

Vision

2009 - 2019

the plan | our plan | your plan

Have your **SAY**

the 10 Year Plan

Draft Summary

It is Council's job to contribute to the wellbeing of the South Waikato community through a range of services, facilities and networks. It is our job to balance the needs and aspirations of the community with affordability. It is our job to make decisions on your behalf. It is also our job to listen to you. And it is now time for you to have your say.

This document is a summary of the draft **Vision the 10 Year Plan**. It is not just an Annual Plan, which looks at one year. The draft **Vision** covers the 10 year period from 2009 to 2019. It is a detailed view of the 2009/10 financial year; looks fairly closely at 2010/11 and 2011/12 and touches on projects from 2012/13 to 2018/19. The draft **Vision the 10 Year Plan** indicates what services Council will provide and why; when projects will be done; the forecast cost of each service or asset and how we intend to fund them.

In this document we have tried to capture the topics that will most matter to you; such as major projects, how activities are funded and the impact on your rates. If you would like more detail you are welcome to read the full version of **Vision the 10 Year Plan** (see back page for where and how to obtain this document).

Our primary focus over the next few years is to implement our new Asset Management Plans to ensure that the services we provide for the community continue to be physically, financially, environmentally, and socially sustainable. Examples of such assets are parks, walkways, swimming pools, Council service centres, the Plaza, roads, water supplies, stormwater, sewerage plants, libraries and halls.

Much of Council's role is to work behind the scenes constantly encouraging growth, economic development and increased employment opportunities in the District. This work can be complex, for instance balancing the forestry to farm conversions to enable economic growth while encouraging environmental sustainability.

The community's ability to pay for new assets or programmes is being squeezed by the present economic climate and Council's approach to new projects reflects this. While Council may be constrained by the tough times now, we have a good degree of confidence in the longer term. Council staff and Elected Members have been prudent in their proposed expenditure for the early years covered in this **10 Year Plan**; without losing sight of the long term vision.

We are pleased with the document and what it means for the District and all our communities. We trust you will be pleased with our suggestions, perhaps even excited about the future it presents; albeit conservative for the early years. Whether you agree with us or not, now is the time to let us know. As always, this draft **Vision the 10 Year Plan** is flexible... we are waiting for your input.

It is our job to listen to you. It is now time to have your say.

Me mahi tahi tātou ki te awhi tētahi i tētahi.

Neil A Sinclair MNZM JP BDS
MAYOR

2009/10 Rates

Proposed average rates increase for:

2009/10 is: **3.5%**

2010/11 is: 4.7%

2011/12 is: 5%

This includes allowance for the expected impact of inflation.



Council's **Strategic** direction

In preparing the draft **Vision the 10 Year Plan** Council reviewed our core financial policies and prioritised expenditure. We think the economic climate is going to be difficult in the near future. Our plan over the early few years is to be careful about what we spend, while still providing an adequate spread of services. Much of the expenditure we propose is intended to maintain what we have, like parks, toilets, libraries, water supply networks and roads in as good a condition as we can, given rising costs and the need to spend only what this community can afford.

Council has improved its **Asset Management Plans**. This process identified areas where more expenditure will be required to retain the existing levels of service. Buildings like halls and pensioner flats were noted as areas of concern. Parts of the water network in particular are coming to the end of their life and will need to be upgraded in the future. Maintaining the roading network at a level acceptable to the community is also considered to require greater funding. Some of the costs for maintaining and replacing these assets have increased at a level greater than inflation.

Council has included in **Vision the 10 Year Plan**

ideas identified through its Urban Concept Plans about what each community feels are important to improve the layout and facilities in each centre.

Council will continue to foster **partnerships** with education, business, energy and welfare partners to promote a more business friendly, educated, successful and sustainable community, but this is dependent on available funding. Council will continue to grow such partnerships to promote community wellbeing during a period where fewer resources are expected to be available for these individuals, groups or organisations.

Council has considered the costs and benefits of its **regulatory** and other services and has adjusted its fees and charges accordingly (see pg 3). Where private benefit is clear, income from user charges is set accordingly to reflect need, relative benefit and impact on ratepayers. This is often a difficult call.

Through the draft **Vision the 10 Year Plan** South Waikato District Council believes it has identified our core functions and activities that promote wellbeing. We consider the proposed priorities scheduled for 2009-2019 reflect the aspirations of our many communities balanced with the constraints on this District and choices available.



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Vision the 10 Year Plan has been audited and an unqualified audit opinion issued by our auditors Deloitte. This means that the full **10 Year Plan** and this summary document are an appropriate reflection of Council's activities and funding over the next decade and that the financial information is soundly based. Effectively the documents have been given the BIG tick.



The **BIG** things... what do you think?

Council proposes to phase out the delivery of **REFUSE BAGS**. Council will deliver bags as normal in September this year, however residents will receive 39 bags not the usual 26. The 39 bags are to carry you through to June 2010 (there will be NO March 2010 delivery). From July 2010 onwards everyone will need to buy their bags from supermarkets, dairies or Council offices. Advantages include:

- the amount we require in rates for this service will reduce as it becomes user pays;
- residents who don't use one full bag a week will only pay for what they need;
- residents who use a private refuse operator won't be forced to pay twice for the same service;
- it will encourage recycling;
- there will be no problems with theft or missed properties following the refuse bag delivery;
- there will be no issues around tenants finding

no bags at rental properties, because previous tenants have used or taken them.

- Council has calculated that the proposed change will save each ratepayer about \$60 on their rates bill once this option is fully phased in. **Tell us: Is this a good solution?**

Associated with this change, Council also proposes to bring in **RECYCLING BINS** in 2010/11. This will cost \$174,000. There are a number of advantages:

- By increasing the amount of household waste you recycle, you reduce the amount you put into your rubbish bag. This means you will have to buy fewer bags from retailers, once the new system proposed above is fully phased in. The recycling collection is fully rate funded, so it makes good economic sense to use it by recycling as much as you can.
- Our landfill is a limited resource. By reducing the amount of waste going to landfill, we extend its

life. This is a positive move for the environment and also reduces development costs.

- Central Government is introducing a waste levy of \$10 plus GST for every tonne of material dumped in a landfill. Council, and the community, need to reduce the amount of waste going to landfills to decrease the amount we pay in levies.

Council will be running a recycling education campaign over the coming years. **Tell us: Will bins encourage recycling?**

In response to comments in the urban concept plans and various surveys, Council will be investigating improvements to the appearance of our **TOWN ENTRANCES AND CBD AREAS**. Council has provided no funding for any capital works; however investigation will include early discussions with the New Zealand Transport Agency regarding potential issues and looking into what subsidies and external funding is available. **Tell us: Are we heading in the right direction?**

Council proposes that for the first three years of the plan it will only fund 60% of the estimated **DEPRECIATION** expense on its Wastewater and Stormwater networks. In year 4 (2012/13) funding increases to 80% and returns to the full 100% level from year 5 (2013/14). This decision will provide relief to ratepayers in the early part of the 10-year period. It is also prudent given the already significant level of depreciation reserves for these assets, the continuing allocation of interest to these reserves and a limited number of renewals required over the 10-year period. Council also has a low level of debt and could draw on this funding source should anything unforeseen arise in the future. **Tell us: Have we got this right?**

Council debated whether or not to increase funding (by \$50,000) for **DISTRICT AND EVENT PROMOTIONS**. There are a number of benefits including proactive promotion of the District and events, maximising exposure for existing attractions, improved promotion and co-ordination of current events. No additional funding has been included, but Council would like your input. **Tell us: Should we more proactively fund District and Event Promotion?**

Council has reduced the funding of **ECONOMIC DEVELOPMENT** by about \$150,000. This means that some planned projects and services will not roll out and we may lose the opportunity to enter into new contracts with funding partners like New Zealand Trade and Enterprise and the Ministry for Social Development. Council however continues to work behind the scenes towards projects and endeavours that could have a positive impact on the District. **Tell us: Is it more important to reduce rates, or is now the time to invest in economic development?**

Increased Fees and Charges

Council proposes an increase in some of our fees and charges. For the most part, these are small increases to keep pace with inflation; however in some areas these increases are significant as Council has reallocated at its funding policies and who should pay for what.

Cemeteries: The fee for internments and single plots is to rise from \$670 to \$1,060 in 2009/2010. Despite the increase, our new fees compare well with fees charged by other councils.

Pensioner housing: Rentals on Council's pensioner flats are to increase by \$20/week. This service has been and still is funded 100% by rent. The difference is that over the past few years Council has been using built up pensioner housing reserves to subsidise rentals. These reserves are now declining, so rents need to increase to cover the actual cost. This increase will mean that housing assistance from Work and Income New Zealand is possible for some people. Council can advise on how tenants can access this assistance.

Libraries: Extra revenue has to be generated from libraries to meet the funding target proposed in the draft revenue and financing policy. The bulk of the suggested increases are around fiction items, newly acquired fiction and popular non-fiction, magazines and some audio material. Increases to the level of fines for overdue items have also been proposed. Charges will not increase for childrens books or the large print collection.

Building: It has been necessary to increase consent application fees (on average by 20%) to keep pace with costs due to continuing consent accreditation, training and auditing requirements imposed by Central Government.

Planning: Minimum deposits have been increased to reflect actual cost, based on actual time to process.

Health: Food registration fees have increased on average 10% to meet new funding criteria and amended hourly staff rates. This is a move towards actual cost of processing.

Animal Control: During the review of the funding policy it was proposed that 60% of the funding for Animal Control should come from user charges and 40% from rates. Registration fees have been increased slightly to achieve this funding criteria.



The **BIG** projects - what do you think?

We thought that it would be of benefit to include a list of the major projects covered in the draft **Vision the 10 Year Plan**, including what years the work is planned for and how much the projects are expected to cost. You should note that Council feels these projects are significant either in terms of public interest or the amount of funding required. This list is not a complete list of projects for the various activities, just the highlights. There will be additional dollars spent in most years. The dollars include an allowance for the expected impact of inflation.



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Year 1 - 2009/2010

- Tokoroa Landfill Development (access road): \$300,000
- Tokoroa Water Supply (to meet New Zealand water quality standards): \$434,000
- Tokoroa Airfield (design and earthworks for new hanger sites): \$89,000
- Tirau Cemetery (extension): \$63,000
- District Plan Review (a statutory requirement every 10 years): \$90,000
- Warm Homes Clean Air (loan funded, not through rates): \$200,000
- Toilets: closure of Fitzgerald Glade toilets: \$5,000

2009/10

Years 2 and 3 - 2010/11 and 2011/12

- Recycling bins (for all urban households): \$174,000
- Parking lot in Arapuni for River Trails/bridge access: \$153,000
- District Plan Review: \$146,000
- Putaruru, Arapuni and Tirau Water Supply upgrades (to meet the new water quality standards): \$721,000
- Tokoroa Waste Water Treatment Plant upgrades: \$1.1M
- Toilets (new developments or upgrades): Whakamaru Dam, Dunham Park, Leith Place, Strathmore Park: \$477,000.
- Tokoroa Airfield: (water supply, wastewater, stormwater, power supply connections): \$596,000
- Warm Homes Clean Air (loan funded, not through rates): \$200,000/per year

2010/12

Years 4 to 10 - 2012/13 to 2018/19

- Tokoroa Landfill (new cell in 2015/16 and capping the cell we are currently using in 2016/17): \$3.1M
- Tokoroa Water Supply (we are entering a period where the pipes in Tokoroa are reaching the end of their life and Council is stepping up their replacement): \$3.1M
- Putaruru Water Supply: \$697,000
- Tokoroa Waste Water Treatment Plant: \$1.2M
- Arapuni Waste Water: \$289,000
- Tokoroa Airfield (toilets and runway sealing): \$118,000
- Tokoroa Cemetery (new land): \$95,000
- Glenshea Park grandstand, Putaruru: \$884,000
- Toilets (new developments or upgrades): Arapuni, Dunham Park, Youth Park, Leith Place, Lake Moana-nui, Tirau, Putaruru; reserve toilets and Bonaly Street: \$1.2M
- District Plan Review: \$345,000
- Warm Homes Clean Air: for 2012/13 and 2013/14 only (we will reassess at this point whether we will achieve the 2013 standards): \$200,000 per year.

2012/19

Where does Council spend its money... in 2009/10

Planning
4.09% (\$1,064,000)

Examples:

- District Plan Review
- Resource Consents
- Ecological Monitoring and Protection

Emergency Management
1.46% (\$380,000)

Examples:

- Civil Defence readiness exercises, hazard reduction and monitoring
- Rural fire monitoring and permits

Governance
5.48% (\$1,428,000)

Examples:

- Council meetings
- Representation Review
- Elections
- Tirau Community Board
- Long Term Planning

Roads
23.97% (\$6,230,000)

Examples:

- Road rehabilitation, resurfacing and widening
- Replacement and renewal of signage, lighting and street fixtures
- Road safety education programmes

Regulatory Management
6.92% (\$1,800,000)

Examples:

- Animal Control
- Improvements to the dog pound
- Continued Building accreditation and audit costs
- Health and Liquor licensing

Community Facilities
5.45% (\$1,416,000)

Examples:

- Toilets
- Cemeteries
- Talking poles
- Council buildings
- Urban Beautification

Solid Waste
10.45% (\$2,716,000)

Examples:

- Landfills
- Refuse and Recycling collections
- Supply of recycling bins

Community Support
6.40% (\$1,663,000)

Examples:

- Community Advocacy
- Grants
- Economic Development
- Youth Projects

Wastewater
10.45% (\$2,716,000)

Examples:

- Reticulation and treatment of sewerage
- Improvements to Waste Water Treatment Plants
- Increased capacity to sewerage systems

Stormwater
1.96% (\$509,000)

Examples:

- Monitor and maintain existing networks
- No major projects planned

Water Supply
7.04% (\$1,829,000)

Examples:

- Water treatment and supply
- Pipe replacement
- Planned maintenance of existing system
- System upgrades
- Water Quality Standards 2012

Leisure Services
16.33% (\$4,244,000)

Examples:

- Libraries
- Parks and Reserves
- Sportsgrounds
- Swimming pools
- Playgrounds



These percentages and dollars relate to year one of the 10 Year Plan (ie, 2009/10). Figures include total spend (ie, rates, investments, subsidies and other income streams).

Key Dates

Thu 26 Mar

The draft **Vision the 10**
Year Plan adopted for
consultation

Wed 1 Apr

Public Consultation
opens

Fri 1 May

Public Consultation
closes

Wed 20 - Fri 22
May

Hearings

Thu 25 June

Vision the 10 Year Plan is
adopted



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So what will I pay during 2009/10?

RATES - URBAN

| Rating Valuation | \$120,000 | | \$200,000 | | \$300,000 | |
|------------------------------|-----------|----------|-----------|----------|-----------|----------|
| | 2008/09 | 2009/10 | 2008/09 | 2009/10 | 2008/09 | 2009/10 |
| Urban Area - Tokoroa | | | | | | |
| Total Rates Comparison | 1,298.21 | 1,339.83 | 1,516.35 | 1,546.38 | 1,789.03 | 1,804.57 |
| Change (\$) | | 41.62 | | 30.03 | | 15.54 |
| Change (%) | | 3.21% | | 1.98% | | 0.87% |
| Urban Area - Putaruru | | | | | | |
| Total Rates Comparison | 1,307.21 | 1,349.83 | 1,525.35 | 1,556.38 | 1,798.03 | 1,814.57 |
| Change (\$) | | 42.62 | | 31.03 | | 16.54 |
| Change (%) | | 3.26% | | 2.03% | | 0.92% |
| Urban Area - Tirau | | | | | | |
| Total Rates Comparison | 1,345.21 | 1,355.83 | 1,563.35 | 1,562.38 | 1,836.03 | 1,820.57 |
| Change (\$) | | 10.62 | | (0.97) | | (15.46) |
| Change (%) | | 0.79% | | (0.06%) | | (0.84%) |
| Urban Area - Arapuni | | | | | | |
| Total Rates Comparison | 1,359.21 | 1,402.83 | 1,577.35 | 1,609.38 | 1,850.03 | 1,867.57 |
| Change (\$) | | 43.62 | | 32.03 | | 17.54 |
| Change (%) | | 3.21% | | 2.03% | | 0.95% |

RATES - RURAL

| Rating Valuation | \$875,000 | | \$1,750,000 | | \$3,500,000 | |
|------------------------------|-----------|----------|-------------|----------|-------------|----------|
| | 2008/09 | 2009/10 | 2008/09 | 2009/10 | 2008/09 | 2009/10 |
| Rural Area - Tokoroa | | | | | | |
| Total Rates Comparison | 2,543.18 | 2,641.95 | 4,496.36 | 4,652.90 | 8,402.71 | 8,674.81 |
| Change (\$) | | 98.77 | | 156.55 | | 272.09 |
| Change (%) | | 3.88% | | 3.48% | | 3.24% |
| Rural Area - Putaruru | | | | | | |
| Total Rates Comparison | 2,502.18 | 2,567.96 | 4,455.36 | 4,578.91 | 8,361.71 | 8,600.81 |
| Change (\$) | | 65.77 | | 123.56 | | 239.09 |
| Change (%) | | 2.63% | | 2.77% | | 2.86% |
| Rural Area - Tirau | | | | | | |
| Total Rates Comparison | 2,491.18 | 2,523.96 | 4,444.36 | 4,534.90 | 8,350.71 | 8,556.81 |
| Change (\$) | | 32.77 | | 90.55 | | 206.09 |
| Change (%) | | 1.32% | | 2.04% | | 2.47% |
| Rural Area - Arapuni | | | | | | |
| Total Rates Comparison | 2,505.18 | 2,570.95 | 4,458.36 | 4,581.90 | 8,364.71 | 8,603.81 |
| Change (\$) | | 65.77 | | 123.55 | | 239.09 |
| Change (%) | | 2.63% | | 2.77% | | 2.86% |

Help me understand this table...

As an example, take a rural property in Arapuni, valued at \$1,750,000...

What you are currently paying

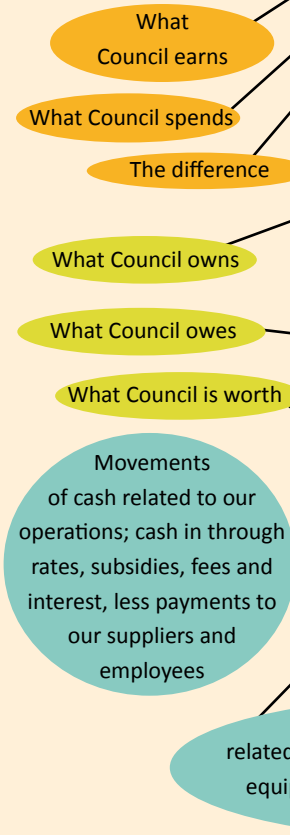
What you will pay under the proposed plan for the 2009/10 year

The difference in money terms

The percentage increase

Financial report - year 1, 2 and 3

Help me understand this report...



| | 2009/10 000s | 2010/11 000s | 2011/12 000s |
|--|-----------------|-----------------|-----------------|
|--|-----------------|-----------------|-----------------|

Statement of Comprehensive Income for the year ending 30 June

| | | | |
|---------------------|----------|----------|----------|
| Total Revenue | \$30,341 | \$48,485 | \$41,911 |
| Total Expenditure | \$25,265 | \$26,366 | \$27,933 |
| Net Surplus/Deficit | \$5,076 | \$22,119 | \$13,978 |

Statement of Financial Position as at 30 June

| Assets | | | |
|---------------------------------|------------------|------------------|------------------|
| Total Current Assets | \$9,809 | \$10,120 | \$10,426 |
| Total Non Current Assets | \$336,925 | \$360,134 | \$374,210 |
| Total Assets | \$346,734 | \$370,254 | \$384,636 |
| Liabilities | | | |
| Total Current Liabilities | \$4,686 | \$4,853 | \$5,003 |
| Total Non Current Liabilities | \$6,096 | \$7,330 | \$7,584 |
| Total Liabilities | \$10,782 | \$12,183 | \$12,587 |
| Net Assets/Public Equity | \$335,952 | \$358,071 | \$372,049 |

Statement of Cash Flows for the year ending 30 June

| | | | |
|---------------------------------------|------------|------------|-----------|
| Net Cash from Operating Activities | \$5,642 | \$10,162 | \$7,176 |
| Net Cash Used in Investing Activities | (\$13,272) | (\$12,096) | (\$7,703) |
| Net Cash from Financing Activities | \$1,060 | \$2,186 | \$777 |

Why does Council make so much profit (net surplus)?

Council is forecasting a surplus in all years of the 10 Year Plan. These surpluses amount to several million dollars. Is Council collecting too much from ratepayers? No, that isn't the case! Council is only collecting what it requires from ratepayers to balance the budget. The surpluses are the result of three main things:

ONE: included in the surplus figure is the expected result of revaluations of Council's assets - these amount to \$4.4m, \$17.2m and \$12.6m respectively in the first three years of the plan. These are accounting book value increases only, they are not cash coming in to pay the bills.

TWO: around \$1.7m of subsidy is received each year for roading projects that are capital in nature. This subsidy income is being recognised in the surplus but the expenditure is correctly treated as capital rather than operating spending, in effect inflating the surplus figure.

THREE: Council needs to rate to repay borrowings, again the income is recognised in the surplus figure but the spending is capital rather than operating.

Where does Council's funding come from?

