating expenses would still be too high to make such development viable. Issues related to obtaining a suitable site for effluent disposal are also unresolved, creating a further barrier to progress.

Action has been taken to improve knowledge of the condition of sewers in Otorohanga, and this has indicated that only limited sewer

renewals are likely to be required in the short or medium term. Action has also been taken to restrict the most significant abnormal discharges to sewer in Otorohanga, in particular from truck washing facilities.

3.0 Council Administered Stormwater Systems

The services provided in Otorohanga and Kawhia are operating well and generally meeting the needs of the communities without any significant adverse effect. Minor localised issues of poor drainage are being progressively addressed through extensions and upgrading of the existing reticulation.

The only proposed action in respect of these systems is continued to response to existing local drainage problems where appropriate, and improve technical aspects of Resource Consent compliance.

4.0 Public Toilets

Council owned public toilets provide adequate levels of service now that the inadequate facilities at Puti Bridge and Lake Waipapa have been de-commissioned, and a new toilet facility has been constructed on Jervois Street in Kawhia.

No additional public toilets are currently planned.

5.0 Cemeteries

The public cemeteries in Otorohanga and Kawhia are well maintained and have adequate capacity to meet all current and likely future needs of the District.

No adverse environmental or public health effects are known, and as such there are no significant proposed actions at this time.

6.0 Solid Waste

The refuse, recycling and re-use services provided by Council are effective, well tailored to the needs of many people and are

instrumental in assisting progress towards Council's 'Zero Waste' objectives.

It is intended to maintain or extend these services if this is affordable.

The proposed review of Council's Solid Waste Management plan and associated increased promotion of waste reduction concepts has been deferred until the implications of the Waste Minimisation (Solids) Act are fully understood.

7.0 Privately Owned Water Supplies

Dwellings in Aotea and Te Kawa generally have adequate supplies in terms of both quality and quantity, sourced from rainwater or bores. However the maintenance of such systems is often neglected. New owners who only have experience of reticulated systems often lack advice in system management.

Dwellings in the rural sector are more likely than others to be supplied with non-potable water, both as a result of an insecure source, exposure to risk of contamination by livestock or wildlife, and also by being connected to a farm reticulation exposed to backflow and cross-connection hazards. The latter is an increasing problem with the use of stock water to disseminate animal remedies, minerals, bloat aid etc. Several actual incidents have occurred in the District where consumer health has been compromised.

Institutions within the District with private water supplies present a low risk to health.






All schools are required to meet the Drinking Water Standards for New Zealand and are monitored for compliance with that standard, for micro-organisms and chemical determinant.

Marae, and other institutions with private water supplies often have both bore and rainwater supplies. Management advice should be available to ensure water quality.

The development of modern water treatment has made the supply of safe potable water to individual premises very achievable. Indeed it

could be more cost effective to treat water for microbiological hazards in individual supplies than in the high volume community systems with insecure surface catchments. This is particularly so in the case of protozoa. Cartridge filters and UV disinfection are cost effective and proven, provided that they are maintained correctly. Naturally the preferred option is the use of a secure source.

Proposed actions in respect of privately owned water supplies are as follows:

-  Continue to provide information and advice to owners and occupants of dwellings with private water supplies. Sanitary survey, sampling and testing of waters at cost, for microbiological quality and the common chemical determinants is offered;
-  Develop and disseminate promotional literature and handouts on water system maintenance particularly for new owners;
-  Develop promotional literature on modern treatment equipment and choices available;
-  Develop promotional literature for rural residents on water quality and backflow / cross -connection hazards; and
-  Take legal action, where appropriate, pursuant to the Health Act 1956 and Building Act 2004, to ensure that all dwellings and institutions have an adequate supply of potable water.

8.0 *Privately Owned Wastewater Systems*

With the exception of the residents of Otorohanga Township, all residents of the District rely upon on-site sewage disposal. For the purposes of this assessment the premises were divided into groups: rural dwellings, institutions, and residential communities – Aotea, Kawhia and Te Kawa.

The soils of the District with isolated exceptions are ideal for effluent renovation in correctly designed systems. Constraints presented in some localised areas by virtue of high groundwater table, fine-grained silts or clays, steep topography etc, can be addressed using wastewater reduction and a variety of modern treatment systems, some of which are complex mechanical methods and others not so.

Sites in the rural area and those of institutions rarely present problems, as large areas are available for disposal of effluent. There are normally a variety of alternative solutions available. However, care is required to avoid discharge in proximity to water supply bores.

Monitoring of conditions in Kawhia in the early 1990s demonstrated adverse effects of septic tank systems, and reticulated sewerage was considered. Since that time a comprehensive program was implemented to identify all existing systems, secure remedial works on defective systems and the elimination of point-source contamination of watercourses.

The use of a wide range of options, plus ongoing improvement through the adoption of standards exceeding the Regional Rules for all new systems and those becoming defective has removed risk to public health, and enabled the sustainable use of onsite sewage disposal.

The benefits of reticulated sewerage in facilitating higher density development are not sought by those in the community who demand no change to the character of the community. In the case of on-site sewage disposal, the costs of providing high quality treatment fall on the developer and are not shared by those already incumbent and on limited income. Adverse effects on health, using the WHO definition of health can be created when the costs of services are beyond the means of recipients.






Sites in Te Kawa Township present little risk to public health by virtue of the low density of occupation.

Sites in Aotea Township present little risk to public health at this time. The township is in transition with the trend to construction of larger

dwellings, extended occupation etc that increase the demands on the subsoil for remediation. However, compliance by new systems with the Regional Rules ensures that the effect of effluent disposal will not be significant.

Whilst control of effluent quality and system design through the Building Act and Regional Rules etc is available at Building Consent stage and during the subdivision process, there is no mechanism available to enable ongoing maintenance of the complex modern treatment systems and indeed the monitoring of performance, to be required.

Proposed actions in respect of privately owned waste water systems are as follows:

-  Advice will continue to be given on options available in the selection and design of appropriate sewage systems;
-  Promotional literature will be developed to advise on sewage system maintenance;
-  Effects of onsite sewage systems will continue to be monitored at Kawhia and Aotea;
-  Formal action will continue to be taken where necessary to secure remedial works to any defective or inadequate on-site systems;
and
-  The adoption of a Bylaw or other method of requiring maintenance and monitoring of modern sewage treatment systems will be investigated.








Appendix 3 - Iwi (Maori) Community Outcomes

Maniapoto Community Outcomes

Waikato Iwi have developed their own community outcomes in parallel to the Choosing Futures initiative. These outcomes specifically address the aspirations of each Iwi, and are intended to augment the outcomes developed locally and regionally.





















It is appropriate that the outcomes identified by these Iwi are included alongside the Otorohanga District outcomes present in the 10-year LTCCP.

The outcomes identified by Ngati Maniapoto are :





















-  Protection and respect for natural features of our environment as Taonga.
-  The acknowledgement of, respect for and enabling of the traditional role of Iwi and Hapu as Kaitiaki.
-  The restoration of the ecological balance of the natural environment with the improvement of air, soil and water quality together with the enhancement of its native biodiversity.
-  The restoration and preservation of coastal and waterway environments together with the maintenance of access to them.
-  Improving environmental awareness and ensuring action;
-  The use of energy from renewable sources in all areas;
-  The promotion of waste reduction, recycling, energy conservation and energy efficiency;




-  Equitable outcomes in terms of the quality of health, education, housing, employment and economic growth;
-  The ability to live on ancestral land in quality, affordable housing;
-  Support for and encouragement of healthy active lifestyles and a total sense of wellbeing;
-  Acknowledgment and support for the growth and uniqueness of the Maori economy within the Maniapoto region;
-  Pride in regional distinctive identity, including Maoritanga, and a rich and diverse cultural heritage;
-  Preservation of sites of significance;
-  Local Government systems should recognise and provide for the representation of the Iwi/ Hapu Treaty partner;
-  Iwi, Hapu and Maori work together with Central Government, Local Government and community organisations in mutually beneficial partnerships;
-  Communities understand partnerships under the Treaty of Waitangi;
-  Opportunities to participate in community development and decision-making at Marae, Hapu and Iwi levels.

Tainui Community Outcomes

Outcomes	Actions	Indicators
Waikato-Tainui exercises mana-whakahaere over its taonga	<ul style="list-style-type: none">  Investigate ways in which Waikato-Tainui can exercise kaitiakitanga to protect, restore and enhance the health and well-being of the Waikato River, west coast harbours, beaches, waterways, habitats and the physical and natural environment.  Increase the sustainability of the natural and physical environment for current and future generations by developing effective controls for protecting the natural environment.  Assist and increase the participation of hapu/marae/whanau in the exercise of kaitiakitanga over their areas.  Make greater use of renewable resources and increase the reuse and recycling of resources and the efficiency of how we use them.  Protect and enhance the biodiversity of native flora and fauna.  Protect the special cultural, historical and spiritual relationship of Waikato-Tainui and its taonga. 	<ul style="list-style-type: none">  An increase in support and participation of Waikato-Tainui in exercising kaitiakitanga.  The sustainability of the natural and physical environment for current and future generations is improved.  An increase in resources for hapu/marae/whanau to exercise of kaitiakitanga over their areas.  The use of renewable resources is increased. Less waste to landfill is achieved, increase in recycling of resources.  The biodiversity of native flora and fauna is increased.  The special cultural, historical and spiritual relationship of Waikato-Tainui and its taonga is recognised by Council processes.
Waikato-Tainui values the education of all its people	<ul style="list-style-type: none">  Investigate possibilities for tribal development research and/or in partnership with Environment Waikato.  Investment in tribal intellectual development.  Increase regional Council commitment to Waikato tribal education in resource management practice and planning policy development.  Assist in the maintenance and retention of tribal intellectual property. 	<ul style="list-style-type: none">  Increased education levels of Waikato-Tainui comparable to non-Maori.  Waikato tribal education and research is advanced through a mutual positive relationship with Council.  The tribal research and the education of Waikato-Tainui is supported by Council.  Increased submissions on policy making decisions.

Outcomes	Actions	Indicators
	<ul style="list-style-type: none"> Become partners in the delivery of tribal research. Investigate ways in which the regional Council can assist in the establishment of the Waikato Endowed College to benefit the tribe, community and the nation. 	
Waikato-Tainui recognises its partnership with the Crown	<ul style="list-style-type: none"> Establish mutual beneficial partnerships between Waikato-Tainui and Councils that have integrity and are durable. Investigate ways to increase the capacity and participation of Iwi, hapu, marae and whanau to effectively engage with Councils. Participation of Waikato-Tainui in decision making processes through representation on council management and governance structures. Environment Waikato recognises the status of Waikato-Tainui as tangata whenua. 	<ul style="list-style-type: none"> A mutual beneficial relationship is developed between Environment Waikato and Waikato-Tainui. Increase in participation of Iwi, hapu, marae and whanau within Council activities. Increase decision making representation and participation in council management and governance structures. The status of Waikato-Tainui as tangata whenua is recognized in Council policy and plans.
Waikato-Tainui undertakes to resolve its excluded Waitangi Tribunal Claims that remain outstanding from its 1995 Raupatu Settlement	<ul style="list-style-type: none"> Waikato-Tainui continues to negotiate and resolve its outstanding claims with the Crown in good faith while updating the regional Council on its progress. Through participation with the regional Council, Waikato-Tainui protect and restore the health of the Waikato River and the west coast harbours for the benefit of future generations. Undertake transparent leadership and meaningful consultation with tribal members and the community. 	<ul style="list-style-type: none"> Increase the Council's understanding of Waikato-Tainui outstanding claims to achieve settlement The health of the Waikato River and the west coast harbours is improved for the benefit of future generations. Increase in positive and productive relationships between Waikato-Tainui and Council.
To advance the tribal development of Waikato-	<ul style="list-style-type: none"> Scope and identify tribal development strategies in consultation with hapu, marae and whanau that 	<ul style="list-style-type: none"> Tribal development of hapu, marae and whanau is improved with the assistance of

Outcomes	Actions	Indicators
Tainui for the betterment of tribal members and their communities	<p>reflect the dreams and aspirations for the future betterment of Waikato-Tainui.</p> <ul style="list-style-type: none">  Pursue and enhance opportunities in education, health, employment and housing for the betterment of tribal members.  Work with Councils in partnership to fulfill these dreams and aspirations. 	<p>Council.</p> <ul style="list-style-type: none">  Increase in opportunities in education, health, employment and housing for the betterment of tribal members.
Waikato-Tainui values te kotahitanga and matauranga of its people	<ul style="list-style-type: none">  Regional Council, iwi, hapu, marae and whanau working in unity to support the kingitanga.  Promote manaakitanga and whanaungatanga amongst Waikato-Tainui and the community.  Practice, enhance and celebrate Waikatotanga.  Investigate ways to protect and preserve waahi-tapu and Waikato taonga. 	<ul style="list-style-type: none">  Increase the profile of the Dame Te Atairangikahu Scholarship.  Increase participation by the regional Council in the annual celebrations of the kingitanga.  Increase the profile of Waikato-Tainui and its values within Council.  Increase in the cultural capacity of Council staff.  Increase in waahi tapu protection and identification.
Waikato-Tainui to be leaders in safe and healthy lifestyles	<ul style="list-style-type: none">  Waikato-Tainui to be all healthy through the philosophy of Waikato, wairua, waiora.  Educate and inform tribal members so they own their own health by exercise and through healthy eating, drinking and lifestyle habits.  Promote and provide safe and protective environments for mokopuna, rangatahi, kaumātua and the community. 	<ul style="list-style-type: none">  Increase the life expectancy/health expectancy of Maori to that of non-Maori.  Decrease the prevalence of smoking and alcoholism amongst Maori to the level of non-Maori.  Increase in safe and protective environments for mokopuna, rangatahi, kaumātua and the community.
Sustainable equitable economic	<ul style="list-style-type: none">  Waikato-Tainui advocates and participates in developments and businesses that are socially, 	<ul style="list-style-type: none">  Increase in developments and businesses that are socially, environmentally and culturally

Outcomes	Actions	Indicators
development is important to Waikato-Tainui	<p>environmentally and culturally responsible and sustainable.</p> <p> Increase the employment and economic opportunities for iwi/ hapu/marae/whanau for their betterment and the betterment of the greater community.</p>	<p>responsible and sustainable.</p> <p> The employment rate and median income of Maori is increased to that of non-Maori.</p> <p> Increase in economic opportunities</p>

Raukawa Community Outcomes

The outcomes identified by Raukawa are:

RAUKAWA FOCUS	OUTCOMES
Pukenga Being accomplished or skilled	Individuals are encouraged to pursue opportunities to reach their potential and add value to community well being. Community leadership is fostered and nurtured. Development of hapu, marae and whanau is achieved with the assistance of key stakeholders.
Ukaipo Land as sustenance for our people	2.1 Iwi and Maori have the ability to live on and develop ancestral land in quality, affordable housing and in a sustainable manner that suits each hapu, marae/ whanau.
Wairua Spirituality as the essence of our being	3.1 Our community is proud of our rohe's distinctive identity, characteristics, rich diverse natural and cultural heritage.
Kaitiakitanga Guardianship, our responsibility to our environment	We respect the iconic landscapes and natural features of our environment as taonga that define and sustain us. Our natural environment is protected and respected to ensure that its ecological balance is restored and biodiversity is enhanced by improving the quality of air, soil and water. The traditional role of iwi and hapu as kaiaki is acknowledged, respected and enabled. Flora, fauna, wetlands and waterways are preserved, restored, protected and sustainably managed within the Raukawa Takiwa. Heritage sites and landscapes of significance to whanau, hapu and Iwi are preserved and valued.
Whanaunatanga Relationships	Mokupuna, rangatahi, pakeke, kaumatua live and grow in safe and positive communities. All people are valued and protected and have opportunities to participate in decision-making that will affect their future. There is quality of life for individuals and families in the Raukawa takiwa.
Rangitiratanga Chieftanship, independence of will	The unique status of tangata whenua is respected and reflected in community development processes. Iwi infrastructure is recognised and accepted as key to strong, sustainable community development. The Maori economy is acknowledged and supported.

	<p>Raukawa takes responsibility for its own future by actively participating in decision-making as educated, informed and resource stakeholders.</p> <p>Raukawa engages in development and enterprise that is socially, environmentally and culturally responsible and sustainable.</p>
<p>Manaakitanga</p> <p>Caring for others</p>	<p>The community is aware of and acknowledges the many diverse cultures of the people in the Raukawa takiwa</p>
<p>Kotahitanga</p> <p>Being of one mind to achieve common goals</p>	<p>Our communities understand the Treaty of Waitangi in all its many facets.</p> <p>The Treaty is recognised as a key component in partnerships between Raukawa and its many stakeholders. Iwi and Maori work together with key stakeholders in mutually beneficial partnerships.</p> <p>Raukawa business and commercial development is fostered through the creation of an innovative and entrepreneurial culture.</p>

Appendix 4 – Otorohanga District Council Solid Waste Management Strategy 2002

1.0 Introduction

The Otorohanga District is primarily rural, with key centres of population at Otorohanga and Kawhia and smaller communities at Aotea and Te Kawa.

Since the adoption by Council of its Solid Waste Management Strategy in February 1998, there have been significant changes in the District's management of solid waste, including the closure of its two landfills at Otorohanga and Kawhia. In addition, the adoption by Council of a 'ZeroWaste' policy and the development of an implementation strategy, make this an opportune time to review the Solid Waste Management Strategy.

The Local Government Amendment Act (No.4) 1996 requires local authorities to amend or update its Waste Management Plan as necessary. This update is intended to overview

the current solid waste situation and outline the general direction of solid waste management over the next 10 years.

In order to achieve the objectives of the Policy it is important that the community have substantial input to the process and take ownership of the strategy and its initiatives. A consultative process as set down in the Act must be followed. It is hoped that the development of the strategy will generate a higher level of public participation in Waste Management issues

2.0 Zerowaste Principles

Council has adopted a policy of 'zero waste by 2010'. The alternative to expending ever-increasing sums on transport and disposal is to invest in the reduction and eventual elimination of waste.

2.1 Definition

Waste is any material, solid, liquid or gaseous, that is unwanted and/or undervalued, and discarded or discharged by its owner.

Note: This definition recognises that what one person or organisation regards as waste, can be a useful resource when used again for a beneficial purpose.

2.2 Waste Management Hierarchy

The internationally recognised hierarchy uses the 5Rs – Reduce, Reuse, Recycle, Recover, Residue Disposal descending order of priority.

This approach to waste management is recognised in the Local Government Amendment Act 1996 by inclusion in Section 557.

Councils are directed to consider these five methods of waste management in priority order.

Reduce – the highest priority and the heart of ZeroWaste. It refers to avoiding making waste in the first place. It is achieved domestically by such measures as selective purchasing – buying goods, which will last, or are designed to be repaired, by buying goods in bulk rather than in small containers, not buying one-trip disposable items etc. Far from requiring a new attitude to resources, it necessitates a return to a previous philosophy.

Reuse – the second priority, is the further use of products in their existing form for their original or similar purpose.

Domestically – the development of second chance shops at recycling centres enable reuse. Many of these offer repair or certification of electrical appliances etc.

Commercially – multiple use of pallets and containers is a form of reuse. The regional 'Waste Exchange' enables re-use of materials by organisations and deserves support.

Recycle – This aspect has received most attention, and is clearly the focus of most community action. A limited range of materials is collected at kerbside and at drop-off points. However, it is only third in priority after reduction and re-use. It reduces the processing of materials to create new products, rather than using virgin materials. As such it is a valuable method of diversion for the waste stream, but are requiring in many cases on-going support – by way of avoided disposal costs, to make viable.

Recovery – there is a lot of biomass, energy and materials in waste which can be recovered e.g. composting and worm-farming recover nutrients.

Residue Disposal – The disposal of the declining volume of waste created, which can not currently be diverted from the waste stream.

By following the 5R's hierarchical approach, the use of the hierarchy, significant environmental benefits will result, both by avoiding waste creation and in diverting materials from the waste stream.

3.0 Present Waste Management Practice

Since closure of both landfills in the District, most waste is transported to landfill at Te Kuiti.

Council provides a weekly kerbside waste collection in the communities of Otorohanga, Kawhia and Aotea for which a user-charge is imposed partially offsetting disposal costs. The fee may be varied by the contractor.

Council provides kerbside collection, without charge, of a limited range of recyclable materials – currently newspaper, plastic bottles, glass bottles and aluminium cans – in Otorohanga and Kawhia. The same range of recyclable materials is collected from Aotea. Council also provides for the deposit, without charge, of the same recyclable materials at its Recycling Centres in Otorohanga and Kawhia.

Garden waste may be deposited at the recycling centres for which a user-charge is levied.

Waste may be deposited at the Kawhia Recycling Centre – for which a user-charge is levied.

There are no facilities to allow collection or disposal of waste from rural households and no drop-off facilities for recyclables other than at Otorohanga, Kawhia .

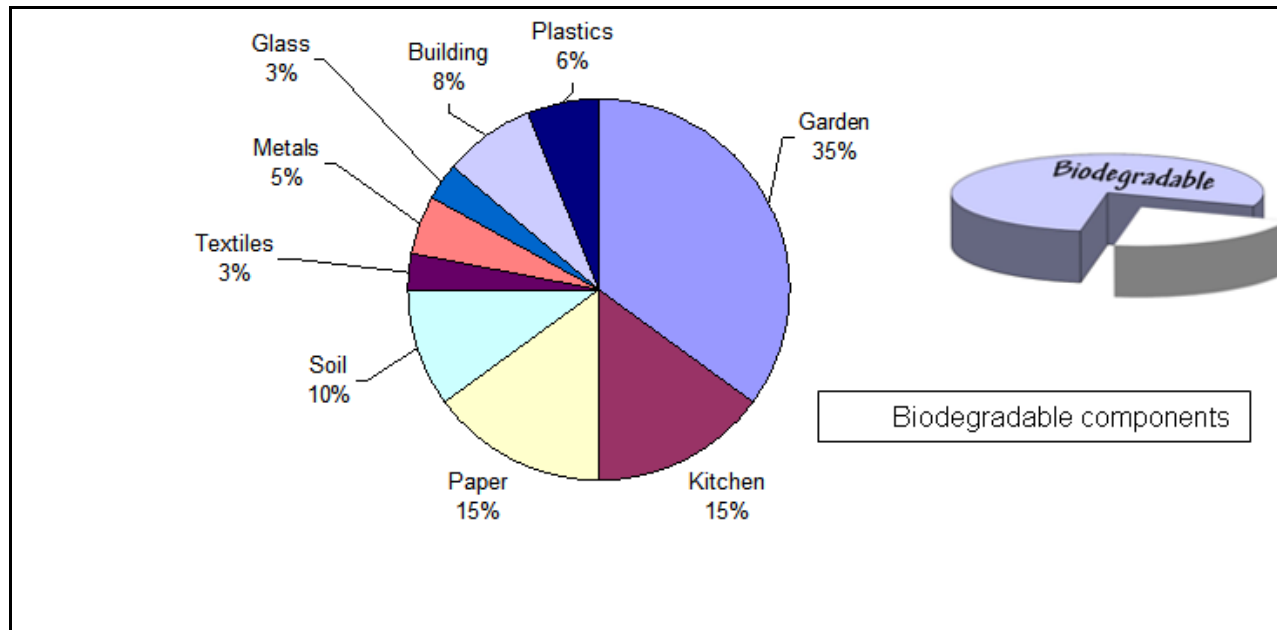
Recent developments including an increase in user-charges and the removal of refuse tips has contributed to an increase in fly-tipping, the burning of some wastes and the use of litter bins for domestic waste disposal. This is a national trend.

The absence of a transfer station in Otorohanga has resulted in extensive use of contractor's skips and drums by residents for all waste, which is too bulky for the refuse bag. This portion of the waste stream – including disused furniture, building materials and domestic appliances – is conveyed to landfill without separation of recyclables or the opportunity for re-use.

4.0 Characteristics of the Waste Stream

The waste stream includes all solid waste produced in the not merely waste collected by Council.

No analysis or measurement has been carried out of Otorohanga District's waste, but in the 1996 survey by Environment Waikato, 4 neighbouring Districts were found to have waste stream composition as shown.



Nationally the volume of waste produced per annum and per capita has increased at the rate of 3% per year, and New Zealand produces the highest volume of waste per capita in the world.

The cost of disposal in landfills has increased dramatically as environmental protection requirements have increased. Costs for disposal at Te Kuiti are now \$69 per ton. If the true costs were accounted for, including for example, replacement of the landfill, costs would exceed \$100 per ton.

The cost of transport to landfill has increased as the distance to landfill has increased.

Approximately 75% of the waste stream is biodegradable – kitchen and garden waste, paper, textiles, earth etc.

This part is readily returned to the soil by various methods.






Without the biodegradable components, the remainder of the waste may be viewed as merely a collection of resources – many of which are immediately recyclable – plastics, glass, metal etc.


Materials not currently recyclable are the subject of on-going research and diversion methods eventually become available. Recent examples include – agricultural plastic wrapping and various building materials etc.


The use of recycled materials not only avoids future environmental problems at disposal sites but reduces the use of virgin raw materials which are finite resources, thus enhancing sustainability.


5.0 Objectives


The Otorohanga District Council's objectives in the area of waste management include the following:

-  To eliminate waste to landfill by 2010.
-  To promote the concept of Zero Waste, and encourage individuals, households and businesses to take responsibility for their waste, and provide leadership, information and support to all groups.
-  To actively encourage community participation in all waste reduction activities.
-  To understand our waste stream to enable measurement of changes and the effectiveness of reduction initiatives.
-  To target specific components of the waste stream in all sectors of the community and achieve optimum reduction, re-use and recycling of them:
 - Residential: Otorohanga, Kawhia, Aotea and Te Kawa Township and households in the rural area.
 - Commercial: Offices and shops, food, hospitality and tourist industry institutions – marae and schools.
 - Industry: Manufacturing, building industry, rural business.

 To progressively extend the range of waste stream components targeted and facilitate their reduction or diversion to recycling.


 To ensure that the costs of waste disposal are progressively apportioned to those who generate the waste.

 To review the strategy and any targets bi-annually.

 To protect the public health.

Note: The plan must:


 Be consistent with Environment Waikato's Regional Policy Statement.



 Comply with the requirement of Section 538 Local Government Amendment Act to encourage effective and efficient waste management.

6.0 Waste Minimisation Methods

A substantial reduction in waste to landfill can be achieved by the application of the waste management hierarchy to each sector of the community producing waste – residential, commercial and industrial. The waste stream from each sector has its own characteristics and each sector will respond to different measures.

Methods: To be successful, an integrated programme is necessary, which provides:

 education and promotion – to allow the development of community awareness.

-  facilities (both community and individual) – enabling awareness to be converted into action.
-  financial incentives – to reward those making the effort.



6.1 Education


This is the key activity, the necessary first step in an integrated programme, since it involves both changes in attitude and in behaviour.


attitude – we all create waste – and have to take responsibility for it – individually or as a business. Waste must be viewed as a potential resource. In nature and earlier societies there was no such thing as waste – it is a relatively new phenomenon.

behaviour – the adoption of waste avoidance methods offers the best long-term benefit.




An effective waste education programme should reach all sectors producing waste in:

-  **Schools** – a priority. By 2015 today's students will have households of their own. Already a waste programme has established recovery of food waste through worm farms in almost all primary schools in the District. Extension of the programme to include other aspects of waste, and the opportunity for the school to adopt a zero waste policy would increase its value to the District.
-  **Community groups** – talks and exhibitions reach all sectors.

-  **Commercial and industrial sectors** can receive advice and assistance in identifying waste, conducting waste audits etc, which is termed - cleaner production.

-  **Households** – education is normally by the distribution of promotional materials plus information on specific aspects directed on a house-by-house basis.

6.2 Enable the community by:

-  Identifying components in the waste stream that can be diverted from it by reuse and recycling.
-  Provide facilities for the reception or collection of separated materials.
-  Progressively extend the range of materials recycled.

6.3 Incentives

After the provision of information, and facilities to enable waste minimisation, support can be offered to those taking the time to do the right thing by making sure that those who make waste meet the true costs of its disposal.

Note: It is important that people do not feel that they are paying twice for a service, and that subsidies to waste makers are not continued.

Appendix 5 - Community Outcomes and Wellbeings

Overarching Principles	Outcomes	Well Being
Otorohanga District is a safe place to live	Footpath and other walking areas are safe for pedestrians.	Environment
	Pedestrians' and motorists' safety in the main street is addressed.	Environment
	Otorohanga is a safe environment to live and play.	Social
	Zero tolerance to drugs is promoted in Otorohanga.	Social
	That rural communities are aware of civil defence procedures.	Social

Overarching Principles	Outcomes	Well Being
Ensure services and facilities meet the needs of the community	Otorohanga has housing that satisfies the needs of the community and those who may consider joining the community.	Economic
	Otorohanga is promoted as an ideal centre for retired people, focussing on the many facilities it has for older people.	Economic
	The community values life-long learning.	Social
	Services are provided for youth.	Social
	All residents have equal access to services and facilities.	Social
	Kawhia remains affordable to the average New Zealander.	Economic

Overarching Principles	Outcomes	Well Being
	All public open spaces are preserved, enhanced and made accessible to the public 24 hours a day.	Social
	A better area for boating is developed.	Social
	There is an adequate range of health and well-being, youth and adult social services provided in Kawhia.	Social
	Ongoing work is undertaken to improve the safety and efficiency of the roading network.	Economic
	That facilities and services are maintained and improved in the rural and farming environment.	Economic
	That education facilities meet our needs.	Social

Overarching Principles	Outcomes	Well Being
	That our essential services are protected. These include health, education, police, rural fire, social services and communications.	Social
	Maintain / promote the population in rural areas.	Social
	That sporting / recreation facilities are available and affordable for people to use.	Social
	That good animal welfare practices are encouraged.	Environment

Provide for the unique history and culture of the district	Our identity is preserved and fostered. This includes our Maori and Pakeha inheritance and recognition of all cultures and religions.	Cultural
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Overarching Principles	Outcomes	Well Being
	Tangata Whenua are recognised and the community's commitment to Te Tiriti o Waitangi (the Treaty of Waitangi) is acknowledged.	Cultural
	Our cultural festivals are recognised.	Cultural
	Otorohanga has a strong and vibrant arts community.	Cultural
	The Maori character of Kawhia is recognised and enhanced.	Cultural
	A town theme is developed based upon Kawhia's unique historical, environmental and "Kiwi bach" culture, in order to maintain its unique individuality and culture.	Cultural
		Cultural
	Visual and performing arts and music are catered for.	Social

Overarching Principles	Outcomes	Well Being
	Wahi Tapu sites should be identified and protected. This includes historically significant sites for all cultures.	Cultural
	Our children are able to experience the culture of rural and coastal life fully.	Cultural
Promote the local economy and opportunities for sustainable economic development	That all cultural celebrations are celebrated. Otorohanga is a must-see tourist destination. Its many attributes are enhanced, including its natural features, such as rivers, gardens and Kahikitea remnants, its position as a travel gateway and Tourism New Zealand's categorisation of Otorohanga as an 'ideal town'	Cultural
		Economic
		Economic

Overarching Principles	Outcomes	Well Being
	Existing economic strengths in the community are promoted and make the town an attractive destination for the development of small to medium sized businesses. That the business community is vibrant and progressive and a cornerstone of the greater community.	Economic
	There are adequate flow-on effects of any economic benefits.	Economic
	An historic tourist route is developed and promoted.	Cultural
	Employment and business opportunities are increased and enhanced, and people in Kawhia benefit from these.	Economic
	A balance of sustainable economic development appropriate to this area is achieved without over commercialisation.	Economic

Overarching Principles	Outcomes	Well Being
	That farming and rural activities are recognised and promoted as the major sustainable economic base of the District.	Economic
	That other economic activities are recognised and promoted as major contributors to the economy of the District.	Economic

Manage the Natural and Physical environment in a sustainable manner	All bodies of water are returned to their best possible condition. They are recognised and enhanced as living ecosystems and as having cultural significance for tangata whenua (local residents / people [of the land]).	Environment
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Overarching Principles	Outcomes	Well Being
	The community has ready access to its natural environment.	Environment
	A good, clean water supply is maintained.	Environment
	The community is enhanced through appropriate plantings.	Environment
	The community is working towards producing zero waste to landfill by 2010.	Environment
	The concept of sustainable environmental management is promoted.	Environment
	Infrastructure is adequate to deal with environmental issues from any development.	Environment
	Appropriate environmental guidelines and controls are in place for Kawhia and they are enforced.	Environment
	That land-use is sustainable.	Environment

Overarching Principles	Outcomes	Well Being
	Enhance our clean, green image.	Environment

Foster an involved and engaged community	Foster a sense of social responsibility within the Otorohanga community.	Social
	The community participates fully in decision-making.	Social
	“Ownership” of, and hence a sense of responsibility with, environmental issues is fostered within the community.	Environment
Protect the special character of our harbours and their catchments	The harbour and surrounds be cleaned up, preserved and protected (similar to the Raglan harbour care project).	Environment
	Fish stocks in the harbour are replaced.	Environment

Overarching Principles	Outcomes	Well Being
	That our estuaries, harbours, waterways and wetlands are protected.	Environment
		Environment
	That Kawhia and Aotea Harbours are acknowledged to be unique environments.	Environment

Overarching Principles	Outcomes	Well Being
	The rural environment is not a dumping ground.	Environment
	That our countryside receives a high level of protection.	Environment
	That the community recognises the natural, historical or outstanding landscapes that are protected by landowners.	Environment

Recognise the importance of the District's rural character	That lifestyle blocks, particularly surrounding the urban areas, are managed to ensure that they do not conflict or inhibit existing rural activities.	Economic
	That rural activities take precedence in the rural area.	Social

GLOSSARY

Activity:

Goods or Services provided by or on behalf of Council.

Activity Groups:

Related activities clustered together under a single category, such as 'community facilities'.

Annual Report:

A report that Council prepares once a year to assess performance against its objectives, activities, performance targets and budgets outlined in the Long-term Council Community Plan.

Asset:

A resource controlled by Council, such as a park, road, stormwater system, water or wastewater plant.

Asset Management Plans:

Plans that provide operational guidance concerning service standards, maintenance and capital costs for assets such as parks, roads, stormwater systems, water and wastewater plants.

Assumptions:

A statement that is used as a basis for making particular predictions that may or may not occur.

Capital Expenditure:

Money spent to build or buy a new asset or to improve the standard of an existing asset.

Community:

A network of people and organisations linked together by factors such as (geographic community), common interest or identity (hapu, voluntary organisation) or administrative community (the District).

Community Grant:

A sum of money (or goods and service provided in lieu of money) provided by Council or community boards to non-profit organisations within the District.

Community Outcomes:

A set of aspirations that reflect the community's desires for economic, social, environmental, and cultural well-being.

Council Organisation:

Any organisation in which Council owns or controls any portion of voting rights or has the right to appoint one or more director, trustees, etc.

Council Controlled Organisation (CCO):

An organisation in which Council owns or controls 50 percent or more of the voting rights or has the right to appoint 50 percent or more of the directors of the organisation.

Differential Rating:

A technique used to 'differentiate' or change the relative rates between different categories of rateable land in order to adjust the rating burden on one or more groups of ratepayers.

District Plan:

A detailed plan of the way the District's environment will be managed to achieve the purpose and principles of the Resource Management Act 1991.

Equity:

Also known as net worth. The total value of assets less total liabilities.

Funding Impact Statement:

A Document that includes information that discloses revenue and financing mechanisms and indicates the level or amount of funds to be produced by each mechanism.

Levels of Service:

The service parameters or 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.

Long-Term Council Community Plan:

A ten-year plan adopted every three years under section 93 of the Local Government Act 2002. It describes Council's activities, why it participates in these activities and how the activities will be funded.

New Zealand Drinking Water Standard:

Drinking water standards set by the Ministry of Health.

Operating Costs:

Money spent to deliver a service, maintain an asset, or any other expenditure, which does not buy, or build on, a new asset.

Revenue and Financing Policy:

A comprehensive policy stating how each activity of Council is to be funded from rates, user charges, subsidies, other income or combination of these.

Significance:

The degree of importance attached by Council to an issue, proposal, decision or other matter in terms of its likely impact on the wellbeing of the District.

Significant Decision:

A Council decision that has a high degree of importance in terms of economic, social, environmental, or cultural wellbeing.

Statutory Requirements:

Requirements identified and defined by the law