

Table of Contents

PART A: INTRODUCTION AND OVERVIEW	2
MAYOR'S SUMMARY	4
PART B: COUNCIL OVERVIEW	6
PART C: SIGNIFICANT ACTIVITIES	9
STRATEGIC DIRECTIONS	11
GENERAL MANAGER'S SUMMARY OF SIGNIFICANT ACTIVITIES	16
SUMMARY STATEMENT OF THE NET COST OF SERVICE	18
SIGNIFICANT ACTIVITIES	19
1.0 Community Facilities	19
2.0 Democracy	22
3.0 Drainage	24
4.0 Other Activities	26
5.0 Parks and Reserves	29
6.0 Planning & Environmental Services	31
7.0 Roading	34
8.0 Sewerage	37
9.0 Solid Waste Management	40
10.0 Water Supply	42
PART D: BUSINESS UNITS & LATES	44
11.0 HDC Holdings	44
12.0 In-house Professional Services	45
13.0 Construction & Maintenance	46
14.0 Tetley's Quarry	47
15.0 Employment Policies	57
PART E: FINANCIAL STATEMENTS & POLICIES	48
Projected Statement of Financial Position	48
Projected Statement of Financial Performance	49
Projected Statement of Cashflows	50
RATING POLICIES	51
Rates Penalty Policy	52
STATEMENT OF ACCOUNTING POLICIES:	53
PART F: TREASURY POLICY	59
Investment Policy	59
Borrowing Management Policy	62
APPENDIX A	65
HDC Holdings Limited	65
APPENDIX B	66
List of Capital and Renewal Projects	66

PART A: Introduction and Overview

Preface

The Hauraki District Council is required under the Local Government Act to prepare and adopt a report outlining its proposed policies, objectives and indicative costs for significant activities each year. The Hauraki District Council meets this requirement through the production of an Annual Plan which details proposals for the next financial year (1 July 1998 to 30 June 1999) and gives an indication of estimated costs for the following two years ending 30 June 2000 and 2001.

This document also includes the Council's Funding Policy which was adopted on 25 June 1998 and for the first time, an outline of the Council's Long Term Financial Strategy

A summary of Council's Treasury Policy, which includes the Council's Investment and Borrowing Policies, is included in Part F of the Plan.

The relevant excerpt, relating to the Annual Plan, from the 1989 Amendment to the Local Government Act 1974 is shown in the right-hand column on this page.

2 2 3 D . Annual Report to public concerning plans

- (1) Every local authority shall, in accordance with the special consultative procedure, prepare and adopt, for the financial year beginning on the 1st day of July 1998 and for each subsequent financial year, a report—
 - (a) In respect of the local authority; and
 - (b) In respect of each local authority trading enterprise, company, and other organisation that is under the control of the local authority or is a trading enterprise, company, or organisation in which the authority has a significant interest.
- (2) The local authority shall, not later than 5 working days after giving public notice under section 716A(1)(b) of this Act of a proposal to adopt a report under this section, send a copy of the proposal to the Secretary.
- (3) A report under this section shall contain—
 - (a) An outline of the long-term financial strategy adopted under section 122K of this Act by the local authority; and
 - (b) In particular terms for the financial year to which the report relates, and in general terms for each of the following 2 financial years, an outline of—
 - (i) The intended significant policies and objectives of the local authority, local authority trading enterprise, company, or other organisation; and
 - (ii) The nature and scope of the significant activities to be undertaken; and
 - (iii) The performance targets and other measures by which performance may be judged in relation to the statement of service performance required by section 223E(3)(e) of this Act; and
 - (c) In particular terms for the financial year to which the report relates, and in general terms for each of the following 2 financial years, in total and for each of the significant activities of the local authority, an outline of—
 - (i) The indicative costs; and
 - (ii) The sources of funds; and
 - (d) The funding policy adopted under section 122N of this Act by the local authority or, where the funding policy currently in force under that section has been published in full in an earlier report under this section, an outline of that funding policy; and
 - (e) An outline of the investment policy adopted under section 122P of this Act by the local authority; and
 - (f) In particular terms for the financial year in which the report relates, and in general terms for each of the following 2 financial years, an outline of—
 - (i) The borrowing needs of the local authority; and
 - (ii) The borrowing programme of the local authority, including proposals for the funding of the payment of interest and the repayment of capital; and
 - (g) An outline of the borrowing management policy adopted under section 122R of this Act by the local authority, which outline shall identify any significant changes to the policy disclosed in the previous annual report.
 - (4) A report under this section shall include forecast financial statements of the local authority for the financial year to which the report relates, which financial statements shall be prepared in accordance with generally accepted accounting practice and shall consist of—
 - (a) A statement of the estimated financial position at the beginning of the financial year and the forecast financial position at the end of that financial year; and
 - (b) An operating statement reflecting the forecast revenue and expenses for the financial year; and
 - (c) A statement of cash flows reflecting forecast cash flows; and
 - (d) Such other statements as may be necessary to fairly reflect the financial position of the local authority, the resources available to it, and the financial results of its operations.
 - (5) A report under this section shall include an explanation of any significant changes between the policies, objectives, activities, and performance targets specified or outlined in the report as being those for the financial year to which the report relates and those specified or outlined in the report for the immediately preceding financial year as being those for the financial year to which the report relates.
 - (6) A report under this section shall include a summary of the equal employment opportunities programme for the local authority for the financial year to which the report relates.
 - (7) A report under this section shall be adopted, before the end of the third month of the financial year to which the report relates, at a meeting of the local authority.
 - (8) Where a local authority adopts a report under this section, that local authority—
 - shall make that report available for public inspection at its offices and libraries; and shall make copies of that report available to the public—free of charge; or at a reasonable charge; and shall, within 20 working days after its adoption, send copies of that report to—the Secretary; and the Controller and Auditor-General; and the Parliamentary Library.



Submissions

Members of the public were entitled to make submissions on the Draft Annual Plan and Funding Policy. The Council received 61 submissions to the drafts which were in support of, or sought changes. These and these were considered at a meeting of the Council on 10 June 1998.

The submissions covered a wide range of topics which included;

- Go Waihi
- Iwi Liaison
- Changes to the rating system arising from the Funding policy
- Timing of the implementation of changes arising from the funding policy

The Council also took the opportunity to have an external review undertaken of the documents. Changes arising from submissions and the review where considered appropriate by the Council, have been made to the Annual Plan and Funding Policy.



Mayor's Summary

INTRODUCTION

Preparing for the 1998/99 Annual Plan, Funding Policy and the Long Term Financial Strategy, has been a particularly demanding exercise for Hauraki District as it has been for Local Government throughout New Zealand.

The No. 3 Amendment to the Local Government Act 1974, which was passed in 1996, placed new requirements on Local Government to plan ahead. There is requirement to have a ten year Long Term Financial Strategy in place by 30 June 1998.

This has meant a considerable workload for staff and for elected members as we work through the requirements of the Act and the various stages of the process.

I want to thank all those involved for the effort made to have the plans available for public consultation as required.

LOCAL GOVERNMENT ELECTIONS 1998

The next Local Government elections will be held on 10 October 1998. The review of representation and basis for election conducted in 1997 resulted in an increase in the number of elected members on the District Council from 3 per Ward to 4 per Ward. At the same time, the Community Boards of Waihi, Paeroa and Plains will be abolished from 10 October 1998 and replaced by Ward Committees. The Ward Committees will comprise the 4 elected members representing the Ward, plus the Mayor.

The Council believes that the new representation will better reflect the responsibilities as we move into the next triennium.

TEN YEAR FORWARD FINANCIAL PLAN

During 1997/98, the Council issued a discussion document called Draft Strategic Directions. That document was put out for public consultation. Every ratepayer was notified and submissions were received and dealt with by the Council. That Strategic Directions document formed the basis for our Long Term Financial Strategy, which is a requirement of legislation.

RATES FOR 1998/99

Again in the coming financial year, the Council is aware of the impact of rates and the financial climate that exists. The Council as a whole fixes only the general rates. It was decided to hold the rate for 1998/99 at the same level as 1997/98.

In the case of the Ward rates, the Waihi Community Board increased the rate levied by \$47500, the Plains Community Board by \$14085 and the Paeroa Community Board by \$9650.

In the case of service rates, Sewerage Uniform Annual Charges increase by varying amounts from Whiritoa \$3 to Ngatea \$20. In the case of Water Supply Uniform Charges, increases amount to \$9 in Paeroa and \$10 in Waihi.

Water Meter charges will increase by 1 cent per cubic metre for the Plains Water Supply consumers and 4 cents per cubic metre for the Ohinemuri Water Supply consumers. Land Drainage rates increased by amounts varying from a nil increase in the Western Plains Drainage District to 7.5% in the Eastern Plains Drainage District.

The overall effect of the rate levy is an increase of 0.68% excluding the water meter charges which adds a further 0.8%.



A REVIEW OF THE RATING SYSTEM

As part of the Long Term Financial Strategy and review of the way activities are funded, the Council has proposed a change to the rating system. The Council has decided to introduce the series of changes over a 5-year period commencing 1 July 1998. Further details of changes to the rating system appear in the General Manager's Statement of Significant Activities.

The Council has held public meetings and meetings with interest groups on the rating changes.

SHAREHOLDING IN POWER NEW ZEALAND

Ratepayers will most probably be aware that the Council has 1,669,680 shares in Power New Zealand, our electricity supply company. The Council has an agreement to sell those shares to Utilicorp New Zealand Ltd. The original agreement provided that half the shares would be sold in August 1998 with the balance of the shares to be taken up by Utilicorp after March 2000. The Council proposes to seek early settlement with Utilicorp in terms of the offer.

B J Morrison J P
Mayor

PART B: Council Overview

District Statistics

Area:	1144 km ²
Population 1996:	17,319 people
Capital Value:	\$1,685,229,900
Land Value:	\$1,045,297,700
Date of Valuation:	1 Jul 1997
Rateable Assessments:	7950

Council Offices

Principal Office

Street Address: William Street, Paeroa

Postal Address: P O Box 17, Paeroa

Phone: (07)862 8609 or

(0800)734 834 (within District
freephone)

Fax: (07)862 8607

E-mail: info@hauraki-dc.govt.nz

Plains Service Centre

Orchard Road, Ngatea

Waihi Service Centre

Haszard Street, Waihi

Elected Member Guide

Mayor

Mr. B J (Basil) Morrison J P,
38 Hill Street, Paeroa. Ph (07)862 6344

Councillors Paeroa Ward

Mr. D F (Des) Johansen	Ph (07)862 8903
Mr. J A (John) Poulter	Ph (07)862 3733
Mr. J (John) Tregidga	Ph (07)862 8956

Councillors Plains Ward

Mrs. C (Molly) Aspin	Ph (07)867 5121
Mr. D E (Don) Challis	Ph (07)867 7097
Mr. R L (Robin) Povey	Ph (07)867 6852

Councillors Waihi Ward

Mrs. D M (Mary) Carmine	Ph (07)863 8740
Mrs. J (Joyce) Fawcett	Ph (07)863 7984
Mr. F S (Francis) Hansen	Ph (07)863 7569

The Council meets monthly on the third to last Thursday of each month at the Paeroa Office, commencing at 10.00 am. Special meetings are scheduled as required. The Council has three Standing Committees - Works & Services, Planning & Finance, and Hearings. The first two meet on the last Thursday of each month at the Paeroa Office, at 10.30am and 1.00pm respectively. The Hearings Committee meets as required. Membership is as follows:

Works and Services Committee

Robin Povey (Chairman)	John Poulter (Deputy Chairman)
Molly Aspin	Don Challis
Francis Hansen	Joyce Fawcett
Des Johansen	

Planning and Finance Committee

Basil Morrison (Chairman)	John Tregidga (Deputy Chairman)
Molly Aspin	Mary Carmine
Joyce Fawcett	Des Johansen

Hearings Committee

John Tregidga (Chairman)	Mary Carmine (Deputy Chairman)
Robin Povey	

Senior Management

General Manager:

Mr. I K (Keith) Laurenson

District Engineer:

Mr. R S (Ross) Vincent

Planning & Environmental Services.

Manager:

Mr. M J (Mike) Maguire

Community Services Manager:

Mr. R G (Gary) Paterson

Corporate Services Manager:

Mr. R H (Rex) Leonhart

Business Units Board of Management:

General Manager (Chairman)

District Engineer

Corporate Services Manager

Construction & Maintenance: Manager:

Mr. S (Steve) Schmidt

Technical Services:

Manager: Mr. L. W. (Len) Whittaker

Tetley's Quarry:

Manager: Mr. A B (Brian) Trow

Elected Member Guide ... cont'd.

The Council currently has three Community Boards that deal with community issues specific to their Ward. The Plains Community Board meets on the first Monday of each month, at 9.00am in the Plains Service Centre. The Waihi Community Board meets on the first Tuesday of each month, at 7.30pm in the Waihi Service Centre. The Paeroa Community Board meets on the first Wednesday of each month, at 1.00pm in the Paeroa Office. Membership of the Community Boards is as follows:

Paeroa Community Board

Mr. J A (John) Poulter (Chairman)	Ph (07)862 3733
Mr. J (John) Tregidga (Deputy Chairman)	Ph (07)862 8956
Mr. J (John) Budge	
Mr. B P (Bryan) Dunn	Ph (07)862 8746
Mr. D F (Des) Johansen	Ph (07)862 8903

Plains Community Board

Mr. I D (Ian) Troughton (Chairman)	Ph (07)867 5114
Mr. D B (Doug) Spence	Ph (07)867 7481
Mrs. C (Molly) Aspin (Deputy Chairman)	Ph (07)867 5121
Mr. D E (Don) Challis	Ph (07)867 7097
Mrs. V J B (Valda) Laurich	Ph (07)867 7033
Mr. M K (Murray) McLean	Ph (07)867 7234
Mr. R L (Robin) Povey	Ph (07)867 6852

Waihi Community Board

Mr. F S (Francis) Hansen (Chairman)	Ph (07)863 7569
Mr. D C (Don) Lockwood (Deputy Chairman)	Ph (07)863 8330
Mrs. D M (Mary) Carmine	Ph (07)863 8740
Mrs. J (Joyce) Fawcett	Ph (07)863 7984
Mr. M J (Mike) Hayden	Ph (07)863 7292

Community Board Delegated Functions

(Until 10 October 1998)

- Community Board members remuneration and expenses
- Donations
- Non-Subsidised Roads, Streets & Bridges
- Non-subsidised Street Lighting
- Sewerage Collection and Disposal
- Public Conveniences
- Information Centres
- Water Supply Maintenance
- Water Supply Capital Work
- Reserves and Domains
- Halls
- Industrial Promotion
- Township Amenities
- Museums
- Swimming Baths
- Footpaths
- Cemeteries
- Land Drainage
- Stormwater Disposal
- Non-subsidised Service Lanes
- Non-subsidised Kerb & Channel



Hauraki District Council's Mission ...

To ensure the successful ...

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

... for all who live in or visit the Hauraki District.

Hauraki District Council's Visions for the Future ...

- A range of services and facilities meeting the community's needs and realistic expectations;
- A positive climate which encourages balanced and sustained growth throughout the district;
- An environment which encourages vibrant communities and an enhanced quality of life;
- The wise use and management of all resources for the continued benefit of the district;
- A proactive Council that provides leadership is results orientated and communicates effectively with all sectors of the community.



PART C: Significant Activities

An Introduction

The Hauraki District Council undertakes a wide range of activities that have been grouped into Significant Activities to represent the Council's major service outputs as follows:

- Community Facilities
- Democracy
- Drainage
- Other Activities
- Parks and Reserves
- Planning and Environmental Services
- Roothing
- Sewerage
- Solid Waste
- Water Supply

For each significant activity, the Annual Plan sets out:

- A general description of the activity and its goal, to provide summary information about the background and extent of the activity.
- The focus of the activity for the next three years, i.e. the overall medium-term objectives designed to assist the Council in fulfilling its longer-term visions for the future and the goal for that particular activity.
- The emphasis for the current planning period which outlines steps to be taken this year towards meeting the 3-year focus.' The emphasis states the anticipated achievements or performance measures for the 1998-99 planning period. These measures are prepared using, as appropriate, the criteria of quantity, quality, cost, timeliness and location.

The Council employs a number of technically qualified staff in such areas as water, sewerage, planning, inspection, roading and a range of other Council activities. They continually monitor and review the quality of processes and outputs in their respective areas to ensure conformance to professional standards and to Council's standards. A range of Council's operational work is carried out under contract. The Council's professional staff is fully responsible for total management of these contracts and to ensure compliance to the appropriate professional standards and to Council's standards. Through these means the Council ensures that the quality of output occurs without recourse in all cases to formal quality measures.

The Annual Plan is one means by which the Council can prudently manage the affairs of the district. Another means is through the use of longer term planning documents such as Asset Management Plans and a Long-term Financial Strategy. The Council is making progress towards the completion of these valuable-planning tools.

For the first time, an outline of the Council's Long Term Financial Strategy is combined with this Annual Plan. Its includes details of the Council's proposed direction in respect to each of the Significant Activities. The Plan also includes the Council's Funding Policy.

The relationship between the Council's visions and the Significant Activities undertaken is outlined below - the significant activities listed for each vision are helping to meet that particular vision in the Hauraki district.

<p>Vision 1: A range of services and facilities meeting the community's needs and realistic expectations</p> <ul style="list-style-type: none"> • Community Facilities (public libraries, swimming pools, cemeteries, public halls, Paeroa Information Centre, public toilets) • Democracy • Drainage (land drainage & urban stormwater) • Other Activities (beautification, civil defence, district promotions, economic development, rural fires, public transport, pensioner housing, sports co-ordinator, conservation initiatives, abandoned vehicles, community assistance) • Parks & Reserves • Planning & Environmental Services • Refuse Collection & Disposal • Roothing • Sewerage • Water Supply 	<p>Vision 2: A positive climate which encourages balanced and sustained growth throughout the district</p> <ul style="list-style-type: none"> • Community Facilities (public libraries, , Paeroa Information Centre,) • Democracy • Drainage (land drainage & urban stormwater) • Other Activities (beautification, civil defence, district promotions, economic development, rural fires, pensioner housing, community assistance) • Parks & Reserves • Planning & Environmental Services • Refuse Collection & Disposal • Roothing 	<p>Vision 3: An environment which encourages vibrant communities and an enhanced quality of life</p> <ul style="list-style-type: none"> • Community Facilities (public libraries, swimming pools, cemeteries, public halls, Paeroa Information Centre, public toilets) • Democracy • Drainage (urban stormwater) • Other Activities (beautification, rural fires, sports co-ordinator, conservation initiatives, abandoned vehicles, community assistance) • Parks & Reserves • Planning & Environmental Services • Refuse Collection & Disposal • Roothing • Water Supply
---	---	--

<p>Vision 4: The wise use and management of all resources for the continued benefit of the district</p> <ul style="list-style-type: none"> • Community Facilities (public libraries) • Democracy • Drainage (land drainage) • Other Activities (beautification, rural fires, public transport, conservation initiatives, community assistance) • Parks & Reserves • Planning & Environmental Services • Refuse Collection • Roothing • Water Supply 	<p>Vision 5: A proactive Council that provides leadership, is results orientated and communicates effectively with all sectors of the community</p> <ul style="list-style-type: none"> • Community Facilities (Paeroa Information Centre) • Democracy • Other Activities (civil defence, district promotions, rural fires, pensioner housing, sports co-ordinator, community assistance) • Planning & Environmental Services • Roothing
---	---




STRATEGIC DIRECTIONS

Section 122K (2) of the Local Government Act requires that an outline of the Long Term Financial Strategy (LTFS) is include in the Annual Plan. The following is a summary of the LTFS and a summary of the expenditure and income for the period of the LTFS.

The LTFS contains the Council's goals for the facilities and services it offers and a discussion on the issues associated with each activity. Other considerations are also contained which look at the wider, longer term aspects that may affect the facilities and services are also discussed. The Council's proposed direction for each of the facilities and services set out in the LTFS is also included. This direction is set out in the following pages. The LTFS is based on the current understanding of needs expressed through Draft Asset Management Plans. The Council is currently undertaking a review of the capital expenditure needs identified through that process.

Community Facilities

- A continuation of the library operations is expected, but it is recognised that due to advances in technology, there may be more reliance on electronic media in 10 years. This trend will be more apparent in technical literature rather than fiction.
- A technology strategy will need to be developed for the library service, and the possibility of forming partnerships with schools and the commercial sector to provide a better service needs to be considered. Library hours may need to be reviewed over time to ensure they continue to meet the public need.
- An underlying factor is that libraries must be cost-effective. Perhaps there needs to be more promotion of the benefits of libraries.
- There is documented policy stating the criteria for community assistance in each Ward. No major changes are expected to these policies in the medium term.
- The Council recognises that the population of the Hauraki District is not large enough to require a duplication of sporting and recreational facilities, such as a fully developed sports stadium in each ward. It may be an option for Council to maintain and operate only one of each type of facility at this level or standard, within the district.
- There is now a change in the public perception regarding user pays for quality facilities, such as the Astro Turf hockey centre in Ngatea, in that the public is happy to pay for the use of quality venues. The Council supports this.
- It is unlikely there will be further major sporting facilities developed by the Council in the Hauraki District during the next 10-20 years unless they are demand driven and economically viable.
- The Council has no plans to create a new cemetery in the Hauraki District in the medium-long term, but has decided to maintain the existing cemeteries at Waihi and Paeroa in accordance with its statutory responsibilities.
- The Council will retain and maintain the community halls in the three main townships of Ngatea, Waihi and Paeroa.
- There may be an opportunity for the rationalisation of community halls in the Hauraki District in the future. Smaller halls may be supported on the basis of community use and drive.
- There will be at least one public toilet facility of good/high quality on an appropriate site in each of the three townships. In addition, there will be amenities provided in parks and on reserves as required by demand. There is no current need for new facilities.
- A change of demand is anticipated for sport, recreation and leisure pursuits as the population and recreational interests change. The Council will need to consider the change to, or increase in, leisure activities and will respond accordingly.
- It is anticipated there will be more demand for sport, recreation and leisure facilities, but that new facilities will be provided on the basis of community use and drive.



Democracy

- The Council believes it will continue to have the ability to provide effective and efficient local government during the next 10-20 years, although it acknowledges that it will be looking at sharing resources with other districts and seeking ways of doing this effectively.
- The Council has reviewed its electoral structure for the next three years. Community Boards are to be replaced by a larger Council of 4 per Ward also acting as Ward Committees.
- The Council will be addressing these issues through regular reviews on its system of representation.
- The Council sees its role as including advocacy on behalf of the community. This requires further discussion and the development of directives to assist the Council in ensuring its role, as a community advocate does not conflict with its other legitimate roles.
- The Council has identified the need to improve communications with the community. It has also taken steps to improve its communications with Iwi. To this end it has appointed an 'Iwi Liaison Officer'. Part of the outcome of the Iwi Liaison Officers' work will be an identification of the appropriate means of improving and supporting its relationship with Iwi.

Drainage

- The Council has indicated a desire to continue with its existing role as 'service provider' for drainage in the short-to-medium term. However it is not necessarily committed to being the 'service provider' in perpetuity.
- The Council has undertaken to implement a new land drainage scheme to be known as the Pouarua/Maukoro Drainage Scheme in the Plains Ward. The proposed scheme has been shown to have significant economic benefit. The emphasis is to complete the resource consent application for the proposed scheme by 30 June 1998, with the major capital works expected to be undertaken in the 1999-2000 financial year.
- It is unlikely that any new land drainage schemes (excluding the Pouarua/Maukoro Scheme) will be implemented in the medium-to-long term, but there may be extensions within schemes, funded through separate drainage rates. More land drainage would be developed on the basis of demand, economic viability, and need.
- There may be a need to further develop more stormwater drainage systems in the event that all stormwater is removed from the sewerage systems.
- More drainage pumping may be needed in time to counteract the impact of the rising sea level and the lowering ground levels on the Plains. The Council may need to take a proactive role with the regional authority regarding consents to pump water in this event.
- The Council has signaled a need to improve the stormwater systems in Paeroa and Waihi. Stormwater Management Plans are being instigated to address this need. There will be a significant cost involved in improving the stormwater systems.
- In considering the impact of climatic changes, the Council needs to ensure it does not over-drain the land.

Parks & Reserves

- The Council is not committed to ongoing ownership of all its existing parks and reserves. The emphasis on parks and reserves will be the need for quality. Therefore the status of specific reserves will be reviewed as the recreation strategy is developed. The recreation strategy will also identify circumstances to determine the necessity to retain certain reserves.
- It is unlikely there will be further parks and reserves developed in the Hauraki District during the next 10-20 years unless they are demand driven and economically viable.
- Existing parks and reserves can be made more into a 'district attraction' and it is the intention of the Council that this be undertaken and promoted. This will include re-vegetation and beautification projects
- The Council sees a need to develop a recreation strategy for the district.



Planning & Environmental Services

- The Council recognises a weakness in its ability to respond positively to the needs of district industry in that it needs to provide and communicate information to the industry in a better way.
- The District Plan contains specific directions for strategic development within the district. The District Plan is reviewed every 10 years, with the next revision due to be completed in the 2006-07 financial year.
- The Long Term Financial Strategy requires review at least every three years. The Council will undertake the review on a three-yearly basis and has provided for this accordingly.
- The Council needs to improve its public relations in this area.

Roading

The Government has recently released a discussion document that addresses the control and maintenance of New Zealand roads. This section of the 'Long Term Financial Strategy' was prepared prior to the Government decision on submissions becoming available. The outcomes of the Government Review may significantly alter the Council's proposed direction.

- Although the Council recognises it does not have control over State Highways, it believes the impact of changing traffic patterns is being addressed by Transit New Zealand through their 'National State Highway Strategy' published in February 1997. There is no reference to any planned major works that will impact on the State Highways in the Hauraki District.
- A policy for urban and rural roads needs to be developed with respect to prioritising seal extensions versus kerb and channel versus footpaths versus other demands. The Council has indicated that part of that policy will see:
 - Works quantified and prioritised within categories, with funding between categories;
 - Roothing works which complement other services undertaken;
 - Kerb and channel works have a priority over seal extensions;
 - Wheel chair access works have a priority over kerb and channel, and footpath extensions;
 - No Ward rate for local kerb and channel works;
 - No subdivision contribution required where there is less than 50 vehicle movements per day.

Sewerage

- The Council has indicated a desire to continue with its existing role as 'service provider' for sewerage in the short-to-medium term. However it is not necessarily committed to being the 'service provider' in perpetuity.
- The quality and condition of the present sewerage systems will be maintained at least to their existing level, with actual improvements likely in the next 10-20 years. Sewerage systems will be expanded where they can be accommodated either when there is proven demand or when a problem develops.
- It is unlikely that un-reticulated communities will be provided with a reticulated sewerage system unless there is a demonstrated need on economic, environmental or health grounds.
- The Council acknowledges it may have a role in the disposal of septic tank sludge as it impacts on the overall environment. It is likely that the Council will work with neighbouring District Councils and private enterprise to address this matter.
- The Council will manage this activity on a district-wide basis from July 1998. In the future there will be a rationalisation of sewerage charging regimes.

Solid Waste Management

- The Council has indicated a desire to continue with its existing role as 'service provider' for solid waste in the short-to-medium term. However it is not necessarily committed to being the 'service provider' in perpetuity.
- The Council is prepared for the expected volumes of solid waste that will be generated within the district to be disposed of in the medium-to-long term and has strategies in place to effectively deal with this.
- Rural refuse collections are likely to be offered if there is a demand, although any Council-operated collection must be economic. Rural refuse collections are encouraged for private operators.
- By the year 2002 the Council must either have a modern sanitary landfill in the district, or dispose of its solid waste outside the district. The Council is prepared to take solid waste from other districts if it is the only way to make a new landfill in the Hauraki District economic. It is acknowledged that the Council may lose some control with partners in a new landfill, but it would be happy to work together on this - the new partners may not necessarily be another local authority.

- The Council will continue to encourage waste minimisation in a supportive role, and will continue with its existing charging incentives at the landfill site(s).
- Council will provide new refuse transfer stations for the Paeroa and Plains wards. Resources are also committed to a refuse transfer station in Waihi, upon closure of the current refuse disposal facility.
- The Council has land for the creation of a district landfill at Kaihere. This will only be implemented if this is shown to be the best option.

Water Supply

- The Council has indicated a desire to continue with its role as 'service provider' for water supplies in the short-to-medium term. However it is not necessarily committed to being the 'service provider' in perpetuity.
- The Council will ensure that the water it supplies for consumption is, in the longer term, of drinking water standard, and that water is provided for fire fighting purposes.
- The standard required for drinking water is likely to increase.
- The Council has access to enough water to meet industry needs, but it is not necessarily accessible to the areas requiring it. Storage may be needed to ensure the demands from industry can be met.
- The Council needs to consider how water use is managed over the medium-to-long term. The Council is committed to public ownership of the water systems (i.e. either Council or another form of public ownership), but Council ownership is not compulsory if the service can be delivered better through alternatives.
- Extensions to water supplies would be considered where there is a proven demand, and extensions are economically viable.
- The Council will manage this activity on a district-wide basis from July 1998. In the future there will be a rationalisation of charging regimes.

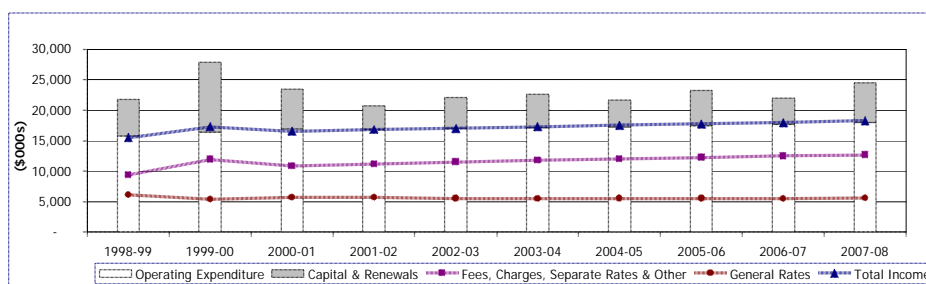
Other Activities

- The Council has a desire to continue with the beautification of the district. A high level plan is to be developed to incorporate more than just trees in the beautification activity.
- There is a desire for some commonality throughout the district, and the beautification needs to reflect the uniqueness of the Hauraki District.
- The Council's support of district promotions, economic development, Tourism Coromandel and the existing Information Centre shows its emphasis on promotions to market what we have and what we do.
- The Council supports events and promotes activities and, with economic development, advertises Hauraki as a good place for business opportunities. There will be a change in emphasis within the economic development activity. It is expected that the emphasis will be greater on assisting the establishment of business expansion activities rather than "hunting" for major new developments.
- The Council believes this is an activity that is likely to need more funding in years to come. This may include support for other information initiatives.
- The function of the Sports Co-ordinator is an important one for recreation and lifestyle.
- The Council considers the role needs additional promotion, with better promotion of activities.
- Its strategy for sports co-ordination will be addressed as part of a district recreation strategy.
- The Council is likely to have a diminishing role in the provision of pensioner housing in the medium-to-long term. It is not likely to be building additional pensioner-housing complexes as this can be undertaken by private enterprise, as demand requires.
- The Council will continue to own its existing units as long as the rentals remain economic. Existing units will not be replaced as housing gets older unless there are central government directives on the issue of pensioner housing.
- In considering the future shape of the central business districts, the Council sees the separation of heavy traffic through bypasses as ideal.
- It sees attractive activities/events being planned for the central business districts.

- Forests in Council ownership will be replanted after harvest providing this is consistent with the other roles of the Council at the time, and providing the forests can be managed for maximum district benefit.
- Operational costs will be funded from the proceeds from the sale of the crop.

Projected Statement of Financial Performance 1998-99 to 2007-08

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's	2001-02 \$000's	2002-03 \$000's	2003-04 \$000's	2004-05 \$000's	2005-06 \$000's	2006-07 \$000's	2007-08 \$000's
	INCOME										
5,980	General Rates	6,110	5,367	5,718	5,680	5,522	5,497	5,533	5,533	5,499	5,608
346	Interest & Commissions	842	1,493	1,486	1,506	1,560	1,603	1,646	1,699	1,728	1,761
120	Petrol Tax	120	120	120	120	120	120	120	120	120	120
200	Surplus from Quarry Operations	200	200	200	200	200	200	200	200	200	200
20	Gain on Sale of Fixed Assets	20	20	20	20	20	20	20	20	20	20
334	Dividends	250	167	-	-	-	-	-	-	-	-
180	Surplus from Plant/Workshop Operations	-	-	-	-	-	-	-	-	-	-
50	Return from C & M Business Unit	50	50	50	50	50	50	50	50	50	50
7,843	Recoveries and Separate Rates	7,918	9,885	8,964	9,265	9,572	9,808	9,990	10,167	10,350	10,528
15,073	TOTAL INCOME	15,510	17,302	16,558	16,841	17,044	17,298	17,559	17,789	17,967	18,287
	Less										
50	Provision for Bad Debts	50	50	50	50	50	50	50	50	50	50
-	Miscellaneous	83	138	267	267	267	267	267	267	267	267
14,404	Total Cost of Service	15,631	16,225	16,588	16,566	16,698	16,803	16,967	17,206	17,315	17,674
619	Net result from Operations	(254)	889	(347)	(42)	29	178	275	266	335	296
	Less Transfer to/from Reserves										
864	Transfers to Reserves	251	251	251	251	251	251	251	251	251	251
1,813	Transfers from Reserves	-	-	-	-	-	-	-	-	-	-
(949)		251	251	251	251	251	251	251	251	251	251
1,568	NET RESULT AFTER APPROPRIATIONS	(505)	638	(598)	(293)	(222)	(73)	24	15	84	45





General Manager's Summary of Significant Activities

LONG TERM FINANCIAL STRATEGY

Accompanying the Annual Plan and Funding Policy this year is the Council's Long Term Financial Strategy document. The document sets out the Council's vision for the District over the next ten years.

The Plan envisages new capital expenditure in the order of \$25 million over the next ten years as the District faces up to the requirements to improve infrastructure. Much of this is bought about by the requirements of the Resource Management Act relating to water supply and sewage discharge.

The prioritising of the capital expenditure depends on resource consent priorities. The Hauraki District Council is working with the Waikato Regional Council to produce an affordable programme that best meets the legislative requirements to improve water quality.

CHANGES TO THE RATING SYSTEM

As the Mayor outlined in the introduction, the Council proposes changes to the rating system to be introduced over a five-year period commencing 1 July 1998. The major changes are

- Collect the maximum level (30%) of its rates through uniform annual charges (per property charges);
- Introduce uniform charges to fund ward activities as opposed to rating on the basis of land valuations;
- Retain differential rating on the Commercial and Industrial, and Mining and Mineral Extraction land use categories, but base the differentials on capital values rather than the existing land value system;
- Abandon differential land valuation rating for the Rural and Residential land use categories, instead introducing a flat rating system based on capital values;
- Introduce a higher level of user charges to more accurately reflect the level of private good as identified for particular activities. Such activities include swimming pools, libraries, cemeteries, pensioner housing, consents and monitoring.

Other changes have been decided:

- The Paeroa Urban Stormwater will be rated for on land value with two differentials instead of on a uniform charge basis as has been the case in the past.
- A separate urban stormwater rate on land value is proposed to be levied on the Waihi Urban area in the 1999/2000 rating year. This is presently part of the Works and Services rate and levied across the Ward as a whole. The Waihi Urban Stormwater Management Plan is currently being prepared which will define the area of benefit.
- Presently amenity rates such as public toilets are levied on a Ward by Ward basis. From 1 July 1999 these amenities will be paid from rates across the District
- From 1 July 1999, half of the cost of the maintenance of reserves and domains will be levied on a Ward by Ward basis and the other half will be levied across the District.
- Community Boards, which are funded on a Ward by Ward basis, will cease to exist from 10 October 1998 and provision is made to fund the Community Boards until that time. From 10 October onwards the cost of the Ward Committees will be funded across the District.
- The special works rates in Turua and Kerepehi, which are levied for local works, will be phased out over the 5-year period that the changes to the rating system are implemented. The works programme will continue for ten years from 1 July 1998.

TREATING SERVICES ON A DISTRICT WIDE BASIS

The Council believes that services that are provided to the same level District-wide should be paid for at the same level District-wide.

SEWERAGE DISPOSAL

Sewage treatment and disposal is a service where the standard of service is the same irrespective of the method of treatment. The Council believes that the service should be charged for on a uniform basis. From 1 July 1998 it is intended to treat sewage disposal as a District-wide activity and a system of uniform charging will be implemented progressively.



WATER SUPPLY

- The Council has moved progressively towards the metering of all water supply connections. Only the Waihi residential and Paeroa residential water consumers are yet to have water meters installed on their supplies. It is proposed to have meters installed in these areas by 30 June 1999 in time for the start of the 1999/2000 rating year.
- There is also the issue of charging uniformly for water. Where the same standard of service is supplied for what is a private good, the cost should be the same irrespective of where the service is located. There is the need to distinguish between the treated water supplies and the non-treated water supplies.
- The effect would be that urban consumers in Waihi, Paeroa and the Plains Ward would pay a uniform price. Urban consumers in Waikino and Karangahake/Mackaytown that do not receive the same standard of treated water, would pay a different price.
- In the rural areas, the Plains Ward which has a supply largely treated would pay a different price to Ohinemuri and Kaimanawa where only rudimentary treatment is offered.

WATER SUPPLY FUNDING

While the Council's funding policy indicates that the total cost of water should be recovered by water meter charge, the issue of an availability component has yet to be fully investigated. The Plains water supply as an example levies 20% of the cost of maintenance cost on the value of the land. This issue will be dealt with during the 1998/99 planning period.

URBAN STORMWATER

The Council believes that urban stormwater should be charged on the basis of land value. Presently the Paeroa urban stormwater rate is on a uniform charge basis. From 1 July 1998 the rate will be levied on the basis of land value with differentials applying on the basis of land area.

Presently the Waihi urban stormwater is paid for on a land value basis across the whole of the Ward. The Council believes this is inequitable as the rural community and the other small urban communities are paying for the Waihi urban stormwater. A new Waihi urban stormwater drainage area will be created and a rate levied for urban stormwater on land value across that special rating area from 1 July 1999.

ROADING REFORM

The Council has made no changes in its Annual Plan or Long Term Financial Plan to the funding of roading. The outcome of the roading review is not yet known. However the Council expects there to be major impacts (likely reductions) on rates by the year 2001.

REVIEW OF RATING FOR LAND DRAINAGE AND RECREATION AND CULTURAL LAND USE

The Council has been unable to complete a review of rating for Recreation and Cultural land and the basis for land drainage rating in time for the 1 July 1998 rating year. A review of these rates will be undertaken during the 1998/99 financial year.

SOLID WASTE MANAGEMENT

The 1997/98 Annual Plan provided for the completion of a refuse transfer station for Paeroa. There is provision for the completion of a transfer station in the Plains Ward in 1998/99 with a transfer station proposed for Waihi in 1999/2000.

The Council has arranged with Matamata-Piako District Council and Thames-Coromandel District Council to own a third share each of the Kaihere farm which was purchased as a potential landfill site. While there is no plan to develop that site in the medium term, the ownership of the property is seen by the three Local Authorities as a useful hedge in the event that refuse disposal prices increase unreasonably.

WAIHI SERVICE CENTRE BUILDINGS

The Council is to examine options for building space in Waihi during 1998/99. The present office is too large for the Council's needs. Likely options are

- To have the service centre and the library together by
 - Renting sufficient space to accommodate both the library and the service centre or
 - To add to the present library building to provide sufficient space for customer service staff and to make more library space -- available and upgrade the interior of the present library building
 - Disposing of the present building in Haszard Street
- The concept of the library and service centre together works very well in Ngatea. It provides a one-stop shop for Council related business and provides better utilisation of staff time.

I K Laurensen
General Manager

Summary Statement of the Net Cost of Service

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	Cost of Service (excl. cost of capital)			
925	Community Facilities	1,028	1,021	1,026
983	Democracy	965	924	927
774	Land Drainage	1,057	1,431	1,413
897	Other Activities	773	717	712
455	Parks & Reserves	458	456	469
779	Solid Waste Management	1,031	1,141	1,244
1,401	Planning & Environmental Services	1,403	1,391	1,374
4,879	Roading	5,267	5,281	5,274
1,145	Sewerage	1,197	1,248	1,535
2,166	Water	2,452	2,615	2,614
14,404	TOTAL COST OF SERVICE	15,631	16,225	16,588
	Less Recoveries and Separate Rates			
131	Community Facilities	143	171	199
-	Democracy	-	-	-
749	Land Drainage	777	2,460	1,260
190	Other Activities	192	217	233
8	Parks & Reserves	8	8	8
817	Solid Waste Management	675	680	682
561	Planning & Environmental Services	607	668	723
2,272	Roading	2,272	2,266	2,260
807	Sewerage	856	906	955
2,308	Water	2,388	2,509	2,644
7,843	TOTAL RECOVERIES AND SEPARATE RATES	7,918	9,885	8,964
6,561	NET COST OF SERVICE	7,713	6,340	7,624
193	Cost of Capital	-	-	-
6,754	NET COST OF SERVICE (Including Cost of Capital)	7,713	6,340	7,624



SIGNIFICANT ACTIVITIES

1.0 Community Facilities

The Hauraki District Council provides a number of community facilities that are available for public use within the Hauraki district.

These facilities include:

- Public libraries which the Council operates at Paeroa, Waihi and Ngatea. The libraries provide a loan service for books and tapes, and public access to reference materials. The Council assists community libraries at Turua and Whiritoa.
- Swimming pools at Paeroa and Ngatea for summer use by the wider community. The Council financially assists the community swimming pool at Waihi College
- Cemeteries at Waihi and Paeroa to provide for the burial of the deceased. Council financially contributes towards services provided at the Totara Cemetery, Thames to provide access for Plains residents.
- Public halls at the main centres of Ngatea, Paeroa and Waihi for community use and a Sports Hall at Waihi. There are seven other halls locally owned and administered in the smaller rural communities.
- Public toilets provided at 13 locations throughout the Hauraki district to cater for the wider community and visitors to the area.


The Hauraki District Council's goal in respect of community facilities is to ensure a range of community facilities are provided and maintained for the convenience and well being of the public.

Focus for the Next 3 Years

- 1.1 To provide public library facilities and materials such as books, magazines and tapes, for the purposes of information, education and recreation at Paeroa, Waihi and Ngatea;
- 1.2 To provide public access to a wider network of books and information through the use of a computer for public enquiries at the public libraries at Paeroa, Waihi and Ngatea;
- 1.3 To provide swimming pool facilities in accordance with the generally accepted safety guide-lines for the enjoyment of users;
- 1.4 To provide tidy cemetery facilities at Waihi and Paeroa in accordance with legislative requirements to cater for the burial of deceased members of the public;
- 1.5 To provide community halls in the three main townships of Ngatea, Waihi and Paeroa and a Sports Hall in Waihi for hire by members of the public and community groups;
- 1.6 To provide accessible and clean public toilet facilities for use by members of the public.

Emphasis in 1998-99

- 1.1.1 To increase library book issues by 1% district-wide over the 1997/98-year's levels.
- 1.1.2 To complete the installation of a district library computer system by 30 June 1999.
- 1.1.3 To receive no more than 5 complaints about the level of service offered at the libraries district-wide during the planning period.
- 1.1.4 To contribute towards the re-location of the community library facility at Whiritoa.
- 1.2.1 To have a computer system operative at each public library in Paeroa, Waihi and Ngatea for public use as a tool for accessing a wider network of books by 31 December 1998.
- 1.3.1 To meet the water quality standards for swimming pools (NZS 5826 parts 1 & 2 1985) 95% of the time during the swimming season at Ngatea and Paeroa swimming pool facilities.
- 1.3.2 To maintain the number of patrons using the Ngatea and Paeroa swimming pools at the same levels as 1998 – 99.
- 1.3.3 To operate the swimming pools at Paeroa and Ngatea in accordance with the levels of service agreed through the Asset Management Plan process.



1.4.1 To develop a management plan, by 30 June 1999, for the future operation and presentation of the cemetery facilities.

1.5.1 To operate the public halls at Waihi, Ngatea and Paeroa in accordance with the levels of service agreed through the Asset Management Plan process.

1.6.1 To ensure faults at any public toilet facilities are repaired within four hours of the fault being reported to the Asset Manager.

1.6.2 To receive no more than five complaints regarding the levels of service at the 13 public toilet facilities district-wide during the planning period.

C h a n g e s T h i s Y e a r

There are no significant changes within the community facility activity for the 1998-99 year.

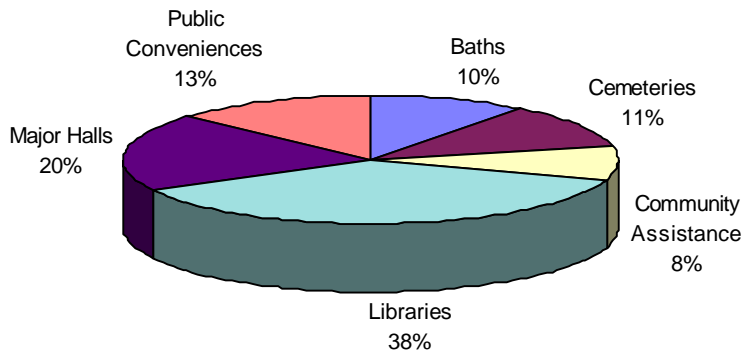
However, during the 1997-98 year, the Waihi Sports Hall will be substantially complete and the Ngatea Grandstand will be completed.

An allowance for 'Decline in Service Potential' (DiSP), has been included in expenditure for the first time in 1998/99.

Projected Costs and Funding


1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	EXPENDITURE			
97	Baths	106	103	110
126	Cemeteries	118	118	118
88	Community Assistance	85	87	88
320	Libraries	379	386	386
163	Major Halls	202	191	186
131	Public Conveniences	138	136	138
925	Total Expenditure	1,028	1,021	1,026
(118)	Less Fees and Charges	(130)	(158)	(186)
(13)	Less Separate Rates	(13)	(13)	(13)
794	NET COST OF SERVICE	885	850	827

OPERATING EXPENDITURE 1998/99



EXPENDITURE BY CLASS				
913	Operating	875	853	858
-	Decline in Service Potential	153	168	168
12	Interest	-	-	-
925	Total Expenditure	1,028	1,021	1,026

1,058	Capital and Renewals	78	91	75
--------------	-----------------------------	-----------	-----------	-----------



2.0 Democracy

A Mayor and nine Councilors form the elected members representing the district on the Hauraki District Council until 10 October 1998. The representatives are elected every three years through the local government election process. After the October 1998 election, the Council shall comprise a Mayor and twelve Councilors, four from each of the Wards of Plains, Paeroa and Waihi.

Hauraki District Council presently has three Standing Committees that report directly to the Council. The Committees deal with matters of a specific nature and their members are representatives from the Council. The Standing Committees are Planning and Finance, Works and Services, and Hearings.

In addition, each community – Paeroa, Plains and Waihi – is presently represented by a Community Board that has delegated responsibility for a number of functions relating to their local community.

After October 1998, the Community Boards cease to exist. Instead, the Mayor and the four Ward members will form a Ward Committee to deal with local issues. Delegations to those Ward Committees are a matter for the newly elected Council to decide.

There are 15 sub-committees, established for special purposes such as land drainage and reserves management.

The Hauraki District Council's goal in respect of democracy is to exercise the democratic process of local government. Representation is a statutory function of the Council.

Focus for the Next 3 Years

- 2.1 To meet the Council's statutory requirements under the Local Government Act;
- 2.2 To meet the Council's statutory requirements under the Local Government Official Information and Meetings Act by holding regular meetings of the Council, its Standing Committees, and the Community Boards; and ensuring information is made available to the public.
- 2.3 To further develop the Council's relationship with Iwi.

Emphasis in 1998-99

- 2.1.1 To prepare the Annual Report on the Council's 1997-98 performance by November 1998 in accordance with legislative requirements, and make it available to the public at no charge.
- 2.2.1 To hold Council meetings on a monthly basis in accordance with the Standing Orders and legislative requirements.
- 2.2.2 To hold Committee meetings monthly, except in January, in accordance with the Standing Orders and legislative requirements.
- 2.2.3 To hold Hearings Committee meetings as required addressing the needs of the Resource Management Act requirements.
- 2.2.4 To hold Community Board meetings monthly until October, and then regular Ward Committee meetings, except in January, in accordance with the Standing Orders and legislative requirements.
- 2.2.5 To ensure the agenda and minutes for all Council, Committee and Community Board meetings are provided in accordance with the Local Government Official Information and Meetings Act.
- 2.2.6 To circulate at least one information leaflet to accompany rates assessments within the planning period.
- 2.3.1 To have in place a consultative forum involving the Council and the Iwi of the Hauraki District by December 31st, 1999.

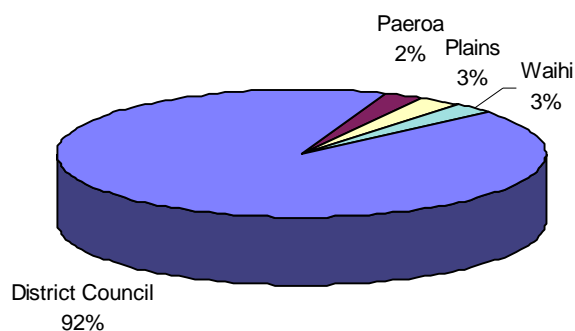
Changes This Year

- The number of elected members is increased from 3 per Ward to 4 per Ward plus a Mayor
- Community Boards cease to exist
- Ward Committees will be established.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	EXPENDITURE			
717	District Council	884	924	927
80	Paeroa Community Board	24	-	-
104	Plains Community Board	31	-	-
82	Waihi Community Board	26	-	-
983	Total Expenditure	965	924	927
-	Less Fees and Charges	-	-	-
-	Less Separate Rates	-	-	-
983	NET COST OF SERVICE	965	924	927

OPERATING EXPENDITURE 1998/99



	EXPENDITURE BY CLASS			
983	Operating	965	924	927
-	Decline in Service Potential	-	-	-
-	Interest	-	-	-
983	Total Expenditure	965	924	927
	Capital and Renewals	-	-	-



3.0 Drainage

The Hauraki district has five land drainage districts being Western Plains, Eastern Plains, Komata, Opukeko and Tirohia-Rotokohu. The first two are in the Plains Ward, while the latter three are located within the Paeroa Ward.

The Council manages these drainage systems through the maintenance of drains, control structures, floodgates, flood pumps and culverts.

There are currently 681 kilometres of drain, 104 kilometres of stopbank, about 118 floodgates, 5 control structures, 3 siphon culverts and 2 floodpumps controlled by the Council within the five drainage districts. The drains are generally located on private property and road reserve.

Each drainage district has its own sub-committee of members elected to represent the ratepayers specifically on drainage matters in their area. These Drainage Committees are sub-committees of the Community Board for that Ward.

Urban stormwater control is another important function within the drainage activity.

The Council maintains stormwater systems in urban areas including Paeroa, Waihi, Ngatea, Turua, Kerepehi and Whiritoa.

The Hauraki District Council's goal in respect of the drainage activity is to ensure designated areas are provided with effective land and stormwater drainage.

Focus for the Next 3 Years

- 3.1 To operate the land drainage and urban stormwater systems in compliance with legislative requirements;
- 3.2 To manage the land drainage and urban stormwater systems in accordance with the levels of service as agreed through the Asset Management Plan process;
- 3.3 To implement the Pouarua/Maukoro Drainage Scheme to enable improved drainage of the area.

Emphasis in 1998-99

- 3.1.1 To operate the land drainage and urban stormwater systems within budget.
- 3.2.1 To spray not less than 1034 kilometres of drain and mechanically clean not less than 136 kilometres of drain within budget by 30 June 1999.
- 3.2.2 To respond to all complaints received about land drainage by the end of the next working day.
- 3.2.3 To respond to all complaints received about urban stormwater by the end of the next working day.

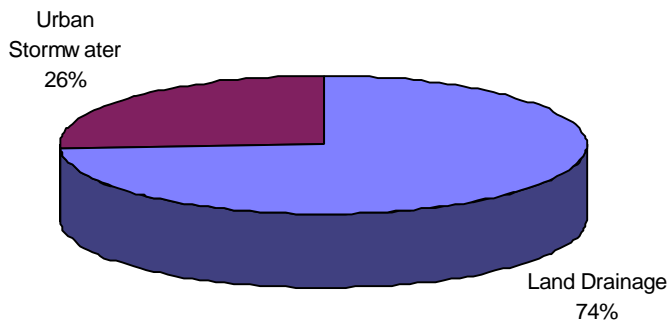
Changes This Year

An allowance for 'Decline in Service Potential' (DISP), has been included in expenditure for the first time in 1998/99.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	EXPENDITURE			
613	Land Drainage	784	1,181	1,167
161	Urban Stormwater	273	250	246
774	Total Expenditure	1,057	1,431	1,413
-	Less Fees and Charges	-	(1,200)	-
(749)	Less Separate Rates	(777)	(1,260)	(1,260)
25	NET COST OF SERVICE	280	(1,029)	153

OPERATING EXPENDITURE 1998/99



	EXPENDITURE BY CLASS			
774	Operating	813	788	777
-	Decline in Service Potential	249	298	298
-	Interest	(5)	345	338
774	Total Expenditure	1,057	1,431	1,413

383	Capital and Renewals	620	5,305	185
------------	-----------------------------	------------	--------------	------------



4.0 Other Activities

The Hauraki District Council undertakes a number of 'other activities' which are carried out in addition to the significant activities, but which are still considered to be an important part of the Council's function.

These activities include:

- Civil Defence and Rural Fire Control which are statutory functions of the Council;
- District promotion and beautification which involves programmes to promote the district and beautify the main traffic routes;
- Economic development to encourage and assist local business and encourage new businesses to the district;
- The provision of pensioner housing which offers low cost rental units to pensioners meeting specific criteria;
- Provision of a sports co-ordinator to promote exercise and general wellbeing and assist sporting organisations through a co-ordination role;
- Financial assistance to maintain a public passenger transport service;
- Management of commercial forests for investment purposes;
- An Information Centre located at Paeroa, to field public enquiries from visitors to the area, and assist the local community with visitor information and other services provided.


The Hauraki District Council's goal in respect of other activities is to ensure a range of other activities are undertaken to enhance the appearance and services of the district and the wellbeing of residents.

Focus for the Next 3 Years

- 4.1 To be prepared for civil emergencies in accordance with the Civil Defence Act;
- 4.2 To meet the Council's obligations under the Rural Fires Act for the prevention and control of rural fires within the Hauraki district;
- 4.3 To promote the Hauraki district as a place to visit through advertising and other promotional activities, carried out in conjunction with the local Information Centres, to attract national and international visitors;
- 4.4 To improve the appearance of the district through the planting of trees along major traffic routes and entrances to Paeroa, Waihi and Ngatea;
- 4.5 To provide advice and other forms of assistance, as Council determines, where the presence of new enterprise within the district will benefit the district and local community;
- 4.6 To own and maintain pensioner housing providing it remains economically viable;
- 4.7 To make available the services of a Sports Waikato representative to offer advice and assistance to informal and formal recreational organisations within the district in order to enhance the enjoyment of healthy activity and personal wellbeing;
- 4.8 To maintain a public passenger transport service between Paeroa and Hamilton;
- 4.9 To protect the Hauraki District Council's investment in forestry by maintaining the wellbeing of the Council-owned commercial forests;
- 4.10 To operate an Information Centre in Paeroa to serve the needs of visitors to the district, region and local community.

Emphasis in 1998-99

- 4.1.1 To be a member of the Thames Valley Combined District Civil Defence Organisation and to ensure there is a Civil Defence Officer and an operative Civil Defence Plan for the planning period;
- 4.1.2 To undertake two headquarters staff training programmes in Paeroa during the planning period.
- 4.2.1 To have a current Rural Fire Plan approved by the national fire authority during the planning period.
- 4.3.1 To provide financial support to Tourism Coromandel by 31 December 1998.
- 4.4.1 To plant at no less than 60 trees along the major traffic routes within Hauraki district during the planning period.

- 
- 4.4.2 To complete a District beautification Plan by 30 June 1999
- 4.5.1 To encourage economic development initiatives for the district within budget allocations during the planning period.
- 4.6.1 To have pensioner flats 95% occupied within the planning period.
- 4.6.2 To respond to complaints regarding pensioner flats at Waihi, Ngatea and Paeroa before the end of the next working day.
- 4.7.1 To visit the following schools and organisations within the Hauraki district during the planning period to advise on sports-related matters:
- All Playcentre, Kindergarten & Kohanga Reo re-schools at least once per annum
 - All Primary schools at least twice per annum
 - All Secondary schools at least four times p.a.
- 4.7.2 To co-ordinate at least 30 sports-related training/advisory sessions to cater for pre-schools, primary & secondary schools, sports clubs & community groups, and seniors within the Hauraki district before 30 June 1999.
- 4.7.3 To promote and establish at least 8 new seniors exercise opportunities, e.g. tai chi, seniors weight training, rest home games, within the planning period.
- 4.8.1 To provide financial assistance towards the operation of the Paeroa to Hamilton passenger transport service by 31 December 1998.
- 4.9.1 To have a forest valuation report prepared for all of Hauraki District Council's forests by 30 June 1999.
- 4.10.1 To have the Paeroa Information Centre open for a minimum of 308 days during the planning period.
- 4.10.2 To implement and operate a survey of clients using the Paeroa Information Centre for 'client satisfaction' and 'quality of service' during the planning period.

Changes This Year

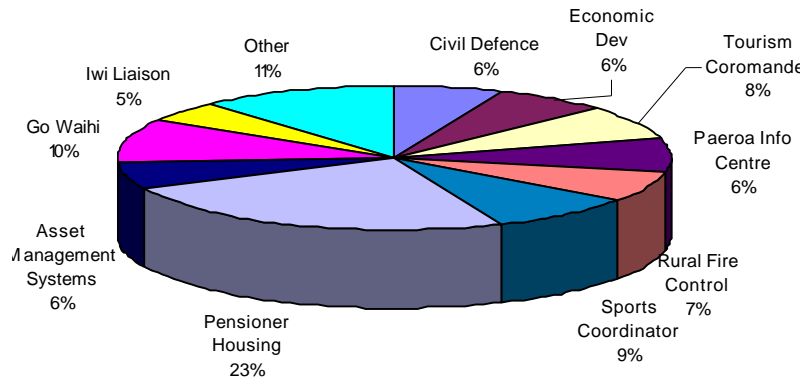
An allowance for 'Decline in Service Potential' (DISP), has been included in expenditure for the first time in 1998/99.

Increased provision has been made for the Go Waihi Co ordinator and development of streetscape design for Waihi.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	EXPENDITURE			
48	Civil Defence	49	49	49
62	Economic Development	52	51	51
60	Tourism Coromandel	60	60	60
72	Forestry	-	-	-
52	Paeroa Information Centre	58	58	58
49	Rural Fire Control	51	51	51
59	Sports Coordinator	68	68	68
187	Pensioner Housing	187	188	188
191	Asset Management Systems	47	6	6
32	Go Waihi	75	96	96
-	Iwi Liaison	35	-	-
85	Other	91	90	85
897	Total Expenditure	773	717	712
(158)	Less Fees and Charges	(165)	(181)	(197)
(32)	Less Separate Rates	(27)	(36)	(36)
707	NET COST OF SERVICE	581	500	479

OPERATING EXPENDITURE 1998/99



EXPENDITURE BY CLASS				
897	Operating	738	682	677
-	Decline in Service Potential	35	35	35
-	Interest	-	-	-
897	Total Expenditure	773	717	712

2	Capital and Renewals	-	-	-
----------	-----------------------------	----------	----------	----------



5.0 Parks and Reserves

The Council provides and maintains a range of parks and reserves throughout the Hauraki district.

These parks and reserves are used for sports, passive recreation, and scenic purposes.

In all, there are 10 domains, 4 parks and 24 other reserves within the Hauraki district.

A number of sporting organisations use specific areas of the parks and domains for sporting purposes, i.e. netball, hockey, soccer, rugby, athletics, croquet, bowls, cricket etc.

Where the park or domain is used predominantly for sporting purposes, there is a 'users group', which meets periodically under the guidance of the appropriate Community Board to discuss use of the area in an effort to maximise the benefits to all parties.

Other parks and domains within the Hauraki district are provided principally for the purposes of passive recreation such as recreational walking and scenic purposes - a place to stop for a rest or a picnic under the trees.

Some of the parks and reserves have play equipment provided for use by children.

The Hauraki District Council's goal in respect of parks and reserves is to ensure a network of parks and reserves are provided for recreation, leisure and aesthetic pursuits.

Focus for the Next 3 Years

- 5.1 To operate all parks and reserves within the Hauraki district in accordance with both the needs of the community and legislative requirements specified in the Reserves Act 1977;
- 5.2 To provide and maintain play equipment in accordance with the public playground safety standards;
- 5.3 To have current management plans for all classified Council recreational reserves.

Emphasis in 1998-99

- 5.1.1 To receive no more than 8 complaints with respect to the level of service for parks and reserves district-wide during the planning period.
- 5.1.2 To finalise a concept plan for the re-development of the Ngatea Domain by 30 June 1999
- 5.2.1 To maintain a weekly inspection programme related to minimum maintenance requirements for safety for playground equipment throughout the district, during the planning period.
- 5.3.1 To complete management plans for all classified Council 'recreational' parks and reserves by June 1999.
- 5.3.2 To complete a management plan for the regeneration of native vegetation at Waitakaruru Reserve, Mangatarata by 30 June 1999.

Changes This Year

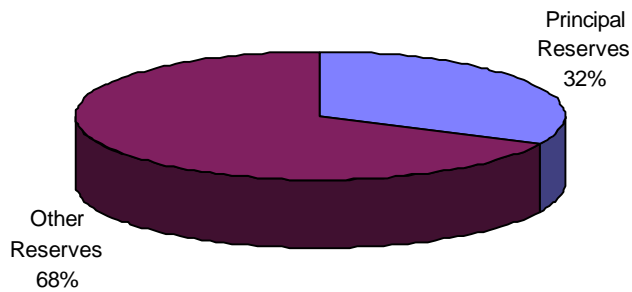
An allowance for 'Decline in Service Potential' (DISP), has been included in expenditure for the first time in 1998/99.

Small reserves may be created in conjunction with the establishment of new sub divisions during the planning period.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	EXPENDITURE			
144	Principal Reserves	148	151	156
311	Other Reserves	310	305	313
455	Total Expenditure	458	456	469
(8)	Less Fees and Charges	(8)	(8)	(8)
-	Less Separate Rates	-	-	-
447	NET COST OF SERVICE	450	448	461

OPERATING EXPENDITURE 1998/99



EXPENDITURE BY CLASS				
454	Operating	444	442	455
-	Decline in Service Potential	14	14	14
1	Interest	-	-	-
455	Total Expenditure	458	456	469

123	Capital and Renewals	94	10	309
------------	-----------------------------	-----------	-----------	------------



6.0 Planning & Environmental Services

Hauraki District Council has a statutory responsibility for resource management, environmental health, building construction, animal control, and liquor licensing. The Council also has responsibility for policy development and forward planning including the development of a Strategic Plan, District Plan, Annual Plan, 10-year Financial Plan, Reserves Management Plans and Recreational Facilities Development Plans.

These obligations, together with general bylaws administration, are undertaken within the Planning and Environmental Services Department.

Planning and Environmental Services are provided through the Consents Division, Monitoring Division, and Corporate Planning Division. The Consents Division predominantly deals with providing assistance for and processing applications. The Monitoring Division is responsible for ensuring compliance with statutory consents and legislative requirements. The Corporate Planning Division is responsible for policy development aspects of the department's role.


The Hauraki District Council's goal in respect of planning and environmental services is to develop and implement policies that provide for the wise use and management of the district's resources in a way that sustains the environment and encourages the development of an enhanced quality of life. Planning and Environmental Services is a statutory function of the Council.

Focus for the Next 3 Years

- 6.1 To provide a consents service which meets anticipated demand and statutory requirements for the processing of Building Consents, Resource Consents and Land Information enquiries;
- 6.2 To provide information to the public in line with statutory requirements in respect to the Resource Management Act, the Building Act and other relevant legislation;
- 6.3 To provide a monitoring service which ensures compliance with the relevant requirements of the Resource Management Act, the Building Act, the Health Act and other relevant legislation in a manner which involves the minimum level of regulatory intervention;
- 6.4 To develop policies and planning documents which provide for the wise use and management of the district's resources in a way which sustains the environment and encourages the development of an enhanced quality of life and in compliance with the Local Government Act, Resource Management Act and any other relevant legislation.

Emphasis in 1998-99

- 6.1.1 To make a decision on all Building Consent applications within statutory time frames (10 days)
- 6.1.2 To process Land Information Memorandums (LIM's) within statutory time frames (10 days).
- 6.1.3 To process Resource Consents within statutory time frames.
- 6.2.1 To ensure 75% of customers surveyed express satisfaction with the level of service provided by the Consents and Monitoring divisions.
- 6.3.1 To ensure 95% of all complaints regarding dogs at large are investigated by the end of the next working day.
- 6.3.2 To undertake inspections for compliance with food hygiene requirements, of 100% of registered food premises in accordance with assessed requirements.
- 6.3.3 To commence investigation of complaints regarding illegal/unauthorised building activity within 3 working days of receiving the complaint.
- 6.4.1 To adopt the 1999-2000 Annual Plan by 30 June 1999 in accordance with legislative requirements, with copies made available to the public at no charge.



6.4.2 To complete Asset Management Plans for all major assets by 30 June 1999.

6.4.3 To complete a review of the zoning patterns within the Ngatea urban area by December 1998.

Changes This Year

There have been some changes in respect of funding aspects for the Planning and Environmental Services activity. The fee structure is to be further reviewed, with increases in some areas to provide a higher level of recovery from service users.

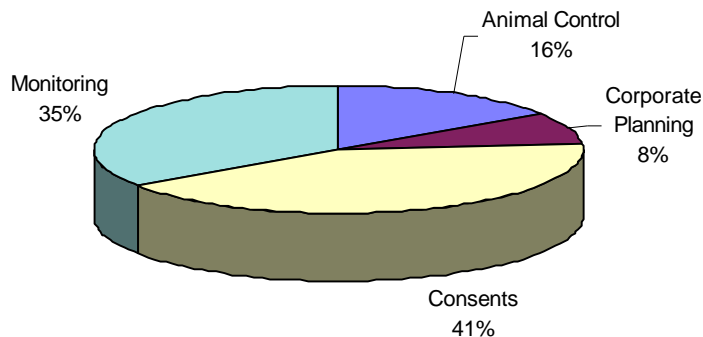
Asset Management Plans (Stage 1.) will be completed during the planning period.

Strong growth within the Ngatea urban area is continuing at a rate, which will mean the zoning pattern needs to be reviewed earlier than the 10year maximum time provided for formal review under the Resource Management Act.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	EXPENDITURE			
220	Animal Control	220	220	224
145	Corporate Planning	111	99	89
571	Consents	583	583	576
465	Monitoring	489	489	485
1,401	Total Expenditure	1,403	1,391	1,374
(561)	Less Fees and Charges	(607)	(668)	(723)
-	Less Separate Rates	-	-	-
840	NET COST OF SERVICE	796	723	651

OPERATING EXPENDITURE 1998/99



EXPENDITURE BY CLASS				
1,401	Operating	1,403	1,391	1,374
-	Decline in Service Potential	-	-	-
-	Interest	-	-	-
1,401	Total Expenditure	1,403	1,391	1,374
	Capital and Renewals	-	-	-

7.0 Roothing

The Hauraki District Council owns and manages the roading activity, excluding state highways, which includes a total length of 596 kilometres of road. Of this, 441 kilometres (74%) is sealed, and 155 kilometres (26%) is unsealed.

Some 82% of the district's roads are within the rural areas, and 18% are within urban areas.

In addition to the roads, the roading programme includes the maintenance of 82 kilometres of footpaths, 90 kilometres of kerb and channel, 24 kilometres of culverts, 1800 road signs and 126 bridges.

Transfund New Zealand, the national road funding authority, provides a subsidy for works including road maintenance, reseal and shape correction undertaken in compliance with Transit New Zealand standards. Other works, such as footpaths, are not subsidised.

Street cleaning, road marking services and other works are also provided for within the Council's roading activity.

The Hauraki District Council's goal in respect of roading is to ensure a network of roads, streets and bridges are provided, maintained and developed to facilitate the safe, comfortable and efficient travel in and through the district.

Roading is a statutory function of the Council.


Focus for the Next 3 Years

- 7.1 To undertake the subsidised roading works programme in accordance with relevant statutory requirements and within expected timeframes and budgets;
- 7.2 To complete the non-subsidised roading works programme in accordance with relevant statutory requirements and within expected timeframes and budgets;
- 7.3 To manage the roading activity in accordance with the levels of service as agreed through the Asset Management Plan process;
- 7.4 To study the Council's roading network and prepare an optimised roading programme for the Hauraki District.

Emphasis in 1998-99

- 7.1.1 To complete the following Transfund New Zealand subsidised work programmes for the planning period in compliance with Transit New Zealand standards and regulations and within budget by 30 June 1998:

Reseals	31.8kms
Second Coat Seals	6.7kms
Sealed Smoothing	6.9kms
(Pending funding B/C)	
- 7.1.2 To complete the reseals programme at an average cost of \$25,000 per kilometre.
- 7.3.1 To complete repairs on all reported potholes within 4 days for arterial roads, 7 days for collector roads, and 10 days for local roads in accordance with requirements under the contract for Road Maintenance and Management.
- 7.3.2 To remove all reported surface debris within 4 days for arterial roads, 6 days for collector roads, and 12 days for local roads in accordance with requirements under the contract for Road Maintenance and Management.
- 7.3.3 To complete repairs on all reported faults and blockages of stormwater structures within 2 weeks in accordance with requirements under the contract for Road Maintenance and Management.
- 7.3.4 To commence all reported emergency works within 1 hour for arterial and collector roads and within 2 hours for local roads in accordance with requirements under the contract for Road Maintenance and Management.



7.3.5 To complete maintenance on all faults reported for signs, chevrons, markers and sigrails within 48 hours for arterial roads, 5 days for collector roads and 10 days for local roads in accordance with requirements under the contract for Road Maintenance and Management.

Changes This Year

An allowance for 'Decline in Service Potential' (DiSP), has been included in expenditure for the first time in 1998/99.

The overall Maintenance Budget has increased slightly to allow for increased street lighting, electricity charges and increased costs on traffic services.

Transfund have changed their funding policy for Rehabilitation this year. Rehabilitation will now be considered as a Reconstruction Item and will need to have a Benefit/Cost (B/C) ratio above the national B/C cut off of 4.0. A new category Area Wide Treatment has been introduced as the least cost maintenance option.

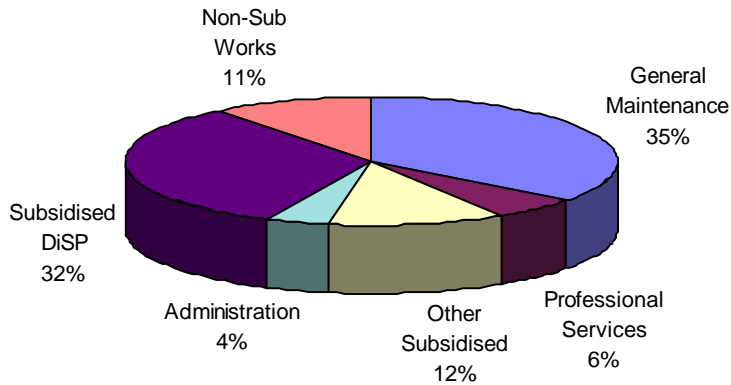
The maintenance Programme for 1998/99 is based on Area Wide Treatment rather than Rehabilitation.

Provision has been included for upgrading of Ngatea 'Main Street' footpaths over a three year period commencing 1 July 1998

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	EXPENDITURE			
1,876	General Maintenance	1,876	1,876	1,876
292	Professional Services	292	292	292
2,160	Other Subsidised	615	615	603
232	Administration	211	213	215
120	Subsidised DiSP	1,711	1,711	1,711
199	Non-Subsidised Works	562	574	577
4,879	Total Expenditure	5,267	5,281	5,274
(2,232)	Less Fees and Charges	(2,236)	(2,236)	(2,236)
(40)	Less Separate Rates	(36)	(30)	(24)
2,607	NET COST OF SERVICE	2,995	3,015	3,014

OPERATING EXPENDITURE 1998/99



EXPENDITURE BY CLASS				
4,861	Operating	3,205	3,217	3,208
-	Decline in Service Potential	2,046	2,046	2,046
18	Interest	16	18	20
4,879	Total Expenditure	5,267	5,281	5,274
468	Capital and Renewals	1,967	2,053	2,140



8.0 Sewerage

The Hauraki District Council provides and operates reticulated sewerage systems for six urban areas.

Turua, Ngatea, Kerepehi, Paeroa, Waihi and Whiritoa are all provided with sewage disposal and treatment schemes.

Treatment of sewage from Turua, Ngatea, Kerepehi and Waihi systems is through the use of oxidation ponds. A mechanical aeration and treatment system is used for Paeroa. Primary treatment for Whiritoa sewage is by flocculative aeration pond, with a land based method of disposal used for the effluent.

The Hauraki District Council's goal in respect of the sewerage activity is to ensure that all sewage within the district is collected, treated and disposed of in an efficient manner that complies with public health standards and specific resource consent conditions.


Focus for the Next 3 Years

- 8.1 To operate the sewerage systems in accordance with statutory requirements, renewing all resource consents that expire within the planning period and preparing for the renewal of consents due to expire in the 3-4 year period;
- 8.2 To manage the sewerage activity in accordance with the levels of service as agreed through the Asset Management Plan process;
- 8.3 To undertake a programme of testing to determine the locations of stormwater inflow in an effort to reduce the inflow of stormwater into the sewerage systems.

Emphasis in 1998-99

- 8.1.1 To complete the 'Assessment of Environmental Effects' and lodge the application for resource consent for the Whiritoa sewage treatment plant by 30 June 1999.
- 8.2.1 To locate all sewer manholes within the Kerepehi, Ngatea, Paeroa, Turua and Whiritoa sewerage schemes and have those accurately recorded in the GIS.
- 8.2.2 To undertake and complete a trial of AIWPS treatment process at the Ngatea sewerage treatment plant.
- 8.2.3 To have no more than the following number of dry weather sewer overflows occur as a result of blockages or failure of the public sewerage scheme within the planning period:

Turua	2
Ngatea	4
Paeroa	15
Kerepehi	2
Waihi	7
Whiritoa	2
- 8.2.4. To effect repairs to faults in the reticulation system within 24 hours of public advice or staff awareness of the fault (where it prevents transportation of sewage from the source to the relevant treatment plant).
- 8.3.1 To complete a door-to-door inspection of not less than 300 Waihi properties to determine points of stormwater ingress, as part of the programme of inflow testing for 1998-99, within budget.



Changes This Year

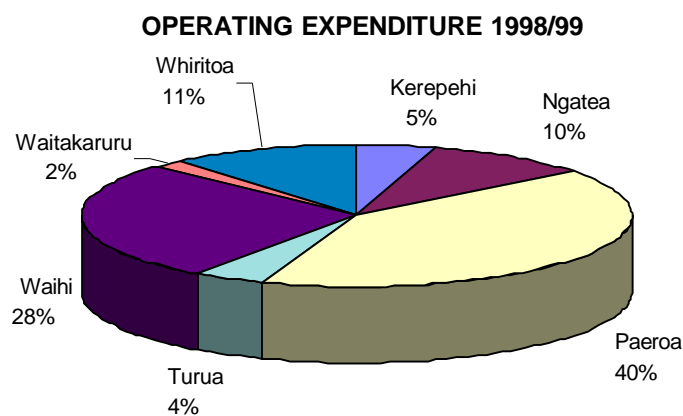
An allowance for 'Decline in Service Potential' (DISP), has been included in expenditure for the first time in 1998/99.

There is an increased focus on the maintenance of sewerage reticulation systems and pump stations this year. It is anticipated that the proactive approach to maintenance requirements will lead to a decrease in the number of dry weather sewer overflows occurring as a result of blockages or failure of the public sewerage scheme.

In 1997-98 the goal was to have no more than 37 dry-weather overflows relating to blockages or failure.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	EXPENDITURE			
46	Kerepehi	56	57	56
101	Ngatea	117	123	121
620	Paeroa	491	518	737
31	Turua	50	51	53
209	Waihi	330	369	416
21	Waitakaruru	20	20	20
117	Whiritoa	133	110	132
1,145	Total Expenditure	1,197	1,248	1,535
(2)	Less Fees and Charges	(2)	(2)	(2)
(805)	Less Separate Rates	(854)	(904)	(953)
338	NET COST OF SERVICE	341	342	580



EXPENDITURE BY CLASS				
1,081	Operating	655	671	738
-	Decline in Service Potential	446	446	446
64	Interest	96	131	351
1,145	Total Expenditure	1,197	1,248	1,535

2,399	Capital and Renewals	292	513	2,333
--------------	-----------------------------	------------	------------	--------------



9.0 Solid Waste Management

The Solid Waste Management activity incorporates refuse collection, refuse disposal, and waste minimisation/recycling.

Refuse collections are carried out by contract in the urban communities of Ngatea, Paeroa, Karangahake, Waikino, Waihi and Whiritoa on a weekly basis.

Refuse disposal is provided for in each of the three Wards - Waihi, Paeroa and Plains - with refuse disposal facilities available to the public during the hours of opening.

The Council is in a process of upgrading the disposal facilities, with the former rubbish tips' at Paeroa and Kaihere Road, Ngatea, scheduled for closure. They are being replaced with upgraded, more environmentally friendly refuse transfer stations' which act as a collection point rather than an end disposal site.

Waste minimisation and recycling is encouraged, with collection points for recyclable waste provided at each of the three refuse disposal facilities.

Investigations are continuing for the development of an 'end disposal site' for district refuse.

The Hauraki District Council's goal in respect of the solid waste activity is to ensure the provision of effective and efficient systems of waste disposal and collection in the district.

Focus for the Next 3 Years

- 9.1 To provide a refuse collection service to designated areas;
- 9.2 To operate refuse disposal facilities in compliance with all relevant statutory legislation;
- 9.3 To manage the solid waste management activity in accordance with the levels of service as agreed through the Asset Management Plan process;
- 9.4 To have a strategy in place for the long-term disposal of district refuse.

Emphasis in 1998-99

- 9.1.1 To provide a weekly refuse collection service to 4882 properties within the designated collection areas in accordance with requirements of the refuse collection contract.
- 9.1.2 To respond to complaints relating to compliance with the quantity and quality standards as specified in the refuse collection contract by the end of the next working day.
- 9.2.1 To close the Paeroa and Plains refuse tips in compliance with resource consents and other legislative requirements by 30 June 1999.
- 9.2.2 To commission refuse transfer stations in Paeroa and Ngatea in accordance with any legislative requirements by 31 December 1998.
- 9.4.1 To develop a waste management plan in compliance with the Local Government Act (Amendment No 4) by 30 June 1999

Changes This Year

An allowance for 'Decline in Service Potential' (DISP), has been included in expenditure for the first time in 1998/99.

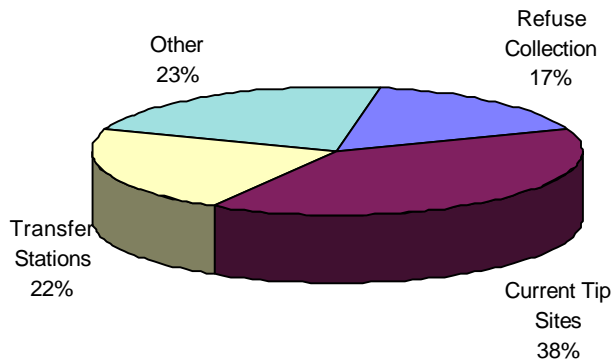
The 1998-99 year will see the transition from refuse tips at Paeroa and Plains (Kaihere Road, Ngatea) to refuse transfer stations in the two wards. Provision has been made for the construction of the refuse transfer stations, and the post-closure care for the refuse tips.

There is a new requirement, under the Local Government Act (Amendment No 4) for the Council to adopt a waste management plan - provision for this has been included in the 1998-99 year.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	EXPENDITURE			
171	Refuse Collection	172	169	173
397	Current Tip Sites	400	396	78
142	Transfer Stations	226	251	640
69	Other	233	325	353
779	Total Expenditure	1,031	1,141	1,244
(160)	Less Fees and Charges	(170)	(177)	(175)
(657)	Less Separate Rates	(505)	(503)	(507)
(38)	NET COST OF SERVICE	356	461	562

OPERATING EXPENDITURE 1998/99



EXPENDITURE BY CLASS				
779	Operating	908	864	939
-	Decline in Service Potential	14	23	38
-	Interest	109	254	267
779	Total Expenditure	1,031	1,141	1,244

2,029	Capital and Renewals	795	1,625	185
--------------	-----------------------------	------------	--------------	------------



10.0 Water Supply

The Hauraki District Council owns and operates eight water supply systems that service the urban communities of Paeroa, Karangahake, Mackaytown, Waihi, Waikino, Ngatea, Kerepehi and Turua, and the rural communities of Plains, Ohinemuri and Kaimanawa.

The reticulated water supplies range in size from a major supply with three sources supplying most of the Plains Ward, to a small supply servicing the Karangahake area.

The supplies have varying degrees of treatment and water quality.

The Hauraki District Council's goal in respect of the water supply activity is to ensure the collection, treatment and distribution of potable water to meet all reasonable requirements of the district's consumers to a water supply system.

Focus for the Next 3 Years

- 10.1 To operate the water supplies within the Hauraki district in compliance with requirements of the Resource Management Act, Council Bylaws and other relevant legislation, renewing all resource consents that expire within the planning period and preparing for the renewal of consents due to expire in the 3-5 year period;
- 10.2 To manage the water supply activity in accordance with the levels of service as agreed through the Asset Management Plan process;
- 10.3 To develop strategies for the future of the water supplies on a ward basis.

Emphasis in 1998-99

- 10.1.1 To receive new resource consents from Environment Waikato for the Waihi 'Walmsley' Intake by 30 June 1999.
- 10.1.2 To complete the installation and commissioning of water meters to all supply connections in the Paeroa and Waihi supply areas by 30 June 1999.
- 10.1.3 To complete and lodge an application with Environment Waikato for resource consents for the Waitawheta Intake by June 30 1999.
- 10.1.4 To complete modifications to the Pipiroa Booster Pump to convert to automatic pressure control. By 31 December 1998.
- 10.1.5 To ensure the aggregate monthly compliance with volume controls of all current water take rights is achieved 100% of the time within the planning period.
- 10.1.6 To replace 4.0km of water mains within budget throughout the district by 30 June 1999.
- 10.2.1 To repair 90% of breaks in the water reticulation within 12 hours of the Council receiving notification of the break.
- 10.2.2 To have no more than 600 occurrences of breaks in water mains and services, district-wide, within the planning period.
- 10.2.3 To ensure the aggregate total of the following routine tests meet the following parameters:
 - Faecal Coliform Tests < 1.1/100 ml for 95% of tests
 - Regular Chlorine Tests 0.3 - 5.0 mg/l for 95% of tests
 - Regular pH Tests {6.5 - 8.0} for 90% of tests
- 10.3.1 To investigate and report on the cost of interconnecting the Kaimanawa Water Supply system and the Hauraki Plains Water Supply system by 30 June 1999.

Changes This Year

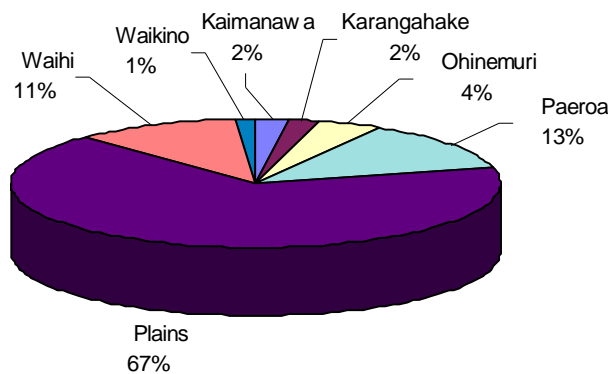
An allowance for 'Decline in Service Potential' (DiSP), has been included in expenditure for the first time in 1998/99.

The Council has indicated through the funding review process that the water supply activity should be fully funded by User Charges. Accordingly, Council resolved to complete the installation and commissioning of water meters by 30 June 1999.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	EXPENDITURE			
38	Kaimanawa	54	56	52
40	Karangahake	45	46	47
108	Ohinemuri	108	108	103
283	Paeroa	311	397	402
1,381	Plains	1,631	1,662	1,669
288	Waihi	271	311	305
28	Waikino	32	35	36
2,166	Total Expenditure	2,452	2,615	2,614
(1,667)	Less Fees and Charges	(1,425)	(1,513)	(1,615)
(641)	Less Separate Rates	(963)	(996)	(1,029)
(142)	NET COST OF SERVICE	64	106	(30)

OPERATING EXPENDITURE 1998/99



EXPENDITURE BY CLASS				
2,040	Operating	1,573	1,653	1,665
-	Decline in Service Potential	584	584	584
126	Interest	295	378	365
2,166	Total Expenditure	2,452	2,615	2,614

1,806	Capital and Renewals	1,295	1,405	472
--------------	-----------------------------	--------------	--------------	------------



PART D: BUSINESS UNITS & LATES

The Hauraki District Council operates four Business Units and owns one LATE (Local Authority Trading Enterprise).

The following information provides an overview of the Business Unit activities – In-house Professional Services, Workshop, Construction and Maintenance, and the Quarry - and the LATE, known as HDC Holdings.

11.0 HDC Holdings

HDC Holdings is a Local Authority Trading Enterprise established to assist with the management of the Council's investment in its Power New Zealand shareholding.

This statement reflects the net result of the operations of the LATE.

Appendix A is a more complete report in respect to HDC Holdings.

Focus for the Next 3 Years

- 11.1 To enhance the Hauraki District Council's return from its Power New Zealand shareholding.

Emphasis in 1998-99

- 11.1.1 To repay the outstanding loan with the Hauraki District Council at a rate of not less than 97% of its annual revenue (net of imputation credits).

Changes This Year

There are no significant changes to policy in this activity. Note earlier discussion regarding the sale of Power New Zealand shares.

12.0 In-house Professional Services

The Professional Services Business Unit is a separate unit within the Council organisational structure, responsible to a Business Unit Board of Management, which reports directly to the Council.

This business unit provides professional engineering services to Council's Asset Managers and Regulatory Department.

Its goal is to operate as a successful consultancy business.

The Transit New Zealand Act requires the Council to separately identify and record the costs of Professional Services provided by Council staff in respect of the subsidised roading activity. The only subsidised roading activities provided are the supervision of re-seal and shape-correction contracts.

The data included here is for information purposes only - the significant activities included previously in this plan provide for expenditure as a result of services provided by this Business Unit.

Focus for the Next 3 Years

12.1 To provide clients with effective and timely engineering and works management services to Council.

Emphasis in 1998-99

12.1.1 To provide all professional engineering services within budget and on time.

12.1.2 To provide any subsidised roading services in accordance with Transfund requirements.

Changes This Year

There are no significant policy changes within the Roothing In-house Professional Services activity for the 1998-99 year.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
98	Operating Expenditure	211	209	209
(98)	Less Fees and Charges	(211)	(209)	(209)
-	NET COST OF SERVICE	-	-	-

13.0 Construction & Maintenance

The Construction and Maintenance Business Unit is a separate group within the Council organisational structure, responsible to a Business Unit Board of Management which reports directly to the Council.

This business unit is predominantly involved with providing contract services in respect of Council functions including water supply delivery and maintenance, maintenance of parks and reserves, the operation of swimming pools, cemetery maintenance etc. It is not involved in delivering contract services for roading or refuse collection.

Its goal is to operate the unit as a successful contracting business.

The data included here is for information purposes only - the significant activities included previously in this plan provide for expenditure as a result of services provided by this Business Unit.

Focus for the Next 3 Years

- 13.1 To provide clients with a quality, cost effective and timely delivery of services.

Emphasis in 1998-99

- 13.1.1 To deliver services on time and to the customer's satisfaction.
13.1.2 To achieve a 1.5% net surplus on operations.

Changes This Year

There are no significant policy changes within the Construction and Maintenance activity for the 1998-99 year.

Council's workshop is now managed under this activity.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
3,100	Operating Expenditure	3,100	3,100	3,100
(3,150)	Less Fees and Charges	(3,150)	(3,150)	(3,150)
(50)	NET COST OF SERVICE	(50)	(50)	(50)

14.0 Tetley's Quarry

The Quarry Business Unit is a separate group within the Council organisational structure, responsible to a Business Unit Board of Management that reports directly to the Council.

This business unit is involved with the supply of metal from Tetley's Quarry (Waitakaruru) both to the Council and to other contractors and the industry generally.

Its goal is to operate Tetley's Quarry as a competitive producer of quarry products.

This statement reflects the net result of the operations of the quarry.

Focus for the Next 3 Years

14.1 To operate the Council's quarry operation on a commercial basis that ensures good quality products are available at a competitive price.

Emphasis in 1998-99

14.1.1 To provide a continuous supply of various grades of roading metal.

14.1.2 To achieve a 14% surplus on operations.

Changes This Year

There are no significant policy changes within quarry activity for the 1998-99 year.

Projected Costs and Funding

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
1,200	Operating Expenditure	1,200	1,200	1,200
(1,400)	Less Fees and Charges	(1,400)	(1,400)	(1,400)
(200)	NET COST OF SERVICE	(200)	(200)	(200)

PART E: FINANCIAL STATEMENTS & POLICIES

Overview ...

The financial statements produced in this Annual Plan are in summary form to give a general overview of the Hauraki District Council's projected financial position.

Projected Statement of Financial Position

<i>Projected As at 30 June 98 \$000's</i>		Projected As at 30 June 99 \$000's	Projected As at 30 June 00 \$000's	Projected As at 30 June 01 \$000's
2,791	Current Assets	7,285	7,587	5,757
2,460	Less Current Liabilities	2,460	2,493	2,451
331	Working Capital	4,825	5,094	3,306
	Fixed Assets			
19,385	Operational Assets	19,671	19,492	18,814
112,088	Infrastructural Assets	113,048	119,048	120,919
10,326	Restricted Assets	10,997	12,429	12,672
141,799	Total Fixed Assets	143,716	150,969	152,405
13,585	Investments	6,907	228	228
210	Less Long Term Liabilities	197	151	146
155,505	NET ASSETS	155,251	156,140	155,793
	<i>Represented by:</i>			
155,505	RATEPAYERS EQUITY	155,251	156,140	155,793

The projected figures as at 30 June 1998 have been restated using projections made 6 April 1998.

Projected Statement of Financial Performance

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	INCOME			
5,980	General Rates	6,110	5,367	5,718
346	Interest & Commissions	842	1,493	1,486
120	Petrol Tax	120	120	120
200	Surplus from Quarry Operations	200	200	200
20	Gain on Sale of Fixed Assets	20	20	20
334	Dividends	250	167	-
180	Surplus from Plant/Workshop Operations	-	-	-
50	Return from C & M Business Unit	50	50	50
7,843	Recoveries and Separate Rates	7,918	9,885	8,964
15,073	TOTAL INCOME	15,510	17,302	16,558
	Less			
50	Provision for Bad Debts	50	50	50
-	Miscellaneous	83	138	267
14,404	Total Cost of Service	15,631	16,225	16,588
619	Net result from Operations	(254)	889	(347)
	Less Transfer to/from Reserves			
864	Transfers to Reserves	251	251	251
1,813	Transfers from Reserves	-	-	-
(949)		251	251	251
1,568	NET RESULT AFTER APPROPRIATIONS	(505)	638	(598)

Projected Statement of Movements in Equity

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
154,886	Equity at the start of the Period	155,505	155,251	156,140
619	Net Surplus/(Deficit) for the year	(254)	889	(347)
155,505	Equity at the end of the Period	155,251	156,140	155,793

Projected Statement of Cashflows

1997-98 \$000's		1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
	Operating Activities			
	Cash to be provided from:			
9,095	Rates	9,337	9,158	9,584
208	Interest Income	363	391	249
334	Dividend Income	250	167	-
6,625	Revenue from Services provided	6,282	7,682	6,682
16,262		16,232	17,398	16,515
	Cash to be applied to:			
14,491	Employees and Suppliers	12,237	12,164	12,528
151	Interest on Loans	15	15	13
12	Net Taxes paid	12	12	12
14,654		12,264	12,191	12,553
1,608	Net Cash flows from Operating Activities	3,968	5,207	3,962
	Investing Activities			
	Cash to be provided from:			
44	Sinking Funds Uplifted	-	-	-
-	Decrease in Investments	-	-	910
-	Sale of Shares	6,679	6,679	-
44		6,679	6,679	910
	Cash to be applied to:			
-	Acquisition of Investments	66	73	62
1	Sinking Fund Instalments	-	-	-
9,039	Operating & Infrastructural Asset Acquisitions	6,024	11,451	6,549
9,040		6,090	11,524	6,611
(8,996)	Net Cash flows from Investing Activities	589	(4,845)	(5,701)
	Financing Activities			
	Cash to be provided from:			
4,791	Loans Raised	-	-	-
4,791		-	-	-
	Cash to be applied to:			
218	Loan Repayments	13	13	46
218		13	13	46
4,573	Net Cash flows from Financing Activities	(13)	(13)	(46)
(2,815)	NET CHANGE IN CASH HOLDINGS	4,544	349	(1,785)
2,815	Plus Opening Cash 1.7.98	-	4,544	4,893
-	CLOSING CASH BALANCE 30.6.99	4,544	4,893	3,108
	Represented by:			
(1)	Cash at Bank	4,543	4,892	3,107
1	Petty Cash	1	1	1
-		4,544	4,893	3,108



Rating Policies

Rating Basis

The Hauraki District Council uses five rating bases to levy rates ...

- land value
- capital value
- uniform annual charges
- classifications on the basis of benefit for land drainage
- water supply by volume used

General Rates

These are levied on the basis of a

- uniform annual general charge
- differential rating using land value, on the basis of land use in the categories:
 - rural
 - residential
 - mining and mineral extraction
 - commercial and industrial
 - recreation and cultural

Within the residential, and commercial and industrial land use categories there are further differential rates. Differential rating on land value is to be phased out over a 5-year period commencing 1 July 1998 and replaced by rates levied on capital value.

Ward Rates

These are levied to fund ward activities presently. They are levied on the same basis of differential rates on land value as is used for the general rate levy. The valuation-based rate will be phased out over a five-year period from 1 July 1998 and replaced by a uniform annual charge.

Separate Rate using Capital Value

By law the Council can use only one valuation basis for the levy of general rates. As the land value based general rate is phased out, a separate rate will be introduced using capital values. The capital value rate will have a differential rate for Commercial and Industrial and Mining and Mineral Extraction.

Service Rates and Special Rates for Works

Rates for services such as sewerage, refuse, public halls and some water supplies are levied on the basis of either land value or uniform annual charge.

Land Drainage Rates

Rates are levied on land value and area and in some cases, with the use of a system of classification to reflect benefit from the land drainage system.

Stormwater Drainage Rates

Rates will be levied on the urban areas of Paeroa and Waihi on the basis of land value. Two differentials are used in Paeroa.



Water Supply by Volume Used

In areas where water meters are installed, charging is on the basis of the volume of water used.

Policy Review

Rating policies relating to the Recreation and Cultural land use category, land drainage and water supply, will be reviewed in the 1998-99 year as part of the next District Funding Review. It is proposed to levy a Waihi urban stormwater drainage rate when the urban stormwater management plan has been prepared.

The results of that rating and funding review are expected to be implemented in the 1999-2000 year.

Rates Penalty Policy

Additional Charges

An additional charge of 10% is added to each installment that remains unpaid after its penalty date. Previous year's rates which are still unpaid on 1 September and 1 March will have a further 10% charge added.

Additional charges may be remitted in accordance with the following criteria:

- A. Proportionate remission may be granted where payment has been made in accordance with the following time frame provided the ratepayer has a good prior payment history. Good payment history takes into account the occasions when ratepayers have paid previous installments on time.

Penalty proportions remissible are:

Payment within two weeks of penalty date - 100%

Payment within four weeks of penalty date - 75%

Payment within eight weeks of penalty date - 50%

Payment within twelve weeks of penalty date - 25%

Payment after twelve weeks of penalty date - 0%

- B. Future penalties may be remitted where:

A ratepayer makes suitable arrangements for regular reduction of arrears. This will usually be by way of automatic payment.

Substantial compliance with the payment arrangement is a precondition to penalty remission. Penalties levied prior to the payment arrangement being set up will generally be excluded from remission.

- C. Past penalties may be remitted where a ratepayer has paid all arrears outstanding and has co-operated with Council in taking appropriate steps to reduce the balance outstanding.

Specifically excluded from this category are any ratepayers for who Council has had to take forceful measures to obtain settlement, e.g. judgements, water disconnections, mortgagee demands and rating sales.

Addition of Penalty Dates - 1998/99

An additional charge of 10% will be added to each installment, which remains unpaid after the following dates:

Installment No. 1	28 October 1998
Installment No. 2	24 February 1999
Installment No. 3	26 May 1999



STATEMENT OF ACCOUNTING POLICIES:

YEAR ENDED 30/6/98

1. Reporting Entity

Hauraki District Council (HDC) is a territorial local authority governed by the Local Government Act 1974.

The group consists of Hauraki District Council and its subsidiary HDC Holdings Ltd. (100% owned).

The financial statements and group financial statements of HDC have been prepared in accordance with section 223E of the Local Government Act 1974 which includes the requirement to comply with generally accepted accounting practice.

2. Measurement Base

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis, modified by the revaluation of certain fixed assets, have been followed.

2. Accounting Policies

The following accounting policies, which materially affect the measurement of results and financial position have been applied:

A) Revenue

Rates are recognised as income on the due date for each installment. Other levies and charges are recognised as income when the goods or services have been supplied. Government grants are recognised as income when conditions associated with the grant approval have been fulfilled.

B) Investments

Investments are valued at the lower of cost and market value.

Fixed interest investments are valued at cost plus accrued interest.

C) Accounts Receivable

Accounts receivable are stated at estimated realisable value after providing for debts where collection is considered doubtful.

D) Stocks/Inventories

Stocks are valued at the lower of cost or net realisable value, less any provisions for damaged or obsolete items.

Quarry metal stocks are valued at the lower of cost, using the cost of extraction including production overheads, and net realisable value.

E) Taxation

(i) Income Tax

Council's LATE, HDC Holdings Ltd, is liable to pay tax on its assessable income.

HDC has adopted the liability method of accounting for deferred taxation and has applied this method on a comprehensive basis. The tax expense charged to the Statement of Financial Performance includes both current and deferred taxation and is calculated after providing for non-assessable income and non-deductible costs. Deferred taxation is accounted for in respect of those timing differences expected to reverse in the foreseeable future. A deferred tax benefit relating to tax losses is recognised only if there is a virtual certainty of realisation. Council is subject to tax derived from HDC Holdings Ltd.

(ii) Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis with the exception of receivables and payables, which are stated with GST included. The balance of GST at 30 June 1998 is shown as a creditor in the Statement of Financial Position.

(iii) Fringe Benefit Tax

Where a fringe benefit tax liability arises this has been charged to operating expenditure.

F) Special Funds

In accordance with the Local Government reorganisation scheme Special Funds set up by the former authorities under the Local Government Act 1974, have been set aside for specific purposes. These are disclosed under the category Council Created Reserves.

G) Maintenance and Capital Expenditure

Capital expenditure is expenditure that adds to the service potential or usefulness of an asset for more than one accounting period either by lengthening the asset's useful life or by increasing its capacity. Capital Expenditure includes expenditure on renewals.

Capital expenditure is debited to asset accounts and allocated to the current and future periods through depreciation.

Maintenance expenditure is debited to expense accounts when incurred and is matched against revenue in that period.

H) Fixed Assets

(i) Fixed Assets are shown in the following major categories:

Operational: These are all tangible assets able to be dealt with as part of the operating strategy (i.e. land, buildings, motor vehicles, plant, furniture and chattels).

Infrastructural: These are the fixed utility systems providing an ongoing service to the Community, but are not generally regarded as tradable, (i.e. roads, bridges, culverts, and reticulation systems, including land and buildings associated with these activities).

Restricted: These cannot be disposed of because of legal or other restrictions, but provide a benefit or service to the Community (e.g. reserves vested under the Reserves Act, endowments and other property held in Trust for specific purposes, community halls, refuse disposal sites). Included under restricted assets are buildings and other improvements located on Council land where under the terms of any lease Council becomes the owner should the lessee default or cease to exist as an organisation. The major items included in this category are sporting facilities.

(ii) Valuation:

1. *Land and Buildings:* All land and buildings are recorded at government valuation as at 1 October 1995, plus additions/development at cost, less disposals. The exception to this is Waihi Beach leasehold land owned by Council, which is valued at Government Valuation as at 1 October 1996.

2. *Motor Vehicles, Equipment, Fixtures and Fittings:* All items are recorded at cost or net realisable value.

3. *Forestry:* Council has had its forestry assets professionally valued as at 30 June 1996 by P F Olsen and Company, a recognised forestry valuer. The basis used to value the forests was the expected yield at maturity. A discount factor was then applied to obtain a net present value. Trees are assumed to reach maturity twenty-eight years from the date of planting.

Costs associated with new plantings since the date of valuation have been capitalised. Expenditure on forestry operations has been included in the Cost of Service of Other Activities.

4. *Library Books:* Library Books are valued at depreciated replacement cost, assuming the books are on average half way through their useful life.

5. *Infrastructural: Roading and Bridges:* Roading and bridges are valued at replacement value as at 30 June 1993 less depreciation at 50% to recognise that these assets are midway through their economic life. Subsequent additions are valued at cost. Roading asset valuation was conducted by independent valuers Beca Carter Ferner. Reticulation Systems: Reticulation systems are valued at depreciated replacement cost as at 30 June 1993 based on estimated useful lives and unexpired service potential. The identification and valuation of the replacement costs for water and sewerage systems were conducted by independent valuers, Opus International Consultants. The identification and valuation of stormwater systems replacement cost was conducted by in-house engineers. Subsequent additions are valued at cost.
6. *Restricted:* Restricted assets are valued at Government Valuation (1 October 1995).

(iii) Depreciation:

- 1) *Land:* Land is not depreciated.
- 2) *Other Assets:* All other assets, except infrastructural (excluding bridges) and restricted assets, are depreciated on a straight line basis that will spread the cost of the asset, less any residual value, over the expected useful life of the asset. The expected useful life of assets are as follows:

Buildings (50 years)
Motor Vehicles - Cars & Utilities (3-5 years)
Heavy Plant & Machinery (8 years)
Light Plant (2-5 years)
Computer Hardware (3 years)
Communications Equipment (5 years)
Fixtures & Fittings (5-10 years)
Bridges (40-100 years)

Assets purchased partway during the financial year are depreciated on a remaining months basis. Computer software is expensed.

- 3) *Infrastructural Assets:* Decline in Service Potential' has been calculated on a straight-line depreciation methodology. The only exception to this is for water reticulation systems, which have been calculated, using the Long-Run Average Renewals Approach (LRARA).

I) **Power New Zealand Shares**

During the 1994-95 financial year Council was granted 1,669,680 Power NZ shares under Power NZ's establishment plan.

Council entered into a contract with Power NZ that prevents Council from selling its shares for five years.

If Council wishes to sell its shareholding it must consult with the public before any sale takes place. Council has valued its shareholding at \$7.25 per share. This represents the value that the Council transferred its shareholding in Power NZ to a fully owned subsidiary company, HDC Holdings Ltd.

J) **Overhead Allocation**

The cost of Support Services has been fully allocated over the significant activities.

The costs of debt servicing have been allocated directly to the activity for which the loan was initially raised.

K) **Basis of Consolidation**

The group financial statements include the Hauraki District Council and its subsidiary HDC Holdings Ltd.

The subsidiary has been accounted for using the purchase method. Corresponding assets, liabilities, revenues and expenses are added together. All significant inter-entity transactions are eliminated on consolidation. Comparative figures for 1995-96 are Parent only as the subsidiary was established after 30 June 1996.



L) Employee Entitlements

Provision is made in respect of the group's liability for annual leave, long service leave, and retirement gratuities. These have been calculated on an actual entitlement basis at current rates of pay.

M) Statement of Cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council or group invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the group and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Council and group.

4. Changes in Accounting Polices

An allowance for Decline in Service Potential of infrastructural assets has been included in expenditure for the first time in 1998/99. The allowance has been calculated on the basis set out in paragraph (H)(iii)(3) above.



Employment Policy

Introduction - About Equal Employment Opportunities


The Hauraki District Council endeavours to be a good employer and meet its obligations as an effective local government organisation, particularly with regard to requirements for the employment of staff under the Local Government Act 1974.

Part of its obligation in respect of being a good employer is to develop and publish an Equal Employment Opportunities programme each year and ensure this programme is complied with throughout the local authority.

The Local Government Act interprets an Equal Employment Opportunities programme as being a programme "aimed at the identification and elimination of all aspects of policies, procedures, and other institutional barriers that cause or perpetuate, or tend to cause or perpetuate, inequality in respect to the employment of any persons or group of persons."

Equality in the workplace means ensuring there is no discriminatory action against people because of their age, sex, marital status, religious belief, ethical belief, colour, race, sexual orientation etc. Part of this sees staff appointments made on the basis of the best person suited to the position, and the notification of vacancies to enable suitably qualified people to apply.

The Hauraki District Council is committed to the principle of equal opportunity and regards the elimination of any discrimination as essential principles in management.



Employment Policy contd

The Hauraki District Council is committed to the principle of equal employment opportunity in the workplace.

The Council rejects discrimination on any grounds and will work actively to recognise and value the different skills, talents, experiences and perspectives of its employees. This will apply to all aspects of employee relations.

Policies and procedures will be reviewed regularly to ensure equal opportunities are assured for employees and prospective employees.

Focus for the Next 3 Years

- 15.1 - To ensure decisions on employee selection for recruitment, training and promotion are based only on skills and abilities in respect of job requirements, and are determined by merit regardless of other factors;
- 15.2 - To identify and remove job barriers;
- 15.3 - To implement and monitor appropriate EEO programmes and ensure all staff are fully informed of Council's EEO policy and practices;
- 15.4 - To maintain a workplace free of discrimination and harassment.

Emphasis in 1998-99

- 15.1.1 - To undertake an audit of current recruitment procedures and practices by 30 June 1999.
- 15.1.2 - To complete training needs analysis of all office staff and inform them of training opportunities by 30 June 1999.
- 15.1.3 - To complete the implementation of the performance assessment and training scheme by 30 June 1999.

- 15.2.1 - To undertake a survey of all staff to identify perceived barriers in recruitment, training and promotion by 30 June 1999.

- 15.3.1 - To hold EEO Committee meetings at least 4 times a year.
- 15.3.2 - To inform staff about EEO issues (through a regular column in the Staff News Report) at least 4 times a year.

- 15.4.1 - To complete work on the introduction of a formal harassment policy by 30 June 1999.

THANK YOU!

Thank you for taking the opportunity to read the Hauraki District Council's Annual Plan.

If you would like clarification on any aspects of the plan, please feel free to contact our staff. Phone (07) 862 8609 (or 0800 734 834 if you live within the Hauraki District) and ask to speak to the 'Corporate Planner' in the first instance.



PART F: TREASURY POLICY

Investment Policy

General Policy – Sec 122Q(a)

IP 1

Council as a responsible corporate citizen and custodian of public funds recognises that it should manage investments in a prudent manner. This will require a risk averse approach and care to ensure unnecessary risks are avoided.

Council aims to maximise its returns in the long term while ensuring risks remain within Council's accepted range.

Disposition of Revenue and Proceeds Policy – Sec 122Q (c)

IP 2

Returns from investments, after the deduction of expenses, will be applied according to the following:

- i 25% of the income from the Investment Fund will be used to assist with the completion of community projects. The Council will allocate the funding on a project by project basis.*
- ii 75% of the income from the Investment Fund will be used to reduce the District General rate requirement.*
- iii Interest will be credited to separate reserve funds on the basis of the estimated average yield on surplus funds for the financial year.*
- iv) In accordance with any resolution of the Council;*
- v) To the Council's general operating revenues.*

Net asset sale proceeds will be credited to the fund/activity, which originally provided the funding for the assets original purchase, or to any other fund per Council resolution.

Management and Reporting Policies- Sec 122Q(d)

IP 3a


The General Manager shall have delegated authority to negotiate and authorise any investment transaction within the approved policy.

IP 3b

A quarterly report will be made to Council (for the three month period 30 September, 31 December, 31 March and 30 June each financial year).

Included within this report should be details on:

- Investments on hand at the end of the quarter, including the names of counterparties, sums invested with each, terms of each investment, and interest rates being earned;*
- The average earnings rate on investments made during the quarter;*



Credit Risk Policy– Sec 122Q(e)

IP 4(a)

Credit risk will be minimised by investing only in high quality investments.

For the purposes of this policy, this means that investments will generally only be made in the Standard & Poor's ratings for short term investments of A1 or higher and for long term investments of AA-. Equivalent Moody's ratings may apply.

IP 4(b)

The Council may, in its discretion, depart from this policy where it considers that the departure would advance its broader social or other policy objectives. Any resolution authorising an investment under this provision shall note that it departs from the Council's ordinary policy on default risk and the reasons justifying that departure.

Returns Policy - Sec 122Q(e)

IP 5

The expected return on all funds invested should reflect the risk involved, according to the following guidelines:

- *If a potential investment carries greater risk than is consistent with the Council's risk then an investment will not be made, irrespective of the expected returns.*
- *Where there are two investments of equivalent risk within the Council's risk constraints, the investment with the higher expected return shall be selected.*
- *If there are two investments of different risks, but both are within the Council's risk constraints, an assessment will be made of the trade-off between the risks and expected returns of the two options. The investment that is considered to be the most attractive for the Council, having regard to prudence, the risks and the expected returns, will be selected.*


Liquidity and Duration Policy - Sec 122Q(e)

IP 6

Council's portfolio shall be arranged to provide sufficient funds for planned cash outflows and to otherwise allow the payment of obligations as they fall due.

Individual investments shall be chosen with regard to:

- *The period of time for which the funds are surplus to requirements;*
- *The maturity of the investment;*
- *The ability to liquidate the investment before its maturity;*
- *The extent to which the portfolio already provides funds as required; and*
- *Market conditions.*



Portfolio Diversification Policy - Sec 122Q(e)

IP 7

Classes of Investments:

The following will be classes of investments for the purposes of this investment policy:

- *Risk-free and near risk-free investments: securities issued or guaranteed by the New Zealand government, local authority stock secured by rates,*
- *Low-risk investments: the debt of issuers with ratings equivalent to a Standard and Poor's rating of "AA-" or better for long term debt or A1 or better for short term debt.*

Investment by class:

Limits on investment in any of the above classes of investments shall be as follows:

- *Near risk-free to risk-free investments: in any one class, up to 100% of the total assets available for investment whether short or long term.*
- *Low-risk investments: up to 100% of the total if debt purchased is short term, ie less than one year, or no more than 60% of the total assets available for investment if the debt is long term, ie greater than one year.*
- *Medium to high-risk investments: nil exposure, subject to specific Council authorisation.*

Individual investments:

Limits on any one investment shall be as follows:

- *Risk-free investments: up to 100% of the total assets available for investment.*
 - *Near risk-free investments: up to 100% of the total assets available for investment.*
 - *Low-risk investments: no more than 25% of the total assets available for investment.*
- Medium to high-risk investments: nil exposure, subject to the Council's direction.*


Settlement Risk Policy - Sec 122Q(e)

IP 8

The Council will satisfy itself, in all its investment transactions, that counter-parties:

- *Are financially adequate;*
- *Have an appropriate industry standing; and*
- *Have an appropriate track record;*

in sufficient degree to give the Council reasonable certainty that obligations under contracts will be performed.



Borrowing Management Policy

The Local Government Amendment No. 3 Act 1996 requires Council to establish borrowing (Sec 122R) and investment (Sec 122P) management policies. These policies are by way of ordinary resolution of Council and must be in place for the financial year commencing 1 July 1998.

The key elements required of a Borrowing Management Policy include

- Interest rate exposure policy Sec 122S(a)
- Liquidity policy Sec 122S(b)
- Credit exposure policy Sec 122S(c)
- Debt repayment policy Sec 122S(d)
- Specific borrowing limits policy Sec 122S(e)
- Provision of security policy Sec 122S(f)

The combination of these elements provides a policy framework that should enable prudent debt management.

Interest Rate Exposure Policies - Sec 122S(a)

BP 1 (a) (Fixed/Floating Interest Rates)

Council should maintain a mix of fixed and floating interest rates either directly via individual debt securities or via alternative debt instruments, eg Interest Rate Swaps.

Neither fixed or floating interest rate exposure should exceed 75% after accounting for hedged positions.

BP 1 (b) (Maturity Profile)

Where possible Council should endeavour to maintain a flat maturity profile with no more than 25%, or \$1 million whichever is higher, of external debt subject to refinancing in any one year.

BP 1 (c) (Hedging)

Council will only enter into a hedging transaction where it can be clearly demonstrated that

- the transaction is to be used to reduce risk associated with an existing position; (ie it is expressly prohibited to enter into speculative contracts)*
- the transaction will reduce risk to Council, by adjusting an undesirable maturity profile or a fixed vs floating interest rate position.*
- the cost of the transaction is exceeded by the reduction in risk.*

Liquidity Policy - Sec 122S(b)

BP 2

The Council will ensure that it has, at all times, sufficient funds available to meet its obligations as they fall due. Potential sources of funds include cash deposits, committed but undrawn lines of credit and short-term lending.

Pursuant to Section 122J of the Local Government Act 1974, Council may borrow funds on a short-term basis to provide for efficient and effective cash management. Borrowing under this policy shall be used for the purpose of meeting temporary shortfalls in liquidity and will not be used as a permanent source of funds. (For the purposes of this policy, permanent sources of funds' are those funds borrowed for a term longer than twelve months).

Council delegates responsibility for establishing short-term debt and overdraft facilities and/or the day-to-day management of any Council overdraft facility to the Chief Executive and his staff.

Credit Risk Policy - Sec 122S(c)

BP 3

Council will satisfy itself, in all its borrowing transactions, that counter-parties:

- *are financially adequate;*
- *have an appropriate industry standing; and*
- *have an appropriate track record;*

to give the Council reasonable certainty that obligations under concluded contracts will be honoured.

Debt Repayment Policy - Sec 122S(d)

BP 4

Loan terms are to be set to ensure that the overall borrowing is consistent with an even spread of debt maturities.

Where repayment by the use of a sinking fund or loan repayment reserve is contemplated, sufficient funds will be provided to enable the repayment of the loan at the time contemplated.

Where Council has surplus long-term funds these may be used to repay debt if this doesn't compromise other aspects of the borrowing management policy.

Policy on Specific Borrowing Limits - Sec 122S(e)

The Council must ensure that its borrowing satisfies the following ratios:

External Public Debt per Assessment	<=	\$1,000
<i>Net interest-expense Total revenue</i>	<=	5%
<i>Net interest-expense Rates revenue</i>	<=	10%

Policy on the Provision of Security - Sec 122S(f)

BP 6

In general, Council will secure its borrowings against its rates revenue.


Council is prepared, subject to Section 122ZE(f) of the Local Government Act 1974, to give security over its assets. Before giving security against any assets, Council must be satisfied that doing so is fairly reflected in the cost of borrowing. Comparisons of the cost of borrowing between different alternative borrowing transactions must account for different requirements as to the giving of security.

Giving of Loan Guarantees Policy

BP 7

Council may act as guarantor to bank loans for an incorporated organisation which will provide, improve, or develop amenities for recreation, amusement or the instruction of the public.

The total combined amount Council may guarantee at any one time shall not exceed 5.0% of the total rates levied in any year, and;



The maximum amount Council may guarantee to any one qualifying organisation shall be 1.0% except that in special circumstances the limit of 1.0% may be exceeded, and;

Each organisation that Council has provided a loan guarantee shall provide to Council:

- *A six-monthly unaudited financial report within 3 months of the first 6 months of the financial year, and;*
- *An annual audited financial report within 4 months of the balance date, and;*

that the bank lending the money to the qualifying organisation be required to provide Council with a statement each year that shows the principal outstanding at the end of that period and payment made during the year.



APPENDIX A

HDC Holdings Limited

Directors Mr. J G Jenkins
Mr. N E Dewdney
Mr. C R Hannah

Registered Office: Chapman Tripp Sheffield & Young
Coopers & Lybrand Tower
23-29 Albert Street
AUCKLAND

This report sets out the significant policies, objectives, activities and performance targets for the financial year ending 30 June 1998. HDC Holdings Limited was incorporated under the Companies Act 1993 on the 17th day of July 1996. The company is a 100% Council owned Local Authority Trading Enterprise, which was established for the sole purpose of managing Council's 1,669,680 shares in Power New Zealand. The shares were transferred from Council to HDC Holdings Limited at \$7.25 each. The company funded this purchase by way of issue of Ordinary Shares to Council.

Objectives The principal objective of HDC Holdings Limited is to operate as a successful business. This will be achieved by:

- (a) Carrying out its business in an efficient, effective and profitable manner;
- (b) Managing all assets and liabilities on a prudent, conservative basis; and
- (c) Demonstrating corporate responsibility.

Nature and Scope of Activities HDC Holdings Limited is established as a holding company with the sole objective of maximising the value of the shareholding of Council in Power New Zealand. HDC Holdings Limited will have no other activities other than those commensurate with that intention.

The activities of HDC Holdings Limited are relatively passive. The powers of the Board of Directors are limited. The Board is not authorised to sell or purchase any significant assets, undertake an acquisition of its own shares, issue any further shares, borrow or issue guarantees on behalf of HDC Holdings Limited or contractually commit HDC Holdings Limited to any material items of expenditure or grant security, pledge, charge, mortgage or otherwise encumber HDC Holdings Limited's assets without the prior written approval of Council.

Performance Targets and Measures The company will endeavour to pay dividends to Council at a rate not less than 97% of its annual revenue.

The company will consider opportunities for divestment of the PNZ shareholding which arise from an existing offer from Utilicorp New Zealand, and will recommend to Council accordingly.

Note: To avoid confusion, Council's financial statements show the debt reduction as income

APPENDIX B

List of Capital and Renewal Projects

	1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
Community Facilities			
Libraries			
New Books	51	54	54
Computers	-	-	-
Paeroa Baths			
Pool Upgrades	-	8	-
Ngatea Baths			
Seating	-	5	-
Paeroa Cemetery			
Beautification	-	-	-
Extension	2	20	20
Waihi Cemetery			
Rubbish Bins	1	-	1
Seats/Water Taps	-	1	-
Install Berms	-	3	-
Plains Amenities			
New Toilet Block at Turua	-	-	-
Waihi Sports Stadium			
Replacement Hall	4	-	-
Paeroa Memorial Hall			
Renewal	20	-	-
Waihi Memorial Hall			
Stage Lights	-	-	-
Parks and Reserves			
Paeroa Domain			
Permanent Lighting	-	-	250
Hugh Hayward Domain			
Grandstand Rebuild	4	-	-
Upgrade Entrance			
Grandstand Carpark Development	-	-	15
Reserves - Waihi			
Gilmour Lake Bank	-	3	-
Gilmour Lake Wetlands	-	-	40
Morgan Park Native Grove	-	2	-
Morgan Park Footpath	-	1	-
Morgan Park Stormwater	1	-	-
Carparks	55	-	-
Netball Courts	30	-	-
Tree Programme	4	4	4

	1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
Solid Waste Management			
Waihi Transfer Station	-	750	-
Plains Transfer Station	450	-	-
Paeroa Tip Decommissioning	-	835	-
Plains Tip Rehabilitation	225	-	-
Waihi Tip Upgrading	120	-	-
Waihi Tip Rehabilitation	-	40	145
Waihi Tip Decommissioning	-	-	40
Road Construction			
District Safety Admin Programme	17	17	17
District Reseals / Shape Correction	1,579	1,579	1,579
District Bridge Replacements	-	70	175
District Capital Works	122	124	124
Waihi Construction Works - Non Subs	88	88	88
Paeroa Construction Works - Non Subs	3	3	3
Plains Construction Works - Non Subs	87	101	83
Kerepehi Township Improvements	23	23	23
Turua Township Improvements	18	18	18
Paeroa Freshlook	30	30	30
Sewerage			
Paeroa			
Overheads, Asset Manager	16	16	16
Infiltration Work	-	260	260
Puke Rd new sewer pumps	9	-	-
Sewer Pump Replacement	-	10	-
Telemetry on Pump Stations	7	7	7
Manhole data capture	8	-	-
Pump Station Upgrades	-	10	-
New STP design & consents	50	50	-
New STP design & consents	-	-	2,000
Kerepehi			
Resource Consents Physical works	-	-	-
Mains Replacement	-	5	-
Pond Desludge	-	-	-
Resource Consents	-	-	-
Telemetry on Pump Stations	7	7	-
MH data capture	2	-	-
Pump Station Upgrades	-	-	-
Inlet screening	30	-	-



	1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
Sewerage (continued)			
Ngatea			
Pumpstation Biofilter	-	5	-
Resource Consents Physical works	-	-	-
Mains Replacement	-	10	5
Pond Desludge	-	-	-
Renew Resource Consent	10	60	-
AWIPS Trial	10	-	-
Pump Station Bio Filter	5	-	-
Telemetry On Pump Stations	7	7	7
Manhole Data Capture	4	-	-
Pump Station Upgrades	-	-	-
Turua			
Resource Consents Physical works	10	-	-
Mains Replacement	-	-	6
Pond Desludge	-	-	-
Renew Resource consent	-	-	10
MH data capture	2	-	-
Pump Station Upgrades	-	-	-
Telemetry on Pump Stations	7	7	-
Waitakaruru			
Renew resource Consents	-	-	-
Mains Replacement	-	2	-
Sewer Pump Station Upgrades	5	-	5
New Disposal Option	-	-	-
Treatment Upgrades	-	-	-
Waihi			
Victoria St Sewer Pump	-	-	-
Ponds Desludge	-	-	-
Discharge Consent Ponds	50	50	-
Aerator No 2 Pond	19	-	-
Sewer Pump Station Upgrades	-	-	10
Sewer Pump Station Storage	-	-	-
Phosphorous Stripping Consents	-	-	-
Phosphorous Stripping Construction	-	-	-
Wellington St Sewer Pump Upgrade	-	-	-
Whiritoa			
Reticulation repair	-	-	-
Renew Resource consents	25	-	-
Telemetry on Pump Stations	7	7	7
Manhole data capture	3	-	-
Pump Station Upgrades	-	-	-
Land Drainage			
Western Plains	15	475	15
Eastern Plains	30	25	-
Pouarua/Maukoro Scheme	175	4,635	-
Urban Stormwater - Paeroa	250	20	20
Urban Stormwater - Waihi	150	150	150



	1998-99 \$000's	1999-00 \$000's	2000-01 \$000's
Water Supplies			
Kaimanawa			
Mains Upgrades	-	-	12
Resource Consent Applications	-	30	-
Resource Consent Physical Works	-	-	-
Water Sources Investigation	15	-	-
Karangahake			
Renew Resource consents	-	-	-
Resource Consents Physical works	-	-	-
Mains Upgrades	2	2	3
Treatment Upgrades	2	-	-
Paeroa			
WTP Upgrades	5	5	5
Residential Meters	240	-	-
Papataroa Ave main	28	-	-
Mains Upgrading	-	17	18
Ball Hydrants	33	15	-
Waitawheta Bridge Repair	-	-	10
Norwood Rd Main	-	33	-
WTP Building M'tce	10	-	-
Resource Consent Dickeys	30	-	-
Sludge Pond Development	-	-	-
Source & Treatment Investigations / Development	-	500	-
Ohinemuri			
SH26 Main Tirohia	37	-	-
SH26 Main Tirohia	-	60	-
Mains replacement	-	-	32
Plains			
Mains Replacements	97	10	120
Resource Consents	70	20	-
Trunk Main Extensions	-	-	-
Treatment Upgrades	-	20	-
Desilt West Lake	6	-	-
Pipiroa Pressure Control	10	-	-
Building Maintenance	20	-	-
Waitakaruru Raw Water	-	-	-
Waitakaruru Caustic Storage	18	-	-
Waitakaruru Sludge Disposal	-	-	150
Waitakaruru Internal Pipe	10	-	-
Kerepehi Sludge Disposal	-	500	-
Kerepehi TM Galv Protect	10	-	60
Kerepehi Expansion	348	-	-
Huirau Treatment / Storage	-	-	-
Huirau Trestle Bridge	-	-	-



	1998-99	1999-00	2000-01
	\$000's	\$000's	\$000's
Water Supplies (continued)			
Waihi			
WTP Chlorine Scales	-	15	-
WTP Process Upgrade	-	-	-
Resource Consents Upgrades	-	100	-
Universal Water Meters	240	-	-
WTP Building Mtce	10	-	-
Renew Resource Consents	15	20	-
Mains Replacement	31	34	38
WTP Upgrades	5	5	5
Waikino			
Water Source Development	-	-	-
Renew Resource Consents	-	15	15
Mains Replacement	3	3	4
Other			
Whiritoa Emergency Mgmt Centre	236	-	-
Waihi Water Land Purchase	-	-	400
Paeroa Water Land Purchase	-	-	-
Kerepehi Sewerage Land Purchase	-	-	-
Plant	546	350	350
Office Equipment	100	100	100
TOTAL CAPITAL EXPENDITURE	6,024	11,451	6,549

