



THE YEAR AHEAD **FOR WAIPA**

ANNUAL PLAN 2016/17





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Whakatauki

Hutia te rito o te harakeke

Kei whea te tauranga o te kōmako e ko?

Ki mai koe, ki ahau

He aha te mea nui o tēnei ao?

Māku e ki atu

He tangata, He tangata, He tangata

If you remove the heart of the flax

Where will the bellbird then rest?

If you should ask me

What is the main thing in this world?

I will say to you

It is people, it is people, it is people

Message from the Mayor and Chief Executive

Thank you for taking the time to read Waipa District Council's Annual Plan for the year 2016/17.

In June last year, our Council finalised a plan for the district for the next 10 years. Throughout this process, we had a number of serious conversations with the community about the key issues we were facing. We talked, listened and had to make some tough calls. We needed to balance the inevitable tensions between our communities' aspirations, managing debt, preparing for growth and controlling rates increases.

The 2016/17 Annual Plan marks year two of this wider 10-Year Plan. We've made strong progress so far and looking at the year ahead, it is great to see we are largely on track from what we said we would do.

Over the next year we are planning to spend more than \$95 million in the district. Water continues to be our most important issue and making sure we have the right water infrastructure in place is a key area of focus for our Council.

A large chunk of our spending will also go towards our community services and facilities. This covers things like our playgrounds, libraries and a new pool for Cambridge. These things are often regarded as the nice to haves; however it is these things that make our wider Waipa community a great place to be.

While we continue to prepare for growth, we are also committed to limiting our average annual rate increases. For the coming year, we have set an average rates increase of 2.14 per cent. This is 1.13 per cent less than the 3.27 per cent originally signalled in the 2015-25 10-Year Plan.

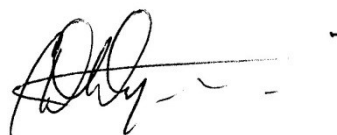
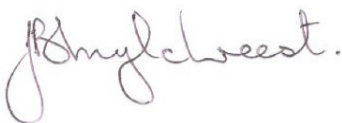
As well as the lower than expected rates average increase, the opening debt balance for the 2016/17 year has been reduced by \$14 million. This is due to having higher than anticipated opening cash balances and deferral of some capital work.

As a Council we are always looking at driving savings and efficiencies. We know that good data leads to good decisions and from that further financial and non-financial benefits become available. A prime example of this is the Waikato Road Asset Technical Accord (RATA) which is a joint initiative between nine councils to provide strategic roading asset management support. Already RATA has saved nearly \$350,000 since it was established and due to its success, it has been decided it will continue. RATA will become a permanent unit of Waipa District Council and provide services to the other participating councils through a Local Authority Shared Service (LASS) agreement.

The district is in good shape. We are home to thriving and vibrant communities and widely recognised as the Home of Champions. It is Council's job to continue to make our district a great place to be. We look forward to continuing on this journey over the next year.

Jim Mylchreest JP

Garry Dyet JP



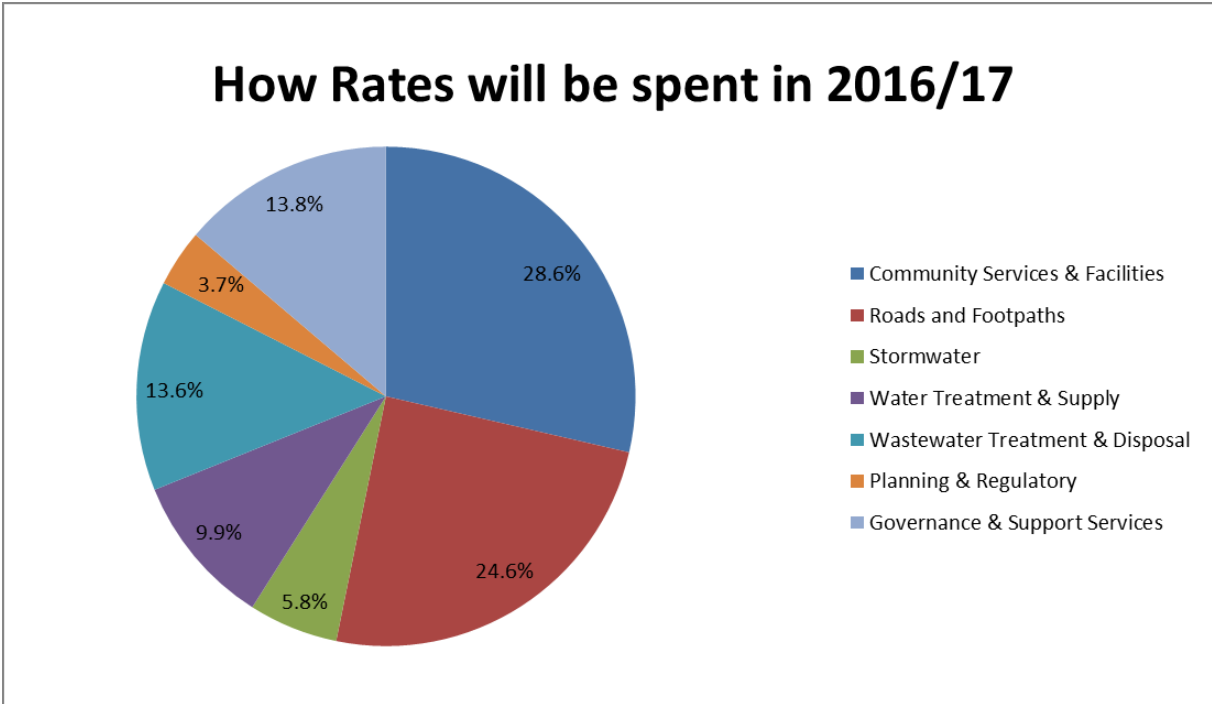
MAYOR

CHIEF EXECUTIVE

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How rates will be spent



Summary of changes from the 10-Year Plan 2015-25: by group of activities

When we adopted our 10-Year Plan 2015-25 it contained the proposed activities, projects and programmes and their associated budgets, for 2016/17. While the 10-Year Plan signals our intentions, circumstances change over time and it is appropriate for us to be able to react to those changes in the best interests of the residents and ratepayers, as well as ensuring current and new statutory requirements continue to be met.

This Annual Plan reflects a number of adjustments from what was signalled in the 10-Year Plan. A summary of the changes are listed in the following Groups of Activities sections where we set out what we do, the key projects and the changes from the 10-Year Plan.

We also outline the estimated costs of achieving and maintaining the proposed levels of service and how they will be paid for.

Although not required by legislation, we have chosen to include the Cost of Service Statements in this plan to show the total cost of each activity. The Cost of Service Statements includes non-cash expenses such as depreciation, profit / loss on disposal of assets and internal interest charges.

Support Services assist the delivery of community services within each group of activities. While the costs of Support Services are included within each group, the total indirect costs are also shown separately at the end of this section.

Governance group

What we do

Council governance is the decision-making of the elected Council, its committees and community boards. This work is supported by the Planning and Community Relations group and the Legal and Corporate Support department.

Key projects for 2016/17

- Continuation of the District Plan Review with a focus on resolving appeals.
- Development of the 2018-28 Long Term Plan.
- Managing the Local Government triennial elections.
- Continuing with regional and sub-regional collaboration.

Changes from the 10-Year Plan 2015-25

There are no significant or material changes from the programme outlined in the 10-Year Plan (pages 131-142). The variations from the 10-Year Plan 2015-25 are shown in the following tables. Activity changes of interest are as follows:

Cost of service variances:

- **Interest and overhead costs:** Adjustments on all activities due to savings in finance costs and in Support Service activities.
- **Council and Community Board honorariums:** An increase of \$69,000 to reflect the remuneration and allowances payable under the Remuneration Authority determination, which governs all remuneration and allowances paid to elected members.
- **Independent advisor to the Audit and Risk Committee:** Council has appointed an independent advisor to the newly established Audit and Risk Committee - \$25,000.
- **ANZAC and Armistice fund:** Council included a grant of \$10,000 to be used for the ANZAC and Armistice celebrations across the district.

Capital variances:

- **Structure plans:** The structure plan works are required to ensure Council is ready for development, options are provided, and inputs for servicing requirements are ready to be included in the 2018-2028 LTP. The structure plans look at the long term land use and then identify the services such as roading, cycleway/walkways, stormwater and other water services - \$533,000.

Statement of cost of service

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
REVENUE				
Elections	-	82	82	-
Community Grants	39	39	39	-
TOTAL REVENUE	39	121	121	-
OPERATING EXPENDITURE				
Council & Committees	2,355	2,515	2,399	116
Cambridge Community Board	176	182	176	6
Te Awamutu Community Board	170	178	174	4
Elections	29	173	175	(2)
Community Grants	456	390	379	11
Strategic Planning	2,380	2,195	2,142	53
Community Relationships	1,641	1,663	1,767	(104)
TOTAL EXPENDITURE	7,207	7,296	7,212	84
OPERATING NET COST OF SERVICE	(7,168)	(7,175)	(7,091)	(84)
CAPITAL EXPENDITURE AND DEBT REPAYMENT				
Capital Expenditure (excluding Vested)	20	563	30	533
Debt Repayment (Internal)	510	552	552	-
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	530	1,115	582	533

Capital expenditure table

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
To Improve Level of Service				
Replace furniture in Council Chambers	20	-	-	-
Development and Review of Structure Plans	-	533	-	533
Flag Tracking System	-	30	30	-
Total Capital Expenditure to Improve Level of Service	20	563	30	533
TOTAL CAPITAL EXPENDITURE	20	563	30	533

Funding impact statement

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	4,464	5,268	5,144	124
Targeted rates	2,510	2,196	2,236	(40)
Subsidies and grants for operating purposes	39	39	39	-
Fees and charges	-	82	82	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	7,013	7,585	7,501	84
Applications of operating funding				
Payments to staff and suppliers	3,827	3,769	3,788	(19)
Finance costs	44	48	78	(30)
Internal charges and overheads applied	2,529	2,735	2,615	120
Other operating funding applications	796	734	722	12
Total applications of operating funding (B)	7,196	7,286	7,203	83
Surplus (deficit) of operating funding (A - B)	(183)	299	298	1
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	20	563	30	533
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(203)	(264)	268	(532)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	(183)	299	298	1
Surplus (deficit) of capital funding (C - D)	183	(299)	(298)	(1)
Funding balance ((A - B) + (C - D))	-	-	-	-

Planning and Regulatory group

What we do

The Planning and Regulatory group of activities covers resource management, building control, environmental health, animal control and development engineering. We provide these services to manage the natural and physical resources of the district, and promote and protect the health and safety of our communities and the general public. The avoidance or mitigation of natural hazards is a core service of our Council and is a central concern of this group of activities.

Key projects for 2016/17

- Retention of Building Consent Authority accreditation.

Changes from the 10-Year Plan 2015-25

There are no significant or material changes from the programme outlined in the 10-Year Plan (pages 143-149). The variations from the 10-Year Plan 2015-25 are shown in the following tables. Activity changes of interest are as follows:

- **Overhead costs:** Adjustments on all activities due to savings in Support Services activities.
- **Building control – earthquake assessments:** Removal of both revenue and expenditure for earthquake assessments in 2016/17 (due to delay in legislation and regulations).

Statement of cost of service

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
REVENUE				
Fees and Charges:				
Resource Management	1,326	1,209	1,209	-
Building Control	1,971	1,589	1,931	(342)
Environmental Health	379	395	395	-
Animal Control	444	450	450	-
Development Engineering	200	201	369	(168)
TOTAL REVENUE	4,320	3,844	4,354	(510)
OPERATING EXPENDITURE				
Resource Management	1,735	1,819	1,726	93
Building Control	1,470	1,565	1,996	(431)
Environmental Health	786	858	889	(31)
Animal Control	680	703	696	7
Development Engineering	678	670	824	(154)
TOTAL EXPENDITURE	5,349	5,615	6,131	(516)
OPERATING NET COST OF SERVICE	(1,029)	(1,771)	(1,777)	6

Funding impact statement

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,237	1,431	1,400	31
Targeted rates	462	364	377	(13)
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	4,319	3,844	4,354	(510)
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	6,018	5,639	6,131	(492)
Applications of operating funding				
Payments to staff and suppliers	4,119	4,316	4,733	(417)
Finance costs	-	-	-	-
Internal charges and overheads applied	1,225	1,295	1,393	(98)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	5,344	5,611	6,126	(515)
Surplus (deficit) of operating funding (A - B)	674	28	5	23
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	674	28	5	23
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	674	28	5	23
Surplus (deficit) of capital funding (C - D)	(674)	(28)	(5)	(23)
Funding balance ((A - B) + (C - D))	-	-	-	-

Community Services and Facilities group

What we do

The Community Services and Facilities group of activities provides recreational and health benefits and promotes the social, cultural and environmental wellbeing of our communities.

Key projects on the go during 2016/17 and beyond

- Cambridge town pool development: Proposed construction of a pool complex that provides for the needs of the Cambridge and sporting communities. This is currently in the design and funding generation phase and is programmed for completion by 2018/19.
- Renewal of pensioner housing, Palmer Street, Te Awamutu: The units in Palmer Street have suffered the effects of differential ground settlement which need to be remediated.
- Heritage sites: To provide access, signage and interpretation at key cultural, archaeological and heritage sites. These include: Lakes Mangakaware, Ngaroto, and Rotopiko; and also Matakītaki Pa, Pirongia and Kakepuku, Te Awamutu.
- Te Awamutu Community Hub Precinct: This project builds on the original 'Heart of Te Awamutu' work, and focuses on the precinct around Te Awamutu Events Centre. The first project will be a new library. That facility will be completed by November 2016. Projects to follow include extensions to Pioneer Park playground and redevelopment of the riparian zones adjoining the Mangaohoi Stream (to make these areas more accessible and visually appealing).
- Development and restoration of Lake Ngaroto: Lake Ngaroto is becoming one of the most visited reserves managed by Council. Activities include sailing, rowing, walking, fishing and hunting. Maintaining and improving the lake environments through restorative planting and pest control will preserve both public experience and use and also protect the diversity and abundance of fauna supported by the reserve. Works proposed include:
 - The completion of a channel to divert nutrient rich water from Lake Ngaroto-iti;
 - Working with adjoining landowners to treat inflows from private land;
 - Continuing with the planting programme;
 - Renewing the retained lake frontage between the boat ramps; and
 - Reviewing the Reserve Management Plan.
- Design and Build Te Awamutu Museum: A feasibility plan for the proposed new Museum facility will be prepared together with a fund raising strategy.

Changes from the 10-Year Plan 2015-25

There are no significant or material changes from the programme outlined in the 10-Year Plan (pages 151-170). The variations from the 10-Year Plan 2015-25 are shown in the following tables. Activity changes of interest are as follows:

Cost of service variances:

- **Interest and overhead costs:** Adjusted on all activities due to savings in finance costs and in the Support Services activities.
- **Cambridge water tower:** A deferral from 2015/16 to 2016/17 of \$175,000 has been made to the Cambridge water tower demolition budget (due to further investigations being required).

The construction of a monument at the site has therefore also been deferred from 2016/17 to 2017/18, resulting in a decrease of \$51,200 in the 2016/17 capital budget.

- **Maintenance costs:** Additional maintenance expenses across the district due to growth.
- **Superloo Cambridge:** The opening of the new Expressway has reduced traffic volumes through Cambridge and in turn the level of revenue generated at the Cambridge Superloo is expected to decrease by \$15,000.
- **Lake weed control:** The control of hortwort in Lake Karapiro is needed to the value of \$25,000 in 2016/17 to enable lake based recreational activities to occur. The cost of controlling pest plants is shared between Land Information New Zealand, Waikato Regional Council, Waipa District Council and Mighty River Power.
- **Property sales:** Gain on property sales has increased due to sales of the Taylor Street / Vogel Street development being deferred from 2015/16 and the sale of Addison Street brought forward into 2016/17 from 2017/18.

Capital variances:

- **New Library in Te Awamutu:** \$1,000,000 for the construction of Te Awamutu library and \$40,000 for the library fit-out has been deferred from the 2015/16 to 2016/17 due to the timing of the construction contract.
- **Property development:** The Taylor Street / Vogel Street property development has been deferred to 2016/17, \$728,000. The Addison Street property development budget of \$380,600 has been brought forward from 2017/18 to 2016/17.
- **Land purchases:** The capital funding for buffer land associated with the St Kilda development was brought forward into the 2015/16 year, \$676,400. Council budgeted for purchase of additional reserve land in Te Awamutu in 2016/17. Since the budget was set, a valuation on the land has been done and the cost is \$285,000 higher than budget.
- **Renewal of pensioner housing:** During 2015/16 considerable research was put into the best options for our Palmer Street pensioner housing complex, including extensive geo-technical investigations. Work is now planned to start in 2016/17. As a result, \$495,000 has been deferred from 2015/16 to 2016/17.
- **Canoe NZ grant:** A grant of \$150,000 to Canoe Racing NZ for the new High Performance facility has been deferred from 2015/16 to 2016/17, due to timing delays with this project.

Statement of cost of service

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
REVENUE				
Fees and Charges:				
Mighty River Domain	605	620	620	-
District Museums	108	110	110	-
District Libraries	210	225	225	-
Cemeteries	177	179	179	-
Public Toilets	20	15	30	(15)
Properties	1,081	814	780	34
Pensioner Housing & Own your Own Housing	1,092	1,155	1,155	-
Forestry	-	-	-	-
Rural Fire/Civil Defence	92	95	95	-
Waste Management	151	155	155	-
TOTAL REVENUE	3,536	3,368	3,349	19
OPERATING EXPENDITURE				
Parks and Reserves	4,332	4,563	4,496	67
Mighty River Domain	1,125	1,114	1,106	8
District Museums	960	1,036	1,026	10
District Libraries	1,770	1,844	1,844	-
District Pools	1,851	1,900	1,923	(23)
Heritage	520	590	498	92
Cemeteries	299	299	311	(12)
Public Toilets	494	520	521	(1)
Properties	3,146	4	1,681	(1,677)
Pensioner Housing & Own your Own Housing	837	904	925	(21)
Forestry	92	61	62	(1)
Rural Fire/Civil Defence	273	318	318	-
Waste Management	1,561	1,536	1,539	(3)
National Cycle Centre of Excellence	55	45	57	(12)
TOTAL EXPENDITURE	17,315	14,734	16,307	(1,573)
OPERATING NET COST OF SERVICE	(13,779)	(11,366)	(12,958)	1,592
CAPITAL EXPENDITURE AND DEBT REPAYMENT				
Capital Expenditure (excluding Vested)	7,850	8,684	6,258	2,426
Debt Repayment (Internal)	1,170	1,275	1,336	(61)
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	9,020	9,959	7,594	2,365

Capital expenditure

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
To Meet Additional Demand				
Buffer Reserve Land Purchase	968	402	795	(393)
Reserve Purchases - Developments	49	50	50	-
Playground Reserve Land Cambridge North	-	410	410	-
Total Capital Expenditure to Meet Additional Demand	1,017	862	1,255	(393)
To Improve Level of Service				
Cambridge Town Pool Development	250	2,048	2,048	-
Cambridge Town Hall Repairs & Maintenance	150	51	51	-
Peat Lake Programme	122	-	-	-
Reserve Developments	43	176	176	-
Development & Restoration of Lake Ngaroto	20	217	217	-
Pa Sites	12	-	-	-
Maungatautari Project	64	-	-	-
Castleton Park - Sports Fields	53	179	179	-
Discretionary Community Facility Projects	233	51	51	-
Cambridge Motor Park - Upgrade Work	25	-	-	-
Taylor/Vogel Street Development - Property	50	728	-	728
Addison Street Development - Property	10	381	-	381
Karapiro Minor Assets (Don Rowlands Centre)	10	20	20	-
Upgrade Site Office Facility - Mighty River Domain	61	-	-	-
Upgrade Site Managers House - Mighty River Domain	19	-	-	-
Children's Playground - Mighty River Domain	77	42	-	42
Public Conveniences - New Toilet Blocks	85	92	92	-
Purchase of Own Your Own Units	200	-	-	-
Renew Pensioner Housing - Palmer Street	101	1,160	666	494
Pensioner Housing - Renewals and Upgrades	325	307	307	-
Purchase of land for Te Awamutu Western Arterial	300	410	410	-
Cambridge Water Tower - Upgrade	-	-	51	(51)
Mt Kakepuku Land Purchase	23	-	-	-
New Te Awamutu Library Construction	3,197	1,000	-	1,000
Te awamutu Library - Refit - New Library	67	40	-	40
Design and Built Te Awamutu Museum	30	31	31	-
Te Awamutu Community Hub Precinct	116	123	123	-
Waipuke Park Development	417	-	-	-
Lake Mangakaware Enhancement of Heritage Values	121	35	-	35
Matakitaki Access & Restoration	32	40	40	-
Rata-Tu Reserve Implementation of Management Plan	-	50	50	-
EOC IT Hardware Procurement	36	-	-	-
Total Capital Expenditure to Improve Level of Service	6,249	7,181	4,512	2,669
To Replace Existing Assets				
Karapiro / Arapuni Lakes Programme	25	191	41	150
Playground Equipment & Safety Surfaces Renewal	45	46	46	-
Parks Structure Renewals	69	71	71	-
Plant Replacement - Mighty River Domain	20	11	11	-
Plant Replacement - Rural Fire	32	-	-	-
Library Books Te Awamutu	148	159	159	-
Library Books Cambridge	148	159	159	-
Carpark Renewals	97	4	4	-
Total Capital Expenditure to Replace Existing Assets	584	641	491	150
TOTAL CAPITAL EXPENDITURE	7,850	8,684	6,258	2,426

Funding impact statement

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	7,796	8,675	8,578	97
Targeted rates	6,095	5,380	5,488	(108)
Subsidies and grants for operating purposes	40	56	56	-
Fees and charges	3,524	3,354	3,293	61
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	17,455	17,465	17,415	50
Applications of operating funding				
Payments to staff and suppliers	12,256	12,637	12,193	444
Finance costs	298	292	471	(179)
Internal charges and overheads applied	2,064	2,245	2,321	(76)
Other operating funding applications	312	335	335	-
Total applications of operating funding (B)	14,930	15,509	15,320	189
Surplus (deficit) of operating funding (A - B)	2,525	1,956	2,095	(139)
Sources of capital funding				
Subsidies and grants for capital expenditure	118	113	72	41
Development and financial contributions	418	282	282	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	536	395	354	41
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,017	862	1,255	(393)
- to improve the level of service	6,249	7,181	4,512	2,669
- to replace existing assets	584	641	491	150
Increase (decrease) in reserves	(4,789)	(6,333)	(3,809)	(2,524)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	3,061	2,351	2,449	(98)
Surplus (deficit) of capital funding (C - D)	(2,525)	(1,956)	(2,095)	139
Funding balance ((A - B) + (C - D))	-	-	-	-

Roads and Footpaths group

What we do

The Roads and Footpaths group of activities are the primary service provider for the construction and maintenance of the local transport network within the district. Our work in the road corridor, includes road and footpath construction and maintenance, road safety, cycling and walking, car parks, street lights and passenger transport. This group of activities is a core service for Council and is recognised as a significant activity by our Significance and Engagement Policy. The [Infrastructure Strategy](#) outlines the strategic intent of this activity.

Key Projects for 2016/17 and beyond

- Street light improvements: This is part of a programme to improve street lighting standards in urban areas to LED lighting.
- Town Concept Plan implementation – Te Awamutu: Programme of work to upgrade Te Awamutu to incorporate the new library and community hub to the CBD.
- Road seal extensions: Programme to seal currently unsealed roads.
- Swayne Road urban upgrade and traffic calming: Work to support transport network upgrade in Cambridge North.
- Cycling projects: Provision of a cycling and walking network in the western portion of the district beginning with the Te Awamutu to Kihikihi portion and then moving to link Te Awamutu to Pirongia.
- Te Awa River Ride: Extension of the River Ride between the Avantidrome and Hamilton.

Changes from the 10-Year Plan 2015-25

The variations from the 10-Year Plan 2015-25 (pages 171-182) are shown in the following tables. Activity changes of interest are as follows:

Cost of service variances

- **Waikato Road Asset Technical Accord (RATA):** One area of effective regional collaboration progress is the RATA project, which was initiated by the Waikato Mayoral Forum workstream. Council plans to run RATA as a stand-alone business unit within the Service Delivery group. RATA staff will be employees of Waipa District Council, and Council will provide the RATA services to the Waikato Local Authority Shared Services (Waikato LASS), who will then manage the relationship with the participating Councils (currently nine of the eleven Waikato councils, excluding Taupo, Rotorua and the Regional Council).

It is anticipated that RATA will have a break even financial position made up of an estimated revenue of \$655,000 offset by expenditure to the equivalent amount. While the financial impact on Council for incorporating RATA is minimal, there will be additional demand placed on Council's support departments to service the needs of RATA. The cost for these services will be recovered from RATA. It is anticipated that the activity will be operational from 1 July 2016.

- **Depreciation:** Higher depreciation costs due to the impact of the 2014/15 revaluation of infrastructure assets.

- **Cambridge Third Bridge Study:** The project had a two year timeframe in the Long Term Plan 2016/17 to 2017/18, the timing has changed so that the study will be undertaken in 2016/17. The additional \$125,000 in 2016/17 is funded from NZTA subsidy and Roothing reserve.
- **Finance costs:** Interest costs are expected to be lower due to reductions in external loans, resulting in interest savings.

Capital variances

- **Te Awamutu Town Concept Plan:** \$518,000 has been brought forward from 2017/18 to complete streetscape work at Selwyn Land and Gorst Street. This will align with completion of the new Te Awamutu library construction.
- **Cambridge North Capital Projects:** An increase in the scope of calming works near Cambridge High School to be completed in 2016/17, \$160,000.

Statement of cost of service

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
REVENUE				
Fees, charges and NZTA subsidy	7,264	7,636	6,973	663
TOTAL REVENUE	7,264	7,636	6,973	663
OPERATING EXPENDITURE				
Depreciation and Amortisation	8,901	10,214	9,357	857
Activity Expenses	9,420	8,368	7,723	645
Internal charges and Overheads	1,329	1,501	1,477	24
Finance Costs	293	334	524	(190)
TOTAL EXPENDITURE	19,943	20,417	19,081	1,336
OPERATING NET COST OF SERVICE	(12,679)	(12,781)	(12,108)	(673)
CAPITAL EXPENDITURE AND DEBT REPAYMENT				
Capital Expenditure (excluding Vested)	16,219	12,992	12,314	678
Vested Assets	9,413	1,432	1,432	-
Debt Repayment (Internal)	1,399	1,850	1,950	(100)
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	27,031	16,274	15,696	578

Capital expenditure table

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
To Meet Additional Demand				
Cambridge North Capital Projects	5,247	971	811	160
Urban Upgrades - Development Related	100	51	51	-
Total Capital Expenditure to Meet Additional Demand	5,347	1,022	862	160
To Improve Level of Service				
Seal Extensions	600	507	507	-
New Footpaths	39	39	39	-
Car Park Improvements	80	81	81	-
Town Concept Plans Implementation	628	1,025	507	518
Passenger Transport Infrastructure	10	10	10	-
Street Light Improvements	438	441	441	-
Cycling Projects District Wide	350	1,598	1,598	-
Associated Improvements	200	500	500	-
Minor Improvements	960	439	439	-
Cambridge Gateways Project	100	100	100	-
Fergusson Bridge Upgrade	268	-	-	-
CBD Accessibility Improvements	100	101	101	-
Total Capital Expenditure to Improve Level of Service	3,773	4,841	4,323	518
To Replace Existing Assets				
Footpath Renewals	320	325	325	-
Amenity Lighting Renewals	2	2	2	-
Car Park Renewals	74	75	75	-
Drainage Renewals	620	370	370	-
Sealed Road Resurfacing	2,850	2,860	2,860	-
Unsealed Road Metalling	50	100	100	-
Pavement Rehabilitation	2,810	3,000	3,000	-
Structures Component Renewal	290	314	314	-
Traffic Services Renewals	25	25	25	-
Bus Shelter Renewals	8	8	8	-
Guardrail Renewals	50	50	50	-
Total Capital Expenditure to Replace Existing Assets	7,099	7,129	7,129	-
TOTAL CAPITAL EXPENDITURE	16,219	12,992	12,314	678

Funding impact statement

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	7,912	9,327	9,344	(17)
Targeted rates	2,328	2,724	2,102	622
Subsidies and grants for operating purposes	2,721	2,837	2,774	63
Fees and charges	22	622	23	599
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	12,983	15,510	14,243	1,267
Applications of operating funding				
Payments to staff and suppliers	6,513	7,446	6,804	642
Finance costs	293	334	524	(190)
Internal charges and overheads applied	1,329	1,501	1,477	24
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	8,135	9,281	8,805	476
Surplus (deficit) of operating funding (A - B)	4,848	6,229	5,438	791
Sources of capital funding				
Subsidies and grants for capital expenditure	4,521	4,176	4,176	-
Development and financial contributions	561	641	641	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	5,082	4,817	4,817	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	5,347	1,022	862	160
- to improve the level of service	3,773	4,841	4,323	518
- to replace existing assets	7,099	7,129	7,129	-
Increase (decrease) in reserves	(6,289)	(1,946)	(2,059)	113
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	9,930	11,046	10,255	791
Surplus (deficit) of capital funding (C - D)	(4,848)	(6,229)	(5,438)	(791)
Funding balance ((A - B) + (C - D))	-	-	-	-

Stormwater

What we do

Stormwater is rainfall that runs off roofs, roads and other surfaces and then into gutters and stormwater collection systems such as pipes, culverts, open drains/swales and detention structures.

Key projects for 2016/17 and beyond

- Cambridge deferred residential stormwater works: Works to develop the stormwater network within the Cambridge North residential area 2015/16 – 2019/20.
- Renewals (Stormwater): Ongoing district wide stormwater network renewals programme 2015/16 – 2024/25.

Changes from the 10-Year Plan 2015-25

There are no significant or material changes from the programme outlined in the 10-Year Plan (pages 183-190). The variations from the 10-Year Plan 2015-25 are shown in the following tables. Activity changes of interest are as follows:

Capital variances

- **Stormwater swales – Cambridge North:** The land costs for the Victoria Road swale, and the north eastern swale, have both been deferred from 2015/16 to 2016/17, adding \$200,000 and \$300,000 respectively to the 2016/17 budgets (both changes are required as a result of developer initiated timing delays). The construction of the north eastern swale was brought forward into the 2015/16 year, resulting in a decrease of \$100,000 in the 2016/17 budget, in order to allow for footpath and swale modification works.
- **Stormwater storage – Cambridge North:** The completion of construction of the north eastern stormwater storage facility, budgeted at \$130,000, is deferred from the 2015/16 to the 2016/17 year to enable further monitoring of water collection in the pond.

Statement of cost of service

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
OPERATING EXPENDITURE				
Depreciation and Amortisation	1,087	1,158	1,235	(77)
Activity Expenses	1,386	1,360	1,348	12
Internal charges and Overheads	335	347	380	(33)
Finance Costs	10	7	23	(16)
TOTAL EXPENDITURE	2,818	2,872	2,986	(114)
OPERATING NET COST OF SERVICE	(2,818)	(2,872)	(2,986)	114
CAPITAL EXPENDITURE AND DEBT REPAYMENT				
Capital Expenditure (excluding Vested)	3,774	2,343	1,814	529
Vested Assets	540	561	561	-
Debt Repayment (Internal)	26	487	952	(465)
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	4,340	3,391	3,327	64

Capital expenditure table

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
To Meet Additional Demand				
Cambridge Deferred Residential Stormwater Works	3,414	2,135	1,606	529
Total Capital Expenditure to Meet Additional Demand	3,414	2,135	1,606	529
To Replace Existing Assets				
Renewals	360	208	208	-
Total Capital Expenditure to Replace Existing Assets	360	208	208	-
TOTAL CAPITAL EXPENDITURE	3,774	2,343	1,814	529

Funding impact statement

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	151	168	173	(5)
Targeted rates	2,632	2,652	2,761	(109)
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	2,783	2,820	2,934	(114)
Applications of operating funding				
Payments to staff and suppliers	1,326	1,297	1,285	12
Finance costs	10	7	23	(16)
Internal charges and overheads applied	335	347	380	(33)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,671	1,651	1,688	(37)
Surplus (deficit) of operating funding (A - B)	1,112	1,169	1,246	(77)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	161	1,434	1,434	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	161	1,434	1,434	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	3,414	2,135	1,606	529
- to improve the level of service	-	-	-	-
- to replace existing assets	360	208	208	-
Increase (decrease) in reserves	(2,501)	260	866	(606)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,273	2,603	2,680	(77)
Surplus (deficit) of capital funding (C - D)	(1,112)	(1,169)	(1,246)	77
Funding balance ((A - B) + (C - D))	-	-	-	-

Wastewater treatment and disposal

What we do

This activity includes the reticulation network for the collection of sewage and trade waste and its treatment and disposal.

Key Projects for 2016/17

- **Renewals (sewer pipes district wide):** Renewal of existing wastewater pipes will be a focus until 2024/25.
- **Cambridge Wastewater Treatment Plant upgrade:** Upgrade of the existing plant to meet environmental compliance and accommodate for future growth 2016/17 - 2020/21. This project is aligned with the National Institute of Water and Atmospheric Research Enhanced Pond System demonstration pond.
- **Te Awamutu Wastewater Treatment Plant upgrade:** Upgrade of the existing plant to meet environmental compliance and accommodate for future growth 2016/17 - 2017/18.
- **Cambridge pipe bridge:** Upgrading and strengthening the bridge to accommodate increased volumes of wastewater 2016/17 – 2017/18.
- **Cambridge Wastewater Pipe upgrades:** Upgrade of existing pipes to accommodate additional wastewater flows.

Changes from the 10-Year Plan 2015-25

There are no significant or material changes from the programme outlined in the 10-Year Plan (pages 191-199). The variations from the 10-Year Plan 2015-25 are shown in the following tables. Activity changes of interest are as follows:

Cost of service variances

- **Trade waste revenue:** Revenue has been increased by \$100,000 for waste discharge at the Karapiro Water Treatment Plant.
- **Depreciation:** Lower depreciation cost due to impact of 2014/15 revaluation of infrastructure assets.

Capital variances

- **Cambridge wastewater infrastructure:** The Cambridge wastewater pipe upgrades - Stage 1 (St Kilda rising main) were deferred from 2015/16 to 2016/17, to allow for the pipe to be laid after the Norfolk Drive extension is completed (in order to minimize the impact on traffic flows), \$930,000.
- **Cambridge North wastewater:** A development agreement has been entered into with a developer for the construction of development funded works. This agreement requires that the wastewater pump station required for Norfolk Drive extension will need to start construction in 2015/16 with completion in 2016/17. The 10-Year Plan allowed for the construction in 2019/20, this budget has been brought forward, 2015/16 \$241,000 and 2016/17 \$350,000.
- **Cambridge wastewater pipe bridge:** Investigation and design has been on-going during 2015/16 with construction scheduled to commence in 2016/17, \$150,000 has been deferred from 2015/16 into 2016/17.

Statement of cost of service

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
REVENUE				
Fees and Charges	569	587	487	100
TOTAL REVENUE	569	587	487	100
OPERATING EXPENDITURE				
Depreciation and Amortisation	3,100	2,859	3,310	(451)
Activity Expenses	2,696	2,862	2,837	25
Internal charges and Overheads	773	781	870	(89)
Finance Costs	-	-	-	-
TOTAL EXPENDITURE	6,569	6,502	7,017	(515)
OPERATING NET COST OF SERVICE	(6,000)	(5,915)	(6,530)	615
CAPITAL EXPENDITURE AND DEBT REPAYMENT				
Capital Expenditure (excluding Vested)	3,188	9,083	7,653	1,430
Vested Assets	257	265	215	50
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	3,445	9,348	7,868	1,480

Capital expenditure table

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
To Meet Additional Demand				
Cambridge North Deferred Residential	542	350	-	350
Cambridge Wastewater Pipe Upgrades	30	1,441	511	930
Te Awamutu Wastewater Pipe Upgrades	564	-	-	-
Te Awamutu Wastewater Treatment Plant Upgrade	-	1,774	1,774	-
Total Capital Expenditure to Meet Additional Demand	1,136	3,565	2,285	1,280
To Improve Level of Service				
Cambridge Wastewater Treatment Plant Upgrade Stage 1	600	225	225	-
Te Awamutu Wastewater Treatment Plant Upgrade	29	-	-	-
Total Capital Expenditure to Improve Level of Service	629	225	225	-
To Replace Existing Assets				
Renewals	650	727	727	-
Cambridge Pipe Bridge	357	4,276	4,126	150
Cambridge WWTP Perimeter Fencing	160	-	-	-
Plant and Pumps	256	290	290	-
Total Capital Expenditure to Replace Existing Assets	1,423	5,293	5,143	150
TOTAL CAPITAL EXPENDITURE	3,188	9,083	7,653	1,430

Funding impact statement

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	463	491	528	(37)
Targeted rates	6,023	6,175	6,166	9
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	569	587	487	100
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	7,055	7,253	7,181	72
Applications of operating funding				
Payments to staff and suppliers	2,603	2,765	2,740	25
Finance costs	-	-	-	-
Internal charges and overheads applied	773	781	870	(89)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	3,376	3,546	3,610	(64)
Surplus (deficit) of operating funding (A - B)	3,679	3,707	3,571	136
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	708	997	997	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	708	997	997	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,136	3,565	2,285	1,280
- to improve the level of service	629	225	225	-
- to replace existing assets	1,423	5,293	5,143	150
Increase (decrease) in reserves	1,199	(4,379)	(3,085)	(1,294)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	4,387	4,704	4,568	136
Surplus (deficit) of capital funding (C - D)	(3,679)	(3,707)	(3,571)	(136)
Funding balance ((A - B) + (C - D))	-	-	-	-

Water Treatment and Supply group

What we do

This group of activities includes all the services involved in abstracting, treating, storing and distributing water to users through the reticulation network.

Key projects for 2016/17 and beyond

- District wide main replacement criticality 1 & 2: Renewal of existing water pipes 2016/17 - 2024/25.
- Water meters - New and replacement: Installation of water meters for water conservation 2016/17 - 2024/25.
- District wide rider main installation: Renewal of existing water pipes 2016/17 - 2024/25.
- Cambridge North water provision: Water works within the Cambridge North residential area.
- Karāpiro Water Treatment Plant upgrade: Upgrade of the existing treatment plant to cater for growth 2016/17 - 2017/18.
- Parallel Rd to Taylors Hill pipeline: Installation of a new pipeline connecting the Pukerimu and Te Awamutu Water supply schemes, to provide a supplementary supply to the Te Awamutu water supply, to respond to Waikato Regional Council water consent which requires a reduction in water take from 2030. Project timing 2016/17 - 2019/20.
- Dedicated Cambridge North water main: Installation of new main to provide water to the Cambridge North residential growth area.

Changes from the 10-Year Plan 2015-25

There are no clearly significant or material changes from the programme outlined in the 10-Year Plan (pages 201-215). The variations from the 10-Year Plan 2015-25 are shown in the following tables. Activity changes of interest are as follows:

Cost of service variance

- **Depreciation:** Lower depreciation cost due to impact of 2014/15 revaluation of infrastructure assets.
- **Activity costs:** An increase of \$100,000 for discharge of waste at the Karapiro Water Treatment Plant not previously budgeted for. Decrease in salary costs due to re-structure of the Water Services Department.
- **Internal charges:** Higher internal charges due to reduction in salary recovery against capital projects.

Capital variances

- **Hicks Road Water Treatment Plant upgrade:** Council has decided to transfer \$2,223,000 from 2015/16 into 2016/17 to allow for investigation and assessment of the future supply options available to Council for this water provision scheme.
- **Karapiro rising main:** The construction of the new Karapiro rising main, at a cost of \$1,299,000 has been deferred from 2015/16 to 2016/17 due to iwi engagement delays and land issues.
- **Cambridge North water provision:** A development agreement has been entered into with a developer for the construction of development funded works. This agreement requires that

the water main required for Norfolk Drive extension will be constructed in 2015/16. The LTP allowed for the construction in 2016/17, this budget was brought forward into 2015/16 at \$278,000.

- **Cambridge water reticulation active control:** Cambridge water reticulation active control budgets were deferred 2015/16, resulting in an increase of \$70,000 for the budget in 2016/17.
- **Karapiro Water Treatment Plant upgrade:** The design of this project progressed further than anticipated in 2015/16, \$150,000 was brought forward from 2016/17.
- **Water meters:** Timing of the major contract for meter installation will be in 2016/17 - \$525,000 has been deferred from 2015/16.

Note: Continued work on the Waikato water study

In October 2014, Waipa District Council agreed to join with Hamilton City Council and Waikato District Council to jointly fund a study into how best to manage water, wastewater and storm water infrastructure across all three councils in the future. The results of the study are available at www.waterstudywaikato.org.nz. Discussions are expected to continue until after the local government elections in October 2016. Should any changes be recommended as a result of this study, those changes would be widely discussed with the Waipa community before decisions are made.

Statement of cost of service

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
REVENUE				
Fees, charges and targeted rates for water supply	5,935	6,161	6,161	-
TOTAL REVENUE	5,935	6,161	6,161	-
OPERATING EXPENDITURE				
Depreciation and Amortisation	3,945	3,959	4,254	(295)
Activity Expenses	5,538	5,488	5,531	(43)
Internal charges and Overheads	243	626	409	217
TOTAL EXPENDITURE	9,726	10,073	10,194	(121)
OPERATING NET COST OF SERVICE	(3,791)	(3,912)	(4,033)	121
CAPITAL EXPENDITURE AND DEBT REPAYMENT				
Capital Expenditure (excluding Vested)	6,115	11,517	8,155	3,362
Vested Assets	297	308	308	-
Debt Repayment (Internal)	-	-	-	-
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	6,412	11,825	8,463	3,362

Capital expenditure table

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
To Meet Additional Demand				
Karapiro Rising Main	195	1,299	-	1,299
Cambridge North Water Provision	276	-	278	(278)
Dedicated Cambridge North Water Main	-	-	326	(326)
Cambridge System Enhancement	576			
Karapiro Water Treatment Plant Upgrade	300	2,679	2,829	(150)
Cambridge Water Reticulation Active Control	-	70	-	70
Total Capital Expenditure to Meet Additional Demand	1,347	4,048	3,433	615
To Improve Level of Service				
Cambridge Hicks Rd WTP Upgrade	80	2,222	-	2,222
Karapiro Village Solution Construction	175	-	-	-
Parallel Rd to Taylors Hill Pipeline	-	208	208	-
Standby Generators for Treatment Plants	108	-	-	-
Te Tahi Consent Compliance - Installation of New Plant	35	-	-	-
Drinking Water Compliance	120	228	228	-
Investigation of New Water Sources Te Awamutu	600	-	-	-
Frontier Rd Production Bore & Treatment Plant	1,000			
Water Meters - New and Replacement	241	2,685	2,160	525
Total Capital Expenditure to Improve Level of Service	2,359	5,343	2,596	2,747
To Replace Existing Assets				
Renewals	728	329	329	-
DW Main Replacement Criticality 1	1,550	1,661	1,661	-
District Wide Rider Main Installation	131	136	136	-
Total Capital Expenditure to Replace Existing Assets	2,409	2,126	2,126	-
TOTAL CAPITAL EXPENDITURE	6,115	11,517	8,155	3,362

Funding impact statement

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	590	674	683	(9)
Targeted rates	4,159	4,165	4,276	(111)
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	5,935	6,161	6,161	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	10,684	11,000	11,120	(120)
Applications of operating funding				
Payments to staff and suppliers	5,338	5,362	5,406	(44)
Finance costs	-	-	-	-
Internal charges and overheads applied	243	626	409	217
Other operating funding applications	5	5	5	-
Total applications of operating funding (B)	5,586	5,993	5,820	173
Surplus (deficit) of operating funding (A - B)	5,098	5,007	5,300	(293)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	615	802	802	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	615	802	802	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,347	4,048	3,433	615
- to improve the level of service	2,359	5,343	2,596	2,747
- to replace existing assets	2,409	2,126	2,126	-
Increase (decrease) in reserves	(402)	(5,708)	(2,053)	(3,655)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	5,713	5,809	6,102	(293)
Surplus (deficit) of capital funding (C - D)	(5,098)	(5,007)	(5,300)	293
Funding balance ((A - B) + (C - D))	-	-	-	-

Support Services group

What we do

This group provides a range of specialist skills and support services, including customer support, financial management, human resources, information services, legal and corporate support, and property management.

Key projects for 2016/17 and beyond

- **Vehicle and other plant renewals:** An ongoing programme that ensures that our plant and vehicles are up-to-date and reliable 2016/17 - 2024/25.
- **Computer hardware and software renewals and upgrades:** An ongoing programme of renewal work that ensures that our computer hardware and software is up-to-date and reliable 2016/17 -2024/25.
- **Office accommodation fit out and modernisation:** This is the fit out of 101 Bank St and 135 Roche St (Council offices) 2016/17 – 2019/20.

Changes from the 10-Year Plan 2015-25

There are no significant or material changes from the programme outlined in the 10-Year Plan (pages 217-223). The variations from the 10-Year Plan 2015-25 are shown in the following tables. Activity changes of interest are as follows:

Cost of service variances

- **Depreciation:** Reduction in depreciation as capital costs are decreased due to migration of Information Technology into a service cloud platform.
- **Finance costs:** Interest costs are lower due to reduction in external loans resulting in interest savings.
- **Activity costs:** Higher Information Technology operating costs as capital work is replaced by migration into a service cloud platform.

Capital variances

- **New dog pound:** The new dog pound is now planned to be built on the same site in Kihikihi (not in Te Awamutu as indicated in the 10-Year Plan) and, because of delays with finalising the site, the project will continue through into the 2016/17 year with \$698,462 deferred to 2016/17 to support completion of the project.
- **Virtualisation project:** The cost for this project will be transferred from capital to operating budgets due to the migration of Information Technology into a service cloud platform.

Statement of cost of service

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
REVENUE				
Fees and Charges	39	39	7	32
TOTAL REVENUE	39	39	7	32
OPERATING EXPENDITURE				
Employee Related Expenses	5,812	6,357	6,325	32
Depreciation and Amortisation	1,060	932	1,119	(187)
Activity Expenses	2,857	3,280	3,116	164
Finance Costs	48	222	454	(232)
TOTAL EXPENDITURE	9,777	10,791	11,014	(223)
OPERATING NET COST OF SERVICE	(9,738)	(10,752)	(11,007)	255
CAPITAL EXPENDITURE AND DEBT REPAYMENT				
Capital Expenditure (excluding Vested)	1,604	1,842	1,400	442
Debt Repayment	298	407	450	(43)
TOTAL CAPITAL EXPENDITURE	1,902	2,249	1,850	399

Capital expenditure table

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
To Improve Level of Service				
Buildings	135	934	235	699
Computer Hardware Upgrades	-	-	-	-
Total to Improve Level of Service	135	934	235	699
To Replace Existing Assets				
Plant	777	467	467	-
Computer Hardware Renewals	402	328	585	(257)
Computer Software Renewals	290	113	113	-
Total to Replace Existing Assets	1,469	908	1,165	(257)
TOTAL CAPITAL EXPENDITURE	1,604	1,842	1,400	442

Funding impact statement

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	293	289	295	(6)
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	39	39	7	32
Internal charges and overheads recovered	9,761	10,428	10,787	(359)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total sources of operating funding (A)	10,093	10,756	11,089	(333)
Applications of operating funding				
Payments to staff and suppliers	8,997	9,637	9,442	195
Finance costs	48	222	454	(232)
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	9,045	9,859	9,896	(37)
Surplus (deficit) of operating funding (A - B)	1,048	897	1,193	(296)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	135	934	235	699
- to replace existing assets	1,469	908	1,165	(257)
Increase (decrease) in reserves	(556)	(945)	(207)	(738)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,048	897	1,193	(296)
Surplus (deficit) of capital funding (C - D)	(1,048)	(897)	(1,193)	296
Funding balance ((A - B) + (C - D))	-	-	-	-

Financial planning

Statement of prospective financial information

The financial information contained within this plan is prospective financial information which complies with the Financial Reporting Standard 42 (FRS). FRS42 sets the principles and specifies minimum disclosures for the preparation and presentation of general purpose prospective financial information. The purpose of this financial information is to enable the public to participate in the decision making process as to the services that we will provide over the financial year 2016/17, and to provide a broad accountability mechanism for Council to the community. The financial information may not be appropriate for purposes other than those described.

In relation to the FRS42, the financial year 2016/17 is considered to be a 'forecast year' and based on future events, which are expected to occur. The actual results achieved for the period are likely to vary from the information presented and may vary depending upon the circumstances that arise during the period.

The forecast financial information has been prepared in accordance with Council's current policies which comply with the New Zealand International Financial Reporting Standards.

We are responsible for the Prospective Financial Statements, including the appropriateness of the underlying assumptions and all other required disclosures.

Use of prior year surpluses

In the 2014/15 year Council realised a general funds cash surplus of \$447,000 against a break even budget. These funds along with operational cost savings and additional revenue in the 2015/16 year have been applied to reduce the rates required for the 2016/17 year by \$650,000.

Prospective statement of comprehensive revenue and expense for year ending 30 June 2017

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
OPERATING INCOME				
Rates, excluding targeted water supply rates	45,723	47,592	48,083	(491)
Fees, charges, and targeted rates for water supply	14,409	14,690	14,448	242
Reserve contributions	418	282	282	-
Development contributions	2,045	3,874	3,874	-
Gain on revaluation of investment properties & forestry	522	559	559	-
Vested assets	10,507	2,566	2,516	50
Finance income	433	256	256	-
Subsidies and Grants	7,439	7,221	7,117	104
Other revenue	325	333	333	-
Gain on swap derivative	-	-	-	-
Total Operating Income	81,821	77,373	77,468	(95)
OPERATING EXPENDITURE				
Employee benefit expenses	17,826	18,952	18,520	432
Depreciation & amortisation	19,649	20,810	20,965	(155)
Other expenses	29,682	26,076	26,993	(917)
Finance costs	693	903	1,550	(647)
Total Operating Expenditure	67,850	66,741	68,028	(1,287)
OPERATING SURPLUS	13,971	10,632	9,440	1,192
Other Comprehensive Income recognised directly in Equity				
Property Plant and Equipment				
Revaluation gains/(losses) taken to equity	17,834	27,836	27,836	-
Cash flow hedges	(262)	114	114	-
Total Other Comprehensive Income for the year	17,572	27,950	27,950	-
Total Comprehensive Income for the year	31,543	38,582	37,390	1,192

Any operating surpluses generally come from non-cash items; we budget for a general funds cash break-even position. The statement of comprehensive revenue and expense also includes significant infrastructural revaluations which are also non-cash items.

Prospective statement of changes in equity for the year ending 30 June 2017

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Balance at 1 July	1,298,447	1,329,990	1,254,199	75,791
Total comprehensive income previously reported	31,543	38,582	37,390	1,192
Balance at 30 June	1,329,990	1,368,572	1,291,589	76,983
Equity represented by				
Retained Earnings	387,593	402,340	400,302	2,038
Other Reserves	942,397	966,232	891,287	74,945
Total Equity	1,329,990	1,368,572	1,291,589	76,983

Prospective statement of financial position as at 30 June 2017

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
ASSETS				
Current Assets				
Cash and cash equivalents	5,519	1,712	1,949	(237)
Trade and other receivables	5,151	5,242	3,961	1,281
Other financial assets	208	208	208	-
Total Current Assets	10,878	7,162	6,118	1,044
Non Current Assets				
Property plant and equipment	1,331,083	1,386,429	1,314,278	72,151
Intangible Assets	1,047	1,160	1,369	(209)
Forestry Assets	1,116	1,116	1,318	(202)
Investment Properties	13,017	10,852	12,259	(1,407)
Other financial assets	3,013	3,013	2,836	177
Total Non Current Assets	1,349,276	1,402,570	1,332,060	70,510
Total Assets	1,360,154	1,409,732	1,338,178	71,554
LIABILITIES				
Current Liabilities				
Trade and other payables	13,395	12,992	9,488	3,504
Provisions	230	236	54	182
Employee benefit liabilities	1,371	1,403	1,257	146
Borrowings	-	7,000	7,000	-
Total Current Liabilities	14,996	21,631	17,799	3,832
Non Current Liabilities				
Derivative financial instruments	1,376	1,262	617	645
Provisions	792	767	673	94
Borrowings	13,000	17,500	27,500	(10,000)
Total Non Current Liabilities	15,168	19,529	28,790	(9,261)
Total Liabilities	30,164	41,160	46,589	(5,429)
EQUITY				
Retained Earnings	387,593	402,340	400,302	2,038
Other reserves	942,397	966,232	891,287	74,945
Total Equity	1,329,990	1,368,572	1,291,589	76,983

Prospective statement of cash flow for the year ending 30 June 2017

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Cash Flows from Operating Activities				
Receipts from rates revenue	45,723	47,592	48,083	(491)
Interest received	433	256	256	-
Receipts from other revenue	24,391	26,400	25,692	708
Payments to suppliers and employees	(41,119)	(46,833)	(44,882)	(1,951)
Interest Paid	(693)	(903)	(1,550)	647
Net Cash Flow from Operating Activities	28,735	26,512	27,599	(1,087)
Cash Flows from Investing Activities				
Proceeds from sale of property, plant and equipment	-	-	-	-
Proceeds from sale of investment property	955	5,156	1,604	3,552
Purchase of intangible assets	(290)	(113)	(113)	-
Purchase of property, plant and equipment	(35,380)	(45,753)	(37,511)	(8,242)
Purchase & Development of investment property	(60)	(1,109)	-	(1,109)
Net Cash Flow from Investing Activities	(34,775)	(41,819)	(36,020)	(5,799)
Cash Flows from Financing Activities				
Proceeds from borrowings	-	11,500	7,500	4,000
Repayment of borrowings	-	-	-	-
Net Cash Flow from Financing Activities	-	11,500	7,500	4,000
Net (decrease)/increase in cash and cash equivalents	(6,040)	(3,807)	(921)	(2,886)
Cash and cash equivalents at the beginning of the year	11,559	5,519	2,870	2,649
Cash & cash equivalents at the end of the year	5,519	1,712	1,949	(237)

Statement of borrowing for the year ending 30 June 2017

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 Budget \$000	2016/17 Variance \$000
Movements in Borrowings				
Opening Balance	13,000	13,000	27,000	(14,000)
Net Loans Raised/(Repaid)	-	11,500	7,500	4,000
Closing Balance	13,000	24,500	34,500	(10,000)
Current Portion of External Debt	-	7,000	7,000	-
Term Portion of External Debt	13,000	17,500	27,500	(10,000)
	13,000	24,500	34,500	(10,000)

Operating expenditure variations to 10-Year Plan

	2016/17 Annual Plan	2016/17 LTP	2016/17 Variance
Net Cost of Service of Significant Activities	\$000	\$000	\$000
Governance	7,175	7,091	84
Costs for an independent audit advisor for Audit and Risk Committee. Honorariums for Councillors. Additional district wide community grant. Salary costs transfer between activities due to restructure. Reduction in overhead allocation due to level of overhead expenditure.			
Planning and Regulatory	1,771	1,777	(6)
Salary costs transfer between activities due to restructure. Removal of net revenue from Earthquake building assessments due to delay in the legislation. Reduction in overhead allocation due to level of overhead expenditure.			
Community Services and Facilities	11,365	12,958	(1,593)
Timing of Gain on Sale from development of properties, timing change for work on Cambridge Water Tower, Reduction in interest expense on loans, additional maintenance expenses for locations due to growth			
Roads and Footpaths	12,780	12,108	672
Reduction in interest expense on loans, higher depreciation due to revaluation			
Stormwater	2,872	2,986	(114)
Reduction in interest expense on loans, lower depreciation due to revaluation			
Wastewater Treatment and Disposal	5,915	6,530	(615)
Lower depreciation due to revaluation, internal waste disposal revenue			
Water Treatment and Supply	3,912	4,033	(121)
Lower depreciation due to revaluation, internal waste disposal costs, Salary costs transfer between activities due to restructure			
Support Services	324	220	104
Lower depreciation due to lower asset values, salary costs transfer between activities due to restructure, reduction in interest expense on loans, Internal Audit costs, IT operating projects moving to the cloud.			
	46,114	47,703	(1,589)

Capital expenditure programme

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Projects				
Governance	20	563	30	533
Community Services and Facilities	7,850	8,684	6,258	2,426
Roads and Footpaths	25,632	14,424	13,746	678
Stormwater	4,314	2,904	2,375	529
Wastewater Treatment and Disposal	3,445	9,348	7,868	1,480
Water Treatment and Supply	6,412	11,825	8,463	3,362
Support Services	1,604	1,842	1,400	442
TOTAL CAPITAL EXPENDITURE	49,277	49,590	40,140	9,450

Note: Refer to the group of activity section in this plan which outlines the individual projects in detail and the variations to the 10-Year Plan.

Council reserve funds, movements and balances

	2015/16	2016/17	2016/17	2016/17
	Forecast	Transfer to	Transfer From	Closing
	\$000	Reserve	Reserve	Balance
		\$000	\$000	\$000
<i>Council created reserves consist of:</i>				
Property Reserves				
Asset Sales Cambridge	1,537	1,650	(2,376)	811
Asset Sales Te Awamutu	180	5	-	185
Asset Sales General	503	15	-	518
Endowment Land Cambridge	2,125	3,616	(745)	4,996
Endowment Land Pirongia	17	1	-	18
Endowment Land Te Awamutu	57	2	-	59
Endowment Land Waipa District	31	1	-	32
Forestry Reserve	53	-	-	53
Residential Housing Reserve	261	1,155	(1,192)	224
Reserve Contributions & Development Contributions				
Cambridge North	732	2,712	(2,574)	870
District Wide Stormwater	231	22	-	253
District Wide Waste Water	1,329	536	(1,120)	745
District Wide Water Treatment and Supply	557	473	(686)	344
District Wide Roothing	1,474	228	(496)	1,206
District Wide Reserve Developments	445	124	(175)	394
District Wide Land Purchase	1,195	70	(670)	595
Cambridge Pool	136	-	(136)	-
Te Awamutu Library/Museum	60			60
Special Funds				
Cemetery Paterangi	4	-	-	4
Project Funding Reserve	2,684	24	(1,371)	1,337
General Insurance Reserve	183	-	-	183
Infrastructure Insurance Reserve	374	93	-	467
Te Awamutu 110kv Compensation Reserve	383	35	-	418
Separate Balances				
Roothing Reserve	1,187	22,059	(22,120)	1,126
Stormwater Reserve	167	5,080	(4,711)	536
Water Supply Reserve	5,207	14,099	(16,700)	2,606
Waste Water Reserve	3,438	11,221	(12,157)	2,502
Depreciation Reserve - Long Term Assets	757	1,182	(1,330)	609
Depreciation Reserve - Medium Term Assets	1,648	588	(437)	1,799
Asset Revaluation Reserves				
Operational assets				
Land	93,906	7,292	-	101,198
Buildings	19,159	3,083	-	22,242
Intangible	111	-	-	111
Infrastructural Assets				
Sewerage System	50,420	2,847	-	53,267
Water System	57,864	3,943	-	61,807
Drainage network	38,649	2,475	-	41,124
Roothing network	655,333	8,200	-	663,533
Total	942,397	92,831	(68,996)	966,232

Council reserves

The table below sets out the purpose of the reserves held by Council and the related activities for these reserves.

Reserve	Purpose	Activity
Property Reserves		
Asset Sales Cambridge	Proceeds from Cambridge asset sales held in reserve to fund future asset purchases	Properties
Asset Sales Te Awamutu	Proceeds from Te Awamutu asset sales held in reserve to fund future asset purchases	Properties
Asset Sales General	Proceeds from district wide asset sales held in reserve to fund future asset purchases	Properties
Endowment Land Cambridge	Proceeds from sale of Cambridge endowment land held in reserve for endowment purposes	Properties
Endowment Land Pirongia	Proceeds from sale of Pirongia endowment land held in reserve for endowment purposes	Properties
Endowment Land Te Awamutu	Proceeds from sale of Te Awamutu endowment land held in reserve for endowment purposes	Properties
Endowment Land Waipa District	Proceeds from sale of District Wide endowment land held in reserve for endowment purposes	Properties
Forestry Reserve	Proceeds from forestry harvesting to fund future forestry activities	Forestry
Residential Housing Reserve	Proceeds from residential housing rental revenue to fund the operating and capital expenditure	Properties
Pensioner Housing & Own Your Own Housing	Proceeds from pensioner housing and own your own housing revenue to fund the operating and capital expenditure within its own portfolio	Properties
Reserve Contributions & Development Contributions		
Cambridge North	Proceeds from development contributions to fund growth related expenditure	Roads & Footpaths / Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
District Wide Stormwater	Proceeds from development contributions to fund growth related expenditure	Stormwater
District Wide Wastewater	Proceeds from development contributions to fund growth related expenditure	Wastewater Treatment & Disposal
District Wide Water Treatment & Supply	Proceeds from development contributions to fund growth related expenditure	Water Treatment & Supply
District Wide Roding	Proceeds from development contributions to fund growth related expenditure	Roads & Footpaths
District Wide Reserve Developments	Proceeds from development contributions to fund growth related	Parks & Reserves

Reserve	Purpose	Activity
	expenditure	
District Wide Land Purchase	Proceeds from development contributions to fund growth related expenditure	Parks & Reserves
Te Awamutu Library/Museum	Proceeds from development contributions to fund growth related expenditure for Te Awamutu Library/Museum	District Libraries / Museums
Special Funds		
Cemetery Paterangi	Proceeds held in reserve to fund future capital works	Cemeteries
Project Funding Reserve	Funding for specific projects to be completed in the following year	All activities
General Insurance Reserve	Provision to pay call-ups and to fund increase in deductibles of claims as well as to help to pay future premium increases	All activities
Infrastructure Insurance Reserve	Provision to pay additional contributions that may occur and to help cover the insurance deductible if a major event happens in the Waipa District	Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply
Te Awamutu 100kv Compensation Reserve	Proceeds from the granting of easement rights for the Waipa Networks 110kv line, held in reserve for appropriate future utilisation with due regard to the source of these funds.	Properties
Separate Balances		
Roading Reserve	Funds held in reserve for capital works expenditure	Roads & Footpaths
Stormwater Reserve	Funds held in reserve for capital works expenditure	Stormwater
Water Supply Reserve	Funds held in reserve for capital works expenditure	Water Treatment & Supply
Wastewater Reserve	Funds held in reserve for operating and capital works expenditure	Wastewater Treatment & Disposal
Depreciation Reserve Long Term Assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Depreciation Reserve Medium Term Assets	Funds held in reserve for capital works expenditure	Community Services & Facilities
Asset Revaluation Reserves		
Operational		
Land	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
Buildings	Non cash reserve to record appreciation values arising from asset revaluations	Community Services & Facilities
Infrastructural Assets		
Sewerage System	Non cash reserve to record appreciation values arising from asset revaluations	Wastewater Treatment & Disposal
Water System	Non cash reserve to record appreciation values arising from asset revaluations	Water Treatment & Supply
Drainage Network	Non cash reserve to record appreciation values arising from asset revaluations	Stormwater
Roading Network	Non cash reserve to record appreciation values arising from asset revaluations	Roads & Footpaths

Statement of accounting policies

Please refer to 'Our Future Decided – the path ahead for Waipa', 10-Year Plan 2015-25.

Funding impact statement

The funding impact statement, has been prepared in accordance with schedule 10 of the Local Government Act 2002, as well as sections 13 to 19 of the Local Government (Rating) Act 2002 and sets out:

- The revenue and financing mechanisms used;
- An indicative level or amount of funding for each mechanism;
- A summary of the total rates requirement; and
- The application of funding methods to Council activities.

This statement should be read in conjunction with our [Revenue & Financing Policy](#) (refer to 10-Year Plan 2015-25) that sets out our policies in respect of each source of funding for operating and capital expenses. The Revenue & Financing Policy was reviewed in 2015.

Consolidated statement of cost of service

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
REVENUE				
Governance	39	121	121	-
Planning and Regulatory	4,320	3,844	4,354	(510)
Community Services and Facilities	3,536	3,368	3,349	19
Roads and Footpaths	7,264	7,636	6,973	663
Wastewater Treatment and Disposal	569	587	487	100
Water Treatment and Supply	5,935	6,161	6,161	-
Support Services*	9,800	10,467	10,794	(327)
GROSS REVENUE	31,463	32,184	32,239	(55)
Less Internal Charges	9,761	10,428	10,787	(359)
NET REVENUE	21,702	21,756	21,452	304
OPERATING EXPENDITURE				
Governance	7,207	7,296	7,212	84
Planning and Regulatory	5,349	5,615	6,131	(516)
Community Services and Facilities	17,315	14,734	16,307	(1,573)
Roads and Footpaths	19,943	20,417	19,081	1,336
Stormwater	2,818	2,872	2,986	(114)
Wastewater Treatment and Disposal	6,569	6,502	7,017	(515)
Water Treatment and Supply	9,726	10,073	10,194	(121)
Support Services	9,777	10,791	11,014	(223)
GROSS EXPENDITURE	78,704	78,300	79,942	(1,642)
Less Internal Charges	9,761	10,428	10,787	(359)
Less rates charged to Council properties	1,094	1,127	1,127	-
NET EXPENDITURE	67,849	66,745	68,028	(1,283)
NET COST OF SERVICE - OPERATING	(46,147)	(44,989)	(46,576)	1,587
CAPITAL EXPENDITURE AND DEBT REPAYMENT				
Capital Expenditure (excluding Vested)	38,770	47,024	37,624	9,400
Vested Assets	10,507	2,566	2,516	50
Debt Repayment	-	-	-	-
TOTAL CAPITAL EXPENDITURE AND DEBT REPAYMENT	49,277	49,590	40,140	9,450

*This includes internal charges

Consolidated funding impact statement

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	21,148	24,435	24,445	(10)
Targeted rates	24,574	23,157	23,638	(481)
Subsidies and grants for operating purposes	2,800	2,932	2,869	63
Fees and charges	14,408	14,689	14,407	282
Interest and dividends from investments	433	256	256	-
Local authorities fuel tax, fines, infringement fees, and other receipts	325	333	333	-
Total sources of operating funding (A)	63,688	65,802	65,948	(146)
Applications of operating funding				
Payments to staff and suppliers	42,622	45,204	43,942	1,262
Finance costs	693	903	1,550	(647)
Other operating funding applications	1,113	1,074	1,062	12
Total applications of operating funding (B)	44,428	47,181	46,554	627
Surplus (deficit) of operating funding (A - B)	19,260	18,621	19,394	(773)
Sources of capital funding				
Subsidies and grants for capital expenditure	4,639	4,289	4,248	41
Development and financial contributions	2,463	4,156	4,156	-
Increase (decrease) in debt	-	11,500	7,500	4,000
Gross proceeds from sale of assets	955	5,156	1,604	3,552
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	8,057	25,101	17,508	7,593
Applications of capital funding				
Capital expenditure				
- to meet additional demand	12,261	11,632	9,441	2,191
- to improve the level of service	13,165	19,087	11,921	7,166
- to replace existing assets	13,344	16,305	16,262	43
Increase (decrease) in reserves	(11,453)	(3,302)	(722)	(2,580)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	27,317	43,722	36,902	6,820
Surplus (deficit) of capital funding (C - D)	(19,260)	(18,621)	(19,394)	773
Funding balance ((A - B) + (C - D))	-	-	-	-

Reconciliation between the funding impact statement and statement of comprehensive revenue and expense

The funding impact statement is prepared in compliance with the requirements of clause 15, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, 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 on the statement of comprehensive revenue and expense (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 revenue and expense 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.

	2015/16 Forecast \$000	2016/17 Annual Plan \$000	2016/17 LTP \$000	2016/17 Variance \$000
Total prospective revenue and expense wholly attributable to District Council	31,543	38,582	37,390	1,192
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	19,260	18,621	19,394	(773)
Difference	12,283	19,961	17,996	1,965
The difference is due to:				
Capital income	7,102	8,445	8,404	41
Vested assets	10,507	2,566	2,516	50
Revaluation of assets	18,094	28,509	28,509	-
Gain (loss) on sale/disposal of assets	(3,771)	1,251	(468)	1,719
Depreciation and amortisation	(19,649)	(20,810)	(20,965)	155
Total explained difference	12,283	19,961	17,996	1,965

Rates information

The number of rateable properties estimated for 2016/17 is 21,206.

Rates requirement figures quoted in the section below are plus GST at the prevailing rate.

District wide funding

The funding of district wide activities will be from a combination of general rates, uniform annual general charge (UAGC) and targeted ward rates. This combination of general rates, UAGC and targeted ward rates is referred to as 'district wide funding'. Activities funded from district wide funding include governance, animal control, building, environmental health, resource management, development engineering, parks and reserves, Mighty River Domain, libraries, Cambridge pool, Te Awamutu Events Centre, museums, heritage, cemeteries, public toilets, property, district halls, community buildings, civil defence, litter bins, recycling, roading, stormwater, water supply and sewerage.

Definition of a separately used or inhabited part of a rating unit (SUIP)

A separately used or inhabited part of a rating unit exists where there is use or ability to use a part or parts of the rating unit as an independent residence; or in the case of a rating unit used for commercial or industrial business, where there is use or ability to use a part or parts of the rating unit for independent trading operations. This is on the basis that where a rating unit is configured for the purpose of separate inhabitation or use, even if it is not currently occupied, this constitutes a separate use of the rating unit by the owner.

General rate

A general rate is set under section 13 of the Local Government (Rating) Act 2002 based on the capital value of each rating unit in the district with no differential being set. The rate for 2016/17 is 0.1376 cents in the dollar on the capital value of each rating unit.

The general rate will fund a portion of the district wide funding.

Amount to be raised: \$17,959,785 plus GST.

Uniform annual general charge (UAGC)

A uniform annual general charge is set under section 15 of the Local Government Rating Act 2002 at \$349.57 plus GST per separately used or inhabited part of a rating unit.

The uniform annual general charge will fund a portion of the district wide funding.

Amount to be raised: \$7,889,337 plus GST.

Targeted rates

Targeted rates are set under sections 16 and 19 of the Local Government Rating Act 2002 for the activities listed on the following page. Council will not invite lump sum contributions in respect of any of these targeted rates.

Targeted ward rates

A targeted ward rate is set on each rating unit in the district. The targeted rate will be a fixed amount per rating unit. This rate will be set on a differential basis based on location, being the wards of Te Awamutu, Kakepuku, Cambridge, Maungatautari and Pirongia. The rates for the 2016/17 year are shown in the following table:

Ward	\$ Rate (GST excl)	\$ Raising
Cambridge	456.43	3,545,996
Kakepuku	465.47	553,909
Maungatautari	423.12	583,059
Pirongia	446.68	1,299,839
Te Awamutu	505.25	3,171,454

The targeted ward rate will fund a portion of the district-wide funding and fund the public community/group benefit element of activities.

The activities funded from the targeted ward rate include community boards, community grants, libraries, Cambridge pool, Te Awamutu Events Centre, museums, Cambridge Town Hall (Cambridge ward only) community properties (Cambridge and Te Awamutu Wards), passenger transport, Cambridge Refuse Centre grant, and National Cycling Centre of Excellence.

Amount to be raised: \$9,154,257 plus GST.

Cambridge community sports hall

A targeted rate is set to fund the loan charges for the grant made for the development of the sports hall located at the Cambridge High School.

The targeted rate is a fixed amount per rating unit. A rate of \$17.39 plus GST is set for each rating unit in the Cambridge and Maungatautari wards.

Amount to be raised: \$156,426 plus GST.

Capital works

A targeted rate is set to fund capital costs in connection with improvements and extensions to footpaths, kerbing and channelling of roads and street lighting for each ward as follows.

The capital works rate is based on the capital value of each rating unit in the district. The capital works rate is set on a differential basis based on location, with the categories being the wards of Te Awamutu Kakepuku, Cambridge, Maungatautari and Pirongia. The rates in cents per dollar of capital value are shown in the following table:

Ward	Rate (GST excl)	\$ Raising
Cambridge	0.0014	55,087
Te Awamutu	0.0016	38,163

Amount to be raised: \$93,250 plus GST.

Stormwater

A targeted rate is set to fund the operating costs and loan charges for stormwater in urban and rural areas of the district. The stormwater rate is based on the capital value of each rating unit in the district. The stormwater rate is set on a differential basis based on location, the categories being urban and rural. Urban is defined as being the urban drainage areas of Cambridge, Te Awamutu, Kihikihi, Ohaupo, Pirongia and Karāpiro, as shown on Drainage Maps on www.waipadc.govt.nz. Rural is defined as the remaining area of the district not defined as urban. The rates for 2016/17 in cents per dollar of capital value are shown in the following table:

	Rate (GST excl)	\$ Raising
Urban	0.0415	2,088,966
Rural	0.0067	519,807

Amount to be raised: \$2,608,773 plus GST.

Rural fire management

A targeted rate is set to fund the costs of rural fire management in rural areas of the district. The rural fire management rate is based on the capital value of each rating unit in the rural category, as defined for the purposes of the "Stormwater" targeted rate above. The rate for 2016/17 in cents per dollar of capital value is 0.0018 plus GST.

Amount to be raised: \$139,060 plus GST.

Sewerage charges

A targeted rate is set for sewerage disposal costs and loan charges for each rating unit in the areas of the Cambridge sewerage scheme and the Te Awamutu sewerage scheme.

The targeted rate is set on a differential basis based on the provision of service, the categories of service being connected and serviceable. Connected means any rating unit that is connected to the Cambridge or Te Awamutu sewerage scheme. Serviceable means any rating unit situated within 30 metres of a public sewerage drain in one of the above Council sewerage scheme areas to which it is capable of being effectively connected but which is not so connected. For connected rating units, the liability is an amount per rating unit, calculated based on the number of pans and urinals at the rating unit. The rates for the 2016/17 year are:

	\$ Rate per pan or urinal (GST excl)	\$ Raising
Connected (3 or less pans)	425.20	5,138,405
Connected (4 to 10 pans)	361.42	372,263
Connected (11-15 pans)	297.64	115,187
Connected (16-20 pans)	259.37	48,502
Connected (21-35 pans)	233.86	119,502
Connected (36-45 pans)	204.10	35,105
Connected (46 or more pans)	191.34	145,801
Serviceable	212.60	75,473

A rating unit used primarily as a residence for one household will be treated as having no more than one pan or urinal. Rating units that are neither connected to the scheme nor serviceable are not liable for this rate.

Amount to be raised: \$6,050,238 plus GST.

Water charges

A targeted rate is set to fund water supply costs and loan charges to non-metered rating units in the areas of the Cambridge water supply and the Te Awamutu water supply.

The targeted rate is set on a differential basis based on the provision of service, the categories of service being connected and serviceable, and is a fixed amount per separately used or inhabited part of a rating unit. Connected means connected to Council water works in the Cambridge or Te Awamutu water supply areas, but excluding metered connections. Serviceable means within 100 metres of a supply pipe in either of the above water supply areas and capable of being effectively connected but not so connected. The rates for the 2016/17 year are:

	\$ Rate (GST excl)	\$ Raising
Connected	335.75	3,876,270
Serviceable	167.88	112,812

Rating units that have a metered supply and those that are neither connected to the scheme, nor serviceable are not liable for this rate.

Amount to be raised: \$3,989,082 plus GST.

- (a) A targeted rate is set for the supply of water to rating units with metered connections.

The targeted rate includes both an amount per connection and a charge based on the cubic metres of water consumed and is set on a differential basis based on the provision of service, for all metered rating units other than rating units subject to a separate water supply contract. The differential categories of service are potable and raw water supply. The rates for the 2016/17 year are:

	\$ Rate (GST excl)	\$ Rate (GST excl) 0 ^{m3} to 250 ^{m3}	\$ Rate (GST excl) over 250 ^{m3}
Potable Water	121.96	0.8548 per m ³	1.2400 per m ³
Raw Water	121.96	0.2137 per m ³	0.2137 per m ³

Amount to be raised: \$6,055,694 plus GST.

- (b) A targeted rate is set to fund the Arohena rural water supply loan costs for Waipa ratepayers within the Arohena rural water supply area.

This revenue is collected on behalf of Otorohanga District Council, who administers the Arohena rural water supply. The Arohena water rate is based on the capital value of each rating unit located within the Arohena rural water supply area. The rate for 2016/17 in cents per dollar of capital value is 0.0088 plus GST.

Amount to be raised: \$4,900 plus GST.

Recycling charges

A targeted rate is set to fund the provision of a kerbside refuse recycling service to each household in the district.

The targeted rate is a fixed amount of \$46.09 plus GST per separately used or inhabited part of a rating unit.

Amount to be raised: \$886,447 plus GST.

Community hall/centre charges

Council has a number of community halls which have a targeted rate set for each hall. The targeted rates are to fund part of the costs of the relevant community hall/centre.

These rates are a fixed amount per separately used or inhabited part of a rating unit and will be charged to the rating units within the relevant community hall areas.

The plans showing the boundaries of the various community hall areas can be found at www.waipadc.govt.nz.

The following table shows the details for the various community hall targeted rates:

	\$ Rate (GST excl)	\$ Raising
Fencourt Hall	12.43	4,103
Hautapu Hall	17.74	7,131
Horahora Hall	23.43	3,070
Kaipaki Hall	36.96	9,684
Karapiro Hall	23.26	7,280
Koromatua Hall	17.74	4,470
Maungatautari Hall	32.39	4,826
Monavale	26.09	4,566
Ngahinapouri Hall	17.74	5,517
Ohaupo Hall	11.57	4,500
Parawera Hall	16.17	1,730
Paterangi Hall	24.83	4,594
Pirongia Sports Centre	8.87	10,431
Pukeatua Hall	18.52	3,222
Rangioawhia Hall	12.39	1,549
Rukuhia Hall	22.70	6,219
Te Miro Hall	24.26	3,930
Whitehall Hall	21.74	1,739

Early payment of rates

Sections 55 and 56 of the Local Government Rating Act 2002 empower us to accept early payment of rates. Council accepts payment in full of all rates assessed in each year on or before the due date for the first instalment of the year. No discount will be given to any payment of rates received on this basis.

Rates payable by instalments

Rates are payable by four equal instalments with the due dates of 21 August 2016, 21 November 2016, 21 February 2017 and 21 May 2017. Where the due date falls on a weekend or public holiday, the due date is extended until the next working day.

Penalties on rates not paid by the due date

Section 58 of the Local Government Rating Act 2002 enables penalties to be imposed. A penalty of 10 per cent will be added to all instalments or part thereof remaining unpaid six days after the expiration of the date on which that instalment is required to be paid.

Additional penalties of 10 per cent will be added to any unpaid rates relating to a previous year or years that are still unpaid on 5 July 2016; and then again on 5 January 2017.

Rates breakdown indicator properties

A rates calculator is provided on Council's website which enables the proposed rates changes to be seen on individual properties.

The indicator properties are shown GST INCLUSIVE.

Cambridge Ward (Residential) Rating Valuation,	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
	\$240,000		\$390,000		\$870,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	1,589	1,473	1,589	1,473	1,589	1,473
UAGC	300	402	300	402	300	402
Capital Value Rates	478	498	776	810	1,731	1,806
Total Rates	2,367	2,373	2,665	2,685	3,620	3,681
\$ incr per week		0.12		0.37		1.16
Percentage Increase		0.3%		0.7%		1.7%

Rural Residential Cambridge Rating Valuation,	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
	\$355,000		\$640,000		\$1,330,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	660	545	735	618	744	628
UAGC	300	402	300	402	300	402
Capital Value Rates	569	602	1,026	1,086	2,131	2,256
Total Rates	1,529	1,549	2,061	2,106	3,175	3,286
\$ incr per week		0.38		0.88		2.12
Percentage Increase		1.3%		2.2%		3.5%

Commercial / Industrial Cambridge Rating Valuation,	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
	\$235,000		\$640,000		\$1,660,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	1,149	1,034	1,638	1,523	2,127	2,012
UAGC	300	402	600	804	900	1,206
Capital Value Rates	468	488	1,274	1,329	3,303	3,446
Total Rates	1,917	1,924	3,512	3,656	6,330	6,664
\$ incr per week		0.13		2.76		6.40
Percentage Increase		0.3%		4.1%		5.3%

Te Awamutu Ward (Residential) Rating Valuation,	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
	\$240,000		\$350,000		\$620,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	1,622	1,509	1,622	1,509	1,622	1,509
UAGC	300	402	300	402	300	402
Capital Value Rates	478	499	697	727	1,234	1,288
Total Rates	2,400	2,410	2,619	2,638	3,156	3,199
\$ incr per week		0.19		0.37		0.83
Percentage Increase		0.4%		0.7%		1.4%

Rural Residential Te Awamutu Rating Valuation,	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
	\$360,000		\$640,000		\$1,320,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	747	634	747	634	747	634
UAGC	300	402	300	402	300	402
Capital Value Rates	577	611	1,026	1,087	2,116	2,242
Total Rates	1,624	1,647	2,073	2,123	3,163	3,278
\$ incr per week		0.45		0.96		2.21
Percentage Increase		1.4%		2.4%		3.6%

Rates breakdown indicator properties – continued

Commercial / Industrial Te Awamutu Rating Valuation,	2015/16 \$235,000 \$	2016/17 \$	2015/16 \$610,000 \$	2016/17 \$	2015/16 \$1,620,000 \$	2016/17 \$
Fixed Targeted Rates	1,568	1,456	1,568	1,456	3,187	3,075
UAGC	300	402	900	1,206	900	1,206
Capital Value Rates	468	488	1,214	1,267	3,224	3,366
Total Rates	2,336	2,346	3,682	3,929	7,311	7,647
\$ incr per week		0.20		4.75		6.45
Percentage Increase		0.4%		6.7%		4.6%

Pirongia Ward - Rural Rating Valuation,	2015/16 \$400,000 \$	2016/17 \$	2015/16 \$2,440,000 \$	2016/17 \$	2015/16 \$5,200,000 \$	2016/17 \$
Fixed Targeted Rates	706	593	754	640	734	620
UAGC	300	402	600	804	600	804
Capital Value Rates	634	672	3,867	4,100	8,240	8,737
Total Rates	1,640	1,667	5,221	5,544	9,574	10,161
\$ incr per week		0.52		6.21		11.28
Percentage Increase		1.7%		6.2%		6.1%

Pirongia Village Rating Valuation,	2015/16 \$300,000 \$	2016/17 \$	2015/16 \$460,000 \$	2016/17 \$	2015/16 \$775,000 \$	2016/17 \$
Fixed Targeted Rates	690	577	690	577	690	577
UAGC	300	402	300	402	300	402
Capital Value Rates	592	618	907	947	1,529	1,596
Total Rates	1,582	1,597	1,897	1,926	2,519	2,575
\$ incr per week		0.29		0.56		1.09
Percentage Increase		1.0%		1.5%		2.3%

Ohaupo Village Rating Valuation,	2015/16 \$380,000 \$	2016/17 \$	2015/16 \$480,000 \$	2016/17 \$	2015/16 \$640,000 \$	2016/17 \$
Fixed Targeted Rates	693	580	693	580	693	580
UAGC	300	402	300	402	300	402
Capital Value Rates	602	638	947	989	1,262	1,318
Total Rates	1,595	1,620	1,940	1,971	2,255	2,300
\$ incr per week		0.49		0.60		0.87
Percentage Increase		1.6%		1.6%		2.0%

Ngahinapouri Rating Valuation,	2015/16 \$310,000 \$	2016/17 \$	2015/16 \$935,000 \$	2016/17 \$	2015/16 \$3,190,000 \$	2016/17 \$
Fixed Targeted Rates	700	587	700	587	774	660
UAGC	300	402	300	402	600	804
Capital Value Rates	491	521	1,482	1,571	5,055	5,360
Total Rates	1,491	1,510	2,482	2,560	6,429	6,824
\$ incr per week		0.36		1.51		7.59
Percentage Increase		1.3%		3.2%		6.1%

Rates breakdown indicator properties – continued

Kakepuku Ward Rating Valuation,	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
	\$1,110,000		\$4,140,000		\$6,290,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	700	588	839	725	839	725
UAGC	300	402	900	1,206	900	1,206
Capital Value Rates	1,759	1,865	6,561	6,956	9,968	10,568
Total Rates	2,759	2,855	8,300	8,887	11,707	12,499
\$ incr per week		1.84		11.29		15.23
Percentage Increase		3.5%		7.1%		6.8%

Maungatautari Ward Rating Valuation,	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
	\$500,000		\$2,080,000		\$5,160,000	
	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	702	587	689	574	825	708
UAGC	300	402	300	402	900	1,206
Capital Value Rates	792	840	3,296	3,495	8,177	8,670
Total Rates	1,794	1,829	4,285	4,471	9,902	10,584
\$ incr per week		0.67		3.57		13.11
Percentage Increase		2.0%		4.3%		6.9%