

matamata-piako district council

# annual plan 2014/15

adopted 25 June 2014



# The process



The Annual Plan sets our direction for the next year and we asked for your feedback before finalising the plan. The Local Government Act 2002 requires us to consult on this plan in a certain way - the diagram below outlines this process and the key dates that each stage was completed on.

2 April - Submissions opened (draft plan and summary made available)



2 May - Submissions closed



21 May - Hearing (Council listened to those who chose to present their submissions in person)



25 June - Council adopted the Annual Plan 2014/15

## Contact us!

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Church at Firth Tower Estate and Museum.

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# Contents



## Part one: Introduction

Foreword .....	2
Introductions .....	3
Our Community Our Future – a guide .....	6
Our district today .....	7

## Part two: What we do

<b>Community Facilities</b> .....	12
<b>Community Infrastructure</b> .....	25
<b>Community Development</b> .....	50
<b>Environmental Care</b> .....	60
<b>Support Services</b> .....	72
Overall Council funding impact statement .....	74

## Part three: Financial statements and policies

Financial statements .....	77
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“ Following consultation with the community, the total rates increase has changed slightly from 1.64% to 1.66%. This is still our lowest total rates increase in three years. ”

*Jan Barnes, Mayor*



*Hauraki Rail Trail between Te Aroha and Paeroa.*



# Foreword

Welcome to our Annual Plan showing our budgets and work programme for 2014/15.



Council is required under the Local Government Act 2002 to prepare an Annual Plan in between each Long Term Plan.



Welcome to our Annual Plan for 2014/15. As an 'annual update', it sets out what Council has planned in our district for the next year and how we are going to achieve it. The process also provides an opportunity for Council to highlight to the community the key issues we face now and are likely to face in the future. When we went out for consultation on the draft Annual Plan we were excited to share with the community that our proposed total rates increase for Council had dropped from 4.72% as predicted in our 2012-22 Long Term Plan to 1.64%.

Following consultation with the community, the total rates increase has changed slightly from 1.64% to 1.66%. This is still our lowest total rates increase in three years. As a new Council we are committed to ensuring our debt remains at prudent levels and rates increases are reasonable, while still providing good quality services to our community. We consider the 1.66% increase strikes a balance between affordability, maintaining our services and new investment to further strengthen the wellbeing and potential of the district. It is important to note that the proposed increase is the total rates increase; the impact of the increase on individuals will depend on your property value and other factors.

Our plan for the next 12 months focuses on getting back to basics, ensuring that our core services - our roads, water and wastewater systems are working well and meeting the community's needs. In our draft Annual Plan we did identify two projects which will enhance our community:

- We have identified \$1 million of capital funding for the Te Aroha Events Centre. After undertaking extensive consultation with the community in late 2012 we agreed to fund up to \$2 million for the construction of a new events centre in Te Aroha. The Event Centre Trust has made great progress towards securing the funding they need for the project, and while there is still a lot of planning to be done, we have made a provision in the budget of \$1 million with the aim that construction will get underway in 2014/15.
- We have committed \$200,000 to further investigate the cost of earthquake strengthening the Matamata Memorial Centre or building a new Matamata Civic Centre, providing a shared community space that may include a new hall, library and Council area office.

As part of the submission process we also identified an additional \$100,000 of capital funding for a project to work with the Waipa District Council to seal Waterworks Road, Morrinsville. This is an exciting project to enhance safety on this road, which is well

used by commuters, commercial vehicles, residents and users of the Te Miro forest mountain bike tracks.

As a Council we want to harness the energy and ideas of people and groups within our community to make projects happen and improve our services. It's important to us that you know what is proposed and what this means for you. We would also like to thank the community for their time and effort in making submissions to the Annual Plan.

We look forward to the next year - it has so much to offer.



Jan Barnes  
Mayor

## What has changed?

We received 71 submissions to the draft Annual Plan, at a hearing held on 21 May. 20 submitters attended to present their submission in person. As a result of Council's decisions following the hearing of submitters the following changes have been made to the Annual Plan:

- The Heritage Building fund was reduced by \$5,000 to \$10,000 due to a historic low uptake of these funds;
- \$4,000 was granted to the Te Miro Mountain Bike Club to assist with track maintenance;
- \$2,000 was granted to the Tātuanui Tennis Club to help fund their project to build a new pavilion;
- \$100,000 capital funding was included to seal Waterworks Road in conjunction with Waipa District Council sealing their portion of Waterworks Road.

Several other requests for funding or work have been referred to the bulk fund for consideration along side other projects. The effect of making these changes to the Annual Plan budget has resulted in a total rate increase of 1.66%. The decisions made by Council have resulted in minor changes to our financial statements (revised on 25 June 2014).

# Introductions

## Our Mayor and Councillors

### Mayor



Jan Barnes

### Deputy Mayor



James Thomas  
Morrinsville



Garry Stanley  
Matamata



Bob McGrail  
Matamata



Leonie Tisch  
Matamata



Brian Hunter  
Matamata



Neil Goodger  
Morrinsville



Maurice Steffert  
Morrinsville



Nicki Robb  
Morrinsville



Peter Jager  
Te Aroha



Teena Cornes  
Te Aroha



Ash Tanner  
Te Aroha



# Our Council



## Mayor and Councillors

The Matamata-Piako District is divided into three wards: Matamata, Morrinsville and Te Aroha. Our Council consists of the Mayor, elected by all voters throughout the district, and 11 Councillors elected on a ward basis. The Councillors and Mayor are elected to represent their communities and make decisions for the wellbeing of the district.

The elected representatives are supported by the Council's Chief Executive Officer and staff who provide advice, implement Council decisions, and look after the district's day to day operations.

## The Corporate and Operations Committee

This committee is made up of the Mayor and all 11 Councillors. Council has delegated all of its responsibilities, duties and powers to the Corporate and Operations Committee, except for the ones it cannot delegate under the Local Government Act 2002.

## The Hearings Commission

The Hearings Commission is responsible for:

- hearing and determining applications for resource consents under the Resource Management Act 1991
- granting exemptions to fencing requirements under the Fencing of Swimming Pools Act 1987
- hearing and determining objections under the Dog Control Act 1996.

## The District Licensing Committee

Council is required to have a District Licensing Committee to consider and determine applications under the Sale and Supply of Alcohol Act 2012. The District Licensing Committee's functions are to consider and determine applications for club, special, on and off licences and manager's certificates.

## The Audit and Risk Committee

The Audit and Risk Committee was recommended for all council's by the Office of the Auditor General and our auditors, Audit New Zealand. The purpose of the Audit and Risk Committee is to ensure Council has appropriate risk management and internal and financial control systems. The Audit and Risk Committee comprises of an independent chairperson, the Mayor and three elected members.

## The Waharoa (Matamata) Aerodrome Committee

The Waharoa (Matamata) Aerodrome Committee is a committee that will be created by legislation under the Ngati Haua Claims Settlement Bill. The committee will comprise of the Mayor, Deputy Mayor, one Council appointed member and three members appointed by the Ngati Haua Trust Board trustees.

The functions of the committee, as set out in the Ngati Haua Claims Settlement Bill are to:

- make recommendations to Council in relation to any aspect of the administration of Waharoa Aerodrome land
- make final decisions on access and parking arrangements for the Raungaiti Marae that affect Waharoa Aerodrome land
- perform the functions of the administering body under section 41 of the Reserves Act 1977 in relation to any review of the reserve management plan that has been authorised by Council
- perform any other function delegated to the committee by Council.

## Te Manawhenua Forum mo Matamata-Piako

The Te Manawhenua Forum mo Matamata-Piako (Forum) is a standing committee of Council established to advise Council on cultural, economic, environmental and social issues of significance to manawhenua groups.

The Forum also gives advice to Council about issues that affect Maori in our district, and works with Council on the development of policies, such as the Our Community Our Future Plan, District Plan and other projects.

Appointed representatives include membership from Council, Ngati Haua, Ngati Tumutumu, Raukawa, Ngati Maru, Ngati Whanaunga and Ngati Paoa. Ngati Tamatera also have the ability to join. The Forum meets quarterly.



These are the Council committees that make recommendations and decisions for our community.

# Our local residents



Michelle, Doris and Tony, are 'typical' local residents. They all have their own stories and priorities, and their job is to help explain the Annual Plan.



## Hello, my name is Doris.

I'm here to help guide you through the plan. I want to see a district that looks after our elders and makes Matamata-Piako a great place for my grandchildren to grow up.

I live in Matamata with my husband Robert. We have lived in Matamata for the last 30 years. We have two grown up children - Marie and Michael, and three young grandchildren.

I am interested in the Annual Plan because I believe that the population of the district is ageing, and I want to make sure that elderly people are catered for in the future.

I own a 100 hectare farm in Manawaru, with a herd of 300 cows. I live on the farm with my partner Sarah, and we have a worker called James. We have two dogs - a working border collie called Molly, and pet foxy called Possum.

I'm interested in the Annual Plan because there are so many farmers in the district, and I think it's important that Council considers farmers and rural areas when planning for the future.

## Hi, I'm Tony.

I'm here to help guide you through the plan. I want to see a district that values its resources.



## Hi, I'm Michelle.

I'm here to help guide you through the plan. I want to see a district that continues to be a great place to raise a family.

I live in Morrinsville with my husband Nick and our three children - Katie (8), Matt (6), and Ella (3). We have a chocolate poodle called Coco, and a tabby cat called Jingles.

I'm interested in the Annual Plan because I think Morrinsville's a great community, and I want to make sure it remains a great place to raise my family. We use loads of Council services like sports grounds, the library, the swimming pool and playgrounds, plus the usual stuff like the dump, the roads and water - we need to make sure Council keeps providing these services in our towns.





# Our Community Our Future

## the Annual Plan 2014/15 - a guide

The Annual Plan sets our direction for the next year; outlining our key aims, objectives and priorities for the Matamata-Piako District.

This plan:

- sets out in more detail what we planned to do in our Long Term Plan, as well as identifying any differences
- identifies the key projects to take place over the next year
- provides an overview of each activity we will carry out and the services we will provide for the next year
- determines how much this will all cost and how we will fund it.

### Why produce an Annual Plan?

Under the Local Government Act 2002, we have to set out our plans for the community.

We also do it to give our community the opportunity to have a say on where we are heading and to ensure our planning is robust.

In completing the Annual Plan we are required to do a number of things, including:

- take a sustainable development approach
- carry out our business in a clear, transparent and accountable manner
- operate in an efficient and effective manner, using sound business practices
- take into account community views by offering clear information and the opportunity to make submissions
- provide opportunities for Maori to contribute to decision making
- collaborate and cooperate with other agencies and local councils to achieve desired outcomes.



This plan sets out the aims, objectives and priorities for our district for the next financial year.

### Community Outcomes

Community outcomes are our visions for the future of our community. During 2010 we worked with the community to review our outcomes and ensure our visions still represent the views of our community.

### Our Community Our Future

Our Community Our Future is the name of our Long Term Plan (LTP). This plan sets our direction for the next ten years but we review it every three years.

### Annual Plan

We produce an Annual Plan in the two years that we don't produce a Long Term Plan. The Annual Plan highlights any changes or variances from the Long Term Plan for the coming year.

### Annual Report

We produce an Annual Report every year. This reviews our performance, letting the community know whether we did what we said we would. It also checks financial performance against the budget.





# Our district today



The Matamata-Piako District is a rural area of approximately 175,477 hectares in the Waikato Region. Just over half the district's population live in one of three main towns (Matamata, Morrinsville and Te Aroha), with the remainder living in rural areas. The district is well known for its dairy farming and thoroughbred racing industry but has a number of other key features.

Matamata is well known as the location of the Hobbiton movie set where The Lord of the Rings and The Hobbit movies were filmed. With a strong equine and racing community, Matamata has produced many fine thoroughbred horses that can be found racing internationally. Matamata is also home to the historic Firth Tower Estate and Museum.

The easy rolling terrain surrounding Morrinsville makes for some of the best farmland in New Zealand, earning it the title 'Cream of the Country'. Morrinsville is also home to the Wallace Gallery which showcases artwork from around the district and wider region, and a recently built museum that displays the best of Morrinsville's proud farming and local history.

Te Aroha's major attractions include Mount Te Aroha (952m high) and the stunning Kaimai-Mamaku Forest Park which offers a range of day walks or overnight tramps. At the foot of the mountain is the Mokena Geyser (the only natural hot soda water geyser in the world), and the historic Te Aroha Domain featuring the Te Aroha Leisure Pools and Te Aroha Mineral Spas.

Our district is one of New Zealand's cornerstones of the dairy industry with some of the best quality soils in New Zealand. We also have a strong presence from other industries such as horticulture and meat processing.



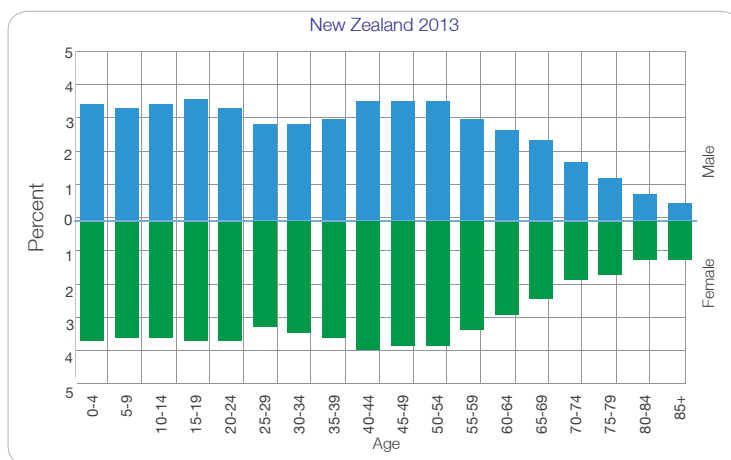
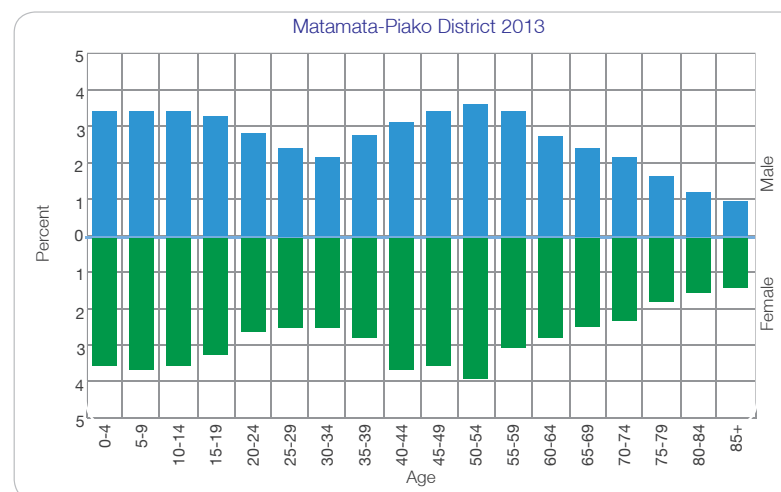
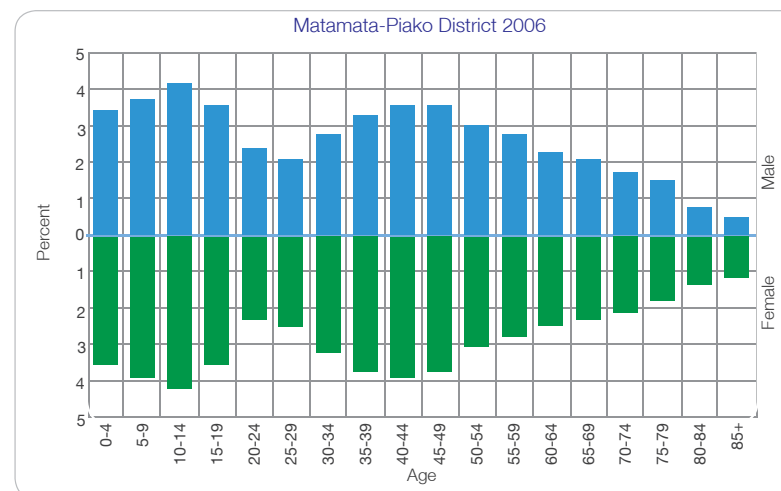
# Our district today



The tables on the following page show that the population of Matamata-Piako is growing slowly - we are one of very few districts in the Waikato, apart from Hamilton City, to still have an increasing population. Our district is experiencing more growth in the urban areas due to the consolidation of farms into larger operations and an older population moving into our urban areas. Although some of our rural areas have had an increase in population, overall population numbers in our rural areas are declining.

The graphs on this page compare the Matamata-Piako District population distribution from 2006 and 2013 to the rest of New Zealand in 2013. These graphs show that although our population is increasing it is also getting older. This is consistent with the national trend towards an older population. There is also a notable lack of young people in the 15-34 year age bracket in the district. This trend is likely to be due to the few tertiary education providers in the district and less employment opportunities for school leavers. Many young people leave rural areas for tertiary education and employment opportunities in cities such as Auckland.

The demographic information recorded in this report is derived from the 2013 Census of Population and Dwellings (conducted by Statistics New Zealand in March 2013). We have also used an analysis of the historical population growth of the district. Statistics New Zealand is currently processing the data collected from the 2013 census and more information will be made available through 2014. More information on census data is available on the Statistics New Zealand website ([www.stats.govt.nz](http://www.stats.govt.nz)).





## Our district today

Population trends\*

Area unit/year	2001	2006	2013
Tahuroa	2,499	2,529	2,655
Waitoa	360	318	303
Springdale	2,526	2,487	2,451
Waihou-Walton	4,053	4,344	3,999
Te Aroha	3,687	3,771	3,903
Morrinsville West	2,520	2,547	2,562
Morrinsville East	3,678	4,056	4,431
Waharoa	534	507	465
Okauia	1,803	1,911	1,965
Te Poi	792	819	801
Hinuera	894	891	909
Matamata North	2,589	2,628	2,928
Matamata South	3,540	3,681	4,164
<b>Total</b>	<b>29,469</b>	<b>30,480</b>	<b>31,536</b>

## General information about the district

	2009/10	2010/11	2011/12	2012/13
Area 175,477 hectares				
Number of electors (enrolled)**	21,725	21,701	21,995	22,215
Total rateable properties ***	14,102	14,064	14,203	14,304
Value of improvements ***	\$3,174,652,700	\$3,153,140,210	\$3,332,370,000	\$3,395,114,000
Net land value ***	\$6,011,542,000	\$5,996,570,680	\$6,708,163,500	\$6,716,346,000
Net capital value ***	\$9,186,194,700	\$9,149,710,890	\$10,040,533,500	\$10,111,460,000
Total rates ***	\$26,596,310	\$27,884,087	\$29,173,808	\$30,674,460
Average total rates per property	\$1,886	\$1,982	\$2,054	\$2,144

\* Information taken from Census 2013 data

\*\* Enrolment statistics as at 30 November 2013

## About our people\*

	Matamata-Piako	Rest of New Zealand
People aged 65 years and over	18%	14.3%
People aged 16 - 64 years	60.6%	65.3%
People aged under 15 years	21.4%	20.4%
Median household income	\$49,100	\$51,400
Median personal income	\$29,700	\$28,500
Residents that speak Maori	3.4%	3.7%
Unemployment rate	2.5%	7.1%
<b>Ethnicity</b>		
New Zealand European	82.9%	74%
Maori	14%	14.9%
Other	3.1%	11.1%
<b>Dwelling status</b>		
Occupied		
Private dwelling	12,282	1,561,959
Non-private dwelling	36	8,739
Total	12,318	1,570,695
Unoccupied	678	185,448

\*\*\* Information is based on the rates strike at the beginning of the financial year



# What we do





# Introduction to Council activities



Our contribution to the community falls into five categories. Each of these categories are briefly introduced below and covered in more depth through the rest of this section.

Council activities and services can be divided into five groups.



## Community Facilities

- Housing and Other Property
- Libraries
- Parks and Reserves
- Public Amenities
- Recreation and Culture

Community Facilities is about recreational and cultural opportunities in the district, including libraries, swimming pools, parks and reserves and other public amenities.

## Community Development

- Communications
- Democracy
- District Plan
- Strategies and Plans

Community Development is about increasing community input into our decision making and generally improving the process of democracy in our district. The activities responsible for this are Democracy, Communications, Strategies and Planning and District Plan.

## Community Infrastructure

- Roading
- Rubbish and Recycling
- Stormwater
- Wastewater
- Water

Community Infrastructure is about providing the 'core' services that we traditionally manage - these include the maintenance and development of roads, stormwater, wastewater, water supply, and rubbish and recycling.

## Environmental Care

- Animal Control
- Building Control
- Community Protection
- Regulatory Planning

Environmental Care is about protecting the natural resources of the district, keeping our communities safe and healthy, and balancing the different needs and interests of people and businesses in our community. Environmental Care is responsible for resource consents, building consents, environmental health, liquor licences, animal control and civil defence.

## Support Services

Support Services are an essential part of ensuring we operate in an effective and efficient manner, meeting our statutory obligations, and working towards the achievement of community outcomes. These activities are internally focused and do not generally have a direct output to the community, rather they are internal support systems for those activities that do.

# Community Facilities



Community Facilities is about recreational and cultural opportunities in the district, which includes providing libraries, swimming pools, parks and reserves and other public amenities.

## Housing and Other Property

### Why we do this activity

Housing and Other Property provides a cost effective public service through social housing for elderly people. We also offer cost effective staff housing as an incentive to help draw staff to the district.

Housing and Other Property includes Council offices and depots. These buildings and properties allow us to carry out our day to day business safely, effectively and efficiently while supporting the needs of current and future generations.

### What we do now

We currently provide and manage 109 elderly persons houses and nine staff houses within the district. We also currently act as the administrator for owner occupier houses located in Te Aroha and Morrinsville.

There are three Council offices (located in Matamata, Morrinsville and Te Aroha) and three depots in the district (including an animal pound). These corporate properties also double as operating centres during emergencies.

We also manage a range of general properties including community halls, land held for public works, and other miscellaneous land holdings. Some of these general properties are leased out.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. The tenants of elderly persons housing and owner occupier housing benefit from these services. As a result, the annual net cost of these services is 100% covered by their rents and fees and charges (they are self-funding). The underlying assumption for corporate and general property is that all residents within the district benefit from these facilities. As a result, the community pays for 90% of the costs through general rates, with the remaining 10% being paid through fees and charges.

## Our projects for the next year

Key projects for the 2014/15 year are set out below.

### Housing and Other Property - \$55,600

This budget covers renewals of many of the buildings we have (like our offices) and housing stock. Some of these costs are covered by income we receive (for example rental from our elderly person housing is used for repairs to those buildings).



*Elderly Persons Housing provides low rent properties for the elderly.*

## Housing and Other Property - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
1d) Council will encourage access to good quality and affordable housing.	We provide elderly persons housing in our community so elderly people can have access to good quality affordable housing.	We will provide housing that meets the needs of elderly people.	Percentage of elderly persons housing tenants satisfied/very satisfied with the standard of maintenance and accommodation.	94%	86%	92%	82%	90% or more satisfied/very satisfied			Measured by annual survey of elderly persons housing tenants. All tenants are provided with a survey by Council staff to complete if they wish.
		We will provide affordable elderly persons housing.	Rent charged for elderly persons housing will be below the market median for the district.	Rents below median	Rents for one bedroom flats were 28% below the market median. Rents for two bedroom flats were 34% below the market median.	Rents 30% below median	Rents are below market median for the district				Measured by an internal audit of our annual accounts and review of annual market median rents as supplied by the Department of Building and Housing.
	High occupancy rates of elderly persons housing will ensure we are providing affordable housing in the district.	Elderly persons housing will be well utilised.	At least 92% of elderly persons housing will be occupied by elderly persons.	96%	97%	99%	99%	92% or greater occupation rate			Measured by internal records of occupancy by our staff.



# Libraries

## Why we do this activity

Libraries are a core service that ensure everyone in our community has access to life long learning, information, networking, leisure, and reading opportunities regardless of income, ethnicity or age. Libraries are a local public service that directly provide important technology, educational, and social services and economic development functions to the community for both current and future generations.

The main pieces of legislation that influence libraries are the Copyright Act 1994, Films, Videos and Publication Classification Act 1993, Local Government Act 2002 and Privacy Act 1993.

## What we do now

Our public libraries have been supplying our communities with good quality, local public services for over 100 years. While the technology and delivery options may have changed over time, the core roles of the library have remained the same.

Each year we have over 200,000 recorded visits between our three libraries. Our libraries support and are actively involved in activities such as reading and literacy for people of all ages, community identity, local heritage, providing public space and a community focal point, offering opportunities for life long learning, putting people in touch with information about government and society, and providing an information gateway.

We have three libraries located in Matamata, Morrinsville and Te Aroha, which stock over 90,000 book and non book items. They offer a range of services including books for all ages, ebooks and audiobooks, free internet access, database access, CDs and DVDs, newspapers, magazines and much more.

Libraries provide more than just books for our community.



## Our projects for the next year

Key projects for the 2014/15 year are set out below.

### Book renewals - \$170,000

We budget each year to purchase new items for our libraries, which helps us to keep our collection up to date.

### Library security - \$120,000

We have budgeted to undertake an upgrade of our library security systems. Staff are currently considering the available options.

## How will we fund it?

The general approach to the annual net cost of the district's public library service starts from the premise that those who (either directly or indirectly) benefit should pay. Due to the overall impact on the social, economic, environmental and cultural wellbeing of the district, the community pays for 80-93% of the costs through the general rates and the remaining 7-20% through fees and charges.



Matamata-Piako District Libraries offer a wide range of reading material and free Wifi.



## Libraries - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
1 f) Council services and activities will contribute to the health and wellbeing of our community/Iwi.	For libraries to contribute to community wellbeing they need to be accessible for people to access information.	Library services will be accessible to the community.	Number of people visiting our libraries.	Not measured		236,496 people	244,102 visits	5% improvement on benchmark		10% improvement on benchmark	Measured by door count records. We have electronic door counters installed at each of our libraries, we count how many times people pass through them and divide this by two to get the number of people visiting our libraries.
3 a) Council's reserves and facilities will be safe, well maintained and accessible to encourage people to use them.			Increasing number of people accessing library information online each year.	Not measured			New library website built	Benchmark	5% improvement on benchmark	10% improvement on benchmark	Measured by the record of the library online users visits to the library website. We expect the use of the library website to increase once it has been upgraded, this work has been identified under the Communication activity.
5 a) The whakapapa (ancestral heritage)/ heritage and character of our district will be protected and promoted.	The libraries offer collections of information, recreational and cultural resources that contribute towards people having opportunity to learn about our own and others heritage and culture.	Library resources support community needs.	Percentage of customers who are satisfied/ very satisfied with library services.	97%	97%	95%	94%	95% or greater satisfied/very satisfied			Measured by an annual customer survey.
5 b) Our kawa (protocol), tikanga (customs), history and knowledge will be respected and preserved.											
5 d) People will have the opportunity to learn about their own and others kawa (protocol), tikanga (customs), whakapapa (ancestral heritage), heritage and culture.			Percentage of library items renewed each year.	Not measured			11%	Maintain benchmark			Measured through our library stock management records.



# Parks and Reserves

## Why we do this activity

We provide parks and reserves to support the needs of the community for both current and future generations. Parks and Reserves provide open areas for sports and leisure activities, as well as horticultural improvements (such as trees and gardens), which help make our district attractive.

We aim to ensure that good quality parks and reserves are provided for the community, and that these are managed and maintained in a cost effective and efficient way that meets community expectations and encourages community involvement. By providing these good quality, public services, we are also meeting our legislative requirements under the Reserves Act 1977.

## What we do now

We manage and maintain the parks and reserves in the district, including 12 'active reserves' (reserves for organised sport and recreational activity) and 54 'passive reserves' (reserves that help make our district attractive and provide places for informal or impromptu recreation activities).



*Recreational spaces encourage people to get out and exercise.*

We also have 58 'esplanade reserves' (land located along primary waterways); these reserves help control or reduce risk from natural hazards (such as flooding) and protect conservation values. They can also promote or improve recreational opportunities by providing access to waterways for recreational purposes (such as kayaking or fishing). We often lease esplanade reserves for grazing along with 21 other reserves we own, which provide a 'land bank' that we can use for future recreation spaces if required.

A number of strategies and reserve management plans have been produced to guide the management and operation of parks and reserves. This includes our Active and Leisure Strategy, that has identified that we currently have a good amount of space for our communities to use as reserves. We work to implement the recommendations from these documents to benefit our community.

## Our projects for the next year

Key projects for the 2014/15 year are set out below.

### Parks and Reserves capital bulk fund - \$163,366

The Parks and Reserves capital bulk fund will be allocated to upgrading our tracks in the district and acquiring land identified in the Open Spaces Strategy for future reserves and walkways.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. Parks and Reserves has a positive impact on social wellbeing for all people in the district. As a result the community pays for 90-100% of the costs through general rates, with the remaining 0-10% being funded by fees and charges.

## Parks and Reserves - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.	Good quality sports fields provide space for people to play sports and participate in active recreation.	We will provide good quality sports fields facilities to meet the needs of users.	Percentage of users satisfied/very satisfied with sports fields.	91%	96%	96%	88%	92% or greater satisfied or very satisfied			Measured by our annual customer survey.
3 a) Council's reserves and facilities will be safe, well maintained and accessible to encourage people to use them.	Ensuring parks are attractive and well maintained will encourage people to use them more regularly.	We will provide the community with attractive and well maintained parks and reserves.	Percentage of users satisfied or very satisfied with parks and reserves.	94%	96%	96%	88%	92% or greater satisfied or very satisfied			Measured by our annual customer survey.

Council provides attractive and safe parks and reserves for everyone to enjoy.



We maintain walking and biking tracks to encourage people to get out and exercise.



# Public Amenities

## Why we do this activity

Public Amenities provides good quality local public services that support the needs of the community by providing areas for the comfort and convenience of residents and visitors for current and future generations (such as public toilets, carparks and park benches and cemeteries).

## What we do now

Public Amenities includes cemeteries, public toilets, public carparks, street furniture, walking tracks and play equipment.

We currently have six cemeteries in the district that provide areas for burial in a dignified and appropriate manner. We also provide public toilets, seven public carparks in the main towns, and street furniture, these things make our towns more comfortable and accessible.

There are several kilometres of walking and cycling tracks in the district that are developed and maintained by a local track specialist. The Track Strategy 2008 guides the management of our tracks. This doesn't include the approximately 19 kilometres of cycleway within our district that forms part of the Hauraki Rail Trail.

The Hauraki Rail Trail is looked after by a trust, which we have underwritten. We have made a provision for extra bike stands, parking and toilets in this plan to cope with the demand we expect the cycleway to generate in Te Aroha.

We also have 104 pieces of play equipment (such as playgrounds and see-saws). Tracks and play equipment provide opportunities for recreation and physical development.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. The underlying assumption in this case is that all residents within the district benefit from Public Amenities and as a result, 90-100% of the costs are paid through general rates, and 0-10% through fees and charges.

## Our projects for the next year

Key projects for the 2014/15 year are set out below.

### Street furniture (Te Aroha) - \$10,000

We have identified some funding to look at possible improvements to public amenities in Te Aroha, as a result of the increase in people using the Hauraki Rail Trail. This is in addition to the underwriting agreement we have with the Hauraki Rail Trail Charitable Trust (funded from reserves) for the maintenance of the trail itself.

### Matamata Cemetery expansion - \$200,000

The Matamata Cemetery will be expanded to cater for the next 50 years of burials and cremations. The works will include all new infrastructure (roads, water connections, earthworks and drainage) to allow for new berms to be constructed.

### Play equipment (district wide) - \$30,000

Each year we allocate funding to renew existing play equipment that has reached the end of its life or has been damaged.

### Public Amenity renewals - \$5,040

This fund will be used for a variety of small renewal jobs to replace assets that have failed, for example work on public toilets in the district or street furniture.

### Public Amenities capital bulk fund - \$108,911

The bulk fund is used for a variety of small projects and improvements to our public amenities throughout the district each year.



## Public Amenities - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
3 a) Council's reserves and facilities will be safe, well maintained and accessible to encourage people to use them.	We will show respect to our deceased by maintaining cemeteries at a standard that meets the satisfaction of cemetery visitors.	Cemeteries will be maintained at a high standard.	Percentage of people satisfied/very satisfied with cemeteries, who have visited a Council cemetery in the last year.	96%	97%	98%	92%	94% or greater satisfied or very satisfied			Measured by the annual customer survey.
			Number of complaints received about dissatisfaction with cemeteries.	Not measured			18 complaints	Maintain the 2012/13 benchmark			Measured through the customer request management system.
	People's safety will not be at risk while using playgrounds.	Public playgrounds will be safe.	Playground safety will be assessed on a regular basis.	Not achieved	Achieved	Not achieved	Achieved	Playground inspections completed once every two weeks, and once every week during school holidays. One external audit undertaken annually to evaluate compliance with New Zealand Standard S5828:2004			Measured by playground audit records.
	The maintenance of public toilets will be maintained to ensure the health and wellbeing of our community is not negatively affected.	Public toilets will be maintained to acceptable standards.	Number of complaints received regarding dissatisfaction with public toilets.	15 complaints	29 complaints	22 complaints	43 complaints	30 or less complaints per year			Measured through the customer request management system.
3 c) Council walking and cycling tracks will be promoted, well maintained and developed as resources allow.	Maintenance of tracks will help to ensure they are safe and encourage people to use them.	Tracks will be maintained to current standards.	Percentage of people satisfied/very satisfied with Council walking tracks.	Not measured			62%	Maintain the 2012/13 benchmark			Measured by the annual customer survey.

# Recreation and Culture

## Why we do this activity

Recreation and Culture is about providing opportunities that support the health of the community, and encourage tourists to the district. This involves providing a range of facilities and protecting historic features for current and future generations.

Through Recreation and Culture we aim to ensure that good quality recreation and cultural facilities are provided (by either private or public means) for our households and businesses, while meeting community expectations and encouraging community involvement.

## What we do now

Recreation and Culture is responsible for providing and operating a number of facilities in our district including pools, historic reserves, the aerodrome, reserve facilities, district event facilities and campgrounds. We currently operate and maintain four aquatic facilities within the district in a way that is cost effective and efficient for households and businesses – the Te Aroha Leisure Pools, Te Aroha Mineral Spas, Matamata Sports Centre and Morrinsville Heated Pools (with the additional aquatic facility of the number 7 bathhouse at the Te Aroha Domain that is not currently used). We also own three historic reserves – Firth Tower and the Te Aroha Domain (which provide cultural and educational activities), and Stanley Landing. Firth Tower is managed in conjunction with the Firth Tower Reserve Committee and the Matamata Historical Society.

The Matamata Aerodrome provides recreational opportunities with an aviation focus. A management plan was prepared in 2010 to guide decision making on the future use and direction of the Aerodrome. Reserve and event facilities in the district provide leisure and sport opportunities with an indoor focus, such as the Morrinsville Events Centre, Headon Stadium and the Matamata Memorial Hall. Camping facilities are provided at the Matamata Aerodrome and the Morrinsville Recreation Ground (however, the Morrinsville facilities are only available for certain events upon request). We also provide and operate the i-SITE in Te Aroha, and provide and maintain the information centres in Matamata and Morrinsville, however these are staffed and operated by private organisations.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. Recreation and Culture has a positive impact on social and economic wellbeing for all people in the district. As a result the community pays for 60-70% of the costs through general rates, with the remaining 30-40% being paid through fees and charges.



*We provide space for both active and passive recreational activities.*



## Recreation and Culture - Our projects for the next year

Key projects for the 2014/15 year are set out below.

### Te Aroha Domain spa tank - \$160,000

We need to replace two existing concrete storage tanks behind the spa building. This cost also includes the associated pipework and valves required to complete this work.

### Recreation and Culture capital bulk fund - \$90,759

The bulk fund is used for a variety of small projects and improvements to our recreation and cultural facilities throughout the district each year.

### Matamata Civic Centre - \$200,000

We have allocated new funding for 2014/15 to continue looking at options for repair or redevelopment of the Memorial Centre, library and our area office in Matamata. There are a number of options for the future of the site, ranging from repairs to the Memorial Centre to undertaking a rebuild of it. This is potentially a large project and we need to be sure we make the right decision to cater for the future needs of our community.

### Te Aroha Events Centre - \$1,000,000

After undertaking consultation with the community, we agreed to fund up to \$2 million for the construction of a new events centre in Te Aroha. We didn't budget any rates funding in 2013/14 for the project, as the Events Centre Charitable Trust needed to raise more funds before the project could start. The Events Centre Charitable Trust has made great progress towards securing the funding they need for the project, and while there is still a lot of planning to be done, we have put aside \$1 million in the hope that construction will get underway in 2014/15. We also have funds available from the sale of Te Aroha endowment properties that we can use to help fund preliminary work (for example, to start the process for detailed design and obtaining consents).

### Renewals (district wide) - \$194,223

This budget has been allocated to fund a variety of renewal programs for Te Aroha Mineral Spas- \$7,548, Te Aroha Domain- \$7,256, Matamata Firth Tower- \$45,281, District Reserve facilities- \$27,403 and Matamata Sports Centre pools- \$106,735.



Concept drawing of the Te Aroha Events Centre.

## Recreation and Culture - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	Performance measures	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
1 f) Council services and activities will contribute to the health and wellbeing of our community/Iwi.	Professional pool operation and management ensures people's safety will not be put at risk while using Council owned aquatic facilities.	Aquatic facilities will be safe for facility users and staff.	Four independent audits will be carried out on the Te Aroha Leisure Pools, Te Aroha Mineral Spas, Matamata Sports Centre Pools and two independent audits will be carried out on the Morrinsville Heated Pools each year to assess them for safety.	Achieved				Pool operating procedures are compliant with NZS 5826:2010			Measured by records of quarterly external audits. Audit assess the facilities against NZS 5826:2010 (Pool Water Quality).
3 a) Council's reserves and facilities will be safe, well maintained and accessible to encourage people to use them.	We will have good aquatic facilities that meet the expectations of users.	We will provide well maintained aquatic facilities in the district.	Percentage of customers satisfied/very satisfied with aquatic facilities that have used them in the last year.	90%	83%	85%	78%	80% or greater satisfied or very satisfied	85% or greater satisfied or very satisfied		Measured by the annual customer survey.
		We will promote and encourage our community to use aquatic facilities.	The number of customers using our aquatic facilities will increase each year: (facilities include: Te Aroha Leisure Pools, Te Aroha Mineral Spas, Matamata Sports Centre Pools and Morrinsville Heated Pools).	101,773	99,339	107,783	107,898	2% increase on previous year across all four facilities			Measured by attendance records. Each visit is counted as one and the figures do not differentiate between residents and out of district visitors. The target for 2012/13 is based on an increase on the 2010/11 visitor numbers which were 99,339.



## Community Facilities - Funding impact statement



Matamata-Piako District Council: Funding impact statement for 1 July 2014 to 30 June 2015 for Community Facilities

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Sources of operating funding</b>				
7,100	General rates, uniform annual general charges, rates penalties	7,419	7,182	
117	Targeted rates (other than a targeted rate for water supply)	93	123	
-	Subsidies and grants for operating purposes	-	-	
2,585	Fees, charges, and targeted rates for water supply	2,667	2,637	
134	Internal charges and overheads recovered	296	127	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
<b>9,936</b>	<b>Total operating funding (A)</b>	<b>10,475</b>	<b>10,069</b>	
<b>Applications of operating funding</b>				
6,090	Payments to staff and suppliers	6,732	6,481	
331	Finance costs	397	252	
1,839	Internal charges and overheads applied	1,589	1,596	
-	Other operating funding applications	-	-	
<b>8,260</b>	<b>Total applications of operating funding (B)</b>	<b>8,718</b>	<b>8,329</b>	
<b>1,676</b>	<b>Surplus/(deficit) of operating funding (A – B)</b>	<b>1,757</b>	<b>1,740</b>	
<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	
79	Development and financial contributions	84	79	
456	Increase/(decrease) in debt	81	922	Capital projects budgeted in previous years in the LTP have been carried forward to this year.
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
<b>535</b>	<b>Total sources of capital funding (C)</b>	<b>165</b>	<b>1,001</b>	

## Community Facilities - Funding impact statement



Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Applications of capital funding</b>				
	Capital expenditure			
-	— to meet additional demand	-	-	
475	— to improve the level of service	904	2,053	Significant capital projects budgeted in previous years in the LTP have been carried forward to this year, including the Matamata Sports Centre upgrade.
1,484	— to replace existing assets	484	455	
59	Increase/(decrease) in reserves	1	233	
193	Increase/(decrease) of investments	533	-	
<b>2,211</b>	<b>Total applications of capital funding (D)</b>	<b>1,922</b>	<b>2,741</b>	
<b>(1,676)</b>	<b>Surplus/(deficit) of capital funding (C – D)</b>	<b>(1,757)</b>	<b>(1,740)</b>	
-	<b>Funding balance ((A – B) + (C – D))</b>	-	-	



Parks, reserves and other community facilities help make our district an enjoyable place to live.



Recreational spaces allow people to enjoy the outdoors.

# Community Infrastructure



Community Infrastructure is about providing the 'core' services that are traditionally managed by us - these include the maintenance and development of roads, stormwater, wastewater, water supply, and waste management.

## Roading

### Why we do this activity

Having a transport network allows people to interact and exchange goods and services. Roads provide access for people to their homes, community facilities, shops, businesses and workplaces, both locally and across the country.

Roads provide for a wide variety of users with diverse needs including private and commercial drivers and their passengers, freight operators, public transport users, farm and machinery operators, cyclists and pedestrians.

We also manage the road corridor (the small strip of land alongside the road) where many essential utilities are located (such as gas, power, telecommunications, water, sewer and storm water).

Under the Local Government Act 2002, we are required to provide good quality local infrastructure that is cost effective for both households and businesses. Part of this is to manage public roads within the district's boundaries, except State Highways. Other legislation and public planning documents also provide guidance on the provision, maintenance and development of roading.

### What we do now

Our roading network is made up of 997 kilometres of roads, over 94% of which are sealed. It also includes 350 bridges, 190 kilometres of footpaths and over 3,000 street lights.

We currently own, control and manage the entire local transport network. This means our first priority is to maintain, operate and protect the existing roading network to the standards we have committed to and to meet the expectations of users. We are also responsible for road signs, pavement markings, railings, on street parking, coordinating other works in the road reserve, and drainage (including rural drains, kerb and channel, catch pits and soak holes).

Generally speaking, our roading network is in average to good condition. However, with rising fuel costs, higher safety requirements, higher user expectations, changing weather patterns and maintenance requirements, costs for this service are increasing over time.

## Our projects for the next year

Key projects for the 2014/15 year are set out below and on the following pages.

### Unsealed road metalling (renewal) - \$98,572

Various metalled roads throughout the district will be renewed. This involves a new pavement with a running course on top.

### Kerb and channelling (district wide) - \$54,000

Each year we provide some funding to put in place new kerb and channelling on roads in our district. We try to look at new kerb and channelling in places where our towns have grown and may need an improved level of service.

### Street lighting upgrades - \$160,000

Each year we provide funding to help improve the street lighting on the roads in our district. We usually look at improving areas where existing lighting is not adequate, or where there has been growth in our towns.



## Roading - Our projects for the next year

### Drainage renewals - \$280,656

Drainage on various roads throughout the district will be renewed. This includes the replacement of culverts, kerb and channelling, drains and other stormwater structures.

### Minor improvements renewals - \$549,056

The minor improvements budget covers a range of minor works to improve the roading network. For example safety improvements, school signage and bridge replacements.

### Associated improvements renewal - \$208,150

Associated improvements on various roads throughout the district will be completed. This includes increased width to the road seal and the corresponding shoulders and earthworks.

### Resurfacing (district wide) - \$2,445,762

This fund is used for the resealing (laying on another coat of seal) of existing road surfaces.

### Structures component replacement - \$76,669

Various roading structures throughout the district will be replaced. This is mainly concrete lining on our large culverts that are structurally no longer sound.

### Traffic services renewals - \$383,395

This includes the replacement of various signs, road markings, road marker pegs and street lights throughout the district.

### Road pavement rehabilitation (district wide) - \$1,743,256

This funding is used to strengthen and/or replace existing roads in our district.



*We continue to maintain the existing condition of our roads over the next year.*

## Roading - How will we fund it

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. The cost of current roading activities is likely to remain relatively static over the next ten years. However there may be a need to increase funding charged through rates if Government subsidies are reduced. For funding purposes there are three types of roading work. They are:

- Subsidised work – Work in this category includes: pavement maintenance, resealing, drainage renewals, traffic services, and minor improvements etc. Under our funding policy, 52% of road maintenance work is funded from general rates and Uniform Annual General Charges while 48% is funded from New Zealand Transport Agency subsidies.
- Unsubsidised work – Work in this category includes footpaths, street cleaning etc. This work is funded 100% by Council through general rates.
- Capital works are usually funded from loans. Renewal works are funded from our depreciation reserve. We also allocate the forecast dividend from the Power New Zealand fund to the district wide roading activity.



## Roading - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	Performance measures	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13	2013/14	2014/15	2015-22	
6 c) Council will provide essential infrastructure to meet the needs of our community now and in the future.  6 g) Council will contribute to a safe and efficient transport network.	If the roading network is accessible and affordable we can plan cost effectively for the network to meet future service levels.	Provide a roading network that is safe, maintained and developed to provide smoothness and comfort.	The average count for our sealed roads will be less than:					The average count for our sealed roads will be less than:			Road roughness is measured by a system developed by the former National Association of Australasian State Rooding Authorities (NAASRA). The values are obtained by a special purpose vehicle that travels down the outside lanes of our roads, measuring roughness. This is measured on all sealed roads and in vehicle kilometres travelled.  The lower the NAASRA count the smoother the road. Smoother roads mean a more comfortable and faster drive with lower fuel consumption and less wear and tear on your vehicle. We aim to have smoother roads in busy areas, to provide a benefit to more people. For this reason you can expect our highly used roads to be smoother than quiet roads.
			1000-5000 vehicle movements per day = 100 NAASRA or less	New measure			Not applicable	1000-5000 vehicle movements per day = 100 NAASRA or less			
			200-1000 vehicle movements per day = 110 NAASRA or less					200-1000 vehicle movements per day = 110 NAASRA or less			
			Less than 200 vehicle movements per day = 120 NAASRA or less					Less than 200 vehicle movements per day = 120 NAASRA or less each biennial survey			

## Roading - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	Performance measures	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
6 c) Council will provide essential infrastructure to meet the needs of our community now and in the future.  6 g) Council will contribute to a safe and efficient transport network.	If the roading network is accessible and affordable we can plan cost-effectively for the network to meet future service levels.	We will provide an accessible and affordable transport network throughout the district.	Customers believe the roading network is good value for money.	73%	80%	84%	79%	75%			Measured by the annual customer survey.
		We will provide a roading network that is safe, maintained and developed to provide smoothness and comfort.	Customers believe the roading network is safe.	85%	85%	90%	81%	85%			
	Safe roads result in healthy people and provide a level of service the community desires.	We will provide a roading network that is safe for all users.	Customers are satisfied with the look, smoothness and ride comfort of footpaths.	74%	75%	78%	66%	75%			
		We will provide a roading network that is safe for all users.	Number of fatal and serious injury crashes per year (five-calendar year rolling average) due to road factors will be reduced.	New measure				Average of three accidents due to road factors over five years	Reducing trend based on a five-calendar year rolling average		Measured by annual New Zealand Transport Agency statistics for the district but excluding State Highways.

### Seal widening (district wide) - \$160,000

Each year we provide some funding to widen the sealed areas on the roads in our district, we usually look at areas where we are already undertaking general improvements and look at whether the area could benefit from being widened as well due to increased traffic.

### New and renewal footpaths (district wide) - \$150,572

Each year we provide some funding to put in place new footpaths on roads in our district. We try to look at new footpaths in places where our towns have grown and may need an improved service. We also fund renewals (sections of footpaths over 10 metres) to replace broken footpaths in the district.

## Roading - Funding impact statement



Matamata-Piako District Council: Funding impact statement for 1 July 2014 to 30 June 2015 for Roothing

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Sources of operating funding</b>				
5,486	General rates, uniform annual general charges, rates penalties	5,675	6,100	
-	Targeted rates (other than a targeted rate for water supply)	-	-	
2,223	Subsidies and grants for operating purposes	2,286	2,314	
397	Fees, charges, and targeted rates for water supply	423	396	
355	Internal charges and overheads recovered	615	349	
230	Local authorities fuel tax, fines, infringement fees, and other receipts	246	230	
<b>8,691</b>	<b>Total operating funding (A)</b>	<b>9,245</b>	<b>9,389</b>	
<b>Applications of operating funding</b>				
5,176	Payments to staff and suppliers	6,051	5,431	The LTP allowed for a level of inflation in roading maintenance costs that has not eventuated to the same extent.
276	Finance costs	459	329	
682	Internal charges and overheads applied	480	578	
-	Other operating funding applications	-	-	
<b>6,134</b>	<b>Total applications of operating funding (B)</b>	<b>6,990</b>	<b>6,338</b>	
<b>2,557</b>	<b>Surplus/(deficit) of operating funding (A – B)</b>	<b>2,255</b>	<b>3,051</b>	
<b>Sources of capital funding</b>				
2,831	Subsidies and grants for capital expenditure	3,290	2,822	NZTA subsidies approved for capital work have been reduced compared to the level projected in the LTP.
146	Development and financial contributions	156	146	
911	Increase/(decrease) in debt	1,585	551	
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
<b>3,888</b>	<b>Total sources of capital funding (C)</b>	<b>5,031</b>	<b>3,519</b>	

## Roading - Funding impact statement



Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Applications of capital funding</b>				
	Capital expenditure			
51	— to meet additional demand	54	51	
375	— to improve the level of service	401	475	
5,954	— to replace existing assets	6,761	5,954	Due to a reduction in NZTA subsidies since the LTP was adopted, capital work has been scaled back to meet the approved level of funding.
65	Increase/(decrease) in reserves	70	90	
-	Increase/(decrease) of investments	-	-	
<b>6,445</b>	<b>Total applications of capital funding (D)</b>	<b>7,286</b>	<b>6,570</b>	
<b>(2,557)</b>	<b>Surplus/(deficit) of capital funding (C – D)</b>	<b>(2,255)</b>	<b>(3,051)</b>	
<b>-</b>	<b>Funding balance ((A – B) + (C – D))</b>	<b>-</b>	<b>-</b>	



*We also manage the road corridor (the small strip of land alongside the road).*



*Council maintains our current levels of service on roads within our district.*



# Rubbish and Recycling



## Why we do this activity

Our day to day lives generate a lot of waste that must be managed for the health of our community and our environment. We are committed to providing and promoting sustainable waste management options to protect our environment for current and future generations.

We aim to provide waste management and minimisation infrastructure and core services in the most efficient and cost effective way to households and businesses. One way that we have improved efficiencies and cost effectiveness in this area is by developing joint policy and shared services with our neighbouring councils. Our existing waste management and minimisation infrastructure and services have been developed over many years to serve the needs of our community and to ensure we meet our legislative requirements under the Local Government Act 2002.

## What we do now

Rubbish and Recycling is responsible for providing kerbside rubbish and recycling collection to approximately 8,250 residential properties and 800 commercial premises across the district.

We have three transfer stations located at Matamata, Morrinsville and Waihou, where people can dispose of other waste (such as general refuse, recyclables, green waste, scrap metal and hazardous waste). These transfer stations are owned by us, but operated by a contractor.

We also have three closed landfills in Matamata, Morrinsville and Te Aroha. In the Matamata-Piako District, waste that cannot be recycled is collected and transported to a privately owned and operated landfill in Tirohia (near Paeroa).

We monitor and maintain the three operating transfer stations and the three closed landfills to mitigate any environmental effects that could mean we do not comply with our resource consents.

Rubbish and Recycling also provides waste minimisation education services to schools across the district and ensures that we comply with the legislative obligations for waste management and minimisation.

## Resource consents

We hold eight consents for discharge for our closed landfill sites at Morrinsville, Matamata and Waihou from the Waikato Regional Council. These consents are important as they give us permission to discharge contaminants from the closed landfill sites. They also set the environmental standards that we need to meet when we carry out this activity. Resource consents can be costly, this is both to obtain (applications sometimes involve complex science and consultation requirements) and to upgrade our assets to meet environmental standards.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. There is an element of benefit for everyone in the district from our Rubbish and Recycling activity, as these help to keep the district healthy and the environment clean. As such, between 10-30% of the various Rubbish and Recycling activities are funded through general rates. 90-100% of the cost of kerbside collection is funded by way of targeted rates that are charged to those that are able to put their rubbish out for collection. And the balance of funding (70-90%) for the running of our transfer stations and recycling activities is recovered by way of fees and charges through dump fees and the sale of rubbish bags.

Rubbish and recycling delivered to the transfer stations is charged on a per tonne basis with recyclables being accepted free of charge. Revenue from the disposal of solid waste at the transfer stations is received by us, and proceeds from the sale of recyclables and green waste is received by the contractor.



Council is working to implement joint waste minimisation plans and share services with neighbouring councils.

## Rubbish and Recycling - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.	Reliable kerbside refuse and recycling collection services contribute to providing a healthy and safe environment.	We will provide kerbside refuse and recycling collection services to urban and rural townships and transfer stations.	Percentage of the community satisfied/ very satisfied with kerbside and refuse and recycling collection services and transfer stations.	79%	89%	85%	77%	80% or more satisfied or very satisfied	85% or more satisfied or very satisfied		Measured through our annual customer survey
4 b) Council will provide and promote sustainable waste management options to protect our environment.	Making sure our services are reliable and available encourages people to recycle and to dispose of waste responsibly.	Reliable kerbside refuse and recycling collection services will be available to the community.	Number of complaints about kerbside refuse and recycling not collected on the usual collection day.	8.6 complaints on average per month	11.2 complaints on average per month	12.17% complaints on average per month	18 complaints on average per month	Less than 12 complaints on average per month			Over 90,000 collections occur every month on average in our district. Measured through our customer request management system.
6 c) Council will provide essential infrastructure to meet the needs of our community now and in the future.	By encouraging recycling we can decrease the amount of waste going to landfill, helping our community to act sustainably.	We will encourage residents to minimise waste disposal to landfill by providing more sustainable waste management options.	Proportion of total waste diverted (e.g. recycled or composted) from transfer stations and the kerbside recycling collection service.	23.6%	25.8%	28.2%	31.14%	30% or more of the total waste collected diverted from landfill	35% or more of the total waste collected diverted from landfill	40% or more of the total waste collected diverted from landfill	Approximately 8000-10,000 tonnes of waste is collected each financial year in the district.  We expect a gradual increase in solid waste diversion from landfill (for example through an increase in recycling or composting) as waste minimisation measures are implemented. Measured through our records of monthly weigh bridge quantities of kerbside and transfer station recyclables.

## Rubbish and Recycling - Funding impact statement



Matamata-Piako District Council: Funding impact statement for 1 July 2014 to 30 June 2015 for Rubbish and Recycling

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Sources of operating funding</b>				
451	General rates, uniform annual general charges, rates penalties	573	424	
1,288	Targeted rates (other than a targeted rate for water supply)	1,474	1,213	
95	Subsidies and grants for operating purposes	96	95	
564	Fees, charges, and targeted rates for water supply	899	475	
1	Internal charges and overheads recovered	23	1	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
<b>2,399</b>	<b>Total operating funding (A)</b>	<b>3,065</b>	<b>2,208</b>	
<b>Applications of operating funding</b>				
2,036	Payments to staff and suppliers	2,681	1,940	A new shared service contract for waste management has significantly reduced the cost of this service from that budgeted in the LTP.
43	Finance costs	38	11	
247	Internal charges and overheads applied	268	185	
-	Other operating funding applications	-	-	
<b>2,326</b>	<b>Total applications of operating funding (B)</b>	<b>2,987</b>	<b>2,136</b>	
<b>73</b>	<b>Surplus/(deficit) of operating funding (A – B)</b>	<b>78</b>	<b>72</b>	
<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	
-	Development and financial contributions	-	-	
(43)	Increase/(decrease) in debt	(45)	-	
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
<b>(43)</b>	<b>Total sources of capital funding (C)</b>	<b>(45)</b>	<b>-</b>	

## Rubbish and Recycling - Funding impact statement



Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Applications of capital funding</b>				
	Capital expenditure			
-	— to meet additional demand	-	-	
-	— to improve the level of service	-	-	
-	— to replace existing assets	-	-	
30	Increase/(decrease) in reserves	33	72	
-	Increase/(decrease) of investments	-	-	
<b>30</b>	<b>Total applications of capital funding (D)</b>	<b>33</b>	<b>72</b>	
<b>(73)</b>	<b>Surplus/(deficit) of capital funding (C – D)</b>	<b>(78)</b>	<b>(72)</b>	
-	<b>Funding balance ((A – B) + (C – D))</b>	-	-	

## Our projects for the next year

Key projects for the 2014/15 year are set out in the boxes below.

### Education programmes - \$25,000

We use this to fund education programmes in schools in our district.

### Waste minimisation activities - \$95,000

We've budgeted to receive this funding through the national waste minimisation levy, we will look at funding various waste minimisation initiatives (for example project Litefoot) in the district.



We are responsible for the kerbside refuse and recycling service.



# Stormwater



## Why we do this activity

Stormwater systems safely and efficiently drain surface water to minimise flooding in our communities. We aim to ensure stormwater is well managed, and work with property owners to improve stormwater and reduce flooding. By performing this core service, we are providing good quality local infrastructure that is both efficient and cost effective to households and businesses. We are also meeting our legislative requirements under the Local Government Act 2002.

## What we do now

We currently have stormwater drainage systems in Matamata, Morrinsville, Te Aroha and Waharoa and the surrounding areas. These systems include a mix of pipes, open channels, kerb and channel and drains (adding up to over 126 kilometres of piped and open drains in urban areas).

We work to ensure there are adequate services and staff to respond to storm events, and implement maintenance programs to ensure our systems remain in good condition. We also work collaboratively with Waikato Regional Council as they also manage and maintain parts of the drainage system (streams and rivers).

Maintaining all our assets involves undertaking scheduled and unscheduled maintenance and repair work. We have renewal strategies to allow for the progressive replacement of assets as they are required.

## Resource consents

We hold eight consents for stormwater discharge from the Waikato Regional Council. These consents are important as they give us permission to discharge stormwater from the urban area in to nearby streams and rivers. They also set the environmental standards that we need to meet when we carry out this activity. Resource consents can be costly, both to obtain (applications sometimes involve complex science and consultation requirements) and to upgrade our assets to meet environmental standards.

## Our projects for the next year

Key projects for the 2014/15 year are set out below.

### Stormwater renewals (district wide) - \$76,000

Each year we provide some funding to replace existing stormwater infrastructure across the district that has been damaged or reached the end of its useful life.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. Ratepayers in Matamata, Morrinsville and Te Aroha pay for 86% of the Stormwater activity through a targeted rate and the balance of 14% is funded from general rates. The general rates portion pays for the approximate area of public land (such as roads and reserves) that is serviced by stormwater systems. Capital costs (for new or replacement parts to the system) are funded by loans, which are paid off through rates over the life of the asset. The drainage districts administered by us are funded from separate targeted rates or contributions.



The main projects for stormwater are improvements or renewals in Council's three main towns.

## Stormwater - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
1 f) Council services and activities will contribute to the health and wellbeing of our community/ lwi.	People have the right to expect that their property will be safe from flooding (and its potential health and social wellbeing impacts) when it rains.	We will respond to requests for service from our residents in a timely manner.	Flooding complaints recorded, investigated and a response given to the complainant within adopted time frames (refer table below).	New measure				93%	100%		Our stormwater network helps to prevent flooding in urban areas. Flooding of habitable dwellings and commercial buildings are considered the most important complaints we receive followed by urban land. Flooding of rural roads and property are not included in this measure as they are not connected to our stormwater network. Measured through our customer request management system.
6 c) Council will provide essential infrastructure to meet the needs of our community now and in the future.	The community expects that we will ensure the existing Stormwater assets are maintained and replaced when required.	Residents will be satisfied with the overall performance of the stormwater system.	Percentage of residents satisfied/ very satisfied with the management of flooding of urban areas.	64%	64%	70%	48%	65% or more satisfied/ very satisfied		70% or more satisfied/ very satisfied	Making effective and affordable improvements to the stormwater system can be difficult to do, we will undertake investigation of stormwater issues and solutions in the next three years and look to making major improvements to the network after this. Measured through our annual customer survey.
4 a) Council will manage contaminants, odours and air pollution from its activities.	Stormwater systems discharge treated stormwater to the environment. The quality and quantity of the discharge must meet the appropriate standard.	We will protect the environment from stormwater contaminants discharging into waterways.	Resource consent compliance as measured by Waikato Regional Council.	Partial compliance as measured by Waikato Regional Council				Partial compliance as measured by Waikato Regional Council	Full compliance as measured by Waikato Regional Council		Waikato Regional Council monitors our resource consents and provides an assessment on the year's compliance each year. Measured by our records.

Complaint	Expected response times
Habitable dwellings	24 hours
Commercial buildings	24 hours
Private urban land (not a habitable dwelling or commercial building)	2 days
Urban roads	5 days

## Stormwater - Funding impact statement



Matamata-Piako District Council: Funding impact statement for 1 July 2014 to 30 June 2015 for Stormwater

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Sources of operating funding</b>				
141	General rates, uniform annual general charges, rates penalties	153	155	
867	Targeted rates (other than a targeted rate for water supply)	943	953	
-	Subsidies and grants for operating purposes	-	-	
-	Fees, charges, and targeted rates for water supply	-	-	
37	Internal charges and overheads recovered	64	36	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
<b>1,045</b>	<b>Total operating funding (A)</b>	<b>1,160</b>	<b>1,144</b>	
<b>Applications of operating funding</b>				
180	Payments to staff and suppliers	236	182	
114	Finance costs	121	205	
229	Internal charges and overheads applied	262	199	
-	Other operating funding applications	-	-	
<b>522</b>	<b>Total applications of operating funding (B)</b>	<b>619</b>	<b>586</b>	
<b>523</b>	<b>Surplus/(deficit) of operating funding (A – B)</b>	<b>541</b>	<b>558</b>	
<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	
172	Development and financial contributions	184	172	
(591)	Increase/(decrease) in debt	(616)	-	
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
<b>(419)</b>	<b>Total sources of capital funding (C)</b>	<b>(432)</b>	<b>172</b>	

## Stormwater - Funding impact statement



Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Applications of capital funding</b>				
	Capital expenditure			
-	— to meet additional demand	-	-	
-	— to improve the level of service	-	-	
76	— to replace existing assets	82	76	
28	Increase/(decrease) in reserves	27	654	
-	Increase/(decrease) of investments	-	-	
<b>104</b>	<b>Total applications of capital funding (D)</b>	<b>109</b>	<b>730</b>	
<b>(523)</b>	<b>Surplus/(deficit) of capital funding (C – D)</b>	<b>(541)</b>	<b>(558)</b>	
-	<b>Funding balance ((A – B) + (C – D))</b>	-	-	



Stormwater systems drain surface water to minimise flooding.

Legislation and resource consent conditions play key roles in how Council manages stormwater.





# Wastewater



## Why we do this activity

Wastewater is a core service that ensures wastewater (sewage and grey water that goes down your drains) is collected, treated and disposed of appropriately for the health of both current and future generations. Treating wastewater is particularly important because after it is treated, it is discharged into our environment. By providing this core local infrastructure we are also meeting our legislative requirements under the Local Government Act 2002.

## What we do now

We have five treatment plants and 223 kilometres of sewer mains that supply wastewater services to the urban areas of Matamata, Morrinsville, Te Aroha, Waihou, Waharoa and Tahuna. Approximately 56% of the district's properties are connected to our wastewater system.

The Te Aroha and Morrinsville treatment plants treat and dispose of any domestic, commercial and industrial wastewater, as well as rural septic tank waste at Morrinsville. The Morrinsville Treatment plant also services the Kai a Te Mata Marae and Rukumoana community. The Matamata treatment plant services the Matamata, Waharoa and Raungaiti communities. Waihou and Tahuna have their own wastewater systems.

Approximately 50% of the wastewater treated in Morrinsville is from local industry. Industrial and commercial wastewater is regulated through tradewaste agreements and our Tradewaste Bylaw 2011. Under our tradewaste agreements, companies pay for the cost of processing their waste.

The efficient operation and maintenance of our wastewater network is achieved by providing adequate backup facilities, equipment, machinery and staff to handle any breakdown of this core service.

Corrective and preventative maintenance programmes are in place to ensure our systems remain in good condition.

The condition of the wastewater network varies; Te Aroha and Morrinsville are subject to high infiltration of stormwater that can cause overflows and affect the ongoing operation of the treatment plants, but we are working on a range of strategies to manage this. These strategies include the use of smoke testing and ongoing property inspection programmes and the instigation of an integrated renewals strategy.

## Resource consents

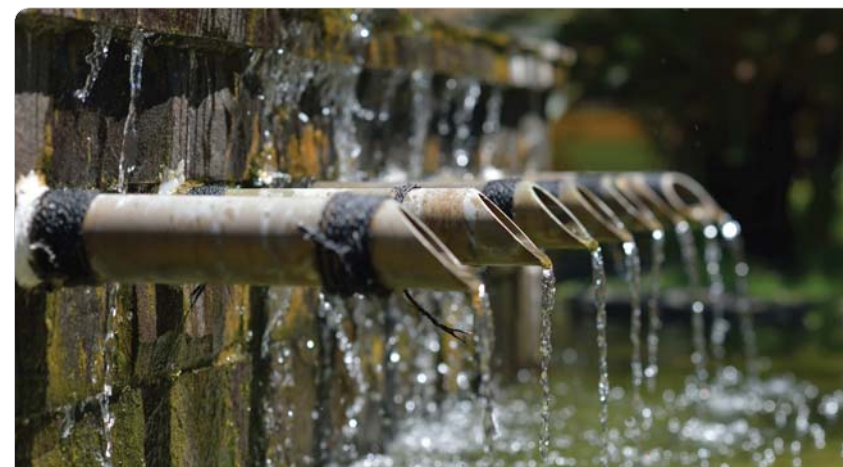
We hold 17 consents for discharges from our five wastewater treatment plants from the Waikato Regional Council. These consents are important as they give us permission to discharge water and odour from our wastewater treatment plants. They also set the environmental standards that we need to meet when we carry out this activity.

## Our projects for the next year

Key projects for the 2014/15 year are set out below and on the following pages.

### Matamata reticulation diversion - \$50,000

We have allocated funding to help improve access to and capacity of pump stations in our wastewater network.



Wastewater is collected, treated and disposed of appropriately.



## Wastewater - Our projects for the next year

### Wastewater treatment plant renewals (district wide) - \$295,000

Each year we budget for replacement of components at our wastewater treatment plants, as various parts of plants reach the end of their life cycle.

### Sewer building renewals (district wide) - \$6,000

Each year we budget for replacement of components of the building sited at our wastewater treatment plants, as various parts of the buildings reach the end of their life cycle.

### District wide reticulation renewals - \$692,200

Each year we budget for replacement of parts of our wastewater reticulation network (the pipes in the ground that transport waste from people's home to the wastewater treatment plants), as various parts of the network reach the end of their life cycle



Morrinsville Wastewater Treatment Plant upgrade.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. Fees are charged through tradewaste agreements to recover the significant costs of industries that are connected to the wastewater system. The balance is collected through the targeted or general rate. Property owners who are connected to the wastewater system pay a targeted rate for this service. Properties that are capable of being connected to the wastewater system but are not connected (such as vacant sections) pay half a targeted rate for the convenience of being able to connect when they wish. Targeted rates fund between 94-100% of this activity, with any balance funded by general rates.

In 2012/13 we introduced pan charge targeted rates on non residential properties, changing the way we rate for wastewater. As some businesses and organisations were affected more than others we decided to introduce the pan charges over three years; with those affected paying one third in the first year (2012/13), two thirds in the second year (2013/14) and the full pan charge in the third year (2014/15). This means that those organisations who are affected by pan charges will, this year, be paying for their total pan charge. For some organisations who have elected to apply the remission of pan charges based on water use, they will pay only for the equivalent number of household units they use (as measured by water consumption through water meters).



Both residential and industrial growth impact the need for wastewater services.

## Wastewater - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.	Wastewater services ensure our community is protected from the risk of infectious diseases spread by wastewater.	The number of wastewater overflows from our systems will reduce.	The number of wastewater system overflows in to habitable dwellings.	0	0	New measure	6	0 overflows into a habitable dwelling			Overflows can occur, it is important that the community is aware of this and these events are recorded, reviewed and mitigated where practical. Overflows into dwellings are the most serious as they present an immediate danger to health. Overflows to the environment usually happen during storm events and can be far less serious. We are aiming to reduce these as we reduce infiltration of stormwater and improve our wastewater treatment plants. Measured through our internal management system.
			The number of wastewater system overflows into the environment.	71	31	6	14	25 or less overflows of any other nature each year	20 or less overflows of any other nature each year	15 or less overflows of any other nature each year	
		We will respond to complaints in a timely manner.	Percentage of complaints regarding overflows responded to within adopted timeframes.	Not measured		New measure	84.2%	100% of complaints regarding overflows responded to within four hours			
4 a) Council will manage contaminants, odours and air pollution from its activities.	Properly treating wastewater means the number of contaminants is minimised before the treated wastewater is discharged.	Wastewater is properly treated before being discharged to our environment.	Resource consent compliance as assessed by Waikato Regional Council.	Partial compliance			Partial compliance assessed by Waikato Regional Council		Full compliance assessed by Waikato Regional Council		Waikato Regional Council monitors our resource consents and provides an assessment on the year's compliance. Measured by our records.
6 c) Council will provide essential infrastructure to meet the needs of our community now and in the future.	The community expects that Council will ensure that the existing wastewater assets are maintained and replaced when required.	Our residents are satisfied with the overall performance of the wastewater system.	Percentage of residential customers connected to the wastewater network satisfied/ very satisfied with the wastewater system.	Not measured			91%	5% improvement on benchmark	10% improvement on benchmark	15% improvement on benchmark	This is measured through our annual customer survey.

## Wastewater - Funding impact statement



Matamata-Piako District Council: Funding impact statement for 1 July 2014 to 30 June 2015 for Wastewater

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Sources of operating funding</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	
6,608	Targeted rates (other than a targeted rate for water supply)	6,806	6,494	
-	Subsidies and grants for operating purposes	-	-	
535	Fees, charges, and targeted rates for water supply	691	621	
71	Internal charges and overheads recovered	321	74	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
<b>7,215</b>	<b>Total operating funding (A)</b>	<b>7,818</b>	<b>7,189</b>	
<b>Applications of operating funding</b>				
2,520	Payments to staff and suppliers	2,700	2,684	
1,756	Finance costs	2,000	1,096	Finance costs have been significantly reduced due to more favourable interest rates obtained compared to those projected in the LTP.
435	Internal charges and overheads applied	341	411	
-	Other operating funding applications	-	-	
<b>4,710</b>	<b>Total applications of operating funding (B)</b>	<b>5,041</b>	<b>4,191</b>	
<b>2,505</b>	<b>Surplus/(deficit) of operating funding (A – B)</b>	<b>2,777</b>	<b>2,998</b>	
<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	
181	Development and financial contributions	193	181	
(20)	Increase/(decrease) in debt	(1,739)	-	
-	Gross proceeds from sale of assets	-	-	
97	Lump sum contributions	179	97	
<b>258</b>	<b>Total sources of capital funding (C)</b>	<b>(1,367)</b>	<b>278</b>	

## Wastewater - Funding impact statement



Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Applications of capital funding</b>				
	Capital expenditure			
-	— to meet additional demand	-	-	
1,870	— to improve the level of service	54	50	
994	— to replace existing assets	1,069	994	
(101)	Increase/(decrease) in reserves	252	2,232	
-	Increase/(decrease) of investments	35	-	
<b>2,763</b>	<b>Total applications of capital funding (D)</b>	<b>1,410</b>	<b>3,276</b>	
<b>(2,505)</b>	<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(2,777)</b>	<b>(2,998)</b>	
-	<b>Funding balance ((A - B) + (C - D))</b>	-	-	



Treating wastewater is important because after it is treated, it is discharged into our environment.



Wastewater is collected, treated and disposed of appropriately.



# Water



## Why we do this activity

We provide clean, safe drinking water as this core service is essential to the health of our communities. Our focus is on improving the water quality through water treatment plant upgrades to comply with New Zealand Drinking Water Standards (2008) (as required by the Health Act 1956), and ensuring we comply with our resource consents.

The Local Government Act 2002 requires us to provide this core service and to complete water assessments to improve public health. The amendments to the Health Act 1956 also require us to comply with the New Zealand Drinking Water Standards (2008) within specific deadlines ranging from 1 July 2013 to 1 July 2015. Because of this we started upgrading water supplies and treatment facilities four years ago.

## What we do now

We currently own and operate eight water supply schemes in the district – two medium supplies in Matamata and Morrinsville, two minor supplies in Te Aroha and Waharoa and four small schemes in Te Poi, Tahuna, Hinuera and Te Aroha West. Each area has a treatment plant, and the district has a total of 325 kilometres of pipes.

We provide water 24 hours a day, seven days a week, which means we operate and maintain equipment, machinery and backup facilities, and train staff to respond rapidly in the event of a problem. In the future we may look to trial water metering and regulatory conservation measures to see if they will help us conserve water.

We believe that we are providing this local infrastructure for both current and future generations, in an effective way that is cost efficient for both households and businesses.

Clean, safe drinking water is essential for our communities.



## Resource consents

We hold 19 consents for 'take and discharge' for our water treatment plants from the Waikato Regional Council. These consents are important as they give us permission to take water from streams and underground sources and supply it to the community. They also set the environmental standards that we need to meet when we carry out this activity. Resource consents can be costly, both to obtain (applications sometimes involve complex science and consultation requirements) and to upgrade our assets to meet environmental standards.



*Our focus is on improving water quality.*

## Water - How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. Property owners who are connected to the water system pay a targeted rate for water. Properties that are connected to the system that are considered high users (such as those with swimming pools) also pay a per cubic metre charge for all water used over and above the amount used by a normal residential property. At present a normal residential property is considered to use 82 cubic metres every three months. Properties that are capable of being connected to the water system but are not connected (such as vacant sections) also pay half of the full rate, for the convenience of being able to connect when they wish.

Capital costs (for new or replacement parts to the system) are funded by loans, which are paid off through rates over the life of the asset.



Our water is safe to drink.



## Our projects for the next year

Key projects for the 2014/15 year are set out below.

### Subdivisional requirements - \$20,000

This is for capital work required to upgrade council assets as a result of subdivision works being completed.

### New pumps and main Burwood Road, Matamata - \$135,000

The supply and installation of larger delivery pumps for Matamata South reservoir pump station and the reinstallation of a water main across Swap Park to the existing capped pipe under the railway line opposite Station Road.

### Water main renewals (district wide) - \$1,062,800

Each year we budget for replacement of parts of our water reticulation network (the pipes in the ground that transport water from people's home to the water treatment plants), as various parts of the network reach the end of their life cycle.

### New reservoir and booster pumps, Morrinsville - \$2,300,000

The existing reservoir on Mt Misery at Morrinsville has reached the end of its useful life and needs to be replaced with a 8,000m<sup>3</sup> reservoir or two 4,000m<sup>3</sup> ones. As part of the works, new booster pumps will also be required.

### Water treatment plant renewals (district wide) - \$273,000

Each year we budget for replacement of components at our water treatment plants, as various parts of plants reach the end of their life cycle.

## Water - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
<p>1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.</p> <p>6 e) Systems will exist to provide sustainable clean water for our community/lwi.</p>	Protect communities from drinking water related health issues.	Our water will be safe to drink.	Achievement of the New Zealand Drinking Water Standards (2008).	Compliance not achieved				Te Aroha	<p>Hinuera</p> <p>Tahuna</p> <p>Te Poi</p>	Matamata (including Waharoa)	The Waikato District Health Board provides this water grading system for the supply and delivery of water so that communities can be informed on the water quality they are receiving. Te Aroha West will not meet NZDW Standards because of the type of supply. Meeting drinking water standards means the community can be confident that our water is safe to drink.
<p>6 c) Council will provide essential infrastructure to meet the needs of our community now and in the future.</p> <p>6 e) Systems will exist to provide sustainable clean water for our community/lwi.</p>	The community expects us to ensure that the existing water assets are maintained and replaced when required so clean, safe drinking water is always available.	We will ensure that the existing water assets are well managed, and that the assets are maintained and replaced when required.	Percentage of customers satisfied or very satisfied with the water supply services.	New measure			76%	75% or more satisfied/very satisfied	78% or more satisfied/very satisfied	80% or more satisfied/very satisfied	Overall satisfaction levels are measured and compared with other councils with the aim to achieve average or better results than them. Measured by annual customer survey.

## Water - Levels of service



Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
<p>6 e) Systems will exist to provide sustainable clean water for our community/lwi.</p> <p>6 c) Council will provide essential infrastructure to meet the needs of our community now and in the future.</p>	Water pipe failures need to be minimised so that clean, safe drinking water is always available.	Council's water assets are managed adequately for the future.	Number of pipe failures* in our water supply system (mains and service lines).	New measure			5.3 complaints on average per month	Less than 30 complaints on average per month			The number of pipe failures is an indicator of the performance of our water supply system and the level of funding provided to maintain the network. Measured through our records.
<p>1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.</p> <p>6 e) Systems will exist to provide sustainable clean water for our community/lwi.</p>	The community expects us to ensure clean, safe drinking water is always available.	Council will provide safe and reliable water for household and business use (serviced properties).	Percentage of pipe failure* complaints responded to and repaired within eight hours.	New measure			64%	90% or more			If there are supply issues we need to respond quickly to make sure people have a continuous supply of water. The repair timeframes only refers to the work on the pipe itself as the reinstatement of the surrounding area or assets may often take longer (e.g. road, footpath, other structures). Measured through our customer request management system.

\*Pipe failure is the interruption to the service, a burst pipe or major leakage that is affecting water supply or causing damage to pavements or property.

## Water - Funding impact statement



Matamata-Piako District Council: Funding impact statement for 1 July 2014 to 30 June 2015 for Water

Annual Plan 2013/14 \$000		LTP 2014/15 \$000	Annual Plan 2014/15 \$000	Explanation of significant variances to the original LTP
<b>Sources of operating funding</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	
2,659	Targeted rates (other than a targeted rate for water supply)	3,461	2,781	Targeted rate requirements for water have reduced in line with reduced forecast costs for power, finance and internal charges.
-	Subsidies and grants for operating purposes	-	-	
1,683	Fees, charges, and targeted rates for water supply	1,754	1,653	
46	Internal charges and overheads recovered	301	46	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
<b>4,388</b>	<b>Total operating funding (A)</b>	<b>5,516</b>	<b>4,480</b>	
<b>Applications of operating funding</b>				
1,980	Payments to staff and suppliers	2,382	2,146	
459	Finance costs	673	249	
436	Internal charges and overheads applied	778	467	
-	Other operating funding applications	-	-	
<b>2,875</b>	<b>Total applications of operating funding (B)</b>	<b>3,833</b>	<b>2,862</b>	
<b>1,513</b>	<b>Surplus/(deficit) of operating funding (A – B)</b>	<b>1,683</b>	<b>1,618</b>	
<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	
71	Development and financial contributions	76	71	
3,213	Increase/(decrease) in debt	2,423	-	
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
<b>3,284</b>	<b>Total sources of capital funding (C)</b>	<b>2,499</b>	<b>71</b>	



## Water - Funding impact statement



Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP
\$000		\$000	\$000	
<b>Applications of capital funding</b>				
	Capital expenditure			
30	— to meet additional demand	269	250	
3,330	— to improve the level of service	2,371	2,205	
1,336	— to replace existing assets	1,436	1,335	
101	Increase/(decrease) in reserves	106	(2,101)	
-	Increase/(decrease) of investments	-	-	
<b>4,797</b>	<b>Total applications of capital funding (D)</b>	<b>4,182</b>	<b>1,689</b>	
<b>(1,513)</b>	<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(1,683)</b>	<b>(1,618)</b>	
-	<b>Funding balance ((A - B) + (C - D))</b>	-	-	



We are upgrading water supplies and treatment facilities.



Water is treated so we comply with New Zealand Drinking Water Standards.



# Community Development

Community Development is about increasing community input into Council decision making and generally improving the process of democracy in our district. The activities responsible for this are Communications, Democracy, Strategies and Planning and District Plan.

## Communications

### Why we do this activity

Communications ensures that the community are aware of what is happening at Council, how it will affect them, and how they can be involved in decision making. We use a range of communication channels to ensure this information is available to meet the current and future needs of the community.

### What we do now

The key role of the Communications activity is to ensure households and businesses are informed and have the opportunity to be involved in decision making.

The Communications team ensure that all Council communications are timely, high quality, cost effective and efficiently managed. This includes producing the Council in Focus (a fortnightly publication in our local newspapers that includes public notices, information on our projects, community events and information on topics we are consulting on), ensuring that our website is up to date and easy to use, and working to improve the range of online services available to our community.

These, and other communication tools, ensure information is available to our community in an easy to understand format, enabling and encouraging people to participate in local decision making.



Communications are responsible for keeping the community informed about Council services and projects.

The Communications team also organise events on behalf of Council to encourage success, and recognise those who contribute to making Matamata-Piako a great place to live. These events help provide a vibrant community, and are a public service that we are uniquely capable of providing to ensure our communities remain connected.

Communications staff also coordinate internal communication activities to keep staff informed. This helps staff perform their jobs effectively and provide better service to households and businesses, as well as contributing to the organisation's culture. They also provide advice and support to staff and elected members to assist with their decision making processes.

### How will we fund it?

The general approach to the funding of the annual net cost of all public service activities managed by us is that those who (either directly or indirectly) benefit should pay. The underlying assumption in the case of our communications is that all residents within the district benefit from ongoing communication, and as a result, should pay for this through general rates.

### Our projects for the next year

Key projects for the 2014/15 year are set out below.

#### Website and e-services - \$60,000

We are continuing to improve the functionality and e-services provided on our website as well as look at other communication tools for our community. This budget funds staff time to work on these projects.

## Communications - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
1 b) Council will encourage a vibrant and cooperative community and recognise success within our district.	Council events provide opportunities for the community to get together and celebrate the success of groups and individuals who help make our community a vibrant place.	We will hold events to recognise volunteering in our community and contribute to economic development.	We will hold one function annually to recognise volunteers, and two functions to contribute to economic development.	Business Night Out Industry Training Graduation Community Volunteer Awards				Two events held to contribute to economic development  One event held to recognise volunteers			Currently we hold the Business Night Out, Industry Training Graduation and Community Volunteer Awards events. Measured by the number of events held annually.
2 a) Our community/lwi will be informed and have the opportunity to comment on significant issues.	Communications ensure the public are informed on Council activities and promote and encourage community participation.	Opportunities for the community to participate in decision making will be widely publicised.	The community will be satisfied with how Council keeps them informed.	86%	86%	84%	72%	Over 80% of community surveyed satisfied/very satisfied			Measured by the annual customer survey.
2 a) Our community/lwi will be informed and have the opportunity to comment on significant issues.  3 b) People will be well informed of the district's resources, equipment, and facilities.	The website is a key business tool to provide information and electronic services to the community. It allows people to find the information they need and interact with Council at their own convenience.	The website will be a valuable resource for the community to access Council information.	The number of visitors accessing Council information and services via the internet will increase annually.	39,267 visits	48,081 visits	57,840 visits	69,761 visits	50,000 visits	55,000 visits	60,000 visits	Measured by annual website statistics.
5 e) Council will encourage the arts.	Communication activities help promote artistic activities and keep the community informed of arts related events, facilities and equipment.	We will support the arts.	Arts are promoted through print and/or online communication channels.	New measure			15	Information on the arts is made available to the community through the 'Council in Focus' at least 15 times per year			Measured by our records. The 'Council in Focus' is currently published fortnightly in our local papers. We will aim to provide information on arts events in the publication, the frequency of events varies during the year so we can't be sure there will always be events to advertise.



# Democracy

## Why we do this activity

One of the main purposes of local government under the Local Government Act 2002 is to allow the community to take part in democratic, open and transparent local decision making in a way that is cost effective for households and businesses.

Democracy is responsible for considering how we meet the current and future needs of our community. We are required to ensure that the community is well informed and has the opportunity to participate in local decision making. We must also ensure that all our processes are good quality and consider the diverse needs of our community.

Democracy is mainly influenced by the Local Government Act 2002, Local Electoral Act 2001 and the Local Government Official Information and Meetings Act 1987.

## What we do now

Our governance structure currently includes Council, the Corporate and Operations Committee, the Hearings Commission, Audit and Risk Committee, District Licensing Committee and Te Manawhenua Forum mo Matamata-Piako. We are required to undertake a review of our representation arrangements every six years. As part of the 2012 representation review we resolved to retain the current ward, Councillor and Mayor structure but resolved to disestablish Community Boards. The Community Boards were disestablished following the elections in October 2013.

The Councillors are our governing body. They have the overall responsibility and accountability for the proper direction and control of our activities. Eleven Councillors are elected by the community (four representatives for each of the Matamata and Morrinsville wards and three for the Te Aroha ward). A Mayor is elected to represent the whole district.

We have a Corporate and Operations Committee to assist with decision making, and a Hearings Commission that meets to hear and make decisions on resource consents, dog control and swimming pool fence applications.

We have a formal process of representation for Maori in the district. The Te Manawhenua Forum mo Matamata-Piako is a standing committee of Council and its purpose is "to facilitate Tangata Whenua contribution to our decision making". The representatives currently appointed to this committee are from Council, Ngati Haua, Ngati Rahiri-Tumutumu, Raukawa, Ngati Maru, Ngati Whanaunga, and Ngati Paoa. Ngati Tamatera also has the ability to join the Te Manawhenua Forum mo Matamata-Piako.

## Our projects for the next year

Key projects for the 2014/15 year are set out below.

### Local Government Election Funding - \$25,000

Every three years we are responsible for holding local body elections which is the biggest project that we undertake, the last election was held in October of 2013, the next election will be held in October 2016. We have proposed to smooth the cost of holding elections (currently estimated at \$75,000) by spreading the cost over three years, this means we'll collect \$25,000 this year to help fund the 2016 elections.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. The underlying assumption in this case is that all residents within the district benefit from democracy and as a result, pay for this activity largely through general rates.



## Democracy - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
2 a) Our community/lwi will be informed, and have the opportunity to comment on significant issues.	For people to participate in the democratic process they need to be confident that Council will listen to and respect ideas from the community.	People will have confidence in their local elected members.	Percentage of the community satisfied/very satisfied with the performance of councillors and mayor.	80%	81%	79%	65%	86% or more satisfied	87% or more satisfied	87% or more satisfied	Measured by an annual customer satisfaction survey. We aim to increase the level of satisfaction through improvements in our engagement with the community.
2 c) Our decision making will be sound, visionary, and consider the different needs of our community/lwi.	To enable the democracy process the community needs to know when, where and how decisions are being made.	People will have confidence in their local elected members.	Council and committee meetings are heard in accordance with the provisions of the Local Government Official Information and Meetings Act 1987.	100% compliance with meeting public notice deadlines							Measured through our records.
				0 successful challenges to our processes and decision making							
2 a) Our community/lwi will be informed, and have the opportunity to comment on significant issues. 2 b) Tangata Whenua with manawhenua status (those with authority over the land under Maori lore) have meaningful involvement in decision making. 2 c) Our decision making will be sound, visionary and consider the different needs of our lwi/community.	By involving Tangata Whenua with manawhenua status in the decision making process Council can ensure that they are making informed and representative decisions on behalf of the community.	We will involve Tangata Whenua with manawhenua status in the decision making processes.	Percentage of Te Manawhenua mo Matamata-Piako Forum members satisfied/very satisfied that Tangata Whenua with manawhenua status are meaningfully involved in decision making.	67%	65%	80%	68%	76% or more satisfied	77% or more satisfied	78% or more satisfied	Measured by an annual satisfaction survey of our Te Manawhenua mo Matamata-Piako Forum members.



# District Plan



## Why we do this activity

We have a statutory responsibility under the Resource Management Act 1991 to have a District Plan prepared at all times.

The District Plan's primary purpose is to manage the use, development and protection of land and other natural and physical resources in the district, for both current and future generations. In doing so the District Plan must allow for cost effective, good quality local infrastructure and public services. It also controls the effects of natural hazards and hazardous substances, sets the limits for noise, regulates activities on the surface of water, and helps to maintain biological diversity.

## What we do now

We are required to begin a District Plan review no less than every ten years to ensure it reflects the needs of our community. District Plan changes must follow the process outlined in the Resource Management Act 1991. As a part of this review, the community must be involved in the decision making process.

We monitor the effectiveness and efficiency of the District Plan through the annual State of the Environment reporting. In 2010 a report was completed on whether the District Plan is achieving its intended outcomes. This report is used when undertaking District Plan changes to ensure any new or altered rules achieve the intended results.

We also work on environmental policy at both a regional and a national level to ensure our policies are aligned with others, while still meeting the needs of our community.

By reviewing the District Plan Council makes sure the plan reflects the needs of the community.



## Our projects for the next year

Key projects for the 2014/15 year are set out below.

### District Plan review - \$200,000

Under the Resource Management Act 1991 we have to commence a review of our District Plan every 10 years. Like the past two years we have allocated \$200,000 to continue the rolling review of the District Plan. So far we have looked at the rural subdivision, transport and utility sections of the District Plan, and started work on review of our urban areas with the development of the Town Strategies. In 2014/15 we'll continue work on a review of our urban areas and look at what other aspects of the District Plan need to be prioritised for review.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit should pay. All residents within the district benefit from the District Plan and as a result, pay for this activity through general rates.



*Resource consents help us manage land use and development.*

## District Plan - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
<p>4 c) Council will protect and regenerate our native flora, wetlands and significant natural features.</p> <p>4 d) The adverse effects of development, industry and farming will be managed, monitored and minimised.</p> <p>4 e) High quality soils in our district will be protected.</p>	Monitoring and reporting on the state of our environment allows us to identify if we are achieving our objectives to protect the environment and highlights any issues that need to be addressed during District Plan reviews.	We will provide an annual update on progress on land use and development, and the protection of natural and physical resources of the district.	State of the environment monitoring reports will be updated on Council's website each year.	18 November 2009	19 November 2010	18 November 2011	13 November 2013	The updated report will be available by 20 November each year			Council updates results of this monitoring onto its website annually. We will also report on trends that we identify through our monitoring in the Annual Report.



The District Plan protects our environment for current and future generations.



The District Plan controls the development of land in our district.



# Strategies and Planning

## Why we do this activity

This activity is about planning for the current and future needs of our communities in an integrated and sustainable way. Through this activity we can make more informed decisions by involving the community in the decision making process. This way we are able to balance the different needs of our community, help achieve community outcomes, and meet our legislative requirements under the Local Government Act 2002.

This activity involves understanding the pressures facing households and businesses in our district and building relationships and partnerships. It also involves developing strategies and plans that contribute to achieving our community outcomes.

The Local Government Act 2002 has a significant impact on the Strategies and Planning activity, as it sets a number of legislative requirements that we must meet, including the process we must follow in order to prepare long term plans, annual plans and annual reports.

## What we do now

We engage the community in the development of our key documents. The Long Term Plan is the ten year business plan that provides the vision and direction to provide good quality local infrastructure and public services in a cost effective manner. We prepare a Long Term Plan every three years. The Annual Plan is prepared in the years between the Long Term Plan to show any variation on the projects and budgets in the Long Term Plan. The Annual Report is produced every year to ensure that we are doing what we said we would in the Long Term Plan/ Annual Plan.

We also ensure that our policies and bylaws are up to date, for example, the Gambling Venue Policy must be reviewed every three years and we must review our bylaws every ten years.

Strategies and Planning is responsible for administering grants to support organisations that provide public services and/or local infrastructure in our district.

## Our projects for the next year

Key projects for the 2014/15 year are set out below and on the following page.

### Long Term Plan - \$100,000

The Long Term Plan is our ten year plan. It is reviewed every three years, planning for this project usually starts 18 months out from when it needs to be adopted.

### Annual Report - \$14,000

This is a reduction from the LTP budget of \$25,000. The Annual Report is an independently audited document produced every financial year, it sets out our performance against the financial and non-financial targets set in our Long Term and Annual Plans. A separate budget of \$115,000 has been set aside to pay for independent auditor fees.

### Policies and bylaws review - \$30,000

Each year we have certain legislative policies and bylaws that need to be produced or reviewed. These can include the Gambling Venue Policy, TAB Venue Policy, Policy on Dogs, Earthquake-prone, Dangerous and Insanitary Buildings Policy, and several bylaws.

### Community grants - \$158,000

We provide funding to organisations that provide public services and local infrastructure in our district. This includes funding to groups such as the Citizens Advice Bureau, and Morrinsville Community House. We also have contestable grants available to help protect Significant Natural Features in the District.

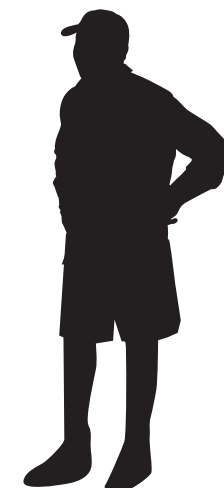
## Strategies and Planning - Our projects for the next year



### Economic development - \$200,000

We have \$200,000 set aside for supporting economic development in our community, \$100,000 is allocated to Hamilton and Waikato Tourism Limited to undertake tourism promotion of Matamata-Piako. The remaining \$100,000 has been split between the Matamata Public Relations Association and the Morrinsville Business and Promotions Association to help them support businesses, events and tourism information in their towns. Council runs the Te Aroha i-site itself, which is why no funding is identified under this grant for Te Aroha.

Council provides many grants to the community each year for a range of purposes.



Community Development

### How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit should pay. The underlying assumption in this case is that all residents within the district benefit from Strategies and Planning and as a result, pay for this activity through general rates.

### Levels of service

What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
2 a) Our community/lwi will be informed and have the opportunity to comment on significant issues.	The information and advice we provide will ensure that people are able to participate and feel well informed when we are preparing plans and strategies.	People will feel comfortable about participating in Council consultation processes.	Percentage of the community satisfied/very satisfied with the level of involvement in consultation processes.	69%	75%	77%	59%	71%	72%	73%	Measured by our annual customer satisfaction survey.
2 c) Council's decision making will be sound, visionary, and consider the different needs of our community/lwi.											

## Community Development - Funding impact statement



Matamata-Piako District Council: Funding impact statement for 1 July 2014 to 30 June 2015 for Community Development

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	
\$000		\$000	\$000	Explanation of significant variances to the original LTP
<b>Sources of operating funding</b>				
3,349	General rates, uniform annual general charges, rates penalties	4,161	3,318	The general rates requirement has reduced largely due to a change in how overhead expenses are allocated to this activity compared to the allocations set out in the LTP.
101	Targeted rates (other than a targeted rate for water supply)	349	-	
-	Subsidies and grants for operating purposes	-	-	
105	Fees, charges, and targeted rates for water supply	100	2	
-	Internal charges and overheads recovered	1	236	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
<b>3,555</b>	<b>Total operating funding (A)</b>	<b>4,611</b>	<b>3,556</b>	
<b>Applications of operating funding</b>				
2,091	Payments to staff and suppliers	1,769	1,961	
-	Finance costs	-	13	
1,465	Internal charges and overheads applied	2,443	1,173	The way in which overhead expenses are allocated to this activity has changed compared to the allocations set out in the LTP.
-	Other operating funding applications	-	-	
<b>3,556</b>	<b>Total applications of operating funding (B)</b>	<b>4,212</b>	<b>3,147</b>	
<b>(1)</b>	<b>Surplus/(deficit) of operating funding (A – B)</b>	<b>399</b>	<b>409</b>	
<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	
-	Development and financial contributions	-	-	
666	Increase/(decrease) in debt	30	33	
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
<b>666</b>	<b>Total sources of capital funding (C)</b>	<b>30</b>	<b>33</b>	



## Community Development - Funding impact statement



Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP
\$000		\$000	\$000	
<b>Applications of capital funding</b>				
-	— to meet additional demand	-	-	
65	— to improve the level of service	69	65	
1,253	— to replace existing assets	916	841	
(908)	Increase/(decrease) in reserves	(662)	(464)	
255	Increase/(decrease) of investments	106	-	
<b>665</b>	<b>Total applications of capital funding (D)</b>	<b>429</b>	<b>442</b>	
<b>1</b>	<b>Surplus/(deficit) of capital funding (C – D)</b>	<b>(399)</b>	<b>(409)</b>	
-	<b>Funding balance ((A – B) + (C – D))</b>	-	-	

The capital expenditure shown for this group of activities is for all of our Council wide support functions, that belong to a specific activity of Council (e.g. human resources, IT support, health and safety etc).

Community Development includes developing and reviewing our policies.

### Council in Focus

**Community arts events**

8-9 March – Art Exhibition of landscape in oils, 12 Hanna Street, Te Aroha, 10am-8pm.

18 March – A Day in the Domain, Te Aroha Domain, 9.30am. Food, stores, live music.

19-22 March - Morrinsville Floral Festival, Westpac Events Centre, 9.30am-6.30pm, \$10 adult, \$2 children.

**Community arts events**

2 November – Inachord Chorus, Musical Showcase with Matamata Country Club, Baptist Church, 3pm.

29 Nov – Rose Show, Matamata Memorial Centre, 12noon-5pm.

5-7 Dec – Matamata Christmas Choir, All Saints Church, Hohaia Street, 7.30pm.

We promote art events in the Council in Focus section of the local newspapers.



# Environmental Care

Environmental Care is about protecting the natural resources of our District, keeping our communities safe and healthy, and balancing the different needs and interests of people and businesses in our community. Environmental Care is responsible for resource consents, building consents, environmental health, alcohol licences, animal control and civil defence.

## Animal Control

### Why we do this activity

Many people enjoy the company of their pets and are responsible dog owners, however this is not always the case and unwanted or uncared for pets can become a nuisance in the community. Animal Control is there to help responsible dog owners and to ensure that unwanted or uncontrolled animals don't cause a problem for others through nuisance or injury to any person or other animal.

### What we do now

Animal Control provides a good quality regulatory service that tries to minimise the nuisance or harm caused to members of the public in a way that is cost effective for both pet owners and households and businesses. There are currently 5,101 registered dogs in the district. We also have high numbers of stock and other animals because we are a rural district. To help minimise any nuisance caused by animals, we consider it appropriate that we employ one and a half full time equivalent officers to provide a 24 hour, seven day a week animal control service. We believe we are providing this service in a cost effective way to households and businesses with the cost of this service being paid for by general rates, dog registrations, infringements fees and other charges.

### Our projects for the next year

There are no major projects forecast for the next year for Animal Control primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce the Dog Control Act 1996 and Impounding Act 1956.



Animal Control is a 24 hour, seven day a week, local public service.

The table below shows the fluctuations in the numbers of dogs registered in our District each year. We think numbers reduced in 2009-2010 because of the global financial crisis.

Financial Year	Number of registered dogs
2012/13	5,101
2011/12	4,952
2010/11	4,801
2009/10	4,873
2008/09	4,993
2007/08	4,618
2006/07	3,966
2005/06	3,845
2004/05	3,695

## Animal Control - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
<p>1 a) Council will aim to significantly reduce illegal activities and anti-social behaviour in our community.</p> <p>1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.</p>	By quickly responding to animal complaints we will help to reduce the incidents of illegal and antisocial behaviour by irresponsible animal owners.	Any disturbances caused by animals will be investigated and reported quickly and efficiently.	Complaints will be investigated and reported back to complainants.	98.6%	Results not available July - January  67% from February - June	68% (598,879)	94% responded to within adopted timeframes	95% of complaints will be responded to and reported back to complainants within adopted timeframes (see table on next page)			One of our main responsibilities is to follow up on complaints made about animals, from wandering stock to barking or attacking dogs. We aim to investigate the complaint and let the complainant know what action (if any) we intend to take within adopted timeframes. Some complaints can be resolved quickly, others can take time to work through with animal owners and may involve court action. Measured by our customer request management system.
	Regular street patrols ensure that animals are kept off the streets, decreasing the likelihood of attacks and accidents involving animals.	We will carry out regular street patrols to keep the streets free from stray animals.	Number of street patrols undertaken each month in each of the three main towns.	Not achieved ten per month per town		An average of 71.75 street patrols per town	Over 10 property visits per month per town	Average of ten per month per town			Street patrols allow our staff to check if there are wandering animals that could pose a risk to our community. Property visits let us check up with dog owners who may have had infringements, complaints or other breaches of the dog control requirements and make sure they are being responsible owners. Both of these help to reduce the incidents of problems caused by animals in our community. Our customer request management system records how many patrols and property visits we undertake and which town they are in. In the future we may look at measuring this with data collected from Global Positioning System units fitted to Animal Control vehicles.
	Regular property visits will ensure that people are taking quality care of their animals to ensure the safety of the community.	We will carry out regular property visits to ensure dog owners are responsible.	By the number of property visits per year.	633	273	735	730	600 property visits per year			

## Animal Control - Levels of service

Expected response times				
Complaint type	Incident type	0800-1700 hours	1700-0800 hours	Weekend/holiday
Dog bite person	*Current	1 hour	1 hour	1 hour
	*Reported	4 hours	Next working day	Next working day
*Aggressive dog	Current	1 hour	1 hour	1 hour
	Reported	4 hours	Next working day	Next working day
Attacked stock	Current	1 hour	1 hour	1 hour
	Reported	4 hours	Next working day	Next working day
Attacked other animal/bird	Current	1 hour	1 hour	1 hour
	Reported	4 hours	Next working day	Next working day
Barking dog	Current	1 hour	1 hour	1 hour
	Reported	4 hours	Next working day	Next working day
Wandering dog	Current	1 hour	1 hour	1 hour
	Caught in trap	1 hour	1 hour	1 hour
	Reported	Next working day	Next working day	Next working day
Unregistered	Current/reported	24 hours	Next working day	Next working day
Animal welfare	Current/reported	4 hours	Next working day	Next working day
Wandering stock	Current	1 hour	1 hour	1 hour
	Reported	Next working day	Next working day	Next working day

**\*Aggressive** means rushed person/vehicle or displaying threatening behaviour.

**\*Current incident** means the incident is happening now and the dog is an immediate danger to the public.

**\*Reported incident** is when some one reports an incident that happened sometime in the past, but is not a current threat to the public.

## How will we fund it?

The general approach to the funding of all public service activities managed by us is that those who (either directly or indirectly) benefit should pay. For this reason Animal Control is funded from a mix of general rates and fees and charges.

This activity is mostly funded through annual dog registrations but some of the functions (such as response to complaints) are for the good of the public, so are funded through general rates. The revenue and financing policy sets the 'public good' portion to be funded from general rates at 20% with the remaining 80% to come from registration, infringement fees and other charges.



*There are currently 5,101 registered dogs in our district.*

# Building Control



## Why we do this activity

Building Control ensures the buildings in our district are of good quality. We work with the community and the building industry to ensure all buildings are safe, healthy and durable both now and in the future, for their intended life. By providing this good quality local service we can ensure that buildings are used for their intended or appropriate purpose. This is also a regulatory function that we undertake as set out in the Local Government Act 2002.

## What we do now

Building Control ensures that the buildings within our district are of good quality by processing building resource consents and performing inspections to make sure that building work complies with the Building Code in accordance with the Building Act 2004. We also carry out audits to make sure that commercial building owners comply with their Building Warrants of Fitness and investigate complaints about illegal building work, taking enforcement action where necessary. We believe this service is provided to households and businesses in a cost effective manner with this service being paid for through a mix of general rates and fees and charges.

## Changes to earthquake-prone building regulations

Central government is reviewing the national standards for buildings that are earthquake-prone. This may include requiring building owners to undertake compulsory work to strengthen their building to a minimum requirement.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them, should pay. For this reason Building Control is funded from general rates and fees and charges.

It is partly funded through a 'user pays' system where the applicants for building consents pay for processing and inspection costs. However some of the activity has a 'public good' portion and is therefore funded through rates. The revenue and financing policy sets the public good portion to be funded from general rates at 30-40% with the remaining 60-70% to come from fees and charges.

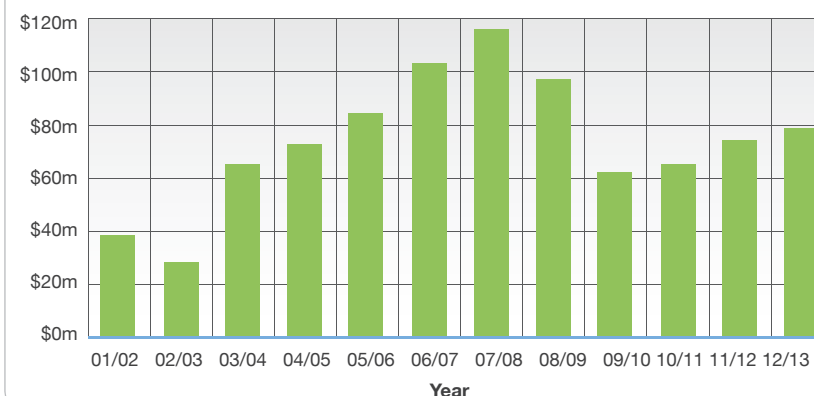
## Our projects for the next year

Key projects for the 2014/15 year are set out below and on the following page.

### Building Audit

Every two years International Accreditation New Zealand (IANZ) undertake an independent audit of our processes as a Building Control Authority, we are due to have one completed in March 2015. The Building Control Authority was established to help improve the control of, and encourage better practice and performance in, building design, regulatory building control and building construction. Building Control Authority accreditation requires that any council carrying out building consent, inspection and approval work be accredited by an independent building consent accreditation body IANZ. The council must then be registered by the Ministry of Business, Innovation and Employment against the standards and criteria in the Building (Registration of Building Consent Authorities) Regulations 2007.

Annual Matamata-Piako new building values



The graph above shows an increase in the value of new buildings between 2001 and 2012.



## Building Control - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
<p>1 d) Council will encourage access to good quality and affordable housing.</p> <p>1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.</p> <p>6 d) Council consent processes will ensure that our communities and environment are safe and sustainable.</p>	By processing building consents on time we contribute to the timely completion of building projects. By ensuring buildings meet building code requirements we ensure that buildings are safe and more sustainable (for example they meet improved building insulation requirements) and they contribute to the health of the community.	Building consents will be administered quickly and efficiently.	Building consent processing timeframes.	96.5%	98.6%	99.88%	100%	100% of building			<p>Currently the statutory timeframes for processing building consents are:</p> <ul style="list-style-type: none"> <li>ten working days for building consents with a national multiple use approval</li> <li>20 working days for all other building consents.</li> </ul> <p>Further changes to the Building Act 2004 are anticipated, this may lead to future changes to processing timeframes. Measured by a monthly statistical report.</p>
<p>1 a) Council will aim to significantly reduce illegal activities and anti-social behaviour in our community.</p> <p>1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.</p>	In fulfilling our enforcement role under the Building Act 2004 in a timely manner we help to reduce the incidences of illegal and dangerous building work in the district.	We will respond to complaints of alleged illegal/unauthorised activity.	Complaints to be responded to within ten working days.	81.6%	97.8%	100%	100%	100%			<p>One of our main roles is to regulate compliance with building code standards. We sometimes get complaints from the community about illegal or dangerous building work or swimming pools. We'll investigate the complaint to determine if building work is illegal or dangerous and let the complainant know what action we are taking. Issues regarding illegal building work can be complicated and it can take time to reach a resolution with the building owners. This is measured through our customer request management system.</p>

# Community Protection



## Why we do this activity

Health and alcohol licensing, noise control and emergency management (including civil defence and rural fire), all operate under Community Protection. We provide these good quality, local public services to ensure we meet the current and future needs of people living in and visiting our district. By performing these duties, we also meet our obligation to provide regulatory functions in these areas under the Local Government Act 2002 and several other enactments.

## What we do now

We have joined with Thames-Coromandel and Hauraki District Councils to establish a civil defence and rural fire committee to ensure we are prepared to respond to emergencies in our district. By joining together to provide this local public service, we can deliver the service in a more cost effective way for both households and businesses.

We process more than 150 health licences and over 100 liquor licences and manager's certificates each year. When issuing health licences, we inspect the licenced premises to ensure they meet the required health standards. By doing this, we can be sure that the interests of the public is a priority. This cost effective service is paid for through general rates and health licence fees.

Noise control is a local service and regulatory function we provide for members of the public, to ensure the nuisance caused by excessive or unreasonable noise is minimised.

Community Protection also deals with other legislative issues as required (such as meeting the requirements of the Gambling Act 2003 and the Prostitution Reform Act 2003), and have various other responsibilities such as dealing with the Hazardous Substances and New Organisms Act 1996, Litter Act 1979 and regulations under the Health Act 1956 such as infectious diseases and water supply protection.

## Our projects for the next year

There are no major projects planned for this activity. Our focus over the next year is primarily to stay up to date with legislation and ensure that we are providing a good quality service to our community. The Christchurch earthquakes may result in a review of civil defence requirements. A second generation plan for regional civil defence was approved in November 2011 and we will now review and update the Thames Valley Civil Defence Plan.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay.

The emergency management portion of this activity is funded 100% from general rates, however some reimbursement of costs may be achieved where vegetation fires get out of control and an emergency response is required. The health activity is funded 70-85% from general rates with the remaining 15-30% from health licence fees.

## Changes to legislation governing the sale and supply of liquor

Legislation reforming New Zealand's alcohol laws received royal assent on 18 December 2012 and is now law. The Sale and Supply of Alcohol Act 2012 (Act) replaced the Sale of Liquor Act 1989. The purpose of the legislative change is to improve New Zealand's drinking culture and reduce the harm caused by excessive drinking. Key features include:

- increasing the ability of communities to have a say on local alcohol licensing matters
- allowing local-level decision making for all licence applications
- introducing maximum default trading hours for licensed premises
- restricting supermarket and grocery store alcohol displays to a single area.

Under the Act key changes that affect us include:

- a move from national to local decision making via the establishment of District Licensing Committees
- expanded licence criteria and grounds for objection
- the ability to develop Local Alcohol Policies with legal standing
- a licensing system funded through risk-based fees.

Under the Act a Local Alcohol Policy may include policies on the following matters relating to licensing (and no others):

- location of licensed premises
- whether further licences (or licences of a particular kind or kinds) should be issued for premises
- maximum trading hours
- the issue of licences, or licences of a particular kind or kinds, subject to discretionary conditions
- one-way door restrictions.

## Community Protection - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information	
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22		
1 e) Council will prepare for emergencies.	We will prepare for emergencies by ensuring staff are qualified to act if necessary.	We will be prepared to assist the community in the event of an emergency.	We will have the required number of qualified staff within the Thames Valley Regional civil defence area.	New measure				Achieved	We will have at least 80% of the civil defence positions filled with appropriately trained staff at 30 June each year.			We need to have the right staff with the right qualifications to respond to a civil defence emergency in the Thames Valley civil defence area. Those positions include the controller, intelligence officers and several essential roles. We are completing a training needs analysis to get a good understanding of what our staff levels should be, then we aim to ensure a minimum percentage of those positions are filled at year end, this takes into account staff turnover. Measured through council staff records.
1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.	Inspecting food premises, hairdressers and camping grounds in the district gives residents confidence that they can safely use these facilities.	We will inspect or audit all food premises, hairdressers and camping grounds in the district to ensure they are running in accordance with the Health Act 1950 and/or health regulations.	Food premises, hairdressers and camping grounds will be inspected or audited annually to ensure they comply with standards.	100%	98%	100%	95.3%	100% inspected or audited			Measured by an internal monitoring system. If a premises doesn't meet hygiene standards, it is given an opportunity to fix any problems and it is re-inspected. If the premises still doesn't meet the hygiene standards it will not be issued with a licence. It is illegal for a premise to operate without a licence, and if a premises doesn't obtain a licence we require them to stop operating or face enforcement action.	

## Community Protection



Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015-22	
1 a) Council will aim to significantly reduce illegal activities and antisocial behaviour in our community.  1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.	By acting on noise complaints, we will be preventing antisocial behaviour which can negatively impact people's health and safety.	We will act on all noise complaints we receive.	Percentage of after hours (between 5pm and 8am, weekends and public holidays) noise complaints responded to within three hours.	Not measured		New measure	100%	100% responded to within three hours			This information will be collected through an internal monitoring system.  After hours responses to noise complaints are made by our security contractors, these are usually to loud stereos and parties. During working hours (8am-5pm) staff respond to complaints. Complaints during the day usually relate to general household noise or ongoing noise associated with business operations. Noise complaints are investigated and complainants are advised of the action we will take. Some complaints are easy to resolve, such as stereos, others can take sometime to resolve, such as ongoing business noise.
			Percentage of all other noise complaints (between 8am and 5pm Monday to Friday, excluding public holidays) responded to within two working days.	100%	96%	100%	100%	100% responded to within two working days			
1 f) Council services and activities will contribute to the health and wellbeing of our community/lwi.	Licensed premises that do not comply with alcohol licensing standards can contribute to illegal activities and antisocial behaviour.	We will ensure that all premises in the district with alcohol licences are operating responsibly.	On and off alcohol licenced premises will be inspected annually to ensure they comply with alcohol licensing standards.	100%	87%	100%	100%	100% inspected			This information will be collected through an internal monitoring system.  If a premises does not comply with the conditions of its licence it will be given an opportunity to rectify any problems. Ongoing non-compliance may result in us making an application to the Liquor Licensing Authority for the suspension or cancellation of the premises' alcohol licence.

# Regulatory Planning



## Why we do this activity

We provide Regulatory Planning services to meet our obligation to provide regulatory functions under the Resource Management Act 1991 and Local Government Act 2002. This service aims to find a balance between the use, development and protection of land and other natural and physical resources in our district. It's about managing our natural resources for current and future generations.

## What we do now

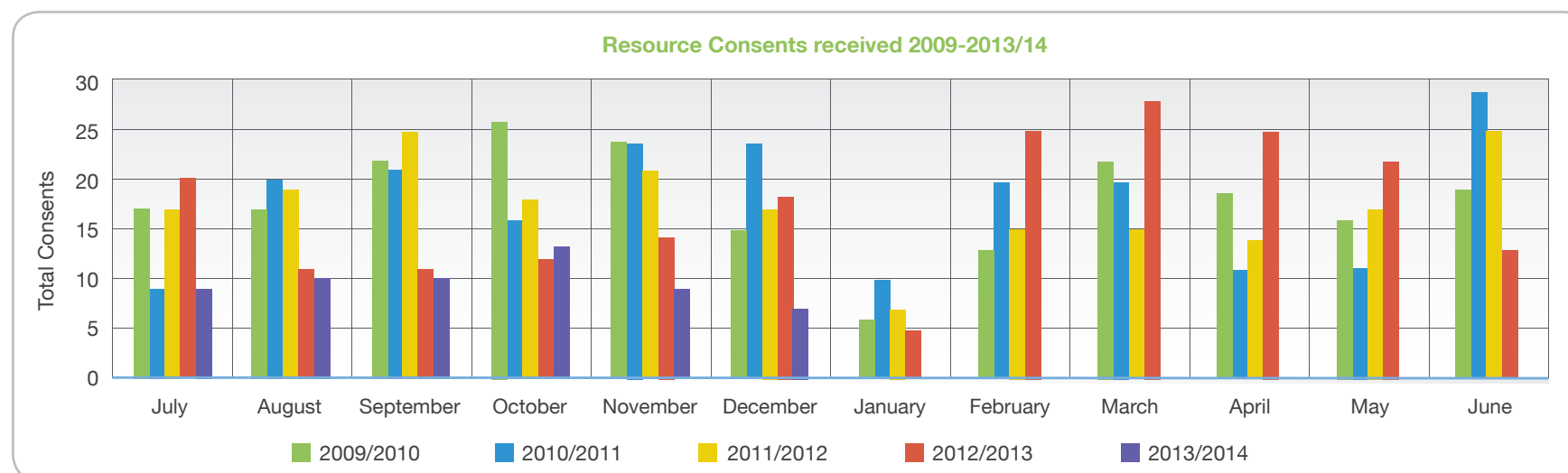
Regulatory Planning is responsible for administering rules under the District Plan and ensuring the sustainable management of natural resources for now and in the future. Regulatory Planning staff advise customers of the requirements of our District Plan and the Resource Management Act 1991, process land use and subdivision consent applications, monitor the compliance of land use and subdivision consents, and investigate breaches of our District Plan.

## How will we fund it?

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit from them should pay. All residents within the district benefit from Regulatory Planning and as a result, pay a portion towards this activity through general rates. All direct costs associated with resource consent processing is funded through a 'user pays' system, i.e. the applicant pays all costs. We believe this service is cost effective to households and businesses with the cost of this activity being paid for by general rates and resource consent processing fees. The 'public good' portion of the Regulatory Planning department is funded from rates. Currently, approximately 30-40% of the activity's total costs are recovered through resource consent processing fees, with the remaining 60-70% funded through rates.

## Our projects for the next year

There are no major projects forecast for the next year. The core function of this department is to administer, implement and enforce documents (District Plan, Resource Management Act 1991) that are developed by other departments and organisations.





## Regulatory Planning - Levels of service



What you can expect and how you will know we are meeting your expectations

Community Outcome	Rationale	Level of service	How we measure performance	Previous years				Target			Additional information
				2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14	2014/15	2015/22	
2 a) Our community/lwi will be informed, and have the opportunity to comment on significant issues. 2 c) Our decision making will be sound, visionary, and consider the different needs of our community/ lwi.	Resource consents need to be completed within statutory timeframes to ensure development projects are able to be completed seamlessly.	Resource consents will be administered quickly and efficiently.	Percentage of resource consents processed within statutory time lines.	88%	96%	98.5%	99.5%	100%			This is monitored through an internal management system. The 2009 amendments to the Resource Management Act 1991 requires us to refund a portion of the costs on any resource consents that are not processed within the statutory time frame.
2 a) Our community/lwi will be informed, and have the opportunity to comment on significant issues. 2 c) Our decision making will be sound, visionary, and consider the different needs of our community/ lwi. 4 c) Council will protect and regenerate our native flora, wetlands and significant natural features. 4 d) The adverse effects of development, industry and farming will be managed, monitored and minimised. 4 e) High quality soils in our district will be protected.	The community can rely on us to monitor compliance of resource consents to ensure the character of the towns remains intact.	Consent compliance is monitored by us.	Percentage of land use consents monitored within four months of being granted.	52%	93%	90%	100%	100%			This is monitored through an internal management system. This is the initial visits to see if or how works are progressing and to remind the applicant of all the conditions of consent and ensure they are complied with. Should non compliance be identified at this time, then we will work with the applicant to rectify the issues. If this can not be achieved then we will take enforcement action under the Resource Management Act 1991 to ensure compliance.
6 a) Council plans will be flexible, to accommodate well planned, sustainable growth. 6 b) Development will be conducted in a manner respectful to kawa (protocol), tikanga (customs) and values. 6 d) Council consent processes will ensure that our communities and environment are safe and sustainable.	To ensure decision making is fair and just the regulatory planning department need to be consistent when dealing with resource consents.	The decisions we make will meet good industry practice.	Five reports, each of a different type of resource consent will be peer reviewed to ensure they meet statutory requirements.	Five reports per year			Achieved	Five reports per year			A selection of five reports will be independently peer reviewed annually. Each year we commission a planning expert to peer review our reports. We receive an assessment from them on whether they think we have met our statutory requirements.

## Environmental Care - Funding impact statement



Matamata-Piako District Council: Funding impact statement for 1 July 2014 to 30 June 2015 for Environmental Care

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Sources of operating funding</b>				
2,074	General rates, uniform annual general charges, rates penalties	1,679	1,999	
-	Targeted rates (other than a targeted rate for water supply)	-	-	
-	Subsidies and grants for operating purposes	-	-	
1,118	Fees, charges, and targeted rates for water supply	1,315	1,479	
47	Internal charges and overheads recovered	4	47	
29	Local authorities fuel tax, fines, infringement fees, and other receipts	-	29	
<b>3,267</b>	<b>Total operating funding (A)</b>	<b>2,998</b>	<b>3,554</b>	
<b>Applications of operating funding</b>				
1,719	Payments to staff and suppliers	2,023	2,264	
-	Finance costs	-	-	
1,345	Internal charges and overheads applied	844	1,077	
-	Other operating funding applications	-	-	
<b>3,065</b>	<b>Total applications of operating funding (B)</b>	<b>2,867</b>	<b>3,341</b>	
<b>202</b>	<b>Surplus/(deficit) of operating funding (A – B)</b>	<b>131</b>	<b>213</b>	
<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	
-	Development and financial contributions	-	-	
-	Increase/(decrease) in debt	-	-	
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
-	<b>Total sources of capital funding (C)</b>	-	-	

## Environmental Care - Funding impact statement



Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Applications of capital funding</b>				
	Capital expenditure			
-	— to meet additional demand	-	-	
-	— to improve the level of service	-	-	
-	— to replace existing assets	-	-	
202	Increase/(decrease) in reserves	131	213	
-	Increase/(decrease) of investments	-	-	
<b>202</b>	<b>Total applications of capital funding (D)</b>	<b>131</b>	<b>213</b>	
<b>(202)</b>	<b>Surplus/(deficit) of capital funding (C – D)</b>	<b>(131)</b>	<b>(213)</b>	
-	<b>Funding balance ((A – B) + (C – D))</b>	-	-	



View of Mt Te Aroha from the Howarth Memorial Wetlands.



# Support Services

Support Services are an essential part of ensuring we operate in an effective and efficient manner, meeting our statutory obligations, and working towards the achievement of community outcomes.

Support Services are the internal teams that help Council operate efficiently.



These activities are internally focused and do not generally have a direct output to the community, rather they are internal support systems for those activities that do. The Support Service activities have their own business plans which outline the strategic focus for the activity and the major projects proposed.

The Support Services activities include customer services, finance and business services, legal services, project management, human resources, information management, Kaimai Consultants, Kaimai Valley Services, quality assurance, health and safety, and democracy services.

## Customer services

The customer services team provide a 'one stop shop' offering various contact options to customers through phone, email or face to face contact. There are three area office's based in Matamata, Morrinsville and Te Aroha. Internal departments also rely on customer services to answer customer enquiries and process certain applications.

## Finance and business services

The finance and business service is responsible for offering financial advice and services to all of our other activities. All of our operations have some financial aspect to them and require support in areas such as revenue gathering, capital funding, meeting financial and tax obligations, monitoring of expenditure, and corporate reporting. This activity provides a cost effective financial and accounting service that enhances the achievement of our goals and meets the needs of the organisation.

## Legal services

Legal services provides in house legal support to the organisation to ensure risks are minimised through access to legal advice, and to make sure we comply with our legislative obligations. The primary role of the legal services activity is to provide general legal advice to the organisation, prepare legal documentation and to assist with the sale and purchase of property.

## Project management

The project management service exists to support other activities by ensuring project processes are in place to track and monitor the preparation and implementation of our projects. The primary role of project management is to coordinate the works of other activities to ensure that we manage our projects in the most efficient and effective way. This activity is also responsible for our risk management processes which help us identify, analyse and mitigate uncertainties and risks we face.

## Human resources

The human resource activity works in partnership with managers to ensure we recruit, train and support our staff to perform in their roles competently. This activity provides training and development, performance management, remuneration, policy development and planning, and provides a payroll service.

## Information management

The primary role of the information management service is to support and assist other activities to meet their goals and objectives through the provision of practical technological solutions and effective management of data and records. Services provided include information technology, records management, land administration, data integrity and geographical information systems.

## Support Services



### Kaimai Consultants

Kaimai Consultants operates as a stand alone unit of Council and is part of the operational services division. The consultancy operates under a series of service level agreements to provide professional services required for the operation and improvement of our assets.

### Kaimai Valley Services

Kaimai Valley Services is a unit that operates like an external contractor. Kaimai Valley Services undertake our work in the areas of water and waste water, parks and cemeteries and light civil works. Kaimai Valley Services also undertake some private works.

### Quality assurance

Recognising the importance of consistent and quality service, we have committed to the ISO 9001:2000 quality assurance system. Quality assurance provides documented evidence of what we do, how we do it and what we expect the outcomes to be. This evidence is audited against quality principles, our own internally generated understandings, and the expectations and needs of the customer.

### Health and safety

This service is in place to support all of our activities and to provide a system to ensure that all safety objectives can be addressed and achieved as well as meeting our legislative requirements. This activity underpins good management as well as developing and enhancing corporate culture.

### Democracy services

Staff provide meeting management services to Council and it's Committees. This service is responsible for organising our civic ceremonies such as citizenship ceremonies and providing administrative support to Council and it's committees.

These teams ensure we get great quality service in all areas of Council.



Support Services includes information management.



# Overall Council funding impact statement

## Funding impact statement for the year ended 30 June 2015.

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Sources of operating funding</b>				
18,437	General rates, uniform annual general charges, rates penalties	19,660	19,178	General and targeted rate requirements are lower than planned in the LTP due to a number of factors, particularly lower levels of debt and reduced finance costs obtained through favourable interest rates, inflationary pressures on projected costs being less significant than forecast in the LTP, and cost savings in areas such as the shared waste management contract and other activities of Council.
11,802	Targeted rates (other than a targeted rate for water supply)	13,126	11,564	
2,318	Subsidies and grants for operating purposes	2,382	2,409	
7,063	Fees, charges, and targeted rates for water supply	7,202	7,122	Revenue from fees and charges are less than projected in the LTP, in line with the reduced costs.
618	Interest and dividends from investments	647	440	
259	Local authorities fuel tax, fines, infringement fees, and other receipts	246	259	
<b>40,497</b>	<b>Total operating funding (A)</b>	<b>43,263</b>	<b>40,972</b>	
<b>Applications of operating funding</b>				
28,436	Payments to staff and suppliers	29,954	28,158	Inflationary pressures on projected costs are less significant than forecast in the LTP, and cost savings have been achieved in areas such as the shared waste management contract and other activities of Council.
3,016	Finance costs	3,688	2,155	Finance costs are lower than projected in the LTP due to both more favourable interest rates than originally projected, and a lower level of debt being held due to the delay and reconsideration of some capital projects.
-	Other operating funding applications	-	-	
<b>31,452</b>	<b>Total applications of operating funding (B)</b>	<b>33,642</b>	<b>30,313</b>	

\*Both the 'fees, charges and targeted rates for water supply' and 'payments to staff and suppliers' shown in the 2012-22 Long Term Plan were overstated, as internal costs were included in error. These figures have been corrected above by reducing the 2014/15 Long Term Plan figures by \$1.624 million.

## Overall Council funding impact statement



### Funding impact statement for the year ended 30 June 2015.

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
9,045	<b>Surplus/(deficit) of operating funding (A – B)</b>	<b>9,621</b>	<b>10,659</b>	
	<b>Sources of capital funding</b>			
2,831	Subsidies and grants for capital expenditure	3,290	2,822	NZTA subsidies approved for capital work have been reduced compared to the level projected in the LTP.
650	Development and financial contributions	693	649	
4,594	Increase/(decrease) in debt	1,719	1,506	
-	Gross proceeds from sale of assets	-	-	
97	Lump sum contributions	179	97	
8,172	<b>Total sources of capital funding (C)</b>	<b>5,881</b>	<b>5,074</b>	
	<b>Applications of capital funding</b>			
	Capital expenditure			
81	—to meet additional demand	323	301	
6,115	—to improve the level of service	3,799	4,848	The timing of capital works set out in the LTP has changed with a number of significant projects from prior years being carried forward to this year and others delayed to future years.
11,097	—to replace existing assets	10,748	9,655	
(524)	Increase/(decrease) in reserves	(42)	929	
448	Increase/(decrease) of investments	674	-	
17,217	<b>Total applications of capital funding (D)</b>	<b>15,502</b>	<b>15,733</b>	
(9,045)	<b>Surplus/(deficit) of capital funding (C – D)</b>	<b>(9,621)</b>	<b>(10,659)</b>	
-	<b>Funding balance ((A – B) + (C – D))</b>	<b>-</b>	<b>-</b>	



# Financial statements





# Financial statements



## Forecast statement of comprehensive income for the year ending 30 June 2015

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Income</b>				
18,437	General rates, uniform annual general charges, rates penalties	19,660	19,178	General and targeted rate requirements are lower than planned in the LTP due to a number of factors, particularly lower levels of debt and reduced finance costs obtained through favourable interest rates, inflationary pressures on projected costs being less significant than forecast in the LTP, and cost savings in areas such as the shared waste management contract and other activities of Council.
11,802	Targeted rates (other than a targeted rate for water supply)	13,127	11,564	
97	Lump sum contributions	179	97	
2,318	Subsidies and grants for operating purposes	2,382	2,409	
2,831	Subsidies and grants for capital expenditure	3,290	2,822	NZTA subsidies approved for capital work have been reduced compared to the level projected in the LTP.
7,063	Fees, charges and targeted rates for water supply*	7,201	7,121	
618	Interest and dividends from investments	647	440	
259	Local authorities fuel tax, fines, infringement fees, and other receipts	246	259	
650	Development and financial contributions	694	650	
576	Vested assets	618	576	
104	Other gains	106	-	
<b>44,755</b>	<b>Total income</b>	<b>48,150</b>	<b>45,116</b>	
<b>Expenditure</b>				
15,822	Payments to suppliers	16,238	15,298	Inflationary pressures on projected costs are less significant than forecast in the LTP, and cost savings have been achieved in areas such as the shared waste management contract and other activities of Council.
12,614	Payments to staff	13,650	12,859	
3,016	Finance costs	3,755	2,156	Finance costs are lower than projected in the LTP due to both more favourable interest rates than originally projected, and a lower level of debt being held due to the delay and reconsideration of some capital projects.
13,287	Depreciation and amortisation	13,983	14,243	
-	Other losses	-	-	
<b>44,739</b>	<b>Total expenditure</b>	<b>47,626</b>	<b>44,556</b>	

\*Both the 'fees, charges and targeted rates for water supply' and 'payments to staff and suppliers' shown in the 2012-22 Long Term Plan were overstated, as internal costs were included in error. These figures have been corrected above by reducing the 2014/15 Long Term Plan figures by \$1.624 million.

## Financial statements



### Forecast statement of comprehensive income for the year ending 30 June 2015

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
-	Share of joint venture surplus/(deficit) for the year	-	-	
<b>16</b>	<b>Surplus/(deficit)</b>	<b>524</b>	<b>560</b>	
<b>Other comprehensive income</b>				
-	Gains/(losses) on property, plant and equipment revaluations	17,547	-	At this point we expect that we will revalue our property, plant and equipment in the 2013/14 financial year (rather than waiting to 2014/15) as there have been some significant movements in the fair value of Council's assets.
-	<b>Total other comprehensive income</b>	<b>17,547</b>	<b>-</b>	
<b>16</b>	<b>Total comprehensive income</b>	<b>18,071</b>	<b>560</b>	

### Forecast statement of changes in equity for the year ending 30 June 2015

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>542,720</b>	<b>Balance at 1 July</b>	<b>543,194</b>	<b>567,838</b>	At this point we expect that we will revalue our property, plant and equipment in the 2013/14 financial year (rather than waiting to 2014/15) as there have been some significant movements in the fair value of Council's assets. This will result in the opening equity for 2014/15 being higher by the total valuation increase and the total comprehensive income being lower by the same amount.
16	Total comprehensive income	18,071	560	
<b>542,736</b>	<b>Balance at 30 June</b>	<b>561,265</b>	<b>568,398</b>	
	Equity represented by:			
433,829	Retained earnings	436,890	420,336	
108,907	Other reserves	124,375	148,062	
<b>542,736</b>	<b>Total equity</b>	<b>561,265</b>	<b>568,398</b>	



## Financial statements



Forecast statement of financial position as at 30 June 2015

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
694	Cash and cash equivalents	1,461	1,792	Cash holdings are expected to be lower generally as Council uses surplus cash to repay its floating debt facility.
3,505	Trade and other receivables	3,034	2,996	
-	Derivative financial instruments	-	-	
5,706	Other financial assets	6,124	1,238	Cash investments have been utilised for internally funding capital projects (rather than borrowing externally) and as above, cash surpluses are used to repay floating debt rather than for investing.
619	Inventory	639	531	
-	Assets held for sale	-	317	
<b>10,524</b>	<b>Total current assets</b>	<b>11,258</b>	<b>6,874</b>	
	<b>Less current liabilities</b>			
3,042	Trade and other payables	3,195	4,427	
1,345	Employee benefit liabilities	1,388	1,390	
3,081	Borrowings	2,939	1,060	The revised current portion of borrowing reflects Council's projected borrowing portfolio.
68	Provisions	70	117	
<b>7,536</b>	<b>Total current liabilities</b>	<b>7,592</b>	<b>6,994</b>	
<b>2,988</b>	<b>Working capital</b>	<b>3,666</b>	<b>(120)</b>	
	<b>Non-current assets</b>			
18,477	Other financial assets	18,543	13,005	As above, cash investments have been utilised for internally funding capital projects (rather than borrowing externally), and the projected value of Council's Power New Zealand overseas investment fund is not high as that projected in the LTP.
2,876	Investments in Council Controlled Organisations and other entities	2,876	3,062	
572,068	Property, plant and equipment	592,269	593,304	At this point we expect that we will revalue our property, plant and equipment in the 2013/14 financial year, resulting in a projected \$30m increase in asset values, compared to a \$17m increase as projected in the LTP. Offsetting that, is the fact that some capital projects have been delayed or reconsidered compared to the scheduled capital spend in the LTP.
1,263	Intangible assets	1,304	971	
<b>594,684</b>	<b>Total non-current assets</b>	<b>614,992</b>	<b>610,342</b>	

## Financial statements



### Forecast statement of financial position as at 30 June 2015

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
	<b>Non-current liabilities</b>			
-	Derivative financial instruments	-	-	
53,909	Borrowings	56,400	40,498	A number of capital projects have been delayed, reconsidered or internally funded compared to the scheduled capital spend in the LTP, resulting in a reduced requirement to borrow externally.
453	Employee benefit liabilities	468	580	
574	Provisions	525	746	
<b>54,936</b>	<b>Total non-current liabilities</b>	<b>57,393</b>	<b>41,824</b>	
<b>542,736</b>	<b>Net assets</b>	<b>561,265</b>	<b>568,398</b>	
	Equity represented by:			
433,829	Retained earnings	436,890	420,336	
108,907	Other reserves	124,375	148,062	
<b>542,736</b>	<b>Total equity</b>	<b>561,265</b>	<b>568,398</b>	



Provisions are set aside for future costs of maintaining and monitoring Council's closed landfills and the Tui Mine site.



Dairy farming is a key part of our economy.

## Financial statements



### Forecast statement of cashflows for the year ending 30 June 2015

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
<b>Cashflows from operating activities</b>				
30,239	General and targeted rates and rates penalties	32,788	30,839	General and targeted rate requirements are lower than planned in the LTP due to a number of factors, particularly lower levels of debt and reduced finance costs obtained through favourable interest rates, inflationary pressures on projected costs being less significant than forecast in the LTP, and cost savings in areas such as the shared waste management contract and other activities of council.
5,149	Subsidies and grants	5,672	5,231	
7,063	Fees, charges and targeted rates for water supply	8,825	7,121	The fees, charges and targeted rates for water supply shown in the LTP were overstated as internal costs were included in error.
229	Interest from investments	232	50	
357	Local authorities fuel tax, fines, infringement fees and other receipts	425	259	
650	Development and financial contributions	694	650	
-	Net GST	-	-	
	Cash was applied to:			
28,436	Payments to staff and suppliers	31,513	28,157	Inflationary pressures on projected costs are less significant than forecast in the LTP, and cost savings have been achieved in areas such as the shared waste management contract and other activities of council. The payments to staff and suppliers shown in the LTP were overstated as internal costs were included in error.
3,016	Finance costs	3,755	2,156	Finance costs are lower than projected in the LTP due to both more favourable interest rates than originally projected, and a lower level of debt being held due to the delay and reconsideration of some capital projects.
<b>12,235</b>	<b>Net cashflow from operating activities</b>	<b>13,368</b>	<b>13,837</b>	
<b>Cashflows from investing activities:</b>				
152	Repayment of loans and advances	157	170	
-	Sale of assets	-	-	
390	Proceeds from sale/maturity of investments and dividends received	415	390	
	Cash was applied to:			
17,076	Purchase of property, plant and equipment	14,855	14,694	
217	Purchase of intangible assets	14	111	

\*Both the 'fees, charges and targeted rates for water supply' and 'payments to staff and suppliers' shown in the 2012-22 Long Term Plan were overstated, as internal costs were included in error. These figures have been corrected above by reducing the 2013/15 Long Term Plan figures by \$1.624 million.

## Financial statements



### Forecast statement of cashflows for the year ending 30 June 2015

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the original LTP budget
\$000		\$000	\$000	
551	Acquisition of investments	568	-	Cash investments have been utilised for internally funding capital projects (rather than borrowing externally) and, cash surpluses are used to repay floating debt rather than for investing.
<b>(17,302)</b>	<b>Net cashflows from investing activities</b>	<b>(14,865)</b>	<b>(14,245)</b>	
	<b>Financing activities</b>			
	<b>Cash was provided from:</b>			
7,192	Proceeds from borrowings	4,800	7,476	The timing of capital works set out in the LTP has changed, impacting on the timing of borrowing requirements, with a number of significant projects from prior years being carried forward to this year and others delayed to future years.
	Cash was applied to:			
2,600	Repayment of borrowings	3,081	5,970	The revised repayment of borrowings reflects Council's projected borrowing portfolio.
<b>4,592</b>	<b>Net cashflows from financing activities</b>	<b>1,719</b>	<b>1,506</b>	
<b>(475)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>222</b>	<b>1,098</b>	
1,169	Opening cash and cash equivalents	1,239	694	Cash holdings are expected to be lower generally as Council uses surplus cash to repay its floating debt facility.
<b>694</b>	<b>Closing cash and cash equivalents</b>	<b>1,461</b>	<b>1,792</b>	

# Statement of accounting policies



## Reporting entity

Matamata-Piako District Council is a local authority governed by the Local Government Act 2002 (LGA) and is domiciled in New Zealand.

Matamata-Piako District Council has a 34% interest in a jointly controlled entity, Thames Valley Combined Civil Defence Committee, together with Hauraki District Council and Thames-Coromandel District Council. Each Council has equal representation on the committee. Thames-Coromandel District Council is the administering authority.

The primary objective of Matamata-Piako District Council is to provide goods or services for the community of social benefit rather than making a financial return. Accordingly Matamata-Piako District Council has designated itself as a Public Benefit Entity (PBE) and as such, reports as a tier one entity under the New Zealand equivalents to International Financial Reporting Standards for Public Benefit Entities (NZ IFRS PBE).

The financial information contained within these documents is prospective financial information in terms of Financial Reporting Standard 42 Prospective Financial Statements (PBE). The purpose for which this has been prepared is to enable the public to participate in decision making processes as to the services to be provided by the Council over the 2014/15 financial year, and to provide a broad accountability mechanism of the Council to the community. The financial information in the Annual Plan may not be appropriate for purposes other than those described.

The forecast financial statements of Matamata-Piako District Council are for the year ended 30 June 2015. The forecast financial statements were authorised for issue as part of the Annual Plan by Council. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

The financial statements will be authorised for issue by Council on 25 June 2014.

## Cautionary note

The information in the forecast financial statements is uncertain and the preparation requires the exercising of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or we may subsequently take actions that differ from the proposed courses of action on which the forecast financial statements are based. The information contained within these forecast financial statements may not be suitable for use in another capacity.

## Basis of preparation

### Statement of compliance

The forecast financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). These forecast financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS PBE for tier one entities.

### Measurement base

The forecast financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, and certain infrastructural and other assets.

### Functional and presentation currency

The forecast financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency for us is New Zealand dollars.

### Opening balances

The forecast financial statements have been prepared based on expected opening balances for the year ended 30 June 2014. Estimates have been restated accordingly if required.

### Changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these forecast financial statements.

## Significant accounting policies

### Joint venture

We recognise our interest in our jointly controlled entity, Thames Valley Combined Civil Defence Committee, using the equity method. This investment is initially recognised at cost and the carrying amount is increased or decreased to recognise our share of the profit or loss of the jointly controlled entity after the date of acquisition. Our share of the profit or loss of the jointly controlled entity is recognised in our statement of comprehensive income. The carrying amount of the investment is shown as shares in the statement of financial position.





## Statement of accounting policies

### Revenue

Revenue is measured at the fair value of consideration received. Revenue is recognised to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- **Rates** - Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced over four instalments within the financial year to which the rates have been set. Rates revenue is recognised at the due date of each instalment.
- **Private works** - The revenue from private works is recognised as revenue by reference to the stage of completion of the work at balance date.
- **Government grants** - Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Other grants and requests received by us are recognised as revenue when control over the asset is obtained.
- **Fees and charges** - Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of license fees, upon renewal of the license.
- **Interest** - Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.
- **Dividends** - Revenue is recognised when the shareholders' right to receive the payment is established.
- **Rental income** - Rental income arising on property owned by us is accounted for on a straight line basis over the lease term.
- **Development contributions** - Development and financial contributions are recognised as revenue when we provide, or are able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time we provide, or are able to provide, the service. Development contributions are classified as part of other income.

- **Vested assets** - Vested asset income recognises the value of land and/or infrastructural works that have been handed over to us following completion of the subdivision consent process. Vested assets are valued by applying standard unit rates to actual quantities of infrastructural components vested. The rates used are provided by the land developers and tested for reasonableness by our engineering staff. Vested asset income is recognised as revenue when the control over the asset is obtained.
- **Found assets** - Found asset income recognises the value of assets that we own, or where we have full control and management of the asset (and that asset is not recorded as such by any other entity), and these assets have not been previously accounted for. These assets are recognised at their fair value from the time that they are identified.

### Borrowing costs

We have elected to defer the adoption of NZ IAS (PBE) 23 Borrowing Costs in accordance with its transitional provisions that are applicable to PBE's. Consequently, all borrowing costs are recognised as an expense when incurred.

### Grants expenditure

Non-discretionary grants are 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 we have no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

### Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### Leases

Finance leases, which transfer to us substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the



## Statement of accounting policies

fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases do 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 include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### Trade and other receivables

Trade and other receivables are recorded at their face value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that we will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

### Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from investing activities, and interest rate risks arising from financing activities. In accordance with our treasury policies, we do not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The associated gains or losses are recognised in the surplus or deficit in the statement of comprehensive income. The fair value of the derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise derivatives are classified as non-current.

### Other financial assets

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

Purchases and sales of financial assets are recognised on trade-date, the date on which we commit 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 we have transferred substantially all the risks and rewards of ownership.

#### *Financial assets at fair value through surplus or deficit*

- fair value through surplus or deficit
- loans and receivables
- held-to-maturity investments, and
- fair value through other comprehensive income.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

#### *Fair value through surplus and deficit*

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit taking. Derivatives are also categorised as held for trading.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non current classification of derivatives is explained in the derivatives accounting policy above.



## Statement of accounting policies

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit in other gains and losses.

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

### *Held to maturity investments*

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### *Fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified as any of the categories above. They are included in non-current assets, unless management intends to dispose of, or realise the investment within 12 months of balance date. The Council includes in this category:

- investments that it intends to hold long term but which may be realised before maturity; and

- shareholdings that it holds for strategic purposes.

These investments are measured at fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

### **Impairment of financial assets**

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

### *Loans and other receivables, and held to maturity investments*

Impairment is established when there is objective evidence that we will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted using the original effective interest rate.

For trade and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock and community loans are recognised directly against the instrument's carrying amount.

### *Financial assets at fair value through other comprehensive income*

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. For debt instruments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that



## Statement of accounting policies

financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

### Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the first in first out (FIFO) method), adjusted when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

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

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

When land held for development and future resale is transferred from property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory (work in progress), with the exception of infrastructural asset costs, which are capitalised to property, plant and equipment.

### Assets held for sale

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write downs of assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

### Property, plant and equipment

Property, plant and equipment consists of:

- Operational assets - land, buildings, restricted assets, plant and machinery, furniture and equipment, computer equipment, and library collections.
- Restricted assets are our parks and reserves which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets - fixed utility systems owned by us. Each asset class includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and wastewater pump stations.

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

#### Revaluations

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

We assess the carrying values of our revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

#### Additions

The cost of an item of property, plant and equipment is recognised as an asset if,

Asset	Useful life	Depreciation rate
<b>Operational Assets</b>		
Buildings	2 to 100 years	1% - 50%
Restricted assets (buildings)	2 to 100 years	1% - 50%
Plant and machinery	2 to 10 years	10% - 50%
Furniture and equipment	2 to 20 years	5% - 50%
Computer equipment	3 to 5 years	20% - 33%
Server hard drives	1 year	100%
Library collection	2 to 9 years	11% - 50%
<b>Infrastructural assets - Roading network</b>		
Street lighting	8 - 50 years	2% - 12%
Formation carriageway	Indefinite	0%
Pavement surfacing	7 to 50 years	2% - 14%
Pavement structure	25 to 47 years	2% - 4%
Footpaths	5 to 50 years	2% - 20%
Drainage	60 to 90 years	1% - 2%
Bridges	100 years	1%
All other	1 to 57 years	2% - 50%
<b>Infrastructural assets - Utility assets</b>		
Buildings	50 to 80 years	1% - 2%
Wastewater mains	60 to 100 years	1% - 2%
Wastewater other	60 to 80 years	1% - 2%
Wastewater pump station equipment	14 to 80 years	1% - 7%
Wastewater service lines	60 to 100 years	1% - 2%
Water mains	60 to 100 years	1% - 2%
Water valves	15 to 80 years	1% - 6%
Water hydrants	80 years	1%
Water nodes	80 years	1%
Water pump station equipment	10 to 100 years	1% - 10%
Water service lines	60 to 100 years	1% - 2%
Stormwater mains	60 to 100 years	1% - 2%
Stormwater manholes	60 to 80 years	1% - 2%
Stormwater pumps	15 years	7%
Stormwater service lines	60 to 100 years	1% - 2%
Swale drains	Indefinite	0%

and only if, it is probable that future economic benefits or service potential associated with the item will flow to us and the cost of the item can be measured reliably.

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

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

#### *Disposals*

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

#### *Depreciation*

Depreciation is provided on a straight line basis on all property, plant and equipment (other than land and the library collection), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The library collection is depreciated on a diminishing value basis. The useful lives and associated depreciation rates of major classes of assets have been estimated as shown in the adjoining table.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at the end of each financial year.

#### *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 us and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

#### **Intangible assets**

##### *Computer software*

Acquired computer software licenses 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 the surplus or deficit.

Computer software is estimated to have a useful life of three years and is amortised at a rate of 33.3% per annum.

### **Impairment of non-financial assets**

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

### **Trade and other payables**

Short-term creditors and other payables are recorded at their face value.

### **Borrowings**

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

Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after balance date. Borrowings where we have an unconditional right to defer settlement of the liability for at least 12 months after balance date are classified as current liabilities if we expect to settle the liability with 12 months of the balance date.

### **Employee entitlements**

#### *Short term benefits*

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on the accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences.

#### *Long term benefits*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, 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 entitlement information, and
- the present value of the estimated future cashflows.



#### *Presentation of employee entitlements*

Sick leave, annual leave, vested long service leave, non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

#### *Defined contribution superannuation scheme*

Obligations for contributions to defined contribution superannuation schemes (such as KiwiSaver) are recognised as an expense in the surplus or deficit when incurred.

#### **Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

#### **Equity**

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

- retained earnings
- other reserves
- council created reserves
- restricted reserves
- asset revaluation reserves.

#### *Reserves*

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 us.

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

Council created reserves - reserves established by Council decision. We may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at our discretion.

Asset revaluation reserves - represent unrealised gains on assets owned by us. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to retained earnings.

#### **Goods and service tax (GST)**

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

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

The net GST paid to, or received from the IRD, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

#### **Cost allocation**

The cost of service for each of our significant activities has been derived 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. The allocation of indirect



costs to the activities of Council has also been benchmarked against neighbouring local authorities for moderation.

### Critical accounting estimates and assumptions

In preparing these forecast financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations on infrastructural assets.

These include:

- The physical deterioration and condition of an asset, for example we 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 us performing a combination of physical inspections and condition modelling assessments of underground assets; estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then we could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income.

To minimise this risk, our infrastructural assets useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of our asset management planning activities, which gives us further assurance over its useful

life estimates. Experienced independent valuers perform or undertake a peer review of our infrastructural asset revaluations.

#### Provisions for landfill aftercare and Tui Mine site monitoring

The cash outflows for landfill after care and site monitoring costs are expected to occur over 25 years or more. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provisions have been estimated taking into account existing technology and discounted using a discount rate of 6%.

The following assumptions have been made in the calculation of the provisions:

- obligations for the work are for the period of the resource consents for these sites
- costs have been estimated based on best information and technology known at this point.

### Critical judgements in applying accounting policies

Management has exercised the following critical judgment in applying accounting policies to these forecast financial statements:

#### Classification of property

We own a number of properties held to provide housing to elderly persons. The receipt of rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of our social housing policy. The properties are therefore accounted for as property, plant and equipment.

### Updates to Financial Statements

We do not intend to update the financial statements subsequent to presentation to Council.

## Forecast depreciation and amortisation

Forecast depreciation and amortisation by group of activity

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15	Explanation of significant variances to the LTP budget
\$000		\$000	\$000	
2,035	Community facilities	2,129	2101	
5,446	Roading	5,631	5,929	
43	Rubbish and recycling	45	42	
670	Stormwater	698	705	
2,651	Wastewater	2,861	2,897	Depreciation savings are expected due to the timing of completion of wastewater capital projects.
1,528	Water	1,653	1,633	
1	Community development	1	1	
2	Environmental care	2	9	
911	Corporate assets*	963	926	
<b>13,287</b>	<b>Total depreciation and amortisation</b>	<b>13,983</b>	<b>14,243</b>	

\* Corporate assets include computers, office furniture, vehicles etc used by the supporting activities of Council that do not relate directly to one of Council's groups of activities.



Centennial Drive, Matamata.



The Nottingham Castle, Morrinsville.

## Reserve funds



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 us. Restricted reserves are those reserves subject to conditions accepted as binding by us and which may not be revised by us without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain conditions are met. Council created reserves are established by Council decision. We may alter them without reference to any third party or the Courts or a third party. Transfers to and from these reserves are at Council's discretion. Asset revaluation reserves represent unrealised gains on assets owned by us. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to retained earnings. Details of the specific reserve funds held by us are as follows:

Reserve fund	Purpose	Activities related to	Balance 1 July 2014 \$000	Transfers in \$000	Funds will come from	Transfers out \$000	Funds will be applied to:	Forecast balance 30 June 2015 \$000
<b>Council created reserves</b>								
Asset replacement reserves	Reserves held for asset purchase, replacement or emergency purposes.	All Council activities	2,082	-		-		2,082
Community Purposes & Facilities reserves	Reserves held for use on community facilities or for community purposes e.g. grants.	Community Facilities & Community Development	106	-		-		106
Property sales reserves	Reserves developed from the proceeds of property sales. Available for general community use or property purchase.	All Council activities	1,936	-		50	Fund Regional coordination activities from 2013-2016	1,886
Energy Share Proceeds	Fund developed from initial dividend received from Council's PNZ shareholding. Available for general purpose use.	All Council activities	162	-		-		162
General purpose reserves	Residual funds from former authority general reserves.	All Council activities	77	-		-		77
PNZ Share reserve	Reserve to reflect the change in share value.	All Council activities	1,532	-		-		1,532



## Reserve funds



Reserve fund	Purpose	Activities related to	Balance 1 July 2014	Transfers in	Funds will come from	Transfers out	Funds will be applied to:	Forecast balance 30 June 2015
			\$000	\$000		\$000		\$000
PNZ Internal Loans Reserve	Reserve to record the balance of internal loans provided to activities from the PNZ share proceeds.	All Council activities	11,951	-		-		11,951
Wastewater Capital contribution reserve	Capital contributions from industry used to offset future depreciation.	Wastewater	202	113	Contributions from industry in excess of annual interest & depreciation costs.	-		315
TA Desludging reserve	Funding for future Te Aroha desludging.	Wastewater		200	Provision of desludging			200
Other Internal borrowing	Reserve to record the balance of other internal borrowings.	All Council activities	4,860	-		-		4,860
Precinct F reserve	Accumulated operating balance for the development of Precinct F.	All Council activities	-	-		-		-
Depreciation Reserves	Reserves to fund the replacement of assets.	All Council activities	9,456	14,243	Depreciation funding	13,577	Spending on capital projects	10,122
<b>Restricted reserves</b>								
Property self-funded activities	Reserve to record the balance of self funded activities - rural halls, elderly persons housing and owner occupier housing.	Community facilities	235	-		-		235
Reserves Development	Residual funds from reserves contributions to be used on parks and reserves.	Developments on parks and reserves	648	-		-		648
Bequests & trust funds	Funds to be used for the purposes of the bequest or trust.	Nominated purposes	26	-		-		26
<b>Sub-total</b>			<b>33,273</b>	<b>14,556</b>	-	<b>13,627</b>		<b>34,202</b>
Asset revaluation reserves			113,860	-		-		113,860
<b>Total other reserves</b>			<b>147,133</b>	<b>14,556</b>	-	<b>13,627</b>		<b>148,062</b>



## Reconciliation between Council's overall funding impact statement and statement of comprehensive income

The funding impact statement is prepared in compliance with the requirements of clause 20, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive income, the funding impact statement is not compliant with generally accepted accounting standards (GAAP). The funding impact statement is intended to show in a transparent manner, how all sources of funding received by us are applied. It does not include 'non-cash' that is classified as income in the statement of comprehensive income (as required by GAAP) such as assets that are vested to us through the subdivision process, or unrealised gains on assets. The statement of comprehensive income also requires 'non-cash' expenses such as depreciation, amortisation, and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between these two statements.

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15
\$000		\$000	\$000
<b>Funding sources as shown in the overall Council funding impact statement</b>			
40,497	Total operating funding	43,263	40,972
8,172	Total capital funding	5,881	5,074
	<b>Less capital movements</b>		
4,594	Increase/(decrease) in debt	1,719	1,506
-	Gross proceeds from sale of assets	-	-
	<b>Add non-funded income</b>		
576	Vested assets	618	576
104	Other gains	106	-
<b>44,755</b>	<b>Total funding sources</b>	<b>48,150</b>	<b>45,116</b>
<b>44,755</b>	<b>Total income as shown in the statement of comprehensive income</b>	<b>48,150</b>	<b>45,116</b>

Annual Plan 2013/14		LTP 2014/15	Annual Plan 2014/15
\$000		\$000	\$000
<b>Application of funding as shown in the overall Council funding impact statement</b>			
31,452	Total applications of operating funding	33,642	30,313
17,217	Total applications of capital funding	15,502	15,733
	<b>Less capital movements</b>		
17,293	Capital expenditure	14,870	14,804
(524)	Increase/(decrease) in reserves	(42)	929
448	Increase/(decrease) in investments	673	-
	<b>Add non-funded expenditure</b>		
13,287	Depreciation and amortisation	13,983	14,243
-	Other losses	-	-
<b>44,739</b>	<b>Total funding application</b>	<b>47,626</b>	<b>44,556</b>
<b>44,739</b>	<b>Total expenditure as shown in the statement of comprehensive income</b>	<b>47,626</b>	<b>44,556</b>

## Calculation of rates



Calculation of rates for 1 July 2014 to 30 June 2015					
Annual Plan 2013/14	Source	Category	How the rate will be calculated	LTP 2014/15	Annual Plan 2014/15
\$				\$	\$
	General rates (inclusive of GST)				
0.00145937	General rate	All rateable land in the district	Cents in the dollar of capital value	0.00148114	0.00143461
530.36	Uniform annual general charge		Uniform charge per rating unit	537.21	583.70
	Targeted rates				
7.10	Community Boards	Matamata ward	Uniform charge per rating unit.	24.46	0.00
8.04		Morrinsville ward		27.40	0.00
11.72		Te Aroha ward		39.73	0.00
114.00	Stormwater	Rating units within serviced areas	Uniform charge per rating unit within the townships of Matamata, Morrinsville, Te Aroha and Waharoa.	123.02	124.69
158.80	Waste Management		Uniform charge per portion of a rating unit to which the service is available.	181.78	148.49
717.72	Wastewater (sewerage disposal)	Connected single residential house	Uniform charge per connected rating unit.	778.04	692.03
717.72		Connected single non-residential and non-residential	Uniform charge for the <b>first pan</b> on all connected properties, and	778.04	692.03
717.72			<b>Additional</b> uniform charge per pan (excluding the first pan) for properties with up to 4 pans	778.04	692.03
610.06			<b>OR additional</b> uniform charge per pan (excluding the first pan) for properties with up to 10 pans	661.33	588.23
574.18			<b>OR additional</b> uniform charge per pan (excluding the first pan) for properties with up to 15 pans	622.43	553.63
538.29			<b>OR additional</b> uniform charge per pan (excluding the first pan) for properties with up to 20 pans	583.53	519.03
502.41			<b>OR additional</b> uniform charge per pan (excluding the first pan) for properties with more than 20 pans	544.63	484.42
358.86		Serviceable properties	Uniform charge per rating unit to which the service is available (but not connected).	389.02	346.02

## Calculation of rates



### Calculation of rates for 1 July 2014 to 30 June 2015

Annual Plan 2013/14	Source	Category	How the rate will be calculated	LTP 2014/15	Annual Plan 2014/15
\$				\$	\$
572,075.72	Industry contributions to the Morrinsville wastewater treatment plant upgrade	Fonterra Co-operative Group Limited	Uniform charge per industry.	629,746.26	616,373.72
181,606.84		Greenlea Premier Meats Limited		199,912.08	195,667.19
310.90	Water supply (non metered)	Connected properties	Uniform charge per portion of a rating unit to which the service is provided.	404.05	322.28
155.45		Serviceable properties	Uniform charge per portion of a rating unit to which the service is available.	202.02	161.14
1.15	Water supply (metered)	Metered supply (general)	Charge per cubic metre of water consumed (as measured by meter) over and above the first 82 cubic metres of water consumed per quarter or the first 27 cubic metres consumed per month.	1.17	1.20
0.82		Metered supply raw water Te Aroha West	Charge per cubic metre of water consumed (as measured by meter) over and above the first 82 cubic metres of water consumed per quarter or the first 27 cubic metres consumed per month, in the Te Aroha West supply area.	0.84	0.86
0.59		Metered supply Braeside Aquaria 1981	Charge per cubic metre of water consumed (as measured by meter) over and above the first 82 cubic metres of water consumed per quarter or the first 27 cubic metres consumed per month in respect of the Braeside Aquaria 1981.	0.60	0.62
0.54		Inghams Enterprises (NZ) Pty Ltd supply*	Charge per cubic metre of water consumed (as measured by meter) over and above the first 82 cubic metres of water consumed per quarter or the first 27 cubic metres consumed per month in respect of the supply to Inghams Enterprises (NZ) Pty Ltd, factory at Waitoa.	0.54	0.56
1.15		Matamata farm properties**	Charge per cubic metre of water consumed (as measured by meter) over and above the first 82 cubic metres of water consumed per quarter, or the first 27 cubic metre consumed per month, for the Matamata farm properties that contain the Matamata trunk main from Tills Road.	1.17	1.20
0.00008922	Targeted rural hall rates will apply to all land within the hall rating area, as listed	Tauhei	Cents in the \$ on land value.	0.00009152	0.00009814
0.00003225		Hoe-o-Tainui		0.00003283	0.00003225
0.00002225		Springdale		0.00001948	0.00002225
0.00001156		Kiwitahi		0.00001186	0.00001156
0.00003578		Patetonga		0.00003283	0.00003578
0.00001411		Wardville		0.00001302	0.00002565
38.00		Tahuna	Uniform charge per rating unit.	35.72	38.00
23.70		Mangateparu		25.10	34.50
40.90		Kereone		43.31	41.00

\* The balance (cost) is invoiced as per a separate contract with Inghams Enterprises (NZ) Pty Ltd. The current contract expires in 2018/19

\*\* A 50% discount will be applied to this rate if the invoice is paid by the due date

## Calculation of rates



### Calculation of rates for 1 July 2014 to 30 June 2015

Annual Plan 2013/14	Source	Category	How the rate will be calculated	LTP 2014/15	Annual Plan 2014/15
\$				\$	\$
61.35	Targeted rural hall rates will apply to all land within the hall rating area, as listed	Tatuanui	Uniform charge per rating unit.	64.97	61.50
20.00		Walton		21.18	20.00
0.00001805		Okauia	Cents in the \$ on capital value.	0.00001839	0.00001839
0.00001691		Hinuera		0.00001693	0.00001691
0.00002112		Piarere		0.00001948	0.00002112
0.00001368		Peria Hills		0.00001345	0.00001368
12.27		Mangaiti	Uniform charge per separately inhabited part of all residential and/or farming rating units.	12.99	12.50
10.25		Waharoa		10.85	10.50
25.55		Waitoa		27.06	25.55
20.00		Waihou		19.38	20.00
21.47		Elstow		22.74	21.50
25.55		Manawaru		27.06	25.55
36.80		Te Poi		38.97	36.80
		Lump sum contributions			
651.04	Tahuna Wastewater Scheme	Connected properties	Uniform charge per connected rating unit.	651.04	651.04
401.88		Serviceable properties	Uniform charge per rating unit to which service is available (but not connected).	401.88	401.88
669.84	Waharoa/Raungaiti Wastewater Scheme	Connected properties	Uniform charge per connected rating unit.	669.84	669.84
401.88		Serviceable properties	Uniform charge per rating unit to which service is available (but not connected).	401.88	401.88

**GST** – The calculation of rates is shown inclusive of GST at the current rate of 15%. Any future changes in the rate of GST would need to be applied to these rates as appropriate.

**Reasons for change to the original LTP budget for 2014/2015** – Budgets have changed to provide for the activities contained in this plan. The reasons for these changes are outlined under each group of activities in this plan.

**Separately used or inhabited part of a rating unit** – A separately used or inhabited part of a rating unit is any part of a rating unit that is or is able to be separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

**Revenue and Financing Policy** – The rationale for the selection of various funding sources is set out in our Revenue and Financing Policy. Please refer to the policy in the 2012-2022 LTP.





## Examples of the impact of the rates for 2014/15

Our district has a mix of rural and urban properties, and the proposed rate forecasts outlined in the 2014/2015 Annual Plan affect each property differently because of the differing services that are provided or available to each. Any changes made to the general rate have a greater impact on higher valued properties as they are calculated as a percentage of the capital value of the property. Changes in the uniform annual general charge affect properties equally as everyone pays the same amount. Changes to targeted rates mainly affect urban services. Examples of how a range of properties are impacted by the proposed rates for 2014/15 are outlined below. (Note that this is an average district-wide example intended to be indicative only.) There will be minor variances for various wards or rating areas due to differing rural hall rates applied. The indicative rates below include GST.

	Rates 2013/14	Rates 2014/15	Increase from the previous year
	\$	\$	%
Urban home (connected to all services) with a capital value of \$200,000	2,133	2,159	1.18%
Urban home (connected to all services) with a capital value of \$500,000	2,570	2,589	0.75%
Urban bare section (all services available but not connected) with a capital value of \$150,000	1,378	1,431	3.89%
Urban Cafe with 2 pans (connected to all services) with a capital value of \$500,000*	3,049	3,281	7.62%
Urban motel with 16 pans, with a capital value of \$1,500,000*	6,183	6,100	-1.34%
Urban school with 20 pans (connected to all services)*. Not rated for General Rates, Community Boards or Stormwater			
(a) Assessed at 6 household equivalents, applying the remission of 'pan charge' targeted rates for educational establishments	4,776	4,624	-3.19%
Rural lifestyle property (not connected or services not available) with a capital value of \$500,000	1,269	1,301	2.52%
Rural property (not connected or services not available) with a capital value of \$4,000,000	6,377	6,322	-0.86%

\* Note that the full effect of the wastewater pan charges on non-residential properties takes effect from this 2014/15 year, due to the rates remission policy, which effectively phased in the pan charges over two years from 2012/13.

## **Annual Plan 2013/14**

Our Community Our Future

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