

# Part G: Summary of Long Term Financial Strategy

## Introduction

The following is a summary of the long term financial strategy (LTFS) 2000-2010, under section 122K of the Local Government Act 1974, and Section 281 (2)(g) of the Local Government Act 2002.

Council reviewed its Long Term Financial Strategy in 2000/2001. Copies of the full strategy can be obtained from the Hauraki District Council head office, William Street, Paeroa.

## Significant Forecasting Assumptions

Council recognises that planning for the longer term requires a considerable number of assumptions to be made and taken into account. The following general assumptions have been made; to clearly identify that with significant forecasting, assumptions are required but do hold a high level of uncertainty.

- This document is consistent with the 2003/04 Annual Plan;
- The interest rate on borrowed finance has been assumed at 7% per annum. The interest rate on investments is assumed at 6% per annum;
- 'Decline in Service Potential' (DiSP), calculations have been based on straight-line depreciation methodology;
- The LTFS has been prepared with no allowances made for inflation during the planning term;
- The LTFS has been prepared on the basis that no events of physical, financial, political or other nature will occur, which have an effect on the Council's ability to fund or undertake its current activities;

## Strategic Direction

### Community Facilities

#### Libraries

- The provision of Library services within the District is integral to the community although the way of providing this service may over time, change.
- 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 the next 10 years. This trend will be more apparent in technical literature rather than fiction.
- There will be a greater emphasis on the Libraries' role in the keeping of historical information on the District, including acknowledging those that keep historical archives and providing them with some support, if considered appropriate.
- It is important that Council continue to computerise hard copy historical records.

#### Community Assistance

- Documented policy in regard to community assistance on a district basis needs to be developed. This policy shall incorporate the criteria for community assistance currently used in each ward.

#### Sporting Facilities

- 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.

#### Cemeteries

- The Council has no plans to create a new cemetery in the Hauraki District, but has decided to maintain the existing cemeteries at Waihi and Paeroa in accordance with its statutory responsibilities.
- The capacities of the existing cemeteries at Waihi and Paeroa are not expected to be reached in the next six years.

#### Public Halls

- 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.

#### Public Toilets

- There will be at least one public toilet facility of high quality, on an appropriate site in each of the three main townships. In addition, there will be amenities provided in parks and on reserves as required by demand. Provision has been made for upgrading toilet facilities in Paeroa.

#### Community Facilities in general

- 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 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. It acknowledges that it will be looking at sharing resources with other Districts and seeking ways of doing this effectively. The triennial agreement required by the Local Government Act 2002 works towards attaining collaborative outcomes by working co-operatively with other Councils.
- The Council will regularly review its system of representation to ensure the Council is structured in a way that meets the required needs of the community. A review of the Committee structure is one of the representation issues considered by each new Council.
- The Council sees its role as including advocacy on behalf of the community. Continued discussion and the strategic development of directives are necessary to assist the Hauraki District Council in ensuring its role as an outstanding community advocate.
- The Council will monitor its forms of communication with the public, in order to establish the most effective and cost efficient means of communication. Aiming to understand the needs and wants of the community and extensively grasp the community perspectives is a focus of the Council.
- A process is in place in regard to establishing a consultative forum for Iwi which will assist in the continual development of Council's relationship with Iwi. This process with Hauraki Iwi is to be constantly monitored to ensure the relationship between Council and Iwi is developed with the aim of creating a positive sustainable balance of activities and operations, with the best intentions of the community in entirety, in mind.

## **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. Implementation of the Pouarua/Maukoro Drainage Scheme is in two separate stages. The northern stage, now complete, involved the installation of pump stations to maintain the existing level of service received by this community. The southern stage of the project will increase the level of service. The southern stage involves the construction of pumpstations with intake and discharge works. Further consideration and consultation will be undertaken prior to the implementation of the southern stage.
- It is questionable that any other new land drainage schemes 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 only be developed on the basis of demand, economic viability, and need.
- The Council is committed to ensuring that the Miranda Foreshore drainage and stopbank is maintained at the appropriate level and will take the necessary measures to ensure this is achieved.
- 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 Council regarding consents to pump water in this event. In considering the impact of climatic changes, the Council needs to ensure it does not over-drain the land.
- The Council has signalled a need to improve the stormwater systems in Paeroa and Waihi. This will be addressed by preparation and review of Catchment Management Plans, an expected condition in terms of the comprehensive Stormwater Discharge Consent. There could be a significant cost involved in improving the stormwater systems.
- A need to further develop stormwater drainage systems may become evident in the event that improved control of stormwater ingress to the wastewater systems is achieved.

## **Other Activities**

### Beautification

- The Council has the intention of continuing with the beautification of the district. A high level plan is to be developed to incorporate more than only trees in the beautification activity strategy.
- There is a desire for some commonality throughout the District, and the beautification needs to reflect the uniqueness of the Hauraki District.

### District Promotions, Economic Development, Tourism Coromandel and Information Centre

- The Council's support of District promotions, Economic Development, Tourism Coromandel and the existing Information Centre shows its emphasis on promotions to market the attractive features the Hauraki District has.
- Promotional material is to link into Tourism Coromandel, Discover Waihi, Refreshingly Paeroa and Positively Promoting the Plains to emphasise the attractions and activities the District has.
- The Council has adopted an Economic Development Strategy and will develop a promotional plan which focuses on the market segments of visitors to the District, new business opportunities and increasing the District population. Council believes that Economic Development is likely to need more funding in years to come. This may include support for other information initiatives.
- A regional strategy is currently looking at a Governance model to drive development in the wider region in partnership with Central Government.

### Sport Co-ordinator

- 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. Councils strategy for sports co-ordination will be addressed as part of a District Recreation Strategy.

### Pensioner Housing

- The Hauraki District Council will continue to own and provide housing for pensioners. The present housing units are meeting the needs of Hauraki District residents.
- Council will keep the existing units appropriately maintained to ensure their tenants have adequate accommodation.
- The Council does not intend building additional units unless it is a central government requirement, supported by appropriate financial arrangements. Consultation with the public will be undertaken prior to any expansion of existing units or additional units being built.

### Future Shape of Central Business Districts

- In considering the future shape of the central business districts, the Council sees the separation of heavy traffic through bypasses as ideal. Consideration should be given to designing bypasses that do not reduce tourist traffic through the central business district.
- It sees attractive activities/events being planned for central business districts.

### Forestry

- 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. The long term future of the Council involvement in this activity is open to review at any time.

### Rural Fires

- The Council continues to support the establishment of a Combined Rural Fire Plan with its neighbouring Waikato Region local authorities.

### Safer Hauraki

- Council in 2003/04 will support (through funding and representation) the Safer Community Council, being a committee consisting of community members whose aim is to improve the safety of the community.

## **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.
- 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. 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.
- Parks and Reserves will be managed through the approved Reserve Management Plan. In the next three years Council aims to develop a recreational strategy for the District. The recreational strategy will identify circumstances to determine the necessity to retain certain reserves. In developing the strategy the Council will review the status of specific reserves.

## **Planning & Environmental Services**

- 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 LTCCP requires review at least every three years. The Council has provided for this accordingly.
- A major feature of the LTCCP is the need to consult widely with the community to ensure that the resultant plan reflects the priorities and desired outcomes of the community - within the legal and financial constraints upon the Council.
- The Council needs to maintain its public relations in this area.

## **Roading**

- In the immediate future there will be a need to assess the ability to sustain the current subsidised seal extension programme in view of the changes made in the funding allocation framework that has now been implemented.
- Council is aware of a number of roads within the District that are unsealed, that carry sufficient traffic volumes to justify sealing. However there are a number of unsealed roads within the District that carry low traffic volumes that do not justify sealing.
- 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 the various State Highway Strategies that are being

prepared (by Transit New Zealand). The likely impact of the strategies on the District and particularly the main urban communities will need to be assessed as the strategies are developed.

- The policy for urban and rural roads included in the Rooding Asset Management Plan needs to be reviewed and developed, in particular the matter regarding the subdivision contribution requirements which the vehicle movements is greater than 50 per day.

## **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 has made provision 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 solid waste requirements.
- Council has provided Refuse Transfer Stations in both the Paeroa and in the Waihi Ward.
- All solid waste will be transported to the disposal site at Tirohia Quarry. Provision has been made for the costs of progressively rehabilitating the existing refuse disposal sites at Waihi, Kaihere and Paeroa.
- Rural refuse collections are being offered by private operators, and there is no evident driving force for Council to become involved in this service. It is therefore unlikely that Council will provide a Rural refuse collection service in the future.
- The Council will continue to encourage waste minimisation in the role required by the New Zealand Waste Strategy, and will develop a system charging incentives aimed at achieving the goal of full cost recovery by the New Zealand Waste Strategy target dates.

## **Wastewater**

- The Council has indicated a desire to continue with its existing role as 'service provider' for wastewater.
- The quality and condition of the present wastewater systems will be maintained at least to their existing level, but with an improvement programme aimed at achieving full regulatory compliance. Wastewater systems will be expanded to accommodate proven demand or as an appropriate response to system operation deficiencies or when a problem develops.
- It is unlikely that un-reticulated communities will be provided with a reticulated wastewater 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.
- Improvements to wastewater services to meet the improved standards required will be undertaken. A renewal strategy for the utility services has been developed. This strategy will involve the short term renewal of some consents and commitment to the completion of the upgrading programme proposed.

## **Water Supply**

- The Council has indicated a desire to continue with its role as 'service provider' for water supplies.
- 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 in the urban areas where possible for fire fighting purposes.
- More stringent New Zealand Drinking Water Standard criteria are driving the requirement for improvements to the water treatment processes. These higher standards are likely to apply to all water supplies.

- 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 proven demand, and extensions are economically viable.
- Improvements to water supply services to meet the improved standards required will be undertaken. A renewal strategy for the utility services has been developed. This strategy will involve the short-term renewal of some consents and commitment to the completion of the upgrading programme proposed.

## Projected Statement of Financial Performance 2003-04 to 2012-13.

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>INCOME</b>										
General Rates	5,721	5,661	5,804	5,762	5,913	5,904	5,810	5,816	5,713	5,687
Petrol Tax	120	120	120	120	120	120	120	120	120	120
Surplus from Quarry Operations	350	350	350	350	350	350	350	350	350	350
Gain on Sale of Fixed Assets	20	20	20	20	20	20	20	20	20	20
Surplus from C & M Business Unit	150	150	150	150	150	150	150	150	150	150
Surplus from Tech Services Business Unit	6	6	6	6	6	6	6	6	6	6
Recoveries and Targeted Rates	13,102	13,364	13,719	13,696	13,742	13,737	13,786	13,789	13,932	14,021
<b>TOTAL INCOME</b>	<b>19,469</b>	<b>19,671</b>	<b>20,169</b>	<b>20,104</b>	<b>20,301</b>	<b>20,287</b>	<b>20,242</b>	<b>20,251</b>	<b>20,291</b>	<b>20,354</b>
<b>Less</b>										
Interest Expense	81	459	725	907	991	1,110	1,206	1,232	1,202	1,117
Provision for Bad Debts	50	50	50	50	50	50	50	50	50	50
Miscellaneous	180	180	180	180	180	180	180	180	180	180
Total Cost of Service	18,067	17,696	17,781	17,810	18,093	18,049	18,019	18,084	18,038	18,005
<b>Net result from Operations</b>	<b>1,091</b>	<b>1,286</b>	<b>1,433</b>	<b>1,157</b>	<b>987</b>	<b>898</b>	<b>787</b>	<b>705</b>	<b>821</b>	<b>1,002</b>
<b>Less Transfer to/from Reserves</b>										
Transfers to Reserves	29	29	29	29	29	29	29	29	29	29
Transfers from Reserves	33	-	-	-	-	-	-	-	-	-
	(4)	29	29	29	29	29	29	29	29	29
<b>NET RESULT AFTER APPROPRIATIONS</b>	<b>1,095</b>	<b>1,257</b>	<b>1,404</b>	<b>1,128</b>	<b>958</b>	<b>869</b>	<b>758</b>	<b>676</b>	<b>792</b>	<b>973</b>

