



LONG TERM PLAN 2018 - 2028

*Tell us what
you think*

ABOUT THE PROJECTS WE
ARE PROPOSING



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CONSULTATION DOCUMENT

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Left to right: Cr Allan Benbow, Cr Ernie Christison, Mayor Tracey Collis, Cr Jim Crispin, Cr Shirley Hull, Cr Peter Johns, Cr Alison Franklin, Cr Carole Isaacson, Cr Andy Thompson

Why are we consulting?

We continuously face a balancing act between maintaining and improving services across the district versus affordability for our ratepayers. We always want to do more than we can afford so it is important we check in with our community to establish priorities.

Every 3 years we are legally required to update our Long Term Plan (LTP). The LTP is our primary strategic planning document puts in place the projects our staff will implement over the next 10 years. It is also our main opportunity to consult with our community regarding our priorities over the medium to long-term.

We have been busy consulting with various stakeholders across the district and workshopping ideas and options to produce a final list of things for you to consider.

This consultation document is in four main parts. The first is a message from our Mayor, Tracey Collis. Next we discuss the key projects we'd like feedback on – we call these the Right Debate Items. We've

then included updates on some other things we're doing, followed by some financial information. You don't need to give feedback on everything but we'd certainly love to hear from you about the things that matter to you. You can give us your feedback by either completing the submission form on page 39 of this document or using one of the options outlined on page 38.

Further copies of this document are available at all Council Service Centres and Libraries or on our website www.tararua.govt.nz/ltp

We look forward to hearing from you and would encourage you to get family, friends and colleagues involved as well.



It's important we talk

It seems at times that the only constant for Tararua District is change. Whether geological, environmental, technological or political, we face a constantly shifting landscape. At a time of incredible change locally, nationally and globally we intend to maintain the focus on core infrastructure, economic development and financial prudence that has served the people of Tararua well in recent years.

Our district is facing some significant challenges as we head into our next Long Term Plan period. Without doubt the closure of the Manawatu Gorge and the uncertainty surrounding the Horizons Regional Council One Plan are the most significant. We are taking an active role in both matters to ensure the best possible outcomes for Tararua District.

From adversity will come opportunity. The new SH3 route will provide new opportunities for Tararua District and we must begin to plan for these now to ensure we take maximum advantage.

The impacts of the One Plan on Tararua District cannot be underestimated. A recent Community Impact Assessment, completed by the NZ Institute of Economic Research, has highlighted the potential consequences for our farms and communities.

We're concerned that the full effect on dairy production in the district has not been felt yet. We are actively working to advocate for fair and workable implementation of the One Plan, while looking after the beautiful environment of the Tararua District that we love as our home.

Connectivity is an issue that must be resolved and is another area we are keenly interested in. The Connect Tararua project is one of the most exciting as far as future potential that the district has seen for some time. The goal to become New Zealand's first Giga-region will indeed put Tararua District on the map.

Meeting ever increasing environmental standards set by Central Government regulations and Horizons Regional Council consenting processes is an on-going challenge. This is particularly true for us in the area of wastewater, with Eketahuna and Pahiatua in the consenting process and Woodville just commencing. We are constantly faced with more auditing and compliance requirements and these all come at a cost. We have no choice but to meet these costs as no additional funding is made available. We're committed to meeting these obligations because it's the right thing to do for our community.

The quality and safety of our drinking water is another area that will see an increased compliance focus develop following the Havelock North crisis and subsequent inquiry. We have been making steady progress in improving our water supply resilience. Our investment means we comply with current regulations but anticipate additional work and cost to be required in the coming years.

While we tackle our challenges head on, we must also take pause to celebrate the positives.

We continue to build on our flourishing relationships with Rangitane O Tamaki nui a Rua and Ngati Kahungunu. We'd like to congratulate Rangitane O Tamaki nui a Rua on reaching a Treaty settlement with the Crown. We are hopeful that Ngati Kahungunu will also reach a favourable settlement with the Crown in the not too distant future, having already signed an Agreement in Principle.

Tararua District has experienced population increases in recent years. This is significant as an increasing population helps make services more affordable as the costs are spread across more people. We anticipate the increased transport and technology connectivity in coming years will only add to this trend.

This positive population trend has allowed us to reconsider our earlier decision to sell our pensioner housing units. It is also allowing us to consider extending our utility networks (water, wastewater and stormwater) to provide for new housing development.

We've worked very hard to keep rates increases at low levels since the last Long Term Plan. The increases of 2.91%, 1.72% and 2.23% are extremely good compared to other parts of the country. Our debt levels have also remained modest during this period. Both of these outcomes place us in a sound position to now undertake the projects outlined in this document for consultation.

We've increased our technology capability in recent years. We've purchased drones to help to assist with activities such as inspections of more than 400 bridges in our district. We're using underground CCTV to map our infrastructure and to help pinpoint maintenance needs. We're also taking advantage of advanced computer modelling to better assess likely outcomes of projects before work commences.

These types of technology save us time and money and, in the case of our drones, provide stunning digital images to help in marketing the Tararua District to the world. The installation of the first two electric vehicle charging stations in Woodville and Dannevirke help to future proof our district for technological advances we know are coming.

We are continuing to benefit from our partnership with the Tararua Alliance. We've extended the partnership to manage our water and wastewater network in

addition to our road and stormwater networks. We are seeing improved management decisions through better understanding of our assets. We're also making better investment decisions that will ultimately deliver improved long term results for ratepayers.

The forecast rates increases over the coming period (3.50% next year and an average 3.46% over the next 10 years) are necessary to fund the investments to continue to maintain our infrastructure at an acceptable level and maximise economic growth to continue the positive population trend.

We are asking you to consider and provide your feedback on seven key projects outlined over the next few pages. These are the Right Debate Items. Your opinion matters and will help us decide on the priorities over the coming years. We've also included information on some other things we're working on for your information. We're not asking for feedback on these things, however you are welcome to do so.

We encourage you to have your say.

Tracey Collis, Mayor



We've developed our Long Term Plan in line with our vision and strategy.



Our vision:

"A growing and prosperous district providing a wide range of employment opportunities that is underpinned by highly efficient, capable and affordable infrastructure."

Our strategy:

1. Continued investment in core infrastructure to:

- Build resilience in water, wastewater, stormwater, and roading networks;
- Increase public safety in Council roads, footpaths, recreation facilities and public buildings;
- Support efficient transport access and digital connectivity within the district and regionally;
- Care for our environment and meet our commitments to the Manawatu River Leaders' Accord; and
- Meet legally required performance standards.

2. Promoting and facilitating economic development through:

- Supporting and facilitating growth in local business;
- Building district identity;
- Promoting the district by telling our story;
- Providing business friendly and welcoming support for new residents and businesses; and
- Facilitating the development of key reserves and recreational facilities to attract (and retain) residents and visitors.

3. Continued financial viability through sustainable growth and investment, including:

- Affordability;
- Reducing financial and business risk;
- Financial sustainability (long-term financial health); and
- Cost control.



Route 52

Should we invest to strengthen this road to prepare for increased logging traffic or repair it as required?



Connectivity

Should we invest to help increase mobile phone and internet coverage across the district?



Wastewater

We've got more than one option to upgrade Eketahuna's wastewater discharge. Which one do you prefer?



Seal extensions

Should we provide for modest new sealing of roads in the district?

What we're talking to you about

We've given a lot of thought to the key opportunities and challenges we face as a district. We've then identified some key project priorities that we think best address these.

These seven issues are those we'd like you to consider and provide feedback on. We call them the RIGHT DEBATE Items.

Read more on the following pages.



Stormwater

We think we need to do further modelling before we undertake significant projects. What do you think?



Pensioner housing

Improving population trends suggest we should now retain our pensioner housing. Do you agree?



Utility networks

Should we invest in new utility networks to encourage the building of new houses?

What are your thoughts on Route 52?

CONTEXT AND BACKGROUND

Route 52, formerly State Highway 52, was placed back under Council management in the 1980's. The Route runs the entire length of Tararua District between Central Hawke's Bay and Wairarapa. It is a vital link for our rural and coastal communities. Route 52 is also an important freight link, particularly for forestry travelling to Napier Port. The volume of heavy vehicles is predicted to increase significantly in the years ahead as pine plantations mature.

Route 52 lacks the pavement strength and width to safely handle the large heavy vehicles now using it. The long, winding and narrow road is quickly deteriorating as a result of increasing traffic. The formation and geology of the road also make it susceptible to damage, such as slips and dropouts, during bad weather.

We are proposing to upgrade the 25km section of road between the Weber junction and Central Hawke's Bay boundary. Our primary reason for this project is to improve the safety and resilience of the road. The upgrades are also expected to improve the attractiveness and smoothness for tourist traffic using Route 52. This is likely

to increase tourist traffic, adding to our economy. Once completed, the upgraded route will also reduce our on-going maintenance costs.

The total cost of the proposed upgrade is \$10.5 million, of which we are required to fund \$3.6 million. NZ Transport Agency (NZTA) funds the remaining \$6.9 million, subject to approval of a detailed business case prepared by Council. We will review this project if no NZTA subsidy is approved.

If we were to extend the project to include the additional 24kms from Weber junction to Pongaroa, these costs would be doubled.

Information on how to submit your feedback can be found on page 38 of this document.

Here are the options we are asking you to consider, including the one we prefer.

You can find further information about the Long Term Plan on our website

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OPTION ONE – PREFERRED OPTION

Upgrade a 25km section of Route 52 between the Weber junction and the Central Hawke's Bay boundary. This will require the development of a detailed business case during the 2018/19 years, which will be submitted to NZTA. Once approved, the project would be undertaken over the following 3 years. Total project cost is estimated at \$10.5 million, with Council required to fund \$1.8 million from loans and \$1.8 million from depreciation reserves. NZTA will fund the remaining \$6.9 million.

FINANCIAL IMPACT: The capital cost of this option will be \$10.5 million over years 1 – 4 of the Long Term Plan. Annual operating costs consist of \$52,000 depreciation (of which Councils share is \$18,000), interest will increase to \$52,000 in year 5, and will then decrease over time. Loan repayments increase to \$89,000 in year 5 and continue for the next 20 years.

RATES IMPACT: Rates impact per \$50,000 land value

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$0.02	\$0.20	\$0.72	\$1.80	\$2.68	\$2.63	\$2.58	\$2.53	\$2.48	\$2.44

SERVICE LEVELS: This section of Route 52 requires strengthening. This option will result in significantly improved safety and resilience of this section of the road. It will also improve the attractiveness and smoothness of this section of Route 52.

OPTION TWO

Fund the desired improvements over the next 10 years from our existing budgets. This option would deliver similar outcomes to those identified in Option One but over a much longer period of time. It will also significantly reallocate funding to Route 52 from safety improvements that could be made in other parts of the district. There will be no rates impact as a result of this option, other than minor adjustments for depreciation.

FINANCIAL IMPACT: Nil

RATES IMPACT: Nil

SERVICE LEVELS: Service levels in other parts of the district will be reduced as funds from the safety improvements budget will be utilised primarily for the Route 52 project.

OPTION THREE

Upgrade a 49km section of Route 52 between the Weber junction and the Central Hawke's Bay boundary. This will require the development of a detailed business case during the 2018/19 years, which will be submitted to NZTA. Once approved, the project would be undertaken over the following 3 years. Total project cost is estimated at \$20.6 million, with Council required to fund \$3.5 million from loans and \$3.5 million from depreciation reserves. NZTA will fund the remaining \$13.6 million. We consider the cost of this project unaffordable currently.

FINANCIAL IMPACT: The capital cost of this option will be \$20.6 million over years 1 – 4 of the Long Term Plan. Annual operating costs consist of \$104,000 depreciation (of which Councils share is \$36,000) interest will increase to \$104,000 in year 5, and will then decrease over time. Loan repayments increase to \$178,000 in year 5 and continue for the next 20 years.

RATES IMPACT: Rates impact per \$50,000 land value

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$0.05	\$0.40	\$1.43	\$3.59	\$5.35	\$5.26	\$5.16	\$5.05	\$4.97	\$4.87

SERVICE LEVELS: This option will result in significantly improved safety and resilience of Route 52 between Pongaroa and the Central Hawke's Bay boundary. It will also improve the attractiveness and smoothness of this section of Route 52.

What are your thoughts on Connectivity?

CONTEXT AND BACKGROUND

We think that digital connectivity, whether via mobile phones or internet connections, has now become critical infrastructure in the modern world. Connectivity facilitates better education, improved safety and both increased business opportunity and productivity.

Our district is not well serviced when it comes to connectivity. Our geography and low population do not make us an attractive investment proposition for private investment into digital infrastructure. We believe improved connectivity is a vital element for growth and prosperity for our people.

Our four largest towns have now been included in the Government funded ultra-fast broadband rollout. The current schedule will see fibre installed in Dannevirke in 2021, then Pahiatua, Woodville, and Eketahuna by 2022. Even after this work is completed a significant percentage of our district will still not have access to good quality connectivity.

Connect Tararua is a community led strategic group that has been established to facilitate the building of the digital infrastructure for connectivity throughout the Tararua District. They aspire for Tararua to become New Zealand's first 'Giga-region'. Connect Tararua is developing a network of local champions

and groups to build a strong business case to support their goal. They are also working with Government agencies, internet service providers, land owners and a range of other stakeholders.

We think robust telecommunications and digital connectivity are so important that it warrants ratepayer investment to achieve increased coverage across the district. Having considered the plans and achievements to date of Connect Tararua, we think providing Council support is the best way to achieve the connectivity the district needs. We'd like your thoughts on what level of support we should provide to Connect Tararua and other community groups/stakeholders.

Information on how to submit your feedback can be found on page 38 of this document.

Here are the options we are asking you to consider, including the one we prefer.

You can find further information about the Long Term Plan on our website

www.tararua.govt.nz/ltp



OPTION ONE – PREFERRED OPTION

Council will work closely with Connect Tararua and other community groups/stakeholders, and will provide capital funding towards a robust and fully functioning telecommunications and digital infrastructure. This preferred option is intended to influence the deployment and timing of both mobile and wireless services in an affordable manner for ratepayers. This option would target a capital financial contribution towards cell phone towers and wireless relays, and some possible VDSL deployment.

FINANCIAL IMPACT: The capital cost will be \$800,000, spread over years 2018/19 to 2021/22 of the Long Term Plan, funded by a 20 year loan. Annual operating costs consist of \$53,000 Depreciation, \$40,000 of loan repayments, and \$23,000 of interest decreasing over time.

RATES IMPACT: Rates impact per \$50,000 land value for each Rural Industrial/Commercial property

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$0.05	\$0.74	\$3.48	\$5.24	\$6.82	\$6.74	\$6.67	\$6.59	\$6.52	\$6.44

Rates impact per \$50,000 land value for each Urban Industrial/Commercial property

\$0.07	\$1.14	\$5.37	\$8.08	\$10.52	\$10.40	\$10.28	\$10.17	\$10.05	\$9.94
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Rates impact per \$50,000 land value for all other properties, including residential and rural

\$0.01	\$0.09	\$0.40	\$0.60	\$0.79	\$0.78	\$0.77	\$0.76	\$0.75	\$0.74
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SERVICE LEVELS: This would result in a large increase in connectivity in the district. It is anticipated that this funding contribution would influence external funding providers to provide funding in a timely manner.

OPTION TWO

Council will not provide any funding towards increasing connectivity in the district. This would mean any connectivity initiatives would need to seek funding from alternative sources.

FINANCIAL IMPACT: Nil

RATES IMPACT: Nil

SERVICE LEVELS: It is likely that district connectivity will increase at much slower rate and not achieve the level of coverage that is desired. This is likely to negatively impact on attracting residents and visitors to our district and slow improvements in safety and productivity.

OPTION THREE

Council will fund some deployment of both mobile and wireless services but at a reduced rate. This option may have little influence on the timing and deployment of the technology, with only half the contribution proposed in Option One. The likely level of influence of this option is low and is therefore not recommended.

FINANCIAL IMPACT: This option has a capital cost of \$400,000, spread over years 2018/19 to 2021/22 of the Long Term Plan, funded by a 20 year loan. Annual operating costs consist of \$26,000 depreciation, \$20,000 of loan repayments, and \$11,000 of interest decreasing over time.

RATES IMPACT: Rates impact per \$50,000 land value for each Rural Industrial/Commercial property

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$0.02	\$0.37	\$1.74	\$2.62	\$3.41	\$3.37	\$3.33	\$3.30	\$3.26	\$3.22

Rates impact per \$50,000 land value for each Urban Industrial/Commercial property

\$0.04	\$0.57	\$2.68	\$4.04	\$5.26	\$5.20	\$5.14	\$5.08	\$5.03	\$4.97
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Rates impact per \$50,000 land value for all other properties, including residential and rural

\$0.00	\$0.04	\$0.20	\$0.30	\$0.39	\$0.39	\$0.38	\$0.38	\$0.38	\$0.37
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SERVICE LEVELS: This would result in a slight increase in connectivity in the district. However, this funding contribution may not result in the desired outcome in a timely manner as Council's level of influence for external funding would be low.

What are your thoughts on Wastewater?

CONTEXT AND BACKGROUND

We've been working to upgrade the wastewater networks in our towns. These upgrades are necessary to meet our obligations under the Manawatu River Leaders' Accord and the resource consent conditions set by Horizons Regional Council (Horizons). Resource consent processes are challenging and time consuming each time one is required.

We have already planned and budgeted for wastewater upgrades using wetlands in Pahiatua, Ormondville, Pongaroa and Woodville. We have budgeted for land disposal of wastewater in Dannevirke in 2025. We have little choice regarding these projects as they are determined by the conditions of the consents already issued by Horizons. We are therefore not consulting specifically on these projects.

We are consulting on options for Eketahuna's wastewater treatment. We are currently in the process of renewing the wastewater discharge consent with Horizons. Eketahuna currently operates a two-stage oxidation pond system for wastewater. To meet the requirements of the Horizons Regional Council One Plan as it stands we will need to upgrade the treatment plant. We would also be required to discharge the treated wastewater to a wetland or land irrigation.

We are aware of strong support for land discharge from the community. This option is supported as it will remove the treated discharge from the Makakahi River. We are not proposing this as an option because it will be extremely difficult to meet the resource consent requirements given the high rainfall in the area.

A further option we have considered is to build a wastewater pipeline from Eketahuna to the treatment plant in Pahiatua. This option would allow us to stop treating wastewater in Eketahuna in the future resulting in cost savings. Removing the need for future resource consents is also an attractive outcome as we believe these will become increasingly difficult and expensive to both obtain and comply with. The relatively small volume of Eketahuna wastewater will be easily handled by the treatment plant in Pahiatua. Currently we are required to at least undertake the project to build a new treatment plant in Eketahuna as outlined in Option Two. Council prefers Option One given the lower whole of life cost. However, the cost benefit analysis will be reviewed again against the renewed consent conditions once we receive them, to ensure Option One still remains the preferred option.

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OPTION ONE – PREFERRED OPTION

Instead of constructing a new treatment plant in Eketahuna, Council will invest in a new wastewater pipeline from Eketahuna to the Pahiatua Wastewater Treatment Plant.

The lifecycle of this project will cover at least three consent renewal periods. Costs that would have been incurred during these consent renewal periods will be eliminated under this option. It also has a lower environmental and cultural impact with one discharge point, instead of two.

Once built the pipeline will require significantly less on-going operational cost and remove the risk of expensive consent renewals in future. The Pahiatua Wastewater Treatment Plant has sufficient capacity to treat volumes from Eketahuna.

FINANCIAL IMPACT: The capital cost will be \$3.6 million funded by a loan over 20 years. Investigation and design will begin in 2018/19 and construction will continue in 2019/20 and 2020/21. Once constructed, annual operating costs consist of depreciation of \$46,000, loan repayments of \$182,000, and interest of \$108,000 decreasing over time.

RATES IMPACT: Wastewater rates impact per property connected to the wastewater network.

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$0.32	\$6.80	\$36.85	\$61.97	\$60.56	\$59.15	\$57.75	\$56.34	\$54.94	\$53.53

SERVICE LEVELS: The levels of service provided to residents would remain the same under this option. However, it would decrease the number of treatment plants that would need to be maintained, and would eliminate the need for Council to seek a discharge consent for the Eketahuna scheme.

OPTION TWO

Council will build a new wastewater treatment plant and wetland in Eketahuna. The plant and wetlands will require on-going operational costs and require future consent renewal costs. These cost are dependent on the conditions and term of the resource consent, however it is assumed to be consistent with other upgraded plants. Council has assumed that the consents will have a shorter term of 7 years.

FINANCIAL IMPACT: The capital cost will be \$1.6 million and be funded by a loan over 20 years. Once constructed, the annual operating costs will consist of \$62,000 depreciation and \$80,000 of loan repayments, and \$49,000 of interest decreasing over time.

RATES IMPACT: Wastewater rates impact per property connected to the wastewater network.

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$8.74	\$41.93	\$41.45	\$40.97	\$40.50	\$40.03	\$39.57	\$39.11	\$38.66	\$38.21

SERVICE LEVELS: This option would increase the level of service by improving the quality of the discharge into the river.

What are your thoughts on Stormwater?

CONTEXT AND BACKGROUND

Many urban areas in the Tararua District experience flooding and ponding during adverse weather events. Research suggests that we will experience an increase in both the regularity and severity of such events as a result of changing weather patterns due to climate change. This is prompting a change in the way we consider investing in stormwater infrastructure.

The district does not currently have issues with stormwater entering houses. We do however experience ponding in backyards, streets and some commercial areas. For some time we have considered large projects in Dannevirke and Pahiatua to divert stormwater. New modelling using detailed rainfall and ground level data now indicates that these projects would deliver very small benefits for the significant investment required, hence Council has deferred these projects.

The quality of stormwater discharge is an area where we expect further regulatory emphasis to be placed.

We will continue to balance the need to manage both the quantity and quality of stormwater against the affordability of improvements. We

believe the most effective approach to achieve this is to budget for regular small stormwater upgrades rather than a smaller number of large projects.

We are therefore proposing an annual budget of \$150,000 which when inflated amounts to \$1.7 million over 10 years. This is consistent with previous spending. We will focus on projects that our modelling identifies will best reduce the risk of flooding to residential houses.

As a result, we will be unlikely to be able to address all of our flooding issues, however we are reasonably confident our risks will not increase. We will also be unlikely to be able to invest in new stormwater piping.

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OPTION ONE – PREFERRED OPTION

Stormwater is a targeted urban rate charged to those within the stormwater catchment zones in the District Plan. Council will provide a capital works programme focused on reducing the risk of flooding to residential properties while optimising existing systems as funding allows. We will also investigate and develop further options to provide robust justification for future capital projects.

FINANCIAL IMPACT: The capital cost will be \$1.7 million over 10 years, funded by loans over a period of 20 years. The annual operating costs consist of \$1,500 depreciation, \$7,500 of loan repayment, and \$4,600 of interest decreasing over time for every \$150,000 of spending.

RATES IMPACT: Rates impact per property within the stormwater network boundary

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$0.57	\$3.80	\$7.05	\$10.30	\$13.57	\$16.85	\$20.16	\$23.49	\$26.85	\$30.24

SERVICE LEVELS: This option allows for small improvements each year to the stormwater network. Given the changing weather patterns, this option will enable Council to maintain the current service levels.

OPTION TWO

Council will not provide for any improvement to stormwater infrastructure and accept the risk that flooding will increase over time.

FINANCIAL IMPACT: Nil

RATES IMPACT: Nil

SERVICE LEVELS: With the effects of adverse weather events increasing in frequency and impact, it will be likely that the frequency and severity of flooding will increase, resulting in a lower level of service.

What are your thoughts on Pensioner housing?

CONTEXT AND BACKGROUND

In the 2015-2025 Long Term Plan we proposed and approved selling all of the pensioner housing units owned by Council to a social housing provider. Since then, some of the assumptions used to make that decision have changed. A key change has been the renewed demand in the rental market; this has not only allowed for modest increases in rentals, but also seen vacancy rates reduce to zero and waiting lists grow. We also found that social housing providers are unlikely to pay anywhere near the market value for the units we own.

We currently own and manage 67 one-bedroom units in our four urban centres and 12 two-bedroom units in Dannevirke. Our rents are set at slightly below market values as our tenants are older and have fixed incomes and limited assets. The management of the units is self-funding and has provided for the installation of heat pumps in all units during 2017.

The significant turnaround in financial sustainability of the pensioner housing units has prompted us to review our decision to sell in favour of retaining the units. We have also developed plans to refurbish some of our older units. Subject to robust analysis, we may add to the current stock by building new units, most likely on existing land owned by Council.

If we do sell the pensioner housing units as previously planned, the funds will be used to repay debt and/or invest in other district-wide infrastructure projects.

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**LIVING WELL
IN TARARUA**

*Talking
about the
things that
matter.*

OPTION ONE – PREFERRED OPTION

Council will retain the existing pensioner housing units, undertake refurbishments over time and invest in building new units.

FINANCIAL IMPACT: This option will be self-funding, with a rate of return for new investment of around 10%.

RATES IMPACT: Nil

SERVICE LEVELS: Council will increase the quantity of the pensioner housing stock. This is in recognition of the increase in demand for this service.

OPTION TWO

Council will re-confirm the earlier decision made in 2015 and sell all existing pensioner housing units to a reputable social housing provider.

FINANCIAL IMPACT: At the end of the sales process, Council is anticipating the proceeds from sales and the reserves balance will total \$3.7 million. These funds will be used to repay debt and/or invest in other district-wide infrastructure.

RATES IMPACT: Rates impact per \$50,000 land value

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$-1.41	\$-1.41	\$-1.41	\$-1.41	\$-1.41	\$-1.41	\$-1.41	\$-1.41	\$-1.41	\$-1.41

SERVICE LEVELS: Council would no longer operate this service and rely on a third party provider to provide pensioner housing to the community.

OPTION THREE

Council will retain the existing pensioner housing units, undertake refurbishments over time but not add to existing stock.

FINANCIAL IMPACT: This option will be self-funding.

RATES IMPACT: Nil

SERVICE LEVELS: This option will result in maintaining service levels as they are currently, with the exception of planned refurbishments as required.

What are your thoughts on Utility networks?

CONTEXT AND BACKGROUND

After more than 20 years of decline, the population of the Tararua District has been increasing in recent years. As a result we are experiencing housing shortages, particularly in houses for rent. While we are seeing an increase in building activity at present it is unlikely to fully satisfy demand.

Until now we have responded to new connections to the utility networks (water, wastewater and stormwater) on the edges of our towns as they have been received. These extensions have been funded by the developer or property owner. This ad-hoc approach does not always deliver the most efficient outcomes for our overall network.

We'd now like to take a more targeted approach to supporting growth by planning and funding utility extensions in advance. We propose budgeting for a modest 10 extensions each year. Extensions will be considered for the urban areas with the most demand and

factor in affordability. We anticipate some of these extensions are likely to be in new subdivisions. We think this will encourage development and ensure continued population growth can be accommodated.

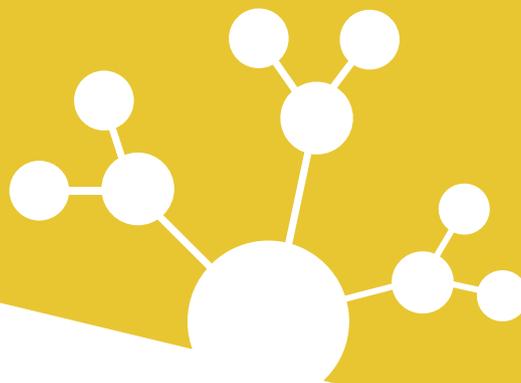
Extending our network will result in additional rates income and this has been factored into the options below.

Information on how to submit your feedback can be found on page 38 of this document.

Here are the options we are asking you to consider, including the one we prefer.

You can find further information about the Long Term Plan on our website

www.tararua.govt.nz/ltp



LIVING WELL
IN TARARUA

*Talking
about the
things that
matter.*

OPTION ONE – PREFERRED OPTION

Council will extend our utility networks by 10 sections per annum from 2019/20. We estimate this will cost \$262,000 per annum, funded by loans over a 20 year period. The total cost over 10 years will be \$2.6 million. Annual decisions to proceed with extensions will be subject to demand at the time. We think this option will allow us to respond to demand as it develops and provides the best option for population growth.

FINANCIAL IMPACT: For every \$262,000 of investment, the annual operating cost consists of depreciation of \$3,000, loan repayments of \$13,000, and interest of \$8,000 decreasing over time. Council will receive increased rates income from the additional properties once the utility networks are constructed. Based on an Urban Medium Land Value of \$50,000 per section, this could result in additional rates income of up to \$24,000 per investment.

RATES IMPACT: Rates impact per property connected to the utility networks (- symbol represents a rates reduction)

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$0.00	\$-3.65	\$-3.26	\$-3.10	\$-3.18	\$-3.49	\$-4.04	\$-4.83	\$-5.87	\$-7.16

SERVICE LEVELS: There will be an increase in service levels as we extend our utility network.

OPTION TWO

Council will only consider new connections within existing utility network boundaries. We think this approach will severely limit our ability to take advantage of opportunities to continue to grow our population.

FINANCIAL IMPACT: Nil

RATES IMPACT: Nil

SERVICE LEVELS: There will be no change to current service levels. However, this option will not accommodate the potential population growth that we are expecting.

OPTION THREE

Continue to extend our utility networks on request for land zoned residential and funded by developers or property owners. We think the district will continue to experience housing shortages under this option.

FINANCIAL IMPACT: Nil

RATES IMPACT: Nil

SERVICE LEVELS: There will be no change to current service levels as it is unlikely developers or property owners will fund utility extensions.

OPTION FOUR

Council will extend utility networks but only if co-funded by property developers through development agreements. We think this option will only be effective if demand grows substantially more than exists at present and large developments are undertaken. We do not believe demand will grow to the level where this becomes attractive to developers.

FINANCIAL IMPACT: For every \$262,000 of investment Council will fund half through loans over a 20 year period, and developers will fund the other half through contributions. Each year Council will incur depreciation of \$3,000, loan repayments of \$7,000, and interest of \$4,000 decreasing over time. Council will receive increased rates income from the additional properties once the utility networks are constructed. Based on an Urban Medium Land Value of \$50,000 per section, this could result in additional rates income of up to \$24,000 per investment.

RATES IMPACT: Rates impact per property connected to the utility networks (- symbol represents a rates reduction)

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$0.00	\$-4.09	\$-5.93	\$-8.01	\$-10.32	\$-12.88	\$-15.68	\$-18.74	\$-22.06	\$-25.65

SERVICE LEVELS: This option is likely to restrict our ability to accommodate anticipated population growth.

What are your thoughts on Seal extensions?

CONTEXT AND BACKGROUND

We have a large road network, with almost 2000km across the district, with 773 km unsealed. Minimal conversions to sealed roads have been completed in the recent past, due to budgetary constraints and a lack of subsidy from the NZ Transport Agency (NZTA).

Sealed roads typically cost more to maintain. There are good reasons to extend our sealed network including improved safety, travel time and comfort for motorists, reduced vehicle operating costs, and reduced dust nuisance for adjacent residents. Recent surveys of ratepayer satisfaction indicate satisfaction levels with rural roads are low. We believe we need to find a balance between improving our road network and the affordability of doing so.

We are therefore proposing to seal approximately 1 km of unsealed road every two years. The actual cost for this will depend on the road characteristics, however we have estimated \$200,000 per kilometre. The budget for this will be funded by Council (\$100,000 every two years by borrowing) and third party contributions.

NZTA subsidies will be sought where possible but this project will continue even if these are not available.

We anticipate ratepayer demand for new sealing will exceed our proposed budget. We will therefore develop a framework to prioritise roads. This will be based on the road's classification (function and use), safety attributes and the willingness of third parties, such as landowners, to contribute to the costs.

We recognise that the benefits of seal extensions accrue most to those ratepayers closest to each extension. This is why we have included the provision of third party contributions.

Information on how to submit your feedback can be found on page 38 of this document.

Here are the options we are asking you to consider, including the one we prefer.

You can find further information about the Long Term Plan on our website

www.tararua.govt.nz/ltp



OPTION ONE – PREFERRED OPTION

Council will fund 1km of seal extensions to the unsealed road network. Priority will be based on road classification, safety and third party contributions. Sealed extensions are programmed to start in 2019/20. Total project cost is estimated at \$1.1 million over 10 years. Council will fund half through loans over 20 years, while third party contributions will fund the other half.

FINANCIAL IMPACT: The capital cost will be \$1.1 million over 10 years. The impact on Council will be interest of \$65,000, depreciation of \$48,000 and loan repayments of \$106,000 over the 10 years.

RATES IMPACT: Rates impact per \$50,000 land value

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
\$0.00	\$0.03	\$0.18	\$0.20	\$0.36	\$0.38	\$0.54	\$0.56	\$0.73	\$0.75

SERVICE LEVELS: This option will improve the quality of the sections of road that are sealed as part of this programme.

OPTION TWO

Council will not provide for any further extensions to the sealed road network. This option would only be reviewed if NZTA subsidies were to become available in the future.

FINANCIAL IMPACT: Nil

RATES IMPACT: Nil

SERVICE LEVELS: There will be no change to existing service levels.

A few more things we are doing

In this next section we'd like to tell you about some of the other things we're doing on your behalf or considering for the future. We've already consulted on some of these but thought we'd take this opportunity to give you an update. We're not formally consulting on these matters but you're still welcome to provide feedback.

An Update on Drinking Water

The contamination of the Havelock North water supply in August 2016 has focused significant attention on drinking water standards across New Zealand. We are expecting increased costs in order to meet increasing monitoring and quality standards as a result of the Government inquiry into the Havelock North incident. These increased standards are mandatory so we have no choice but to continue our investment in our water infrastructure.

We have either completed or are working on upgrading water treatment plants in Akitio, Pongaroa, Pahiatua, Woodville and Eketahuna. In Dannevirke, we are in the final stages of completing the water treatment plant to improve resilience and meet new water standards. We're also in the process of constructing additional water storage in Pahiatua and Woodville. Additional storage is also being planned for Eketahuna.

We are considering our options to meet water safety standards in Norsewood. The water supply is currently a mixture of Council bore water and roof tank water, which will not comply with standards. Our current preferred option is to build a pipeline from Dannevirke to Norsewood. This option would include building additional water storage in Norsewood as well. We still have some planning work to do before a final decision is made on the best solution.

We're pleased that the investment we've been making, and continue to make, in our current water infrastructure means we are compliant with current legislation. Part of this investment has been employing new cadets to pass on skills and knowledge to future generations. We will continue to invest in improvements to build our defences against water related diseases and illnesses.

Economic Development

Throughout the Long Term Plan process, we have regularly heard of the need to remain focused on economic development activities that drive growth of both the economy and population of the district. We are encouraged that economic development projects implemented in recent years are bearing fruit, with recent statistics evidencing a turnaround in population numbers.

We've had a lot of feedback about lacking a strong district identity. We plan to review our district branding. Feedback suggests we may be best to replace our current 'Tararua Country' brand with a Tararua District focused identity.

Some of the other projects we're investigating include the establishment of a district community foundation that is focused on raising funds to support community sector growth; the development of social enterprise to provide

training and job opportunities to young people; and the development of a 'digital incubator' (i.e. website and social media services) for the Tararua District. We will seek opportunities to collaborate with others on these projects where appropriate.

We're also reviewing whether we should adopt a formal strategy to build stronger connections to Asia. Helping local businesses promote their products and services to the world is also something we'd like to explore.

These initiatives will build on our existing services that support new and existing businesses in the district and will promote Tararua as an attractive place for both domestic and international tourists.

The proposed increase in economic development funding over the first three years of the Long Term Plan is \$220,000.



Cycleway / Walkway Strategy

We are supporting the development of cycling and walking infrastructure in the district. Increased cycling and walking provides significant health and wellbeing benefits for our residents. Depending on where they are situated, they can also provide alternative transport options to school and work or improved recreation activities.

The ability to access interesting cycling and walking trails is increasingly important to visitors to the district. In particular these are key activities for motorhome visitors, who are a primary tourism market for Tararua. Increasing our attractiveness as a visitor destination will bring

economic benefits to the district.

We regularly receive requests to develop or improve cycle and walkways in various parts of the district. To ensure the district maximises its potential for both residents and visitors alike, we intend on developing a district-wide strategy for the development of cycle and walkways. We intend to consult with our communities as the strategy develops and, once completed, the projects identified will be considered for future funding.

The estimated cost to develop the strategy is \$20,000.

Enhance and Develop Parks and Reserves

Parks and reserves are important amenities for both residents and visitors alike. We intend on investing in small upgrade developments in a number of our parks and reserves over the next few years to promote better utilisation of land. These upgrades may include new or improved toilets and tracks & trails linked to the development of the proposed Cycleway / Walkway Strategy.

We are involved in discussions with the Dannevirke

Multisport Complex Incorporated Society regarding plans to upgrade the Dannevirke Sports Centre. We will continue to work with the group to assess the best outcomes for this potential project.

Planning is well underway for an upgrade to the Eketahuna pool, which is expected to begin in 2018/19. The Pahiatua pool project is being debated by the community to decide on the best community outcomes. We have budgeted \$500,000 for each project.



Horizons Regional Council 'One Plan'

The One Plan as it stands will have a significant impact on our rural communities. As a Council we are extremely concerned at the implications the One Plan will have on our whole economy, including the potential to severely negatively impact farm values, particularly dairy farms, and other property types.

We are also aware of the tremendous emotional strain that the One Plan is placing on those most affected and their families. We encourage those experiencing stress to

seek help and support as early as possible. We can assist in referring people for assistance where called upon to do so.

The full affects flowing from the One Plan are yet to be fully understood. Similarly, the solutions are yet to be found but we'd like to assure everyone that we are taking a keen interest in developments and will continue to advocate for the best possible outcomes for the people of our district and for our environment.

Manawatu Gorge Alternative Route

The closure of the Manawatu Gorge has been a major blow to our district and our history. We will all continue to be impacted for some years to come as the new route is built, however we are confident the end result will be extremely positive for the Tararua District. We anticipate the new route will provide increased connectivity, employment opportunities and economic growth.

We continue to take a keen interest in the impacts the

Gorge closure is having on our district. We have been fortunate to receive funding to undertake a significant research study to help us better understand the social and economic impacts the closure is having. The study will help us understand the district impacts in more detail and allow us to better target any support we are able to offer.

We are working closely with our neighbouring councils to ensure the best option is delivered.



Earthquake Prone Buildings

We are being impacted by increasing requirements to undertake initial assessments of earthquake prone buildings within the district. Our current strategy is to monitor solutions being implemented across New Zealand and consider implementation of those best suited to our district over the coming years.

The majority of building owners, including councils, currently have five years to undertake initial assessments on earthquake prone buildings. We are concerned about placing undue pressure on building owners, hence our strategy to take a considered approach. There is a

risk to buildings should a major earthquake eventuate during the next five years, however we believe the prospect of delivering better outcomes by monitoring solutions outweighs this.

We are currently budgeting for detailed assessments on two buildings we own that are considered to be at most risk. These are the Pahiatua Service Centre and Carnegie Building in Dannevirke. We are also required to upgrade the Council Chamber in Dannevirke in order to meet the requirements to operate as an Emergency Operations Centre for civil defence.

Solid Waste and Waste Management Minimisation Plan

The Waste Minimisation Act 2008 requires all councils to assess their waste services with the goal of minimising waste to landfills. In recent years, we have focused on reviewing waste infrastructure such as landfills, transfer stations and recycling centres. We currently have Council owned facilities in Dannevirke, Pahiatua and Eketahuna. In Woodville, a privately owned transfer station is operated on contract to us. In smaller townships we provide drop-off bins for recycling, including glass.

We are committed to reducing waste and are now shifting our focus from infrastructure to education and minimisation objectives. Following community consultation in October 2017 a revised 'Waste Management Minimisation Plan' has been adopted.

We are planning to change the way we manage glass. At present it is used as cover in the Eketahuna landfill but in future will be transported to Auckland for recycling. We also intend to increase education around composting and worm farming. We intend to make doing the right thing affordable by subsidising composting and worm farm equipment for those attending education workshops.

We'll also investigate the best way to increase recycling from commercial enterprises through education. Businesses can often make significant cost savings by managing waste more effectively.



Wastewater Laterals

Laterals are the pipes that carry wastewater from homes and businesses to the Council's main infrastructure pipes. The responsibility for maintenance of these laterals currently rests with the property owners from the building, across the footpath and road to the mains. The estimated cost to replace a lateral should it be required is estimated at \$2,000 - \$20,000 and varies significantly due to location and depth.

We plan to research the implications of the Council assuming maintenance and ownership of laterals from the property boundary to the mains. This would reduce potential future costs to property owners.

Responsibility for laterals on private property will continue to rest with the owner.

We are considering this because the laterals across the district are aging and we expect maintenance and renewal requirements will increase significantly over the coming decades. This is likely to place financial pressure on a significant number of ratepayers, particularly those on fixed incomes.

We will consult with the community as research into wastewater laterals is undertaken, including advising the likely impact on rates. We expect to consult on this during the next Long Term Plan due in 2021.

Climate Change

The role of a council is to provide both leadership and stewardship of our natural environment, while also being able to manage the risks associated with the delivery of council services and the safety of residents and visitors.

We are keeping abreast of climate change developments and considering how to best prepare for the anticipated increased risks. We want to ensure we are taking every appropriate opportunity to reduce these climate change risks for the community and the impact on our natural environment.

Our Long Term Plan continues to strongly address asset management and development of roads and the three water services. Water storage and treatment,

stormwater services and road seal extensions are tangible examples of how we are managing climate related risk. We also expect improvements in our technological capabilities, such as stormwater modelling, will also help us manage climate change risks.

Innovation in areas such as access to broadband, that allows people to work at home where-ever they may be, and mobile coverage for improved health and safety are other examples set out in our plan. We will be looking at the business cases to invest in solar panels, battery technology and electric vehicles to help reduce our carbon footprint. We expect these opportunities will firm up over the coming few years as the technology becomes more widely available.

Financial Summary

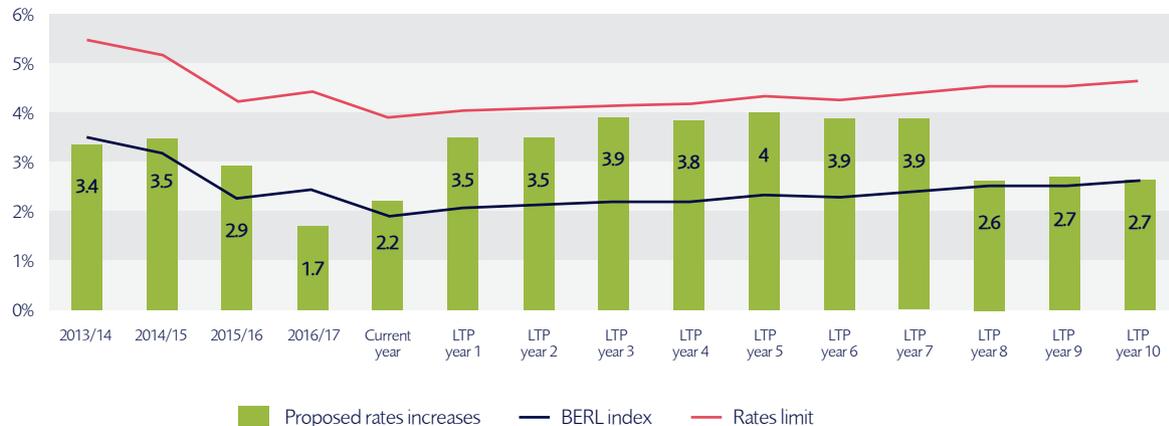
The information that follows summaries our overall financial picture over the next 10 years. It outlines our funding challenges, and our response, to balance affordability with providing and improving our services. Affordability of rates continues to be one of our pillars in our Financial Strategy and underpins our other strategies. The substantial increase in proposed capital expenditure has meant we have added debt management and servicing costs to our emphasis on operational cost control.

COUNCIL RATES LIMIT

For the period of the Long Term Plan, Council has resolved to keep rates changes within the weighted average local government cost index, which is calculated by BERL and specifically reflects the types of costs faced by councils, PLUS two percent in any one year.

The proposed rates increases for the 2018-2028 Long Term Plan are as follows:

RATES FORECAST - PROPOSED RATES INCREASE



Rates requirement by sector for Year 1 compared to the Annual Plan 2017/18 is as follows:

	2017/18	LTP YEAR 1 - 2018/19		
SECTOR	CURRENT YEAR 2017/18	RATES BY SECTOR	\$ CHANGE FROM CURRENT YEAR \$000's	% CHANGE FROM CURRENT YEAR
Rural	13,148,186	13,544,120	395,934	3.01%
Urban	9,729,204	10,087,803	358,599	3.69%
Industrial/Commercial	1,660,203	1,750,535	90,332	5.44%
Windfarms	176,954	197,189	20,235	11.44%
Total Rates	24,714,547	25,579,647	865,100	3.50%

RATES IMPACT EXAMPLES

These examples are from a sample set of ratepayers used by Council in modelling impacts of rating scenarios. A property in each sector with high, medium and low land or capital values are extracted to show the impact on rates. Council will send out sample rates invoices as part of the consultation process to each ratepayer to indicate the proposed rates for Year 1 of the Long Term Plan compared to current rates.

	URBAN PROPERTIES 			RURAL PROPERTIES 			INDUSTRIAL/ COMMERCIAL PROPERTIES 	
	Low Land Value	Medium Land Value	High Land Value	Lifestyle	Medium Land Value	High Land Value	Low Capital Value	High Capital Value
Land Value	39,000	51,000	116,000	170,000	1,120,000	3,420,000	36,000	215,000
Capital Value	88,000	195,000	215,000	370,000	1,450,000	4,100,000	100,000	485,000
AP 2017/8	2,022	2,246	2,456	1,575	3,969	9,953	1,199	2,025
LTP Year 1	2,106	2,307	2,392	1,622	4,251	10,616	1,244	2,149
Increase \$ over 2017/18	84	61	(65)	47	282	663	46	124
Increase % over 2017/18	4.2%	2.7%	(2.6%)	3.0%	7.1%	6.7%	3.8%	6.1%

FUNDING REQUIREMENT DRIVERS

The Council is planning to undertake an ambitious capital investment programme. The impact of this is an increase in debt and debt servicing costs. Community consultation also highlighted the need for Council to increase its emphasis on economic development. Funding increases are also impacted by Council's commitment to meet its obligations in relation to the drinking water standards, the Manawatu River Leaders' Accord, and the new earthquake prone buildings legislation. The graph below highlights the key drivers for the rates increase in Year 1 of the Long Term Plan:

RATES INCREASE DRIVERS



GRAPH COMMENTARY: The graph highlights the main drivers for the increase in rates funding required for Year 1 of the Long Term Plan. The mandatory portion of the rates increase of 2.42% represents the minimum rates funding required for Council to maintain current levels of service and to meet increasing compliance requirements. The discretionary drivers are to improve service levels as a result of feedback from the community. BERL represents the increase in operating costs as a result of inflation for Council to maintain levels of service offered to the community. For Year 1 of the Long Term Plan this is 1.8%.

BALANCING THE BUDGET

Council is required under the Local Government Act 2002 to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

Council may set projected operating revenues at a different level from that required, if the Council resolves that it is financially prudent to do so. Council considers the sustainability of the resulting financial position for future years beyond the 10 years of this plan.

Council has resolved not to balance its budget in most years of the 10 year plan. The main driver for this is Council's funding of asset depreciation. Council does not fully fund depreciation, resulting in deficits in those years. This is due to:

- Maintenance and renewal costs of roading is funded (66%) by the NZ Transport Agency by way of a subsidy. Council

only rates for its share of the depreciation expense being 34%.

- The Housing activity is self-funding from rental income. This activity continues to build reserves sufficient to renew and upgrade the housing assets in future years. The annual rental income is sufficient to cover operational expenses.
- Some assets will not be identically replaced due to a change in needs. An example of this is replacing a multi-story building with single-story building. Hence, Council will only fund for the estimated replacement cost of a single storey building.
- Council earns interest on the depreciation funds it collects. In determining the level of deprecation funding required, Council has considered the effect of compounding interest.

INCREASED EXTERNAL DEBT

Council is proposing to significantly increase its capital investment programme. This is a change from our previous Long Term Plan, where we projected a reduction of future debt following the completion of significant water and wastewater upgrades.

The investment programme in this Long Term Plan will enable the Council to continue to build a resilient

infrastructure network, upgrade infrastructure to be compliant with new standards, and to promote growth and economic development in the district. As a result, Councils debt is projected to increase significantly from \$13 million to a peak of \$35 million in 2024/25, reducing to \$33 million in the final year of the Long Term Plan.

COUNCIL DEBT POSITION IN THE 2018-2028 LONG TERM PLAN



The above graph also shows Council ability to improve the available headroom if required. Strategies available to Council to increase its debt headroom within the period of this Long Term Plan and beyond are:

- Re-prioritise planned projects to remain within the debt limits;
- Extend the Treasury and Risk Management Policy debt limit currently set at 100% of total revenue to 170% which is the limit in the LGFA covenants.
- To improve liquidity, Council can increase its bank standby facility currently at \$3 million. The effect of an increase of \$7 million is illustrated above and creates headroom of \$8.1 million in year 10 of the Long Term

Plan. Council is charged a line fee as a percentage of the total available standby facility. This is currently 0.30%. An increase from the current standby facility to \$10 million would cost an additional \$21,000 per year.

These strategies give Council flexibility in the event of an unforeseen event requiring additional external debt funding.

The major upgrades to Councils water supplies and wastewater treatment plants will be completed in this Long Term Plan. Once these projects are finished, it is expected the debt repayment and the funding for the renewal of the ageing infrastructure will continue as planned.



32. *Tell us what you think.*

INFRASTRUCTURE SUMMARY

The key infrastructure challenge facing our community is maintaining affordability while upgrading infrastructure. The upgrades are required to meet the new environmental and health standards and delivers the agreed levels of service to the community, whilst also renewing ageing infrastructure.

Overall, the assets of the Council are in a good condition. Regular and ongoing investment in preventative maintenance, combined with increased programmed renewals, will ensure ageing assets continue to deliver agreed levels of service without increasing the risk of failure.

Council has prepared a 30 Year Infrastructure Strategy that details how Council will fund the renewals and upgrades for core infrastructure networks. This strategy shows that Council can prudently fund the planned renewals and upgrades while keeping within the limits set in the Financial Strategy.

Council's depreciation funding decisions ensure that future planned renewals will be able to be funded from depreciation reserves, leaving sufficient debt headroom for infrastructure upgrades.

The challenge the Tararua District faces with upgrading and maintaining infrastructure is the need for multiple schemes to service the district's many small towns.

The focus for the next thirty years will be delivering services in an efficient and effective manner, involving new and innovative approaches ensuring we maintain affordability. The following outlines our planned approach to infrastructure investments:

- Prudent operation and maintenance of existing infrastructure assets, as outlined in Council's asset management plans. Renewals have been increased in this LTP for Water and Wastewater to address declining condition ratings.
- Investment in innovative and cost effective infrastructure solutions to replace aging assets and enhance the overall network performance.

- Undertaking regular condition and performance monitoring of assets in order to renew and replace assets in a timely manner and ensure no loss of service.
- Assessing the future need of major assets and considering the most efficient and effective options to deliver long term service levels (Optimisation of assets).
- Honouring our commitment to the Manawatu River Leaders' Accord by striving to continually improve the quality of our district's waterways through innovation in operation and design of our wastewater treatment plants and stormwater networks.
- Improving resilience by building redundancy or spare capacity into systems, relocating infrastructure that is at significant risk of hazards, strengthening existing infrastructure (e.g. seismic strengthening) to withstand hazards or building assets which are less vulnerable to hazards.
- Investment in new infrastructure that provides enhanced levels of service, and meets or exceeds environmental and health standards, at a scale and complexity that matches our small urban towns. This may mean increased expenditure up front in order to reduce whole of life costs, and avoiding copying designs from large urban networks. Balancing this with ensuring sufficient capacity is maintained in networks to support economic and social development of communities.
- Considering alternative options that deliver the least cost whole of life solutions. This includes minimising the number of treatment plants and RMA discharge and other consents.

The Infrastructure Strategy can be viewed on Council's website (www.tararua.govt.nz/ltp) or at any of our Service Centres and Libraries.

The following infographic highlights Council's proposed significant capital investments in the district for the next 30 years:



Route 52

\$0.5m
Road upgrades

\$1.5m
Road upgrades

\$4.2m
Road upgrades

\$4.3m
Road upgrades



Transportation

\$2.7m
Pahiatua Main Street
(including utilities)

\$2.3m
Pahiatua Main Street
(including utilities)

\$1.8m Minor safety improvements

\$4.8m Minor safety improvements

\$18.7m Replacing existing assets

\$53.3m Replacing existing assets



Seal extensions

\$0.2m
Seal extensions

\$0.9m Seal extensions



Water

\$0.8m
Reducing leaks in the
water network

\$0.2m
Extending our
water network

\$0.6m
Extending our water network

\$0.3m
Reducing leaks in the
water network

\$2.8m Replacing existing assets

\$9.3m Replacing existing assets



Wastewater

\$0.3m
Pahiatua wetland

\$0.2m
Extending our
wastewater network

\$0.1m
Woodville wetland
development

\$0.2m
Pongaroa
Treatment Plant
upgrade
& wetland

\$3.6m
Eketahuna to
Pahiatua pipeline

\$1.2m
Infiltration & Inflow
Strategy implementation

\$0.1m
Pongaroa Treatment
Plant upgrade & wetland

\$2.4m Replacing existing assets

\$4.9m Replacing existing assets



Stormwater

\$0.6m District wide upgrades

\$1.9m District wide upgrades

\$0.5m Replacing existing assets

\$0.5m Replacing existing assets



Connectivity

\$1m Improving mobile phone
and internet coverage

\$0.4m Improving mobile
phone and internet
coverage

Note: all figures displayed on this timeline have been adjusted for inflation.



YEARS 4-10

YEARS 11-30

Independent auditors report

ON TARARUA DISTRICT COUNCIL'S CONSULTATION DOCUMENT FOR ITS PROPOSED 2018-28 LONG TERM PLAN

I am the Auditor General's appointed auditor for Tararua District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's Consultation Document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 28 March 2018.

OPINION

In my opinion:

- the Consultation Document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 Long Term Plan, because it:
 - fairly represents the matters proposed for inclusion in the Long Term Plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the Consultation Document are reasonable.

BASIS OF OPINION

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the Consultation Document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the Consultation Document.

We did not evaluate the security and controls over the publication of the Consultation Document.

RESPONSIBILITIES OF THE COUNCIL AND AUDITOR

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the Consultation Document and Long Term Plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a Consultation Document and Long Term Plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

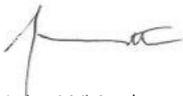
I am responsible for reporting on the Consultation Document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the Consultation Document.

INDEPENDENCE

In carrying out our work, we complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than these assignments, we have no relationship with, or interests in, the Council or any of its subsidiaries.



John Whittal

Audit New Zealand

On behalf of the Auditor General, Wellington, New Zealand

Your submission

Our 2018-2028 Long Term Plan has been drafted but we're waiting for your feedback from this consultation document before it is finalised.

Are the projects we're proposing the right ones for the Tararua District in your opinion?

Making a submission YOU CAN MAKE A SUBMISSION IN ONE OF THE FOLLOWING WAYS:



By post: to Freepost 69367
Tararua District Council,
P O Box 115, Dannevirke



In person: To any Council
Service Centre or Tararua
District Library



Email: Send your
submission via email to
info@tararuadc.govt.nz



Online: Make your
submission online at
www.tararuadc.govt.nz/ltp



By Fax: fax your
submission form
to 06 374 4137

Do you have any questions?

If you have any questions about this Consultation Document or the Long Term Plan in general please call us on 06 374 4080 or 06 376 0110.

Alternatively, you can come and talk to us at one of our roadshow events we'll be doing across the district. The details are available on our website www.tararuadc.govt.nz

You can also contact any of your Councillors to discuss the Long Term Plan. You will find their contact details on our website www.tararuadc.govt.nz/councilcontacts

Spread the word

We'd appreciate your help spreading the word that we are consulting on the 2018-2028 Long Term Plan. Please let your friends, family and colleagues know – they might want to make a submission. Further copies of this Consultation Document are available from our Council Service Centres or Libraries. To have a copy posted please call us on 06 374 4080 or 06 376 0110.

The Submission Form follows on pages 39-42. Please complete all areas clearly. If you require extra pages, please insert before folding. Once completed, please cut out of the document and fold along the dotted lines. You can then close the edges with tape and post.

Timeline:

28 March

Council formally adopts the Consultation Document for public consultation

9 April

Public Consultation begins

April

Lunchtime roadshows across the district – please refer to our website for dates, times and venues
tararuadc.govt.nz/ltp

11 May

Public Consultation closes at 12 noon

22 May

Submissions hearing

30 May

Determine submissions

27 June

Council adopts the 2018-2028 Long Term Plan and sets rates



Pensioner housing: WHICH OPTION DO YOU PREFER? (See pg 16 for information)

option 01 option 02 option 03

Additional comments?

(continue over page if needed)



Extending utility networks: WHICH OPTION DO YOU PREFER? (See pg 18 for information)

option 01 option 02 option 03 option 04

Additional comments?

(continue over page if needed)



Seal extensions: WHICH OPTION DO YOU PREFER? (See pg 20 for information)

option 01 option 02

Additional comments?

(continue over page if needed)



CUT HERE



Connectivity: WHICH OPTION DO YOU PREFER? (See pg 10 for information)

option 01

option 02

option 03

Additional comments?

(continue over page if needed)



Wastewater compliance & strategy: WHICH OPTION DO YOU PREFER? (See pg 12 for information)

option 01

option 02

Additional comments?

(continue over page if needed)



Stormwater: WHICH OPTION DO YOU PREFER? (See pg 14 for information)

option 01

option 02

Additional comments?

(continue over page if needed)

Submission form

This form can also be completed online at www.tararua.govt.nz/ltp

YOUR CONTACT DETAILS (these must be provided for us to consider your submission)

Full name: _____

Name of organisation (if applicable): _____

Postal address: _____ Post code: _____

Telephone: _____ Mobile: _____

Email: _____

HEARINGS (Submission hearings will take place on 22 May 2018 in the Council Chambers at 26 Gordon Street, Dannevirke)

Do you want to speak to your submission to Council in person on 22 May? Yes No

If yes, would you prefer to speak in the morning or afternoon? Morning Afternoon



Route 52: WHICH OPTION DO YOU PREFER? (See pg 8 for information)

option 01 option 02 option 03

Additional comments?

(continue over page if needed)