

ⓉARARUA DISTRICT COUNCIL

LONG TERM PLAN 2012-2022

Your vision for Tararua's future

Untouched coastline, bush-cloaked ranges, sparkling fish-filled rivers...

Rugged ranges, remote coastline, bush-clad valleys – defined by hundreds of kilometres of river. The Tararua Region stretches from Mount Bruce to north of Norsewood, and is bounded by the foothills of the majestic Ruahine and Tararua ranges to the shores of the Pacific on the East Coast, the physical presence of Tararua is awesome.

In the beginning...

The Kurahaupo canoe made landfall on the Mahia Peninsula; the three principal chiefs on board were Ruatea, Whatonga and Popoto. Rongomaiwahine of the Mahia Peninsula, one of the descendants of Popoto, married Kahungunu, a descendant of the Takitimu aristocracy. Their marriage was the beginning of the Ngati Kahungunu of Hawke's Bay.

Whatonga established himself near Cape Kidnappers, and built himself a house which he called 'Heretaunga'. Whatonga's son, Tara, who was born in Hawke's Bay finally made his home in the Wellington area. His name is commemorated in many places from Napier through to Wellington. From Whatonga's second marriage was born Tautoki, who was the father of Tane-nui-a-Rangi, or Rangitane as he is more commonly known.

Tara's descendants, the Ngai-Tara, and the Rangitane people eventually peopled many parts of the Heretaunga, Central Hawke's Bay, Tararua and Wairarapa areas. The pre-European history of the District tells of a vast primeval forest with clearings occupied by Maori.

European settlement within the District started in 1854 when the first sheep were driven up the coast from Wellington to establish coastal stations, but access to this area remained almost entirely by sea until well into last century.

There are some great communities waiting to be discovered in Tararua. Each has a unique identity, story to tell and experience to share. From the hardship tales of the Scandinavian settlers who felled the Seventy Mile Bush, to the pioneers who established farming on the region's rugged east coast at Herbertville and Akitio. These communities are one of the elements that make this region unique in New Zealand.

Around 95% of Tararua's 400,000 hectares is farmed and the region has a reputation for producing high quality stock. Sheep, beef and dairy are the most significant types of farming, representing 90% of all holdings and accounting for 99% of total stock units. Forestry is a growing industry and there are now more than 13,000 hectares planted in pinus radiata.

Pastoral farming continues to be the major economic sector within Tararua.

Tararua is a unique, proud and diverse region of rugged unspoiled landscape.



LONG TERM PLAN 2012–2022

TARARUA DISTRICT COUNCIL

This document is the Long Term Plan of the Tararua District Council, for the period 1 July 2012 to 30 June 2022.

The Long Term Plan 2012-2022 was adopted by Council on 27 June 2012.

Cover photo: Herbertville beach

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Message from the Mayor and Chief Executive

Greetings fellow residents and ratepayers.

Over the last few years our local communities have faced significant changes and challenges:

- The global financial crisis has affected almost everyone to some degree and Councillors and staff are well aware of the affordability concerns this has resulted in.
- Government and private sector responses to ongoing financial issues are likely to impose further challenges during the next few years.
- Natural disasters have made us aware of how we need to prepare for the unexpected – through sound infrastructure as well as personal preparedness.
- The long closure of SH3 in the Manawatu Gorge highlights the need for planning for the unexpected.

After inviting input from key employers, businesses, sector representatives and the public, the Long Term Plan will deliver on a shared vision, being:

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

The economy, technology and the way Council delivers services are likely to be very different in 10 years time. Council is aiming to provide leadership and affordable services that help to build strong and resilient communities. To succeed we need to keep Council debt and rates at levels that allow the community to respond to future changes that could be costly. Conservative management has resulted in this Council having low debt and relatively average rates levels, although we are facing increasing standards and requirements for infrastructure, policies and planning.

Over the 10 years of the Long Term Plan, Council is faced with several high-priority pressures. A number of our major activities require additional resources to meet standards imposed by central and regional government. These increased standards reflect the changing views of society around water quality and river ecosystems. Significant investment is required in the Water Supply, Stormwater and Wastewater activities in order to renew resource consents and meet mandatory drinking water standards. Council is also a signatory to the Manawatu River Leaders Accord and this has identified the need to improve the standard of wastewater discharges into the Manawatu River system.

The strategy for the 2012-2022 Long Term Plan is to continue the current focus on core network infrastructure and financial prudence. The major focus for the next 10 years will be the investments in water and wastewater systems. In addition, we will provide more focus on economic development and promotion. Where successful, this will improve the value of the district for existing residents, and help to increase the district population long term. Having more residents and ratepayers spreads the costs for improving core services, which make the district more viable.

In order to deliver improved water and wastewater infrastructure in the most affordable way Council sourced government subsidies where possible. We have been successful in this for Water and for Wastewater. The remaining costs for these upgrades go to those who benefit most, which is urban residents. Planning and design is focused on delivering value for money services, reflecting the needs of our small townships. After considering submissions, Council has agreed not to proceed with the consolidation of Council services with information centres in Pahiatua, Eketahuna and Dannevirke. This decision may have to be reconsidered once the earthquake prone assessments of Council buildings are completed. However, Council will consolidate the library and service centre in Woodville to gain efficiencies.



The significant improvement in Asset Management knowledge and documentation was noted. This is already assisting in gaining external subsidies, and providing a more accurate capital works and renewals programme.

Of course we are still planning to deliver all the other services that Council provides to the community. From animal control to public toilets to older persons' housing to sportsfields and community halls; the Long Term Plan includes details on the issues faced and plans for the future. Many of these activities have significant issues that are emphasized in this Plan.

Council received 129 submissions for the Draft Long Term Plan with the Council hearing 26 of these submissions in Pahiatua and Dannevirke on 23 May 2012. To encourage ratepayers' participation in the consultation, the following was done:

- Meetings were held by Community Boards/Committees.
- Presentation to key stakeholders and representatives of Community Boards/Committees and commercial/industrial interest groups.
- A Citizens Panel of 595 ratepayers was established and surveyed by email.
- A "mock" rates invoice was sent to each ratepayer advising them of both the proposed and current rates.

The key changes were:

- The cap for annual rate increases has been reduced from Local Government Cost Index (LGCI) plus 3% to LGCI plus 2%.
- Council has decided not to proceed with the amalgamation of the Council services in Pahiatua, Eketahuna and Dannevirke, but will proceed in Woodville. The grant to Dannevirke Information Centre has been slightly reduced.
- Included in the Plan is a provision for transfer station services at Pahiatua with the operational cost funded from existing budgets and an additional \$100,000 in capital development cost to establish the facility.
- Differentiating the urban and rural industrial/commercial sector for the new targeted capital value rate (to fund part of Economic Development, Footpaths, and Rural Fire).

Detail of submissions received and Council's responses to them are highlighted in the 'Key Changes from the Draft Long Term Plan' section of this Plan.

The rates increase for 2012/13 is 4.0%, which is lower than the proposed increase in the draft of 4.2%. This is considerably less than the forecast of a 7.6% increase for this year that was suggested in the 2009 Community Plan. We feel this is a good result given the significant work programme, and provides a balance between affordability concerns and making progress on the Council Vision and Outcomes.

In the drive for efficiency, to meet the Plan's objectives, we are actively working on shared service opportunities with other Councils and agencies across the Manawatu and Hawke's Bay regions. Examples include:

- Entering a long term contract to dispose rubbish at the Central Hawke's Bay landfill facility following the closure of our landfills due to expiry of consents.
- Partnering with seven other councils on a Regional Archive rather than each Council delivering this separately.
- Bulk procurement of insurances, aerial photography, specialist legal advice and other services as part of the Manawatu-Wanganui Local Authority Shared Services company.
- Investigating a shared Building Accreditation Authority with Central Hawke's Bay and Hastings District Councils to ensure costs and processes for buildings are efficient.
- Investigating an expanded Rural Fire district that includes the rural areas of Hastings and Central Hawke's Bay District Councils.
- Working with Horizons and other agencies on the Manawatu River Leaders Accord to maximise opportunities for central government funding on any waterway clean-up options.

The government is reviewing the structure and functions of local government over the next year. Council will lobby for the best outcome for Tararua residents balancing local democracy with efficiency and service delivery.

Roly Ellis
MAYOR

Blair King
CHIEF EXECUTIVE

Key Changes from the Draft Long Term Plan

Council received 129 submissions with the Council hearing 26 of these submissions in Pahiatua and Dannevirke on 23 May 2012. This section summarises the key changes to the Long Term Plan arising from the submission process, and Council's reasons for these changes:

Rates Cap

Council had proposed that annual rates increases be capped to the Local Government Cost Index (LGCI) plus 3% in the Draft Long Term Plan, and received 67 submissions on the affordability of rates increases over the 10 years of the Plan.

Of these submissions, 30 supported the Council's approach to rates increases driven by inflation and increases in levels of service while 33 opposed or questioned Council reasons for rates increases.

Affordability was identified as a key issue and guiding principle in Council's financial strategy. In response to the submissions, the need to keep rates increases affordable and to deliver cost effective solutions, Council adjusted its rates increase cap to LGCI plus 2%.

The total rates increases proposed in the Long Term Plan do not breach the adjusted rates cap.

Amalgamation of service centres

In the Draft Long Term Plan Council proposed the amalgamation of service centres, information centres and libraries in Woodville, Pahiatua, Eketahuna and Dannevirke.

Council received 77 submissions with 24 submissions supporting the consolidation of these services as proposed, and 18 submissions supporting the status quo in Dannevirke (including a petition containing 625 signatories in favour of this option). A further 18 submissions supported

the status quo in all towns, six submissions supported the status quo for Pahiatua and ten submissions supported the status quo for Eketahuna.

After reviewing the submissions, results of the email survey by Public Voice and listening to submitters, Council decided on the following:

- The Eketahuna Information Centre will remain as a stand-alone facility and continue to receive the annual grant of \$8,000.
- The consolidation of the library and service centre at Woodville into one delivery centre will proceed as proposed in the Draft Long Term Plan, as there were no objections expressed by the community.
- The existing arrangements to provide service centre, information centre and library in Pahiatua are retained subject to the outcome of the earthquake prone building assessment for the Pahiatua Service Centre and the Pahiatua Library. The annual grant of \$20,000 for Pahiatua Information Centre will be reinstated to the budget to support this service.
- The Dannevirke Information Centre continues to remain as a stand-alone facility. However, the funding to support this service will be progressively reduced by \$1,500 per annum for the first three years of the Long Term Plan and then remain at that level in Year 3 onwards.

In making this decision, Council has taken into account the following considerations:

- The relative levels of funding granted to support the information centres in Pahiatua, Eketahuna and Dannevirke.



- The services provided by these information centres and their opening hours, noting particularly that the Eketahuna Information Centre operates on weekends and public holidays.
- The use of volunteers to provide these services and the opportunity to secure external funding from other sources.

Transfer Station at Pahiatua

With the completion of Dannevirke Transfer Station, Council, through its Draft Long Term Plan, indicated its objective to consolidate existing solid waste collection sites to reduce cost. In the Draft Long Term Plan Council had proposed to continue to provide bulk recycling services at Pahiatua but not provide a transfer station for solid waste disposal.

Council received 57 submissions on Solid Waste and recycling. Of the submissions received, 25 submissions supported Council's preferred option, a further 19 submissions supported the withdrawal from provision of solid waste transfer station other than Dannevirke. Two submissions objected to the proposed transfer station in Pahiatua not proceeding.

Council having heard and discussed the need of the community at Pahiatua, decided to:

- provide a transfer station at Pahiatua for solid waste that is open eight hours a week;
- fund the operating cost from existing budget provisions from this activity; and
- provide additional \$100,000 capital development budget in the Long Term Plan to establish the facility.

Capital Value Rating

Council proposed to introduce a capital value based rate targeted at the industrial/commercial sector to fund 60% of the economic development activity, 14% of Footpaths and 1% of Rural Fire. Council received 54 submissions of which 29 submissions supported the new capital value rate however 25 submissions opposed or questioned introducing capital value rating for the industrial/commercial sector.

Capital value has been assessed as the most appropriate value base to match the level of benefits received. Capital value also allows Council to widen the rating base to include utility and power generators.

In response to the submissions Council made the following change to the targeted capital value rate:

- Rates will be differentiated between urban and rural industrial/commercial properties.
- All industrial/commercial properties will receive the targeted capital value rate for 60% of the economic development cost (based on the proportion of capital value in the rural & windfarm and urban & utilities parts of the industrial/commercial sector).
- Urban and utility industrial/commercial properties will also be rated 14% of the costs of footpaths.
- Rural and windfarm industrial/commercial properties will also be rated 1% of the cost of rural fire protection.

Other Changes

LAPP Reserve

Civic Assurance provides cover for Council's Infrastructure assets against significant natural events/disasters in the form of the LAPP fund which has 57 members, a mix of Local and Regional Authorities. In a catastrophe, members are required to meet 40% of the cost of the damage to their assets and central government will meet the other 60%.

The costs of insurance in New Zealand are more expensive than they were two years ago as a result of the Canterbury earthquakes. The Trustees of LAPP considered several options for reinsurance going forward and decided on a mixture of reinsurance and mutual self-insurance for LAPP members from 1 July 2012.

In this option, Council's contributions will be halved. The contributions collected by LAPP will meet the first \$5 million of claims while member councils will have collective exposure to meet claims from \$5 million to \$50 million. Partial reinsurance for claims from \$50 million to \$100 million would be purchased by LAPP.

Council exposure for the mutual insurance will be five times our annual contribution with a maximum of ten times our annual contribution per year. Given our proposed contribution of \$54,000 that would mean a maximum exposure of \$540,000 to meet claims from member councils.

Mutual liability is something that Council does not consider prudent in terms of the risk factors that our Council is faced with, in comparison to that of other councils. GNS soil studies show that our district has a much lower risk factor for liquefaction than many of the other member councils. Considering the geographical spread of our district and infrastructure, the risks of significant damage to our reticulation assets at all locations at the same time is unlikely. Council

has a \$5 million line of credit facility set aside as an emergency fund should we be faced with a significant natural disaster. Council also has over \$2 million in the roading emergency reserve.

In the Long Term Plan Council has assumed that it will remain as a member of LAPP. Council will continue to rate the ratepayer for the full contribution but put aside 50% of the contribution in a reserve to meet Council's liability in the event of a major disaster. In Year 1 of the Long Term Plan, Council will explore other options for underground reticulation and infrastructure assets. A decision on the insurance option will be made by 30 June 2013.

Issues that were supported by the Community

Council also received submissions supporting the following key issues and initiatives that were consulted on:

- Council Vision Statement – received 45 submissions of which 36 fully supported Council's Vision Statement and strategic direction for the district.
- Urban water supply upgrades and improving wastewater treatment – 59 submissions were received with 57 agreeing with upgrading the urban water supplies to meet the drinking water standards and improving the treatment of wastewater discharges.
- Shared services opportunities – of the 46 submissions received, 33 agree with the work to actively pursue shared services opportunities.
- Roothing funding levels and reduction in service levels – 52 submissions were received of which 33 supported the reduction in level of maintenance to be carried out across the

roading network, nine submissions supported maintaining the current level of service and another nine supported more reductions to the level of service.

Council also welcomed and accepted the offer from Federated Farmers to join with them in advocating to Government for an increase to the district's roading financial assistance.

- Forestry Operations – 42 out of 50 submissions received supported Council's decision to exit from forestry operations. Failing this, Council will explore viable joint venture partnerships or undertake a review of the activities operation.
- Akitio Seawall – Council received 57 submissions with 30 submissions supporting Council's decision not to budget for the Akitio seawall and 17 submissions supporting the funding of the seawall.

Council confirmed its position not to budget funding for a seawall nor hold a resource consent for the reasons noted in the "Major Decisions Facing Council" section. Council decided that the majority of the funding required to establish and maintain the seawall needs to be provided by those ratepayers that derive the most benefit from this project. Council will revisit its decision if the Akitio beach community offered to fund a substantial proportion of the seawall construction and the on-going maintenance cost.

- Focus on economic development – 37 out of 48 submissions supported Council's increased focus on economic development to promote business development and attracting more people to the district.



A Guide to the Long Term Plan

There are six sections to this Long Term Plan. The following is a brief guide to the information contained in each section. The information presented meets the requirements of the Local Government Act 2002.

Part 1: Overview

This section contains an introductory message from the Mayor and Chief Executive together with key issues and challenges, the submission process, financial strategy and overview, and the linkages between the Long Term Plan and other Council documents.

Part 2: Activities

Information is provided here for the group of activities and each activity of Council, including why Council is involved, the intended outcomes, the service levels that Council intends to deliver and how the results will be measured. There is information on how the activity is to be funded, any maintenance and operating issues, assumptions and risks, and any likely changes in demand for the activity in the future. Where relevant, readers are guided to further information about the activity that may be obtained from Council or elsewhere.

Part 3: Rates

This section contains the Revenue and Financing Policy, Remission Policy, Funding Impact Statement, and the schedules of General and Targeted Rates.

Part 4: Financials

This section contains the prospective financial statements together with the accompanying notes and accounting policies and significant forecasting assumptions and risks.

Part 5: Policies

This section contains Council's key policies on treasury management, financial contributions, significance, and Maori participation in Council decision-making.

Part 6: General Information

This section provides information on the elected persons that make up the Council and Community Boards, the Management Team, some Council statistics of the district, contact details, and a glossary of terms.

Associated Documents

A comprehensive list of fees and charges will be found in 'Fees & Charges 2012/13'.

What is the Long Term Plan about?

With major changes happening ever quickly, planning ten years ahead is one of the biggest challenges we face as a Council. Council understands the constraints that residents and businesses may be facing, and your councillors and staff have worked hard to minimise the impact of rates.

However, we also want to make sure that Council's services and facilities are in good shape for the future. We want to ensure the district is a desirable place to live and that we have the capability to seize opportunities as they arise.

This Long Term Plan is about:

- Providing services efficiently
 - where these services continue to be relevant to the community.
- Renewing assets
 - Maintaining and renewing the assets that provide these services.
- Building new core assets
 - For example, improving water and wastewater assets and service levels to meet Government, Regional Council requirements and community expectations.

- Economic development and promotion
 - Secure the economic future of the Tararua. Council will provide infrastructure and services, support business, provide a strong sense of district identity, and attract and retain residents.

Why Plan for 10 Years?

Everybody plans for the future. Be it for their career, their family, a holiday, or a home. A vision of what we want to achieve and where we want to be somewhere down the track is an important part for actually getting to where we want to be.

The Tararua District Council Long Term Plan is based on the Vision and Council Outcomes that your elected Councillors have for the district. The Outcomes have been refined and re-focused on Council from the Community Outcomes that were set in 2005. This is set out on page 16.

The Tararua District Long Term Plan 2012-22 is Council's ten year plan (also known as a Long Term Plan – or LTP). It's something that Government requires every Council to do every three years.

Reviewing the plans every three years gives us a chance to see where the district is heading and what changes need to be made to make sure we're heading in the direction the community wants.



What is in this Long Term Plan?

In this Tararua District Long Term Plan 2012-22 we have strived to achieve a balance. A balance between the needs and wants of the future and the realities of affordability. We must invest in infrastructure, such as water supplies and wastewater treatment, to ensure the district meets new central and regional government requirements and continues to move forward.

The Future: Tararua in Ten Years, 2021/22

What will the district look like in Year 10 of the Long Term Plan?

By 2021/22 the Council wants to achieve the following key strategic goals and be in a sound financial position:

- Water and Waste Water Infrastructure upgraded
 - to meet legislative requirements, businesses and ratepayers needs.
- Maintain the district's Infrastructure
 - to facilitate, encourage and attract businesses to grow and invest in the district.
- Provide Good Amenities and Recreational Assets
 - so that people can have a great lifestyle in our rural townships and rural areas, and give residents a sense of pride and belonging.
- Keep Costs Affordable
 - operating expenditure (and rates) increases will be limited to inflation plus the impacts of growth and enhanced levels of service.
- Decreasing debt
 - by the end of 2022 debt levels are declining and are at a comfortable level.

- Adequate Investments Levels
 - cash reserves for future asset replacements are adequate through prudent financial management.

Vision for Tararua District

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

This Vision has been developed from workshops with business, Council and community leaders during 2011.

Council Strategic Focus in the 2012–2022 Long Term Plan

The strategy for the 2012-2022 Long Term Plan is to continue the current focus on core network infrastructure and financial prudence. Council is proposing to slowly reduce some roading levels of service and concentrating on urban Water supply upgrades and improved Wastewater treatment.

The additional emphasis is to provide more focus on economic development and promotion to attract and retain residents and businesses. This is seen as critical to the future prosperity of the district.

Strategy 1	Strategy 2	Strategy 3
<p>Core network compliance; Infrastructure provided and maintained at an affordable standard that underpins business development.</p> <ul style="list-style-type: none"> • Maintain current infrastructure to a good standard • Prioritise new infrastructure investment in assets: <ol style="list-style-type: none"> 1) Major public safety issues 2) Resource consent requirements 3) Other legislation requirements 4) Discretionary upgrades, including building resilience e.g. water and stormwater 	<p>Council financial prudence, efficiency and affordability of rates.</p> <ul style="list-style-type: none"> • Maintain a strong balance sheet and low operating costs to allow future financial flexibility and affordability of rates. • Maintain modest debt levels within financial strategy limits allowing capacity for future developments. • CCTO ownership decisions to maximise value of investments 	<p>Economic development and promotion.</p> <ul style="list-style-type: none"> • Support and facilitate growth in local business. • Build district identity. • Develop a clear economic development plan. • Promote the district by telling our story. • Provide business friendly and welcoming support for new residents.



Highlights in the Long Term Plan

As a council, we build infrastructure and provide services that touch the lives of most people everyday, from roads and footpaths to water, libraries and parks.

The following are the key issues highlighted in this Long Term Plan and detailed in the 'Key Challenges Facing Council' and 'Major Decisions Facing Council' sections.

Changes to Rates

The following are changes to Council's rates system:

- A new capital value based targeted rate on the Industrial/Commercial sector.
- A new uniform annual charge for Solid Waste recycling costs and refuse disposal costs, differentiated between the rural, industrial/commercial and urban sectors.
- 50% wastewater charge for properties where a connection is available but not connected.

Economic Development

More expenditure in the next ten years has been included in the Plan that focuses on economic development and promotion, to drive an increase in wealth for existing residents and increase the long-term population to improve the viability of the district.

Changes to Policies

The following key policies changes have been introduced:

- Remissions for property leases that do not meet Section 20 of the Rating Act, uneconomical parcels of land and unsold subdivided properties.
- Changes to Fees and Charges to reflect current cost and the cost of new services introduced.
- Implemented a financial strategy to focus Council's efforts on developing core infrastructure, and to contain rates increase and debt levels within affordable limits.
- Changes to the Revenue and Financing Policy with regards to the new rates and rating base introduced.

Improvements to Essential Services

Council has included the following projects to increase the level of service it intends to deliver to the district:

- Upgrade water schemes – focused on:

- increasing storage to better meet water demand during dry spells, fire fighting and other large scale emergencies; and
 - to improve water quality and taste.
- Contribute to the River Accord and meet higher resource consents requirements – upgrade the wastewater treatment process and explore other cost efficient means of disposal. For example, land based disposals on low river flows.
- Encourage recycling, kerbside refuse disposals and consolidating refuse collection – aim to reduce cost and the wider adverse impact of this activity on the environment.

Other Big Ticket Items

- Constructing new fit for purpose superannuitants housing flats to meet the ongoing demand and needs of older residents in the district.
- Continue with the maintstreet upgrades in Woodville, Pahiatua and Eketahuna.
- Pahiatua Track and Manawatu Gorge alternative route upgrades have been included as key projects for roading activity (funded by NZ Transport Agency).
- Part funding for new public swimming pools in Pahiatua and Eketahuna have been included to recognise that these pools are likely to be an asset valued by the local community.

Other issues that the community considered

- Should Council exit forestry operations and focus on core functions?
- Should rates payers in the district help the residents of Akitio fund the building of seawalls to protect the township and access road from erosion and inundation during storm surges?
- Should Council look to consolidate its services in each town e.g. Libraries, Service Centres and Information Centres?
- Should we reduce the level of service for planned maintenance of existing roads given the 1% reduction of NZ Transport Agency funding?



Council Outcomes

The Council Outcomes are the 10 year goals for the Council as part of working towards the longer term Vision. The Outcomes are the link between the Vision and the Council activities, providing the focus for the groups of activities and measures in the Long Term Plan. These replace the community outcomes that were in the 2009 Community Plan. The Local Government Amendment Act 2010 changed the focus from community owned outcomes to ones that Council owned and controlled.

Council Outcomes for the 2012-2022 Long Term Plan

1. Efficient Infrastructure

Highly efficient, fit for purpose and affordable rural and urban infrastructure.

2. Prosperous Economy

A strong, growing, prosperous local economy that attracts, welcomes and retains businesses and residents.

A district with a clear identity that promotes its lifestyle.

3. Collaborative Council

A council seen as a leader in community partnerships and collaboration to ensure services are delivered in the most effective and affordable way.

4. Great Lifestyle

Recreation facilities, heritage and public amenities that support an outstanding lifestyle.

5. Sustainable Environment

The district has a natural environment that is protected, preserved and enhanced for present and future generations.

How do Council Outcomes Link to Council Activities?

The Council Outcomes drive the strategies that Council has formed in preparing this Long Term Plan. Activities with increased levels of service have been limited to those that best help achieve the Outcomes. The Outcomes flow through to the stated levels of service and the performance measures in each activity. The performance measures are designed to inform the community whether progress is being made towards achieving the Council Outcomes.

Progress and the strategies being used to achieve the Outcomes will be fully reviewed every three years during each Long Term Plan process. Council may need to change the resources allocated to each activity if performance measures are not being met. The Outcomes themselves will also be reviewed to ensure they reflect what the community wants the Council to achieve over time.

Monitoring the Council Outcomes

Council Outcomes represent the 10-year goals of Council in working towards the long term Vision. Recent changes in legislation have resulted in a change of focus for outcomes in this Long Term Plan. Previously Council (2005) facilitated a community based process that identified Community Outcomes. These Outcomes were owned by the community and included goals that the Council did not have significant input into, such as health services and policing. The new Council Outcomes are focused on goals that Council has a significant role in achieving. Council will still need to work with the community and other organisations to achieve these outcomes – Council does not have the resources to do this alone.

Monitoring progress from activities and projects, and changes to the challenges faced by the district, are important parts of achieving the Council Outcomes. The only certainty is that changes will occur in our world and the assumptions made that underpin this Long Term Plan will need to be adjusted over time. Monitoring will assess the effectiveness of Council activities and projects. The performance measures contained in each Group of Activities will provide key information on Council performance. In addition Council needs to monitor the four well-beings (economic, social, environmental and cultural) within which Long Term Plan decisions are made.

Strategic level monitoring will be undertaken and reviewed on an annual basis (some of the measures monitored can only be done through the five yearly census – the next census is March 2013). This will allow Council to consider the need to change the strategic direction as part of the Annual Plan process. Significant changes would result in an amendment to this Long Term Plan. Generally Council will utilise existing measures and information sources that are available publicly or through other partner organisations.



Council Outcomes	Strategic Monitoring
<p>Efficient Infrastructure</p> <p>Highly efficient, fit for purpose and affordable rural and urban infrastructure.</p>	<p>Meeting potable water standards.</p> <p>Wastewater compliance with consents.</p> <p>Cost per household against peer Councils – benchmarking (Roading, 3 waters, solid waste).</p> <p>Resource consent compliance for discharges and water takes.</p> <p>Commercial users surveys.</p> <p>Residents surveys.</p> <p>Broadband coverage.</p>
<p>Prosperous Economy</p> <p>A strong, growing, prosperous local economy that attracts, welcomes and retains businesses and residents.</p> <p>A district with a clear identity that promotes its lifestyle.</p>	<p>Resident population.</p> <p>Internal and external migration patterns.</p> <p>Household numbers.</p> <p>Agricultural returns and stock numbers.</p> <p>Satisfaction surveys.</p> <p>Employment trends.</p> <p>Business demographics.</p> <p>Land use changes.</p> <p>Visitor numbers and spend.</p> <p>Household wealth.</p> <p>National and international economic trends.</p>

Council Outcomes	Strategic Monitoring
<p>Collaborative Council</p> <p>A council seen as a leader in community partnerships and collaboration to ensure services are delivered in the most effective and affordable way.</p>	<p>Rates affordability.</p> <p>Council completing projects on time as budgeted.</p> <p>Number of collaborative services.</p> <p>Societal and technology changes.</p> <p>Central government policy and changes to legislation.</p> <p>Iwi involvement.</p>
<p>Great Lifestyle</p> <p>Recreation facilities, heritage and public amenities that support an outstanding lifestyle.</p>	<p>Recreation activity and events.</p> <p>Number of active community organisations.</p> <p>Earthquake prone building numbers.</p> <p>Residents perceptions on safety.</p> <p>Crime and injury trends.</p>
<p>Sustainable Environment</p> <p>The district has a natural environment that is protected, preserved and enhanced for present and future generations.</p>	<p>Manawatu River Accord (progress).</p> <p>Iwi involvement.</p> <p>Biodiversity health (Council managed reserves and Department of Conservation monitoring).</p> <p>Pest and weed control across the district.</p>

Key Challenges Facing Council

Council is faced with conflicting pressures. A number of major activities of Council require additional resources to meet standards imposed by central and regional government. These increased standards reflect the changing views of society around water quality and river ecosystems. Significant investment is required in the urban three waters activities in order to renew resource consents and meet mandatory drinking water standards. The River Accord actions that Council is a signatory to underpin the need to increase the wastewater discharge standards to the Manawatu River system.

Alongside these requirements are the tough economic times and the affordability issues that many residents face. Many of the infrastructure upgrade costs will be borne by urban residents only. Council is fully aware of these affordability issues and is focusing on designing efficient infrastructure and in gaining external grant funding where possible. Consolidating existing Council services, where feasible and supported by local communities, to gain efficiencies is another option Council proposed through the Draft Long Term Plan process. The Council has decided to proceed with this in Woodville. Consolidation of existing services was not supported in Pahiatua, Dannevirke or Eketahuna.

The current Statistics NZ longer-term population forecasts for the district are for a significant decline in urban residents. However, over the last few years, the official estimates have shown a steady population, despite predictions of decline. Council is of the view that the district has a great lifestyle that needs to be promoted in order to attract more residents. Developing local business to increase jobs needs to be done in partnership with this. An increased urban population will improve the affordability of urban infrastructure.

Assumptions

A number of assumptions have been made as part of the planning process in putting together the Long Term Plan. These include population growth/decline, legislative requirements (current and future), inflation, climate change, asset life, expected interest rates, economic factors etc.

Where such assumptions have been made they are explained in the relevant activity or financial sections in this Long Term Plan.

Changes from the 2009-19 Community Plan

Property Valuations and Rates Distribution

Council sets the total amount of rates required to fund its expenditure based on the budgeted costs included in this Long Term Plan. For the majority of its rates, Council uses property valuations as the basis to distribute the total rates requirement proportionally across all properties in the district. For industrial and commercial properties Council is introducing, in the Long Term Plan, a shift partly towards capital value based rating.

Property revaluations are performed every three years and Council uses these rating valuations for the purposes of calculating the rates each property is to pay.

The last revaluation of the district was carried out in September 2011 and these values have been used for rating purposes for the Long Term Plan and effective 1 July 2012.



Effect of New Valuations on Rates

It is important to note that an increase in land value does not automatically mean that there will be an increase in rates. Council rate assessments contain different charges that make up the annual levy:

- General Rates (calculated on land value);
- Uniform Annual General Charge (flat charge); and
- Targeted Rates (includes flat charges and several rates based on land or capital value).

Council calculates the total rates requirement for the year and then uses its rating policy as the basis to distribute this total. A change in the value of your property will only impact on your rates bill to the extent that the change is higher or lower than the average change.

Changes to Rates

Council has made the following changes to rating policy contained in the current Revenue and Financing Policy:

- A new capital value based targeted rate differentiated between urban and rural Industrial/Commercial property to fund 60% of District Development costs.
- The remaining 40% of District Development costs will be funded through the general rate.
- Urban industrial/commercial properties will be charged 14% of footpath cost.
- Rural industrial/commercial properties will be charged 1% of rural fire protection cost.
- Removal of the current industrial/commercial loading on general rates.
- A new uniform annual charge covering Solid Waste recycling costs and refuse disposal costs, differentiated between rural (20%), urban (60%) and industrial/commercial sector (20%).

Changes to Remission Policy

Property Leases

From 1 July 2012, Council will introduce a new remission for remitting uniform charges (UAGC, Rooding UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) for properties leased for less than ten years but are contiguous or

separated by a road, railway, drain, water race, river or stream properties where it is considered unfair for the rating units to be treated as separate.

This is to recognise properties that do not meet Section 20 of the Rating Act and hence do not qualify for remission. Council, in recognising this, is allowing for remissions to be extended to such properties.

Uneconomic Lots

Council also introduced a new remission of 50% of uniform charges (UAGC, Rooding UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) on uneconomic rural properties. These properties are defined as being unoccupied and having a land value less than \$10,000. These low value properties (generally very small) have been adversely impacted by the increase in targeted rates (UTR) for rural properties in 2011/12.

Council has identified around 80 properties that fall under this definition in 2011/12. Total additional remission costs for 2012/13 is estimated at \$32,000.

Subdivisions

To support the development and holding of subdivision land for rural and residential lots, Council introduced remission for uniform charges (UAGC, Rooding UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) for unsold subdivided land.

The Rates Remission Policy includes a provision for providing relief from uniform charges for new contiguous subdivisions until the titles are uplifted.

Refer to the Remission Policy section for the conditions and criteria for applying these remissions.

Changes to Fees and Charges

Council has reviewed the current fees and charges to reflect the increase in cost to provide these services to the district. Key changes are:

- Housing rental – increased housing weekly rental by \$4 for all housing rental properties.
- Cemeteries – Fees and charges are to increased by 4% in line with inflation.
- Application fee – Waste Water and Vehicle crossing application increased from \$51.20 to \$70. Wastewater was revised from \$50 to \$51.20 in 2010/11 and had remained at

\$50 since the 2002/03 financial year. The vehicle crossing application fee was first introduced in 2009/10 at \$50 and revised to \$51.20 in 2010/11.

- Cost for refuse bag labels has increased by 20 cents to reflect the increased cost of delivering the services.
- New charges for the Dannevirke Transfer Station have been introduced – for example, \$110 per tonne for commercial waste disposal.
- Dog registration fees has increased by \$2 reflecting the increased costs of upgrading the dog pound in Dannevirke.

Council will review the fees and charges for the Solid Waste activity during 2012/13. Any changes will be consulted on during the 2013/14 Annual Plan.

Refer to the 'Fees and Charges' for full details of all fees and charges.



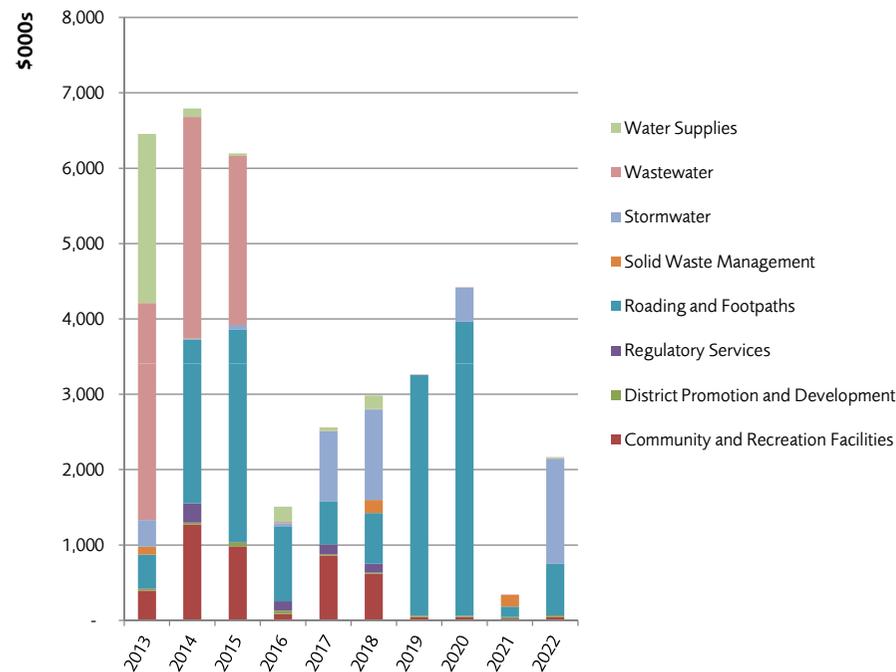
What is Happening in the District?

There is something for everyone in this Long Term Plan. Over the 10 years of the plan there are a number of projects to increase the levels of service and cater for projected growth in some areas.

The following table and Chart 1 shows the major projects for increased level of services by group of activities. The impact of water and wastewater upgrades in the first three years of the Long Term Plan is evident.

Group of Activity	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
		('000)	('000)	('000)	('000)	('000)	('000)	('000)	('000)	('000)	('000)
Community and Recreation Facilities	4,154	385	1,233	941	84	767	607	42	44	19	33
District Promotion and Development	260	25	26	53	44	17	18	18	19	20	20
Regulatory Services	700	66	258	5	124	128	118	-	-	-	-
Roading and Footpaths	15,592	447	2,172	2,814	998	575	675	3,192	3,900	139	681
Solid Waste Management	528	203	-	-	-	-	173	-	-	152	0
Stormwater	4,438	355	10	65	39	926	1,198	-	450	-	1,395
Wastewater	8,128	2,880	2,941	2,243	18	7	7	7	8	8	8
Water Supplies	2,832	2,245	114	32	201	46	180	-	-	-	14
Total	36,633	6,607	6,755	6,154	1,508	2,466	2,975	3,259	4,420	337	2,151

Chart 1



There were ten specific key issues that Council consulted on with ratepayers. Refer to the section on "Major decisions facing the Council – Key Issues for the District" on pages 26 to 32.

In addition to them, the following are the other issues that are impacting your district.

1. Pahiatua Track and Saddle Road Upgrades

In the 2009 Community Plan Council continued to consider the upgrade of the Pahiatua Track as a high priority. A safety realignment of this route between Pahiatua and the district boundary was proposed. This was supported in the Regional Land Transport Strategy as a key upgrade. The Pahiatua Track carries approximately 1,200 vehicles per day and provides a strategic connection from the west to the south-east of the Region. It also serves as a secondary alternative route when the Manawatu Gorge is closed, carrying approximately a third of the Gorge traffic. A need has been identified to ensure that the Track is of a suitable standard to cope with its role as a secondary

alternative and as a strategic east-west link to the south-east portion of this Region and the Wairarapa.

Safety has been identified as the primary reason for this project to proceed because there are a number of tight hairpin turns and the road is also used as a training route for cyclists, so widening the road width will increase the safety to all road users. The Regional Land Transport Programme 2009-12 ranked this project as the highest priority local road project in the region. However, the project was only given a funding priority of "Possible" in the National Land Transport Programme 2009-12, which means that it did not warrant Government funding during this period.

With the extended closure of the Manawatu Gorge, NZ Transport Agency have agreed to consider an upgrade of the alternative routes; Saddle Road and the Pahiatua Track. The Saddle Road appears to be the favoured route by NZ Transport Agency, however, recent statements indicate that both routes could be upgraded. Council needs to support these alternative routes and budget for the upgrade projects. The full cost of upgrades would be funded from NZ Transport Agency. If Saddle Road only is upgraded it is likely that NZ Transport Agency funding for the Pahiatua Track upgrade will not be approved in the next 10 years.

The Council accepts that with the current national funding situation there will not be any NZ Transport Agency funding for Pahiatua Track upgrade for at least five years (unless upgraded as part of the Gorge SH3 alternative routes).

In the Long Term Plan Council has included:

1. Manawatu Gorge Alternative Route – \$4.5 million in 2013/14 and 2014/15 for Saddle Road and/or Pahiatua Track, which is 100% funded by NZ Transport Agency but managed by Council.
2. Pahiatua Track Upgrade – \$1.5 million in 2018/19 and \$1.5 million in 2019/20. Council share of this total project cost is \$930,000. The outcome of the NZ Transport Agency upgrade decisions will not be known before this Long Term Plan is finalised.

2. Earthquake Prone Buildings Impacts

The impacts of the earthquakes in Canterbury are being felt across New Zealand. Council is considering a process to identify all earthquake prone buildings as defined by the Building Act 2004. The objective is to ensure public safety in commercial and public buildings in the district. Residential buildings, except those with two or more

stories containing three or more units, are exempt from the earthquake prone building requirements.

Council has carried out an initial visual assessment in 2011/12 of the buildings most likely (based on criteria including age and materials) to be earthquake prone. Council will fund the initial structural assessment of those buildings deemed to be at risk (around 130). Council is budgeting \$56,000 a year for two years to carry out this work.

Council has also budgeted \$250,000 each in years 2013/14 and 2014/15 to upgrade Council owned buildings to meet acceptable earthquake standards.

The list of earthquake prone buildings will be made public as they are finalised. Building owners will then have a reasonable period of time seek professional advice of this assessment, discuss the results with Council to develop a mutually acceptable solution for dealing with the danger.

Building owners will have 5 to 10 years (depending on the type of building use) to either bring the structural rating of their building up to 67% of the current building code, or demolish it. Council's earthquake-prone policy under the Building Act 2004 takes a proactive approach while reflecting the Council's determination to reduce earthquake risk over time in a way that is acceptable in social and economic terms to its ratepayers.

This will be a major issue for the Council, private building owners and the community as it is likely that many buildings will be affected, some of them heritage buildings. Often it is cheaper to demolish and rebuild rather than upgrade, and cost will need to be considered against heritage values for some buildings.

Council will consider the costs and options for the small number of earthquake prone buildings it owns once the assessments are completed. Council will consult with the community if retaining the buildings by strengthening them is not a viable option prior to taking any action.

Council has already been through this type of process before. With public interest heightened after two major earthquakes in 1990, Council started identifying earthquake-prone buildings in the district, as defined by the 1991 Building Act. A report identified around 200 buildings for further investigation, after which building owners were invited to have their buildings assessed by a suitably qualified person. A number of owners did so, with some finding the buildings met the 1991 requirements and a limited amount of improvements were made to others. Since that study, some of these buildings have been demolished. The result is that there are less earthquake prone buildings to deal with during the current process.

3. Swimming Pools Replacement

The Eketahuna and Pahiatua public pools are nearing the end of their operational lives and need replacing. These basic outdoor pools were built through community fundraising over 100 years ago and have been relined a number of times.

If the pools are to be replaced, a community partnership and fundraising will be required as these levels of funding are not sufficient to build new facilities. Council has already made initial contact with Bush Multisports in Pahiatua as a pool as part of the existing recreation complex may be a viable option in the future if land and external funding is available.

In recognition that the pools in question are likely to be an asset valued by the local community, Council has budgeted \$500,000 each for Pahiatua (2016/17) and Eketahuna (2017/18) as funding assistance .

4. Windfarm Consents

The Tararua district has a valuable wind resource that is viewed by the wind energy industry as among the best in the World. Currently the district is the New Zealand centre for wind farms with around half of the national wind generation capacity. With three large wind generation projects at the planning and consent stage the district is set to increase this role.

Resource consent processes will consider the balance of community benefits against residents' views on environmental, social and cultural impacts. Council and the Ratepayers are likely to incur significant legal costs in defending commissioners' decisions if they are appealed. Council will also need to ensure it has the capability to monitor any consent conditions, as well as plan for dealing with the impact on the roading network of these very large developments. If the projects proceed the employment created may change the population assumptions of small towns such as Eketahuna and Pongaroa. It may create good business opportunities both for the construction and ongoing support of the plant.

Regardless of the outcome Council sees some opportunities to build on the wind resource through economic development initiatives such as a wind farm training and visitor centre. This initiative is being scoped this year with funding approved by Meridian, and in partnership with Vision Manawatu, UCOL and the New Zealand Wind Energy Association. Council has included in 2014/15 and 2015/16 of the Long Term Plan \$25,000 each for windfarm capital projects to help promote windfarm developments in the district.

5. Reserve Management Plans

Council is required under the Reserves Act 1977 to prepare a reserve management plan for every recreation reserve, plus a number of other types of reserve. Council has over 60 separate properties designated as recreation reserves, 23 of which are Domain Boards. Council does not need a separate reserve management plan for each reserve. The Act provides that many of the smaller reserves and Domain Reserves can be included in a single document with shared objectives and rules.

Council recognised the need to develop these plans in the 2009 Community Plan by budgeting \$60,000 over three years to prepare reserve management plans for the major reserves. Council completed the Dannevirke Domain Reserve Management Plan in 2010. The need for an overall Reserve Strategy has been identified and will be prepared this year. Preliminary work identifying all reserve land managed and/or owned by the Council and its basic history has been undertaken. The issues include:

- the amount of reserve land required by each township and locality in the district;
- identifying future needs;
- the management needs of scenic reserves and scientific reserves;
- identifying reserve land that may not be required.

Council will continue and expand the Reserve Management Plan process and speed up meeting the requirements of the Reserves Act 1977. A Reserves Strategy is currently being prepared for completion in 2012/13. Funding of \$25,000 has been included in the 2012/13 year to complete the Bush Multisport centre Reserve Management Plan, Akitio and Herbertville Beach Reserve Management Plan, and the Domain Reserves Reserve Management Plan.

An additional budget of \$20,000 has been included in 2013/14 to complete a Reserve Management Plan for all smaller reserves district wide, and \$20,000 in 2014/15 to complete Reserve Management Plans on any remaining reserves and resolve any outstanding issues.

Reserve Management Plans have a recommended life of at least 10 years.

6. Economic Development

For this Long Term Plan, Council has put more focus on economic development and promotion to drive an increase in wealth for existing residents, and to increase the long-term population to improve the viability of the district.

As part of the Vision, Council is focusing more resources on attracting more people to enjoy our fantastic lifestyle. Maintaining and then gradually growing our population is a key outcome if services are to remain affordable.

More expenditure in economic development and district marketing is included in the Long Term Plan, along with improving our walkways and recreational planning.

7. Council Subsidiaries and Group Structure

Council has indicated its interest to exit from having large forestry operations. Refer to "Major decisions facing the Council – Key Issues for the District" section of this Plan.

Once Council has made decisions on ownership of forestry operations and subsequently the company, Tararua Forest Limited, a review of the company structures will be done.

Council will consult on any changes to the company structures namely TDC Holdings Limited and Tararua Forests Limited in the 2013/14 Annual Plan.



Major Decisions Facing the Council

Key Issues for the District

Council has identified the key challenges and issues that will have significant impact on:

- the levels of service Council delivers;
- the level of Council rates; and
- how it manages its resources and infrastructure.

We have set out these challenges and issues, and Council's response to them in the following section. These issues had a number of options for the Council and the community around levels of service, timing and funding sources. Council had focused on these topics as they reflect the major changes in Council activities and/or budgets over the next 10 years. They include major capital developments, legislative change impacts and the environment under which Council will operate. In addition, issues that have a major political impact or are likely to be considered significant by the majority of ratepayers also are included, even if the budget impact is relatively minor.

1. **Roading Funding and Levels of Service Reduction**

Council is reliant on external grant funding from central government for road maintenance and capital development projects. Over the last two years the Council has seen a decline in the availability of this funding. The NZ Transport Agency (NZTA) has advised Council that the level of maintenance grant funding (called the Funding Allocation Rate, or FAR) to Tararua for the years 2012 to 2014 will be reduced from 60% to 59%. NZ Transport Agency has also stated that no funding will be available for seal extension work in the next three years.

The 1% reduction has meant an average reduction of \$106,000 in roading grant funding for each of the first three years of the Long Term Plan. We are assuming that the Funding Allocation Rate will remain at the 59% level for the remaining years of the Long Term Plan. However, further major reviews of the Funding Allocation Rate, and of the underlying funding system itself, have been signalled by government to take place over the next two years. With increasing pressures on national transport funding budgets there is a risk that medium to long term funding could be reduced further. The financial impact from a future substantial reduction in the Funding Allocation Rate on rates in the district would be significant. A major review of the Roothing activity and rates affordability as part of the 2015 Long Term Plan would be required.

Council currently has a policy that modest seal extension work, based on traffic counts and safety, will take place as long as NZ Transport Agency subsidy for the work is available. Seal extension funding (at 69% of total costs) is assumed to be available again from 2015/16 and Council has budgeted \$400,000 a year for five out of the last seven years of the Long Term Plan for this work. There is a high risk that this funding will not be available in the medium term and this work would therefore be deferred.

Does Council have a Choice?

Yes, the level of service provided is a Council decision; however any reductions in maintenance will also reduce the grant funding from NZ Transport Agency.

Council's Response

In response to this reduction in NZ Transport Agency subsidies and the focus on investment in other infrastructure, Council has closely looked at the level of

maintenance carried out across the roading network. Our roading network is currently at a high standard.

Council has reduced the current level of planned maintenance of existing roads. For the period of this Long Term Plan, 10km instead of 12.5km of road rehabilitation and 90km instead of 100km of road reseals will be completed annually. This will reduce Council costs by \$224,000 a year.

Council has undertaken significant amounts of pavement renewal and rehabilitation in the last few years. Through its regular condition-monitoring programme, the Council is able to verify that the condition of the district’s roads has increased as a result. Reducing the level of expenditure, to the extent proposed, will not result in a decrease in the physical condition and safety aspects of the roads. Council does not consider it prudent to reduce the level of maintenance more than this as that would begin to impact on the average condition and safety of the roading network.

Standards will be monitored and service levels be considered again during the next Long Term Plan process.

2. Water Upgrades

Over the last few years Council has been upgrading the urban public water supplies with the aim of improving the quality (taste and pressure) and risk profile (safety and storage) of the supplies. Water supplies in Dannevirke, Pahiatua, Woodville and Eketahuna (80% funded through a government grant) have been improved in the current year. This work also makes progress towards meeting the new Drinking Water Standards set in place by government through the Health (Drinking Water) Amendment Act (2008). The Standards provide for drinking-water safety by specifying the maximum amounts of substances or organisms or contaminants or residues that may be present in drinking-water. While there is nothing wrong with the water that is being delivered to residents currently, the new standards reduce possible risks by encouraging more secure sources of water and higher treatment levels than was previously the case.

The dates to comply with the new standards, which are based on the size of the community, are:

Dannevirke	2013
Woodville and Pahiatua	2014
Norsewood and Eketahuna	2015
Akitio and Pongaroa*	2016

* Compliance dates for rural agricultural drinking water supplies have yet to be finalised.

The Act requires all suppliers to take practicable steps to meet the 2005 Drinking Water Standards by the required date. Council can decide to extend the timing for these upgrades. This may result in not meeting the new standards for a few years. To do this Council would be required to have a Public Health Risk Management Plan that outlines how and when each supply will meet the standard. In delaying compliance, communities need to be aware of the ongoing health risk involved and the pressure that will be applied by the Ministry of Health and the media through poor water ratings.

Council has planned further water scheme upgrades focused on:

- a) increasing storage in the larger towns to better meet water demand during dry spells, fire fighting and other large scale emergencies; and
- b) providing more secure supplies where possible and higher levels of water treatment.

Providing more secure supplies (such as deep bores) and secure storage facilities can reduce treatment and monitoring costs. By ensuring that the capacity of these supplies is increased to meet both normal and emergency demand, and by supplementing existing treatment facilities, the new standards can be met without large increases in operating costs.

Does Council have a Choice?

Partly for treatment but only on timing and the way standards are met. Covering the Dannevirke water storage pond is discretionary but not proceeding will result in higher operational costs to meet risk standards.

Council's Response

Carry out the seven projects identified to improve the quality and risk profile of the district water supplies at a total cost of \$2.66 million. These projects are loan funded.

Project description	Benefits	Total Cost	Year
Project 1: Dannevirke water storage cover	To increase security of supply and water quality, with a subsequent reduction in water treatment required	\$700,000	2012/13



Project description	Benefits	Total Cost	Year
Project 2: UV treatment of the impounded Dannevirke supply	To eliminate spirozoa and achieve improved water grading	\$500,000	2012/13
Project 3: Pahiatua storage, second bore & pump station	To improve security of supply	\$950,000	2012/13
Project 4: Eketahuna additional storage (24 hours)	To improve ability to meet demand	\$75,000	2013/14
Project 5: Pongaroa chlorinator, filtration, Telemetry	To improve water quality, reduce water loss and treatment cost	\$155,000	2016 to 2018
Project 6: Akitio – water treatment		\$150,000	2015/16
Project 7: Leak detection work	To reduce water loss and treatment cost	\$125,000	\$25,000 a year from 2012/13 to 2016/17

These projects also ensure the district's water supplies complies with the drinking water standards and over the ten years of the plan reduces the treatment and monitoring cost.

3. Wastewater Upgrades

Considerable work and investment has taken place on the wastewater treatment plants over the last six years. The plants were originally built to appropriate standards of their day, but these standards have recently been increased, particularly with respect to the quality of treated effluent discharged into natural waterways. Legislation and resource consent renewal requirements have resulted in higher minimum standards that are forcing further upgrades to the treatment of treated waste. This reflects a public view that is less tolerant of pollution in waterways.

Council has a number of resource consents with Horizons Regional Council (Horizons) with regards to wastewater activities. These consents mainly relate to controlling of pollutants and discharges affecting the environment and waterways.

The Dannevirke discharge is currently the single largest contributor of phosphorus to the upper Manawatu River at low flows and Council is not currently able to comply

with the current consent conditions for this facility. Problems with meeting discharge conditions also exist in Pahiatua, Woodville, Norsewood and Ormondville. An upgrade to the wastewater treatment process to meet higher resource consent requirements is planned for Pahiatua. The results from the Eketahuna pilot plant currently being tested will be used to inform the design solution for Pahiatua.

Council, with Horizons input, is investigating a move to land based discharges during low river flow periods (generally summer). This will significantly reduce the treatment costs required to meet discharge consents during low flow periods, and make a contribution to meeting the River Accord actions. Additionally the land based discharge will improve the productivity of the land involved over summer. In order to move to land disposal, investigations are required into the soil quality of available land. The type of soils near some of the treatment plants are generally not ideal for discharge given the high clay content and high water table.

While Council has a number of timing and design options for these projects there is little choice in the need for further investment. The quality of the treated discharges has to meet existing consent conditions and consent renewals will have to meet the higher standards of the new Horizons One Plan.

In 2011, Council identified that one of its three oxidation ponds in Dannevirke is seeping effluent into the Manawatu River. Council has a duty to stop this leakage to protect the river water quality, and to comply with current consent conditions in regards to discharge of effluent. Council is working closely with Horizons to rectify this issue.

Council will line all three ponds over the first three years of the Long Term Plan. Council has estimated that the total cost to line the three ponds is \$3.75 million over a three year period (years 2012 to 2014). Council in working with Horizons and other council signatories to the River Accord has secured a \$2.1 million subsidy from the Ministry for the Environment fund. Once scope of works is determined, an agreement will be entered into with the Ministry for the Environment. Council is only able to line one pond each year as it needs the other ponds available to treat effluent. Council will line the leaking pond first and has the option of leaving the other two ponds if the subsequent monitoring results show a reduction in pollutants in the surrounding water ways. This would require the support of Horizons Regional Council and iwi, and an acceptance of the risk of the other unlined ponds leaking in the future.

Does Council have a Choice?

No. The upgrades must take place within the Long Term Plan timelines. Consent conditions must be met otherwise Council could be taken to court by Horizons under the Resource Management Act. However, Council has some choice around the way standards are met.

Council's Response

Carry out the eight projects identified to ensure Council's complies with it's resource consent requirements by improving quality of discharges and reduce treatment cost.

The total cost of these projects over the 10 years of the plan are \$7.56 million with \$2.1 million of subsidy available from central government. Council share is loan funded.

The following is a summary of Wastewater project upgrades:

Project Description	Total Cost	Government Subsidy	Year
Project 1: Dannevirke oxidation ponds – lining 3 settling ponds	\$4 million	25%	2012/13 to 2014/15
Project 2: Dannevirke land based discharge at aerodrome in low flow	\$450,000	25%	2012/13 and 2013/14
Project 3: Pahiatua treatment upgrade and land based discharge in low flow	\$1.10 million with \$25,000 in 2012/13 for investigating land disposal	50%	2013/14
Project 4: Pongaroa treatment plant upgrade	\$95,000	Nil	2012/13
Project 5: Woodville Pond relining and treatment upgrade and land based discharge in low flow	\$850,000	50%	2012/13
Project 6: Eketahuna treatment upgrade	\$759,000	Nil	2012/13
Project 7: Norsewood land based discharge in low flow	\$130,000	Nil	2013 to 2015

Project Description	Total Cost	Government Subsidy	Year
Project 8: Ormondville land based discharge in low flow	\$150,000	Nil	2014/15

4. Solid Waste and Recycling

Council has adopted a new Waste Management and Minimisation Plan that aims to reduce the volumes of material being disposed to landfill by 20% by 2017. Council is reviewing a number of current services to reduce operational costs while encouraging recycling. Options for the future include the provision of kerbside recycling bins, kerbside glass collection, and enhancing service levels at small urban areas.

The new Dannevirke transfer station is now operational. The "red bin" bulk recycling contract finished in February and bulk bins in Dannevirke have been relocated to the transfer station with considerable savings to the community. A recycling station in Pahiatua has been opened and Council is also providing solid waste services and budgeted \$100,000 capital expenditure to build a suitable facility for this purpose.

The Emissions Trading Scheme monitoring requirements for the Pongaroa and Eketahuna landfills will result in modest additional costs (\$2,000 a year each) to operate these two small landfills. This is due to the very small tonnages being disposed to the landfills. There are no Emissions Trading Scheme requirements for the closed landfills. These increased costs do not at this stage impact on the future of these two landfills. Council capital projects are limited to the capping of the Pahiatua landfill (2012/13), Pahiatua transfer station (2012/13), and allowing for the capping of the Pongaroa and Eketahuna landfills (once their resource consents have expired – Council has made no decision to close the landfills at this stage). The purchase of additional bulk bins (\$43,200) in 2012/13 is part of the recycling service put in place after the end of the Cairns red bin contract.

Does Council have a Choice?

Yes, except for capping of landfills (required under resource consents). Facilities and services are a Council decision funded through user charges and rates. Legislation and resource consents do control the minimum standards of facilities, the costs of disposal and the use of closed landfills.



Council's Response

Council's preferred option for solid waste management activity are:

- Continue with its policy of moving towards a 100% user pays funding basis for the provision of solid waste services and to increase refuse labels by 20 cents.
- Levying new targeted rates for recycling and part of refuse disposal.
 - A uniform rate set at 60% for urban properties and 20% for rural properties of recycling and the public benefit costs of refuse disposal. These charges will cover 80% of the costs of providing these services.
- As the Dannevirke Transfer Station starts operation, look to consolidate some of the existing solid waste collection site.
- Continue with kerbside refuse collection service as Council does not consider exiting the provision of kerbside refuse collection to be a viable option due to the increased cost to the community from the resulting illegal dumping.
- Continue to provide recycling services as reducing levels of service is not considered a realistic option given current market conditions, government legislation and Council policy.
- Provide transfer station services at Pahiatua by including in the Plan \$100,000 capital expenditure to build a suitable facility for this purpose.

5. Consolidation of Service Facilities

Council has a number of service centres, information centres and libraries in Woodville, Pahiatua, Eketahuna and Dannevirke. In Eketahuna the service centre and library now operate out of the same building. Council considers that service can be improved and costs can be saved by looking at this model in other towns.

Council proposed to move to single delivery centres in Pahiatua, Eketahuna and Woodville. For Dannevirke, Council proposed to move the information centre into the library and use Council library staff and volunteers to operate.

A cost saving of \$62,000 had been budgeted in the Draft Long Term Plan. This reflected a reduction in grant funding for the information centres.

Council sought feedback from residents in Dannevirke, Woodville and Pahiatua on this proposed change in service delivery.

Does Council have a Choice?

Yes. The Council decides on these levels of service.

Council's Response

After reviewing the submissions, results of email survey by Public Voice, and listening to ratepayers, Council decided to retain status quo in regards to most service facilities. Only the Woodville service centre and library will be consolidated. Funding for Dannevirke Information Centre will be reduce by \$1,500 each year until Year 3 of the Long Term Plan and the grant funding for the other towns were reinstated.

6. Industrial Commercial Sector Rating Base

Council has introduced a new rate targeted on the industrial commercial sector. This new rate will fund part of the District Promotion and Development, Emergency Management, and Footpaths activities. Council considers that the industrial commercial sector gains specific benefits from these activities. This rate will be based on capital value. Capital value has been assessed as the most appropriate value base to match the level of benefits received. This new rate would replace the existing industrial commercial loading. The existing general rate on land value will continue.

The rationale is to improve transparency, to widen the rating base to include utility and power generators, and to target those with higher improvement value. Those with higher improvement values are more likely to benefit from the services being provided and have the business turnover to afford the rates.

Does Council have a Choice?

Yes as long as the rating system complies with the Local Government (Rating) Act 2002.

Council's Response

Introduce a new targeted rate based on capital value for the industrial commercial sector.

- Rates will be differentiated between urban and rural industrial/commercial properties.

- Both urban and rural industrial/commercial properties will receive the targeted capital value rate for 60% of the economic development cost (based on the proportion of capital value in the rural and urban parts of the industrial/commercial sector.
- Urban industrial/commercial properties will also be charged 14% of the costs of footpaths.
- Rural industrial/commercial properties will also be charged 1% of the cost of rural fire protection.

7. Housing Upgrades

Council owns and manages 80 housing units targeted for older people with limited incomes. Tenant rentals cover the ongoing cost of the provision of these units.

The Hovding Court units are now very dated in design and are no longer fit to meet the needs of elderly tenants. Issues include layout and design which limit mobility and do not provide enough space for appliances, lack of showers, bathrooms and kitchens with outdated fittings, poor heating and steps that restrict disability access.

Upgrading these units is expensive and they will still have design limitations. There is also not enough funds in the housing reserves to replace the 13 Hovding Court units.

Does Council have a Choice?

Yes, Council has discretion and could choose to do nothing, or start a process to sell the units. A process set out in the Local Government Act 2002 controls selling any units.

Council's Response

Council, through the Long Term Plan, will sell all 13 units in Hovding Court and build 12 purpose-built one-bedroom units on the George Street Gravel Reserve in Dannevirke, based on Horowhenua District Council's recently designed housing units.

This Reserve is Council owned and largely not used. It is 6,000m² and less than half would be required leaving the existing BMX track unaffected.

This site is also close to other units for the elderly and to town. It is a quiet area and has space with three street frontages to design efficient driveways.

Council prefers that the units at Hovding Court be offered for sale through listing with an agent or agents, and inviting offers or an auction. The sale would be advertised once the new site had been confirmed and any zoning issues completed.

The sale proceeds together with funds in the Housing reserves will be used to fund this new development with no rates impact.

Once sold and the new units are built, additional rates income will be generated for the Council from the Hovding Court property. Currently the rates on the reserve on George Street are minimal and are paid by Council.

8. Forestry Operations

Council has indicated its interest to exit from having large forestry operations. Exceptions are where forests are required for hillside stabilisation and water quality issues. Consequently, Tararua Forests is considering exit/sale strategies to realise their investments.

The Long Term Plan does not include any proceeds from the sale of these assets. Any sale proceeds would be used to reduce Council debt.

Council's Response

To exit forestry operation or explore a viable joint venture partnership.

9. Akitio Seawall

The Akitio community has requested that Council should facilitate the building of a seawall at Akitio to protect the township and access road from erosion and inundation during a storm surge. A recent report provided from Horizons has assessed the 100 year storm event sea surge as inundating many of the current houses in the township. Council has been asked to obtain and own a resource consent required to build and maintain a seawall.

Council has balanced this request and the significant cost against the considerable risks involved:

- There is no certainty that a resource consent would be approved.
- Large storm surges can cause significant damage to seawalls.
- Climate change is expected to increase sea levels reducing the effectiveness of a seawall over time.

- The seawall will only reduce soil erosion but not stop it.
- The Marine and Coastal Area (Tautai Moana) Act 2011 and the New Zealand Coastal Policy Statement 2010 does not support this type of work being undertaken unless it is to protect existing structures of national or regional importance.

Does Council have a Choice?

Yes, this is a Council decision. Council has a duty to act on behalf of its communities, but Council must consider the viability of any project before committing all the ratepayers of the district to borrowing money.

Council's Response

Council has not budgeted for funding a seawall at Akitio nor resolved to hold a resource consent. This could change if the Akitio community offered to fund a substantial proportion of the seawall cost and ongoing maintenance with the district ratepayers funding the balance.

Does Council have a Choice?

Yes, this is a Council decision. These upgrades reflect the strategic direction of Council to increase population and support businesses.

Council's Response

Council will carry out the upgrade as follows:

Project	Total Cost	Year
Woodville upgrade Phase 2 – Ormond Street	\$185,000	2012/13
Eketahuna town centre upgrade	\$430,000	2014/15 (planning) 2015/16 (upgrade)
Pahiatua town centre upgrade	\$2,200,000	2016/17 (planning) 2018 to 2020 (upgrade)

10. Mainstreet Upgrades – Eketahuna, Pahiatua and Woodville

Council has begun a series of mainstreet upgrade projects in the four main townships. Dannevirke has been completed and Woodville is now underway. It is intended to upgrade, Eketahuna and Pahiatua in the future. The projects involve working closely with local businesses and the local community board/committee. Local input has a major impact on design, layout, furniture and plantings, as long as the overall budget is met. NZ Transport Agency is also involved as the owner of the state highway road(s) passing through the towns.

The upgrades have three main objectives. The first is to provide an attractive town centre environment for residents that increases local pride. Secondly to increase local business by attracting out of town travellers to stop and shop. Thirdly to upgrade infrastructure (water, stormwater, wastewater, communications) where required while the road and footpath are being dug up.

Financial Strategy

1. The Financial Strategy

Council's financial strategy is aimed at responding to the needs of today's community in an affordable and prudent way, while funding long term projects so that future generations pay their share.

The key parts of the strategy to achieve this are:

- Sufficient savings and flexibility to renew assets and respond to currently known funding needs.
- Low debt to limit interest cost, allow flexibility for future generations and the ability to respond to natural disasters.
- Rates affordability by spreading the cost of large projects over 20 years.
- To make the Long Term Plan easy to understand – to make the overall effects of the proposals more transparent and easy to understand for community consultation.

2. Prudent Financial Management

Council will be guided by the following principles in achieving its Financial Strategy:

Financial Resources

Council must have the financial resources to provide services to the standard agreed without compromising the needs of future ratepayers and customers.

Cost Control

Outputs and processes must be cost effective and every effort made to contain costs in real terms.

Affordability

The cost of services will broadly reflect the capacity of people to pay.

Risk Aversion

Council will assess and minimise business and financial risks.

Financial Sustainability

Council will manage its finances to ensure its self-sufficiency, long-term financial viability and resilience.

The applications of these principles are explained in more detail in the following sections of the Financial Strategy.

3. Key challenges

Identified challenges are:

- Gaps between what is expected and what is affordable;
- Increasing standards & consent compliance for infrastructure set by central and regional government;

- Operating costs growing and impacting on rates faster than some can afford; and
- Low economic and income growth.

4. Affordability

4.1 Factors

- The need for services for customer and legislative requirements and funding sources.
- Increasing levels of service: these developments results in rate increases above general inflation.
- Infrastructure upgrade costs borne by urban residents only.
- Must balance function (the purpose of providing the service), longevity of assets and affordability.
- There are likely to be ups and downs in reaction to commodity prices and the climate/weather.

4.2 Options

- Actively seeking outside support and external grants or subsidies.
- Consolidating existing Council services, where feasible, to gain efficiencies is another option.
- Reduce, where possible, levels of service in some activities and using the cost savings to increase the level of service in other activities Council has adapted to crisis by deferring projects or reducing savings for future asset replacement.
- Continue to use debt to fund capital development thereby spreading the cost to make it more affordable and reflect better the life of the asset.

5. Balanced Budget

Operating Revenues = Operating Expenditures

The 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 has considered affordability and prudence in setting rate levels.

The 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.

There are a number of circumstances where it may be appropriate not to balance the budget:

- When some existing assets will not be replaced:
 - When we wish to reduce services that have lost some of their relevance.
 - When we wish to deliver services differently.
- When more funds are required to meet the desired or current level of service.
- When the integrity of and service capacity of assets need to be maintained.

Conversely, significant surpluses could indicate the current generation is paying too much.

In addition to ensuring Council meets the balanced budget requirement, it has to consider the resulting financial position for future years. In particular, that it has maintained the level of borrowings and investments at a sustainable level to leave capacity for future generations.

Council has resolved to balance its budget in the 10 years of the Plan.

6. Rates

In ensuring rates affordability over the ten years of the plan, Council has decided on the following target for rates increases:

6.1 Rate Limits

BERL Local Government Cost Index Inflation Plus 2%

Throughout the life of the Long Term Plan, Council resolved to keep rates changes within the weighted average local government cost index (BERL Local Government Cost Index) in any one year PLUS two percent for new or existing assets (development, growth or renewals).

This means if Local Government Cost Index (LGCI) inflation is forecast in a year at 3.5% then the permitted cap for rates increase is 5.5%. That does not mean it needs to be the maximum, nor that Council or the public will accept the maximum 5.5%.

Rate increases are subject to the underlying Long Term Plan assumptions.

BERL inflation forecasts for Local Government are significantly greater than the forecast Consumer Price Index over the next 10 years. A simple way to understand this is that there is a strong link between council costs and fuel (oil and energy) prices. Council is an energy hungry and resource intense business. Construction vehicles and plant use diesel, petrol or power. Bitumen is used on roads, plastic pipes for water services are made from oil. The manufacturing process for concrete is high in energy. Oil costs are forecast to increase because increasing demand is exceeding the available new sources of oil.

So what is the difference between the Consumer Price Index and the LGCI.

The Consumer Price Index, or CPI, is a measure of the change of the price of household goods and services such as the cost of housing, food and the like.

LGCI is the change of the costs faced by local government for purchasing its goods and services, such as asphalt for roads or goods for water treatment plants and the like.

Council uses the LGCI as a measure of the change, hence focusing on the CPI can be misleading as Council costs are driven by the cost of construction materials rather than household consumables.

To find out more about the LGCI, visit www.lgnz.co.nz

6.2 Rates Increases

Total rates over the last five years (2007 to 2012) have been steadily increasing at an average of 4.2% each year, or a cumulative increase of 21%. For the years 2009/10 to 2011/12 the average rate increase has been 4.69%. Council has always sought subsidies

where available for operational and capital expenditure in an attempt to keep rate requirements to a minimum.

Reasons for rates increase over the past years have been mainly due to:

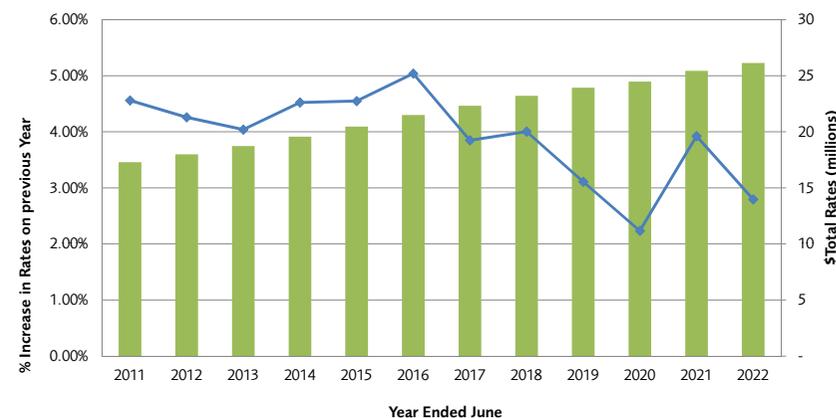
- external cost increases such as fuel, energy and construction
- lower subsidies received
- introduction of funding depreciation for long life assets e.g. depreciation funding for bridges
- higher community expectations of council services and activities
- lower tolerance of the adverse impacts on the environment from Council activities e.g. sewerage treatment and discharges
- increasing requirements for legislative compliance.

6.3 Rate Forecasts

The budgeted rates revenue for 2011/12 was \$18 million and was a 4.26% increase from 2010/11. Council is aware that rates affordability is an issue for many ratepayers. Compared to the 2009 Community Plan, rate increases in the Long Term Plan have been reduced while still delivering major water and wastewater upgrades.

Chart 2

Rates Requirement for Long Term Plan



Rate increases over the 10 years of the plan are on average 3.81%, with the first three years being: Year 1: 4.04%; Year 2: 4.52%; Year 3: 4.55%. This is significantly lower than the policy maximum of 5.5% (the average Local Government Cost Index increase is 3.52%).

The following tables shows the rates increases for the 2012-22 Long Term Plan compared with the 2009-19 Community Plan.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2009-19 Community Plan	6.88%	6.48%	7.63%	4.04%	4.62%	1.51%	3.09%	3.15%	1.38%	-	-	-
Actual	4.56%	4.26%	-	-	-	-	-	-	-	-	-	-
2012-22 Long Term Plan	-	-	4.04%	4.52%	4.55%	5.04%	3.85%	4.00%	3.11%	2.23%	3.92%	2.80%
Local Government Cost Index	3.79%	3.79%	3.79%	3.46%	3.17%	3.27%	3.42%	3.26%	3.38%	3.69%	3.89%	3.90%

Total cumulative increase in rates over the ten years of the plan is 38% compared to 44% in the 2009-19 Community Plan. These increases exclude any significant increases in agreed levels of service.

Rates movements for the ten years have been affected by:

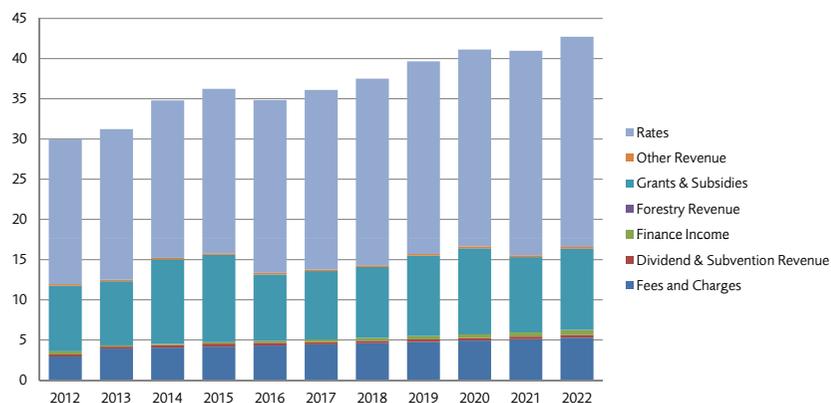
- significant capital projects – programmes in the Water and Waste Water activities to upgrade Council's infrastructure;
- price increases – cost adjustors (inflation) that have been applied to the estimates within the 10 Year Plan;
- depreciation and interest payments – the increased capital expenditure programme will mean that there will be a corresponding increase in depreciation. Given there is a need to raise a larger amount of funding than usual, this will be reflected in higher interest rates required to be met through rates;
- smoothing rates – level of depreciation funding have been adjusted to smooth rates increases over the ten years of the plan. Refer to the paragraph on 'Capital Expenditure and Depreciation Funding' on page 40.

7. Funding and Operating Revenue

Council's operating revenue will increase 28% from 2012/13 to 2021/22. In total dollars, operating revenue will rise from \$31.2 million in 2012/13 to \$42.6 million in 2021/22. Chart 3 below shows the sources of operating revenue throughout the 10-year plan.

Chart 3

Funding Sources for Long Term Plan



In Year 2 and 3 of the Long Term Plan, operating revenue is significantly higher due to the \$4.5 million NZ Transport Agency subsidy for the Manawatu Gorge alternate route projects. These projects are 100% funded by NZ Transport Agency.

The funding sources for Year 1 of the Long Term Plan are shown in the following charts. Rates are 60% of operating revenue with subsidy and fees and charges being 25% and 12% respectively.

Roading activity contributes 49% of the revenue with Community and Recreation Facilities contributing 15%, and Wastewater 10%.

Chart 4

Year 1 of the Long Term Plan

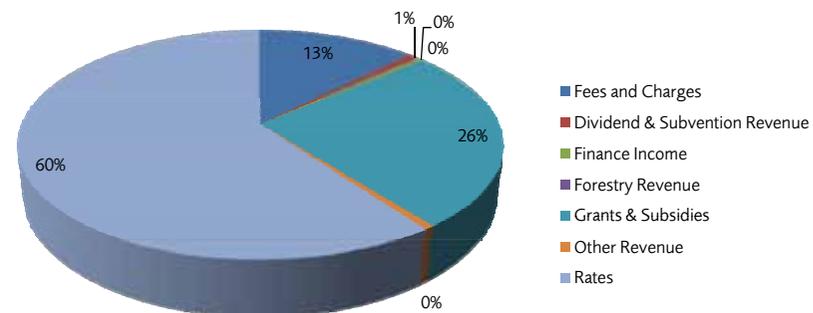
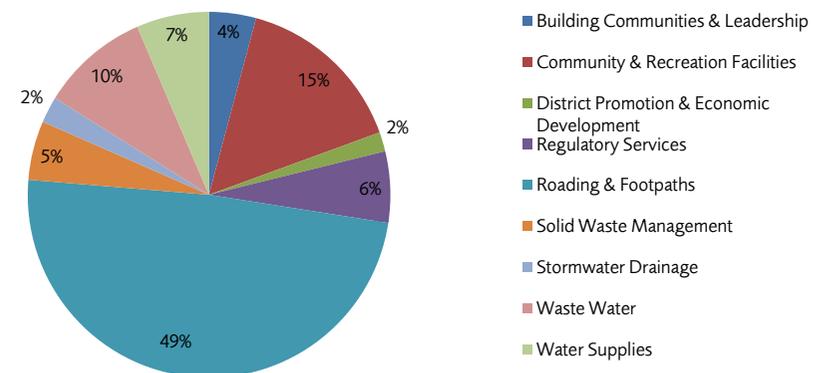


Chart 5

Revenue by Group of Activities in Year 1





8. Operating Expenditure

Chart 6 shows the operating expenditure from the Long Term Plan. In the first four years of the plan, operating cost increases are higher than the average LGCI by 0.2% a year. This is due to interest costs and depreciation from capital expenditure for Water and Waste Water projects. These projects are for an increased level of service.

Chart 6

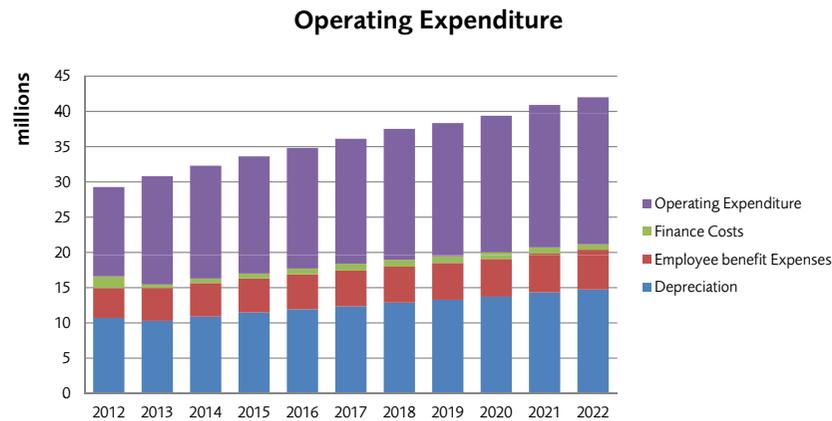


Chart 7

Operating Expenditure by Groups of Activities in Year 1

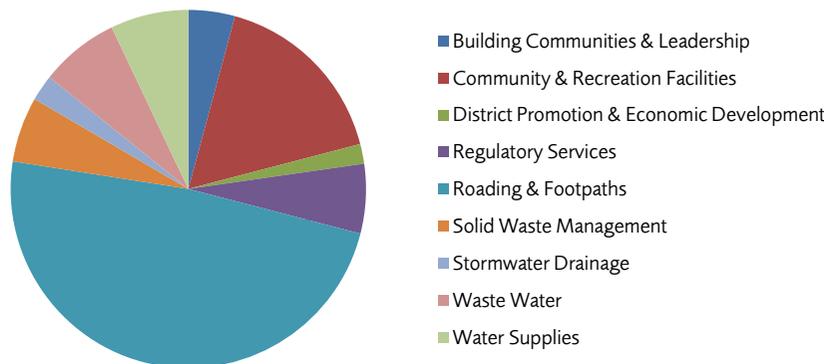
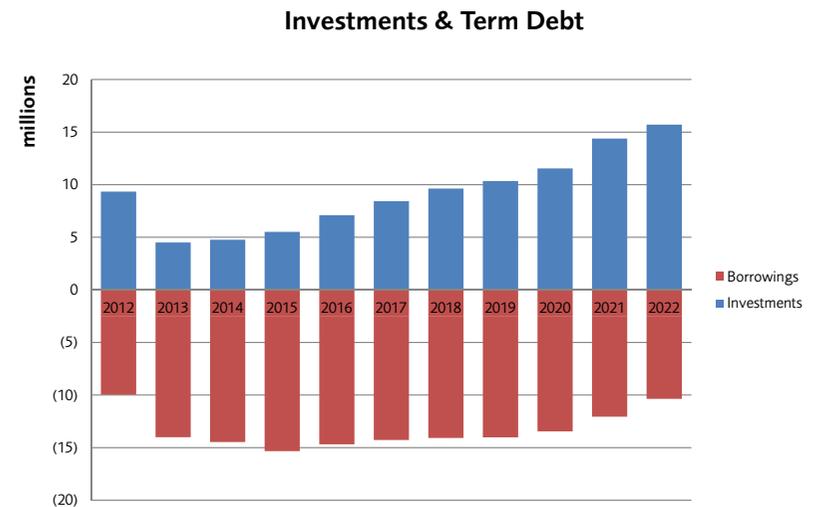


Chart 7 shows operating expenditure by group of activities. Roading and Footpaths contributes 49% and Community and Recreation Facilities 17%, and these two groups of activities make up 66% of the Council's total operating expenditure.

9. Investment and Debt

Council term debt and investments are in line with Council's desired outcome of declining debt and modest cash investments as shown in Chart 2. Borrowing increases from \$10 million to an average \$14 million and then gradually declining to \$10.6 million in year 10. The increase in cash investments relates to the cash reserves for future asset replacement.

Chart 8



In order to fund the capital works programme in the Ten Year Plan, the amount of borrowing will peak at \$14 million in Year 3. The borrowing programme is well within the limits imposed under the Liability Management Policy.

The Council's balance sheet can prudently sustain this level of debt. However, Council does not wish to impose a high level of debt for three primary reasons:

1. The debt servicing charges will result in rates affordability issues for ratepayers;

2. To ensure borrowing facilities are available for unexpected circumstances such as a natural disaster; and
3. Leaving capacity and not overburdening for future generations

Council has several strategies in place to reduce debt and obtain low interest rates:

1. Committed Cash Advance Facilities that allows Council to draw down on loan and repay quickly without incurring any additional charges. Interest on these facilities is calculated on daily closing balances.
2. Fixing portion of term debt with forward interest rates swaps. These protects Council of higher interest rates over the course of the Long Term Plan when the OCR is expected to increase.
3. Repaying debt earlier with investment funds or depreciation funds to reduce interest cost.

Policy Ratios	Limits	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net debt as a percentage of equity	Less than 10%	2.55%	2.61%	2.65%	2.07%	1.61%	1.18%	0.91%	0.36%	-0.92%	-1.90%
Net debt as a percentage of total revenue	Less than 100%	30.64%	28.00%	27.30%	22.05%	16.38%	11.39%	8.27%	3.09%	-7.83%	-15.35%
Net interest as a percentage total revenue	Less than 15%	1.17%	1.43%	1.56%	1.70%	1.92%	1.64%	1.39%	1.21%	0.91%	0.30%
Net interest as a percentage of rates	Less than 20%	1.87%	2.45%	2.66%	2.65%	2.99%	2.55%	2.22%	1.96%	1.40%	0.47%
Liquidity	Greater than 110%	167%	171%	186%	219%	245%	271%	283%	307%	365%	384%

The table above shows a comparison of the limits in the policy compared to those within the ten year plan. The table illustrates that the Council is operating well within the guidelines contained in the Treasury Policy.

As an example, for the Council to breach the limit of net debt to total revenue in year 2015 of the plan, it would need to borrow more than \$35 million, which is over twice the amount in the ten year plan.

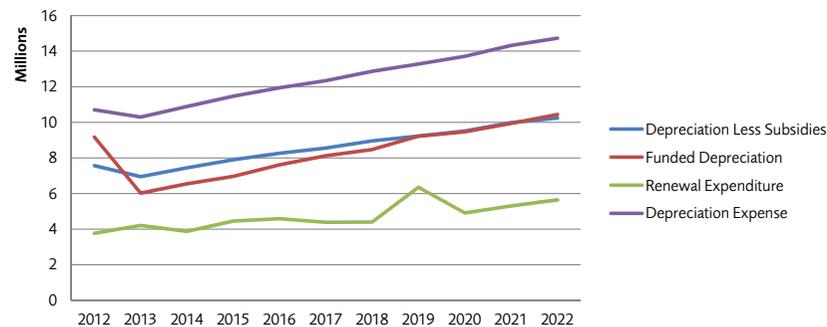


10. Capital Expenditure and Depreciation Funding

In 2012/13 the Council, under its depreciation policy, does not fund about \$1 million of depreciation for infrastructure assets. Chart 9 shows the total depreciation expense and renewals, excluding NZ Transport Agency funded depreciation and renewals, compared to the level of depreciation funding.

Chart 9

Depreciation, Renewals and Depreciation Funding



In certain instances the effect of fully funding depreciation may result in current ratepayers bearing a funding burden that is not entirely fair and equitable. Circumstances where Council has taken the approach not to fully fund depreciation are:

- NZ Transport Agency (NZTA) funding – NZ Transport Agency will fund their share of renewal costs in the year that the renewals occur. It is not necessary for Council to fund NZ Transport Agency's share.

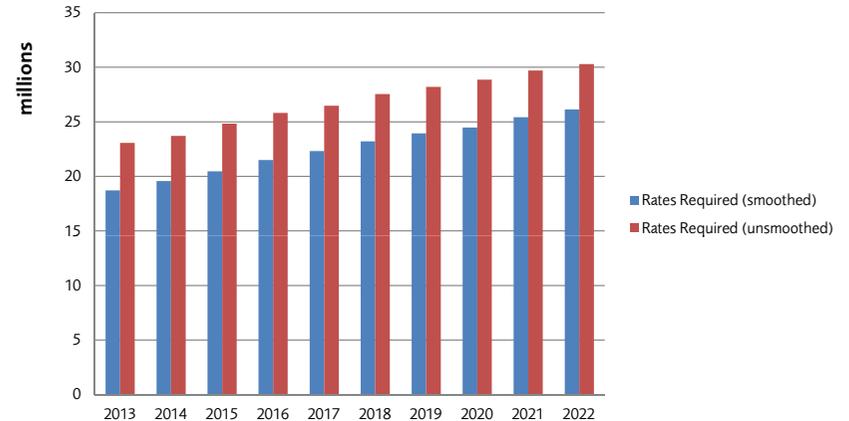
- Some low use buildings – these buildings are unlikely to be replaced and depreciation is not funded. However, Council continues to maintain these buildings.
- Internal Borrowing – Council borrows from its reserve where monies borrowed for these reserves will be reimbursed with external debt should the funds become required for unexpected renewals.

Chart 10 shows the effects of smoothing rates. The rates required bar is the rates requirement that does not take into account NZ Transport Agency portion of depreciation and depreciation of buildings that Council does not intend to replace.

Council considers rates smoothing is financially prudent and is an effective mechanism to ensure that rates movements are at a level where rate movements are contained to within acceptable limits.

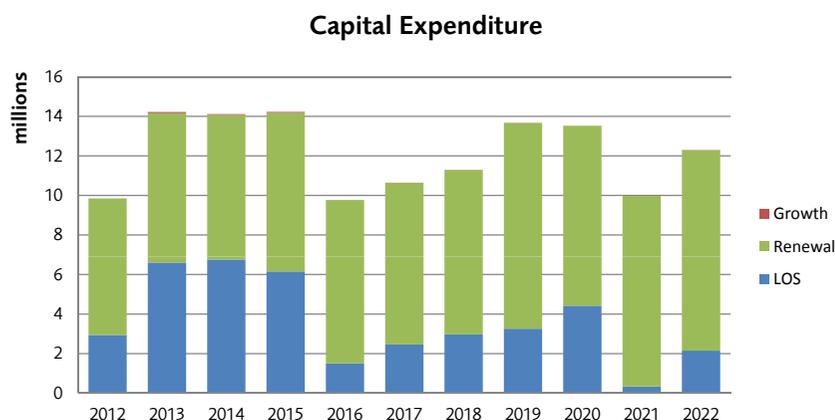
Chart 10

Impact of Smoothing on Rate Requirement



Total capital expenditure for the Long Term Plan is \$123 million, which is 7% higher than the total in the 2009-19 Community Plan. Renewals expenditure is \$87 million compared to \$37 million of new assets for increased levels of service.

Chart 11



11. Expected Changes in the District

11.1 Population Change

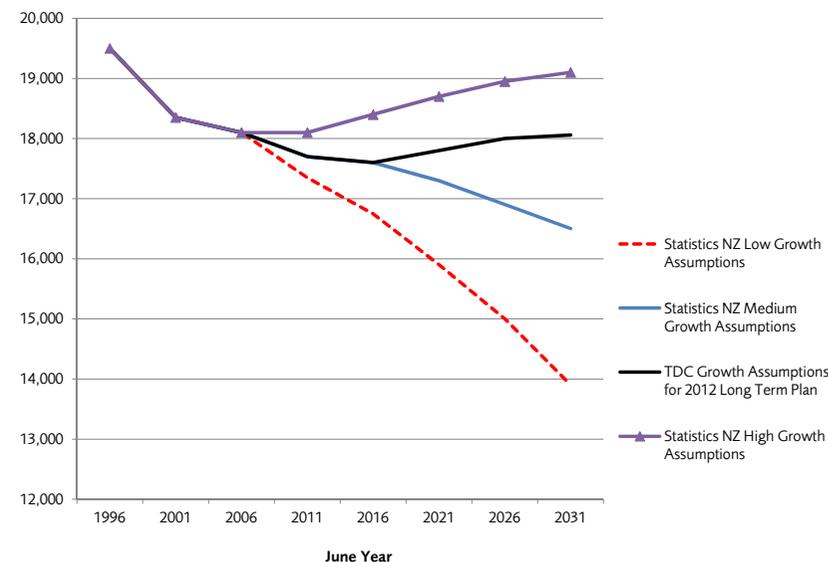
Council has projected that over the 10 years the district population will increase slightly by 1% with the total population in 2022 at 17,800 compared to 17,634 estimated in 2012.

Key Assumptions

- Medium growth scenario for 2011 to 2016, then high growth scenarios as per Statistics NZ by Area Unit (based on reducing net migration loss).
- No major new industries, but no large closures.
- Growth in local businesses.
- Steady Palmerston North City growth.
- No major growth in Central Hawkes Bay or Masterton District.
- No changes to overall New Zealand migration patterns, except for an improvement in the net migration figure for Taranua.

Chart 12

Usually Resident Population Projections – Statistics NZ and Taranua District Council 2006 base 2010 update



One of the major changes in the makeup of the forecast population is the increase in older people that will have an impact on the type of services delivered by the Council and the way to deliver these services.

11.2 Land Use Changes

Council is not anticipating any significant change to primary land use. The district will see an increase in wind farms but this does not significantly change the use of land.

There are benefits to the district arising from the significant investments in wind farm from energy companies:

- Additional revenue for farmers.
- Employment opportunities.

- Influx of workers injecting money into the district.
- Upgrades to some roads as wind farm companies are required to upkeep roads/widen roads for construction.

12. Policies Governing Financial Limits in the Strategy

Council uses external borrowing to fund the acquisition of assets. Council's Treasury Policy governs the borrowing mechanisms and current limits.

The term of borrowings is to be the lesser of the estimated useful life of the asset or twenty years. Loans principal is repaid over the life of the loan by regular principal repayments throughout the life of the loan.

12.1 Changes

The Council, within the Long Term Plan, will use the Local Government Funding Agency (LGFA) as another way of borrowing securely and to obtain competitive interest rates.

12.2 Limits for Borrowing

The borrowing limits are determined in the Treasury Policy.

In order to fund the capital works programme in the Ten Year Plan, the amount of borrowing will peak at \$15 million in Year 3. The borrowing programme is well within the limits imposed under the Liability Management Policy.

The Council's balance sheet can prudently sustain this level of debt. However, Council does not wish to impose a high level of debt for three primary reasons:

1. The debt servicing charges will result in rates affordability issues for ratepayers;
2. To ensure borrowing facilities are available for unexpected circumstances such as a natural disaster; and
3. Leaving capacity and not overburdening for future generations.

12.3 Internal Borrowing

Council uses internal borrowing as a mechanism to manage both the level of funds available and external debt. It is primarily used when external borrowing costs are higher than allowed investment returns.

This facility enables an activity to borrow from the Council treasury function as opposed to borrowing externally, with an appropriate interest rate charged.

Internal borrowing enables Council to manage its cash/investment portfolio to take advantage of the moving margins between interest rate receivable and interest rates payable.

12.4 Security for Borrowing

Council's external borrowings and interest-rate risk management instruments are secured by way of a charge over rates.

13 Investments

13.1 Council Appetite for Risk

Council is risk-averse. That is, it will not undertake transactions where the level of return or benefit is dependent on an unacceptable level of risk. The Treasury Policy expressly forbids any form of purely speculative investment.

13.1 Why Hold Investments?

Council generally holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity.

Generating a commercial return on strategic investments is considered a secondary objective. Investments and associated risks are monitored and managed, and regularly reported to Council.

13.2 Objectives for Holding & Managing Investments

Equity investments

Council maintains equity investments in TDC Holdings Limited and Civic Assurance. These investments are not held solely for investment purposes. Council's equity investments fulfil various strategic and economic benefits as well.

While Council receives a dividend and subvention payments from these investments, the benefits of holding these shares are not always solely related to the dividend. There are also potential benefits like competitive pricing support given to the community through sponsorship and involvement, responsiveness to requests and emergencies, having a local presence and providing local employment.

Council recognises that there are risks associated with holding equity investments. To minimise these risks Council, through the relevant council-committee, monitors the performance of its equity investments on a yearly basis to ensure that the stated objectives are being achieved. Council seeks professional advice regarding its equity investments when it considers this appropriate.

Council, through the Statement of Intent, determines the expected return on its investment in TDC Holdings Limited. In this Long Term Plan, Council has included a dividend of \$150,000 from TDC Holdings Limited and a subvention payment of \$100,000 from Infracon Limited (a subsidiary of TDC Holdings Limited).

Treasury Investments

Treasury investments include cash investments such as government stock, local government stock, bank bonds, debentures, and bank deposits.

These are held:

- to manage Council's cash position in a manner that maximises interest returns and minimises operational cash deficits and the associated costs;
- to maximise interest returns from surplus funds.

For these investments Council expects an average market return.

Community Loans

The main objective of providing loans to community organisations is because these organisations provide social, economic, cultural or environmental benefits to the district.

A market return is currently received from these investments.

14. Consequences of not Following the Plan

14.1 Sensitivity

The Long Term Plan is sensitive to many risks and events. There is a high degree of certainty that variations will occur. The effects are set out in the Long Term Plan section on assumptions.

Some general examples of sensitivity to change include:

- For every \$1 million of debt, rates may increase by about \$32,500 in the year the loan is drawn down and, on average, \$102,00 in the subsequent nine years.
- For every 1% more or less Roothing subsidy, rates may increase for Roothing by 1.67%.
- A \$100,000 increase in operating cost in Year 1 results in a 0.5% increase in rates.
- There is a direct correlation between the cost of plastic pipes and oil prices.

14.2 Consequences and Contingencies

The consequences of not following the plan vary across a continuum from unnoticed to catastrophic.

The contingencies include having sufficient cash reserves, access to credit, and a community able to afford unexpected events. Council has insurance and access to some Government funding for emergencies.



Independent Auditor's Report

To the readers of Tararua District Council's Long-term Plan for the ten years commencing 1 July 2012

The Auditor General is the auditor of Tararua District Council (the District Council). The Auditor General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP incorporating volume 1 dated 27 June 2012 for the ten years commencing 1 July 2012.

The Auditor General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the District Council's LTP incorporating volume 1 dated 27 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**
- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 27 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 : Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;

- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.



Independence

When reporting on the LTP we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council or any of its subsidiaries.

Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

Matters Relating to the Electronic Presentation of the Report to readers of the Long-Term Plan Statement of Proposal

This audit report relates to the Long-Term Plan of Tararua District Council for the ten years commencing 1 July 2012 included on the Council's website. Tararua District Council is responsible for the maintenance and integrity of its website. We have not been engaged to report on the integrity of Tararua District Council's website. We accept no responsibility for any changes that may have occurred to the Long-Term Plan since they were initially presented on the website.

The audit report refers only to the Long-Term Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long-Term Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long-Term Plan as well as the related audit report dated 27 June 2012 to confirm the information included in the audited Long-Term Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Statements of Activities

What the Council Does

Introduction

The Council provides a wide range of services and facilities for people living in Tararua. These services – called Activities – help to make Tararua a better, safer, healthier and more enjoyable place to live. They include things like roading and parking, civil defence, district promotion, regulatory (bylaws), parks and reserves, libraries, swimming pools and customer services.

We have nine groups of activities and 21 activities. The rest of this section of the plan explains what we are doing in each activity, and the overall cost to ratepayers. The information covers our plans for the next 10 years.

Explanation of Activity Pages

- Service level provided – indicates whether Council is considering changing the current level of service.
- Percentage paid by rates – shows the current proportion of operating expenditure for an activity that is funded by rates. The balance comes from fees and charges, grants or other sources.
- Key issues – highlights issues that may be of concern to the community.
- Contribution to Council outcomes – shows the level of contribution towards achieving the Council outcomes.

Group of Activities

Building Communities & Leadership ..	49
Community and Recreation Facilities..	63
District Promotion & Economic Development	109
Regulatory Services	122
Roading and Footpaths	149
Solid Waste Management	167
Stormwater	176
Wastewater.....	182
Water Supplies	189



How the Council Outcomes Relate to Council Services

Key: Strongly Related ✓ Related ● Partially Related ◇

Groups of Activities	Council Outcomes				
	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Building Communities and Leadership	●	●	✓	✓	✓
Community and Recreation Facilities	✓	●	✓	✓	✓
District Promotion and Development	◇	✓	✓	●	✓
Regulatory Services	◇	●	✓	✓	✓
Roading and Footpaths	✓	✓	✓	◇	●
Solid Waste Management	✓	◇	●	✓	●
Stormwater	✓			◇	✓
Wastewater	✓	●		✓	✓
Water Supplies	✓	●	●	✓	●

Building Communities and Leadership

Activities in this Group

Community Support

AIM To support communities to support themselves.

Representation

AIM To enable democratic local decision-making on behalf of the community to promote the wellbeing of the Tararua district in the present and for the future.

Key Issues

- Increasing community input in an effective and efficient manner.
- Incorporating technology into the delivery of council services, operating good governance and consultation processes.
- The future structure and function of local government.
- Balancing the level of community support against a decreasing pool of volunteers, changing societal trends and technology.
- The continuing decline in community grants funding from central government and other sources.
- Providing local information centres, Council service centres and/or libraries efficiently and affordably.

Contribution to Community Outcomes

	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Strongly related			✓	✓	✓
Related	✓	✓			
Partially related					

Service Levels Provided

Activity	Current	Enhanced	Reduced
Community Support	✓		
Representation	✓		



Significant Negative Effects

There are no significant negative effects for this group of activities.

Strategic Considerations

Future Demand

Community Support

There will always be a demand for Council support, both financially and physically. More and more organisations are turning to Council to fill gaps in their finances as alternative sources dry up or are not renewed. Volunteers are becoming scarce, forcing organisations to pay for people to perform work that was previously done by enthusiastic volunteers. Council needs to be certain that the need and outcomes of the organisations currently funded fits with the Council Outcomes. Declining funding from other sources could be an indication that other organisations, changes in societal trends and/or technology have reduced the effectiveness or need for the funding.

The demands of compliance with a range of regulations and rules, is placing increasing pressure on all organisations, with volunteers being reluctant to take the responsibility of onerous statutory requirements. Examples are safety, taxation, accounting.

There is increasing demand for Council to provide administrative support (accounting, secretarial, legal, compliance) in order that organisations can concentrate their efforts on achieving the outcomes they were set up for, rather than be burdened with compliance issues. The level of benefit to the community needs to be assessed each year, and if the benefit is seen to be decreasing then the level of support will be reviewed (downwards).

Representation

Communities and/or Central Government may demand a change in focus to the Council's policies and services, and these expectations may cause increased pressure on funding

and rates. Further new statutory requirements may create additional workloads on elected representatives and staff, and future amalgamations of local authorities may be proposed.

Levels of service and funding options will be kept under constant review, and subject to the special consultative procedure through the Annual Plan and Long Term Plan processes.

The Council, Community Boards and Community Committees will engage with the communities to seek their views on the activities and services delivered by the Council, and issues which may impact on the district or a specific individual community. Decisions will be made on the communities behalf that contribute towards maintaining and improving the social, cultural, economic and environmental wellbeing of the district's communities to facilitate their sustainable development.

Assumptions

- All recipients of community support are legally constituted organisations such as a Charitable Trust or an Incorporated Society.
- The recipients will comply with the Council's Policy on Accountability for Council Grants.
- Recipients will be honest and reliable, with no inclination to misappropriate funds.
- That Council services will continue to be provided at the existing level and within the provisions of the existing legislation.
- That the Tararua District Council continues to operate with the current boundaries.
- Continuing legislation changes will not impose significant additional costs for Council. The Council will continue to work through the requirements of complying with legislation enacted by Central Government.
- There will be an increased need for advocacy to the central government review of local government on issues such as Council structure and function.

Group Level Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,384	805	900	1,000	1,034	1,120	1,193	1,253	1,370	1,485	1,540
Targeted rates (other than a targeted rate for water supply)	-	433	421	446	359	328	400	269	215	264	138
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	15	-	-	17	-	-	19	-	-
Internal charges and overheads recovered	24	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	1,407	1,238	1,336	1,447	1,392	1,465	1,593	1,521	1,604	1,749	1,678
Applications of Operating Funding											
Payment to staff and suppliers	665	780	800	837	864	896	923	952	985	1,017	1,052
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	564	453	533	606	524	565	666	565	614	728	622
Total Applications of Operating Funding	1,229	1,234	1,332	1,443	1,388	1,461	1,589	1,517	1,599	1,745	1,674
(Surplus)/Deficit of Operating Funding	178	4									
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-	-	-	-	-	-



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	178	4	4	4	4	4	4	4	4	4	4
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	178	4									
Surplus (Deficit) of Capital Funding	(178)	(4)									
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Community Support

Aim - to support communities to support themselves

What is the Service Provided

Community support covers a diverse range of activity, not all necessarily represented by financial commitments from Council.

1. Coordinating Sports & Recreation activity.
 2. Community organisation support.
 3. Local community funding assistance.
 4. Provision of Information Centres
- Youth advocacy is a key support role that Council acknowledges is important for the future of Tararua communities. Council supports the organisation of Tararua Community Youth Services Incorporated by providing leadership and advocacy at central government levels to ensure Tararua gets its share of social development funding.
 - Council supports the goal of the Mayor's Taskforce for Jobs that all young people under the age of 25 should be engaged in appropriate education, training, work or other options, which will lead to long term economic independence and well-being.
 - Sport & Recreation is part of our social design and Tararua provides a wonderful playground for such activity. Council provides a sports coordinator through a contract with Sport Manawatu.
 - Information Centres run by local committees provide visitors and locals with a wealth of knowledge and information about the district (the i-SITE in Woodville is part of the District Promotion and Economic Development group).
 - The Dannevirke and Eketahuna Community Boards, and the Woodville and Pahiatua Community Committees provide local community leadership on issues directly related to their areas. The discretionary funds help assist the communities to support local initiatives.
 - Local Mainstreet organisations are funded to identify and implement projects that will help promote their central business area to the public.

Why we Provide it

Council recognises that a strong community infrastructure is essential to supporting communities to help each other.

Key Issues and Risks

- Local government may be expected to fill large gaps in community funding due to a decline in central government and other grants sources.
- The trend of diminishing numbers of volunteers will continue.
- Demand for community support is expected to continue and increase due to a decreasing pool of volunteers.



- Technology is driving changes to the way people want and expect information to be delivered. The current delivery model for information and advocacy is still based on physical meetings and buildings.
- Council is will combine the service centre and library in Woodville to reduce costs. This is further explained in the Service Centre activity in the Community and Recreation Facilities group.

Council is actively seeking alternative funding for parts of this activity from various external sources, including central government. Organisations are encouraged to seek alternative sources of funding, rather than relying on Council grants.

Options for Changes to Service Levels

Council has discretion over the level of funding for this activity. Funding could be increased to organisations that would support the achievement of the Council Outcomes. Outcomes are often difficult to measure though and there has to be a need identified and resources available to deliver a service. Affordability for ratepayers is an important consideration. Reducing funding would impact on a range of community organisations and potentially result in reductions to community services or even closure for some organisations. Other grant funders may fill the gap left by any Council reduction.

Council must balance these conflicting options and has decided to allocate a limited amount of funding to provide support for a range of organisations and initiatives.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Total grants	\$141,000	Annually for 10 years (inflation adjusted)

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Community Support	0%	0%	100%

Why is it funded this way?

Although the benefits will accrue to the groups and individuals who are recipients of funding, a greater number of people in the wider community will benefit from the expenditure.

User pays is inconsistent with the idea of strengthening community initiatives.

Performance Measures

Objectives / Rationale

- Supporting community organisations to build a strong community
- Working in partnerships to achieve Community Outcomes
- Building capability in key community organisations

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Community Support								
Collaborative Council; and Great lifestyle	Public money is spent appropriately	Council funds and supports key community organisations in order to build district community capability	Percentage of residents rating Council's involvement in community support as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2014, 2017 and 2020	Achieved 67% Target 70%		75%		75%
			All organisations receiving grants meet accountability requirements of Council	New measure	100%	100%	100%	100%



Community Support Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	287	183	197	216	240	259	258	293	318	323	354
Targeted rates (other than a targeted rate for water supply)	-	98	92	97	83	76	87	63	50	58	40
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	2	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	289	281	289	313	324	335	345	356	368	381	394
Applications of Operating Funding											
Payment to staff and suppliers	256	249	255	278	288	298	308	319	329	341	353
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	50	28	30	31	32	33	32	33	34	35	36
Total Applications of Operating Funding	306	277	285	309	320	330	340	351	363	377	390
(Surplus)/Deficit of Operating Funding	(17)	4									
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-	-	-	-	-	-

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(17)	4	4	4	4	4	4	4	4	4	4
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	(17)	4									
Surplus (Deficit) of Capital Funding	17	(4)									
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Closed Circuit TV	6	6	6	6	6	7	7	7	7	8	8
Community Grants	16	17	17	18	19	19	20	21	21	22	23
Community Boards & Committees Discretionary	67	61	63	64	67	69	72	74	77	80	83
Healthy Homes	-	-	-	-	-	-	-	-	-	-	-
Information Centres	65	68	69	71	74	77	79	82	85	88	92
Main Street Lighting Non-subsidised	15	15	16	16	17	17	18	19	20	21	21
Main Street Committees	29	28	29	29	31	32	33	34	35	36	38
Eketahuna Money Exchange	2	3	3	3	3	3	3	3	3	3	3
Sports & Recreation	54	52	53	70	72	74	76	78	80	83	85
Total Payments to Staff and Suppliers	256	249	255	278	288	298	308	319	329	341	353



Representation

Aim - to enable democratic local decision-making on behalf of the community to promote the wellbeing of the Tararua district in the present and for the future

What is the Service Provided

The Tararua district Mayor and Councillors deliver a governance role which involves representing the community, setting direction, and monitoring and reviewing Council performance. The activity also involves keeping people informed of decisions made.

Community Boards and Community Committees provide this at a local level.

The service provides:

- An avenue is provided through which the community can have its views heard.
- Strategy setting to determine the level of services and activities provided to the district's communities and the financial cost to ratepayers and the users of these facilities.
- A mayor elected at large by the district with eight district councillors comprising four members each from the North and South Tararua Wards.
- Two Community Boards being Dannevirke and Eketahuna and two Community Committees being Woodville Districts' Vision and Pahiatua On Track.
- Elections held every three years and by-elections as required, and annual general meetings of community committees to elect their executive committee members.
- Advocacy on district and community issues.

Why we Provide it

The Local Government Act 2002 requires that elected members show a level of leadership so their communities can be successful and meet and survive challenges as they arise. Local councils are in a position to provide leadership, on behalf of the district, on matters that are both within the role and those outside core functions. There are a number of regional and national directives that impact on our communities, and it is through leadership and advocacy that our communities can be kept informed and represented.

The Local Electoral Act 2001 provides for the electoral processes which enable our communities to select the leaders they would like to represent them and their interests throughout the democratic decision making process. Electoral processes provide for the triennial local authority elections, polls and referenda, representation reviews and the determination of the terms of reference and delegations for community boards, committees, council organisations, other decision-making bodies and the appointment of the Chief Executive. Community committees are appointed by their respective communities to serve a three year term of office that coincides with the period of the local authority elections.

Key Issues and Risks

- In consulting with the community the Council makes decisions in the interests of the whole community including future generations. To do this the Council wants input from residents and ratepayers; the challenge is how to consult with all people in the most effective and efficient manner. This requires effective decision making and coordination, trained staff and appropriate facilities, systems and processes. Litigation is a potential risk.

- The next review of representation will take place in 2015, and at least every six years thereafter. Electors (at least 5% of eligible voters) may at any time demand a poll on the electoral system for local elections and the establishment of Maori wards or constituencies. Triennial elections will be held in 2013, 2016 and 2019.

Options for Changes to Service levels

Residents have the opportunity of determining the size and basis of the representation arrangements through the representation reviews that are undertaken at least every six years. This includes the option of considering whether to form community boards for those communities that currently have community committees (Woodville and Pahiatua).

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Long Term Council Community Plan	\$70,000	2015 and 2018
Local Government Elections	\$60,000	2013, 2016 and 2019

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Representation	0%	0%	100%

Why is it funded this way?

Elected members represent the residents of the district. The benefits of representation are available to all residents and ratepayers of the district.



Performance Measures

Objectives / Rationale

- Deliver robust democratic processes.
- Allow community input into Council decision-making processes.
- Support and advise the community boards and community committees.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Representation								
Collaborative Council; Great lifestyle; Prosperous Economy; Efficient Infrastructure; and Sustainable Environment	Good Governance	Providing leadership to contribute towards maintaining and improving their social, cultural, economic and environmental wellbeing	Percentage of residents rating the overall performance of the Mayor and Councillors as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2014, 2017 and 2020	Achieved 55% Target 75%		75%		75%
			Percentage of residents rating the overall performance of the Community Boards and Community Committees as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2014, 2017 and 2020	Achieved 55% Target 75%		75%		75%
			Percentage of Council committee meetings that meet the requirements the Local Government Official Information and Meetings Act	New measure	100%	100%	100%	100%

Representation Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,097	622	703	784	793	861	935	960	1,052	1,161	1,154
Targeted rates (other than a targeted rate for water supply)	-	335	329	350	275	252	314	206	165	207	130
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	15	-	-	17	-	-	19	-	-
Internal charges and overheads recovered	21	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	1,118	956	1,047	1,134	1,068	1,130	1,249	1,166	1,236	1,368	1,284
Applications of Operating Funding											
Payment to staff and suppliers	409	531	544	559	577	598	615	634	656	676	698
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	514	425	503	575	492	533	634	532	580	692	586
Total Applications of Operating Funding	923	956	1,047	1,134	1,068	1,130	1,249	1,166	1,236	1,368	1,284
(Surplus)/Deficit of Operating Funding	195	-									
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-	-	-	-	-	-

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	195	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	195	-	-	-	-	-	-	-	-	-	-
Surplus (Deficit) of Capital Funding	(195)	-	-	-	-	-	-	-	-	-	-
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Community Board Dannevirke	8	9	10	10	10	11	11	11	12	12	12
Community Board Eketahuna	11	13	14	13	14	15	15	15	16	16	17
Community Committee Pahiatua	116	135	139	143	147	152	157	162	167	172	178
Community Committee Woodville	69	112	115	119	123	127	131	135	139	144	148
Council	107	128	132	136	141	145	150	154	159	165	170
Elections	98	134	133	138	142	147	152	156	162	167	173
Council Rates Review	-	-	-	-	-	-	-	-	-	-	-
Total Payments to Staff and Suppliers	409	531	544	559	577	598	615	634	656	676	698

Community and Recreation Facilities

Activities in this Group

Cemeteries

AIM To provide attractive burial places where the community can remember loved ones and celebrate our district's heritage.

Community Buildings

AIM To provide community buildings for social, cultural, recreational and educational activities.

Housing

AIM To respond to the needs of older people with limited income and assets by providing access to affordable and suitable long-term housing.

Libraries

AIM To meet the community's needs for recreational and educational reading; and the provision of information.

Parks and Reserves

AIM To protect and enhance the natural character of the district, and provide a mix of parks and reserves facilities for leisure and recreation.

Public Conveniences

AIM To provide well maintained public conveniences in areas of frequent community activity.

Service Centres

AIM To provide excellent customer service and stakeholder access to services locally.

Swimming Pools

AIM To provide funding support for community pools to promote community wellbeing.



Key Issues

- Providing facilities that cater for an ageing population.
- Complying with Earthquake Prone Building standards across the Group activities.
- The affordability of providing facilities in communities with declining populations.
- Securing funding to bring Council older person housing units up to current standards.
- Public expectations are rising in terms of technology and libraries are faced with meeting this challenge. It is no longer just about the physical collections. The public expect easy to use access to other information resources.
- Vandalism of community assets.
- Declining numbers of volunteers will increase costs to Council of maintaining assets and delivering services, e.g. the summer swimming pools.
- Preparing reserve management plans to comply with the Reserves Act 1977.
- Combining the service centre and library in Woodville. Efficiently delivering services from multiple buildigs in Pahiatua, Dannevirke and Eketahuna.
- Generating sufficient Community fundraising to help fund the replacement of swimming pools in Eketahuna and Pahiatua.

Contribution to Community Outcomes

	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Strongly related	✓		✓	✓	✓
Related		✓			
Partially related					

Service Levels Provided

Activity	Current	Enhanced	Reduced
Cemeteries		✓	
Community Buildings	✓		
Housing		✓	
Libraries	✓		
Parks and Reserves		✓	
Public Conveniences	✓		
Service Centres	✓		
Swimming Pools		✓	

Significant Negative Effects

There are no significant negative effects for this group of activities.

Strategic Considerations

Future Demand

Cemeteries

The district mortality rate is predicted to continue at the present rate. Dannevirke has sufficient land in reserve for burials for the next 50-100 years and Pahiatua for the next 30 years at least. Capacity in the smaller cemeteries is even greater. However, it will be necessary to develop cemetery burial plots on a regular basis to ensure developed plots are available. Generally, burial numbers are fairly static due to the growing demand for cremation. There is a growing national demand for natural burials which Council may choose to provide in the future. In planning for cemeteries, the soil type and nature of land needs to be carefully assessed to minimise public health concerns. Fees for internments are low compared to other districts and will be gradually increased. Fees are not expected to impact on the demand for service.

Community Buildings

Demand may decrease in some areas especially rural communities as population slowly declines. Changing social practices and an ageing population will change the mix of activities the buildings are used for. There may be additional demands for disabled access for people and mobility scooters. Alternatively if a community trust group comes up with a sound proposal to encourage more sports groups in any area then usage of a particular facility may increase e.g. Pahiatua sports complex. In the medium term there may be an increased demand for buildings that comply with the earthquake strength code if a number of existing buildings are closed (for upgrading or to be demolished).

Housing

The ageing population will increase demand for affordable housing. The recent financial crisis is also likely to result in an increased demand for affordable low cost housing due to three major factors affecting eligible people: loss of value on current properties, the effects on peoples' incomes of failures in the financial sector, and the current low interest rates affecting the returns on savings. Occupancy rates are monitored to ensure units are operating at peak capacity. Any downturn in occupancy rates can be quickly identified. The new housing units, and the upgrade of the Ruahine Street units, is likely to result in increased demand for those units.

Libraries

Public libraries are continually expanding and adapting their services and resources to meet increasing or changing needs not only for traditional lending services but also for education and information requirements and community awareness. Technology changes are likely to result in declining demand for physical books, and increasing demands for digital information and e-books.

Parks and Reserves

Changes to recreational activities in society and a growing awareness of environmental sustainability is leading to increasing demands for walkways and cycleways. An ageing population reduces demand for traditional recreation facilities such as playing fields and active team sports. As tourism in the area increases there may be more demand for development of existing areas resulting in higher maintenance costs – e.g. reserves, freedom camp sites and for walking tracks to be established in bush areas. There is a dwindling availability of volunteers to administer and maintain specialist needs for some sports, which has meant some sports are now centred outside the Tararua district e.g. cricket and hockey in the northern part of the district.

Public Conveniences

As tourism in the district increases there is more demand for public conveniences, for example, in reserves and popular walking areas. Increases in standards and visitor expectations are leading to the need to renew existing older public conveniences.

Service centres

Technology will allow Council to deliver services more efficiently via digital and shared services. Declining population in some localities and the increasing costs of maintaining physical offices is leading to Council to explore combining services across activities. There has been a noticeable increase in the use of payments made by electronic methods. This lessens the demand for face-to-face contact especially during peak periods; rates, water billing and annual dog registration. While the processing of electronic payments affects the administration workload at the Councils principal office in Dannevirke; this is still less than required if payments were made in person. Cheque payments are still a common method of payment, which are largely received by mail. This is likely to decline over time as a method of payment.

Swimming Pools

A reduction in the number of volunteers coming forward to assist in the management and operation of the facilities is likely. With increasing costs this will place pressure on the current



community driven service delivery model. Residents in all urban areas increasingly want a higher level of service such as those provided in Dannevirke; and increasingly those in Palmerston North / Masterton. These more regional facilities are considerably more expensive to build and operate. The renewal of the Eketahuna and Pahiatua pools will focus debate on these issues. Options range from Council providing one larger facility in the southern part of the district, to Council withdrawing from the summer pool service and people travelling to Palmerston North, Dannevirke, or Masterton.

Assumptions

- The population of the Tararua district will remain at the present level, or greater.
- Median age of residents will increase.
- Future demand for burials will be similar to current trends.
- That the level of service and usage for community buildings will remain at the present level.
- Council-owned community buildings and recreation assets will be able to affordably comply with the Earthquake Prone Building requirements.
- That there will be an increased demand for affordable low cost housing.
- The Hovding Court units will be sold to partly fund the new housing units.
- Council will continue to support the library at current levels.
- Opportunities to increase revenue through added value services are explored and implemented.
- Visitors to the district will continue to require public conveniences.
- Customer service delivery will ensure that Council will retain at least one physical office in the four larger urban towns.
- That Management Committees or Trustees will be available to manage the three summer public pools.

Group Level Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	3,644	2,968	3,144	3,328	3,544	3,683	3,966	4,153	4,245	4,442	4,766
Targeted rates (other than a targeted rate for water supply)	-	907	850	883	730	653	808	551	412	490	336
Grants & Subsidies Operating	5	6	6	6	6	6	6	7	7	7	7
Fees, charges, and targeted rates for water supply	492	489	503	517	533	549	565	581	598	618	638
Local authorities fuel tax, fines, infringement fees, and other receipts	172	162	166	171	176	182	187	192	198	204	211
Internal charges and overheads recovered	52	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	4,365	4,531	4,668	4,905	4,989	5,074	5,532	5,484	5,460	5,761	5,958
Applications of Operating Funding											
Payment to staff and suppliers	2,806	3,012	3,145	3,226	3,338	3,492	3,744	3,693	3,631	3,817	3,972
Finance costs	161	37	47	60	69	81	105	109	101	94	89
Internal charges and overheads applied	478	815	844	862	914	913	953	933	963	1,005	1,026
Total Applications of Operating Funding	3,445	3,864	4,036	4,148	4,321	4,487	4,802	4,734	4,696	4,916	5,087
(Surplus)/Deficit of Operating Funding	920	668	633	758	668	587	730	749	763	845	871
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	29	200	(163)	758	(4)	624	388	(205)	(244)	(230)	(246)
Gross proceeds from sale of assets	-	-	530	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	29	200	367	758	(4)	624	388	(205)	(244)	(230)	(246)



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	56	38	41	-	4	8	5	-	5	16
- to improve the level of service	110	268	1,095	916	62	767	607	42	18	19	33
- to replace existing assets	327	448	231	421	469	197	170	252	285	288	178
Increase (decrease) in reserves	512	97	(364)	137	132	243	333	246	216	303	398
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	949	868	1,000	1,516	664	1,211	1,118	545	519	615	624
Surplus (Deficit) of Capital Funding	(920)	(668)	(633)	(758)	(668)	(587)	(730)	(749)	(763)	(845)	(871)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Cemeteries

Aim - to provide attractive burial places where the community can remember loved ones and celebrate our district's heritage

What is the Service Provided?

The district has a number of cemeteries. Most are in Council ownership with a few owned by the Crown and vested in the Council. All of the cemeteries are managed by the Asset Management division of the Council and maintenance is contracted out.

Burial plots at the cemeteries are sold by the Council and the exclusive right of burial is granted for such limited time as the Council decides.

Some older cemeteries are closed and burial plots are no longer available. These closed cemeteries continue to be maintained by the Council.

Why we Provide it

Cemeteries fulfil a social and cultural need in the community by providing a facility where families and friends can join together to remember people.

The Council is involved in the provision of cemeteries primarily because of its statutory requirements under the Health Act 1956 and the Burial and Cremation Act 1964. There are strong public expectations that the Council will maintain open cemeteries to a high standard as a mark of respect.

Some historically significant cemeteries are an important part of our identity as a community.

Key Issues and Risks

- Regular monitoring will be undertaken to ensure there is a sufficient number of cemetery plots available to meet future demand.

- Managing changes in demand and consumption of services will be achieved through developing cemetery land reserves as required.
- Council interment fees are low compared to other districts. Gradual increases in fees reflecting Local Government cost inflation has been built into the budgets.

Options for Changes to Service levels

Council could provide more amenities such as seating and toilets at larger cemeteries. This would add considerable operating costs to the activity. These improvements build on the core service and are in response to resident service requests.

Reducing service levels would lead to considerable complaints. Residents expect clean and tidy cemeteries that provide an attractive environment for families to remember the deceased.

Major Projects for the Next Ten Years

Projects and Programmes	Estimated Cost	Time frame
Dannevirke – develop new area	\$109,000	2012/13 to 2014/15
Mangatera stillborn memorial	\$5,000	2012/13
Pahiatua – sealing (renewal)	\$10,000	2012/13
Pahiatua – seal carpark	\$28,000	2013/14
Berms district wide	\$64,000	10 year period



Projects and Programmes	Estimated Cost	Time frame
Weber memorial cairn	\$10,000	2012/13
Pahiatua stillborn area	\$15,000	2012/13

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Cemeteries	20-25%	0%	75-80%

Why is it funded this way?

The benefit is received by the families of the deceased, and those researching family history.

There is also a public health benefit with communities benefiting from being able to have family members buried in their community. The garden maintenance has a component of private and public benefit.

Performance Measures

Objectives / Rationale

- To provide attractive burial places where the community can remember loved ones and celebrate our district's heritage.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Cemeteries								
Efficient Infrastructure	Well presented cemetery grounds and facilities	The cemetery grounds are presented to a high standard	Percentage of residents rating cemeteries as "fairly satisfactory" or "very satisfactory" in the Community Surveys conducted in 2014, 2017, and 2020	Achieved 77% Target 70%		75%		75%
	Access to cemetery plots	Plots are available in all local cemeteries	Percentage of cemeteries in district with plots available for next 12 months – based on historical burial data	Achieved 100% Target 100%	100%	100%	100%	100%



Cemeteries Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	228	151	161	170	191	185	188	209	221	231	260
Targeted rates (other than a targeted rate for water supply)	-	81	75	76	66	54	63	45	35	41	29
Grants & Subsidies Operating	5	6	6	6	6	6	6	7	7	7	7
Fees, charges, and targeted rates for water supply	65	68	70	72	74	76	78	81	83	86	89
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	2	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	300	306	312	324	337	321	337	341	345	365	385
Applications of Operating Funding											
Payment to staff and suppliers	219	236	242	266	289	269	277	284	293	303	312
Finance costs	2	4	6	7	7	7	6	6	6	6	5
Internal charges and overheads applied	48	13	13	14	14	14	14	15	15	16	16
Total Applications of Operating Funding	269	253	261	287	311	290	298	305	314	324	334
(Surplus)/Deficit of Operating Funding	31	53	51	37	27	31	39	36	31	41	52
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(6)	49	29	23	(8)	(8)	(7)	(7)	(7)	(6)	(6)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(6)	49	29	23	(8)	(8)	(7)	(7)	(7)	(6)	(6)

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	56	38	41	-	4	8	5	-	5	16
- to improve the level of service	-	33	28	-	-	-	-	-	-	-	-
- to replace existing assets	-	10	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	25	4	14	18	18	19	24	24	25	30	30
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	25	103	80	60	18	23	32	29	25	35	46
Surplus (Deficit) of Capital Funding	(31)	(53)	(51)	(37)	(27)	(31)	(39)	(36)	(31)	(41)	(52)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Dannevirke Rural	38	41	42	56	61	46	47	49	50	52	54
Dannevirke Urban	74	78	81	87	90	92	94	97	100	103	106
Eketahuna	34	36	36	38	50	40	42	43	44	45	47
Pahiatua	41	47	48	50	51	53	54	56	57	59	61
Woodville	32	34	35	36	38	38	39	41	42	43	45
Total Payments to Staff and Suppliers	219	236	242	266	289	269	277	284	293	303	312



Community Buildings

Aim - to provide community buildings for social, cultural, recreational and educational activities

What is the Service Provided?

Council has inherited a range of community buildings from previous local authorities including town halls, community centres and sports centres. There are 12 buildings in total throughout the main centres plus one in Pongaroa; these facilities are used for social and sporting events and, to a lesser extent, meetings. Council is responsible for all the maintenance on these buildings as well as the cleaning, energy, rates and insurance.

The Carnegie Centre in Dannevirke is awaiting further earthquake assessment before a decision can be made on its future as required under the Building Act 2004.

Why we Provide it

Residents want access to community buildings throughout the district as venues for social, cultural, recreational and educational activities. Some of the halls serve as a memorial to recognise our communities' achievements. There is a strong sense of community ownership in each facility and, as the community needs have changed, the halls have become multi-functional to widen their usage.

Key Issues and Risks

- Usage has been impacted by the provision of alternative venues.
- Falling occupancy rates for some buildings is a concern.
- The Carnegie Centre has been defined as earthquake prone under the Building Act 2004.
- The Dannevirke Town Hall Concert Chamber has no wheel chair access.

- Pongaroa Community Hall has no accessible toilet.

Options for Changes to Service Levels

Council has the option of selling some buildings if the service is not required. The reserve status of the land often means this is not an easy option to pursue. The cost of bringing buildings up to current Building Act requirements could result in the community deciding to demolish or close certain facilities. The Royal Commission on the Christchurch Earthquake could result in a requirement for higher standards.

Community trusts or other service groups could take over the service delivery of all, or some, buildings.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Earthquake prone assessments, Council buildings	\$27,650	2012/13
Pongaroa Accessible toilet	\$13,000	2012/13
Council buildings – earthquake strengthening provision	\$522,000	2013/14 and 2014/15
Dannevirke Sports Centre – toilet upgrade	\$42,000	2014/15
Eketahuna Medical Centre – roof/carpet	\$29,000	2014/15
Pahiatua Town Hall – carpet	\$42,000	2014/15
Woodville Sports Stadium – floor refurb. & carpet	\$36,000	2015/16

Projects and programmes	Estimated Cost	Time frame
Woodville Sports Stadium – new seating	\$15,000	2012/13
Pongaroa Community Centre – windows/vinyl/drainage	\$37,000	2014/15
Pahiatua Service Centre – windows/carpet	\$60,000	2013/14 to 2014/15
Woodville Library – ceilings/carpet/toilet	\$60,000	2015/16
Woodville Service Centre – carpet	\$20,000	2012/13
Woodville Service Centre – vinyl/seal carpark	\$37,000	2013/14 to 2014/15

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Community Buildings	5-10%	0%	85-90%

Why is it funded this way?

Local communities are provided with facilities for social and recreational use. While individuals and local communities benefit from the use of the facilities, there is also a public benefit in having halls available to all people of the district.



Performance Measures

Objectives / Rationale

- To provide community buildings for social, cultural, recreational and educational activities.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Community Buildings								
Efficient Infrastructure	Facilities support a range of activities which enhance residents' lifestyle	Council provides community buildings which are fit for purpose	Percentage of residents rating community buildings as "fairly satisfactory" or "very satisfactory" in the Community Surveys conducted in 2014, 2017, and 2020	Achieved 93% Target 90%		90%		90%
		Facilities are well-utilised	The total number of hours per annum facilities are booked through Council	Achieved 3029 hrs Target 2618 hrs	> 3100	> 3100	> 3100	> 3100

Community Buildings Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	756	484	506	596	589	661	780	764	740	823	860
Targeted rates (other than a targeted rate for water supply)	-	260	237	266	204	194	262	164	116	146	97
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	35	38	39	40	41	43	44	45	46	48	50
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	3	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	795	782	782	902	835	898	1,086	973	903	1,017	1,006
Applications of Operating Funding											
Payment to staff and suppliers	367	341	363	389	351	413	569	456	384	462	450
Finance costs	18	12	18	29	33	32	30	29	27	26	24
Internal charges and overheads applied	84	138	142	149	153	157	159	162	167	171	175
Total Applications of Operating Funding	469	491	523	567	538	602	758	646	578	658	650
(Surplus)/Deficit of Operating Funding	326	291	259	335	297	296	328	327	325	359	357
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(26)	25	243	239	(38)	(36)	(34)	(32)	(31)	(29)	(28)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(26)	25	243	239	(38)	(36)	(34)	(32)	(31)	(29)	(28)



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	71	257	307	-	-	-	-	-	-	-
- to replace existing assets	17	54	51	137	61	45	8	4	10	21	7
Increase (decrease) in reserves	283	191	194	130	198	215	286	291	284	308	322
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	300	316	502	573	259	260	294	294	294	329	329
Surplus (Deficit) of Capital Funding	(325)	(291)	(259)	(335)	(297)	(296)	(328)	(327)	(325)	(359)	(357)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Facility Management	285	341	363	389	345	413	569	456	384	462	450
Facility Repainting	82	-	-	-	-	-	-	-	-	-	-
Total Payments to Staff and Suppliers	367	341	363	389	351	413	569	456	384	462	450

Housing

Aim - to provide access to affordable and suitable long-term housing for older people with limited income and assets

What is the Service Provided?

Council housing units provide lower than market rental levels for low income older people. Council manages these units to be self funding and there is no rates funding required. Council provides the administration and maintenance of the units. There are 80 one-bedroom units and 12 two-bedroom units which are provided under a tenant contribution scheme (purchase of tenancy). The one bedroom units are located at Dannevirke (50), Eketahuna (3), Pahiatua (15) and Woodville (12). The 12 tenant contribution units are all located in Dannevirke.

Why we Provide it

There is a social need for low income superannuitants to be able to afford accommodation that enables them to stay close to family and friends and to be able to participate as active members of the community.

Key Issues and Risks

- The Hovding Court complex has 10 units that are dated and unsuitable for elderly tenants with another three built in the 1970's. Council, in the Long Term Plan, has planned the sale of these units to help fund the building of 12 new units in George Street. Council will also adjust rentals over time to be 80% of market rates with the aim to not be more than 25% of

the applicable New Zealand superannuation. Beneficiary tenants can apply to Work and Income for assistance with their housing costs.

- Current rental levels are low compared to market rentals. Rental levels are being increased \$4 a week each year to cover cost increases and improve long term financial viability of the activity.
- Ruahine complex has six older units that require renewal.
- More tenants now have cars which require carports, and mobility scooters which require sheds with electricity.
- Council may require funding from Central Government to fully replace units in the future as reserve funds will not be sufficient to achieve this.

Options for Changes to Service Levels

Council could seek to sell all the units; either to a community based organisation or to the private sector. This would require significant consultation with the community. Sales to the private sector by other Councils in the past have been generally opposed by residents. The Council has sold units at Norsewood and Ormondville in 2011 with the proceeds to be invested in the remaining housing stock. An alternative delivery option is to contract the delivery of services to a third party such as a community trust. Experiences of other local authorities who have used this delivery method have found that it can be successful but Council would still be required to assist in providing capital funds.



If the sale of the Hovding Court units is not successful then Council will revisit these options as part of the 2015 Long Term Plan process.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Hovding Court – replacement 13 units with 12 new units at George Street	\$1,129,000	2012/13 to 2017/18
Ruahine flats – 6 units	\$294,000	2018/19 to 2020/21
Mobility garaging	\$50,000	2012/13 to 2015/16
Aluminium window replacement	\$137,000	2012/13 to 2021/22

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Housing	100%	0%	0%

Why is it funded this way?

The main beneficiaries are the pensioner flat tenants, who receive housing at rentals well below market rates. The tenants of the tenant contribution flats benefit from security of tenure at lower than usual initial costs. Those with low incomes are eligible for Accommodation Supplement from Work and Income.

Performance Measures

Objectives / Rationale

- To respond to the needs of older people with limited income and assets by providing access to affordable and suitable long-term housing.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Housing								
Efficient Infrastructure	Council housing stock is fit for purpose	Housing units are maintained to a suitable standard	Percentage of housing units which achieve a performance grading 3 star or higher (NAMS property grading)	New measure	75%	75%	75%	75%
	Council acts as a good landlord and provides a professional tenancy service	Council acts as a good caring landlord	Tenants' satisfaction with the landlord service received from Council	New measure	90%	90%	90%	90%



Housing Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	346	336	346	356	367	378	389	400	412	425	439
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	2	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	349	336	346	356	367	378	389	400	412	425	439
Applications of Operating Funding											
Payment to staff and suppliers	271	295	341	312	361	422	372	393	360	372	381
Finance costs	-	-	1	-	-	-	2	2	2	-	-
Internal charges and overheads applied	59	5	5	5	5	5	5	6	6	6	6
Total Applications of Operating Funding	330	300	347	317	366	428	379	401	369	378	387
(Surplus)/Deficit of Operating Funding	19	37	-	39	1	(50)	10	(1)	43	47	52
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	25	(381)	344	14	41	5	5	(50)	(25)	(43)
Gross proceeds from sale of assets	-	-	530	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	25	149	344	14	41	5	5	(50)	(25)	(43)

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	62	733	371	13	-	-	-	-	-	-
- to replace existing assets	10	46	12	13	13	13	14	109	113	116	16
Increase (decrease) in reserves	9	(46)	(596)	(1)	(11)	(22)	1	(105)	(119)	(94)	(7)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	19	62	149	383	15	(9)	15	5	(7)	22	9
Surplus (Deficit) of Capital Funding	(19)	(37)	-	(39)	(1)	50	(10)	1	(43)	(47)	(52)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Maintenance - to appropriate standard	271	295	341	312	361	422	372	393	360	372	381
Total Payments to Staff and Suppliers	271	295	341	312	361	422	372	393	360	372	381



Libraries

Aim - to meet the community's needs for recreational and educational reading; and the provision of information

What is the Service Provided

The Council owns and manages library buildings and services in Dannevirke, Eketahuna, Pahiatua and Woodville. The four community libraries are run as a single district-wide service. Books are loaned to the Akitio, Pongaroa and Norsewood communities.

Council's principal library is located in Dannevirke and many functions are centralised there. Dannevirke manages the overall collection and ensures outlying collections are refreshed regularly.

The Eketahuna library combines with the service centre and money exchange facility in one building.

The library service is an integral part of the community, providing residents of the Tararua district access to recreational and educational reading and information, including resources to aid literacy and learning.

Why we Provide it

Libraries foster community growth, allowing communities to become self-sustaining by providing a gateway to information, lifelong learning, literacy development, council services, educational, intellectual, cultural and leisure activities through a range of technologies.

Activities run by the library encourage literacy and a joy of reading. Library staff have developed links with primary and secondary schools as well as Adult Education providers to work together to assist with the provision of literacy in the Tararua region.

As public spaces, they allow social contact and provide focal points for the sharing of information, especially through encouraging interaction with our youth. The community is informed by a wide range of up to date material.

Key Issues and Risks

Public expectations are rising in terms of technology and libraries are faced with meeting this challenge. It is no longer just about the physical collections. The public expect easy to use access to other information resources.

Tararua libraries meet these demands by providing up to date technology such as that supplied through the Aotearoa Peoples Network Kaharoa, (free high-speed internet access at no charge). This interaction with the internet enables them to be included in the digital world in a supported environment with competent staff on hand to assist them if needed.

Council investigated, in the Draft Long Term Plan, integrating the Libraries, Service Centres and Information Centres – providing a one-stop-shop culture for the residents of the Tararua district. Council has decided to proceed only in Woodville with the Service Centre and Library. There were some other factors that affect libraries, namely:

- Other demands on Council funding and affordability for communities.
- Communication networks in rural areas may not always be able to support the technology needs of the library service.
- An ageing population and the impact on service design e.g. large print collections, audio and e-books.

The Council target is to have 2.5 items per capita (53,100) and as at 30 June 2011, total book stock was 53,517 (100% of the target figure). In the last few years, the collection has been taken from being tired and out of date to a point where 62.5% of the stock is 0-8 years old, and a further 26.5% are 9-20 years old. The remaining books are most likely classics such as Dickens or local history books, which are kept indefinitely due to their local content.

Options for Changes to Service Levels

Council will combine the Woodville Service Centre and Library to provide better service to the community.

The current Eketahuna model for providing a "one-stop-shop" approach to Council services works well. Council considers that the level of service we offer in Woodville can be enhanced, efficiencies gained and cost savings achieved by looking at this model.

Delivery options will continue to change in the coming years with the addition of e-books and other digital means of information access. This will require the library to continue to keep abreast of technology change in order to deliver on this. Rural broadband will become a necessity as more and more information is available online.

Increasing competition for ratepayer funding could influence library services. As rates increase to accommodate regulatory changes to infrastructure standards it may be increasingly difficult for libraries to gain the necessary rates funding to maintain the current level of service.

Increasing the book renewals from the current 2.5 items to 3 items per 1,000 head of population as per the Library and Information Association of New Zealand Standards for Public Libraries could also be an option, at a cost of an additional \$20,000 per annum. This would ensure that the library stock is kept up-to-date and adequate for future needs. A reduction in the replacement of library stock would result in people reading less and reduced average reading skills. Good reading skills are essential for achievement in New Zealand society. Children

will compete for jobs in a global society, and if they do not have access to similar resources to children in other New Zealand towns, they will be disadvantaged.

A reduction in the number of staff available, or the training staff receive, would see a serious reduction in service levels because of the increasing reliance of the library on technology. As more information is available digitally and online, the library becomes more reliant on technology and the internet.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Continued purchase of new books for Tararua libraries.	\$1.144 million over 10 years	Ongoing
Upgrade library management system	\$76,000	2015/16

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Libraries	5-10%	0%	90-95%

Why is it funded this way?

Recreational reading primarily benefits the individual users, as do school holiday programmes and the availability of reference material for school projects etc. However, the acquisition of knowledge has a high public benefit by contributing value to the community by people being well informed and by encouraging literacy.



Performance Measures

Objectives / Rationale

- The collection must have sufficient investment to keep the library service modern and relevant.
- Items and programmes are designed to widen the use of the library facilities.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Library								
Great Lifestyle	Quality community space	Library facilities are clean, welcoming and open at times suited to the community	Percentage of residents rating libraries as "fairly satisfactory" or "very satisfactory: in the community surveys conducted in 2014, 2017, and 2020	Achieved 87% Target 90%		88%		89%
Prosperous Economy; Great Lifestyle	Providing books and items that people want to look at	Provide residents of the district access to a wide range of information and lifelong learning opportunities	Percentage of residents that are active* members of the library (*used library in last 3 years)	New measure	34%	35%	35%	36%
			250 new items added per 1,000 residents to the collection yearly *LIANZA standard based on population	New measure	4425	4425	4425	4425
	Great customer service	Staff are knowledgeable, helpful and friendly	Percentage of customers satisfied with staff service (biennial survey)	New measure	80%	80%	82%	85%
Prosperous Economy	Support education of local children	Improve literacy and knowledge among the district's children	Percentage of customers satisfied with children's programmes (biennial survey)	New measure	90%	90%	90%	90%

Library Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	750	905	929	950	1,029	1,015	1,075	1,062	1,090	1,146	1,170
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	43	40	41	42	44	45	46	48	49	51	52
Local authorities fuel tax, fines, infringement fees, and other receipts	2	1	1	1	1	1	1	1	1	1	1
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	795	946	971	994	1,074	1,061	1,122	1,111	1,140	1,198	1,224
Applications of Operating Funding											
Payment to staff and suppliers	529	521	535	548	597	595	610	625	642	660	679
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	119	328	340	340	371	361	394	368	380	403	410
Total Applications of Operating Funding	648	850	875	888	968	956	1,004	992	1,022	1,063	1,089
(Surplus)/Deficit of Operating Funding	147	96	96	105	105	105	118	118	118	135	135
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(5)	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(5)	-									

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	110	110	113	116	196	124	127	131	135	139	144
Increase (decrease) in reserves	31	(14)	(17)	(11)	(91)	(18)	(9)	(13)	(17)	(4)	(9)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	141	96	96	105	105	105	118	118	118	135	135
Surplus (Deficit) of Capital Funding	(146)	(96)	(96)	(105)	(105)	(105)	(118)	(118)	(118)	(135)	(135)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Dannevirke Library	276	266	273	280	301	300	308	316	324	334	344
Woodville Library	70	72	74	76	84	84	86	88	90	93	95
Pahiatua Library	105	103	106	109	119	119	121	124	128	131	135
Eketahuna Library/Service Centre	79	80	82	84	93	92	95	97	99	102	105
Total Payments to Staff and Suppliers	529	521	535	548	597	595	610	625	642	660	679

Parks and Reserves

Aim - to protect and enhance the natural character of the district, and provide a mix of parks and reserves facilities for leisure and recreation

What is the Service Provided?

The primary purpose is to provide land and facilities for both active and passive recreation. Council manages 31 significant domains, 18 significant urban reserves, 8 significant rural reserves and many other small urban and rural reserves. It includes the provision of sports grounds, gardens, green areas, playgrounds and wildlife area.

- Council provides adequate access to multiple sports codes, and attracts visitors
- Parks and reserves enhance communities' quality of life
- Camping grounds provide a pleasant and safe environment and low cost holiday accommodation.
- Council contributes to the Manawatu Gorge biodiversity project.

Why we Provide it

A range of attractive opportunities for recreational activities provide for social interaction and development, helping create healthy communities. They also attract visitors to the district. Communities value reserves for the open space they offer, making settlements more pleasant to live in and enabling access to coastal areas.

For camping grounds the benefit is in low-cost holiday accommodation for visitors, with downstream benefits for camping ground managers, the business sector and the district generally as tourism ultimately helps to ensure business survival.

Key Issues and Risks

- Ensure that all facilities are maintained in a safe condition and meet the needs of recreational groups and residents.
- Ensure play equipment meets New Zealand Safety Standards (NZS 5828:2004).
- Ensure camping grounds continue to meet required standards.
- Dealing with vandalism within current budgets (vandals are responsible for about 2.5% of the annual costs of camping grounds).
- Preparing reserve management plans to comply with the Reserves Act 1977.

Options for Changes to Service Levels

Council has discretion on the levels of service. Increasing the quality and quantity of facilities on reserves would support Council strategies to increase visitor numbers and attract more residents. Reducing service levels would not be consistent with Council Outcomes and strategies. Council intends to maintain service levels while dealing with changing demand levels due to changing recreational activities and some communities declining in population.

Council could hand over more maintenance to community clubs and organisations, however in many cases this would be difficult. Council already works in partnership with local groups and many of these organisations are struggling to maintain numbers and volunteers.

The preparation of reserve management plans over the next two years could identify additional facilities that the community wants to be located on Council reserves.



Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Woodville Camping Ground – expansion	\$106,000	2014/15
Eketahuna Camping Ground – upgrade amenities block	\$55,000	2014/15
Dannevirke Camping Ground – upgrade toilet/shower blocks, renew sewage pump	\$76,000	2012/13 to 2014/15
Dannevirke Domain – new playground equipment	\$21,000	2013/14
Eketahuna Domain – replace all weather court surface	\$35,000	2015/16
Norsewood Waterwheel Park – playground equipment	\$53,000	2014/15
Woodville Fountaine Square – playground equipment	\$33,000	2015/16
District – walkway development	\$114,000	2012/13 to 2021/22
District parks – drainage	\$57,000	2012/13 to 2021/22
Reserve management plans	\$21,000	2012/13 to 2014/15

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Parks and Reserves	0-5%	0%	95-100%

Why is it funded this way?

Parks and Reserves beneficiaries are the users, both local and visitors to the district, and in particular user groups such as sports clubs. It is not feasible to charge for many Council facilities as you cannot restrict access to reserves and playgrounds. All residents have access to reserves.

Camping grounds benefit the users with low-cost holiday accommodation for visitors, and businesses by attracting visitors.

The Domain Boards are a self-funding function of Council, other than for depreciation and support costs, and are not included in the requirement for rates. Funding comes from miscellaneous income set by the domain boards themselves.

Performance Measures

Objectives / Rationale

- To protect and enhance the natural character of the district, and provide a mix of parks and reserves facilities for leisure and recreation.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Parks and Reserves								
Great Lifestyle	People are proud of the city's parks and streetscapes.	Our parks, and park facilities are well presented	Percentage of residents rating parks and reserves as "fairly satisfactory" or "very satisfactory" in the community surveys conducted in 2014,2017 and 2020	Achieved 91% Target 90%		90%		90%
Efficient Infrastructure	Facilities meet user needs	Playing fields and associated facilities are fit for purpose	Number of reported incidences of sports facilities not being suitable for their intended use	New measure	<5	<5	<5	<5
Efficient Infrastructure	Playgrounds meet user needs	Playground equipment is safe to use and fit for purpose	Percentage of playgrounds in the district with all equipment meeting the AUS/NZ playground safety standards	New measure	75%	80%	85%	90%



Parks and Reserves Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	961	548	612	655	702	721	764	846	859	880	969
Targeted rates (other than a targeted rate for water supply)	-	295	286	292	243	211	257	181	135	157	109
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	5	6	6	6	6	6	7	7	7	7	7
Local authorities fuel tax, fines, infringement fees, and other receipts	171	161	165	170	175	181	186	191	197	203	210
Internal charges and overheads recovered	5	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	1,142	1,009	1,069	1,123	1,127	1,118	1,213	1,225	1,198	1,247	1,295
Applications of Operating Funding											
Payment to staff and suppliers	722	813	833	871	875	902	990	983	982	1,019	1,055
Finance costs	12	15	16	18	20	16	12	8	5	5	5
Internal charges and overheads applied	131	53	54	57	58	60	60	62	63	65	67
Total Applications of Operating Funding	865	880	903	946	954	978	1,063	1,053	1,050	1,089	1,126
(Surplus)/Deficit of Operating Funding	277	129	166	177	173	140	150	172	148	158	169
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	80	105	(48)	160	(78)	(89)	(92)	(97)	(87)	(103)	(106)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	80	105	(48)	160	(78)	(89)	(92)	(97)	(87)	(103)	(106)

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	100	100	77	238	49	17	17	42	18	19	33
- to replace existing assets	140	124	44	97	49	7	15	-	20	5	3
Increase (decrease) in reserves	117	10	(3)	1	(3)	27	25	33	23	31	27
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	357	234	118	337	95	51	58	75	61	55	63
Surplus (Deficit) of Capital Funding	(277)	(129)	(166)	(177)	(173)	(140)	(150)	(172)	(148)	(158)	(169)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Domain Boards	47	39	41	42	43	44	56	58	48	50	51
Camping Grounds Dannevirke	12	11	12	12	13	13	13	22	14	15	15
Camping Grounds Eketahuna	22	20	20	21	21	22	23	23	24	25	25
Camping Grounds Pahiatua	1	3	4	4	4	4	4	4	4	4	5
Camping Grounds Woodville	66	188	194	199	205	211	219	224	230	237	245
Dannevirke Rural	43	47	51	50	51	53	55	56	57	63	61
Dannevirke Urban	45	49	51	52	54	55	57	59	60	62	64
Coronation Park	32	27	28	29	30	31	32	32	33	34	42
Dannevirke Domain	150	134	141	141	145	150	179	159	163	168	174
Dannevirke Wildlife	27	22	23	24	24	25	26	27	27	28	29
Eketahuna Rural	30	26	27	28	28	29	51	31	32	33	34
Eketahuna Urban	11	21	21	22	22	23	24	25	25	26	27
Pahiatua Rural	19	13	13	13	14	14	15	15	15	16	16
Pahiatua Urban	9	18	18	19	20	20	21	21	22	23	23
Pahiatua Recreation	81	71	73	85	77	79	82	84	86	89	92
Pahiatua Town Square	78	66	68	70	72	74	77	78	80	83	86
Woodville Rural	7	12	6	6	7	7	8	8	8	9	9
Woodville Urban	39	41	38	49	40	42	43	51	46	47	49
District Wide Tree Planting	1	5	5	6	6	6	6	6	6	7	7
Total Payments to Staff and Suppliers	722	813	833	871	875	902	990	983	982	1,019	1,055

Public Conveniences

Aim - to provide well maintained public conveniences in areas of frequent community activity

What is the Service Provided?

Council provides a clean, safe, accessible service for local people and travellers. Seventeen public conveniences are maintained throughout the district. Some facilities are open only in daylight hours. At least one convenience is open 24 hours in each urban centre (11 throughout the district). Most facilities were refurbished within the previous 10 years.

- Cleaning regime is increased in times of heavy usage such as school holidays.
- For the toilets open 24 hours the cleaning frequencies are daily (early morning) and twice daily during school holidays.

Why we Provide it

The community has high expectations around protecting the environment. Public conveniences help to do this while offering comfort to visitors and residents. They all exceed a minimum standard of hygiene.

Key Issues and Risks

- Vandalism – high usage toilets are closed at night because of vandalism. There is also a higher incidence of vandalism to public toilets during the school holidays with some facilities having to be closed for repairs.
- Cleaning – keeping toilets clean in the high usage times i.e. school holidays even with extra daily cleans can be a problem.
- Public toilets can attract anti-social behaviour.

Options for changes to Service levels

Increasing the quality and quantity of facilities would possibly increase the number of visitors travelling on SH2 stopping for a break and doing some shopping as well. Operating costs are high though and the Council already provides multiple facilities on this road. Council could reduce services and leave it to the private sector to provide facilities. The issue of bus parking would be associated with any changes. Council intends to maintain service levels while refurbishing some toilets that are old and need updating.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Dannevirke exelooos – upgrade	\$16,000	2012/13
Barraud Street toilets – upgrade	\$142,000	2015/16
Eketahuna toilets – upgrade	\$59,000	2014/15
Akitio toilets – replacement	\$180,000	2016/17

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Public Conveniences	0%	0%	100%



Why is it funded this way?

The benefits are the provision of clean and safe toilets for travellers, shoppers, parents and children in commercial areas in particular, and for users of recreational facilities. Businesses located near to public toilets benefit indirectly, and the public generally benefit from reduced environmental degradation.

Performance Measures

Objectives / Rationale

- To provide well maintained public conveniences in areas of frequent community activity.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Public Conveniences								
Efficient Infrastructure	Public conveniences meet user needs	Public conveniences provided are fit for purpose	Percentage of residents rating public conveniences as "fairly satisfactory" or "very satisfactory" in the community surveys conducted in 2014, 2017, and 2020	Achieved 76% Target 80%	70%		70%	
			The number of complaints received per annum about the condition of public toilets	New Measure	51	51	51	51

Public Convenience Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	197	150	158	163	181	198	210	235	244	250	271
Targeted rates (other than a targeted rate for water supply)	-	81	74	73	63	58	71	50	38	45	31
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	1	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	198	231	232	235	244	255	281	286	282	295	302
Applications of Operating Funding											
Payment to staff and suppliers	128	175	175	175	180	186	200	206	202	209	216
Finance costs	8	5	4	4	6	12	15	13	13	12	11
Internal charges and overheads applied	30	20	21	22	22	23	23	24	24	25	26
Total Applications of Operating Funding	166	200	200	201	209	221	238	243	239	246	252
(Surplus)/Deficit of Operating Funding	32	31	31	35	35	35	43	43	43	49	49
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(10)	(5)	(5)	(5)	107	148	(43)	(15)	(14)	(14)	(13)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(10)	(5)	(5)	(5)	107	148	(43)	(15)	(14)	(14)	(13)

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	180	-	-	-	-	-
- to replace existing assets	13	49	6	53	144	2	-	2	2	-	3
Increase (decrease) in reserves	8	(23)	20	(23)	(3)	-	-	25	26	36	34
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	21	26	26	30	141	182	0	28	29	36	36
Surplus (Deficit) of Capital Funding	(31)	(31)	(31)	(35)	(35)	(35)	(43)	(43)	(43)	(49)	(49)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Building Maintenance	21	41	33	33	35	36	39	47	40	41	43
Provision of Clean Safe Facilities	107	134	142	142	146	150	161	159	162	167	173
Total Payments to Staff and Suppliers	128	175	175	175	180	186	200	206	202	209	216

Service Centres

Aim - to provide excellent customer service and stakeholder access to services locally

What is the Service Provided?

Council has four Services Centres located in:

- **Dannevirke** 26 Gordon Street
Providing customer services Monday to Friday from 8:00am to 5:00pm
- **Woodville** 45 Vogel Street
Providing customer services Monday to Friday from 8:00am to 4:30pm
- **Pahiatua** 136 Main Street
Providing customer services Monday to Friday from 8:00am to 4:30pm
- **Eketahuna** 31 Main Street
Providing customer services/library services and a money exchange facility Monday to Friday from 10:30am to 12:30pm and 1:00pm to 4:30pm

The principal office is in Dannevirke and acts as the main point of contact for managing the districtwide phone service from 8:00am to 5:00pm Monday to Friday. The Woodville office also provides a face-to-face presence to the Engineering Services department of Council. Eketahuna also provides a Library and money exchange service (mini banking service). Pahiatua provides liquor licensing and general inspection support services. Woodville and Pahiatua Service Centres support the Dannevirke Service Centre with phone operations.

Each office is a point of contact for their respective cemeteries and pensioner housing enquiries in addition to customer support across all of Council's activities. Council also provides a 24 hour phone service, outside of normal office hours this is handled by the Council's afterhours call centre.

Why we Provide it

The Service Centres provide a local presence for ratepayers to obtain advice, assistance, information and to make payments.

Key Issues and Risks

- An increasing number of transactions are handled electronically reducing the need for physical services in four towns.
- There are costs associated with maintaining a front counter presence to assist those preferring a face-to-face relationship.
- The provision of four service centres creates duplication of maintenance and operating expenses.
- Meeting earthquake prone building standards in the existing Council buildings.
- Successfully integrating the Service Centre with the Library in Woodville.

Options for Changes to Service Levels

- Increase hours to include late nights or weekends at a higher cost to the ratepayer.
- Alter current hours but stay within weekly opening total.
- Reduce hours – reduction in cost to ratepayer and reduced level of service.
- Reduce number of Service Centres across the district, reducing rates and the level of service.



The four Service Centres had their origins at the time of the amalgamation in 1989. Each community retained their ability to be serviced from their local office. This continues to be the foundation for the purpose of Service Centres.

There has been a noticeable increase in the use of payments made by electronic methods, this does lessen the demand for face-to-face contact especially during peak periods; rates, water billing and annual dog registration. This processing of electronic payments affects the administration workload at the Council's principal office in Dannevirke and increases the pressure to relocate resources from other physical service centres. Cheque payments are still a common method of payment, which are largely received by mail.

Staffing levels at peak periods have decreased over the years to reflect these trends. Demand for all electronic services is predicted to continue to increase.

Council will combine the Woodville Service Centre and Library to provide better service to the community.

The current Eketahuna model works well. Council considers that the level of service we offer in Woodville can be enhanced, efficiencies gained and cost savings achieved by looking at this model.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Modify entrance to i-SITE/Woodville Library building.	\$30,000	2012/13

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Service Centres	0%	0%	100%

Why is it funded this way?

The primary function of Service Centres is about providing customer support and public information. Much of the time spent on private benefit work is of a very small duration and is therefore not directly chargeable.

Performance Measures

Objectives / Rationale

- Provide top customer service.
- Deliver Council services efficiently and in an affordable way.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Service Centres								
Collaborative Council	High quality customer service delivered	The Council provides friendly, professional and knowledgeable service to customers.	Percentage of customers who lodge faults/requests are satisfied with service provided	New measure	90% (out of 120 randomly selected customers)	93%	93%	95%
			Percentage of customers who lodge faults/request are satisfied with after hours service received	New measure	75%	85%	90%	95%
Efficient Infrastructure	The Council answers customer's phone calls promptly	The Council provides a 24 hours a day, 7 days a week phone service for customers	Percentage of calls answered where the average wait time is equal to or less than 20 seconds	New Measure	95%	95%	95%	95%
			Percentage of calls received by the afterhours call centre on a 24/7 basis are answered	New measure	80%	85%	90%	90%



Service Centres Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	390	352	381	395	441	468	463	516	558	567	617
Targeted rates (other than a targeted rate for water supply)	-	189	178	176	153	137	156	111	88	101	70
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	1	1	1	1	1	1	1	1	1	1	1
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	1	1	1
Internal charges and overheads recovered	3	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	393	542	560	573	595	606	620	628	647	670	688
Applications of Operating Funding											
Payment to staff and suppliers	300	356	365	374	384	395	405	415	426	438	450
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	65	186	195	198	211	211	215	213	221	232	237
Total Applications of Operating Funding	365	542	560	573	595	606	620	628	647	670	688
(Surplus)/Deficit of Operating Funding	28	-									
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-	-	-	-	-	-

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	28	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	28	-	-	-	-	-	-	-	-	-	-
Surplus (Deficit) of Capital Funding	(28)	-	-	-	-	-	-	-	-	-	-
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Dannevirke Service Centre	41	48	49	51	52	54	55	56	58	59	61
Eketahuna Service Centre	186	223	229	235	241	248	254	260	267	275	282
Pahiatua Service Centre	37	42	43	44	46	47	48	49	51	52	53
Woodville Service Centre	36	42	43	44	46	47	48	49	51	52	54
Total Payments to Staff and Suppliers	300	356	365	374	384	395	405	415	426	438	450



Swimming Pools

Aim - to provide funding support for community pools which will promote community wellbeing

What is the Service Provided?

There are four public swimming pools in the Tararua district:

- Dannevirke, York Street
- Woodville, Vogel Street
- Pahiatua, Tui Street
- Eketahuna, Bridge Street

The Dannevirke Pool is a heated indoor complex owned by the Tararua Aquatic Community Trust (TACT). Its operations are also run by the Trust, however, the land it is situated on is owned by Council.

Local committees of volunteers run the three outdoor pools that are Council-owned. Users pay an admission fee, or key fee. Fees do not cover all operational costs hence Council makes a grant to each pool to assist with operating costs, maintenance and the provision of amenities.

Why we Provide it

The provision and/or funding of swimming pools is mainly historical, aimed at maintaining and improving the general well-being of people including the promotion of the kiwi culture that children should "learn to swim".

Public swimming pools have become more valuable to primary schools in particular, as they have mostly been unable to afford to maintain school pools at the required standard. The public pools support the school swimming curriculum within a affordable travelling distance.

Key Issues and Risks

- Council has received structural pool engineering advice on the outdoor pools in Eketahuna and Pahiatua; they are at the end of their useful life structurally and require replacing. Additional work was carried out in 2009/10 on both pools to extend their lives.
- Council does not have adequate reserves to fund the replacement of these pools. Should the communities choose to have a new pool then the costs associated with providing it need to be considered.
- Skilled volunteers are required to manage the facilities (Management Committees or Trustees).
- Increasing prices of key operational items are placing local management committees under increasing pressure.
- Loss of water in leaking pools puts pressure on local water supplies.
- The Eketahuna and Pahiatua pools could have major breakdowns of plant or equipment or of the pools themselves before 2016/17.
- Minor maintenance is the responsibility of the local pool management. Council relies on being advised by the local management of any major issues (except for Dannevirke which is the responsibility of the Tararua Aquatic Community Trust).

Options for Changes to Service Levels

Faced with the renewal of the Pahiatua and Eketahuna summer pools Council has provided funding towards building similar facilities in partnership with the local communities. Council

could withdraw from the activity at this point if the communities were not prepared to support these projects by fundraising.

The biggest change is likely to be initiated by Pahiatua residents seeking a pool complex as part of the Bush Multisports facilities. If so, this will be considered when addressing the need to replace or redevelop the Pahiatua outdoor pool.

In Eketahuna the demand is unlikely to change. This will be assessed when considering whether funding is given to replace or redevelop the Eketahuna outdoor pool.

In Dannevirke, there will be a continuing demand for increases in grants to cover increased costs in such items as energy, wages, and maintenance.

In Woodville there is unlikely to be a demand for change.

All requests for changes will be assessed on a district-wide basis having regard to the initial capital cost (often covered by external sponsorship and fund raising) and ongoing maintenance costs, which are a continuing cost to ratepayers.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Eketahuna – replace main pool	\$589,000	2017/18
Pahiatua – replace main pool	\$570,000	2016/17
Eketahuna pool – replace filter	\$20,000	2012/13

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Swimming Pools	0%	0%	100%

Why is it funded this way?

Swimming pools are recreational facilities, and provide social benefits such as swimming coaching, and leisure opportunities for children and parents. The users of the pools are private beneficiaries and user charges reflect this.

Fees are collected by the Tararua Aquatic Community Trust and the local management committees that run the pools.



Performance Measures

Objectives / Rationale

- Funding support for community pools to promote community wellbeing.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Swimming Pools								
Efficient Infrastructure	Public pools provided meet community expectations	Public swimming pools provide a quality visitor experience	Percentage of residents rating swimming pools as "fairly satisfactory" or "very satisfactory" in the community surveys conducted in 2014, 2017, and 2020	New measure		70%		70%
		Outdoor pools open during summer months, and Wai Splash all year around	The number of weeks each year Wai Splash is open for public use	New Measure	52 weeks	52 weeks	52 weeks	52 weeks
			The number of weeks each year outdoor pools are open for public use	New Measure	> 10 weeks	> 10 weeks	> 10 weeks	> 10 weeks
	The district can afford to support public pools	Public swimming pools are financially sustainable in the long term	Percentage of rates spent funding public swimming pools (base – average household rate)	New measure	Will use the 2012/13 results as a baseline and improve on the results for future years			

Swimming Pools Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	364	378	397	399	411	436	485	521	532	545	618
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	2	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	366	378	397	399	411	436	485	521	532	545	618
Applications of Operating Funding											
Payment to staff and suppliers	270	275	292	290	300	310	321	331	342	354	427
Finance costs	2	2	2	2	2	14	40	51	48	46	44
Internal charges and overheads applied	61	72	74	77	79	82	82	84	87	88	91
Total Applications of Operating Funding	333	348	367	369	381	406	443	466	477	489	562
(Surplus)/Deficit of Operating Funding	33	30	30	30	30	30	42	54	55	56	57
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(4)	1	(2)	(2)	(2)	568	559	(58)	(55)	(52)	(50)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(4)	1	(2)	(2)	(2)	568	559	(58)	(55)	(52)	(50)



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	10	3	-	-	-	570	589	-	-	-	-
- to replace existing assets	38	54	3	5	6	6	6	6	6	7	7
Increase (decrease) in reserves	(20)	(26)	25	23	23	23	6	(10)	(6)	(3)	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	28	31	28	28	28	598	601	(4)	(0)	4	7
Surplus (Deficit) of Capital Funding	(32)	(30)	(30)	(30)	(30)	(30)	(42)	(54)	(55)	(56)	(57)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Dannevirke Indoor Pool	188	194	208	207	214	221	228	236	243	252	304
Eketahuna Pool	22	23	25	25	26	27	27	28	29	30	37
Pahiatua Pool	36	29	31	31	32	33	34	35	36	37	45
Woodville Pool	25	28	28	28	29	30	31	32	33	35	42
Total Payments to Staff and Suppliers	270	275	292	290	300	310	321	331	342	354	427

District Promotion and Economic Development

Activities in this Group

Commercial Property

AIM Manage property assets to obtain the best return for ratepayers. To divest properties as the opportunities arise.

District Promotion and Development

AIM Promoting the district as a great place to live, visit, work, play and invest.

Key Issues

- Retaining business sector support for economic development and promotion activities.
- Impacts from economic and population trends outside the control of the Council.
- Increases in marketing activities and business advice may fail to attract new businesses and residents.
- Council significantly reduced funding for economic development in 2009/10 and kept it low in 2010/11 due to the tight economic conditions. The Council to increase funding gradually over the next five years.
- Potential lack of market demand to sell remaining commercial properties.
- World food commodity markets are likely to have a significant effect on the district's largest earner, agriculture.

Contribution to Community Outcomes

	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Strongly related		✓	✓		✓
Related				✓	
Partially related	✓				

Service Levels Provided

Activity	Current	Enhanced	Reduced
Commercial Property	✓		
District Promotion and Development		✓	



Significant Negative Effects

There are no significant negative effects from these activities.

Strategic Considerations

Future Demand

Commercial Property

The Council has no strategic need to own these properties. The Long Term Plan assumes continued ownership. However, Council will consider selling any or all of these properties given a sufficient market price.

District Promotion and Development

Council strategy is to increase this activity in order to attract and retain residents, and to build economic wealth.

Council intends to develop a brief economic development outline that will identify what sectors services and promotions will be focused on given current economic trends.

An initial investigation has been completed into a possible new cycle trail from Eketahuna to Shannon. Council will work with Horowhenua District Council (the lead authority for the project) to consider options to fund and implement this project. Significant Government or grant funding would be necessary before further work on the project is carried out.

The level of demand from the business community for the Council Economic Development and Promotion activity tends to reflect the general state of the economy. Forecast demand is likely

to be the same over the next year, and then reduce slightly as the wider economy improves. Currently the Council operates a low level of service and feedback from the business sector is that this needs to be increased. There are considerable resources and opportunities in the district that are not being fully utilised.

Official forecasts (Statistics NZ) are still predicting a long term declining population. Recently the population has been stable. Feedback from key local stakeholders is that a stable to modestly increasing population is essential to the achievement of the new Council Outcomes. Increasing demand for Council to lead and coordinate promotion activities across the district is likely to continue until the population is consistently growing.

Assumptions

- That the community continues to see district promotion and development as an important activity for the Council to be involved with.
- Central and regional government continue to provide the current level of economic development services.
- Overall economic and employment growth across the district is steady.
- Population of the district stabilises in the medium term or increases only modestly
- The majority of the Windfarms in the consent process now will be built in the next 10 years
- That there is no new strategic reason to retain commercial properties and current rental levels are maintained.
- Status quo for budgeting purposes, but the intention is to sell properties when the opportunity arises.

Group Level Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	328	107	119	137	159	162	159	178	194	196	213
Targeted rates (other than a targeted rate for water supply)	-	314	328	365	384	369	378	371	374	386	387
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	131	90	93	96	99	102	105	108	111	115	119
Local authorities fuel tax, fines, infringement fees, and other receipts	3	1	1	1	1	1	1	1	1	1	1
Internal charges and overheads recovered	3	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	465	512	541	598	642	634	643	657	680	697	719
Applications of Operating Funding											
Payment to staff and suppliers	368	411	428	449	494	510	515	565	550	563	581
Finance costs	-	-	-	-	-	-	-	-	2	2	2
Internal charges and overheads applied	80	85	89	92	96	97	97	98	102	106	109
Total Applications of Operating Funding	448	496	517	541	591	607	612	664	654	671	692
(Surplus)/Deficit of Operating Funding	17	15	24	56	51	26	30	(6)	26	26	27
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	(2)	1	1	(1)	1	37	(2)	1	1
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	(2)	1	1	(1)	1	37	(2)	1	1



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	25	26	53	44	17	18	18	19	20	20
- to replace existing assets	11	11	2	15	-	-	-	27	-	-	-
Increase (decrease) in reserves	6	(21)	(5)	(11)	8	8	14	(15)	6	8	8
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	17	15	22	57	52	25	31	30	24	27	28
Surplus (Deficit) of Capital Funding	(17)	(15)	(24)	(56)	(51)	(26)	(30)	6	(26)	(26)	(27)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Commercial Property

Aim - manage property assets to obtain the best return for ratepayers. To divest properties as the opportunities arise.

What is the Service Provided?

Council has a number of commercial buildings throughout the district. They include the old depots at Dannevirke, Tahoraiti and Woodville, and leased lands district wide.

Why we Provide it

These properties were acquired at the time of amalgamation when Tararua District Council was first formed and make a financial return to Council. Council will consider selling these properties at a fair market value as opportunities arise.

Council continues to own the depots in Dannevirke, Tahoraiti and Woodville and leases them to Infracon Tararua – a Council Controlled Trading Organisation (CCTO). Council continues to own the Rural Bus depot to ensure that the rural mail service delivery is retained. However, a new bus service (schools) now uses the A & P Showgrounds as a base.

Key Issues and Risks

- The tenants may vacate the premises, without an alternative tenant needing the site.
- The low rent on the rural bus depot in Dannevirke means this does not meet required rental returns and will be considered for sale over the 10 years.
- The majority of the original non-strategic commercially viable properties have been sold. What remains is the older buildings such as the Infracon Tararua depots, and Rural Bus depot. These buildings are likely to require costly maintenance in the future.

Options for Changes to Service Levels

Council could purchase additional investment properties to generate market returns. Council does not consider this to be a prudent use of ratepayer funds. Properties can be sold with proceeds used to offset debt incurred in providing capital infrastructure around the district.

Major Projects for the Next Ten Years

None.

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Commercial Property	100%	0%	0%

Why is it funded this way?

The primary beneficiaries are the users or lessees of the properties.

These are considered an investment type of asset and therefore a commercial return is expected.



Performance Measures

Objectives / Rationale

- To maximise returns and reduce overall Council rates requirements while ownership continues.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Commercial Property								
Prosperous Economy	Subsidising rates	Properties maximise returns to Council	Occupancy of commercial buildings each year	Achieved 100%	95%	95%	95%	95%
				Target 95%				
			Net operating surplus each year	Achieved 14.4%	0%	0%	0%	0%
				Target 5%				

Commercial Property Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	(13)	(4)	(4)	(4)	(4)	(4)	(3)	(4)	(4)	(3)	(4)
Targeted rates (other than a targeted rate for water supply)		(2)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(0)
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	121	79	81	84	86	89	91	94	97	100	103
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	1	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	109	73	75	78	81	83	87	89	91	96	99
Applications of Operating Funding											
Payment to staff and suppliers	93	81	78	80	82	85	87	125	92	95	98
Finance costs	-	-	-	-	-	-	-	-	2	2	2
Internal charges and overheads applied	21	7	8	8	8	8	8	9	9	9	9
Total Applications of Operating Funding	114	88	86	88	91	94	96	134	103	106	110
(Surplus)/Deficit of Operating Funding	(5)	(16)	(11)	(10)	(10)	(11)	(9)	(45)	(12)	(10)	(11)
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	(2)	1	1	(1)	1	37	(2)	1	1
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	(2)	1	1	(1)	1	37	(2)	1	1

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	11	11	2	15	-	-	-	27	-	-	-
Increase (decrease) in reserves	(16)	(27)	(15)	(24)	(9)	(12)	(8)	(36)	(13)	(9)	(10)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	(5)	(16)	(13)	(9)	(9)	(12)	(8)	(9)	(13)	(9)	(10)
Surplus (Deficit) of Capital Funding	5	16	11	10	10	11	9	45	12	10	11
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Building Maintenance	79	66	63	65	67	69	71	103	75	78	81
Planned Maintenance	14	15	14	15	15	16	16	22	17	17	18
Total Payments to Staff and Suppliers	93	81	78	80	82	85	87	125	92	95	98

District Promotion and Development

Aim - promoting the district as a great place to live, visit, work, play and invest

What is the Service Provided?

Council's involvement in district promotion and development is focused on two main areas. One is business development in advisory and facilitation functions, and the second is Destination Marketing. The Council also owns the aerodrome at Dannevirke, which provides a low-cost basic service for commercial and private operators.

Council fosters relations and alliances with neighbouring and comparable regions; local and independent agencies and businesses to identify potential opportunities for working cooperatively on initiatives. Council is currently working with organisations such as New Zealand Trade and Enterprise, Vision Manawatu, Rangitane O Tamaki Nui a Rua Inc and Wairarapa Inc.

- Council provides business development advisory services.
- Promoting the "Tararua" brand, for economic development and tourism outcomes.
- An information and booking centre for visitors to Tararua.

In 2010/11 the Council, in partnership with Horowhenua District Council, approved a jointly funded investigation into the feasibility of a new cycle trail from Eketahuna to Shannon.

This work grew out of the focus on the national cycleway network by central government, although no government funding was approved for this trail. An initial investigation has been completed by OPUS, TRC Tourism Limited and Simon Kennett. The study identified a viable 86 km two day route that would cost an estimated \$3.5 million to build, including new trails and an overnight hut. An increase in visitor numbers would be generated with an expected increase in visitor expenditure after five years of between \$360,000 and \$506,000 per year. Council considers that the returns are not sufficient given the investment required and the likely ongoing operating costs. No provision has been made in the Long Term Plan for any

further expenditure and Council has indicated that significant central Government funding would be necessary before further work on the project is carried out. Council will work with Horowhenua District Council (the lead authority for the project) to consider options to fund and implement this project.

Council provides one information centre namely the Tararua i-SITE, situated at 42 Vogel Street, Woodville, which is an accredited member of the Visitor Information Network (VIN). The Tararua i-SITE is the primary information centre for the Tararua district, providing information on our district's activities and attractions to domestic and international visitors. This is achieved through its collection of New Zealand brochures, display and national distribution of the Tararua Visitor Guide in conjunction with direct contact with visitors to the district and sharing extensive product knowledge of what our district has to offer by promoting the complete Tararua experience. The Tararua i-SITE is managed by one full time staff member and supported by one part-time staff. The management responsibility of the i-SITE staff is under the guidance of the Customer Services Manager.

Why we Provide it

Tararua district's relatively small population is distributed across a number of small urban centres. The Council therefore faces the twin challenges of needing to maintain and upgrade expensive infrastructure in a number of towns, while having a small rating basis to fund the cost of these services.

The District Promotion and Development activity addresses these challenges by undertaking initiatives to encourage business growth and develop tourism, which together provide the best opportunities for economic growth in the district. Economic growth is needed to provide



quality employment opportunities that will enable current residents to stay and attract new residents to the district.

Council provides the Tararua i-SITE in Woodville, which is an accredited member of the Visitor Information Network (VIN). The Tararua i-SITE is the primary information centre for the Tararua district, providing information on our district's activities and attractions to domestic and international visitors. The i-SITE supports the district tourism operators to promote their business, assist with initiatives for events and promotion throughout the district and nationally. There are four other district information centres located in Norsewood, Dannevirke, Pahiatua and Eketahuna. All centres receive funding from Council to assist with the operation of their centres.

The aerodrome is a historical asset that is kept to support aviation services for local rural farming and recreational users.

Key Issues and Risks

Council significantly reduced funding in 2009/10 and kept it low in 2010/11 due to the tight economic conditions. The Long Term Plan proposes an increase in funding staged over the next five years.

- Getting the right programmes to improve future economic development initiatives.
- Increases in marketing activities and business advice may fail to attract new businesses and residents.
- Ensuring features of Tararua District are marketed to the right audiences.
- Retaining business sector support for activities
- Impacts from economic and population trends outside the control of the Council.
- World food commodity markets are likely to have a significant effect on the district's largest earner, agriculture.

Options for Changes to Service Levels

Council has discretion in this activity and could reduce funding. Council significantly reduced funding in 2009/10. Since then the world financial crisis has resulted in difficult business conditions and lower employment. During consultative workshops in 2011 local businesses and leading community organisations indicated to Council that increased spending on economic development and promotion was very important for the future prosperity of the district. Attracting skilled employees to build on local opportunities is a crucial part of future growth.

Council to increase service levels in marketing and promotion.

Tararua could be serviced by neighbouring districts economic development agencies and/or regional tourism organisations. Shared service or contracts for service could be developed to reflect local needs. Vision Manawatu based in Palmerston North already carries out a limited business advisory and support service (businesses that meet certain criteria) on behalf of central government (Trade and Enterprise, and Ministry of Science and Innovation). Council to increase the level of service for business advice by contracting Vision Manawatu to expand on this existing service.

The aerodrome could be developed as a location for flying enthusiasts as increasing costs and noise compliance issues push recreational flyers out of larger urban areas.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Increase business advice and support to local businesses (operating)	\$20,000	Annually 10 years
Operating projects to support opportunities and facilitate private and central government sector investment in Tararua. Focused on windfarm opportunities in years 1 and 2.	Year 1 \$39,000	Annually 10 years
	Year 2 \$49,000	
	Year 3 \$58,000	
	Year 4 \$68,000	
	Year 5 onwards \$78,000	

Funding Sources and Mechanisms

	User Charges	Grants	Rates
District Promotion and Development	0-5%	0%	95-100%

Why is it funded this way?

Private beneficiaries are the individuals who gain employment, retailers, tourist operators, motels, and other businesses, but the whole district benefits from an increased population and larger rate base.

Council has introduced a new targeted rate based on capital value for industrial/commercial properties to fund 60% of the cost of this activity. Refer to the Revenue and Financing Policy for more details.

Performance Measures

Objectives / Rationale

- A council seen as a leader in community partnerships and collaboration to ensure services are delivered in the most effective and affordable way.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – District Promotion and Development								
Prosperous Economy; Collaborative Council	Community partnerships and collaboration	Assist businesses to apply for Government subsidies and grants	Referrals of Business Applications to Ministry of Science and Innovation Subsidy (while scheme is available)	New Measure	5 per annum	5 per annum	5 per annum	5 per annum
Collaborative Council	Community partnerships and collaboration	Hold one or more business strategy meetings with businesses in the Tararua	Positive feedback on Business Strategy Meetings – Annual Survey	New measure	80%	80%	80%	80%
Prosperous Economy	A district with a clear identity that promotes its lifestyle	Promote the Tararua at large events in and outside the district	Major Events that 'Tararua' is directly involved	Achieved 4 Target 4	3 per annum	3 per annum	3 per annum	3 per annum
Prosperous Economy; Great Lifestyle	A strong, growing, prosperous local economy that attracts, welcomes and retains businesses and residents	Measure ultimate success of economic development by the number of people that continue to choose to live in the Tararua	Exceed Statistics NZ Medium Population Projections in Annual Estimates and Census	New measure	Per Statistics NZ	Per Statistics NZ	Per Statistics NZ	Per Statistics NZ
Prosperous Economy	Access to a local service that assists visitors and supports local business	Customers receive friendly, professional and knowledgeable service from qualified i-SITE staff	Biannual Qualmark Assessment achieved	New measure		Acheived		Acheived



District Promotion and Development Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	341	111	124	140	163	166	162	182	198	199	217
Targeted rates (other than a targeted rate for water supply)	-	316	330	366	385	371	380	371	375	387	387
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	10	11	12	12	13	13	14	14	14	15	16
Local authorities fuel tax, fines, infringement fees, and other receipts	3	1	1	1	1	1	1	1	1	1	1
Internal charges and overheads recovered	2	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	356	439	466	519	561	551	556	568	588	601	621
Applications of Operating Funding											
Payment to staff and suppliers	275	330	350	369	412	425	428	440	458	468	483
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	59	78	81	84	88	89	89	90	93	97	100
Total Applications of Operating Funding	334	408	431	453	500	514	517	530	551	565	582
(Surplus)/Deficit of Operating Funding	22	31	35	66	61	37	40	39	38	37	38
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-	-	-	-	-	-

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	25	26	53	44	17	18	18	19	20	20
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	22	6	9	13	17	20	22	20	19	17	18
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	22	31	35	66	61	37	40	39	38	37	38
Surplus (Deficit) of Capital Funding	(22)	(31)	(35)	(66)	(61)	(37)	(40)	(39)	(38)	(37)	(38)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Business Development	84	129	143	156	172	187	191	196	202	207	213
District Marketing	141	150	154	159	184	180	177	182	192	195	202
Tararua i-Site	51	51	52	54	56	58	60	62	64	66	68
Total Payments to Staff and Suppliers	275	330	350	369	412	425	428	440	458	468	483



Regulatory Services

Activities in this Group

Animal Control

AIM To prevent nuisance and threats to community safety from dogs and wandering stock.

Emergency Management

AIM Promoting individual and community resilience in emergencies to enhance the community's capability to respond to and recover from rural fire events or natural disasters.

Health and Safety

AIM To help provide a safe and healthy community, buildings and avoid behaviour causing a nuisance in the community.

Resource Management

AIM To help achieve a sustainable natural and built environment and a strong prosperous economy.

Contribution to Community Outcomes

	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Strongly related			✓	✓	✓
Related		✓			
Partially related	✓				

Service Levels Provided

Activity	Current	Enhanced	Reduced
Majority of Group	✓		
Rural Fire and General Inspection Services		✓	

Key Issues

- A decline in the number of registered dogs in the district is forcing up dog registration fees over time in order to maintain the existing level of service.
- New animal care regulations require Council to build a new pound in Dannevirke. This is budgeted for 2012/13 and the increased costs will result in a small increase in dog fees.
- The proposed Food Act will move Council away from licensing food premises into an audit role. This is likely to have a negative effect on fee revenue for the Council.
- The Council's Earthquake Prone Building Policy requires a significant number of building owners to assess the integrity of their buildings. The likely outcomes of the royal commission on the Christchurch earthquake will place further requirements to strengthen many older buildings.
- The Government has in recent years talked about regionalising or even nationalising a range of regulatory services. The review of local government currently underway could see these options considered again.
- The building control activity has been affected by the economic downturn but demand for consents is expected to improve. To continue to operate as a Building Consent Authority the Council will need to maintain its accreditation and maintain an appropriate staffing level.
- Applications for large infrastructure projects such as wind farms are managed with the assistance of consultants and generally, costs incurred are recovered from the applicant. The costs of appeals to the Environment Court are not usually recoverable and can amount to \$100,000 or more for each appeal.
- Increased extreme weather events from climate change could result in more extreme fire risk seasons and floods.
- Council is continuing to rebuild a skilled incident management team in-house.
- Ageing ex-New Zealand Fire Service vehicles are no longer seen as the most appropriate "least cost long term" option for supplying to our five volunteer rural forces. Council is moving to the national "yellow" rural fire engine to ensure all vehicles are consistently equipped, and meet or exceed minimum levels of performance.
- The proposed national changes in management and structure of rural fire forces.

Significant Negative Effects

Animal Control

- Proximity of dog and stock pounds may adversely affect the quality of life of neighbouring properties due to noise nuisance of impounded animals.
- Dog control legislation, bylaws and policies may restrict the freedom of dog owners, for example, restricting dogs in public places.

Health and Safety

- The greater detail required for building consent applications may be regarded by some applicants as unnecessary, but contributes to more certainty of compliance with the building code.
- People's personal freedoms can be affected through regulation for the benefit of the wider community.

Resource Management

- The Council has a statutory duty to protect and promote the welfare and wellbeing of the community and the natural and built environment. The imposition of rules to give effect to environmental protection is sometimes seen as hindering development that will benefit the community as a whole.

Emergency Management

None.

Strategic Considerations

Future Demand

Animal Control

Expected to generally remain at the current level. However, community dynamics change and over time new issues will arise that may require a change in the manner of delivery or level of the activity. In response to public pressure, the Government can amend existing legislation, or



introduce new legislation or policies that affect how we go about our business. The new animal care regulations are an example of this.

Health and Safety

We expect the future demand for the building control service to increase over the next year or two, but expect the demand for most of the other services to remain at the current level. Changes in legislation may mean that there will be a reduction in the environment health area, which could enable a review of the delivery method for this activity. Changes in the demand for the building control service will be evident through the level of building consent applications lodged. The construction period for some "self-build" applications is long and the follow up work can be carried out in quieter periods.

Resource Management

Resource consent has been granted for five wind farms in the district and applications are being considered for a further three. Consent conditions impose monitoring obligations on Council, during both construction and operation of these facilities. This will require an additional resource, part of the cost of which will be recoverable from the operators. There is also the potential to share the resource with adjoining local authorities where wind farms are also located. Apart from this monitoring obligation, a change in the current pattern of demand is not anticipated.

Emergency Management

The future demand for these services will be ongoing as long as there is legislation for local authorities to provide the leadership for this service. Any changes will also consider the agreed impacts of climate changes in terms of intensity or frequency of storms and droughts, along with lessons from past incidents.

Assumptions

- That most services will continue to be provided at the existing level and within the provisions of the existing legislation
- For Resource Management the Council activity is resourced to provide a base level of service. In times of increased activity or complexity of applications outside resources are used, the costs of which can often be recovered from the applicants.
- Changes in legislation and economic conditions are likely to impact on the Health and Safety activity, particularly the building control services. Council will continue to recover costs for chargeable activities at the level determined by the Revenue and Financing Policy.
- There will always be a need for both Civil Defence and Emergency Management and Rural Fire as long as legislation requires local authorities to provide these. Flooding, rural fires, earthquakes and other natural disasters will continue to occur on an irregular basis.

Group Level Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,075	576	617	654	687	740	741	818	878	888	952
Targeted rates (other than a targeted rate for water supply)	-	543	525	541	483	467	508	460	419	446	413
Grants & Subsidies Operating	46	20	21	21	13	14	14	24	15	16	27
Fees, charges, and targeted rates for water supply	650	692	711	724	757	785	807	843	872	899	940
Local authorities fuel tax, fines, infringement fees, and other receipts	2	2	2	2	2	2	2	2	2	2	2
Internal charges and overheads recovered	12	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	1,785	1,833	1,876	1,943	1,942	2,008	2,072	2,147	2,186	2,251	2,334
Applications of Operating Funding											
Payment to staff and suppliers	1,284	1,414	1,439	1,479	1,463	1,507	1,551	1,613	1,640	1,691	1,764
Finance costs	2	9	15	20	21	26	29	30	28	27	26
Internal charges and overheads applied	292	301	314	323	338	342	345	348	360	374	384
Total Applications of Operating Funding	1,578	1,724	1,768	1,822	1,823	1,875	1,925	1,991	2,028	2,092	2,173
(Surplus)/Deficit of Operating Funding	207	110	108	121	119	132	146	156	158	159	161
Sources of Capital Funding											
Subsidies and grants for capital expenditure	80	29	15	3	-	-	35	-	-	-	-
Increase (decrease) in debt	(8)	12	232	(22)	103	102	51	(34)	(32)	(31)	(29)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	72	41	247	(20)	103	102	86	(34)	(32)	(31)	(29)



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	246	66	258	5	124	128	118	-	-	-	-
- to replace existing assets	90	48	3	3	3	91	18	4	4	4	4
Increase (decrease) in reserves	(57)	36	94	93	94	15	97	118	121	125	128
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	279	150	355	101	222	234	233	122	125	129	132
Surplus (Deficit) of Capital Funding	(207)	(110)	(108)	(121)	(119)	(132)	(146)	(156)	(158)	(159)	(161)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Animal Control

Aim - to prevent nuisance and threats to community safety from dogs and wandering stock

What is the Service Provided?

Animal control activities provide the capacity to respond to instances of dogs or wandering stock causing nuisance, the facilities to impound animals and the capacity to enforce statutory requirements and bylaws to increase safety in our community. The activity also maintains a database of all registered dogs and collects registration fees. In addition, Council works with the community to educate people in responsible dog ownership and safety around dogs, to prevent future incidents.

- Council maintains a database of registered dogs within the district and unregistered dogs are investigated.
- Complaints are investigated and responded to, including a 24 hour dog and stock ranging service and facilities for impounding.
- A dog owner education programme is conducted to promote responsible dog ownership and safety around dogs.

Why we Provide it

Council is obliged to meet a number of statutory obligations under the Dog Control Act 1996 and because community safety is a community priority. Council is required to ensure the obligations of responsible dog ownership are met and to adopt a policy and bylaw for the care and control of dogs in the district. The Impounding Act 1955 requires the Council to maintain a stock pound and appoint a pound keeper. It is obliged to accept stock impounded for trespassing or wandering on roads or public places.

Key Issues and Risks

- Safety issues relating to dogs have led to new rules such as micro-chipping and may lead to further legislative change in the future.
- Meeting the needs of dog owners for dog exercise areas in urban areas will continue to be an issue that needs addressing.
- There is a gradual decline in the number of dogs in the district, while the public continue to expect a high level of service. This has an effect on the level of the dog registration fees and rates contribution to the activity.
- Call-outs for wandering stock in remote parts of the district can create a cost v benefit tension.
- The lack of a network of secure animal pounds throughout the district limits the ability of officers to economically impound animals.
- New animal care regulations are proposed that will require Council to build a new pound in Dannevirke. This will provide more space for each impounded dog as well as exercise areas.

Options for Changes to Service Levels

- Subject to legislative change, it is considered that the current dog control activity is appropriate for the communities needs. A reduction in the level of service would be detrimental to Council's desired outcomes, while an increase is unlikely to provide any significant improvement in community satisfaction.



- The introduction of the half-hour call-back system for animal service requests has provided efficiencies for staff, without a reduction in the level of service.
- A change in the method of delivery is considered not to be appropriate for this district, given the other Council activities in which the officers are involved and the interdependence of other staff.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
New dog pond Dannevirke	\$206,000	2012/13

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Animal Control	90-95%	0%	5-10%

Why is it funded this way?

The majority of the costs for this activity should be borne by dog owners, as it is the existence of dogs in the community that gives rise to the need to carry out this activity. There is a small public benefit from animal education programmes.

Performance Measures

Objectives / Rationale

- Promote safety from animals in public places
- Support road safety by moving wandering stock and animal welfare in rural areas
- Meet legislative requirements

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Animal Control								
Collaborative Council; Great Lifestyle	Public safety	Animal control complaints and issues are resolved in a timely manner	Percentage of dog attacks responded to within 2 hours	Achieved 100% Target 95%	99%	99%	99%	99%
			Percentage of other complaints responded to within 1 day	New measure	95%	95%	95%	95%
			Percentage of residents rate dog control as "quite satisfactory" or "very satisfactory" in community surveys	Achieved 80% Target 70%		70%		80%
Collaborative Council	Proactive education of animal owners	Promoting responsible animal ownership through public education	Number of animal related complaints received by Council	Achieved 530 Target < 559	520	520	510	490
		Maintaining an efficient dog registration database	Percentage of known dogs registered each year.	Achieved 99.6% Target 97%	99%	99%	99%	99%



Animal Control Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	8	7	10	24	26	25	22	21	21	20	19
Targeted rates (other than a targeted rate for water supply)	-	4	5	11	9	7	7	5	3	4	2
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	192	221	228	224	232	240	248	256	265	274	284
Local authorities fuel tax, fines, infringement fees, and other receipts	1	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	1	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	202	231	242	259	267	272	278	282	289	297	305
Applications of Operating Funding											
Payment to staff and suppliers	146	155	159	164	168	173	178	183	188	194	200
Finance costs	1	4	9	13	12	11	11	10	10	9	9
Internal charges and overheads applied	32	58	60	62	65	65	66	67	69	71	73
Total Applications of Operating Funding	179	217	228	238	245	250	255	260	267	275	282
(Surplus)/Deficit of Operating Funding	23	14	14	21	22	22	22	22	23	23	23
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(4)	(5)	202	(14)	(14)	(13)	(12)	(12)	(11)	(11)	(10)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(4)	(5)	202	(14)	(14)	(13)	(12)	(12)	(11)	(11)	(10)

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	206	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	19	10	10	7	8	9	10	11	11	12	13
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	19	10	216	7	8	9	10	11	11	12	13
Surplus (Deficit) of Capital Funding	(23)	(14)	(14)	(21)	(22)	(22)	(22)	(22)	(23)	(23)	(23)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
After hours dog control	35	36	37	38	39	40	41	42	43	45	46
Maintain database	26	24	25	26	26	27	28	29	29	30	31
Education	5	7	7	8	8	8	8	8	9	9	9
Monitor and enforce	78	85	87	90	92	95	98	100	103	106	109
After hours stock control	2	3	3	3	3	3	3	3	3	4	4
Total Payments to Staff and Suppliers	146	155	159	164	168	173	178	183	188	194	200



Emergency Management

Aim - promoting individual and community resilience in emergencies to enhance the community's capability to respond to and recover from rural fire events or natural disasters

What is the Service Provided?

Tararua District Council is part of the Manawatu-Wanganui Civil Defence Emergency Management Group that exists to provide centrally co-ordinated services to its members. The group functions through a coordinating executive group (or CEG) on which Tararua District Council has a representative.

- **Civil Defence**
 - Providing civil defence education programmes to local schools and the community through the ongoing public awareness campaign. Facilitating local Community Civil Defence Response Groups within the district. Providing a linked radio network across the district to enable a coordinated response by Council's Incident Management Team to any event.
- **Rural Fire**
 - Ensuring that all notified rural fires have a rural fire officer response immediately upon notification, and trained crews attend as needed within 30 minutes of notification.
 - Ensuring Council has a trained and equipped "Incident Management Team", required to coordinate response and recovery to large scale, often multiple-agency incidents, as required.
 - Training rural fire fighters.

Civil Defence has a number of designated Council buildings across the district which act as a Welfare Centre in the event of an emergency. The other Welfare Centres are made up of local primary schools, rural fire depots, and New Zealand Fire Service stations within the Tararua district. The centres are operated by Civil Defence volunteers in the event of an emergency and are activated at the request of the Civil Defence Controller.

The Tararua district has five rural fire forces within the district which are Te Uri, Weber, Herbertville, Akitio, and Tiraumea. They have designated Rural Fire Depots at each location housing rural fire engines and equipment for each fire force. The turnout system for each fire force varies as to the geographical location. The Tararua district has three automated systems for alerting the volunteer fire forces of a fire; at Te Uri, Weber and Herbertville. The other two fire forces are alerted by a phone call to the Rural Fire Controller, and then a phone tree system is put into action.

Why we Provide it

Civil Defence

Council has a legal and social obligation to provide services that enable the community to build resilience and capability to cope with a civil defence emergency, and ensure any response and recovery services to an event are co-ordinated across the district.

Rural Fire

Council has a legal responsibility to respond to and manage rural fires, apart from those in Department of Conservation reserves, which are separate (yet complementary) to the fire and rescue services provided by the New Zealand Fire Service covering urban areas and rural hazards. Training provided to volunteer Rural Fire Force members includes rural fire and some other specialist skills recognising that these volunteers are often the first trained service members to attend to isolated rural emergencies.

Key Issues and Risks

- There are ongoing risks to the community from geological faults and weather conditions that may change over time. Increased extreme weather events from climate change could result in more extreme fire risk seasons and floods. These events will continue to threaten public safety and the rural environment within the Tararua district.
- Council is continuing to rebuild a skilled incident management team in-house that has the skills and experience to benefit our district and neighbouring authorities. Ageing ex-New Zealand Fire Service vehicles are no longer seen as the most appropriate "least cost long term" option for supplying to our five volunteer rural forces. Part of this is the high annual maintenance costs, and part is their inability to get to the location of smaller rural fires rapidly, if crews are needed to prevent these fires from gaining intensity and size. Council is moving to the national "yellow" rural fire engine to ensure all vehicles are consistently equipped, and meet or exceed minimum levels of performance. Council receives a subsidy for these vehicles.
- Consultation with the community and rural fire forces about the practicality of any proposed national changes in management and structure will also occur. An example is the proposed possible merging of rural and urban fire legislation.

Options for Changes to Service Levels

With an increase in plantation forestry within the district from 8,568 hectares in 1995, to 16,206 hectares in 2002 and an estimated 26,000 hectares in 2011 there is a higher risk of fire and resulting loss of property. This growth is expected to accelerate with more land being converted to plantation forestry to take advantage of the current carbon credit scheme. To meet this increased risk it is essential that we have a 4x4 off-road water delivery capability. The service level will be increased in the current year with the purchase of a 5,000 litre Rural Fire Tanker.

With more emergency management services moving to digital network radio systems it is inevitable that Tararua district will eventually have to follow suit. Based on current information it is estimated that this will happen around 2015/16. Our current network needs coverage improvement with the installation of one more repeater. At the moment the network costs Council \$35,000 per year with most of this cost (88%) being borne by Infracon through the roading maintenance contract. To add the extra repeater would bring the annual rental up to \$48,000 per year. Options to own our own network have been looked at. For an initial outlay of \$225,000 we can own and operate our own network. Assuming the roading contractor would

use our network and pay the same rental level then the cost savings over the ten year period would be \$95,000.

Our two coastal villages Akitio and Herbertville are semi urban areas with a number of both permanent and holiday accommodation buildings. This means that there is a higher risk of structure fires. There are no New Zealand Fire Service Urban Volunteer Brigades based in either village. In both cases the nearest urban brigades are over 30 minutes travel away should a structure fire occur. Currently both villages have Rural Fire parties with large urban fire appliances. Whilst these appliances are suitable for combating house fires in an urban environment, they are not appropriate for forest/scrub fires. These New Zealand Fire Service "hand me downs" are old, not suitable for the rural roads, and have no off-road capability. They also have high annual maintenance costs due to the age of the vehicles. To increase the level of service it is planned to replace the Akitio and Herbertville appliances with purpose built 4x4 urban/rural fire appliances to enable them to address both structure fires and forest/scrub fires. The new vehicles would have a useful life of 15 years and would reduce current annual maintenance costs.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Rural Fire – Purchase refurbished 'yellow' fire appliances	\$170,000	2013/14 and 2017/18
Civil Defence – new communications digital network	\$252,000	2015/16 to 2017/18

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Emergency Management	0-10%	0%	90-100%

Why is it funded this way?

The primary purpose of Civil Defence is emergency preparedness with an initial response capability. The activity cannot be attributed to any individuals and therefore it is the community as a whole that benefits from this activity.

The major beneficiaries of Rural Fire are the rural community, including all forestry owners and the Department of Conservation. Those who do not control fires properly, or do not follow legal requirements, are subject to user charges.



Performance Measures

Objectives / Rationale

- Develop community readiness to cope with emergencies.
- Support and train local residents to be able to deal with civil emergencies and rural fires.
- Provide a communications network across the district.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Emergency Management								
Collaborative Council	Support the community to prepare for an emergency	Promote awareness of the impact of likely natural disasters to increase community readiness to cope with civil emergencies.	Percentage of households surveyed that have a maintained "preparedness" kit.	Achieved 36% Target 35%	45%	45%	45%	50%
Great lifestyle; Sustainable Environment; Prosperous Economy	Leadership and training	Provide trained civil defence management team staff and rural fire teams.	Percentage of operations centre staff internally assessed as having appropriate training and skills to perform Incident Management Team Role.	Achieved 13% Target 10%	45%	75%	85%	90%
			Percentage of volunteer rural fire forces that meet required competency standards.	Achieved 85% Target 100%	85%	85%	85%	85%
		Notified rural fires have a rural fire officer response upon notification.	Percentage of time Rural Fire Officers and trained crews respond within 30 minutes to notified incidents, as assessed by NZ Fire Service communications centre data.	Achieved 98% Target 100%	90%	90%	90%	90%

Emergency Management Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	446	113	124	128	112	133	143	160	171	171	185
Targeted rates (other than a targeted rate for water supply)	-	294	295	307	283	289	307	318	308	318	327
Grants & Subsidies Operating	46	20	21	21	13	14	14	24	15	16	27
Fees, charges, and targeted rates for water supply	5	5	5	5	6	6	6	6	6	7	7
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	3	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	500	432	444	462	414	442	470	508	500	512	545
Applications of Operating Funding											
Payment to staff and suppliers	286	290	301	310	260	268	278	305	294	304	335
Finance costs	1	5	6	7	9	14	19	19	18	18	17
Internal charges and overheads applied	76	54	56	58	60	61	62	63	65	67	68
Total Applications of Operating Funding	363	349	363	374	329	344	358	387	377	388	420
(Surplus)/Deficit of Operating Funding	137	83	81	87	85	98	112	121	123	124	126
Sources of Capital Funding											
Subsidies and grants for capital expenditure	80	29	15	3	-	-	35	-	-	-	-
Increase (decrease) in debt	(2)	16	30	(8)	116	115	64	(22)	(21)	(20)	(19)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	78	45	45	(5)	116	115	99	(22)	(21)	(20)	(19)



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	246	66	52	5	124	128	118	-	-	-	-
- to replace existing assets	90	48	3	3	3	91	18	4	4	4	4
Increase (decrease) in reserves	(121)	14	72	74	74	(6)	75	95	98	100	103
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	215	128	126	82	201	213	211	99	101	104	107
Surplus (Deficit) of Capital Funding	(138)	(83)	(81)	(87)	(85)	(98)	(112)	(121)	(123)	(124)	(126)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Civil Defense	70	56	58	60	53	55	57	59	60	62	65
Rural Fire	216	234	243	250	207	213	221	246	234	242	270
Total Payments to Staff and Suppliers	286	290	301	310	260	268	278	305	294	304	335

Health and Safety

Aim - to help provide a safe and healthy community, buildings and avoid behaviour causing a nuisance in the community

What is the Service Provided?

Health and Safety consists of four separate activities; building control, environmental health, liquor licensing, and general inspection.

Building control exists to ensure that all buildings in the district are safe and healthy, environmental health maintains an overview of food premises and other public places where good hygiene is important, while liquor licensing ensures that the sale and supply of liquor is carried out in a responsible manner and general inspection anticipates and responds to matters of public nuisance.

Building Control

- Plans for proposed new buildings are checked to ensure they comply with the building code and once approved building consents are issued to construct the buildings.
- Regular inspections are carried out during construction to ensure that the building work complies with the approved plans.

Environmental Health

- Premises supplying food to the public are monitored to ensure the practices are healthy and safe.

Liquor Licensing

- Applications for liquor licenses and managers' certificates are investigated and reports on suitability are made to the District Licensing Agency.
- Licensed premises are visited and good management practices are encouraged.

General Inspection

- A 24-hour a day noise control service is provided to the community and staff respond to complaints affecting the public environment. This includes matters such as stock effluent on roads, trees hanging low over footpaths and overgrown urban sections presenting fire dangers.

Why we Provide it

The community has told the Council it wants a safe community. The Council has a number of statutory obligations under the Building Act 2004, the Health Act 1956, the Resource Management Act 1991 and other statutes, which legislate for a safe and healthy community. The Council is also an accredited Building Consent Authority.

Key Issues and Risks

- Changes in economic conditions affect the demand for services, particularly in the building control activity. This has revenue implications and can also affect staffing levels if a long

term downturn is experienced. To continue to operate as a Building Consent Authority the Council will need to maintain its accreditation and maintain an appropriate staffing level. There is a shortage of experienced building and environmental health officers, which may affect the Council as senior staff retire.

- Currently the activity is at a lower level than in recent years but the signs are that things are improving. However, community dynamics change and over time new issues will arise that may require a change in the manner of delivery or level of the activity.
- In response to public pressure, the Government can amend existing legislation, or introduce new legislation or policies that affect how we go about our business. At the current time, this is particularly relevant in the building control and environmental health areas.
- Government has floated proposals to consider regionalising or even nationalising building consenting services. These may be progressed through the review of Local Government. If a change along these lines did proceed, the impact on the level of service could be significant and the potential exists for the loss of close integration with other council services. Options to share services with other councils, including contracting another council to act as the building consent authority for Tararua, are being considered.
- In general, a cost recovery approach is used for the services provided, but with some activities this is not always practical.
- The pending introduction of the Food Act will move Council away from licensing food premises into an audit role. This is likely to have a negative effect on fee revenue for the Council.
- Liquor licensing legislation is currently under review and may result in Council having to commit more resources to this activity.
- As a result of Council's Earthquake Prone Building Policy a significant number of building owners will be required to get the integrity of their buildings assessed and may be required to carry out strengthening work. This work may not be economic in some cases and Council may be required to take steps to ensure the identified dangers are removed.

Options for Changes to Service Levels

Building inspection services are delivered locally by the Council. The potential exists for these services to be regionalised, or even delivered on a national level. Alternatively, a shared service with other local authorities is an option. Studies to date have not demonstrated any improvements in service or savings would be achieved with the shared service option.

On the other hand, a shared service arrangement for environmental health could have advantages, as legislative changes are pointing towards "self-certification" for activities previously licensed by the Council, with the Council's new role more of an audit nature. This option is currently being explored, given the pending retirement of Council's environmental health officer.

Liquor licensed premises are increasingly coming under scrutiny and legislative changes may result in increased commitment to the activity by the Council. At this stage, the outcome of the review is uncertain, but it is unlikely to result in a reduction in the level of service. We may have to review the way in which this activity is delivered, once the reviewed statute is in place.

The general inspection activity and in particular the noise control aspect, is a 24-hour service, which by its nature it has to be. Being provided by a contractor outside normal hours is an effective service delivery manner, which often requires follow up during working hours. To contract this aspect out would require intense management by Council staff and be unlikely to provide any improvement in service.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Maintaining registration as a Building Consent Authority	\$20,000	2014/15
Earthquake prone buildings initial assessments	\$112,000	2012/13 and 2013/14

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Health and Safety	55-60%	0%	40-45%

Why is it funded this way?

The building control activity is mainly funded by the beneficiaries of the service, as they can be easily identified. There is some general community benefit because the public can be assured that buildings being erected are safe.

For health and liquor licensing there is a moderate amount of public good in the general health monitoring and advisory service provided to the community. Direct inspections of premises is user fees, but some fees are set by government legislation and therefore full cost recovery is

not always possible. In the general inspection area it is often impossible to identify offenders or impractical to recover enforcement costs. The whole community benefits from these activities.

Performance Measures

Objectives / Rationale

- Meet legislative timelines
- Business friendly Council
- Protect the public

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Health and Safety								
Prosperous Economy; Collaborative Council	Public feels safe in public and commercial buildings	Ensure that the district built environment is safe	Percentage of Earthquake prone buildings on public register strengthened or demolished	New Measure	Commence initial assessments	Initial assessments complete	Public register released	80%
			Percentage of buildings with building warrants of fitness's audited each year	New Measure	5%	5%	5%	5%
			Percentage of properties with swimming pool and/or spa fencing inspected	New Measure	20%	20%	20%	20%
Prosperous Economy	Business friendly Council service	Responsive and accurate building control service provided	Percentage of building consents issued within the statutory time frame (20 working days)	Achieved 92.3% Target 100%	100%	100%	100%	100%
			Percentage of inspections carried out within two working days of request	New Measure	70%	70%	70%	70%



Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Great lifestyle; Prosperous Economy	Public is safe utilising local businesses	Protect public health by regulating the sale of food, funeral parlours, offensive trades, hairdressing salons and camping grounds	Percentage of high risk licensed premises inspected twice a year	New Measure	100%	100%	100%	100%
		Protect public health by regulating the sale of liquor	Percentage of low risk licensed premises inspected each year	New Measure	100%	100%	100%	100%
			Percentage of liquor licence applications processed and issued within 10 working days (where complete information is provided, i.e. public notice, police reports etc)	New Measure	100%	100%	100%	100%
			Percentage of on and off licence liquor outlets inspected annually	Achieved 74% Target 100%	100%	100%	100%	100%
Sustainable Environment	Ensuring people do not overly disturb other residents.	Control excessive noise through monitoring and enforcement	Percentage of noise complaints responded to within 30 minutes in Dannevirke and Pahiatua, and 1 hour in Woodville and Eketahuna	Achieved 100% Target 100%	100%	100%	100%	100%

Health and Safety Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	356	209	218	227	245	261	256	276	301	307	322
Targeted rates (other than a targeted rate for water supply)	-	113	102	101	85	76	86	59	47	55	36
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	405	416	425	435	458	470	481	506	518	532	561
Local authorities fuel tax, fines, infringement fees, and other receipts	0	1	1	1	1	1	1	1	2	2	2
Internal charges and overheads recovered	5	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	767	739	746	765	790	808	825	843	868	895	921
Applications of Operating Funding											
Payment to staff and suppliers	603	563	562	577	593	609	626	642	659	679	698
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	130	164	172	177	185	187	188	190	197	205	211
Total Applications of Operating Funding	733	727	734	753	778	797	814	831	856	884	909
(Surplus)/Deficit of Operating Funding	34	12									
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(1)	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(1)	-									



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	33	12	12	12	12	12	12	12	12	12	12
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	33	12									
Surplus (Deficit) of Capital Funding	(34)	(12)									
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Building Consent Processing	245	210	208	214	220	226	232	238	245	252	259
Environmental Health	139	144	148	152	156	160	164	168	173	178	183
Liquor Licensing	87	81	80	83	85	87	90	92	95	97	100
Noise Callouts & Other Nuisances	131	127	125	129	132	136	140	143	147	152	156
Total Payments to Staff and Suppliers	603	563	562	577	593	609	626	642	659	679	698

Resource Management

Aim - to help achieve a sustainable natural and built environment and a strong prosperous economy

What is the Service Provided?

There are two aspects to this activity: the sustainable management of the district's natural and physical resources and the protection and enhancement of the community's environmental values. These are achieved mainly through the preparation and maintenance of the District Plan and through the resource consent process.

The District Plan identifies the resource management issues facing the district and sets out policies and rules for managing the effects of land use and subdivision activities on the environment. The effectiveness of the District Plan is monitored and reported on annually.

The service is provided by:

- Provision of a District Plan that provides certainty of land use and environmental outcomes, reviewing it 10 yearly and making changes annually to keep it current.
- Monitoring of Resource Management Act activities in the district and the provision of advice, ensuring Council's obligations are met.
- A monitoring programme that reports on the effectiveness of the District Plan.
- Efficient processing of resource consent applications.

Why we Provide it

While there are development pressures in some areas, there is also a desire to protect the special character of certain parts of the district, particularly coastal areas and landscapes. As a statutory requirement under the Resource Management Act 1991, the District Plan provides

a strong element of control and certainty for land use activity in the district. The District Plan and the associated resource consent processes are important regulatory tools to help ensure appropriate land use.

Key Issues and Risks

- The District Plan policies are influenced by national policy statements and needs to give effect to these statements. It also has to have regard to any regional council policy statements and plans.
- The effectiveness of the District Plan needs to be continually monitored to ensure that the rules are effective and contributing to the plan's objectives.
- The level of activity is dependent on the level of economic activity and hence user charges and fees can fluctuate, which in turn affects the activity's ability to comply with the Council's Revenue and Financing Policy. The costs involved can be managed to a certain extent by the use of outside resources to cope with peaks in demand. Applications for large infrastructure projects such as wind farms are managed with the assistance of consultants and, generally, costs incurred are recovered from the applicant. The costs of appeals to the Environment Court are not usually recoverable and can amount to more than \$100,000 for each appeal.
- Monitoring activities in a large district like Tararua is difficult and community input is often relied upon.



Options for Changes to Service Levels

The type and level of service is, in the main, determined by legislation. The level of service provided for Tararua, with one full time planner, is considered appropriate for the district. An increase in staffing levels to reduce the use of outside resources would not be justified, given the type and amount of work involved.

An alternative delivery option is to contract the delivery of all services to a third party. Experiences of local authorities of a similar size who have used this delivery method have found it to be a more expensive and a less responsive delivery method.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Reviewing the District Plan	\$100,000	2022

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Resource Management	10-20%	0%	80-90%

Why is it funded this way?

There are two district beneficiaries of this activity, the first being the applicant and the second being the whole district through the monitoring and development of the District Plan.

Performance Measures

Objectives / Rationale

- Meet legislative timelines and Resource Management Act requirements.
- Business friendly Council.
- Monitor impacts from development on the environment.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Resource Management								
Sustainable Environment; Prosperous economy	Effective and relevant policies	Provide a district plan that provides certainty of land use and environmental outcomes	Percentage of Hearings Commissioners surveyed that think that the district plan is effective	No hearings held as District Plan not finalised	85%	85%	90%	95%
Great lifestyle	Keeping up to date with impacts on the environment	Undertake a monitoring programme that reports on the effectiveness of the district plan and individual consent conditions	Prepare a district wide state of the environment monitoring report	No report as District Plan not finalised		Report published		Report published
			Percentage of residents rating resource management as satisfactory in community surveys to be conducted in 2014, 2017 and 2020	Achieved 74% Target 75%		75%		75%
Collaborative Council	Responsive customer service	Resource consents are administered effectively and efficiently	Percentage of resource consents processed within the statutory time frame. • Non-notified: 20 working days • Notified: 70 working days • Notified and Limited Notified not requiring a hearing: 50 working days	Achieved 92% Target 100%	100%	100%	100%	100%



Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
			Percentage of complaints about non-compliance with the District Plan or consent conditions are investigated and resolved within 3 months of being received	New measure	90%	90%	90%	90%

Resource Management Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	265	247	266	274	304	321	319	361	385	390	426
Targeted rates (other than a targeted rate for water supply)	-	133	125	122	105	94	107	77	60	69	48
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	48	51	53	60	62	69	72	74	83	86	89
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1	1	1	1	1	1	1	1	1	1
Internal charges and overheads recovered	2	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	315	431	444	457	471	486	499	513	529	546	563
Applications of Operating Funding											
Payment to staff and suppliers	249	406	417	429	442	456	470	483	498	514	531
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	54	25	26	27	28	29	28	29	30	31	32
Total Applications of Operating Funding	303	430	443	456	470	485	498	512	528	545	563
(Surplus)/Deficit of Operating Funding	12	1									
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-	-	-	-	-	-



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	11	1	1	1	1	1	1	1	1	1	1
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	11	1									
Surplus (Deficit) of Capital Funding	(11)	(1)									
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Coastal Hazard Assessment	48	4	4	4	5	5	5	5	5	5	5
Resource Consent Processing	13	32	32	33	34	35	37	38	39	40	41
District Plan Review	120	189	195	200	206	213	219	226	232	240	248
Environmental Monitoring Report	33	78	80	82	85	87	90	92	95	98	101
Legal Costs Associated with Hearings	20	68	70	72	74	77	79	81	84	86	89
RMA Management & Information	15	35	36	37	38	39	40	42	43	44	46
Mount Munro Wind Farm	-	-	-	-	-	-	-	-	-	-	-
Total Payments to Staff and Suppliers	249	406	417	429	442	456	470	483	498	514	531

Roading and Footpaths

Activities in this Group

Roading

AIM To provide safe, convenient and orderly transportation in the district.

Footpaths

AIM To provide safe access and walking opportunities for pedestrians in urban areas.

Contribution to Community Outcomes

	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Strongly related	✓	✓	✓		
Related					✓
Partially related				✓	

Key Issues

- Maintaining existing levels of service within financial constraints and declining funding from the NZ Transport Agency. There is a moderate risk that the subsidy rate from central government will continue to fall and this will result in declining levels of service and/or higher rates. A review of the NZ Transport Agency's Funding Assistance Rate (FAR) is to be completed before 2015.
- The potential for rising costs as this activity is significantly impacted by increases in oil prices.
- Impacts on individual properties located at the "end of the road" on very low volume roads with high renewal costs (bridges servicing one or two properties).
- Climate change and increasing frequency of extreme weather events causing significant damage to the roading infrastructure. In some cases, communities can be isolated until it is repaired.
- Contracting costs may be unpredictable due to the economic situation and demands on the contracting sector (Christchurch rebuild).
- Affordability of upgrades to urban central business districts of Eketahuna and Pahiatua, to enhance environment and social outcomes.



Service Levels Provided

Activity	Current	Enhanced	Reduced
Roading			✓
Footpaths		✓	

Significant Negative Effects

Roading

- The physical placement and construction of roads can adversely affect the natural attributes of the environment, for example, cutting hillsides, bridging streams or rivers etc.
- Excessive noise from vehicular traffic affects residents' quality of life.
- Motor vehicles affect the environment by producing fumes affecting air quality and causing contaminants in road stormwater runoff.
- Roothing assets consume a large quantity of non-renewable petroleum products.

Footpaths

- No significant negative effects.

Strategic Considerations

Future Demand

Roading

Modest to low population increases, coupled with an ageing population, will limit increases in traffic volumes. Commercial traffic growth is forecast to be driven by primary sector activity. The harvesting of forests and increased dairying is already placing some increased demands on

the network. Both these operations generate significant heavy vehicle traffic by way of logging trucks, milk tankers and service vehicles. Not all bridges in the network are capable of carrying Class I loads.

The majority of forestry plantations within Tararua are predominately within the northern area. Large scale harvesting of these areas have been indicated to start 2020 with an estimated 26,000 tonnes to be harvested per year. It is also intended that the majority of timber will be taken to the Port of Napier for export. This is indicated only to have a minor affect on our roading network as plantations border both the Tararua district and Central Hawkes' Bay.

The western and southern areas of Tararua are areas with concentrated dairy farming. Fonterra have indicated that they may consider trucks with loadings of 45-48 tonne rating. Council will be working with Fonterra to identify key areas for road access. Currently existing pavements are sustaining truck movements. Our renewal programme is giving additional pavement strengthening.

Our eastern area of the network, particularly coastal areas, are very dry which does not attract the dairy industry. Indications could be that additional dairy growth may occur within the central part of the district where access to the state highway network is more favourable.

Climate change is likely to result in the increasing frequency of extreme weather events causing significant damage to the roading infrastructure. Demand for repairs is likely to increase accordingly.

Footpaths

Demand for new footpaths is low. Future subdivisions may place requirements for new footpaths. Increased use of mobility scooters will place extra demands for crossing points as the population median age increases.

Assumptions

- Changes in legislation and economic conditions are likely to impact on the Roothing activity, particularly the funding model. Current assumption is that the subsidy level for roading will remain at 59% for the 10 years. There is a moderate risk that this will reduce over time towards 50%.
- NZ Transport Agency will resume funding for seal extensions from 2015/16.
- Funding from NZ Transport Agency funds will be available for Pahiatua Track upgrade (in addition to 2013/14 and 2014/15 upgrades as SH3 alternative route).
- Oil prices will be as forecasted with moderate increases over the next 10 years

- Traffic volumes and makeup will continue at current trends. Significantly more trucks on the local network would lead to higher costs.
- Land use will remain at current patterns.
- Forestry harvests as forecasted.
- Transport funding system remains largely as current.
- Councils' role in road network maintenance remains as current structure.
- No large industrial developments outside of current industrial/commercial land.
- Enhancement to the footpath network will occur with improvements to town centres in Woodville, Pahiatua and Eketahuna.



Group Level Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	82	62	64	66	73	76	75	76	47	24	26
Targeted rates (other than a targeted rate for water supply)	7,163	7,085	7,385	7,608	8,312	8,705	8,885	9,631	10,049	10,497	11,046
Grants & Subsidies Operating	3,660	3,773	3,890	4,026	4,151	4,275	4,412	4,567	4,736	4,897	5,068
Fees, charges, and targeted rates for water supply	149	150	155	160	165	170	175	182	188	195	201
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	3	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	11,056	11,069	11,494	11,860	12,700	13,226	13,548	14,455	15,020	15,612	16,342
Applications of Operating Funding											
Payment to staff and suppliers	6,300	6,445	6,640	6,873	7,087	7,300	7,535	7,799	8,089	8,365	8,659
Finance costs	166	133	135	131	140	150	153	193	273	309	299
Internal charges and overheads applied	1,584	1,166	1,195	1,232	1,268	1,288	1,293	1,294	1,319	1,347	1,367
Total Applications of Operating Funding	8,050	7,744	7,971	8,236	8,495	8,739	8,981	9,286	9,681	10,021	10,325
(Surplus)/Deficit of Operating Funding	3,006	3,325	3,523	3,624	4,205	4,487	4,566	5,170	5,339	5,591	6,017
Sources of Capital Funding											
Subsidies and grants for capital expenditure	4,030	3,415	5,557	6,285	4,033	4,154	4,287	5,355	5,900	4,399	4,924
Increase (decrease) in debt	74	221	(127)	(80)	469	11	98	1,677	1,905	(309)	(125)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	4,104	3,636	5,430	6,204	4,502	4,165	4,385	7,033	7,805	4,091	4,799

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,250	447	2,172	2,814	998	575	675	3,192	3,900	139	681
- to replace existing assets	5,639	5,631	5,754	6,115	6,140	6,494	6,527	6,937	7,005	7,438	7,497
Increase (decrease) in reserves	221	883	1,027	899	1,569	1,583	1,749	2,074	2,239	2,105	2,637
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	7,110	6,961	8,953	9,829	8,707	8,652	8,951	12,202	13,144	9,682	10,815
Surplus (Deficit) of Capital Funding	(3,006)	(3,325)	(3,523)	(3,624)	(4,205)	(4,487)	(4,566)	(5,170)	(5,339)	(5,591)	(6,017)
Funding Balance	-										



Roading

Aim - to provide safe, convenient and orderly transportation in the district

What is the Service Provided?

The roading network of Tararua District Council is listed as the fourth-largest of any authority in New Zealand. The network consists of a total of 1,958km of roads, with 1,176km sealed, and 782km of unsealed roads. Additionally, there are 398 bridges, and all associated infrastructure assets, such as signs (9,106), lighting and culverts (130), both large and small.

The State Highway traverses the district by means of SH2 and SH3, and these are managed by the NZ Transport Agency. These road lengths are not part of the Tararua District Council network.

The network is managed by the Council's in-house engineering business unit, Tararua Engineering Services, based in Woodville. This non-profit consultancy provides engineering resources under a contract at a lower total cost than usually obtained from external consultants. Contracts are let for general maintenance, ranging from three to five year contracts, with annual contracts being let for pavement rehabilitation, sealed road resurfacing and seal extensions. Due to the low population base, the Tararua District Council is heavily reliant upon subsidies received from NZ Transport Agency.

Tararua District Council is responsible for the management of roads with a depreciated replacement value of approximately \$615 million, and an annual expenditure of between \$11–15 million budgeted for maintenance, renewals and capital works. This is the most costly of the Council's major activities.

Council receives a subsidy of 59% from the NZ Transport Agency. This subsidy covers all maintenance activities for both operational and renewal works. The subsidy has been reduced from 60% in 2011/12. Any drop in subsidy places an impact on Council's budget. To overcome

this, Council is reviewing levels of service and community expectations through this Long Term Plan process.

Why we Provide it

Council has statutory obligations under the Land Transport Management Act 2003 to maintain a roading network within the district. An effective roading network is also essential to ensuring the economic and social wellbeing of the community through the provision of access and mobility for people, goods and services.

Both rural and urban residents want an effective and efficient transportation network. Well maintained roads enable economic activity and growth by allowing the efficient transport of goods and services, as well as ensuring the safety of road users when undertaking a proactive approach to road maintenance. Council to promote the use of underpasses in the future.

Key Issues and Risks

- Maintaining existing levels of service within financial constraints and a declining Funding Assistance Rate. There is a moderate risk that the subsidy rate from central government will continue to fall and this will result in declining levels of service and/or higher rates. A review of the Funding Assistance Rate system and rate is to be completed before 2015.
- Managing renewal and development of the roading network including ongoing bridge inventory. The high number of bridges will place considerable renewal pressure on the Council in 30 years plus.
- Road closures and blockages from extreme weather conditions.

- The potential for rising costs as this activity is significantly impacted by increases in oil prices.
- Impacts on individual properties located at the "end of the road" on very low volume roads with high renewal costs (bridges servicing one or two properties).
- Climate change and increasing frequency of extreme weather events causing significant damage to the roading infrastructure. In some cases, communities can be isolated until it is repaired.
- Tararua has varying geography and geology. There is a shortage of suitable metal supplies particularly in the eastern area. The land east of the Puketoi Ranges is inherently unstable and susceptible to flood damage.
- Lack of funds approval for the upgrade of the Pahiatua-Palmerston North route (Pahiatua Track). The NZ Transport Agency has indicated an upgrade of Manawatu Gorge alternative route(s) will be completed by 2014/15. This may or may not include the Pahiatua Track. As a result of this upgrade, further funds for the Pahiatua Track upgrade (if not completed as part of the alternative route upgrade) are unlikely to be available in the next five years.
- Future reliability of the Manawatu Gorge (SH3). Continued closures will shift traffic onto roads not designed or built for heavy or significant traffic.
- Contracting costs may be unpredictable due to the economic situation and demands on the contracting sector (Christchurch rebuild).

Options for Changes to Service Levels

Council has decided to reduce the level of seal renewals and maintenance work. This will marginally reduce levels of service on the lower volume roads. Council could have retained the 2011/12 expenditure levels, however, this would have resulted in higher rate increases. Council staff consider that due to the overall good condition of the roading network the maintenance budgets can be reduced while still delivering an acceptable condition network in the long term. Further reductions in maintenance and reseals would result in a declining level of service that Council considers is unacceptable.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Annual reseal programme of 90km per year	\$24,957,000	Over 10 years
Minor safety improvements	\$5,757,500	Over 10 years
Annual pavement rehabilitation of 12.5km per year	\$18,108,000	Over 10 years
Pahiatua to boundary route upgrade	\$3,698,000	2018/20
Seal extension programme of 3km per year: subject to funding from NZ Transport Agency	\$2,401,000	2015/22
Manawatu Gorge alternative route road upgrade (100% NZ Transport Agency funding)	\$4,755,000	2012/13 to 2014/15
Bridge renewals	\$1,161,000	Over 10 years
Road drainage renewals	\$5,688,000	Over 10 years
Unsealed road metalling	\$6,965,000	Over 10 years

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Roading	0%	50-60%	40-50%

Why is it funded this way?

The beneficiaries are the users of the roads, the owners of properties served by roads, the local community within the district and the wider community.

The private benefit is collected via fuel taxes and road user charges by the government and allocated by a grant through the NZ Transport Agency.



Performance Measures

Objectives / Rationale

- To maintain the roading network in an effective and efficient manner meeting the community needs.
- To continue with planned roading renewals as determined.
- To ensure riding comfort, safety and availability of maintained road to all users.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Roding								
Efficient Infrastructure	Ensure that our roading network is safe	Council ensures roads are safe for all road users	Number of fatal accidents due to road factors	Achieved Nil Target Nil	Nil	Nil	Nil	Nil
Efficient Infrastructure	Roads are maintained to the appropriate standard	Council maintains Roads to an acceptable standard	Percentage of requests to fix road surface faults are completed within the timeframe specified in contracts	Achieved 85% Target 100%	85%	85%	85%	85%
			Percentage of residents rating Urban and Rural roading as "quite satisfactory" or "very satisfactory" in community surveys to be conducted in 2014, 2017 and 2020	Achieved 69% Target 70%		70%		70%
Efficient Infrastructure; Great Lifestyle; Collaborative Council	Maintained roading network provides a safe and comfortable ride quality	Council ensures quality of roads and safety of users	Percentage of sealed roads providing a smooth and comfortable ride as measured by RAMM Roughness Surveys for NAASRA counts lower than 220 for urban and 120 for rural	Achieved 95% Target 95%	95%	95%	95%	95%

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Efficient Infrastructure	Clearance of damage by weather/emergency response	Council ensures that all roads remain available to users	Initial response to impassable roads be undertaken within 24 hours	Achieved 99% Target 99%	99%	99%	99%	99%



Roading Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	6,700	6,325	6,596	6,794	7,472	7,833	7,993	8,688	8,979	9,334	9,859
Grants & Subsidies Operating	3,660	3,773	3,890	4,026	4,151	4,275	4,412	4,567	4,736	4,897	5,068
Fees, charges, and targeted rates for water supply	149	150	155	160	165	170	175	182	188	195	201
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	1	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	10,510	10,248	10,640	10,980	11,788	12,278	12,580	13,436	13,903	14,425	15,128
Applications of Operating Funding											
Payment to staff and suppliers	6,272	6,389	6,582	6,813	7,025	7,237	7,470	7,732	8,019	8,292	8,583
Finance costs	41	38	37	37	40	46	52	67	94	108	109
Internal charges and overheads applied	1,538	928	951	975	1,006	1,018	1,020	1,015	1,032	1,054	1,067
Total Applications of Operating Funding	7,851	7,354	7,571	7,826	8,071	8,301	8,541	8,813	9,145	9,454	9,759
(Surplus)/Deficit of Operating Funding	2,659	2,894	3,069	3,154	3,717	3,978	4,040	4,623	4,758	4,971	5,369
Sources of Capital Funding											
Subsidies and grants for capital expenditure	4,030	3,415	5,557	6,285	4,033	4,154	4,287	5,355	5,900	4,399	4,924
Increase (decrease) in debt	(76)	7	(15)	(6)	132	130	129	542	693	(80)	92
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	3,955	3,421	5,541	6,278	4,164	4,284	4,416	5,898	6,593	4,320	5,016

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	941	105	2,144	2,753	528	544	561	1,912	2,485	104	645
- to replace existing assets	5,639	5,581	5,754	5,955	6,140	6,324	6,527	6,755	7,005	7,244	7,497
Increase (decrease) in reserves	34	629	712	724	1,213	1,393	1,368	1,853	1,861	1,943	2,244
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	6,614	6,315	8,611	9,432	7,881	8,261	8,456	10,521	11,351	9,291	10,385
Surplus (Deficit) of Capital Funding	(2,659)	(2,894)	(3,069)	(3,154)	(3,717)	(3,978)	(4,040)	(4,623)	(4,758)	(4,971)	(5,369)
Funding Balance	-										

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Cycle Path Maintenance	690	-	-	-	-	-	-	-	-	-	-
Routine Drainage Maintenance	832	842	868	898	926	954	985	1,019	1,057	1,093	1,132
Emergency Reinstatement	1,149	1,129	1,164	1,205	1,242	1,280	1,321	1,367	1,418	1,467	1,518
Environmental Maintenance	441	444	457	473	488	503	519	537	557	576	596
Level Crossings	41	40	42	43	44	46	47	49	51	52	54
Network Asset Management Subsidised	515	578	596	617	636	655	676	700	726	751	777
Non Sub Tree Removal	-	-	-	-	-	-	-	-	-	-	-
Non Sub Verges	171	136	134	138	142	146	150	155	160	165	170
Preventative Maintenance	-	-	-	-	-	-	-	-	-	-	-
Sealed Pavement Maintenance	202	867	894	925	954	983	1,014	1,050	1,089	1,126	1,166
Cycle Path Maintenance	553	711	733	759	782	806	832	861	893	923	956
TA & Admin Support	174	164	169	175	180	186	192	198	206	213	220
Traffic Services Maintenance	492	449	463	480	496	511	528	547	568	588	609
Unsealed Pavement Maintenance	468	486	501	519	535	551	568	588	610	631	653
Unsealed Road Metalling - Maintenance Metal	544	544	561	581	599	617	637	659	684	707	732
Total Payments to Staff and Suppliers	6,272	6,389	6,582	6,813	7,025	7,237	7,470	7,732	8,019	8,292	8,583

Footpaths

Aim - to provide safe access and walking opportunities for pedestrians in urban areas

What is the Service Provided?

The Council manages approximately 114km of footpaths with a replacement value of over \$4 million. The type of surface used is dependent on life cycle cost considerations, pedestrian volumes and the amenity value of the location (i.e. shopping precincts). The main types of footpath surfaces in the district townships are:

- Asphaltic concrete: mix of graded aggregate and asphaltic binder laid in a 15-20mm layer.
- Concrete: unreinforced concrete laid in a 75mm layer.
- Chip-seal: layer of sprayed bitumen with a fine grit spread on top.
- Slurry seal: mix of fine aggregate and emulsion laid in a 3-5mm layer.
- Metal: graded crushed stone chips spread on formed base course.

Council has a policy to provide at least one footpath per urban road where pedestrian access is required. Special surfaces such as concrete cobblestones/pavers and pressed concrete have been installed in the main shopping area in Dannevirke. This mainstreet upgrade project is planned to be repeated in the main shopping streets in Pahiatua, Woodville and Eketahuna during the 2012 to 2021 period.

Why we Provide it

Pedestrians need safe and convenient routes to their destinations. Mainstreet footpaths support economic activity by providing an attractive environment. There is no legislative

requirement to provide footpaths. Footpaths contribute strongly to the Council Outcome – Great Lifestyle.

Key Issues and Risks

- Affordability of upgrades to urban central business districts of Eketahuna and Pahiatua, to enhance environment and social outcomes.
- Costs may outstrip general inflation as maintenance relies heavily on petroleum products.
- Tree roots emerging on footpaths, removal of moss and lichen and overhanging branches from adjoining properties all impact on operating costs.
- An issue in Dannevirke is the extreme width of the footpaths. This arose from the by-product of sealing over the old municipal gas lines. The footpath width increases the cost of maintenance, however, the cost of narrowing the footpaths and replacing some of the area with grass is more than the simple maintenance cost.

Options for Changes to Service Levels

Council has discretion over upgrades to the footpath network. The current policy of ensuring that there is one footpath in every urban street is continuing. Modest sums could be saved by removing the \$27,000 a year for network extensions.

The mainstreet upgrades are reliant on community support. Should the Pahiatua or Eketahuna communities oppose their upgrade Council will reconsider the project. The renewal programme is designed to maintain the current network. Council does not want the condition

of footpaths to decline as it did some years ago. Council invested considerable sums in the last 10 years to bring the standard up to what the urban residents consider an acceptable level.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Woodville mainstreet upgrade stage 2	\$130,000	2012/13
Eketahuna mainstreet upgrade	\$472,000	2014/16
Pahiatua mainstreet upgrade.	\$2,709,000	2017/20
Footpath network extension	\$313,000 (10 years)	annually
Renewals	\$756,000 (10 years)	Every 2nd year

The central business district projects exclude the cost of the kerb and channel, which is a NZ Transport Agency cost for state highways. In addition, project amounts exclude renewal of underground services, which will be quantified when the project designs are finalised.

Each central business district upgrade has a first year of consultation and detailed designs.

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Footpaths (including the urban differential rate)	0%	0%	100%

Why is it funded this way?

Occupiers of urban residential and commercial properties which are served with footpaths benefit from easier access and the added value to the properties. While the primary benefit is for the people who use the footpaths, these users generally cannot be identified or restricted from using footpaths from a public safety factor.

In towns where central business district footpath upgrades take place, Council will apply a non-district-wide targeted rate to those areas benefiting from the upgrade. This will increase local accountability for projects and allow funding of services above the standard necessary to be functional. Funding for the Woodville Town Centre upgrades will have their loan repayments and interest costs funded through four targeted rates. They will be charged with 10% of the costs allocated to the Ward that is directly benefiting the area and the remaining cost allocated equally. This ensures that the local community (as defined by North and South Wards) pay a higher proportion of the cost than the rest of the district.

Performance Measures

Objectives / Rationale

- To maintain the footpath in an effective and efficient manner meeting the community needs.
- To continue with planned footpath renewals and developments as determined.
- To upgrade and enhance the central business districts of Woodville, Eketahuna and Pahiatua.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets				
					Year 1	Year 2	Year 3	Years 4-10	
Activity – Footpaths									
Efficient Infrastructure	Footpaths are safe for pedestrians	Council maintains footpaths to an acceptable level to customers	Percentage of residents rate footpaths as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2014, 2017 and 2020	Achieved 77% Target 75%		75%			75%
			Percentage of footpath free from trip hazards e.g. bumps, depressions, settlement, cracking, deterioration, per 100 metres of footpath, measured by footpath condition surveys	Achieved 95% Target 90%	95%	95%	95%	95%	
			Complaints regarding unsafe footpaths are rectified within 7 days	Achieved 97% Target 100%	100%	100%	100%	100%	



Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Efficient Infrastructure; Great Lifestyle; and Collaborative Council	Town centre upgrades reflect the diversity, character and heritage of communities	Council ensures the needs of both local and visitors will be considered in the town upgrades	Percentage of resident and non-resident ratepayers rate Urban CBD upgrades as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2014, 2017 and 2020	New measure		80%		80%

Footpaths Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	82	62	64	66	73	76	75	76	47	24	26
Targeted rates (other than a targeted rate for water supply)	463	760	789	814	840	872	892	943	1,069	1,163	1,187
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	2	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	547	821	854	880	913	948	967	1,019	1,116	1,187	1,214
Applications of Operating Funding											
Payment to staff and suppliers	28	56	58	60	62	63	65	68	70	73	75
Finance costs	125	96	98	94	100	105	101	126	179	201	191
Internal charges and overheads applied	46	238	244	256	263	270	274	279	287	293	300
Total Applications of Operating Funding	199	390	400	410	424	438	441	473	536	567	566
(Surplus)/Deficit of Operating Funding	348	432	454	470	488	510	527	546	580	620	648
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	149	214	(112)	(74)	338	(119)	(31)	1,135	1,212	(229)	(218)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	149	214	(112)	(74)	338	(119)	(31)	1,135	1,212	(229)	(218)



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	309	342	28	61	470	31	113	1,279	1,415	35	36
- to replace existing assets	-	50	-	160	-	170	-	182	-	195	-
Increase (decrease) in reserves	188	254	315	175	356	190	382	220	378	161	394
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	497	646	342	396	826	390	495	1,681	1,792	391	430
Surplus (Deficit) of Capital Funding	(348)	(432)	(454)	(470)	(488)	(510)	(527)	(546)	(580)	(620)	(648)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Footpath Maintenance Rural	28	1	1	1	1	1	1	1	1	1	1
Footpath Maintenance Urban	-	55	57	59	61	62	64	67	69	71	74
Non Sub Admin Rural/Urban	-	-	-	-	-	-	-	-	-	-	-
Non Sub Professional Services	-	-	-	-	-	-	-	-	-	-	-
Total Payments to Staff and Suppliers	28	56	58	60	62	63	65	68	70	73	75

Solid Waste Management

Activities in this Group

Solid Waste Management

AIM To protect people's health and our environment by minimising the production of waste and promoting recycling and reuse.

Service Levels Provided

Activity	Current	Enhanced	Reduced
Solid Waste	✓		

Contribution to Community Outcomes

	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Strongly related	✓			✓	
Related			✓		✓
Partially related		✓			

Key Issues

- A need to review the operations at refuse transfer stations and for bulk recycling to reduce costs.
- Establishing a cost effective transfer station at Pahiatua.
- The need to remove cleanfill and greenwaste from the waste stream at transfer stations;
- Setting appropriate waste disposal fees that reflect the cost of delivering the services in 2012/13. The levels of service and costs have changed significantly over the last two years and change again in 2012/13. Council will review the fees and charges once these changes are operational during 2012/13; any changes will be consulted on during the 2013/14 Annual Plan.
- Changing the way rates are set to fund parts of the activity. Council is to have a new targeted rate for recycling and refuse collection (detailed in the 'Why is it funded this way?' section below).
- Kerbside collection levels of service.
- Fly-tipping volumes as disposal costs increase.
- Promotion of the recovery of green waste for processing into compost and other marketable products.
- Development of an environmental waste minimisation education programme.
- The possibility of a future resource recovery facility.
- The limited amount of data on waste volumes particularly from private industry.
- The future operation of the Eketahuna and Pongaroa landfills.
- The Emissions Trading Scheme will impose further costs on the small landfills at Eketahuna and Pongaroa.

Significant Negative Effects

- Land use, contamination of land and odour associated with refuse.
- Loss of resources from materials ending in landfills.
- Cost of investment in infrastructure, including transport costs to take waste out of the district.
- Costs of handling and processing waste, including recycling and recovery.

Strategic Considerations

Future Demand

A growing awareness by local residents of the need to reduce the volume of waste, along with rising prices to dispose of waste, has resulted in significant reductions in the volume of waste being disposed. In the past the Council has been faced with conflicting objectives of trying to maximise user pays revenue to the landfills against increasing recycling and reducing waste volumes. Increasing the former resulted in increased costs and less revenue. Despite this considerable investment and success in recycling has occurred. With the closure of the two main landfills and operating transfer stations much of this conflict has been removed. Reducing volumes of waste to be disposed now results in directly reduced transport and landfill costs (at Waipukurau).

With a stable population and very modest property developments the volume of waste is expected to continue to fall as awareness and price result in ongoing behavioral changes. Transfer stations now have areas to separate green waste and cleanfill, reducing volumes being disposed of by up to a half of 2009 volumes.

A new charge on trucks / commercial waste of \$110 a tonne is being introduced at the Dannevirke transfer station in 2012/13. This reflects the full cost of handling, sorting and transporting this waste to the Waipukurau landfill. This is forecast to increase revenue by \$75,000 a year.

On current policies and services it is likely that future waste flows will contain more e-waste and less mixed green waste. General household waste is forecast to gradually decline with recycled volumes continuing to rise strongly. This trend will reduce in impact over the next six years as households will have separated out the obvious materials. In the medium to long term it will become increasingly expensive to increase recycling as this will involve less valuable materials or materials that are expensive to recycle.

The private sector will continue to collect the majority of district waste, with an increasing percentage being disposed of through Council transfer stations or Council partners co-located with the transfer stations. With intense competition, particularly in the wheelie bin services, Council expects its share of the waste disposal to reduce over time.

Overall there is pressure on the Council to ensure that e-waste services are available from 2012 to coincide with the move to digital television. Increasing expectations will also put pressure on the Council to provide plastic bins for urban kerbside recycling services, as well as expanding this service to include glass.

The forecast is for a modest reduction in volumes of general household and commercial waste and an increase in the volume of recycled materials.

Assumptions

- The private sector will continue to provide a competitive market for contracted services.
- Transport costs will not increase significantly.
- Legislation will not change significantly, including the Emissions Trading Scheme.
- Consumer patterns and product packaging will remain at current levels.
- Private sector will not offer lower priced local landfills.
- Council remains in the business of Solid Waste with an emphasis on recycling.

What is the Service Provided?

The majority of the waste stream in the district handled by the Council is currently disposed of at Waipukurau. Waste is processed and transported to Waipukurau through transfer stations at Dannevirke, Woodville and Ormondville (proposed to be closed in 2012/13). A small volume of waste is still disposed of at the Eketahuna and Pongaroa Landfills. These are small landfills have current resource consents that limit disposal to locally generated waste only. The Council manages four closed landfills (Dannevirke, Pahiatua, Woodville and Ormondville). A full service transfer station has been constructed at the Dannevirke landfill site. A basic transfer station currently operates at Woodville (contracted) while the Pahiatua landfill site accepts cleanfill and green waste. This level of service is to change with the Pahiatua transfer station receiving general waste as well as greenwaste and cleanfill from 2013. Council has included in the Long Term Plan provision for transfer station services for general waste disposal in Pahiatua. Council is to close the Ormondville transfer station.

Services include:

1. Operating landfills in Eketahuna and Pongaroa, closed landfills in Woodville, Ormondville, Dannevirke and Pahiatua
2. Transfer stations in Dannevirke, Ormondville, Pahiatua, and Woodville (contracted).
3. Providing a kerbside refuse collection in Norsewood, Dannevirke, Woodville, Pahiatua, Ormondville (starting 2012/13), Eketahuna, Pongaroa, Akitio and Herbertville and a "bagged refuse" transfer facility in Makuri and Alfredton.
4. Providing kerbside recycling collections in Dannevirke, Woodville, Ormondville (starting 2012/13), Pahiatua and Eketahuna (Paper and cardboard, tin, aluminium and plastics type 1 and 2 only).
5. Providing recycling centres in Dannevirke and Pahiatua.
6. Provide "drop off" bulk bins for glass in Norsewood, Woodville, Eketahuna, Pongaroa; and wheelie bins in Akitio, Herbertville (summer only) and Weber (remainder of year).
7. Providing street refuse bins for the travelling public and local residents

Urban refuse collection and kerbside recycling services are operated in the townships. Almost all operational services are contracted out, including the ownership of the Woodville transfer station, all trucks and collection equipment, recycling bins and kerbside bins. The exception is the wheelie bin recycling service at Akitio, Herbertville (summer only) and Weber.

Why we Provide it

Council is required by legislation to ensure that waste can be safely disposed of. The Council is not required to provide these services directly. The availability of disposal facilities and services such as kerbside collections, transfer stations, and landfills remain an essential part of waste management. The Council has a statutory duty under the Waste Minimisation Act 2008 to prepare and adopt a Waste Management and Minimisation Plan.

The Council adopted a Waste Management and Minimisation Plan in December 2011. This Plan outlines the activities the Council will undertake in terms of waste collection and disposal. This Plan also identified that Council will promote waste reduction by promoting recycling.

The Council role in Solid Waste is identified as:

1. The Council will identify, educate and promote methods for reducing waste and improving resource efficiency.
2. To facilitate local solutions to local waste management issues.

- To ensure that waste management practices do not adversely affect human health, animal and plant health, amenity values and cultural values.

Options for Changes to Service Levels

As the Council is now transporting the majority of the Council collected waste to Waipukurau, there is considerable economic incentive to reduce the waste stream. Working with all households and businesses in waste minimisation, reuse and recycling could reduce the waste stream handled by private companies. This will reduce costs to all residents in the district as well as work on reducing the wider adverse impacts on the environment.

The Council has moved in the last year to provide the most cost effective means of providing solid waste services across the district. The Dannevirke landfill has been closed and a transfer station has been built on the site. The Pahiatua landfill has also been closed. A new recycling centre has opened and the transfer station located at the landfill now only accepts cleanfill and greenwaste. Council has included in the Long Term Plan to provide general waste disposal services with a capital expenditure of \$100,000 for a suitable facility to provide this service.

Council is reviewing the recycling services to ensure the residents of major urban areas have access to cost effective recycling services through kerbside collections, glass bulk bins, other facilities or a combination of these.

A number of contractual arrangements are in the process of being reviewed due to the different nature of the solid waste activity now that the two major landfills are closed. The Council is looking to optimise operational spending while retaining or expanding the levels of service, particularly for recycling.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Eketahuna Capping	\$173,000	2017/18
Pongaroa Capping	\$152,000	2020/21
Pahiatua Capping	\$60,000	2012/13
Bulk bin set up	\$43,200	2012/13

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Solid Waste Management	30-40%	0-5%	55-65%

Why is it funded this way?

Urban households and many commercial businesses receive a kerbside recycling and refuse collection service. All properties have access to recycling bulk bins for glass and other materials. Rural residents that drop off recycling at bulk bins and recycling centres also use the services. Funding for recycling and refuse disposal is best funded on a uniform basis differentiated between rural, industrial/commercial and urban to reflect the higher service levels in urban areas. Costs are estimated to be 60% urban households, 20% rural households and 20% industrial/commercial sector.

Pricing is a tool that can impact on people's behaviour to achieve the reduction, reuse and recycling of solid waste.

Performance Measures

Objectives / Rationale

- To protect people's health and our environment by minimising the production of waste and promoting recycling and reuse.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Solid Waste Management								
Efficient Infrastructure; Sustainable Environment	Refuse and recycling services meet the needs of the district	Refuse and recycling services meet user needs	Percentage of residents rating rubbish collection service as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2014, 2017, and 2020	Achieved 58% Target 60%		60%		60%
			Percentage of residents rating recycling as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2014, 2017, and 2020	Achieved 73% Target 70%		75%		75%
			Percentage of residents rating landfills/transfer station management as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2014, 2017, and 2020	Achieved 47% Target 60%		60%		60%



Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Collaborative Council	Ensuring our district has a healthy and pleasant environment for people	Council will promote and encourage recycling and reuse	Tonnage of waste sent to landfills by the district per annum	4,900 tonnes (estimate based on 7 months data)	4,600	4,500	4,400	4,000
		Council open and closed landfills are well managed	All Horizons resource consent conditions are met	Achieved 67% Target 100%	100%	100%	100%	100%

Solid Waste Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	442	297	263	203	98	(30)	(54)	(66)	(73)	(71)	(74)
Targeted rates (other than a targeted rate for water supply)	-	700	756	786	908	1,054	1,106	1,138	1,165	1,196	1,225
Grants & Subsidies Operating	68	40	41	42	44	45	46	48	49	51	52
Fees, charges, and targeted rates for water supply	766	516	530	546	562	580	596	613	631	652	673
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	244	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	1,520	1,553	1,591	1,577	1,612	1,649	1,694	1,733	1,772	1,828	1,876
Applications of Operating Funding											
Payment to staff and suppliers	894	1,267	1,346	1,327	1,367	1,409	1,448	1,489	1,533	1,583	1,635
Finance costs	85	58	59	58	57	56	60	63	62	65	67
Internal charges and overheads applied	262	99	102	107	110	113	114	116	120	122	125
Total Applications of Operating Funding	1,241	1,424	1,508	1,492	1,534	1,578	1,622	1,667	1,714	1,770	1,828
(Surplus)/Deficit of Operating Funding	279	129	83	85	78	71	72	65	58	57	48
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(84)	98	(27)	(23)	(20)	(17)	159	(20)	(17)	137	(19)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(84)	98	(27)	(23)	(20)	(17)	159	(20)	(17)	137	(19)



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	20	203	-	-	-	-	173	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	175	24	57	62	58	54	58	45	40	43	29
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	195	227	57	62	58	54	231	45	40	195	29
Surplus (Deficit) of Capital Funding	(279)	(129)	(83)	(85)	(78)	(71)	(72)	(65)	(58)	(57)	(48)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Solid Waste Management Akitio	19	7	7	7	8	8	8	8	8	9	9
Solid Waste Management Alfredton	4	-	-	-	-	-	-	-	-	-	-
Solid Waste Management District Wide	87	194	253	203	209	216	222	228	235	243	250
Solid Waste Management Dannevirke	342	557	566	581	599	617	635	653	672	694	717
Solid Waste Management Eketahuna	62	70	72	74	77	79	81	83	86	89	92
Solid Waste Management Herbertville	13	-	-	-	-	-	-	-	-	-	-
Solid Waste Management Makuri	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Management Norsewood	3	-	-	-	-	-	-	-	-	-	-
Solid Waste Management Ormondville	50	16	16	17	17	18	18	19	19	20	20
Solid Waste Management Pahiatua	165	265	270	278	286	295	303	311	321	331	342
Solid Waste Management Akitio	45	41	42	43	45	46	47	48	50	52	53
Solid Waste Management Woodville	95	116	120	123	127	131	134	138	142	147	151
Solid Waste Management Webber	8	-	-	-	-	-	-	-	-	-	-
Total Payments to Staff and Suppliers	894	1,267	1,346	1,327	1,367	1,409	1,448	1,489	1,533	1,583	1,635



Stormwater

Activities in this Group

Stormwater

AIM To provide protection of the community's assets from flooding by providing systems that enable stormwater to dissipate as quickly as practicable.

Contribution to Community Outcomes

	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Strongly related	✓				✓
Related					
Partially related				✓	

Service Levels Provided

Activity	Current	Enhanced	Reduced
Wastewater		✓	

Key Issues

- Frequency of extreme weather events and climate change.
- The extent of investment in diversion projects to reduce the amount of stormwater runoff from rural areas in Pahiatua and Dannevirke.
- Possible requirements to treat stormwater discharge before disposing to waterways.
- The lack of consistent design standards across each network.
- Obstruction of debris, plastic bottles, leaves etc. in the channels and vehicle crossings can also cause havoc with the stormwater pathways.
- Open waterways tend to become dumps for organic garden waste, which has to be cleared, along with weed growth.
- Pahiatua Huxley Street drain has sewer and water laterals dissecting the open drain which can cause obstruction in high flows.

Significant Negative Effects

- Storm events of a severity which exceeds design standards may result in short term negative effects such as localised flooding.
- Potential danger posed by open drains.

Strategic Considerations

Future demand

The ongoing development of residential sections accelerates runoff, making the peak flows more concentrated and putting pressure on the system. This is further increased by isolated intense rain events that are expected to become more frequent as a result of climate change. Council to build diversion schemes in Pahiatua and Dannevirke to reduce stormwater runoff from rural land into the urban stormwater networks. This will increase the level of service and provide additional capacity in the systems to cope with more intense rainfall events.

Total annual volumes of stormwater disposed through each network are expected to remain close to current levels in the near term. However, more frequent high intensity rainfall events are predicted. These could result in a need to increase the capacity of the existing networks, or else accept a decline in service level. As yet average rainfall levels and the number of flood events are consistent with historical data.

In Eketahuna, Woodville and Pahiatua lack of growth or subdivisional developments will mean less impact from any increased rainfall events. Dannevirke has small but steady growth and the associated increase in hard (impermeable) surface areas will lead to a gradual increase in the required peak capacity.

Any new residential development i.e. new subdivisions will have to take into consideration whether the present infrastructure can handle the extra stormwater from these properties.

Assumptions

- Stormwater volumes will remain constant over the next 10 years for the four networks currently provided.
- No major treatment of stormwater discharges will be required.
- Eliminating infiltration in to the sewerage reticulation may in turn create a greater stormwater discharge into the network.

- Populations will remain static then slowly increase.
- No new major legislation on stormwater will be enacted.
- The current levels of service achieved will continue (design return events).

What is the Service?

The four main townships in Tararua (Dannevirke, Woodville, Pahiatua and Eketahuna) each have systems based around open waterways.

Dannevirke:	Drainage to Mangapurupuru Stream & McCallum St drain.
Pahiatua:	Drainage to Huxley St drain.
Woodville & Eketahuna:	Drainage to a number of unnamed drains.

Each network provides:

- Outlets for property stormwater discharge.
- Kerb and channels infrastructure for disposal of stormwater into open drainage systems.
- Spraying of open waterways is carried out by a contractor twice a year.

Why we Provide it

Stormwater is a result of rainfall events, resulting in the need to dispose of surface water. Stormwater systems safeguard people and properties from flooding and the effects of flooding that can lead to public health and safety issues, including avoiding dangerous road conditions.

Options for Changes to Service Levels

Council operates basic gravity based stormwater systems. The diversion schemes in Pahiatua and Dannevirke and the piping of the Huxley Street drain will add considerably to the asset value of the networks. Council would need to significantly increase service levels to remove all ponding areas however this would result in affordability concerns. Networks could also be developed in smaller towns. Currently Council provides a reasonable service at affordable levels.

Resident satisfaction is currently moderate. Council is planning on upgrading known major weaknesses in the networks. This should provide added protection should climate change result in increased flooding of urban areas.



Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Mains replacement	\$1,087,000	2012/13 to 2021/22
Dannevirke – Mangapurupuru diversion and assessment	\$926,000	2015/16 and 2016/17
Dannevirke – Allardice Street diversion from High Street	\$450,000	2019/20
Pahiatua – diversion prior to town system	\$1,237,000	2015/16 and 2017/18
Woodville – install stormwater pipe to rear of shops	\$150,000	2012/13
Woodville – install stormwater main in mainstreet	\$200,000	2012/13
Stormwater discharge treatment to outlets reports	\$15,000	2012/13 and 2013/14
Dannevirke – pipe behind Hunting & Fishing (ex Mills Bros) to address ponding issues	\$65,000	2014/15
Pahiatua – pipe Huxley Street drain	\$1,395,000	2021/22

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Stormwater	0%	0%	100%

Why is it funded this way?

Properties within the stormwater network areas benefit from collecting and disposing stormwater to limit flood damage. Property owners downstream from these areas also benefit. There is also a public benefit of health and safety to the urban populations generally and a lesser benefit to people outside the urban areas who may visit the urban areas.

Performance Measures

Objectives / Rationale

- To provide protection of the community's assets from flooding by providing systems that enable stormwater to dissipate as quickly as possible.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Stormwater								
Efficient Infrastructure	Protecting people and properties from flooding caused by stormwater runoff	An effective stormwater system that protects people and properties from flooding	The number of residential, industrial and business premises affected by flooding per year	New measure 40	40	40	40	35
	Having a reliable stormwater network that drains water away	A reliable stormwater network	Percentage of residents rating stormwater management as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2014, 2017 and 2020	Achieved 61% Target 70%		65%		70%
			Number of surface flooding incidences on urban roads that persist for longer than 2 hours	New measure	Will use the 2012/13 as a baseline and improve on the results			



Stormwater Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	692	727	741	772	802	875	931	959	992	1,043
Targeted rates (other than a targeted rate for water supply)	484	-	-	-	-	-	-	-	-	-	-
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	2	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	486	692	727	741	772	802	875	931	959	992	1,043
Applications of Operating Funding											
Payment to staff and suppliers	65	150	155	160	165	170	175	180	186	193	199
Finance costs	132	82	86	83	82	99	142	162	165	167	190
Internal charges and overheads applied	46	276	283	297	305	313	317	323	332	340	348
Total Applications of Operating Funding	243	508	524	540	551	582	634	666	683	699	737
(Surplus)/Deficit of Operating Funding	243	184	203	201	221	220	240	265	275	293	306
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(125)	272	(91)	(22)	(58)	843	1,073	(179)	281	(184)	1,220
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(125)	272	(91)	(22)	(58)	843	1,073	(179)	281	(184)	1,220

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	20	355	10	65	39	926	1,198	-	450	-	1,395
- to replace existing assets	55	37	39	43	46	50	53	57	59	62	642
Increase (decrease) in reserves	43	64	62	71	78	87	63	29	46	47	(510)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	118	456	112	179	163	1,063	1,313	86	556	109	1,526
Surplus (Deficit) of Capital Funding	(243)	(184)	(203)	(201)	(221)	(220)	(240)	(265)	(275)	(293)	(306)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Maintenance	39	76	79	81	84	87	89	92	95	98	101
Maintenance	-	32	33	34	35	36	37	39	40	41	43
Reticulation	26	42	43	44	46	47	49	50	52	53	55
Total Payments to Staff and Suppliers	65	150	155	160	165	170	175	180	186	193	199



Wastewater

Contribution to Community Outcomes

	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Strongly related	✓			✓	✓
Related		✓			
Partially related					

Activities in this Group

Wastewater

AIM To provide the collection, treatment and disposal of urban wastewater to protect public and environmental health.

Service Levels Provided

Activity	Current	Enhanced	Reduced
Wastewater		✓	

Key Issues

- Meeting Council commitments agreed to as part of the River Accord.
- Pressure to deliver the upgrades as committed to in this Long Term Plan (includes a proposal to spend \$6.5 million over the next three years to improve the treatment and disposal of wastewater in the Tararua) and as agreed with the Ministry for the Environment. Once the scope of works is determined, an agreement will be entered into with the Ministry for the Environment.
- The renewal of resource consents is a major issue for the wastewater systems Council owns.
- The high capital costs of upgrades and associated affordability impacts on the urban ratepayers to meet consent requirements from Horizons Regional Council.
- Potential difficulties in low river flow land based disposal options for Pahiatua and Woodville. The soils are generally wet in this area and land based disposal may not be feasible. Council is carrying out feasibility studies in 2012/13. Additional costs may be required in years 4-10 for discharge treatment if land based disposal is not possible.
- Installation of new technology to monitor asset status and performance that may improve operational and management efficiency.
- Infiltration of stormwater in to the sewerage system, especially in Dannevirke and Pahiatua.
- Septic tanks at Akitio not complying with the Horizons One Plan.

Significant Negative Effects

- Significant environmental damage could occur if Council does not meet its wastewater disposal standards.
- Cultural values could be negatively impacted by low quality treated wastewater disposal.

Strategic Considerations

Future Demand

- The future volume of wastewater required to be treated and disposed is expected to decline marginally in all networks except Dannevirke which is expected to slowly increase. This is due to the expected change in population coupled with a number of new initiatives and societal impacts.
- The need to control the quantity of infiltration and inflow to reticulation systems is extremely important in terms of the capacity of the sewerage system. Individual household checks will be implemented to eliminate infiltration and educate owners of properties.
- Smoke testing has been found to be more effective than visual inspections alone. The Council will be undertaking infiltration surveys and video inspections. These techniques highlight badly deteriorated pipes that need repairing and renewing. A renewals programme can then be developed that removes infiltration problems and spreads the cost evenly over several years.
- Determine viability of extending the urban reticulation to properties on the outskirts of the town boundaries currently on septic tanks.
- The Council will monitor the trade waste disposal systems of all industries within the district to monitor future requirements and ensure environmental policies regarding disposal of waste are met.
- A reduction in water consumption will indirectly reduce wastewater flows. Changes in demand management in Water supplies may impact on Wastewater demand.
- The minimum level of treatment is set through the One Plan rules. It is expected that these minimum levels will increase at each consent renewal process.



Assumptions

- The systems will be able to cope with industry development and any change in quality of trade waste.
- Population remains static or increases slightly.
- Council will meet its Resource Consent requirements.
- No new major legislation on wastewater will be enacted.
- New resource consents for Woodville, Norsewood, Pahiatua and Eketahuna will be issued with conditions that are currently anticipated or are only of minor impact.
- The One Plan will not result in required upgrades to existing networks that are consented until at least the end of the current round of resource consents (2019).
- The current levels of service will continue.
- Infiltration work to be increased, solutions and improvements to be made.

What is the Service Provided?

Council provides wastewater disposal to seven communities. The wastewater system consists of wastewater pipes, pump stations, and some form of treatment and disposal. Council systems are focussed to urban areas. The Council maintains the wastewater disposal systems, oxidation ponds, pump stations, pipe reticulation, manholes and the wastewater treatment plants. Maintenance work is contracted out.

New connections to the sewer reticulation system have to be approved by Council. Extensions to the existing system are approved on a case by case basis depending on the vicinity of new development to the existing reticulated systems.

1. Council provides reliable wastewater services that effectively dispose of wastewater.
2. Council treats all discharges to comply with resource consent conditions.
3. Wastewater disposal does not create any smells, spills or health issues and causes minimal impact on the natural environment.
4. Future improved sewerage treatment is being planned for Eketahuna, Pahiatua, Dannevirke, Woodville, Pongaroa, Norsewood and Ormondville.
5. Septic tanks in the Pongaroa, Ormondville and Norsewood schemes are emptied when the need arises. This is part of their rates.

Why we Provide it

A safe, reliable and sufficient disposal of wastewater is a critical resource for any community to maintain public and environmental health. A reliable system also serves to protect our natural environment for present and future generations.

A number of statutes as well as the District Plan and associated bylaws govern council wastewater management.

Options for Changes to Service Levels

Council has a number of resource consents with Horizons Regional Council (Horizons) with regards to wastewater activities. These consents mainly relate to controlling of pollutants and discharges affecting the environment and waterways. Council is required to meet the discharge standards contained in the One Plan. Renewals of consents are resulting in the need for higher levels of treatment. Council has little option around these requirements. Council has the choice of providing significantly more treatment to discharge at times of low flow in the waterways, or look at land based disposal during dry periods.

The Dannevirke discharge is currently the single largest contributor of phosphorus to the upper Manawatu River at low flows and Council is not currently able to comply with the current consent conditions for this facility. Problems with meeting discharge conditions also exist in Pahiatua, Woodville, Norsewood and Ormondville. An upgrade to the wastewater treatment process to meet higher resource consent requirements is planned for Pahiatua. The results from the Eketahuna pilot plant currently being tested will be used to inform the design solution for Pahiatua.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Eketahuna – Treatment Plant upgrade	\$759,000	2012/13
Pahiatua – Treatment Plant upgrade	\$1,143,000	2013/14
Pongaroa – Treatment Plant upgrade	\$95,000	2012/13
Woodville – Treatment Plant upgrade	\$850,000	2012/13
District wide treatment upgrades	\$156,000	2013/14
Dannevirke – Oxidation ponds leak lining – investigation & remedial work	\$4,183,000	2012/13 to 2014/15

Projects and programmes	Estimated Cost	Time frame
Dannevirke – disposal to land (Aerodrome)	\$463,000	2012/13 and 2013/14
Pahiatua and Woodville land based disposal investigation	\$50,000	2012/13
Ormondville – land based discharge	\$161,000	2014/15
Mains replacements district wide	\$3,328,000	10 year period
Preventative mains renewals district wide	\$592,000	10 year period
Aerators renewals	\$100,000	2013/14, 2014/15, 2018/19 and 2021/22
Dannevirke – sewage treatment plant screen replacement	\$64,000	2015/16
Dannevirke – membrane replacement	\$1,366,000	2018/19
Telemetry	\$32,000	2013/14 to 2015/16
Norsewood – disposal to land & Resource Consent	\$139,000	2013/14 to 2014/15

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Wastewater	0-5%	0%	95-100%

Why is it funded this way?

The beneficiaries are the properties connected to the wastewater networks. There is a public health benefit particularly to people who live in urban areas, and also with the downstream effects of clean rivers benefiting the whole district.



Performance Measures

Objectives / Rationale

- To provide urban areas with a reliable wastewater system that protects people's health and our environment.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Wastewater								
Efficient Infrastructure	Schemes can be relied to on to remove wastewater from properties	A reliable waste water service	The number of incidences of unplanned loss of wastewater service	New measure 37*	< 41	< 41	< 41	< 33
			Number of sewage overflows affecting properties per annum	New measure 17*	< 22	< 22	< 22	< 17
			Percentage of residents rating wastewater management as "fairly satisfactory " or "very satisfactory in community surveys to be conducted in 2014, 2017 and 2020	Achieved 61% Target 70%		70%		70%
Sustainable Environment	The wastewater scheme protects people's health and our environment	Risks to public health and our natural environment are minimised	Number of schemes meeting all resource consent conditions	New measure	7	7	7	7

* estimated for 2011/12

Wastewater Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	82	57	57	64	68	77	78	86	97	102	112
Targeted rates (other than a targeted rate for water supply)	1,953	1,997	2,181	2,416	2,543	2,593	2,658	2,717	2,784	2,866	2,950
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	101	101	105	109	113	117	121	125	130	135	141
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	10	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	2,147	2,155	2,343	2,589	2,724	2,788	2,857	2,928	3,010	3,103	3,203
Applications of Operating Funding											
Payment to staff and suppliers	731	825	857	887	920	955	988	1,023	1,062	1,105	1,150
Finance costs	362	238	318	386	407	388	370	352	336	320	306
Internal charges and overheads applied	248	325	334	350	359	369	373	380	391	400	410
Total Applications of Operating Funding	1,341	1,388	1,509	1,623	1,687	1,712	1,731	1,755	1,789	1,826	1,865
(Surplus)/Deficit of Operating Funding	806	767	834	966	1,037	1,076	1,126	1,173	1,222	1,277	1,337
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	705	969	484	-	-	-	-	-	-	-
Increase (decrease) in debt	(396)	1,929	1,654	1,363	(437)	(415)	(394)	(375)	(356)	(338)	(321)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(396)	2,634	2,623	1,846	(437)	(415)	(394)	(375)	(356)	(338)	(321)



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	55	2,880	2,941	2,243	18	7	7	7	8	8	8
- to replace existing assets	242	330	343	354	448	396	415	1,836	488	490	524
Increase (decrease) in reserves	113	192	173	215	134	258	310	(1,046)	370	441	483
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	410	3,402	3,457	2,813	600	661	731	798	866	939	1,016
Surplus (Deficit) of Capital Funding	(806)	(767)	(834)	(966)	(1,037)	(1,076)	(1,126)	(1,173)	(1,222)	(1,277)	(1,337)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Maintenance to minimise failures and blockages, infiltration of stormwater into sewerage systems	1	103	107	110	114	119	123	127	131	137	142
Planning & Development renewals to ensure future capacity	82	133	138	142	147	153	158	163	169	176	183
Reticulation sewerage disposal for all connected properties	192	164	170	176	182	189	195	202	209	218	226
Telemetry system monitoring to prevent system failures	27	24	25	26	27	28	29	30	31	32	33
Treatment to provide effective treatment of wastewater	428	401	418	433	449	467	484	501	521	543	565
Total Payments to Staff and Suppliers	731	825	857	887	920	955	988	1,023	1,062	1,105	1,150

Water Supplies

Key Issues

- Although potable, the Ministry of Health has attached an (E) grade to the majority of Council's supplies. To obtain a higher grade involves adding further barriers to possible health risks that, if not detected and correctly treated, could cause a public health risk.
- The Health (Drinking Water) Amendment Act (2007) requires all water suppliers to take practicable steps to meet the Drinking Water Standards for New Zealand 2005 (revised 2008) by various dates – depending on the size of the community supplied. These dates are:

Dannevirke	2013
Woodville/Pahiatua	2014
Norsewood/Eketahuna	2015
Akitio/Pongaroa	2016 or possibly later (Pongaroa rural scheme)

This does not necessarily mean the water quality must meet the Drinking Water Standards by that time but a Public Health Risk Management Plan must be approved outlining how and when it will meet the standard. Council is planning on meeting the majority of these deadlines but has a choice on the timing of the upgrade projects.
- This Plan budgets for improvements to the treatment of all schemes. While some government subsidy has been obtained for upgrades at Eketahuna and Pahiatua in the current year no further subsidy is being budgeted for.
- Dannevirke and Eketahuna have some allowance for treatment improvements and increased storage but additional funding may be required if these supplies are to meet the standard. This is a significant issue for further consideration.
- The Drinking Water Standards affect Pongaroa levels of service, future renewal requirements and funding. This scheme supplies urban and rural connections and is not currently fully funding their depreciation. The scheme is managed by the property owners connected to the supply. The future renewal of this supply and how to meet required standards will need to be addressed during the period of this Long Term Plan.
- In heavy rain events turbidity (discolouration) can become a problem. Turbidity meters have been installed at the Dannevirke intake and main reservoir to ensure the Alliance meat processing plant is able to plan their operations if turbidity occurs.
- All supplies (except Woodville) have very limited bulk storage, which results in water restrictions to meet continuation flows in the rivers.
- Some supplies historically allowed for farmer extraction before town use to recognise the use of their land for pipelines. As water is now seen as scarce resource, the priority needs to be ensuring the people requirements are met before stock.



Activities in this Group

Water Supplies

AIM To provide a reliable and cost-effective supply of safe, potable water in reticulated communities.

Contribution to Community Outcomes

	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Strongly related	✓			✓	
Related		✓	✓		✓
Partially related					

Service Levels Provided

Activity	Current	Enhanced	Reduced
Water Supplies		✓	

Significant Negative Effects

- Potential depletion of the natural water resource by over-extraction of water.
- Impacts on waterways from extraction including limiting the remaining allocation available.

Strategic Considerations

Future Demand

The future volume of water to be supplied is expected to grow slowly (Dannevirke, assuming no loss of commercial use) or remain static in the other network areas. This is due to the expected changes in population coupled with societal impacts. In addition improved condition assessments should result in a lower proportion of leakages.

The Council is currently implementing a water metering strategy that will include the installation of water meters at industrial sites. By metering water users the Council is able to more accurately assess demand and apply more realistic charges for the service provided. Water meters also make users more aware of how much water they consume and aid water conservation programmes.

The older the water supply networks are the more relevant leakage control, detection and repairs become. Councils can save a significant amount of money by implementing leak detection programmes, through reduced demand and restricting lost income. The Council will carry out a leak detection programme starting in 2012/13 and lasting five years. Leak detection and control is important even if the Council can meet current demand.

As environmental policies are developed by the Council, consideration should be given to develop water conservation policies. By educating the population about the benefits of conserving water and restricting wastage the Council may reduce demand and avoid the costly expense of upgrading infrastructure assets.

The volume of water to be supplied is a function of:

- The number of households,
- the volume of water used by commercial operators ,
- the number of people per household,
- leakage rates in the pipe network,
- the quality of the water and the pressure it is delivered. Improved taste and pressure could result in increased demand,

- greater awareness of the total cost (financial and environmental) of using water extraction consent limits set by the regional council.

Assumptions

- Future demand for water will be similar to current trends. No major commercial user will be established in the next 10 years.
- Resource consent requirements will remain at the levels stated in the One Plan.
- No major infrastructure failures occur.
- The 2005 Drinking Water standards will not be altered.

What is the Service Provided?

Council provides water supplies to eight communities. An additional three communities have water schemes managed by private water scheme activities. Each supply has an intake controlled under a Regional Council Resource Consent, some form of treatment, storage and reticulation. As these consents impose limits on the volume that can be supplied, Council undertakes water conservation education, restrictions and rationing, and the implementation of metering at industrial sites.

The Council maintains the water supply intake areas, reservoirs, pipe reticulation, fire hydrant valves, property laterals and tobies in a safe and good working condition. Maintenance work is contracted out.

Monitoring activity is carried out to ensure water is healthy and complies with consent standards. This includes flow testing, analysis of customer complaint and service failure records, proactive inspection of critical assets, testing pipe material to determine condition and decay rates and water quality testing.

1. Council provides reliable water supplies.
2. The water provided is safe to drink.
3. Future water supply capacity is planned for.

Why we Provide it

A safe, reliable and sufficient supply of water is a critical resource for any community to support human, animal and plant life, and to supply industrial and economic needs.

Council supplies are directed mainly to urban areas. Where these areas have New Zealand Fire Service brigades located within them, the pressure and volume of Council's supplies are also necessary to provide for urban fire-fighting activities.

Council water management is governed by a number of statutes as well as the District Plan and associated bylaws.

Options for Changes to Service Levels

The extensive upgrade programme to meet the 2005 Drinking Water Standards will deliver a much higher level of service. The new standards are mandatory; however, Council has a choice around the mix of treatment, risk, water sources and storage that make up the new standards. Council is conscious of also providing water supplies that taste good and have reasonable pressure. The overall water quality influences the mix of options that Council is to undertake.

In general Council is planning to provide more secure supplies that require less treatment to achieve the standards. This results in less chemical and mechanical treatment, reducing operating costs and improving taste. This approach has led to installing a cover on the Dannevirke storage dam.

Major Projects for the Next Ten Years

Projects and programmes	Estimated Cost	Time frame
Mains replacements district wide	\$3,587,000	10 year period
Preventative renewals district wide	\$592,000	10 year period
Dannevirke – storage cover	\$700,000	2012/13
Dannevirke – treatment	\$500,000	2012/13
Pahiatua New Bore, treatment and storage	\$950,000	2012/13
Dannevirke – Soda Ash Conversion	\$30,000	2012/13
Treatment plant replacements – Pahiatua, Akitio, Woodville, Eketahuna	\$64,000	2012/13
Large users – metering and management	\$10,000	2012/13 and 2013/14
Demand management / zone metering	\$26,000	2012/13 to 2015/16
Leak detection work	\$135,000	2012/13 to 2016/17



Projects and programmes	Estimated Cost	Time frame
Dannevirke – building consent – impounded supply (SE report)	\$51,000	2012/13, 2016/17 and 2021/22
Pumps renewal	\$21,000	12/13, 17/18 and 20/21
Eketahuna – additional storage 24 hours	\$78,000	2013/14
Telemetry renewals	\$34,000	2014/15 and 2018/19
Akitio – upgrade	\$167,000	2015/16
Pongaroa – chlorinator, filtration, telemetry	\$186,000	2016/17 and 2017/18
Eketahuna – Resource Consent renewal	\$43,000	2018/19
Woodville – Resource Consent renewal	\$47,000	2020/21
Pahiatua – Resource Consent renewal	\$47,000	20/21

Funding Sources and Mechanisms

	User Charges	Grants	Rates
Water Supplies	20-30%	0%	70-80%

Why is it funded this way?

The immediate beneficiaries are the properties that are connected to the water supplies, however, there is a public health benefit in providing potable water supplies. The public benefits also include fire protection and street cleaning for residents. Farmers tapping into some schemes contribute greatly to costs and a number remain unmetered.

Performance Measures

Objectives / Rationale

- To provide a reliable supply of potable water, of a quality that the community can afford and which meets the general needs of residents and businesses within the district's townships.

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	2010/11 Baseline	Targets			
					Year 1	Year 2	Year 3	Years 4-10
Activity – Water Supplies								
Efficient Infrastructure	Water is available when it is needed	Council provides a reliable water supply	Percentage of customers satisfied with the availability of water in the community surveys to be conducted in 2014, 2017 and 2020	Achieved 51% Target 70%		60%		60%
		Water quality is suited to user needs	Council provides water at a consistent volume	Number of days per annum where users experience reduced flows	New measure 32*	< 32	< 32	< 29
	Water looks and tastes good		Number of recorded issues with the taste of town water per annum	New measure 59*	< 59	< 59	< 53	< 48
		Number of recorded issues with the clarity of town water per annum	New measure 29*	< 29	< 29	< 26	< 23	
		Number of schemes with a Public Health Management Plan in place	New measure	7	7	7	7	
		Upgrade the water schemes to comply with NZ Drinking Water Standards and Health Act 1956	New measure	1	3	5	7	

* Estimated for 2011/12.



Water Supplies Funding Impact Statement

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,357	1,436	1,564	1,621	1,679	1,752	1,804	1,846	1,894	1,949	2,022
Grants & Subsidies Operating	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	505	486	504	522	541	562	582	602	625	651	677
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	10	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	1,871	1,921	2,069	2,143	2,220	2,315	2,386	2,448	2,519	2,599	2,699
Applications of Operating Funding											
Payment to staff and suppliers	651	889	924	955	989	1,026	1,060	1,096	1,136	1,181	1,228
Finance costs	233	225	266	257	250	244	237	231	220	210	200
Internal charges and overheads applied	236	168	173	181	186	190	193	196	202	207	212
Total Applications of Operating Funding	1,120	1,282	1,363	1,393	1,425	1,460	1,490	1,523	1,558	1,598	1,640
(Surplus)/Deficit of Operating Funding	751	640	706	750	795	855	896	925	961	1,001	1,059
Sources of Capital Funding											
Subsidies and grants for capital expenditure	275	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	415	1,997	(174)	(242)	(62)	(219)	(63)	(240)	(228)	(217)	(206)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	690	1,997	(174)	(242)	(62)	(219)	(63)	(240)	(228)	(217)	(206)

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	945	2,245	114	32	201	46	180	-	-	-	14
- to replace existing assets	370	419	348	389	396	423	460	542	438	568	485
Increase (decrease) in reserves	126	(28)	70	86	136	167	192	143	295	216	354
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	1,441	2,636	532	508	733	635	832	685	733	784	853
Surplus (Deficit) of Capital Funding	(751)	(640)	(706)	(750)	(795)	(855)	(896)	(925)	(961)	(1,001)	(1,059)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Maintenance to minimise failures	192	231	238	245	252	259	267	274	283	292	302
Planning & development to ensure future capacity	76	252	263	272	282	293	303	314	325	339	353
Reticulation water to all connected properties	134	115	120	124	129	134	138	143	149	155	162
Telemetry system monitoring to prevent failures	25	23	24	25	26	27	28	29	30	31	33
Treatment to provide safe, potable water	224	268	279	289	301	313	324	336	349	364	379
Total Payments to Staff and Suppliers	651	889	924	955	989	1,026	1,060	1,096	1,136	1,181	1,228

Revenue and Financing Policy

Overview

The Revenue and Financing Policy sets out how the Council funds each activity it is involved in and why. Council provides a number of distinct activities and services to its communities. It must undertake these services in a financially prudent and sustainable way for the Council as a whole.

The Financial Strategy sets out how Council is planning to do this. It sets limits on rates increases and debt levels. This Revenue and Financing Policy keeps within those limits and sets out the broad guidelines for establishing the funding of activities.

The Revenue and Financing Policy is more than rating, it also drives the policy direction for other revenue policies including financial contribution, treasury (liability and investment) and remission policies. The Revenue and Financing Policy will be reviewed every three years as part of the ten year planning process

Developing the Policy

In developing this policy Council considered how activities should be equitably funded to share the costs of delivering services across different users as well as ensuring equity between current and future generations. In deciding how to fund each activity, the Council used a two-step process:

1. Identify the nature of the services provided, who benefits from those services and the impact of applying funding principles. Council takes into account:
 - the council outcomes to which an activity contributes;

- the distribution of benefits between the community as a whole, identifiable parts of the community and individuals;
 - the period during which the benefits are expected to occur;
 - the extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity;
 - the costs and benefits of funding the activity distinctly from other activities.
2. Consider the overall impacts of Council's initial assessments on the ratepayers, the community and users of Council's activities and the current and future wellbeing of the district.

Affordability and the public's ability to pay rates is a major concern as we strike a balance between the need to provide a level of service that meets customer and legislative requirements, and the need for funds to provide these levels of service in an affordable manner. Council seeks to maintain an affordable and predictable level of rates in the future.

Alongside the increasing levels of service are the current tough economic times and the affordability issues that many residents, particularly urban, face. Many of the infrastructure upgrade costs will be borne by urban residents only. Council is fully aware of these affordability issues and is focusing on designing infrastructure that balances function, longevity and affordability.

Council is actively working to gain outside support and external grant funding where possible and practical. Council is conscious of rural profitability and the impact it has on the whole community. Over a period of ten years, there are likely to be ups and downs in reaction to commodity prices and the climate. In the past Council has adapted to crises by deferring

projects or reducing savings for future asset replacement. These remain options for future crises.

Funding Challenges

Council has a number of features that create challenges to its financial wellbeing:

- A small population base with a large number of assets that increases the risk of asset ownership with the need to repair, maintain, renew and develop those assets for the changing needs of the district.
- Geographically spread assets (e.g. Roads). This restricts access to users of some services and increases operational and capital costs of providing the services
- Services are duplicated according to the towns. This reduces the economies of scale that major centres achieve. (E.g. particularly Water, Wastewater and Solid Waste Management). As a result costs are often higher for the same service than in cities, or services are not as "all encompassing" as in cities
- Long life assets– up to 100 years, but most are over halfway through their useful lives. Funding for their future replacement is a fundamental issue for Council to ensure continuity of service.
- Council business is dominated by Roading. Council is reliant on NZ Transport Agency subsidies and is particularly affected by construction prices. Increasing oil prices and/or lowering New Zealand dollar strongly influences Council's costs. NZ Transport Agency have completed their Financial Allocation Rate (FAR) review and reduced our FAR allocation for years 2012 to 2014 from 60% to 59% for maintenance works.

Description of Council Expenditure

Broadly speaking, the Council has two types of expenses: operating expenditure and capital expenditure.

Operating expenditure is used to fund the on-going day-to-day activities and services of the Council.

Capital expenditure is money spent in acquiring or upgrading a business asset such as equipment or buildings. Council has three categories of capital expenditure spread across its activities:

- Renewals – Defined as capital expenditure that increases the life of an existing asset with no increase in service level.

- Increased Level of Service – Defined as capital expenditure that increases the service level delivered by the asset.
- Growth – Defined as capital expenditure that is required to provide additional capacity to cater for future growth in demand.

Operating Expenses

The Council's policies and practices as regards the funding of its operating expenses are set to ensure that these comply with applicable legislation and generally accepted accounting practice.

In general terms it will use a mix of revenue sources to meet operating expenses, with major sources being general rates, dividends, subsidies and fees and charges. However, revenue from targeted rates is applied to specific activities. Reserve funds including savings from previous years are also used as a revenue source occasionally. Operating costs do not normally utilise loans or proceeds from asset sales.

Deviating from this policy is a Council decision. Occasionally Council is required under accounting rules to write down or treat a cost as an operating expense that had been expected to be funded from loans.

Capital Expenditure

Capital developments are funded (in decreasing priority) from subsidies, user contributions, reserves or trust funds (where appropriate), and loans. In roading, some ongoing capital developments are funded from subsidies and rates. Capital development projects that cost less than \$50,000 and those projects that are regular and funded on an annual basis are rate funded – for example, every year Council funds its share of minor safety road improvements from Rates.

Capital renewals are funded (in decreasing priority) from subsidies, depreciation or other reserves. Loans may also be used where subsidies and reserves are insufficient and to do so supports the principle of intergenerational equity. Rates may also be used where subsidies and reserves are insufficient and the nature of the cost is substantial and recurring annually.

Savings and Reserves

Savings are placed into reserves which are funded from past surpluses, realisation of assets or by rates. Trust funds are normally bequeathed to Council "in trust". Reserves and Trust funds

(savings) may be used to fund activities where appropriate to the purpose of the reserves or trusts (operating or capital).

Funding Principles

The general principles used in the process are:

- the user/beneficiary pays principle
 - the distribution of benefits between the community as a whole 'public benefit' = rates, any identifiable part of the community, and individuals 'private benefit' = user pays
- the intergenerational equity principle
 - the period in or over which those benefits are expected to accrue
- the exacerbator/polluter pays principle
 - the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity, and
- the costs and benefits,
 - including consequences for transparency and accountability, of funding the activity distinctly from other activities. This considers the efficiency or ability to separate and identify costs and then collect revenue, and the impact on demand for services

The following policy positions have been set by Council and are used with the principles above.

- Where the benefit accrues to the whole district, general rates will be used.
- Where benefits accrue to certain groups within the district, differentials or targeted rates will be used.
- User pays is a legitimate funding method if the benefit to individuals is greater than the benefit to the community.
- User pays is also recognised as a tool to achieve Council's goals e.g. charging for refuse collection to encourage waste minimisation.
- In some cases e.g. water, targeted rates are used as a surrogate for user charges as Council considers this to be a more efficient and effective method of funding than individual user charges.
- Rates are primarily a tax. While effort is made to link payment of rates to benefits received or costs generated it is not possible to do this on an individual ratepayer basis.

- Subsidy from central government recognises that some services, e.g. roading, form part of a national infrastructure and only central government can levy user charges.
- Uniform Annual General Charge (UAGC) recognises that most services are available to all properties regardless of value and that all properties should contribute a reasonable amount to the running of the district.

Funding Mechanisms

Different funding sources are used for different types of expenditure. Council funds its expenditure using the following funding mechanisms.

Operating Revenue Sources of Funds

General Rates

Including Uniform Annual General Charge this is generally used to recover public good activities. Tararua district uses land value for the application of its general rate. The general rate is also used to recover small rounding amounts resulting from full fixed rate charges being rounded down to the nearest whole dollar (excluding GST).

Targeted rates

These rates include Uniform Annual Charges, differential rates set on value (land or capital value), rates set over an area of benefit and rates for a service or for an activity.

This can be used for both private good and public good.

Lump Sum Contributions

For the recovery of specific capital expenditure, otherwise loan funded (optional for ratepayer). This usually has a high component of private good, though Council has employed district targeting to give people the choice reduce debt.

Fees and Charges

Any fee, recovery fine or charge made by Council for service or activity.

Must have a high component of private good.

Interest and Dividends from Investments

Income from an investment including interest, dividends and subvention.



This would be generally public good.

Development contributions under Section 106 Local Government Act

This is used to recover the growth component of capital expenditure from developments. Council does not have a Development Contributions Policy because of the low growth forecasts.

Financial Contributions under the Resource Management Act 1991

This is used to recover costs to mitigate the effects of growth which may not be limited to capital expenditure.

This must have a high component of private good.

Grants and Subsidies

Income from another organisation.

These generally would be of a public good.

Council Created Reserves

Savings or carry forward budgets specific to each activity are sometimes available to fund operating costs. Reserves linked to specific activities built up from operational surpluses or grants may also be used.

This can be used for both private good and public good.

Capital Revenue Sources of Funds

Borrowing

Loans, both short term and long term.

This is a funding tool and does not need a split between public and private good as it is only deferring the eventual charge.

Proceeds from Asset Sales

This would only need to be recognized where an asset was being sold and not replaced with a similar asset. For example, where the proceeds from the sale of corporate property are used to fund another activity.

Again this is a funding tool.

Council Created Reserves

Council created reserves result from surplus revenues over expenditure being held for a particular purpose, savings for a particular purpose, or the transfer of non-cash expenditure (for example depreciation).

Funding Options

The following table summarises how sources of revenue are applied to Council's activities. For example a subsidy is the number one source of funds and this may be used first equally for any operating or capital cost.

Key

1st – primary source of funding if available.

2nd – secondary source on a case by case basis.

Possible – funding will be considered, if necessary, on a case by case basis.

Priority of Source (Number)	Revenue Source	Operating	Capital: Renew Existing Assets	Capital: Develop Assets - to Improve Services	Capital: Develop Assets - to Cater for Growth
1	Subsidies & Grants	1st	1st	1st	1st
2	Fees and Charges	1st	2nd	2nd	2nd
3	Loans (Borrow internally from savings or externally)	Not Permitted*	Possible	1st	1st
3	Reserves (savings)	Possible 2nd	1st	1st	1st
4	Prior year surpluses	Possible 2nd	2nd	Possible 2nd	Possible 2nd
4	Dividends, subventions & Interest	1st	1st	Possible 2nd	Possible 2nd
5	General Rates	1st	1st	Possible 2nd	Possible 2nd
5	Targeted Rates	1st	1st	2nd	2nd
5	UAGC	1st	1st	Possible	Possible

* Rare exceptions for accounting write down of "assets"

Funding of Activities

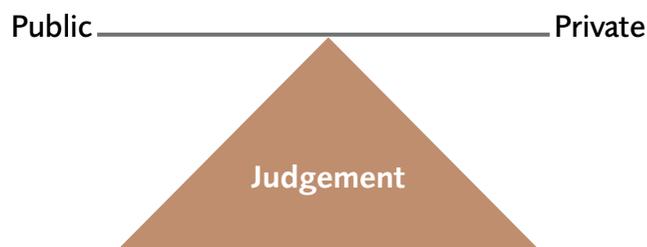
For each activity the following have been considered:

- Relationship to Outcomes
- Council considerations (high to low) of the user/beneficiary pays, principle intergenerational, equity principle exacerbator pays costs and benefits.
- A percentage range of public versus private benefits providing a rationale for the allocation between rates and targeted recoveries through fees and charges.
- The impact of the allocations on the current and future wellbeing of the community. This has been completed within the rates modelling and has to be reviewed with any changes that may occur from public consultation.

Very few activities deliver entirely public benefits or private benefits. Most activities contain aspects of both and fall somewhere between the two ends of the continuum. The characteristics of an activity determine what type of funding mechanism is used to fund a particular service.

For example, an activity towards the public end of the continuum may not be a good candidate for user charges as people cannot be prevented from consuming it, or because everyone is provided with access to the service whether they wish to or not. Such activity will generally be candidates for funding from some general source such as a general rate. An activity that delivers benefits towards the private end of the spectrum may be a candidate for a targeted rate or a user charge.

In the end, it is likely to come down to "reasonable" judgement. Local Government Law places the responsibility on elected members to make decisions about who benefits and who should pay.



Limit on General Rate

Section 21 of the Local Government (Rating) Act 2002 sets limits on the maximum revenue a local authority can collect from certain rates. The Rating Act states that rates revenue sought by a local authority in any year from certain rates (UAGC and targeted rates set on a uniform basis) must not exceed 30% of the total revenue from rates sought by the local authority.

Formula:

$$\frac{\text{UAGC} + \text{Library \& Swimming Pools Uniform Targeted Rates} + \text{Stormwater} + \text{Remissions}}{\text{Total Rates (includes water supply and charges)} + \text{Remissions}}$$

Funding Impact Statement Compliance

Council has considered the tools that are available to it and selected the following tools to be used in the development and application of its policy.

	Public good purposes	Private good purposes
General rates including Uniform Annual General Charge	✓	
Based on land value		✓
Targeted Rates	✓	✓
Uniform Annual Charges	✓	✓
Differentially targeted rates	✓	✓
Lump sum contributions		✓
Fees and charges		✓
Interest & dividends from investments	✓	
Borrowing	✓	✓
Development & financial contributions		✓
Reserves	✓	



The following table summarises the funding for each activity:

Group of Activities / Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Benefits		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Building Communities and Leadership										
Community Support	Great Lifestyle	Low	Low	Low	Low	0%	100%	Although the benefits will accrue to the groups and individuals who are recipients of funding, a greater number of people in the wider community will benefit from the expenditure. User pays is inconsistent with the idea of strengthening community initiatives.	General rate	-
Representation	Collaborative Council	Low	Low	Low	Low-Medium	0-5%	95-100%	Elected members represent the residents of the district. The benefit of representation is available to all residents and ratepayers of the district.	General rate, fees & charges	Loans, general rates, reserves
Community and Recreation Facilities										
Cemeteries	Efficient Infrastructure	High	High	Low	Low	20-25%	75-80%	The private benefit is received by the families of the deceased, and to those researching family history. There is also a public benefit with communities benefiting from being able to have family members buried in their community. The garden maintenance has a component of private and public benefit.	General rate, fees & charges	Loans, general rates, reserves

Group of Activities / Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Benefits		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Community Buildings	Efficient Infrastructure; Great Lifestyle	Medium	High	Low	Medium	5-10%	85-90%	Local communities are provided with facilities for social and recreational use. While individuals and local communities benefit from the use of the facilities there is also a public benefit in having halls available to all people of the district.	Fees & charges, general rate	Fees & charges, general rates, reserves
Housing	Efficient Infrastructure	High	High	Low	Low	100%	0%	The main beneficiaries are the pensioner flat tenants, who receive housing at rentals well below market rates.	Fees & charges	Asset sales, reserves
Libraries	Efficient Infrastructure	High	Low-Medium	Low	Low	5-10%	90-95%	Recreational reading primarily benefits the individual users, as do school holiday programmes and the availability of reference material for school projects etc. However the acquisition of knowledge has a high public benefit by contributing value to the community by people being well informed and by encouraging literacy.	Fees & charges, general rate	Loans, general rates, reserves



Group of Activities / Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Benefits		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Parks and recreation grounds (excluding domain boards)	Great Lifestyle; Efficient Infrastructure	Low	High	Low-Medium	Medium	0-5%	95-100%	Parks and Reserves beneficiaries are the users, both local and visitors to the district, and in particular user groups such as sports clubs. It is not feasible to charge for many Council facilities as you cannot restrict access to reserves and playgrounds. All residents have access to reserves. Camping grounds benefit the users with low-cost holiday accommodation, and businesses by attracting visitors. The Domain Board is a self-funding function of Council, other than for depreciation and support costs, and is not included in the requirement for rates	General rate, fees & charges	Loans, general rates, reserves
Public Conveniences	Sustainable Environment	Medium	Medium	Medium	Low	0%	100%	The benefits are the provision of clean and safe toilets for travellers, shoppers, parents and children in commercial areas in particular, and for users of recreational facilities. Businesses located near to public toilets benefit indirectly, and the public generally benefit from reduced environmental degradation.	General rate	Loans, general rates, reserves
Service Centres	Collaborative Council; Efficient Infrastructure	Medium	Low	Low	Low	0%	100%	Service Centres primary function is about providing customer support and public information, however much of the time spent on private benefit work is of a very small duration and is therefore not directly recoverable.	General rate	Loans, general rates, reserves

Group of Activities / Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Benefits		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Swimming Pools	Efficient Infrastructure	High	Medium	Low	Medium	0%	100%	Swimming pools are recreational facilities, and provide social benefits such as swimming coaching, and leisure opportunities for elderly people with health issues, and children and parents. Users of the pools are private beneficiaries and user fees reflect this. Council charges rates and some fees. The main fees are not collected by Council. They are set and collected by a trust or by management committees. The fees reflect a high private benefit to individual users.	General rate, fees & charges	Loans, general rates, reserves
District Promotion and Development										
Commercial Property	Strong Prosperous Economy	High	High	Low	Low	100%	0%	The primary beneficiaries are the users or lessees of the properties. These are considered an investment type of asset and therefore a commercial return is expected.	Fees & charges	Loans, fees & charges, reserves
District Promotion & Development	Strong Prosperous Economy	Medium	Low	Low	Low	0-5%	95-100%	Private beneficiaries are the individuals who gain employment, retailers, tourist operators, motels, and other businesses, but the whole district benefits from an increased population, wealth and larger rating base.	General rate, targeted rate, fees & charges	General rates, targeted rates, reserves



Group of Activities / Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Benefits		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Regulatory Services										
Animal Control	Collaborative Council; Great Lifestyle	Low-Medium	Low	High	Low	90-95%	5-10%	The majority of the costs for this activity should be borne by dog owners, as it is the existence of dogs in the community that gives rise to the need to carry out this activity. There is a small public benefit from animal education programmes.	Fees & charges general rate	Loans, reserves, & general rate
Emergency Management	Collaborative Council Prosperous Economy	Low	Low	Low	Low	0-10%	90-100%	The primary purpose of civil defence is emergency preparedness with an initial response capability. This activity cannot be attributed to any individuals and therefore it is the community as a whole that benefits from this activity. The major beneficiaries of Rural Fire are the rural community including all forestry owners and the Department of Conservation. Those who do not control fires properly or do not follow legal requirements are subject to user charges.	General rate, targeted rate, fees and charges & subsidies	Loans, general rates, reserves

Group of Activities / Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Benefits		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Health & Safety	Prosperous Economy; Collaborative Council"	High	Low	Medium	Medium	55-60%	35-40%	<p>The building control activity is mainly funded by the beneficiaries of the service, as they can be easily identified. There is some general community benefit because the public can be assured that buildings being erected are safe.</p> <p>For health and liquor licensing there is a moderate level of public good in the general health monitoring and advisory service provided to the community. Direct inspections of premises is user fees, but some fees are set by government legislation and therefore full cost recovery is not always possible.</p> <p>In the general inspection area it is often impossible to identify offenders or impractical to recover enforcement costs. The whole community benefits from these activities.</p>	Fees & charges general rate	Loans, general rates, reserves
Resource Management	Sustainable Environment; Prosperous economy	Medium-High	Low	Low-Medium	Medium-High	10-20%	80-90%	There are two distinct beneficiaries of this activity, the first being the applicant and the second being the whole district through the monitoring and development of the District Plan.	Fees & charges general rate	Loans, general rates, reserves



Group of Activities / Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Benefits		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Roading and Footpaths										
Footpaths	Efficient Infrastructure	Low	Medium-High	Low-Medium	Low	0%	100%	Occupiers of urban residential and commercial properties which are served with footpaths benefit from easier access and the added value to the properties. While the primary benefit is for the people who use the footpaths, these users generally cannot be identified or be restricted from using footpaths from a public safety factor.	General rates & targeted rates	General rates & targeted rates reserves
Roading	Efficient Infrastructure	Medium-High	High	Medium	Medium-High	50-60%	40 -50%	The beneficiaries are the users of the roads, the owners of properties served by roads, the local community within the district and the wider community. The private benefit is collected via fuel taxes and road user charges by the government and allocated by a grant through NZ Transport Agency.	Targeted rates, subsidies, fees & charges & reserves	Targeted rates, subsidies & reserves

Group of Activities / Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Benefits		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Solid Waste Management										
	Efficient Infrastructure; Sustainable Environment; Prosperous Economy	High	Low-Medium	Low-Medium	Low	30-40%	60-70%	Urban households and many commercial properties receive a kerbside recycling and refuse collection service and all properties have access to recycling bulk bins for glass and other materials. Rural residents that drop off recycling at bulk bins and recycling centres, and refuse at disposal points also use the services. The whole district benefits from the promotion of the clean image and the environmental benefits. Pricing is a tool that can impact on people's behaviour to achieve the reduction, reuse and recycling of solid waste.	Targeted rates fees & charges, grants	Loans, targeted rates, reserves
Stormwater										
	Efficient Infrastructure	High	Medium-High	Medium	Medium	0%	100%	Properties within the stormwater network areas benefit from collecting and disposing stormwater to limit flood damage. Property owners downstream from these areas also benefit. There is also a public benefit of health and safety to the urban populations generally, and a lesser benefit to people outside the urban areas who may visit the urban areas.	Targeted rates	Loans, general rates, reserves

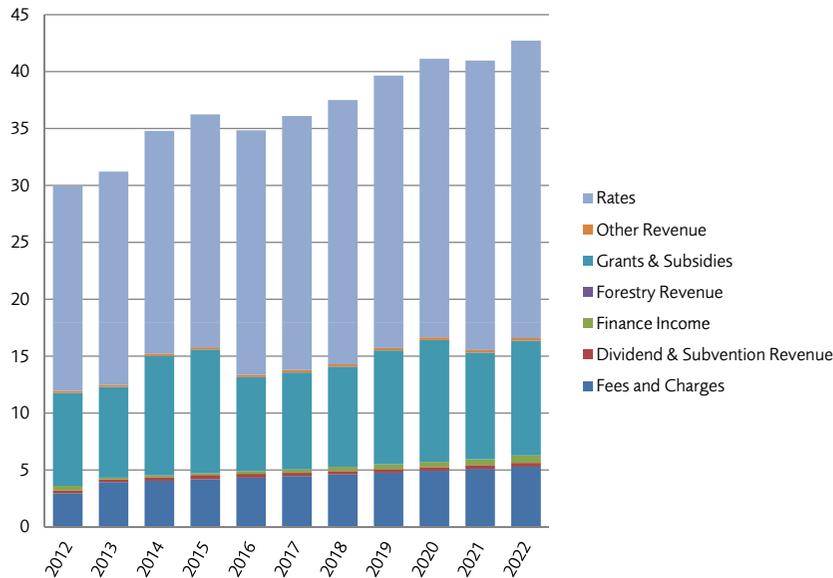


Group of Activities / Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Benefits		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Wastewater										
	Efficient Infrastructure	Medium	High	Low-Medium	Low	0-5%	95-100%	The beneficiaries of this activity are properties connected to the networks. There is a public health benefit particularly to people who live in urban areas, and also with the downstream effects of clean rivers benefiting the whole district.	Targeted rates, fees & charges & reserves	Targeted rates, loans, grants & reserves
Water Supplies										
	Efficient Infrastructure	High	High	Low	Low-Medium	20-30%	70-80%	The immediate beneficiaries are the properties that are connected to the water supplies, however, there is a public health benefit in providing potable water supplies. The public benefits also include fire protection and street cleaning for urban residents. Farmers tapping into some schemes contribute greatly to costs and a number remain unmetered.	Targeted rates, fee & charges & reserves	Targeted rates, loans, grants & reserves

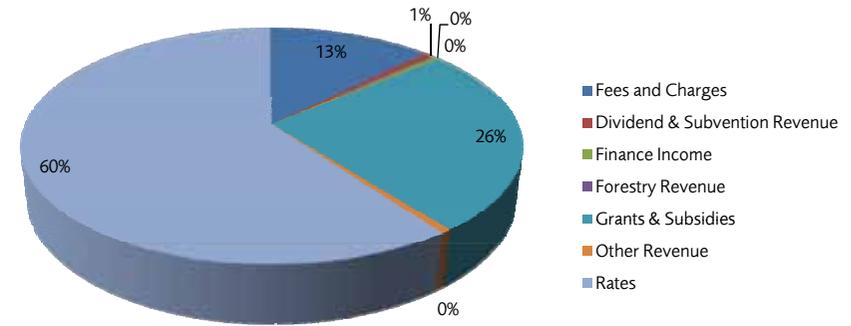
Funding Requirements

Council's operating revenue will increase 28% from 2012/13 to 2021/22. In total dollars, operating revenue will rise from \$31.2 million in 2012/13 to \$42.6 million in 2021/22. The following chart shows the sources of operating revenue throughout the 10-year plan resulting from this Revenue and Financing Policy.

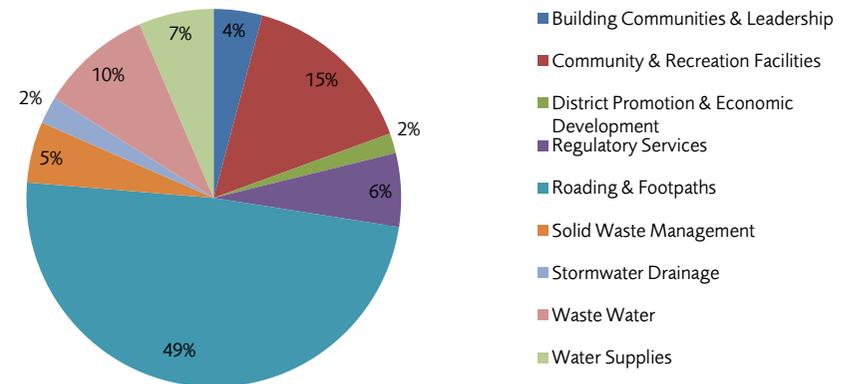
Funding Sources for Long Term Plan



Year 1 of the Long Term Plan



Revenue by Group of Activities in Year 1



In Years 2 and 3 of the Long Term Plan (2013/14 and 2014/15), operating revenue is significantly higher due to the \$4.5 million NZ Transport Agency subsidy for the Manawatu Gorge alternate route projects. These projects are 100% funded by NZ Transport Agency.

Excluding this project the funding sources for Year 1 of the Long Term Plan are shown in the following charts. Rates are 60% of operating revenue with Subsidies and Fees and Charges being 25% and 12% respectively. Roading contributes 49% of the revenue while Community & Recreation Facilities is 15% and Waste Water is 10%.



Funding Impact Statement

Funding Impact Statement – Rating Policy

Rating incidence is governed by the Council's Revenue and Financing Policy and its Rating Policies. The Rating Policy outlines details of the funding mechanism used by the Council.

This Policy documents Council's high level rating philosophy, and summarises the rationale for the rating decisions taken. In making these decisions, Council has considered:

- the distribution and timing of benefits;
- rating efficiency and transparency;
- community preferences; and
- the overall impact on the economic, cultural, social and environmental wellbeing of the district.

Rates models have been prepared to provide a picture of the impacts on a range of representative properties.

Financial requirements are set out in the Funding Impact Statement for activities or groups of activities.

This policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive.

The resulting mix of general and targeted rates, user charges and other funding sources is covered in the sections above relating to operating and capital expenditure and the section on the rating system following. The actual amounts that result from the application of these various policies and practices are shown elsewhere in this document under the significant activity pages.

Property Valuations and Rates Distribution

The Council sets the total amount of rates required to fund its expenditure based on the budgeted costs included in this 10-year plan. For the majority of its rates, Council uses property valuations as the basis to distribute the total rates requirement proportionally across all properties in the district. For industrial and commercial properties Council is to move partly towards capital value based rating.

Property revaluations are performed every three years and Council uses these rating valuations for the purposes of calculating the rates each property is to pay. Council contracts Quotable Value (QV) as its valuation service provider (VSP). Properties are valued using a mass appraisal system and objections are allowed free for a short period after which payment is required to change the result. The last revaluation of the district was carried out in September 2011 and these values have been used for rating purposes for the Long Term Plan and are effective 1 July 2012.

The rating valuations are intended to provide relative values only and are based on the market value of a property at a particular point in time. It cannot be taken as a market valuation.

Effect of new valuations on rates

It is important to note that an increase in values does not automatically mean that there will be an increase in rates. It depends on whether the valuation of your own property increases more than the average of the group of ratepayer values. Council does not collect extra rates as a result of valuation changes. Council rate assessments contain different charges that make up the annual levy:

- General Rates (calculated on land value);
- Uniform Annual General Charge (set charge); and

- Targeted Rates (uniform charge or value based rate).

Council calculates the total rates requirement for the year and then uses land values as the basis to distribute this total. Therefore, a change in your land value of your property will only impact on your rates bill to the extent that the change is higher or lower than the average change.

Council increases rates because the cost of providing services have increased for a desired level of service.

Components of the Rating System

The Council's rating system is utilised to fund the net cost of operations and programmes outlined in the 10-year Long Term Plan and Annual Plan.

The following table details the various funding mechanisms Council has in place to fund its expenditure.

Legislation Local Government (Rating) Act 2002	Rate Subject to 30% Cap (S21)	Types of Rates	Properties to be Charged ("known as Rating Units")	Schedule 2 Category (Category Rated)	Schedule 3 – How it is Rated		
					Fixed Amount	Land Value	Capital Value
S15(1)(a)	Yes	Uniform Annual General Charge	Rateable Properties	n/a	✓		
S13(2)(a) & S14(b)	No	District General Land Value Rate	Rateable Properties	Land Value		✓	
Specified Services Targeted Differential							
S16(3)(a) & S16(4)(b)	No	Land Value Rate - Rural	Rateable Properties	Land Value		✓	
S16(3)(a) & S16(4)(b)	No	Land Value Rate - Urban	Rateable Properties	Land Value		✓	
S16(3)(a) & S16(4)(b)	No	Capital Value Rate - Industrial Commercial Urban & Utilities	Rateable Properties	Capital Value & Use of Land			✓
S16(3)(a) & S16(4)(b)	No	Capital Value Rate - Industrial Commercial Rural & Windfarms	Rateable Properties	Capital Value & Use of Land			✓
Libraries & Swimming Pools							
S16(3)(a) & S16(4)(a)	Yes	Targeted Uniform Rate- Libraries & Swimming Pools	Rateable Properties	n/a	✓		
Refuse & Recycling Targeted Differential							
S16(3)(a) & S16(4)(b)	No	Refuse & Recycling - Rural	Rateable & Non-Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)	No	Refuse & Recycling - Urban	Rateable & Non-Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)	No	Refuse & Recycling - Industrial Commercial	Rateable & Non-Rateable Properties	Use of Land	✓		



Legislation Local Government (Rating) Act 2002	Rate Subject to 30% Cap (S21)	Types of Rates	Properties to be Charged ("known as Rating Units")	Schedule 2 Category (Category Rated)	Schedule 3 – How it is Rated		
					Fixed Amount	Land Value	Capital Value
Roading							
s16(3)(a) & s16(4)(b)	No	Roading Land Value Rate - District-Wide	Rateable Properties	Land Value		✓	
Roading Targeted Differential Uniform Rate							
s16(3)(a) & s16(4)(b)	No	Rural	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)	No	Urban	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)	No	Industrial Commercial	Rateable Properties	Use of Land	✓		
Roading Special Development Targeted Differential Uniform Rates							
Pahiatua-Palmerston North Track Upgrade							
s16(3)(a) & s16(4)(b)	No	North Ward	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)		South Ward	Rateable Properties	Situation of rating unit	✓		
Footpath Special Development Targeted Differential Uniform Rates							
Dannevirke Town Centre Refurbishment							
s16(3)(a) & s16(4)(b)	No	Dannevirke Town Centre Refurbishment North Ward	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)		Dannevirke Town Centre Refurbishment South Ward	Rateable Properties	Situation of rating unit	✓		
Woodville Town Centre Refurbishment							
s16(3)(a) & s16(4)(b)	No	Woodville Town Centre Refurbishment North Ward	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)		Woodville Town Centre Refurbishment South Ward	Rateable Properties	Situation of rating unit	✓		
Pahiatua Town Centre Refurbishment							
s16(3)(a) & s16(4)(b)	No	Pahiatua Town Centre Refurbishment North Ward	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)		Pahiatua Town Centre Refurbishment South Ward	Rateable Properties	Situation of rating unit	✓		

Legislation Local Government (Rating) Act 2002	Rate Subject to 30% Cap (S21)	Types of Rates	Properties to be Charged ("known as Rating Units")	Schedule 2 Category (Category Rated)	Schedule 3 – How it is Rated		
					Fixed Amount	Land Value	Capital Value
Eketahuna Town Centre Refurbishment							
s16(3)(a) & s16(4)(b)	No	Eketahuna Town Centre Refurbishment North Ward	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)		Eketahuna Town Centre Refurbishment South Ward	Rateable Properties	Situation of rating unit	✓		
Urban Wastewater (95% of net cost including all loan costs)							
Includes Residential, Educational Establishments and Multi-unit Residential Properties							
Per connected water closet/urinal (Residential Households receive only one charge)							
s16(3)(b) & s16(4)(b)	No	Urban Wastewater Targeted Uniform Rate - Full Charge	Rateable & Non-Rateable Properties	Provision of service (the number of water closets or urinals within the rating unit)	✓		
s16(3)(b) & s16(4)(b)	No	Urban Wastewater Targeted Uniform Rate - Half Charge	Rateable & Non-Rateable Properties	Availability of service (the extent of provision to the service)	✓		
s16(3)(b) & s16(4)(b)	No	Urban Wastewater Targeted Uniform Rate - For Connected Multiple Use	Rateable & Non-Rateable Properties	Provision of service (the number of water closets or urinals within the rating unit)	✓		
Stormwater							
s16(3)(b) & s16(4)(a)	Yes	Urban Stormwater Targeted Uniform Rate	Rateable Properties	Provision of service (the extent of provision to the service)	✓		
Water							
s16(3)(b) & s16(4)(b)	No	Urban Water Targeted Uniform Rate - Full Charge	Rateable & Non-Rateable Properties	Provision of service (the number or nature of connections to separately used or inhabited parts of a rating unit)	✓		
s16(3)(b) & s16(4)(b)	No	Urban Water Targeted Uniform Rate - Half Charge	Rateable & Non-Rateable Properties	Availability of service (The extent of provision to the service)	✓		
s16(3)(b) & s19(1) & s19(2)(a)	No	Pongaroa Water Targeted Uniform Rate	Rateable & Non-Rateable Properties	A fixed charge (per unit)	✓		



Rates requirement for the three sectors in the first three years of the Long Term Plan compared to the 2011/12 Annual Plan is as follows:

Rates by Sector (excluding GST)	Plan 2012	Year 1 2013	\$ Change	% Change	Year 2 2014	\$ Change	% Change	Year 3 2015	\$ Change	% Change
Rural	9,983,958	10,295,622	311,664	3.1%	10,561,233	265,611	2.6%	10,912,715	351,482	3.3%
Urban	6,908,778	7,187,404	278,626	4.0%	7,682,391	494,987	6.9%	8,128,184	445,793	5.8%
Industrial/Commercial	1,106,231	1,242,300	136,069	12.3%	1,328,725	86,425	7.0%	1,421,618	92,893	7.0%
Total Rates Requirement	17,998,967	18,725,326	726,359	4.04%	19,572,349	847,023	4.52%	20,462,517	890,168	4.55%

Examples of the Impacts of the Council's Rating Proposals

These examples are from the sample set of ratepayers used by Council in modelling impacts of rating scenarios. Four properties in each sector with high, medium and low land or capital values is extracted to show the impact on rates as required by Clause 15(5) Schedule 10, Local Government Act 2002.

Council sent out sample rates invoices to each ratepayer to indicate the proposed rates for Year 1 of the Long Term Plan compared to current rates.

Property Type	New Land value	New capital Value	2013	Actual 2012	Difference	Percentage
Urban properties						
Urban - Settlement	16,000	126,000	1,592	1,549	43	2.8%
Urban - Low Land Value	30,000	136,000	1,822	1,757	65	3.7%
Urban - Medium Land Value	40,000	200,000	1,881	1,804	77	4.3%
Urban - High Land Value	90,000	399,000	2,193	2,102	91	4.3%
Rural Properties						
Rural - Settlement	53,000	190,000	1,165	1,150	15	1.3%
Rural - Lifestyle	170,000	335,000	1,409	1,372	36	2.6%
Rural - Medium Land Value	1,325,000	1,875,000	4,719	5,001	(282)	-5.6%
Rural - High Land Value	3,775,000	4,500,000	11,684	12,416	(731)	-5.9%
Industrial/Commercial Properties						
Industrial/Commercial - Urban Low - Land/Capital Value	9,500	54,000	1,965	1,767	198	11.2%
Industrial/Commercial - Urban High - Land/Capital Value	450,000	2,975,000	7,406	7,898	(492)	-6.2%
Industrial/Commercial - Rural Low - Land/Capital Value	25,000	125,000	1,129	1,089	40	3.7%
Industrial/Commercial - Rural High - Land/Capital Value	600,000	30,100,000	29,565	9,959	19,606	196.9%
Industrial/Commercial - Rural and Windfarm	5,650,000	16,300,000	32,102	16,374	15,728	196.1%

How Council Rates

Introduction

There is a "Summary of Rates Charges" and a "Summary of Rates by Total" that follow the explanations below.

These summaries identify the amounts being rate and the amount expected to be collected through each rate, (As required by Schedule 10, Clause 15 of the Local Government Act 2002)

Explanation of Rates

There are two types of rates – General Rates and Targeted Rates.

These may be charged in two ways:

- on a uniform basis - to all rateable land for which the rate is set
- or differentially – on a different basis for different categories of land.

They may be charged on as a Fixed Amount or using a factor – such as land or capital value or number of services used such as number of water closets.

These categories are set out below.

General Rates

There are four types of General Rates. These are rates that are charged district-wide for the functions or services of Council.

Function/Service	How it Operates
Uniform Annual General Charge (various functions/services)	A District Wide Rate based on the Rating Unit – a fixed amount
Swimming Pools & Libraries	A District Wide Rate based on the Rating Unit – a fixed amount
Stormwater	A District Wide Rate based on Provision of Service – a fixed amount
General Rate (various functions/services)	A District Wide Rate charged on Land Values

Targeted Rates

Council sets targeted rates for different functions of council where the benefit of having access to particular function(s) or service(s) exist to particular groups of ratepayers.

Council has targeted rates for:

Function/Service	How it Operates
(Various) Specific Services	Three Rates by Sector – charged on Land Value or Capital Value
Solid Waste Refuse & Recycling	Three Rates by Sector – fixed amounts
Roading	A District Wide Rate – charged on Land Value
Roading	Three Rates by Sector – fixed amounts
Roading Special Development Loans	Two Rates by Ward, North or South – fixed amounts
Footpaths Special Development Loans	Two Rates by Ward, North or South – fixed amounts
Wastewater	Three Rates by Provision (100% Rate) or Availability (50% Rate) for Sewerage or for some Ratepayers as a per pan charge- All as Fixed Amounts
Water	Four Rates by Provision (100% Rate) or Availability (50% Rate) for Water – fixed amounts; and on consumption basis for metered supply; Pongaroa Rural Supply – by number of units of supply as a fixed amount

Uniform Annual General Charge

Uniform Annual General Charge (UAGC) is a specific levy of an equal amount on each rating unit. The UAGC is applied as a fixed amount to every rating unit within the district and does not vary with the value of the rating unit.

It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate. Individuals benefit as each has an equal opportunity to access and use the assets and services, and to an extent, many within the community make similar use of the assets and services.

Hence, Council considers a range from 27.5% to 29.5% of the rates requirement should be recovered by way of a UAGC charged to every rating unit in the district, which reflects the equal opportunity to access and use the assets and services.

General Rate

The Council sets a General Rate, based on the land value applied to each rating unit.



Explanation of Funding of General Rates

	Rural	Urban	Industrial/Commercial	
Total Rate Requirement for General Activities				6,064,647
Funded in two ways:				
1. Uniform Annual General Charge				
\$437.00 x 9,022 properties =				3,942,614
Who Pays by Sector (Estimated No. of Rateable Properties)				
Rural General	4,264			
Urban General		4,244		
Industrial Commercial General			514	
\$ Amount	1,863,368	1,854,628	224,618	3,942,614
2. District Wide General Rate (Rural, Urban, Industrial/Commercial Rate in Dollar)				
Calculated as follows				
Remaining General requirement of	2,122,033			
Allocated by Land Value split:				
	Land Value	% Split		
Rural General	2,673,992,560	92.9%	1,971,369	
Urban General	171,175,150	5.9%		125,200
Industrial Commercial General	34,830,700	1.2%		25,464
	2,879,998,410			
Total Rate Requirement for General Activities				
	3,834,737	1,979,828	250,082	6,064,647
Less Remissions by Sector (an expense of Council)				
No. of Rateable Properties	(262.75)	(39.50)	(6.00)	
\$ Amount	(114,821.75)	(17,261.50)	(2,622.00)	(134,705)
Net Forecast Collected General Activities	3,719,915.25	1,962,566.50	247,460.00	5,929,942
Estimated % Who Pays by Sector	62.7%	33.1%	4.2%	

Targeted Rates

A differential targeted rate in the dollar on the following categories of rateable land, within the meaning of Section 16 of the Local Government (Rating) Act 2002, is used when assessing and setting the differential targeted rate:

Sector Rates

Category	Description
Urban	All rating units in the district situated in the urban areas as defined in the Sheets 1-7 of Plan 95 other than: <ul style="list-style-type: none"> (i) properties included in the Industrial/Commercial category; (ii) properties used for Industrial/Commercial purposes or (iii) farmland (these are rated as rural).
Rural	All rating units in the district situated in the rural areas as defined in the Sheets 1-7 of Plan 95 other than those not included in the Industrial/Commercial or Urban categories.
Industrial/Commercial	All rating units in the district used exclusively or principally for industrial or commercial purposes. This category may be identified as Urban or Rural, as defined in Sheets 1-7 of Plan 95. It does not include residential flats or farms. For the avoidance of doubt, it does include postal services and utility operators (being companies, public entities and/or commercial operators) that provide services for such areas as electricity generation or transmission, gas or oil, telecommunications, rail, water, sewerage/wastewater, stormwater. Windfarm electricity generators may be rated separately from other utilities.

Ward Rates

Differential targeted rates may be collected by a fixed charge levied with a differential based on where the rating unit is situated. The following are the differential targeted rate and Council's objectives for using this rating mechanism.

The categories of Rateable Land for setting Targeted Rates are:

- Category: Ward.
- Description: North and South Wards. These are the two areas defined for election purposes.

The following are the activities or groups of activities for which targeted rates are set:

Solid Waste Targeted Differential Uniform Rate

Funding for recycling and the public benefit costs of refuse are best funded on a uniform rating unit basis differentiated between rural (20%), urban (60%) and industrial/commercial (20%) to reflect the higher use and service levels in urban areas. All of the rates required to fund recycling and refuse disposal services will be funded through this rate. Land transfer stations and landfills continue to be principally funded from user charges and general rates.

Specified Services Targeted Differential Rate

Land Value Rate for Rural

Emergency Management has a distinctly uneven sector benefits to other general activities of Council and that certain proportions of these costs would be charged by land value. Hence, included in the rural differential targeted rate is 92% of Rural Fire protection cost.

The Rural Fire protection cost meets the cost of preparedness for fighting fires and the actual cost of fighting fires where this cannot be recovered from the person who started the fire. The main beneficiaries of this service are landowners in the areas outside the urban fire districts, however a contribution is received from urban properties as some benefit is gained by these areas (fire hazard inspections, preventing spread of fire etc).

Land Value in this instance has been used because:

- It better reflects community created wealth, eg access to services, so is better related to the infrastructure provided by Council.
- Is more related to the land area and ability of land to generate income.
- Is not proportional to owners total investment

Land Value Rate for Urban

Emergency Management and Footpaths have distinctly uneven sector benefits to other general activities of Council and certain proportions of these costs would be charged by land value. Hence, included in the urban differential targeted rate is 7% of Rural Fire protection cost and 71% of Footpaths cost.

The Rural Fire protection cost meets the cost of preparedness for fighting fires and the actual cost of fighting fires where this cannot be recovered from the person who started the fire. The main beneficiaries of this service are landowners in the areas outside the urban



fire districts, however a contribution is received from urban properties as some benefit is gained by these areas (fire hazard inspections, preventing spread of fire etc).

Occupiers of urban residential and commercial properties which are served with footpaths benefit from easier access and the added value to the properties. While the primary benefit is for the people who use the footpaths, these users generally cannot be identified or be restricted from using footpaths from a public safety factor.

Land Value in these instances has been used because:

- it better reflects Council created wealth, e.g. access to services and is better related to the infrastructure provided by Council;
- it is more related to the land area;
- it is not proportional to owners total investment.

Capital Value Rate for Industrial Commercial:

Rural/Windfarms & Urban/Utilities

Economic Development, Emergency Management and Footpaths have distinctly uneven sector benefits to other general activities of Council and certain proportions of these costs will be charged by capital value. Ratepayers are further defined according to two sub categories rural and urban and two uses of land, windfarms and utilities (excluding windfarms). In essence, rates are being set differentially as follows:

Rural/ Windfarms	A share of Economic Development plus Rural Fire
Urban/Utilities	A share of Economic Development plus Footpaths

Included in the industrial/commercial differential rates is 60% of Economic Development cost allocated based on the Industrial Commercial capital value, 1% of Rural Fire protection cost to Industrial Commercial Rural/Windfarms , 14% of Footpaths cost to Industrial Commercial Urban/Utilities (excluding Windfarms).

The Industrial Commercial section gains specific benefits from Economic Development activities to attract and retain residents, the support for business and business development, and tourism. Retailers, tourist operators, motels, and businesses benefit from this activity. The whole district benefits as well from an increased population, wealth and larger rating base.

The Rural Fire protection cost meets the cost of preparedness for fighting fires and the actual cost of fighting fires where this cannot be recovered from the person who started the fire. The main beneficiaries of this service are landowners in the areas outside the urban

fire districts, however a contribution is received from urban properties as some benefit may be gained by these areas (fire hazard inspections, preventing spread of fire etc). However, Rural and windfarm industrial commercial ratepayers benefit the most from this service.

Occupiers of urban residential and commercial properties which are served with footpaths benefit from easier access and the added value to the properties. While the primary benefit is for the people who use the footpaths, these users generally cannot be identified or be restricted from using footpaths from a public safety factor. Utility and Urban industrial commercial ratepayers generally benefit from access and use of footpaths or may affect the footpaths in access to underground services.

Capital Value in these instances has been used because:

- Council determined that the Industrial Commercial Sector benefits generally closely reflects the total value of ratepayers investment
- Insofar as property values indicate ability to pay, capital values more fairly reflect ability to pay.
- The spread between high and low rates are generally less extreme.
- Rating base expands as development expands.
- Industrial/commercial businesses with high capital values will pay more for this service, and those with low capital value less.

Roading (excluding special development targeted differential rate)

A targeted uniform rate in the dollar on the rateable land value of every rating unit in the district for 80% of the Roothing Cost. Eighty percent of the cost broadly represents the variable cost of the Road network e.g. generally allowing for the use, wear and tear, and ageing of the roads.

For these costs, ratepayers of the Roothing network will be charged for the whole network as there is no way to separate and prevent one group of ratepayers from accessing and using a part of the network funded from another group of ratepayers.

This is a district wide rate in the dollar because Roothing needs to be managed as a Roothing network and, on a district wide basis, progressively throughout the funding year. This is consistent with the policy approach to funding taken by NZ Transport Agency (Council's primary Roothing funding source) to fund Roothing as a network.

District wide rating spreads the cost of Roothing amongst all ratepayers. An advantage of this is that it makes larger expenditure commitments more affordable than annually uneven

cost recoveries targeted to specific ratepayer categories. It therefore provides regularity to funding to appropriately manage the district asset.

Roading Rate – Targeted Differential Uniform

A targeted differential uniform rate in the dollar on every rating unit in the district for different rate categories.

Twenty percent of the Rooding cost broadly represents the fixed cost of providing Rooding, a cost that may be shared by all Ratepayers. This essentially treats the differentiated fixed amount targeted rate funding for Rooding as a network access charge.

The fixed 20% component of cost will be charged differentially as fixed amount targeted rates on a basis of approximately 83.3% Rural, 13.2% Urban and 3.5% Industrial/Commercial.

These proportions closely match the assessed benefits received by each sector from the Rooding activity expenditure and reflect the relative capital values by sector.

There are further targeted rates for special development loan related costs. These rates ensure that the work is completed when necessary for economic, efficiency, effectiveness and safety reasons.

Rooding Special Development Targeted Differential Uniform Rate

The Council is funding the Pahiatua-Palmerston North Route upgrade by way of two fixed amount targeted rates per rating unit set differentially for the North and South Wards. Funding for Pahiatua-Palmerston North Route upgrade will have its loan repayments and interest costs funded through these rates. They will be charged with 10% of the costs allocated to the South Ward that is directly benefiting the area and the remaining cost allocated equally. The rate will be set so that 10% of the costs are first allocated to the South Ward and the remainder of the costs are allocated equally per rating unit across the North and South Wards.

Dannevirke Footpaths Special Development Targeted Differential Uniform Rate

Council is funding the Dannevirke High Street footpath upgrade by way of two fixed amount targeted rates per rating unit set differentially for the North and South Wards. Funding for the Dannevirke High Street upgrade has its loan repayments and interest costs funded through these rates. The North Ward, as the main area of benefit, is allocated 10% of the total costs with the remaining cost allocated equally. Overall, the North Ward pays 55% of the costs and the South Ward 45%. This ensures that the local community (as defined by North and South Wards) pay a higher proportion of the cost than the balance of the district.

A lump sum payment option was made available. Properties on which the lump sum was paid do not continue to pay this rate (except for any washup). A washup calculation is still to be made while audits and final costs are completed.

Woodville, Pahiatua and Eketahuna Footpaths Special Development Targeted Differential Uniform Rate

Council is funding separately the Woodville Town Centre upgrade, and the Pahiatua and Eketahuna Town Centre upgrades, by way of two fixed amount targeted rates per rating unit set differentially for the North and South Wards. Funding for Woodville, Pahiatua and Eketahuna Town Centre upgrades will have its loan repayments and interest costs funded through these rates. The South Ward, as the main area of benefit, is allocated 10% of the total costs with the remaining cost allocated equally. Overall, the South Ward pays 55% of the costs and the North Ward 45%. This ensured that the local communities (as defined by North and South Wards) pay a higher proportion of the cost than the balance of the district.

Urban Water Rate

A targeted uniform rate is charged as follows:

- full charge for every rating unit which receives an ordinary supply of water from an urban water supply;
- full charge for a separately used or inhabited part of the rating unit which receives an ordinary supply of water from an urban water supply;
- 50% of the full charge on every rating unit to which an ordinary supply of water is available but is not connected. By "water is available", it means a rating unit is within 100 metres of Council's water system and could be effectively connected to the water system.

Pongaroa Water Rate

A separate targeted uniform rate applies for each unit of water from the Pongaroa rural water supply. One unit is for a maximum of one cubic metre of water (by volume) per day.

Wastewater Targeted Uniform Rate – Educational Establishments and Multi Unit Residential Properties

A targeted uniform rate will be charged on each water closet/urinal for each separately used or inhabited part of a rating unit connected to the wastewater system.

Ratepayers will pay a full charge on the first water closet/urinal and 33% of the full charge for each water closet/urinal between 4 and 12 (inclusive) in number.

Each household within a multi-unit residential property will be treated as having only one water closet/urinal and will pay a full charge. A rating unit used primarily as a residence for one household will be treated as having only one water closet/urinal.

A remission policy applies to educational establishments.

Wastewater Targeted Differential Rate

A targeted differential rate for wastewater will be charged. This applies to all other connected properties (excluding multi-unit residential properties and educational establishments) and is a differential targeted rate on all other connected properties as follows:

- all separately used or inhabited part of a rating unit – a fixed amount per rating unit (a full charge);
- on every rating unit a fixed amount* with 4 or more water closets/urinals for each water closet/urinal excluding the first 3 and any over 12 (*calculated at 33% of a full charge per rating unit);
- 50% of the full charge on every rating unit to which wastewater is available but not connected. By "wastewater is available", it means a rating unit is within 100 metres of Council's wastewater system and could be effectively connected to the wastewater system.

A rating unit used primarily as a residence for one household will be treated as having only one water closet/urinal. Other ratepayers will pay a full charge on the first water closet/urinal and 33% of the full charge for each water closet/urinal between 4 and 12 (inclusive) in number.

Education establishments, multiple residential properties and properties charged trade waste fees are excluded from this rate. Educational establishments are defined under Schedule 1 Part 1 Section 6 of the Local Government (Rating) Act 2002.

Urban Stormwater Rate

A targeted uniform rate will be charged on every rating unit in the district's stormwater drainage area.

Fees and Charges

Council sets its fees and charges in accordance with the Schedule of Fees and Charges set out in the Annual Plan. Any request for additional services not covered in the schedule will be considered based on a recovery of associated cost.

Water by Metered Supplies Fees

This is collected under Section 19 of the Local Government (Rating) Act 2002.

Rural properties supplied from town water supplies in Dannevirke and Pahiatua are charged a minimum fee plus a charge for all water consumed above a certain quantity.

Several farming properties in Woodville are connected to the town supply and are charged with the Fixed Amount Targeted Rate plus a charge for water consumed through the meter in excess of the standard allowance.

There are standardised charges for water supplied through a meter:

- A minimum charge per quarter and this charge will be one fourth of the Urban Water Fixed Amount Targeted Rate.
- The minimum quantity of water for which the minimum charge allows is 100 cubic metres per separately inhabited portion of a property or building.
- The unit, rate per cubic metre in excess of 100 cubic meters per quarter will be set by the Council annually.
- Large volume users depicted as consumers using more than 2,000 cubic metres per quarter may be charged at a different rate for water supplied in excess of 100 cubic metres per quarter to other users and such rate will be set by the Council annually.
- A finance charge of 10% will be added to overdue accounts that will be assessed following each quarterly invoice.

Setting of Rates

Rates are set by Council by way of resolution for each financial year, referred to as the Rating Year. These rates will remain in effect for the rating year and will not be affected by a change in the rateable value or factors of a rating unit during the financial year in which the rates are set.

Two or more rating units must be treated as one unit for setting a rate if those units are—

- (a) owned by the same person or persons; and

(b) used jointly as a single unit; and

(c) contiguous or separated only by a road, railway, drain, water race, river, or stream.

Utility Charges for Non-Rateable Properties

Non-rateable properties are liable for targeted rates and charges for the provision of utility services, such as water, sewerage and refuse collection.

Rating Base

The rating base will be the database determined by the contracted rating service provider. Because this database is constantly changing due to change of ownership, subdivision, regular revaluations, change of status from rateable to non-rateable (and reverse), the rating base is not described in detail in this policy but annual attachments to the policy will describe the rating base for each rating year as and when it is determined.

This plan contains details of the rating base through summaries on a ward basis of rateable land value, rateable capital value, rateable area, number of rating assessments, number of assessments for uniform annual general charges and similar charges and policies covering collection of these.

Inspection of Rating Information Database or Rates Records

The Local Government (Rating) Act 2002 set out the right of ratepayers to inspect data on the rating information database (Section 28) and the rates records (Section 38).

Objection on Rating Information Database or Rates Records

The Local Government (Rating) Act 2002 set out the right of ratepayers to object to data on the rating information database (Section 29) and the rates records (Section 39). Ratepayers must make objections in writing and address them to Tararua District Council. It is at the sole discretion of the Council to uphold or decline changes to either the Rating Information Database or Rating Records.

Instalments

Rates and charges for the year ending on 30 June 2013 will be levied in four instalments, which will become due and payable on or before the following dates:

Instalment	Due Date
Instalment 1	31 August 2012
Instalment 2	30 November 2012
Instalment 3	28 February 2013
Instalment 4	31 May 2013

Penalties

In accordance with Section 57 and 58 of the Local Government (Rating) Act 2002:

A penalty of 10% is added to each instalment or part thereof "current rates" which are unpaid after the due date for payment.

Due Date	Current Rates Penalty Date
31 August 2012	1 September 2012
30 November 2012	1 December 2012
28 February 2013	1 March 2013
31 May 2013	1 June 2013

Rates in Arrears Penalty Date

A penalty of 10% is added to previous year's rates "rates in arrears" that remain unpaid as assessed on 7 July 2012, and again on 8 January 2013.

Discount

A 3% discount under the Local Government (Rating) Act 2002 Section 55(3) will be provided for full payment of the 2012/13 rates on or before 31 August 2012.

Rates Arrears Collection

- After penalty has been applied, ratepayers with unpaid rates and for which no arrangements have been made, are written to requiring payment within 14 days.
- Property titles are searched of those who do not respond to the letter.
- Where mortgagees are disclosed on title searches, demands are made of the mortgagees for settlement of the arrears.



- If Council is unable to enforce collection by way of making a demand of the mortgagee it should then, if the property is rented, require the occupier to pay the rent to the Council for credit of the ratepayer, or otherwise hand the account to Council's Solicitors for collection.
- Where the Council Solicitor advises that the rates are not collectable, the individual recommendations with a view to undertaking a sale of the property under the provisions of the Local Government (Rating) Act 2002 or other appropriate action will be submitted for Council consideration.

Appendix 1 – Definitions

District valuation roll means in relation to a territorial authority, a roll prepared for a district under Section 7 of the Rating Valuations Act 1998 and approved under Section 11 of that Act;

Division where a rating unit is split into one or more parts and the parts are rated separately for the purpose of setting rates over the whole rating unit. Examples are where there are different differential categories such as provision of services, different remission/postponement categories or if part of the property is non-rateable.

Farmland means a rating unit that is used exclusively or principally for agricultural, horticultural, or pastoral purposes, or for the keeping of bees or poultry or other livestock; and "farming purposes" has a corresponding meaning.

General Rate As per Local Government (Rating) Act 2002 Section 13

A local authority may set a general rate for all rateable land within its district.

(2) A general rate may be set—

- at a uniform rate in the dollar of rateable value for all rateable land; or
- at different rates in the dollar of rateable value for different categories of rateable land under Section 14.

Industrial or commercial purposes includes any industrial or commercial purposes other than farming purposes.

Maori freehold land means land whose beneficial ownership has been determined by the Maori Land Court by freehold order.

Maori freehold land in multiple ownership means Maori freehold land owned by more than two persons.

Owner means the person who, whether jointly or separately, is seized or possessed of, or entitled to, any estate or interest in land constituting a rating unit.

Rates assessment means the document that gives notice of the ratepayer's liability to pay rates on a rating unit.

Rates invoice means the document that notifies a ratepayer of the amount of rates that are payable for a rating unit.

Rating information database means the database that is required to be kept by a local authority to:

- record all information required for setting and assessing rates; and
- enable a local authority to communicate with ratepayers; and
- enable members of the public to have reasonable access to the information in the database relating to the calculation of liability for rates.

Rates record means the record maintained by a local authority for each rating unit in its district that clearly shows the amount of the ratepayer's liability.

Remissions or remitted rates means rates for which the requirement to pay is cancelled.

Rating unit means either:

- one rating unit; or
- part of a rating unit where Council has created divisions for the purpose of remission or application of non-rateable status (for clarity the remaining part may receive a full charge for rates); or
- two or more rating units where they must be treated as one unit for setting a rate if those units are:
 - owned by the same person or persons; and
 - used jointly as a single unit; and
 - contiguous or separated only by a road, railway, drain, water race, river, or stream.

Separately used or inhabited part of a rating unit being any part of a rating unit that is or is able to be used or inhabited by the ratepayer or by any other person or body having a right to use or inhabit that part by virtue of tenancy, lease, licence or other agreement.

Targeted Rates As per Local Government (Rating) Act 2002 Section 16:

- (1) A local authority may set a targeted rate for a function if the function is identified in its annual plan as a function for which a targeted rate may be set.
- (2) Subsection (1) does not prevent a local authority from setting a targeted rate for several functions, or setting several targeted rates for 1 function.
- (3) A targeted rate may be set in relation to—
 - (a) all rateable land within the local authority's district; or
 - (b) 1 or more categories of rateable land under Section 17.
- (4) A targeted rate may be set—
 - (a) on a uniform basis for all rateable land in respect of which the rate is set; or
 - (b) differentially for different categories of rateable land under Section 17.

Uniform Annual General Charge Local Government (Rating) Act 2002 Section 15 Uniform annual general charge—

- (1) A local authority may set a uniform annual general charge for all rateable land within its district, being—
 - (a) a fixed amount per rating unit; or
 - (b) a fixed amount per separately used or inhabited part of a rating unit.
- (2) A uniform annual general charge is a rate for the purposes of this Act.



Forecast Council Funding Impact Statement

	Plan 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	7,037	5,465	5,673	5,921	6,186	6,458	6,755	7,036	7,233	7,444	7,703
Targeted rates (other than a targeted rate for water supply)	10,958	13,260	13,900	14,541	15,308	15,863	16,460	16,901	17,239	17,988	18,439
Subsidies & grants for operating purposes	3,779	3,838	3,957	4,095	4,214	4,340	4,479	4,645	4,806	4,970	5,154
Fees, charges, and targeted rates for water supply	2,897	3,937	4,059	4,182	4,326	4,468	4,606	4,765	4,930	5,100	5,290
Interest and dividends from investments	647	390	467	540	579	604	674	738	780	845	985
Local authorities fuel tax, fines, infringement fees, and other receipts	179	177	197	187	193	216	204	210	235	224	231
Total Operating Funding	25,497	27,067	28,253	29,466	30,806	31,949	33,178	34,295	35,223	36,571	37,802
Applications of Operating Funding											
Payment to staff and suppliers	16,906	20,014	20,761	21,433	22,027	22,741	23,629	24,062	24,679	25,661	26,439
Finance costs	1,662	490	638	712	818	986	970	964	944	877	770
Total Applications of Operating Funding	18,568	20,504	21,399	22,145	22,845	23,727	24,599	25,026	25,623	26,538	27,209
Surplus (Deficit) of Operating Funding	6,929	6,563	6,854	7,321	7,961	8,222	8,579	9,269	9,600	10,033	10,593
Sources of Capital Funding											
Subsidies and grants for capital expenditure	4,386	4,149	6,541	6,771	4,033	4,154	4,322	5,355	5,900	4,399	4,924
Increase (decrease) in debt	(27)	4,009	454	875	(656)	(401)	(395)	(257)	(766)	(1,601)	(1,898)
Gross proceeds from sale of assets	-	-	530	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	4,359	8,158	7,525	7,646	3,377	3,753	3,927	5,098	5,134	2,798	3,026

	Plan 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
Applications of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	56	38	41	-	4	8	5	-	5	16
- to improve the level of service	2,943	6,607	6,755	6,154	1,508	2,466	2,975	3,259	4,420	337	2,151
- to replace existing assets	6,907	7,552	7,318	8,026	8,260	8,171	8,310	10,401	9,103	9,647	10,134
Increase (decrease) in reserves	1,438	2,302	2,268	2,746	3,570	4,041	4,618	3,439	5,377	5,701	6,191
Increase (decrease) of investments	-	(1,796)	(2,000)	(2,000)	(2,000)	(2,707)	(3,405)	(2,737)	(4,166)	(2,859)	(4,873)
Total Applications of Capital Funding	11,288	14,721	14,379	14,967	11,338	11,975	12,506	14,367	14,734	12,831	13,619
Surplus (Deficit) of Capital Funding	(6,929)	(6,563)	(6,854)	(7,321)	(7,961)	(8,222)	(8,579)	(9,269)	(9,600)	(10,033)	(10,593)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Reconciliation Funding Impact Statement to Comprehensive Income

	Plan 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
Income											
Prospective Statement of Comprehensive Income											
Rates	17,998	18,725	19,573	20,463	21,494	22,321	23,215	23,937	24,472	25,432	26,142
Grants and subsidies	8,165	7,987	10,498	10,867	8,247	8,494	8,801	10,001	10,707	9,369	10,078
Fees and charges	2,894	3,937	4,059	4,182	4,326	4,468	4,606	4,765	4,930	5,100	5,290
Finance income	395	140	158	167	248	319	379	434	465	520	648
Dividend and subvention revenue	252	250	310	373	330	285	295	304	314	326	337
Other revenue	179	177	197	187	193	216	204	210	235	224	231
Total Operating Income	29,883	31,216	34,795	36,239	34,838	36,103	37,500	39,651	41,123	40,971	42,726
Summary Funding Impact Statement											
Sources of Operating Funding											
Total operating funding	25,497	27,067	28,253	29,466	30,806	31,949	33,178	34,295	35,223	36,571	37,802
Add sources of capital funding:											
- Subsidies and grants for capital expenditure	4,386	4,149	6,541	6,771	4,033	4,154	4,322	5,355	5,900	4,399	4,924
Total Revenue	29,883	31,216	34,795	36,239	34,838	36,103	37,500	39,651	41,123	40,971	42,726
Expenditure											
Prospective Statement of Comprehensive Income											
Operating expenditure	29,398	30,802	32,292	33,619	34,794	36,073	37,473	38,304	39,333	40,862	41,944
Total application of operating funding	18,710	20,504	21,399	22,145	22,845	23,727	24,599	25,026	25,623	26,538	27,209
Add depreciation and amortisation expense	10,688	10,296	10,888	11,470	11,944	12,342	12,872	13,276	13,707	14,324	14,732
Add non cash entries	-	2	5	4	5	4	2	2	3	(0)	3
Total Expenditure	29,398	30,802	32,292	33,619	34,794	36,073	37,473	38,304	39,333	40,862	41,944

Summary of Rates by Charges

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Limit on General Rates: 30% Cap of Total Rates		27.7%	27.8%	27.8%	27.6%	27.7%	27.9%	28.3%	28.5%	28.3%	28.4%
Uniform Annual General Charge	497.73	437.00	461.00	488.00	507.00	536.00	552.00	579.00	599.00	615.00	628.00
General Land Value Rate In Dollar	0.00032520	0.00073681	0.00067512	0.00068226	0.00055082	0.00049161	0.00058056	0.00038888	0.00029453	0.00034287	0.00022177
Targeted Uniform Rate - Libraries & Swimming Pools	142.27	163.00	169.00	172.00	183.00	184.00	198.00	201.00	206.00	215.00	227.00
Specified Services Targeted Differential - Land Value Rate											
- Rural	0.00009843	0.00009233	0.00009388	0.00009887	0.00009690	0.00009917	0.00010265	0.00011270	0.00011137	0.00011415	0.00012122
- Urban	0.00395747	0.00312520	0.00311459	0.00315873	0.00323967	0.00322386	0.00330713	0.00335084	0.00320013	0.00305763	0.00313258
- Industrial Commercial	0.01110679	-	-	-	-	-	-	-	-	-	-
Specified Services Targeted Differential - Capital Value Rate											
- Industrial Commercial RURAL & Windfarms	-	0.00089527	0.00095126	0.00105943	0.00114377	0.00112173	0.00113306	0.00115982	0.00119910	0.00122553	0.00126508
- Industrial Commercial URBAN & Utilities	-	0.00132568	0.00137941	0.00149205	0.00158943	0.00156402	0.00158638	0.00161535	0.00163254	0.00163631	0.00168407
Refuse & Recycling Targeted Differential Rate											
- Rural	-	29.00	34.00	37.00	47.00	57.00	60.00	62.00	63.00	65.00	66.00
- Urban	-	86.00	101.00	111.00	139.00	169.00	179.00	183.00	187.00	192.00	196.00
- Industrial Commercial	-	236.00	278.00	304.00	381.00	463.00	491.00	501.00	514.00	526.00	539.00
Roading Land Value Rate - District-Wide	0.00170046	0.00202126	0.00210785	0.00217153	0.00238731	0.00250371	0.00255369	0.00277314	0.00284627	0.00294937	0.00311604
Roading Targeted Differential Uniform Rate											
- Rural	302.00	284.00	296.00	305.00	336.00	352.00	359.00	390.00	401.00	415.00	438.00
- Urban	48.00	45.00	47.00	48.00	53.00	55.00	57.00	61.00	63.00	65.00	69.00
- Industrial Commercial	103.00	98.00	103.00	106.00	116.00	122.00	125.00	135.00	139.00	144.00	152.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Roading Special Development Targeted Differential Uniform Rates											
Targeted Differential Uniform Rate with 10% of cost targeted to South Ward											
- Pahiatua Track North Ward	-	-	-	-	-	-	-	1.00	8.00	12.00	12.00
- Pahiatua Track South Ward	-	-	-	-	-	-	-	2.00	10.00	15.00	16.00
Footpath Special Development Targeted Differential Uniform Rate											
Dannevirke Town Centre Refurbishment											
- North Ward	24.14	18.00	18.00	19.00	19.00	19.00	19.00	20.00	20.00	20.00	21.00
- South Ward	19.99	15.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	16.00	17.00
Woodville Town Centre Refurbishment											
- North Ward	3.60	11.00	15.00	17.00	17.00	18.00	18.00	18.00	18.00	19.00	19.00
- South Ward	4.43	14.00	19.00	21.00	22.00	22.00	22.00	23.00	23.00	23.00	24.00
Pahiatua Town Centre Refurbishment											
- North Ward	-	-	-	-	-	-	-	4.00	19.00	30.00	30.00
- South Ward	-	-	-	-	-	-	-	5.00	23.00	37.00	38.00
Eketahuna Town Centre Refurbishment											
- North Ward	-	-	-	-	1.00	5.00	5.00	6.00	6.00	6.00	6.00
- South Ward	-	-	-	-	2.00	7.00	7.00	7.00	7.00	7.00	7.00
Urban Wastewater (95% of net cost including all loan costs) – includes Residential, Educational Establishments and Multi-unit Residential Properties											
Per connected water closet/urinal (Residential Households receive only one charge)											
Urban Wastewater Targeted Differential Rate											
- Full Charge	424.43	420.00	460.00	510.00	538.00	549.00	562.00	576.00	591.00	608.00	627.00
- Half Charge	n/a	210.00	230.00	255.00	269.00	274.50	281.00	288.00	295.50	304.00	313.50
- For Connected Multiple Use	140.06	138.00	151.00	168.00	177.00	181.00	185.00	190.00	195.00	200.00	206.00
Urban Stormwater Targeted Uniform Rate	116.66	166.00	174.00	178.00	185.00	192.00	210.00	223.00	230.00	238.00	250.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Urban Water Targeted Uniform Rate											
- Full Charge	302.13	318.00	347.00	360.00	373.00	390.00	400.00	408.00	419.00	431.00	448.00
- Half Charge	151.06	159.00	173.50	180.00	186.50	195.00	200.00	204.00	209.50	215.50	224.00
Pongaroa Water Targeted Uniform Rate	85.82	90.00	93.00	96.00	99.00	102.00	111.00	120.00	123.00	126.00	130.00



Summary of Rates by Total

Total Rates for each Class of Rates (excluding GST)

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Uniform Annual General Charge	3,894,875	3,428,360	3,616,645	3,828,466	3,977,525	4,205,037	4,330,560	4,542,381	4,699,285	4,824,809	4,926,797
General Land Value Rate in Dollar	1,025,337	1,845,246	1,690,755	1,708,640	1,379,450	1,231,169	1,453,928	973,906	737,628	858,689	555,414
Targeted Uniform Rate - Libraries & Swimming Pools	1,113,264	1,278,771	1,325,842	1,349,378	1,435,676	1,443,521	1,553,354	1,576,890	1,616,115	1,686,722	1,780,865
Specified Services Targeted Differential - Land Value Rate											
- Rural	290,428	214,234	217,834	229,407	224,847	230,097	238,176	261,492	258,397	264,855	281,266
- Urban	671,041	465,180	463,602	470,171	482,219	479,865	492,260	498,767	476,334	455,123	466,278
- Industrial Commercial	365,455	-	-	-	-	-	-	-	-	-	-
Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial											
- RURAL & Windfarms	-	88,426	93,956	104,640	112,970	110,793	111,912	114,556	118,436	121,046	124,952
- URBAN & Utilities	-	258,476	268,950	290,913	309,900	304,944	309,304	314,954	318,305	319,040	328,351
Refuse & Recycling Targeted Differential Rate											
- Rural	-	107,704	126,274	137,415	174,555	211,694	222,836	230,264	233,977	241,405	245,119
- Urban	-	325,081	381,781	419,581	525,421	638,822	676,621	691,741	706,862	725,761	740,881
- Industrial Commercial	-	108,561	127,881	139,841	175,261	212,981	225,861	230,461	236,441	241,961	247,941
Roading Land Value Rate - District-Wide	5,361,471	5,061,939	5,278,799	5,438,283	5,978,667	6,270,158	6,395,347	6,944,920	7,128,063	7,386,260	7,803,651
Roading Targeted Differential Uniform Rate											
- Rural	1,116,218	1,053,023	1,097,517	1,130,888	1,245,831	1,305,156	1,331,111	1,446,053	1,486,840	1,538,749	1,624,029
- Urban	176,577	166,070	173,451	177,142	195,594	202,975	210,356	225,118	232,499	239,879	254,641
- Industrial Commercial	46,395	43,803	46,038	47,378	51,848	54,530	55,871	60,340	62,128	64,363	67,939
Roading Special Development Targeted Differential Uniform Rates											
Targeted Differential Uniform Rate with 10% of cost targeted to South Ward											
- Pahiatua Track North Ward	-	-	-	-	-	-	-	4,191	33,524	50,286	50,286
- Pahiatua Track South Ward	-	-	-	-	-	-	-	7,259	36,288	54,431	58,060

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Footpath Special Development Targeted Differential Uniform Rate											
Dannevirke Town Centre Refurbishment											
- North Ward	65,852	49,102	49,102	51,830	51,830	51,830	51,829	54,557	54,557	54,557	57,285
- South Ward	51,960	43,188	43,188	43,188	43,188	43,188	46,067	46,067	46,067	46,067	48,946
Woodville Town Centre Refurbishment											
- North Ward	9,532	46,096	62,858	71,238	71,239	75,428	75,429	75,428	75,429	79,619	79,620
- South Ward	16,071	50,803	68,946	76,204	79,832	79,832	79,833	83,461	83,461	83,461	87,090
Pahiatua Town Centre Refurbishment											
- North Ward	-	-	-	-	-	-	-	16,763	79,619	125,714	125,714
- South Ward	-	-	-	-	-	-	-	18,144	83,461	134,263	137,891
Eketahuna Town Centre Refurbishment											
- North Ward	-	-	-	-	4,191	20,953	20,953	25,144	25,144	25,143	25,144
- South Ward	-	-	-	-	7,257	25,401	25,401	25,401	25,401	25,401	25,401
Urban Wastewater Targeted Uniform Rate											
- Full Charge	1,915,832	1,901,688	2,082,801	2,309,193	2,435,972	2,485,778	2,544,640	2,608,029	2,675,946	2,752,919	2,838,948
- Half Charge	-	29,219	32,001	35,479	37,427	38,192	39,096	40,071	41,114	42,296	43,618
- For Connected Multiple Use	37,634	36,721	40,180	44,703	47,098	48,163	49,227	50,557	51,888	53,218	54,815
Urban Stormwater General Targeted Uniform Rate	484,397	690,994	724,295	740,945	770,084	799,221	874,149	928,262	957,401	990,702	1,040,653
Urban Water Targeted Uniform Rate											
- Full Charge	1,275,006	1,347,768	1,470,678	1,525,775	1,580,873	1,652,923	1,695,306	1,729,211	1,775,832	1,826,691	1,898,742
- Half Charge	21,805	22,123	24,140	25,045	25,948	27,131	27,827	28,384	29,149	29,984	31,166
Pongaroa Water Targeted Uniform Rate	60,000	62,923	65,020	67,117	69,215	71,312	77,604	83,896	85,994	88,092	90,888
Total to Fund (excluding GST)	17,999,150	18,725,499	19,572,534	20,462,860	21,493,918	22,321,094	23,214,858	23,936,668	24,471,585	25,431,506	26,142,391
Increase in Rates		4.04%	4.52%	4.55%	5.04%	3.85%	4.00%	3.11%	2.23%	3.92%	2.80%



Rate Funding Requirements by Type of Activity

All the Number of Chargeable Properties are before Remissions - Remissions are treated as a District Wide Expense.

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
District Wide General Activities											
Charged through the Uniform Annual General Charge + General Differential Land Value Rate In Dollar											
District & Treasury	3,345	(238,423)	(317,594)	(385,859)	(323,398)	(213,398)	(346,285)	(461,128)	(535,924)	(703,659)	(930,976)
Animal Control	7,800	10,634	14,409	35,245	34,801	32,032	29,500	25,987	24,721	23,247	21,062
Cemeteries	227,720	232,481	236,369	245,913	257,088	238,863	251,706	253,845	255,244	271,718	289,476
Commercial Property	(13,003)	(6,164)	(6,436)	(5,077)	(5,374)	(5,686)	(4,479)	(4,791)	(5,118)	(3,925)	(4,327)
Community Buildings	756,316	744,170	742,601	861,632	793,939	854,818	1,042,428	927,730	856,549	969,158	956,845
Community Support	287,125	281,399	289,401	312,991	323,888	334,662	344,507	355,650	367,554	380,968	394,160
District Promotion & Development (40% of net cost)	340,611	170,707	181,593	202,527	219,142	214,710	216,756	221,494	229,256	234,290	241,681
Emergency Management - Civil Defence	224,254	174,445	181,289	185,665	150,993	172,171	190,949	193,703	197,607	201,853	205,995
Footpaths (15% of net cost)	60,214	94,833	94,442	95,644	98,263	97,681	100,170	101,170	96,480	91,895	93,988
Health & Safety	356,440	321,641	319,300	328,445	330,458	337,390	342,464	335,298	348,006	361,507	358,297
Housing (Self Funding)	-	-	-	-	-	-	-	-	-	-	-
Parks and Reserves	883,045	842,696	897,740	946,740	945,333	931,457	1,021,140	1,027,237	994,365	1,036,794	1,077,978
Public Conveniences	196,597	231,292	231,578	235,385	243,548	255,414	280,653	285,519	282,040	294,837	301,839
Representation	1,174,385	956,477	1,031,601	1,133,745	1,068,472	1,113,214	1,248,812	1,165,817	1,217,148	1,368,085	1,284,251
Resource Management	264,673	379,786	391,040	396,795	409,073	415,549	426,452	438,375	445,286	459,610	473,868
Service Centres	389,745	541,362	558,905	571,854	593,587	604,482	618,822	627,184	646,081	668,343	686,480
Sewerage (5% of total cost excluding loan costs)	82,366	82,756	82,946	87,325	89,154	93,877	98,752	103,594	108,844	114,646	120,658
Solid Waste Management: Solid Waste Disposal	(11,407)	453,514	378,216	288,136	128,008	(41,031)	(77,859)	(80,397)	(91,226)	(85,870)	(89,065)

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Less Funding from Industrial/Commercial General Rate in Dollar (discontinued)	(310,003)	-	-	-	-	-	-	-	-	-	-
Subtotal (excluding GST)	4,920,223	5,273,606	5,307,400	5,537,106	5,356,975	5,436,205	5,784,488	5,516,287	5,436,913	5,683,497	5,482,210
Plus GST	738,033	791,041	796,110	830,566	803,546	815,431	867,673	827,443	815,537	852,525	822,332
Total to Fund (including GST)	5,658,256	6,064,647	6,103,510	6,367,672	6,160,521	6,251,636	6,652,161	6,343,730	6,252,450	6,536,022	6,304,542
Uniform Annual General Charge											
Total to Fund											
District Wide General Activities - Uniform Annual General Charge - Subtotal (excluding GST)	3,894,875	3,428,360	3,616,645	3,828,466	3,977,525	4,205,037	4,330,560	4,542,381	4,699,285	4,824,809	4,926,797
Plus GST	584,231	514,254	542,497	574,270	596,629	630,755	649,584	681,357	704,893	723,721	739,019
Total to Fund (including GST)	4,479,106	3,942,614	4,159,142	4,402,736	4,574,154	4,835,792	4,980,144	5,223,738	5,404,178	5,548,530	5,665,816
Number of Chargeable Properties	8,999	9,022	9,022	9,022	9,022	9,022	9,022	9,022	9,022	9,022	9,022
Rates											
Uniform Annual General Charge (excluding GST)	432.81	380.00	400.87	424.35	440.87	466.09	480.00	503.48	520.87	534.78	546.09
Plus GST	64.92	57.00	60.13	63.65	66.13	69.91	72.00	75.52	78.13	80.22	81.91
Uniform Annual General Charge (including GST)	497.73	437.00	461.00	488.00	507.00	536.00	552.00	579.00	599.00	615.00	628.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
General Land Value Rate in Dollar											
Total to Fund											
District Wide General Activities - General Land Value Rate in Dollar - Subtotal (excluding GST)	1,025,337	1,845,246	1,690,755	1,708,640	1,379,450	1,231,169	1,453,928	973,906	737,628	858,689	555,414
Plus GST	153,801	276,787	253,613	256,296	206,917	184,675	218,089	146,086	110,644	128,803	83,312
Total to Fund (including GST)	1,179,137	2,122,033	1,944,368	1,964,936	1,586,367	1,415,844	1,672,017	1,119,992	848,272	987,492	638,726
Total District Rateable Land Value	3,625,883,760	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410
Rates											
General Land Value Rate in Dollar (excluding GST)	0.00028278	0.00064070	0.00058706	0.00059327	0.00047897	0.00042749	0.00050483	0.00033816	0.00025611	0.00029815	0.00019284
Plus GST	0.00004242	0.00009611	0.00008806	0.00008899	0.00007185	0.00006412	0.00007573	0.00005072	0.00003842	0.00004472	0.00002893
General Land Value Rate In Dollar (including GST)	0.00032520	0.00073681	0.00067512	0.00068226	0.00055082	0.00049161	0.00058056	0.00038888	0.00029453	0.00034287	0.00022177

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Targeted Uniform Rate - Libraries & Swimming Pools											
Total to Fund											
Libraries	749,759	900,722	928,922	950,272	1,024,860	1,007,388	1,068,683	1,056,282	1,083,996	1,141,998	1,162,445
Swimming Pools	363,505	378,049	396,920	399,106	410,816	436,133	484,671	520,608	532,119	544,724	618,420
Subtotal (excluding GST)	1,113,264	1,278,771	1,325,842	1,349,378	1,435,676	1,443,521	1,553,354	1,576,890	1,616,115	1,686,722	1,780,865
Plus GST	166,990	191,815	198,876	202,406	215,350	216,527	233,002	236,532	242,417	253,008	267,129
Total to Fund (including GST)	1,280,254	1,470,586	1,524,718	1,551,784	1,651,026	1,660,048	1,786,356	1,813,422	1,858,532	1,939,730	2,047,994
Estimated Number of Rateable Properties	8,999	9,022	9,022	9,022	9,022	9,022	9,022	9,022	9,022	9,022	9,022
Rates											
Targeted Uniform Rate - Libraries & Swimming Pools (excluding GST)	123.71	141.74	146.96	149.57	159.13	160.00	172.17	174.78	179.13	186.96	197.39
Plus GST	18.56	21.26	22.04	22.43	23.87	24.00	25.83	26.22	26.87	28.04	29.61
Targeted Uniform Rate - Libraries & Swimming Pools (including GST)	142.27	163.00	169.00	172.00	183.00	184.00	198.00	201.00	206.00	215.00	227.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Specified Services Targeted Differential - Land Value Rate - Rural											
Total to Fund											
Emergency Management: Rural Fire Protection (92% of net cost)	204,219	214,234	217,834	229,407	224,847	230,097	238,176	261,492	258,397	264,855	281,266
Solid Waste Management: Refuse - Charged as a Fixed Amount Targeted Rate from 2012/13	86,209	-	-	-	-	-	-	-	-	-	-
Subtotal (excluding GST)	290,428	214,234	217,834	229,407	224,847	230,097	238,176	261,492	258,397	264,855	281,266
Plus GST	43,564	32,135	32,675	34,411	33,727	34,515	35,726	39,224	38,760	39,728	42,190
Total to Fund (including GST)	333,992	246,369	250,509	263,818	258,574	264,612	273,902	300,716	297,157	304,583	323,456
Total Rural Rateable Land Value	3,393,193,132	2,668,192,560	2,668,192,560	2,668,192,560	2,668,192,560	2,668,192,560	2,668,192,560	2,668,192,560	2,668,192,560	2,668,192,560	2,668,192,560
Rates											
Specified Services Targeted Differential - Land Value Rate - Rural (excluding GST)	0.00008559	0.00008029	0.00008163	0.00008597	0.00008426	0.00008623	0.00008926	0.00009800	0.00009684	0.00009926	0.00010541
Plus GST	0.00001284	0.00001204	0.00001225	0.00001290	0.00001264	0.00001294	0.00001339	0.00001470	0.00001453	0.00001489	0.00001581
Specified Services Targeted Differential - Land Value Rate - Rural (including GST)	0.00009843	0.00009233	0.00009388	0.00009887	0.00009690	0.00009917	0.00010265	0.00011270	0.00011137	0.00011415	0.00012122

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Specified Services Targeted Differential - Land Value Rate - Urban											
Total to Fund											
Emergency Management:- Rural Fire Protection (7% of net cost)	17,758	16,300	16,574	17,454	17,107	17,507	18,121	19,896	19,660	20,151	21,400
Footpaths (71% of net cost)	285,762	448,880	447,028	452,717	465,112	462,358	474,139	478,871	456,674	434,972	444,878
Solid Waste Management: Refuse - Charged as a Fixed Amount Targeted Rate from 2012/13	367,521	-	-	-	-	-	-	-	-	-	-
Subtotal (excluding GST)	671,041	465,180	463,602	470,171	482,219	479,865	492,260	498,767	476,334	455,123	466,278
Plus GST	100,656	69,777	69,540	70,526	72,333	71,980	73,839	74,815	71,450	68,268	69,942
Total to Fund (including GST)	771,697	534,957	533,142	540,697	554,552	551,845	566,099	573,582	547,784	523,391	536,220
Total Urban Rateable Land Value	194,997,562	171,175,150	171,175,150	171,175,150	171,175,150	171,175,150	171,175,150	171,175,150	171,175,150	171,175,150	171,175,150
Rates											
Specified Services Targeted Differential - Land Value Rate - Urban (excluding GST)	0.00344128	0.00271757	0.00270834	0.00274672	0.00281710	0.00280336	0.00287577	0.00291377	0.00278272	0.00265881	0.00272398
Plus GST	0.00051619	0.00040763	0.00040625	0.00041201	0.00042257	0.00042050	0.00043136	0.00043707	0.00041741	0.00039882	0.00040860
Specified Services Targeted Differential - Land Value Rate - Urban (including GST)	0.00395747	0.00312520	0.00311459	0.00315873	0.00323967	0.00322386	0.00330713	0.00335084	0.00320013	0.00305763	0.00313258



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Targeted Differential - Land Value Rate - Industrial Commercial											
Total to Fund											
Funding of District Wide General Activities - Discontinued from 2012/13	310,003	-	-	-	-	-	-	-	-	-	-
Footpaths (14% of net cost)	55,452	-	-	-	-	-	-	-	-	-	-
Subtotal (excluding GST)	365,455	-	-	-	-	-	-	-	-	-	-
Plus GST	54,818	-	-	-	-	-	-	-	-	-	-
Total to Fund (including GST)	420,273	-	-	-	-	-	-	-	-	-	-
Total Industrial Commercial Rateable Land Value	37,839,286	-	-	-	-	-	-	-	-	-	-
Rates											
Targeted Differential - Land Value Rate - Industrial Commercial (Excluding GST)	0.00965808	-	-	-	-	-	-	-	-	-	-
Plus GST	0.00144871	-	-	-	-	-	-	-	-	-	-
Targeted Differential - Land Value Rate - Industrial Commercial (including GST)	0.01110679	-	-	-	-	-	-	-	-	-	-

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial RURAL & Windfarms											
Total to Fund											
Economic Development (20.17% of net cost) - New from 2012/13	-	86,098	91,589	102,147	110,527	108,292	109,324	111,714	115,628	118,168	121,895
Emergency Management-Rural Fire Protection (1% of net cost) - New from 2012/13	-	2,328	2,367	2,493	2,443	2,501	2,588	2,842	2,808	2,878	3,057
Subtotal (excluding GST)	-	88,426	93,956	104,640	112,970	110,793	111,912	114,556	118,436	121,046	124,952
Plus GST	-	13,264	14,093	15,696	16,946	16,619	16,787	17,183	17,765	18,157	18,743
Total to Fund (including GST)	-	101,690	108,049	120,336	129,916	127,412	128,699	131,739	136,201	139,203	143,695
Total Industrial Commercial Rateable Capital Value for Rural and Windfarms Industrial Commercial Properties	-	113,585,100	113,585,100	113,585,100	113,585,100	113,585,100	113,585,100	113,585,100	113,585,100	113,585,100	113,585,100
Rates											
Targeted Differential - Capital Value Rate - Industrial Commercial RURAL & Windfarms (Excluding GST)	-	0.00077850	0.00082718	0.00092124	0.00099458	0.00097542	0.00098527	0.00100854	0.00104270	0.00106568	0.00110007
Plus GST	-	0.00011677	0.00012408	0.00013819	0.00014919	0.00014631	0.00014779	0.00015128	0.00015640	0.00015985	0.00016501
Targeted Differential - Capital Value Rate - Industrial Commercial RURAL & Windfarms (including GST)	-	0.00089527	0.00095126	0.00105943	0.00114377	0.00112173	0.00113306	0.00115982	0.00119910	0.00122553	0.00126508



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial URBAN & Utilities											
Total to Fund											
Economic Development (39.83% of net cost) - New from 2012/13	-	169,963	180,802	201,644	218,187	213,774	215,811	220,528	228,256	233,269	240,628
Footpaths (14% of net cost)	-	88,513	88,148	89,269	91,713	91,170	93,493	94,426	90,049	85,771	87,723
Subtotal (excluding GST)	-	258,476	268,950	290,913	309,900	304,944	309,304	314,954	318,305	319,040	328,351
Plus GST	-	38,771	40,343	43,637	46,485	45,742	46,396	47,243	47,746	47,856	49,253
Total to Fund (including GST)	-	297,247	309,293	334,550	356,385	350,686	355,700	362,197	366,051	366,896	377,604
Total Industrial Commercial Rateable Capital Value for Urban and Utilities Industrial Commercial Properties	-	224,220,800	224,220,800	224,220,800	224,220,800	224,220,800	224,220,800	224,220,800	224,220,800	224,220,800	224,220,800
Rates:											
Targeted Differential - Capital Value Rate - Industrial Commercial URBAN & Utilities (Excluding GST)	-	0.00115277	0.00119949	0.00129743	0.00138211	0.00136002	0.00137946	0.00140465	0.00141960	0.00142288	0.00146441
Plus GST	-	0.00017291	0.00017992	0.00019462	0.00020732	0.00020400	0.00020692	0.00021070	0.00021294	0.00021343	0.00021966
Targeted Differential - Capital Value Rate - Industrial Commercial URBAN & Utilities (including GST)	-	0.00132568	0.00137941	0.00149205	0.00158943	0.00156402	0.00158638	0.00161535	0.00163254	0.00163631	0.00168407

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Refuse & Recycling Targeted Uniform Rate - Rural											
Total to Fund											
Solid Waste Management: Recycling (20% of net cost)	-	85,477	92,641	114,837	150,936	187,052	201,010	207,805	210,714	217,461	220,494
Solid Waste Management: Refuse (20% of net cost)	-	22,227	33,633	22,578	23,619	24,642	21,826	22,459	23,263	23,944	24,625
Subtotal (excluding GST)	-	107,704	126,274	137,415	174,555	211,694	222,836	230,264	233,977	241,405	245,119
Plus GST	-	16,155	18,940	20,612	26,182	31,753	33,424	34,538	35,096	36,210	36,767
Total to Fund (including GST)	-	123,859	145,214	158,027	200,737	243,447	256,260	264,802	269,073	277,615	281,886
Estimated Number of Rateable Properties	-	4,271	4,271	4,271	4,271	4,271	4,271	4,271	4,271	4,271	4,271
Rates											
Refuse & Recycling Targeted Uniform Rate - Rural (excluding GST)	-	25.22	29.57	32.17	40.87	49.57	52.17	53.91	54.78	56.52	57.39
Plus GST	-	3.78	4.43	4.83	6.13	7.43	7.83	8.09	8.22	8.48	8.61
Refuse & Recycling Targeted Uniform Rate - Rural (including GST)	-	29.00	34.00	37.00	47.00	57.00	60.00	62.00	63.00	65.00	66.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Refuse & Recycling Targeted Uniform Rate - Urban											
Total to Fund											
Solid Waste Management: Recycling (60% of net cost)	-	258,400	280,881	351,844	454,562	564,892	611,141	624,362	637,069	653,928	667,002
Solid Waste Management: Refuse (60% of net cost)	-	66,681	100,900	67,737	70,859	73,930	65,480	67,379	69,793	71,833	73,879
Subtotal (excluding GST)	-	325,081	381,781	419,581	525,421	638,822	676,621	691,741	706,862	725,761	740,881
Plus GST	-	48,761	57,266	62,936	78,812	95,821	101,492	103,760	106,027	108,863	111,131
Total to Fund (including GST)	-	373,842	439,047	482,517	604,233	734,643	778,113	795,501	812,889	834,624	852,012
Estimated Number of Rateable Properties	-	4,347	4,347	4,347	4,347	4,347	4,347	4,347	4,347	4,347	4,347
Rates											
Refuse & Recycling Targeted Uniform Rate - Urban (excluding GST)	-	74.78	87.83	96.52	120.87	146.96	155.65	159.13	162.61	166.96	170.43
Plus GST	-	11.22	13.17	14.48	18.13	22.04	23.35	23.87	24.39	25.04	25.57
Refuse & Recycling Targeted Uniform Rate - Urban (including GST)	-	86.00	101.00	111.00	139.00	169.00	179.00	183.00	187.00	192.00	196.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Refuse & Recycling Targeted Uniform Rate - Industrial Commercial											
Total to Fund											
Solid Waste Management: Recycling (20% of net cost)	-	86,334	94,248	117,263	151,642	188,339	204,035	208,002	213,178	218,017	223,316
Solid Waste Management: Refuse (20% of net cost)	-	22,227	33,633	22,578	23,619	24,642	21,826	22,459	23,263	23,944	24,625
Subtotal (excluding GST)	-	108,561	127,881	139,841	175,261	212,981	225,861	230,461	236,441	241,961	247,941
Plus GST	-	16,283	19,181	20,975	26,288	31,946	33,878	34,568	35,465	36,293	37,190
Total to Fund (including GST)	-	124,844	147,062	160,816	201,549	244,927	259,739	265,029	271,906	278,254	285,131
Estimated Number of Rateable Properties	-	529	529	529	529	529	529	529	529	529	529
Rates											
Refuse & Recycling Targeted Uniform Rate - Industrial Commercial (excluding GST)	-	205.22	241.74	264.35	331.30	402.61	426.96	435.65	446.96	457.39	468.70
Plus GST	-	30.78	36.26	39.65	49.70	60.39	64.04	65.35	67.04	68.61	70.30
Refuse & Recycling Targeted Uniform Rate - Industrial Commercial (including GST)	-	236.00	278.00	304.00	381.00	463.00	491.00	501.00	514.00	526.00	539.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Roading Land Value Rate - District-Wide											
Total to Fund											
Roading District-Wide (excludes Footpaths)	6,699,865	6,324,835	6,595,805	6,793,691	7,471,940	7,832,819	7,992,685	8,676,431	8,909,530	9,229,251	9,750,260
Less % Charged through Roothing Fixed Amount Targeted Rates (% is rounded)	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Less Total \$ Amount Charged through Roothing Fixed Amount Targeted Rates	(1,338,403)	(1,262,896)	(1,317,006)	(1,355,408)	(1,493,273)	(1,562,661)	(1,597,338)	(1,731,511)	(1,781,467)	(1,842,991)	(1,946,609)
Subtotal (excluding GST)	5,361,462	5,061,939	5,278,799	5,438,283	5,978,667	6,270,158	6,395,347	6,944,920	7,128,063	7,386,260	7,803,651
Plus GST	804,219	759,291	791,820	815,742	896,800	940,524	959,302	1,041,738	1,069,209	1,107,939	1,170,548
Total to Fund (including GST)	6,165,681	5,821,230	6,070,619	6,254,025	6,875,467	7,210,682	7,354,649	7,986,658	8,197,272	8,494,199	8,974,199
Total District Rateable Land Value	3,625,883,760	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410	2,879,998,410
Rates											
Roothing Land Value Rate - District-Wide (excluding GST)	0.00147866	0.00175762	0.00183291	0.00188829	0.00207592	0.00217714	0.00222060	0.00241143	0.00247502	0.00256467	0.00270960
Plus GST	0.00022180	0.00026364	0.00027494	0.00028324	0.00031139	0.00032657	0.00033309	0.00036171	0.00037125	0.00038470	0.00040644
Roothing Land Value Rate - District-Wide (including GST)	0.00170046	0.00202126	0.00210785	0.00217153	0.00238731	0.00250371	0.00255369	0.00277314	0.00284627	0.00294937	0.00311604

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Roading Targeted Differential Uniform Rate - Rural											
Total to Fund											
Proportion of Capital Value for Sector		83.3%	83.3%	83.3%	83.3%	83.3%	83.3%	83.3%	83.3%	83.3%	83.3%
Subtotal (excluding GST)	1,116,218	1,053,023	1,097,517	1,130,888	1,245,831	1,305,156	1,331,111	1,446,053	1,486,840	1,538,749	1,624,029
Plus GST	167,433	157,953	164,627	169,632	186,873	195,772	199,665	216,907	223,024	230,811	243,603
Total to Fund (including GST)	1,283,651	1,210,976	1,262,144	1,300,520	1,432,704	1,500,928	1,530,776	1,662,960	1,709,864	1,769,560	1,867,632
Estimated Number of Rateable Properties	4,251	4,264	4,264	4,264	4,264	4,264	4,264	4,264	4,264	4,264	4,264
Rates											
Roading Targeted Differential Uniform Rate - Rural (excluding GST)	262.61	246.96	257.39	265.22	292.17	306.09	312.17	339.13	348.70	360.87	380.87
Plus GST	39.39	37.04	38.61	39.78	43.83	45.91	46.83	50.87	52.30	54.13	57.13
Roading Targeted Differential Uniform Rate - Rural (including GST)	302.00	284.00	296.00	305.00	336.00	352.00	359.00	390.00	401.00	415.00	438.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Roading Targeted Differential Uniform Rate - Urban											
Total to Fund											
Proportion of Capital Value for Sector		13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%
Subtotal (excluding GST)	176,577	166,070	173,451	177,142	195,594	202,975	210,356	225,118	232,499	239,879	254,641
Plus GST	26,487	24,910	26,017	26,570	29,338	30,445	31,552	33,766	34,873	35,981	38,195
Total to Fund (including GST)	203,064	190,980	199,468	203,712	224,932	233,420	241,908	258,884	267,372	275,860	292,836
Estimated Number of Rateable Properties	4,231	4,244	4,244	4,244	4,244	4,244	4,244	4,244	4,244	4,244	4,244
Rates											
Roading Targeted Differential Uniform Rate - Urban (excluding GST)	41.74	39.13	40.87	41.74	46.09	47.83	49.57	53.04	54.78	56.52	60.00
Plus GST	6.26	5.87	6.13	6.26	6.91	7.17	7.43	7.96	8.22	8.48	9.00
Roading Targeted Differential Uniform Rate - Urban (including GST)	48.00	45.00	47.00	48.00	53.00	55.00	57.00	61.00	63.00	65.00	69.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Roading Targeted Differential Uniform Rate - Industrial Commercial											
Total to Fund											
Proportion of Capital Value for Sector		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Subtotal (excluding GST)	46,395	43,803	46,038	47,378	51,848	54,530	55,871	60,340	62,128	64,363	67,939
Plus GST	6,959	6,569	6,904	7,106	7,776	8,178	8,379	9,050	9,318	9,653	10,189
Total to Fund (including GST)	53,354	50,372	52,942	54,484	59,624	62,708	64,250	69,390	71,446	74,016	78,128
Estimated Number of Rateable Properties	518	514	514	514	514	514	514	514	514	514	514
Rates											
Roading Targeted Differential Uniform Rate - Industrial Commercial (excluding GST)	89.57	85.22	89.57	92.17	100.87	106.09	108.70	117.39	120.87	125.22	132.17
Plus GST	13.43	12.78	13.43	13.83	15.13	15.91	16.30	17.61	18.13	18.78	19.83
Roading Targeted Differential Uniform Rate - Industrial Commercial (including GST)	103.00	98.00	103.00	106.00	116.00	122.00	125.00	135.00	139.00	144.00	152.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Roading Special Development Targeted Differential Uniform Rate - Pahiatua Track North Ward											
Total to Fund:											
Subtotal (excluding GST)	-	-	-	-	-	-	-	4,191	33,524	50,286	50,286
Plus GST	-	-	-	-	-	-	-	628	5,028	7,542	7,542
Total to Fund (including GST)	-	-	-	-	-	-	-	4,819	38,552	57,828	57,828
Estimated Number of Rateable Properties		4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819
Rates:											
Roading Special Development Targeted Differential Uniform Rate - Pahiatua Track North Ward (excluding GST)	-	-	-	-	-	-	-	0.87	6.96	10.43	10.43
Plus GST	-	-	-	-	-	-	-	0.13	1.04	1.57	1.57
Roading Special Development Targeted Differential Uniform Rate - Pahiatua Track North Ward (including GST)	-	-	-	-	-	-	-	1.00	8.00	12.00	12.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Roading Special Development Targeted Differential Uniform Rate - Pahiatua Track South Ward											
Total to Fund											
Subtotal (excluding GST)	-	-	-	-	-	-	-	7,259	36,288	54,431	58,060
Plus GST	-	-	-	-	-	-	-	1,087	5,442	8,164	8,708
Total to Fund (including GST)	-	-	-	-	-	-	-	8,346	41,730	62,595	66,768
Estimated Number of Rateable Properties		4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173
Rates											
Roading Special Development Targeted Differential Uniform Rate - Pahiatua Track South Ward (excluding GST)	-	-	-	-	-	-	-	1.74	8.70	13.04	13.91
Plus GST	-	-	-	-	-	-	-	0.26	1.30	1.96	2.09
Roading Special Development Targeted Differential Uniform Rate - Pahiatua Track South Ward (including GST)	-	-	-	-	-	-	-	2.00	10.00	15.00	16.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment North Ward											
Total to Fund											
Subtotal (excluding GST)	65,852	49,102	49,102	51,830	51,830	51,830	51,829	54,557	54,557	54,557	57,285
Plus GST	9,878	7,364	7,364	7,773	7,773	7,773	7,774	8,183	8,183	8,183	8,592
Total to Fund (including GST)	75,730	56,466	56,466	59,603	59,603	59,603	59,603	62,740	62,740	62,740	65,877
Estimated Number of Rateable Properties	3,137	3,137	3,137	3,137	3,137	3,137	3,137	3,137	3,137	3,137	3,137
Rates											
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment North Ward (excluding GST)	20.99	15.65	15.65	16.52	16.52	16.52	16.52	17.39	17.39	17.39	18.26
Plus GST	3.15	2.35	2.35	2.48	2.48	2.48	2.48	2.61	2.61	2.61	2.74
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment North Ward (including GST)	24.14	18.00	18.00	19.00	19.00	19.00	19.00	20.00	20.00	20.00	21.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment South Ward											
Total to Fund											
Subtotal (excluding GST)	51,960	43,188	43,188	43,188	43,188	43,188	46,067	46,067	46,067	46,067	48,946
Plus GST	7,794	6,477	6,477	6,477	6,477	6,477	6,909	6,909	6,909	6,909	7,341
Total to Fund (including GST)	59,754	49,665	49,665	49,665	49,665	49,665	52,976	52,976	52,976	52,976	56,287
Estimated Number of Rateable Properties	2,989	3,311	3,311	3,311	3,311	3,311	3,311	3,311	3,311	3,311	3,311
Rates											
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment South Ward (excluding GST)	17.38	13.04	13.04	13.04	13.04	13.04	13.91	13.91	13.91	13.91	14.78
Plus GST	2.61	1.96	1.96	1.96	1.96	1.96	2.09	2.09	2.09	2.09	2.22
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment South Ward (including GST)	19.99	15.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	16.00	17.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment North Ward											
Total to Fund											
Subtotal (excluding GST)	9,532	46,096	62,858	71,238	71,239	75,428	75,429	75,428	75,429	79,619	79,620
Plus GST	1,430	6,913	9,427	10,685	10,684	11,314	11,313	11,314	11,313	11,942	11,941
Total to Fund (including GST)	10,962	53,009	72,285	81,923	81,923	86,742	86,742	86,742	86,742	91,561	91,561
Estimated Number of Rateable Properties		4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819
Rates											
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment North Ward (excluding GST)	3.13	9.57	13.04	14.78	14.78	15.65	15.65	15.65	15.65	16.52	16.52
Plus GST	0.47	1.43	1.96	2.22	2.22	2.35	2.35	2.35	2.35	2.48	2.48
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment North Ward (including GST)	3.60	11.00	15.00	17.00	17.00	18.00	18.00	18.00	18.00	19.00	19.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment South Ward											
Total to Fund											
Subtotal (excluding GST)	16,071	50,803	68,946	76,204	79,832	79,832	79,833	83,461	83,461	83,461	87,090
Plus GST	2,411	7,619	10,341	11,429	11,974	11,974	11,973	12,518	12,518	12,518	13,062
Total to Fund (including GST)	18,482	58,422	79,287	87,633	91,806	91,806	91,806	95,979	95,979	95,979	100,152
Estimated Number of Rateable Properties	4,172	4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173
Rates											
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment South Ward (excluding GST)	3.85	12.17	16.52	18.26	19.13	19.13	19.13	20.00	20.00	20.00	20.87
Plus GST	0.58	1.83	2.48	2.74	2.87	2.87	2.87	3.00	3.00	3.00	3.13
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment South Ward (including GST)	4.43	14.00	19.00	21.00	22.00	22.00	22.00	23.00	23.00	23.00	24.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Footpath Special Development Targeted Differential Uniform Rate - Pahiatua Town Centre Refurbishment North Ward											
Total to Fund											
Subtotal (excluding GST)	-	-	-	-	-	-	-	16,763	79,619	125,714	125,714
Plus GST	-	-	-	-	-	-	-	2,513	11,942	18,856	18,856
Total to Fund (including GST)	-	-	-	-	-	-	-	19,276	91,561	144,570	144,570
Estimated Number of Rateable Properties		4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819
Rates											
Footpath Special Development Targeted Differential Uniform Rate - Pahiatua Town Centre Refurbishment North Ward (excluding GST)	-	-	-	-	-	-	-	3.48	16.52	26.09	26.09
Plus GST	-	-	-	-	-	-	-	0.52	2.48	3.91	3.91
Footpath Special Development Targeted Differential Uniform Rate - Pahiatua Town Centre Refurbishment North Ward (including GST)	-	-	-	-	-	-	-	4.00	19.00	30.00	30.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Footpath Special Development Targeted Differential Uniform Rate - Pahiatua Town Centre Refurbishment South Ward											
Total to Fund											
Subtotal (excluding GST)	-	-	-	-	-	-	-	18,144	83,461	134,263	137,891
Plus GST	-	-	-	-	-	-	-	2,721	12,518	20,138	20,683
Total to Fund (including GST)	-	-	-	-	-	-	-	20,865	95,979	154,401	158,574
Estimated Number of Rateable Properties		4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173
Rates											
Footpath Special Development Targeted Differential Uniform Rate - Pahiatua Town Centre Refurbishment North Ward (excluding GST)	-	-	-	-	-	-	-	4.35	20.00	32.17	33.04
Plus GST	-	-	-	-	-	-	-	0.65	3.00	4.83	4.96
Footpath Special Development Targeted Differential Uniform Rate - Pahiatua Town Centre Refurbishment North Ward (including GST)	-	-	-	-	-	-	-	5.00	23.00	37.00	38.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Footpath Special Development Targeted Differential Uniform Rate - Eketahuna Town Centre Refurbishment North Ward											
Total to Fund											
Subtotal (excluding GST)	-	-	-	-	4,191	20,953	20,953	25,144	25,144	25,143	25,144
Plus GST	-	-	-	-	628	3,142	3,142	3,770	3,770	3,771	3,770
Total to Fund (including GST)	-	-	-	-	4,819	24,095	24,095	28,914	28,914	28,914	28,914
Estimated Number of Rateable Properties		4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819
Rates											
Footpath Special Development Targeted Differential Uniform Rate - Eketahuna Town Centre Refurbishment North Ward (excluding GST)	-	-	-	-	0.87	4.35	4.35	5.22	5.22	5.22	5.22
Plus GST	-	-	-	-	0.13	0.65	0.65	0.78	0.78	0.78	0.78
Footpath Special Development Targeted Differential Uniform Rate - Eketahuna Town Centre Refurbishment North Ward (including GST)	-	-	-	-	1.00	5.00	5.00	6.00	6.00	6.00	6.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Footpath Special Development Targeted Differential Uniform Rate - Eketahuna Town Centre Refurbishment South Ward											
Total to Fund											
Subtotal (excluding GST)	-	-	-	-	7,257	25,401	25,401	25,401	25,401	25,401	25,401
Plus GST	-	-	-	-	1,089	3,810	3,810	3,810	3,810	3,810	3,810
Total to Fund (including GST)	-	-	-	-	8,346	29,211	29,211	29,211	29,211	29,211	29,211
Estimated Number of Rateable Properties		4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173	4,173
Rates											
Footpath Special Development Targeted Differential Uniform Rate - Eketahuna Town Centre Refurbishment South Ward (excluding GST)	-	-	-	-	1.74	6.09	6.09	6.09	6.09	6.09	6.09
Plus GST	-	-	-	-	0.26	0.91	0.91	0.91	0.91	0.91	0.91
Footpath Special Development Targeted Differential Uniform Rate - Eketahuna Town Centre Refurbishment South Ward (including GST)	-	-	-	-	2.00	7.00	7.00	7.00	7.00	7.00	7.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Urban Wastewater Targeted Uniform Rate - Full Charge											
Per connected water closet/urinal -											
For Residential households (by law only one charge applies); + Educational Establishments (before remissions) + Multi Unit Residential Properties (one charge each for each unit: includes rating units used for separate purposes e.g. rental properties)											
Total to Fund											
Subtotal (excluding GST)	1,915,832	1,901,688	2,082,801	2,309,193	2,435,972	2,485,778	2,544,640	2,608,029	2,675,946	2,752,919	2,838,948
Plus GST	287,375	285,252	312,419	346,377	365,394	372,865	381,694	391,203	401,391	412,937	425,841
Total to Fund (including GST)	2,203,207	2,186,940	2,395,220	2,655,570	2,801,366	2,858,643	2,926,334	2,999,232	3,077,337	3,165,856	3,264,789
Estimated Number of Rateable Properties	5,191	5,207	5,207	5,207	5,207	5,207	5,207	5,207	5,207	5,207	5,207
Rates											
Urban Wastewater Targeted Uniform Rate - Full Charge (excluding GST)	369.07	365.22	400.00	443.48	467.83	477.39	488.70	500.87	513.91	528.70	545.22
Plus GST	55.36	54.78	60.00	66.52	70.17	71.61	73.30	75.13	77.09	79.30	81.78
Urban Wastewater Targeted Uniform Rate - Full Charge (including GST)	424.43	420.00	460.00	510.00	538.00	549.00	562.00	576.00	591.00	608.00	627.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Urban Wastewater Targeted Uniform Rate - Half Charge											
This is a new rate effective from 2012/13. It applies to properties that are within the proximity of the service but remain unconnected.											
Total to Fund											
Subtotal (excluding GST)	-	29,219	32,001	35,479	37,427	38,192	39,096	40,071	41,114	42,296	43,618
Plus GST	-	4,381	4,799	5,321	5,613	5,728	5,864	6,009	6,166	6,344	6,542
Total to Fund (including GST)	-	33,600	36,800	40,800	43,040	43,920	44,960	46,080	47,280	48,640	50,160
Estimated Number of Rateable Properties	-	160	160	160	160	160	160	160	160	160	160
Rates											
Urban Wastewater Targeted Uniform Rate - Half Charge (excluding GST)	-	182.61	200.00	221.74	233.91	238.70	244.35	250.43	256.96	264.35	272.61
Plus GST	-	27.39	30.00	33.26	35.09	35.80	36.65	37.57	38.54	39.65	40.89
Urban Wastewater Targeted Uniform Rate - Half Charge (including GST)	-	210.00	230.00	255.00	269.00	274.50	281.00	288.00	295.50	304.00	313.50



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Urban Wastewater Targeted Uniform Rate - For Connected Multiple Use											
Per connected water closet/urinal between 4 and 12 (inclusive) in number; & \$0 charge for 13 and above.											
Total to Fund											
Subtotal (excluding GST)	37,634	36,721	40,180	44,703	47,098	48,163	49,227	50,557	51,888	53,218	54,815
Plus GST	5,645	5,507	6,026	6,705	7,064	7,223	7,383	7,583	7,782	7,982	8,221
Total to Fund (including GST)	43,279	42,228	46,206	51,408	54,162	55,386	56,610	58,140	59,670	61,200	63,036
Estimated Number of Rateable Units	309	306	306	306	306	306	306	306	306	306	306
Rates											
Urban Wastewater Targeted Uniform Rate - For Connected Multiple Use (excluding GST)	121.79	120.00	131.30	146.09	153.91	157.39	160.87	165.22	169.57	173.91	179.13
Plus GST	18.27	18.00	19.70	21.91	23.09	23.61	24.13	24.78	25.43	26.09	26.87
Urban Wastewater Targeted Uniform Rate - For Connected Multiple Use (including GST)	140.06	138.00	151.00	168.00	177.00	181.00	185.00	190.00	195.00	200.00	206.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Urban Stormwater Targeted Uniform Rate											
Total to Fund											
Subtotal (excluding GST)	484,397	690,994	724,295	740,945	770,084	799,221	874,149	928,262	957,401	990,702	1,040,653
Plus GST	72,660	103,648	108,643	111,141	115,511	119,883	131,121	139,239	143,609	148,604	156,097
Total to Fund (including GST)	557,057	794,642	832,938	852,086	885,595	919,104	1,005,270	1,067,501	1,101,010	1,139,306	1,196,750
Estimated Number of Rateable Properties to Receive Full Charges	4,775	4,787	4,787	4,787	4,787	4,787	4,787	4,787	4,787	4,787	4,787
Rates											
Urban Stormwater Targeted Uniform Rate (excluding GST)	101.44	144.35	151.30	154.78	160.87	166.96	182.61	193.91	200.00	206.96	217.39
Plus GST	15.22	21.65	22.70	23.22	24.13	25.04	27.39	29.09	30.00	31.04	32.61
Urban Stormwater Targeted Uniform Rate (incl GST)	116.66	166.00	174.00	178.00	185.00	192.00	210.00	223.00	230.00	238.00	250.00
Urban Water Targeted Uniform Rate - Full Charge											
Total to Fund											
Subtotal (excluding GST)	1,275,006	1,347,768	1,470,678	1,525,775	1,580,873	1,652,923	1,695,306	1,729,211	1,775,832	1,826,691	1,898,742
Plus GST	191,251	202,164	220,600	228,865	237,129	247,937	254,294	259,381	266,374	274,003	284,810
Total to Fund (including GST)	1,466,257	1,549,932	1,691,278	1,754,640	1,818,002	1,900,860	1,949,600	1,988,592	2,042,206	2,100,694	2,183,552
Estimated Number of Rateable Properties to Receive Full Charges	4,853	4,874	4,874	4,874	4,874	4,874	4,874	4,874	4,874	4,874	4,874
Rates											
Urban Water Targeted Uniform Rate - Full Charge (excluding GST)	262.72	276.52	301.74	313.04	324.35	339.13	347.83	354.78	364.35	374.78	389.57
Plus GST	39.41	41.48	45.26	46.96	48.65	50.87	52.17	53.22	54.65	56.22	58.43
Urban Water Targeted Uniform Rate - Full Charge (including GST)	302.13	318.00	347.00	360.00	373.00	390.00	400.00	408.00	419.00	431.00	448.00



	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Urban Water Targeted Uniform Rate - Half Charge											
Total to Fund											
Subtotal (excluding GST)	21,805	22,123	24,140	25,045	25,948	27,131	27,827	28,384	29,149	29,984	31,166
Plus GST	3,271	3,317	3,620	3,755	3,892	4,069	4,173	4,256	4,371	4,496	4,674
Total to Fund (including GST)	25,076	25,440	27,760	28,800	29,840	31,200	32,000	32,640	33,520	34,480	35,840
Estimated Number of Rateable Properties to Receive Half Charges	166	160	160	160	160	160	160	160	160	160	160
Rates											
Urban Water Targeted Uniform Rate - Half Charge (excluding GST)	131.36	138.26	150.87	156.52	162.17	169.57	173.91	177.39	182.17	187.39	194.78
Plus GST	19.70	20.74	22.63	23.48	24.33	25.43	26.09	26.61	27.33	28.11	29.22
Urban Water Targeted Uniform Rate - Half Charge (including GST)	151.06	159.00	173.50	180.00	186.50	195.00	200.00	204.00	209.50	215.50	224.00
Pongaroa Water Targeted Uniform Rate											
Total to Fund											
Subtotal (excluding GST)	60,000	62,923	65,020	67,117	69,215	71,312	77,604	83,896	85,994	88,092	90,888
Plus GST	9,000	9,437	9,752	10,067	10,381	10,696	11,640	12,584	12,898	13,212	13,632
Total to Fund (including GST)	69,000	72,360	74,772	77,184	79,596	82,008	89,244	96,480	98,892	101,304	104,520
Estimated Number of Rateable Properties	804	804	804	804	804	804	804	804	804	804	804
Rates											
Pongaroa Water Targeted Uniform Rate (excluding GST)	74.63	78.26	80.87	83.48	86.09	88.70	96.52	104.35	106.96	109.57	113.04
Plus GST	11.19	11.74	12.13	12.52	12.91	13.30	14.48	15.65	16.04	16.43	16.96
Pongaroa Water Targeted Uniform Rate (including GST)	85.82	90.00	93.00	96.00	99.00	102.00	111.00	120.00	123.00	126.00	130.00

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Total of all Rates											
Total to Fund (excluding GST)	17,999,141	18,725,499	19,572,534	20,462,860	21,493,918	22,321,094	23,214,858	23,936,668	24,471,585	25,431,506	26,142,391
Plus GST	2,699,873	2,808,804	2,935,860	3,069,410	3,224,065	3,348,143	3,482,205	3,590,475	3,670,711	3,814,702	3,921,333
Total to Fund (including GST)	20,699,014	21,534,303	22,508,394	23,532,270	24,717,983	25,669,237	26,697,063	27,527,143	28,142,296	29,246,208	30,063,724



Summary of Rates by Activity

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
District Treasury	3,345	(238,423)	(317,594)	(385,859)	(323,398)	(213,398)	(346,285)	(461,128)	(535,924)	(703,659)	(930,976)
Animal Control	7,800	10,634	14,409	35,245	34,801	32,032	29,500	25,987	24,721	23,247	21,062
Cemeteries	227,720	232,481	236,369	245,913	257,088	238,863	251,706	253,845	255,244	271,718	289,476
Commercial Property	(13,003)	(6,164)	(6,436)	(5,077)	(5,374)	(5,686)	(4,479)	(4,791)	(5,118)	(3,925)	(4,327)
Community Buildings	756,314	744,170	742,601	861,632	793,939	854,818	1,042,428	927,730	856,549	969,158	956,845
Community Support	287,124	281,399	289,401	312,991	323,888	334,662	344,507	355,650	367,554	380,968	394,160
District Promotion & Development	340,610	170,707	181,593	202,527	219,142	214,710	216,756	221,494	229,256	234,290	241,681
Economic Development	-	256,061	272,391	303,791	328,714	322,066	325,135	332,242	343,884	351,437	362,523
Emergency Management - Civil Defence	224,254	174,445	181,289	185,665	150,993	172,171	190,949	193,703	197,607	201,853	205,995
Emergency Management - Rural Fire Protection	221,977	232,862	236,775	249,354	244,397	250,105	258,885	284,230	280,865	287,884	305,723
Footpaths	544,843	821,415	853,712	880,090	912,625	947,841	967,314	1,019,432	1,116,342	1,186,863	1,213,680
Health & Safety	356,439	321,641	319,300	328,445	330,458	337,390	342,464	335,298	348,006	361,507	358,297
Housing	-	-	-	-	-	-	-	-	-	-	-
Libraries	749,759	900,722	928,922	950,272	1,024,860	1,007,388	1,068,683	1,056,282	1,083,996	1,141,998	1,162,445
Parks and Reserves	883,043	842,696	897,740	946,740	945,333	931,457	1,021,140	1,027,237	994,365	1,036,794	1,077,978
Public Conveniences	196,597	231,292	231,578	235,385	243,548	255,414	280,653	285,519	282,040	294,837	301,839
Representation	1,174,394	956,477	1,031,601	1,133,745	1,068,472	1,113,214	1,248,812	1,165,817	1,217,148	1,368,085	1,284,251
Resource Management	264,672	379,786	391,040	396,795	409,073	415,549	426,452	438,375	445,286	459,610	473,868

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Roading	6,700,652	6,324,835	6,595,805	6,793,691	7,471,940	7,832,819	7,992,685	8,687,881	8,979,342	9,333,968	9,858,606
Service Centres	389,744	541,362	558,905	571,854	593,587	604,482	618,822	627,184	646,081	668,343	686,480
Wastewater	2,035,832	2,050,384	2,237,928	2,476,700	2,609,651	2,666,010	2,731,715	2,802,251	2,877,792	2,963,079	3,058,039
Solid Waste Management	442,323	994,860	1,014,152	984,973	1,003,245	1,022,466	1,047,459	1,072,069	1,086,054	1,123,257	1,144,876
Stormwater	484,397	690,994	724,295	740,945	770,084	799,221	874,149	928,262	957,401	990,702	1,040,653
Swimming Pools	363,505	378,049	396,920	399,106	410,816	436,133	484,671	520,608	532,119	544,724	618,420
Water	1,356,800	1,432,814	1,559,838	1,617,937	1,676,036	1,751,366	1,800,737	1,841,491	1,890,975	1,944,767	2,020,796
Subtotal	17,999,141	18,725,499	19,572,534	20,462,860	21,493,918	22,321,093	23,214,858	23,936,668	24,471,585	25,431,505	26,142,390
Rate Increase %		4.04%	4.52%	4.55%	5.04%	3.85%	4.00%	3.11%	2.23%	3.92%	2.80%



Rating Remission Policy

1. Policy on Early Payment of Rates in Current Financial Year

Early payments accepted on the basis that payment must be for all components of the rates and therefore any payment received in advance will be spread pro-rata across all rate components.

2. Policy on Early Payment of Rates for Subsequent Financial Year

Early payments will be accepted for one subsequent year on the basis that payment must be for all components of the rates and any payment received in advance will be spread pro-rata across all rate components once the rates are set for the subsequent year.

3. Delegated Authority

Authority to consider and approve remissions is delegated to the Chief Executive, Manager Financial Services, and Revenue Manager.

4. Policy on Rates Remissions

Remission of Penalty Charges

4.1 Objectives of the Policy:

4.1.1 To enable Council to remit penalties in certain circumstances that it considers to be fair and reasonable to do so.

4.2 Conditions and Criteria:

4.2.1 The Council grants to the Chief Executive or his nominee delegated authority in the following circumstances to approve on receipt of an application the remission of such penalty charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

4.2.2 Where there exists a history of regular punctual payment and payment is made within reasonable time of the ratepayer being expected to be aware of the non-payment.

4.2.3 Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment when the original account was issued in the name of the previous owner/lessee.

4.2.4 On compassionate grounds, i.e. where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type, and has been unable to attend to payment (elderly persons living on their own etc).

4.2.5 Rate account not received where it can be proved a genuine cause exists.

4.2.6 In situations where there are arrears from previous years, negotiation may be entered into over the amount of penalty that is ultimately to be paid on such accounts subject to the proviso that dispensations subsequently granted shall be conditional upon settlement being made of the total account due.

4.2.7 Where the first instalment has been penalised and the ratepayer agrees to pay the total balance of the year's rates at the second instalment.

4.2.8 In such instances where an error has been made on the part of Council staff or arising through error in the general processing or levying of same which has subsequently resulted in a penalty charge being imposed.

- 4.2.9 Where ratepayer has entered into arrears repayment agreement, penalties will be remitted from start of agreement to expiry date of agreement not exceeding three years and providing agreement conditions adhered to.
- 4.3 And that in implementing this policy the circumstances of each case be taken into consideration on their individual merits and it be conditional upon the full amount of such rates due having being paid.

5. Remissions – QEII Covenants

Objectives of the Policy

- 5.1 To recognise and support the environmental value of such protected areas.
- 5.2 To acknowledge the non-commercial use of such protected land.

Conditions and Criteria

- 5.3 The extent of the rates remission if approved is to be 100%
- 5.4 Applications are to received in writing requesting rates relief be given to areas protected by the registration of a QEII Open Space Covenant.
- 5.5 No buildings dwellings or batches of any type are to exist or allowed to be erected.
- 5.6 Pest eradication shall be primarily the responsibility of the owner.
- 5.7 No portion of the covenanted area is to be developed or utilised in any way for commercial purposes. This includes generating income for maintenance of the covenanted area.

6. Remissions – School Sewerage Charges

Objectives

- 6.1 In recognition that schools may be disproportionately disadvantaged by Councils present "pan charge system" and to ensure schools are more fairly charged for sewerage services based on their staff and students numbers rather than number of connections.

Conditions and Criteria

- 6.2 Schools must meet the definition of an "Educational Establishments" as defined under sec 54B Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001.
- 6.3 Council will remit sewerage rates, upon submission of application, the amount of which will be arrived at by subtracting the sum of calculation (b) from the sum of calculation (a).
- 6.4 Calculation (a): Councils standard sewerage charge (based on the number of water closets/urinals).
- 6.5 Calculation (b): the number of full time equivalent on-site students and staff divided by 20 and multiplied by the Uniform Annual Charge for Sewerage.
- 6.6 If the sum of calculation (b) is greater than (a) then no remission will accrues.
- 6.7 The Council calculation, for practical reasons will be assessed as at 1 March each year.
- 6.8 Discretion is delegated to Council Officers to determine the fairness of the numbers of staff and students.
- 6.9 Annual reapplication is required.

7. Remissions – Rating of Community, Sporting and Other Non Profit Organisations

This remission applies to owners where they meet the following objectives and operate as non-commercial/non-profit/non-business operations. The criteria are assessed as at 1 July for the new rating year.

Objectives of the Policy

- 7.1 To facilitate the ongoing provision of community services that meets the needs of Tararua district residents.
- 7.2 To facilitate the ongoing provision of recreational opportunities for Tararua district residents.
- 7.3 Assist the organisation's survival; and
- 7.4 Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.



Conditions and Criteria

- 7.5 The Council may remit rates where the application meets the following criteria:
- 7.6 The extent of any remission to any qualifying organisation shall be 100% of the amount of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) component of its rates.
- 7.7 The policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
- 7.8 The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
- 7.9 The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
- 7.10 The application for rate remission must be made to the Council prior to the commencement of the rating year; applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.
- 7.11 Annual re-application required.
- 7.12 Organisations making application should include the following documents in support of their application:
- Statement of objectives;
 - Full financial accounts at the most recent balance date;
 - Other information as may be requested

8. Remission for Non-Contiguous Rating Units Owned by the Same Owner

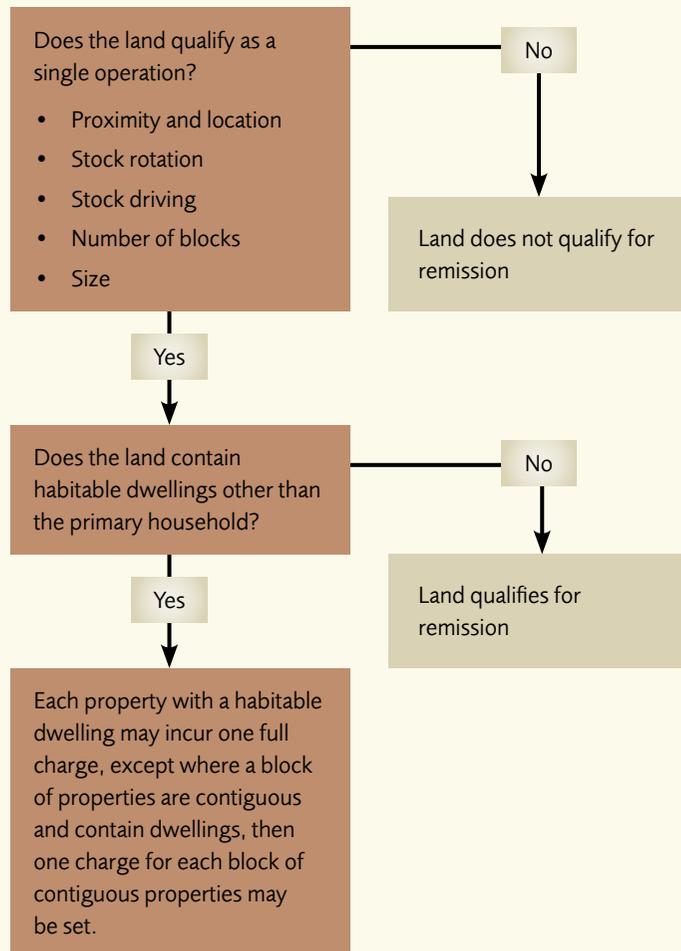
Objectives

- 8.1 To provide for relief from uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) for rural land which is non-contiguous, farmed as a single entity and owned by the same owner.

Conditions and Criteria

- 8.2 Rate remission to the extent of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) will be given on non-contiguous rating units. The ratepayer will remain liable for at least one uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate).
- 8.3 The same owner must own the rating units on which remission is to be given.
- 8.4 The land must be classified as "rural" for differential purposes
- 8.5 Only one dwelling may exist among all the rating units.
- 8.6 Application must be submitted on the required form.
- 8.7 The remission of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) shall begin to apply in the following financial quarter in which the application is received.
- 8.8 Refer to the 'Non-Contiguous Rating Units Owned by the Same Owner Remissions Flowchart' in this document for an overview of general guidelines.
- 8.9 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.

Non-contiguous Rating Units Owned by the Same Owner Remissions Flowchart



9. Rates Remission for Leases

Objectives

- 9.1 To apply a remission of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) and Special Development Loan(s) for rural land on a fair and equitable basis to ratepayers where they are paying these charges on another property.
- 9.2 Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as one unit for setting a rate if the units are:
 1. In the same ownership; and
 2. Used jointly as a single unit; and
 3. Contiguous or separated by a road, railway, drain, water race, river or stream.
- 9.3 This Policy provides for the possibility of a rates remission where 1 & 3 of the above three conditions are not all met on land classified as rural, but where it is nevertheless considered the rating units would not be treated as separate.
- 9.4 In particular, this policy would provide a remission for the following ratepayers:
 - Where land is leased from other ratepayers where Section 11 of the Local Government (Rating) Act 2002 is met and is used jointly as a single unit.
 - Where land is leased from Maori Trustees where the term of the lease is more than 3 years but less than 10 years thus not meeting section 11 and is used jointly as a single unit .
 - Where a ratepayer is maintaining and paying rates on land where the owner is untraceable i.e. Abandoned Land and is used jointly as a single unit.

Conditions and Criteria

- 9.5 Rate remission to the extent of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) and Special Development Loan(s) and will be given on contiguous and non-contiguous rating units. The ratepayer will remain liable for at least one uniform charges (UAGC, Roading UTR, libraries and swimming pools

uniform charges and the refuse and recycling fixed amount targeted rate) and Special Development Loan(s) on rating units they own.

- 9.6 The land must be classified as "rural" for differential purposes.
- 9.7 Only one dwelling may exist among all the rating units.
- 9.8 Application must be submitted on the required form and the lease agreement provided to Council.
- 9.9 The remission of the UAGC shall begin to apply in the following financial quarter in which the application is received.
- 9.10 Where the land is considered abandoned the lessee must keep their own rates current – the remission will cease at 30 June if rates are still owing by the lessee at this date.
- 9.11 The remission will cease at 30 June if the following occurs:
- The rating unit the remission is made in conjunction with is sold or the leased rating unit is sold.
 - The lease on the rating unit is cancelled.
- 9.12 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.
- 9.13 The lessee(s) of the rating units will be entered into the Council's Rating Database and the rates issued to the lessee to enable justification of remissions to the other rating units applied in conjunction with.

10. Rates Remission for Uneconomical Lots

Objectives

- 10.1 To apply a remission of 50% on uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) on uneconomic rural properties.
- 10.2 This policy recognises that low value properties (generally very small) have been adversely impacted by the increase in targeted rates for rural properties.

Conditions and Criteria

- 10.3 Rate remission to the extent to 50% on uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate).
- 10.4 The land must be classified as "rural" for differential purposes.
- 10.5 No dwelling may exist in the rating unit.
- 10.6 Land value less than \$10,000.
- 10.7 Application must be submitted on the required form and submitted to Council before 30 June.
- 10.8 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.

11. Rates Remission for Subdivisions

Objectives

- 11.1 To support the development and holding of subdivision land for residential and rural lots by remitting uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) on unsold development land where each separate lot or title is treated as a separate Rating Unit.

Conditions and Criteria

- 11.2 This remission applies to unsold subdivided land, where as a result of the High Court decision of 20 November 2000 "Neil Construction and others vs North Shore City Council and others", each separate lot or title is treated as a separate Rating Unit, and such land is implied to be not used as a single unit.
- 11.3 The rating units on which remission is applied must be owned by the same ratepayer.
- 11.4 Rate remission to the extent of uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) for unsold subdivided land.

- 11.5 Remission shall cease for any allotment if any interest in the land is passed by the developer to another party. Remission ceases from the end of the quarter in which the change in title occur.
- 11.6 Application must be submitted on the required form and submitted to Council before 30 June.
- 11.7 The ratepayer will remain liable for at least one UAGC, roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate.
- 11.8 Remissions will not apply to Water and Sewerage targeted rates.
- 11.9 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.

12. Remission of Rates on Land Affected by Natural Calamity

Objectives of the Policy

- 12.1 To assist ratepayers experiencing financial hardship due to a natural calamity.

Conditions and Criteria

Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

The Council may remit all or part of any rate on any rating unit where the application meets the following criteria:

- 12.2 Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit; and
- 12.3 It is applicable for each single event and does not apply to erosion, subsidence etc that may have occurred without a recognised major event; and
- 12.4 Where the Government has established a reimbursement scheme for rates relief in respect of such properties; or
- 12.5 The Council can set additional criteria for each event. This is because the criteria may change depending on the nature and severity of the event and available funding at the time. The Council may require financial or other records to be provided as part of the remission approval process.

13. Policy on Rates Postponements

Council does not provide rates postponements.

14. Policy on Remission of Rates on Maori Freehold Land

Council does not provide remission of rates on Maori freehold land.

15. Policy on Postponement of Rates on Maori Freehold Land

Council does not provide postponement of rates on Maori freehold land.

Prospective Financial Statements

Guide to the Financial Statements

Within this section, you will find the financial detail of the Ten Year Plan. This has been used throughout the document to provide the dollar values from individual activities, to activity groups and finally the overall position of the Council.

In the interests of transparency we provide two sets of financial information:

- The usual Generally Accepted Accounting Principles (GAAP) regulated statements of financial position, comprehensive income and the like; and
- A funding impact statement.

Key differences between these two sets of information are that GAAP regulated financial statements as the name suggests must adhere to GAAP requirements.

The Funding Impact Statement (FIS) is intended to make the sources and applications of Council funds more transparent to its stakeholders than might be the case if only the usual GAAP financial statements were provided.

As such the Funding Impact Statement is meant to show only flows of funding and therefore exclude vested assets, revaluations and depreciation. It is therefore, by necessity, exempt from the GAAP requirements but it must follow a prescribed format.

What the Funding Impact Statement attempts to do is:

- link the Council's Revenue and Financing Policy, the annual setting of rates, fees and the annual borrowing requirement;
- set out the revenue and financing mechanisms that will be used in each year along with an indicative level or amount of funds to come from each mechanism; and

- show the planned application of funds in each year.

This section of the 10 Year Plan specifically contains the following information:

Financial Statements

Prospective Statement of Comprehensive Income

This provides information on the surplus or deficit arising throughout the Plan impacting on the past and future Comprehensive Income. This aids the reader to differentiate between components of financial performance according to frequency, potential for gain and loss and predictability.

Prospective Statement of Changes in Equity

Also known as net worth, equity is measured as the difference between the total value of assets and total liabilities. This statement presents a comprehensive measure of income. Accumulated equity represents the communities' investment in publicly owned assets resulting from past surpluses.

Prospective Statement of Financial Position

This presents information about the economic resources controlled by the Council. This information is useful in assessing the Council's ability to generate cash, provide services and for assessing future borrowing needs.



Prospective Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day to day cash management. It provides information about cash generation through Council activities to repay debt or to reinvest to maintain operating capacity.

Statement of Capital expenditure

Provides a list of all capital projects by activities for the full 10 years.

Statement of Reserves and Special Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. This statement discloses the specific reserves Council has established.

Funding Impact Statement

This statement explains how the Council collects revenue and finances its activities. It includes rates, subsidies and grants, fees and charges, interest and dividends and other revenue.

Prospective Statement of Comprehensive Income

For the Ten Years from 1 July 2012 to 30 June 2022

After allowance for inflation

(\$'000's)	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Planned Income / Expenditure											
Operating Transactions											
Rates	17,998	18,725	19,573	20,463	21,494	22,321	23,215	23,937	24,472	25,432	26,142
Subsidies	8,165	7,987	10,498	10,867	8,247	8,494	8,801	10,001	10,707	9,369	10,078
Fees & Charges	2,894	3,937	4,059	4,182	4,326	4,468	4,606	4,765	4,930	5,100	5,290
Finance Income	395	140	158	167	248	319	379	434	465	520	648
Dividend & Subvention Income	252	250	310	373	330	285	295	304	314	326	337
Miscellaneous Income	179	177	197	187	193	216	204	210	235	224	231
Total Income	29,883	31,216	34,795	36,239	34,838	36,103	37,500	39,651	41,123	40,971	42,726
Expenditure											
Operating Expenses	13,373	15,359	16,002	16,617	17,085	17,666	18,523	18,838	19,318	20,152	20,784
Depreciation and amortisation	10,688	10,296	10,888	11,470	11,944	12,342	12,872	13,276	13,707	14,324	14,732
Employee Benefit Costs	4,284	4,657	4,764	4,820	4,947	5,079	5,108	5,226	5,364	5,509	5,658
Finance Costs	1,053	490	638	712	818	986	970	964	944	877	770
Total Operating Expenditure	29,398	30,802	32,292	33,619	34,794	36,073	37,473	38,304	39,333	40,862	41,944
Operating Surplus/(Deficit)	485	414	2,503	2,620	44	30	27	1,347	1,790	109	782
Other Comprehensive Income											
Gains on assets revaluations	29,273	30,644	26,855	28,357	25,984	27,312	27,119	29,714	33,872	30,353	31,447
Other Comprehensive Income Subtotal	29,273	30,644	26,855	28,357	25,984	27,312	27,119	29,714	33,872	30,353	31,447
Total Comprehensive Income	29,758	31,058	29,358	30,977	26,028	27,342	27,146	31,061	35,662	30,462	32,229

Prospective Statement of Changes in Equity

As at 30 June for the Ten Years from 2012 to 2022

After allowance for inflation

(\$000's)	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Equity at 1 July	848,274	842,411	873,469	902,827	933,804	959,832	987,174	1,014,320	1,045,381	1,081,043	1,111,505
Total recognised Comprehensive Income for the period	29,758	31,058	29,358	30,977	26,028	27,342	27,146	31,061	35,662	30,462	32,229
Equity at 30 June	878,032	873,469	902,827	933,804	959,832	987,174	1,014,320	1,045,381	1,081,043	1,111,505	1,143,734
Detailed Changes											
Accumulated Funds											
Balance at 1 July	375,615	361,693	359,810	360,038	359,952	356,510	352,476	347,860	345,768	342,181	336,588
Net Surplus (Deficit) after Tax for the Year	485	414	2,503	2,620	44	30	27	1,347	1,790	109	782
Transfers from Equity to Special Reserves	(1,512)	(2,297)	(2,275)	(2,706)	(3,486)	(4,064)	(4,643)	(3,439)	(5,377)	(5,702)	(6,189)
Balance at 30 June	374,588	359,810	360,038	359,952	356,510	352,476	347,860	345,768	342,181	336,588	331,181
Asset Revaluation Reserves											
Balance at 1 July	454,809	466,648	497,292	524,147	552,505	578,488	605,800	632,919	662,633	696,505	726,858
Increase in Revaluation Reserves	29,273	30,644	26,855	28,358	25,983	27,312	27,119	29,714	33,872	30,353	31,446
Balance at 30 June	484,082	497,292	524,147	552,505	578,488	605,800	632,919	662,633	696,505	726,858	758,304
Special Funded Reserves											
Balance at 1 July	17,817	14,040	16,337	18,612	21,317	24,804	28,868	33,511	36,950	42,327	48,029
Increase in Special Reserves	1,512	2,297	2,275	2,705	3,487	4,064	4,643	3,439	5,377	5,702	6,190
Balance at 30 June	19,329	16,337	18,612	21,317	24,804	28,868	33,511	36,950	42,327	48,029	54,219
Trust Funds											
Balance at 1 July	30	30	30	30	30	30	30	30	30	30	30
Increase in Trust Funds	3	-	-	-	-	-	-	-	-	-	-
Balance at 30 June	33	30	30	30	30	30	30	30	30	30	30
Equity at 30 June	878,032	873,469	902,827	933,804	959,832	987,174	1,014,320	1,045,381	1,081,043	1,111,505	1,143,734

* Opening balances for Year 1 are different from 2011/12 Annual Plan closing balance because the opening balance takes into account actual balance as at 28 February and the forecast expenditure and revenue to 30 June 2012.

Prospective Statement of Financial Position

As at 30 June for the Ten Years from 2012 to 2022

After allowance for inflation

(\$'000's)	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Assets											
Current Assets											
Cash & Cash Equivalents	947	319	306	288	213	176	344	536	689	750	956
Debtors & Other Receivables	2,894	2,161	2,270	2,395	2,525	2,661	2,800	2,942	3,091	3,259	3,418
Other Financial Assets	9,339	4,506	4,774	5,519	7,089	8,423	9,635	10,338	11,549	14,391	15,709
Inventories	22	93	93	93	93	93	93	93	93	93	93
Total Current Assets	13,202	7,079	7,443	8,295	9,920	11,353	12,872	13,909	15,422	18,493	20,176
Non-Current Assets											
Other Financial Assets*	5,148	5,254	5,254	5,254	5,254	5,254	5,254	5,254	5,254	5,254	5,254
Investment Property	416	411	423	435	449	465	479	495	512	533	555
Intangible Assets	29	533	618	592	542	492	442	392	342	292	242
Property, Plant & Equipment - Operational	30,616	29,967	31,015	30,838	29,976	31,061	30,168	28,717	29,247	27,720	26,093
Property, Plant & Equipment - Infrastructure	839,998	844,566	872,983	904,294	929,014	953,590	979,923	1,011,528	1,044,737	1,072,212	1,102,904
Property, Plant & Equipment - Restricted	3,274	5,178	5,178	5,178	5,178	5,178	5,178	5,178	5,178	5,178	5,178
Total Non-Current Assets	879,481	885,909	915,471	946,591	970,413	996,040	1,021,444	1,051,564	1,085,270	1,111,189	1,140,226
Total Assets	892,683	892,988	922,914	954,886	980,333	1,007,393	1,034,316	1,065,473	1,100,692	1,129,682	1,160,402

* Other financial assets are made up of Council's investment in subsidiaries and NZ Local Government Insurance Corporation Limited.

(\$000's)	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Liabilities											
Current Liabilities											
Trade & Other Payables	3,211	3,767	3,866	3,969	4,024	4,124	4,229	4,365	4,466	4,493	4,661
Borrowings - Current	2,000	4,000	4,000	4,000	4,707	5,405	4,737	5,866	3,859	6,873	6,873
Employee Benefit Liabilities	365	298	311	325	340	355	369	383	399	417	434
Total Current Liabilities	5,576	8,065	8,177	8,294	9,071	9,884	9,335	10,614	8,724	11,783	11,968
Non-Current Liabilities											
Borrowings - Non-current	7,967	10,009	10,462	11,337	9,974	8,875	9,348	8,161	9,603	5,188	3,490
Employee Benefit Liabilities	201	107	110	113	117	121	124	128	132	136	140
Provision for Landfill Aftercare	608	672	672	672	673	673	673	673	674	674	674
Tenant Contributions	299	666	666	666	666	666	516	516	516	396	396
Total Term Liabilities	9,075	11,454	11,910	12,788	11,430	10,335	10,661	9,478	10,925	6,394	4,700
Total Liabilities	14,651	19,519	20,087	21,082	20,501	20,219	19,996	20,092	19,649	18,177	16,668
Equity											
Retained Earnings	374,588	359,810	360,038	359,952	356,510	352,476	347,860	345,768	342,181	336,588	331,181
Asset Revaluation Reserves	484,082	497,292	524,147	552,505	578,488	605,800	632,919	662,633	696,505	726,858	758,304
Special Funded Reserves	19,329	16,337	18,612	21,317	24,804	28,868	33,511	36,950	42,327	48,029	54,219
Trust Funds	33	30	30	30	30	30	30	30	30	30	30
Total Equity	878,032	873,469	902,827	933,804	959,832	987,174	1,014,320	1,045,381	1,081,043	1,111,505	1,143,734
Total Liabilities & Equity	892,683	892,988	922,914	954,886	980,333	1,007,393	1,034,316	1,065,473	1,100,692	1,129,682	1,160,402

Prospective Statement of Cash Flow

For the Ten Years from 1 July 2012 to 30 June 2022

After allowance for inflation

(\$000's)	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Cash Flows from Operating Activities											
Cash is provided from:											
Rates	17,998	18,725	19,573	20,463	21,494	22,321	23,215	23,937	24,472	25,432	26,142
Grants & Subsidies	8,165	7,987	10,498	10,867	8,247	8,494	8,801	10,001	10,707	9,369	10,078
Fees and Charges	2,894	3,937	4,059	4,182	4,326	4,468	4,606	4,765	4,930	5,100	5,290
Finance Income	395	140	158	167	248	319	379	434	465	520	648
Dividend & Subvention Revenue	252	250	310	373	330	285	295	304	314	326	337
Other Revenue	179	177	197	187	193	216	204	210	235	224	231
Total	29,883	31,216	34,795	36,239	34,838	36,103	37,500	39,651	41,123	40,971	42,726
Cash is applied to:											
Payments Staff & Suppliers	17,657	20,014	20,775	21,452	22,101	22,778	23,661	24,072	24,728	25,802	26,433
Finance Costs	1,053	490	638	712	818	986	970	964	944	877	770
Total	18,710	20,504	21,413	22,164	22,919	23,764	24,631	25,036	25,672	26,679	27,203
Net cash from operating activities	11,173	10,712	13,382	14,075	11,919	12,339	12,869	14,615	15,451	14,292	15,523

(\$000's)	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Cash Flows from Investing Activities											
Sale of fixed assets	-	-	530	-	-	-	-	-	-	-	-
Proceeds from investments realised		1,796	2,000	2,000	2,000	2,707	3,405	2,737	4,166	2,859	4,873
Total	-	1,796	2,530	2,000	2,000	2,707	3,405	2,737	4,166	2,859	4,873
Cash is applied to:											
Purchase of fixed assets	9,850	14,215	14,111	14,221	9,768	10,641	11,293	13,665	13,523	9,989	12,301
Purchase of investments		2,302	2,268	2,746	3,570	4,041	4,618	3,439	5,377	5,701	6,191
Total	9,850	16,517	16,379	16,967	13,338	14,682	15,911	17,104	18,900	15,690	18,492
Net cash from investing activities	(9,850)	(14,721)	(13,849)	(14,967)	(11,338)	(11,975)	(12,506)	(14,367)	(14,734)	(12,831)	(13,619)
Cash Flows from Financing Activities											
Cash is provided from:											
Loans raised		9,009	4,454	4,875	3,344	4,306	5,210	4,680	5,301	2,458	5,175
Total	-	9,009	4,454	4,875	3,344	4,306	5,210	4,680	5,301	2,458	5,175
Cash is applied to:											
Repayment of loans	85	5,000	4,000	4,000	4,000	4,707	5,405	4,737	5,866	3,859	6,873
Total	85	5,000	4,000	4,000	4,000	4,707	5,405	4,737	5,866	3,859	6,873
Net cash from financing activities	(85)	4,009	454	875	(656)	(401)	(195)	(57)	(565)	(1,401)	(1,698)
Net (decrease)/increase in cash held	1,238	-	(13)	(17)	(75)	(37)	168	191	152	60	206
Total cash & cash equivalent resources at beginning	(291)	319	319	306	288	213	176	344	536	689	750
Total cash resources at Year End	947	319	306	289	213	176	344	535	688	749	956

* Cash and cash equivalent opening balances for Year 1 are different from 2011/12 Annual Plan closing balance because the opening balance takes into account actual balance as at 28 February and the forecast expenditure and revenue to 30 June 2012.

Note 1: Statement of Capital Expenditure

Capital: Level of Service

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Animal Control												
Dog Pound - Dannevirke	Loan	206	-	206	-	-	-	-	-	-	-	-
Animal Control Total		206	-	206	-							
Cemeteries												
Mangatera stillborn memorial	Rates	5	5	-	-	-	-	-	-	-	-	-
Pahiatua seal carpark	Rates	28	0	28	-	-	-	-	-	-	-	-
Pahiatua stillborn area	Rates	15	15	0	-	-	-	-	-	-	-	-
Weber memorial cairn	Rates	10	10	-	-	-	-	-	-	-	-	-
Memorial restoration	Rates	3	3	-	-	-	-	-	-	-	-	-
Cemeteries Total		61	33	28	-							
Community Buildings												
Carnegie Centre - earthquake prone work	Rates	5	5	-	-	-	-	-	-	-	-	-
Dannevirke Sports Centre stadium toilet upgrade	Rates	42	-	-	42	-	-	-	-	-	-	-
Eketahuna Service Centre - earthquake prone work	Rates	5	5	-	-	-	-	-	-	-	-	-
Pahiatua Service Centre - earthquake prone work	Rates	5	5	-	-	-	-	-	-	-	-	-
Pongaroa accessible toilet	Rates	13	13	-	-	-	-	-	-	-	-	-
Upgrade earthquake prone buildings	Loan	522	0	257	265	-	-	-	-	-	-	-
Woodville Service Centre - earthquake prone work	Rates	5	5	-	-	-	-	-	-	-	-	-
Dannevirke Carnegie Centre earthquake	Rates	8	8	-	-	-	-	-	-	-	-	-
Woodville Library/i-Site doors	Rates	30	30	-	-	-	-	-	-	-	-	-
Community Buildings Total		635	71	257	307	-						

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Community Support												
Akitio Sea Wall		-	-	-	-	-	-	-	-	-	-	-
Community Support Total		-	-	-	-	-	-	-	-	-	-	-
District Promotion & Development												
Computer hardware	Rates	89	15	15	16	6	6	6	6	6	7	7
Fibre ducting	Rates	116	10	10	11	11	11	12	12	13	13	13
Info/i-Site at wind farm centre	Rates	54	-	-	27	28	-	-	-	-	-	-
District Promotion & Development Total		260	25	26	53	44	17	18	18	19	20	20
Emergency Management												
Akitio rural fire appliance	Loan	111	-	52	-	-	-	59	-	-	-	-
Digital Radio (own network)	Loan	252	-	-	-	124	128	-	-	-	-	-
Herbertville rural fire appliance	Loan	59	-	-	-	-	-	59	-	-	-	-
Tiraumea vehicle housing uprgade	Rates	5	-	-	5	-	-	-	-	-	-	-
Weber vehicle housing	Rates	8	8	-	-	-	-	-	-	-	-	-
Sirens for Akitio and Herbertville	Subsidy	25	25	-	-	-	-	-	-	-	-	-
Purchase of Radios	Loan	33	33	-	-	-	-	-	-	-	-	-
Emergency Management Total		493	66	52	5	124	128	118	-	-	-	-
Footpaths												
Footpath construction	Rates	313	27	28	29	30	31	32	33	34	35	36
Kerb & channel / footpath renewal Eketahuna	Loan	472	-	-	32	440	-	-	-	-	-	-
Kerb & channel / footpath renewal Pahiatua	Loan	2,709	-	-	-	-	-	82	1,247	1,381	-	-
Kerb & channel / footpath renewal Woodville	Loan	130	130	-	-	-	-	-	-	-	-	-
Ormond Street development Woodville	Loan	185	185	-	-	-	-	-	-	-	-	-
Footpaths Total		3,810	342	28	61	470	31	113	1,279	1,415	35	36

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Housing												
Mobility garaging	Housing reserves / loan	50	12	12	13	13	-	-	-	-	-	-
Build 12 new units at George Street	Housing reserves / loan	1,129	50	720	358	-	-	-	-	-	-	-
Housing Total		1,179	62	733	371	13	-	-	-	-	-	-
Parks & Reserves												
District wide drainage	Rates	57	5	5	5	5	6	6	6	6	6	7
District wide walkway development	Rates	114	10	10	11	11	11	12	12	12	13	13
Dannevirke domain playground equipment	Rates	44	-	21	-	-	-	-	24	-	-	-
Dannevirke Rural Wahipai drainage	Rates	10	-	10	-	-	-	-	-	-	-	-
Eketahuna Domain drainage	Rates	32	-	-	32	-	-	-	-	-	-	-
Norsewood Waterwheel Park drainage	Rates	5	5	-	-	-	-	-	-	-	-	-
Norsewood Waterwheel Park play equipment	Rates	53	-	-	53	-	-	-	-	-	-	-
Pahiatua Rotary Park drainage	Rates	10	-	10	-	-	-	-	-	-	-	-
Pahiatua Victory Park drainage	Rates	11	-	-	11	-	-	-	-	-	-	-
Reserve Management Plans	Rates	90	48	21	21	-	-	-	-	-	-	-
Woodville play equipment	Rates	46	-	-	-	33	-	-	-	-	-	13
Eketahuna coming ground toilet	Rates	15	15	-	-	-	-	-	-	-	-	-
Woodville new camping ground	Loan	106	-	-	106	-	-	-	-	-	-	-
Eketahuna camping ground accessible toilet	Loan	15	15	-	-	-	-	-	-	-	-	-
Akitio Foreshore Erosion	Loan	1	1	-	-	-	-	-	-	-	-	-
Parks & Reserves Total		610	100	77	238	49	17	17	42	18	19	33
Public Conveniences												
Akitio public toilets	Loan	180	-	-	-	-	180	-	-	-	-	-
Public Conveniences Total		180	-	-	-	-	180	-	-	-	-	-

NOTE 1: STATEMENT OF CAPITAL EXPENDITURE

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Roading												
Associated improvements	Subsidy 59% / Depreciation Reserve 41%	929	80	82	85	88	91	94	97	100	104	107
Manawatu/Hawkes Bay alternate route upgrades	Subsidy	4,755	25	2,062	2,668	-	-	-	-	-	-	-
Pahiatua Track route alignment	Subsidy 69% / Depreciation Reserve 31%	3,698	-	-	-	-	-	-	1,816	1,883	-	-
Seal extension	Subsidy 69% / Depreciation Reserve 31%	2,401	-	-	-	440	453	468	-	502	-	537
Roading Total		11,782	105	2,144	2,753	528	544	561	1,912	2,485	104	645
Solid Waste Management												
Bulk bin setup	Rates	43	43	-	-	-	-	-	-	-	-	-
Eketahuna capping	Loan	173	-	-	-	-	-	173	-	-	-	-
Pahiatua capping	Loan	60	60	-	-	-	-	-	-	-	-	-
Pongaroa capping	Loan	152	-	-	-	-	-	-	-	-	152	-
Pahiatua Transfer Station	Loan	100	100	-	-	-	-	-	-	-	-	-
Solid Waste Management Total		528	203	-	-	-	-	173	-	-	152	-
Stormwater Drainage												
Assessment of Mangapurupuru	Rates	11	-	-	-	11	-	-	-	-	-	-
Dannevirke Allardice St diversion from High St	Loan	450	-	-	-	-	-	-	-	450	-	-
Dannevirke Mangapurupuru diversion	Loan	926	-	-	-	-	926	-	-	-	-	-
Dannevirke pipe behind Mills Bros	Loan	65	-	-	65	-	-	-	-	-	-	-
Install stormwater main in Woodville mainstreet	Loan	200	200	-	-	-	-	-	-	-	-	-
Pahiatua diversion prior to town system	Loan	1,226	-	-	-	28	-	1,198	-	-	-	-
Pahiatua - pipe Huxley Street drain	Loan	1,395	-	-	-	-	-	-	-	-	-	1,395
Stormwater treatment to outlets reports	Rates	15	5	10	-	-	-	-	-	-	-	-

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Woodville - collect stormwater from rear of shops	Loan	150	150	-	-	-	-	-	-	-	-	-
Stormwater Drainage Total		4,438	355	10	65	39	926	1,198	-	450	-	1,395
Support Activities												
Computer software	Loan	280	117	138	25	-	-	-	-	-	-	-
Mayor - car	Rates	47	-	-	-	22	-	-	-	25	-	-
Support Activities Total		328	117	138	25	22	-	-	-	25	-	-
Swimming Pools												
Eketahuna pool replacement	Loan	589	-	-	-	-	-	589	-	-	-	-
Pahiatua pool replacement	Loan	570	-	-	-	-	570	-	-	-	-	-
Eketahuna pool development	Loan	3	3	-	-	-	-	-	-	-	-	-
Swimming Pools Total		1,162	3	-	-	-	570	589	-	-	-	-
Wastewater												
District wide treatment upgrades	Loan	156	-	156	-	-	-	-	-	-	-	-
Dannevirke Adelaide Road area investigation	Rates	11	-	-	11	-	-	-	-	-	-	-
Dannevirke disposal to land (aerodrome)	Subsidy 25% / loan 75%	463	120	343	-	-	-	-	-	-	-	-
Dannevirke pond leak investigation/remedial work	Subsidy 25% / loan 75%	4,183	1,000	1,247	1,936	-	-	-	-	-	-	-
Manhole rehabilitation	Rates	71	6	6	6	7	7	7	7	8	8	8
Norsewood disposal to land & resource consent	Loan	139	-	21	118	-	-	-	-	-	-	-
Ormonville land based discharge	Loan	161	-	-	161	-	-	-	-	-	-	-
Pahiatua disposal to land	Rates	25	25	-	-	-	-	-	-	-	-	-
Sewer options investigation for Akitio and Herbertville	Rates	16	0	16	-	-	-	-	-	-	-	-
Telemetry sewerage	Rates	32	0	10	11	11	-	-	-	-	-	-
Woodville disposal to land	Rates	25	25	-	-	-	-	-	-	-	-	-

NOTE 1: STATEMENT OF CAPITAL EXPENDITURE

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Woodville treatment plant upgrade	Subsidy 50% / loan 50%	850	850	-	-	-	-	-	-	-	-	-
Eketahuna treatment plant upgrade	Loan	759	759	-	-	-	-	-	-	-	-	-
Pahiatua treatment plant upgrade	Subsidy 50% / loan 50%	1,143	-	1,143	-	-	-	-	-	-	-	-
Pongaroa treatment plant upgrade	Loan	95	95	-	-	-	-	-	-	-	-	-
Wastewater Total		8,128	2,880	2,941	2,243	18	7	7	7	8	8	8
Water Supplies												
Akitio upgrade	Loan	167	-	-	-	167	-	-	-	-	-	-
Demand management / zone metering	Rates	26	10	5	5	6	-	-	-	-	-	-
Dannevirke Building Consent - impounded supply (SE report)	Rates	51	25	-	-	-	12	-	-	-	-	14
Dannevirke soda ash conversion	Rates	30	30	-	-	-	-	-	-	-	-	-
Dannevirke storage cover	Loan	700	700	-	-	-	-	-	-	-	-	-
Dannevirke treatment	Loan	500	500	-	-	-	-	-	-	-	-	-
Eketahuna additional storage 24hrs	Loan	78	-	78	-	-	-	-	-	-	-	-
Large users - metering and management	Rates	10	5	5	-	-	-	-	-	-	-	-
Leak detection work	Rates	135	25	26	27	28	29	-	-	-	-	-
Pahiatua new bore, treatment and storage	Loan	950	950	-	-	-	-	-	-	-	-	-
Pongaroa chlorinator, filtration, telemetry	Loan	186	-	-	-	-	6	180	-	-	-	-
Water Supplies Total		2,832	2,245	114	32	201	46	180	-	-	-	14
Level of Service Grand Total		36,633	6,607	6,755	6,154	1,508	2,466	2,975	3,259	4,420	337	2,151

Capital: Renewals

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Cemeteries												
Pahiatua sealing	Rates	10	10	-	-	-	-	-	-	-	-	-
Cemeteries Total		10	10	-								
Commercial Property												
Woodville Infracon depot	Depreciation reserves	44	-	2	15	-	-	-	27	-	-	-
Woodville Infracon new driveway	Depreciation reserves	11	11	-	-	-	-	-	-	-	-	-
Commercial Property Total		55	11	2	15	-	-	-	27	-	-	-
Community Buildings												
District new seating	Depreciation reserves	31	-	3	3	3	3	3	4	4	4	4
Dannevirke Sports Centre Pavilion	Depreciation reserves	18	-	4	-	4	-	5	-	-	3	3
Dannevirke Sports Centre Stadium	Depreciation reserves	36	-	10	-	-	13	-	-	-	13	-
Dannevirke Town Hall	Depreciation reserves	35	10	-	-	12	7	-	-	6	-	-
Eketahuna Community Centre	Depreciation reserves	19	-	2	15	-	-	-	-	-	3	-
Eketahuna Medical Centre	Depreciation reserves	54	15	5	29	5	-	-	-	-	-	-
Pahiatua Stadium	Depreciation reserves	19	-	16	-	-	2	-	-	-	-	-
Pahiatua Town Hall	Depreciation reserves	58	-	10	42	-	6	-	-	-	-	-
Pongaroa Hall	Depreciation reserves	51	-	-	37	-	13	-	-	-	-	-
Pongaroa drainage	Depreciation reserves	11	-	-	11	-	-	-	-	-	-	-
Woodville Community Centre	Depreciation reserves	42	6	-	-	36	-	-	-	-	-	-
Woodville new seating	Depreciation reserves	15	15	-	-	-	-	-	-	-	-	-
Eketahuna Sports Centre	Depreciation reserves	3	3	-	-	-	-	-	-	-	-	-
Dannevirke Sports Centre	Depreciation reserves	5	5	-	-	-	-	-	-	-	-	-
Community Buildings Total		398	54	51	137	61	45	8	4	10	21	7

NOTE 1: STATEMENT OF CAPITAL EXPENDITURE

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Emergency Management												
Radio renewals	Depreciation reserves	126	6	3	3	3	91	4	4	4	4	4
Reclad/reroof Akitio Fire Station	Depreciation reserves	30	30	-	-	-	-	-	-	-	-	-
Rural Fire hand held radio replacement	Depreciation reserves	26	12	-	-	-	-	14	-	-	-	-
Emergency Management Total		182	48	3	3	3	91	18	4	4	4	4
Footpaths												
Footpath renewal	Depreciation reserves	756	50	-	160	-	170	-	182	-	195	-
Footpaths Total		756	50	-	160	-	170	-	182	-	195	-
Housing												
Aluminium window	Depreciation reserves	137	12	12	13	13	13	14	14	15	15	16
Renovate 6 units Ruahine Flats	Depreciation reserves	294	-	-	-	-	-	-	95	98	101	-
Tenancy Contribution - Dannevirke	Depreciation reserves	7	7	-	-	-	-	-	-	-	-	-
Woodville	Depreciation reserves	10	10	-	-	-	-	-	-	-	-	-
Eketahuna	Depreciation reserves	3	3	-	-	-	-	-	-	-	-	-
Pahiatua	Depreciation reserves	13	13	-	-	-	-	-	-	-	-	-
Housing Total		465	46	12	13	13	13	14	109	113	116	16
Libraries												
Books	Depreciation reserves	1,144	100	103	106	109	112	116	119	122	126	131
Furniture & fittings	Depreciation reserves	114	10	10	11	11	11	12	12	12	13	13
Upgrade Library Management System	Depreciation reserves	76	-	-	-	76	-	-	-	-	-	-
Libraries Total		1,335	110	113	116	196	124	127	131	135	139	144

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Parks & Reserves												
Domain Grandstand - earthquake prone work	Depreciation reserves	5	5	-	-	-	-	-	-	-	-	-
Dannevirke camping ground	Depreciation reserves	90	21	33	22	2	-	9	-	-	3	-
Dannevirke Domain Grandstand	Depreciation reserves	37	-	-	13	8	2	-	-	12	-	3
Dannevirke Domain store sheds	Depreciation reserves	9	2	-	2	-	-	2	-	-	3	-
Eketahuna camping ground	Depreciation reserves	70	5	2	55	2	2	1	-	2	-	-
Eketahuna Domain	Depreciation reserves	45	-	7	-	35	-	-	-	2	-	-
Pahiatua Camping Ground	Depreciation reserves	14	-	2	3	2	2	2	-	2	-	-
Pahiatua Grandstand	Depreciation reserves	6	6	-	-	-	-	-	-	-	-	-
Reserve Management Plans	Depreciation reserves	21	21	-	-	-	-	-	-	-	-	-
Woodville Band Rotunda	Depreciation reserves	2	-	-	2	-	-	-	-	-	-	-
Dannevirke Domain	Depreciation reserves	64	64	-	-	-	-	-	-	-	-	-
Parks & Reserves Total		364	124	44	97	49	7	15	-	20	5	3
Public Conveniences												
Dannevirke Barraud Street	Depreciation reserves	142	-	-	-	142	-	-	-	-	-	-
Dannevirke Exeloos	Depreciation reserves	16	16	-	-	-	-	-	-	-	-	-
Eketahuna public toilets	Depreciation reserves	53	-	-	53	-	-	-	-	-	-	-
Pahiatua Main toilets	Depreciation reserves	19	8	4	-	2	-	-	2	-	-	3
Woodville public toilets	Depreciation reserves	12	5	2	-	-	2	-	-	2	-	-
Replace handdryers	Depreciation reserves	4	4	-	-	-	-	-	-	-	-	-
Resurface 3 toilet floors	Depreciation reserves	16	16	-	-	-	-	-	-	-	-	-
Public Conveniences Total		262	49	6	53	144	2	-	2	2	-	3

NOTE 1: STATEMENT OF CAPITAL EXPENDITURE

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Roading												
Bridge renewals	Subsidy 59% / Depreciation Reserve 41%	1,161	100	103	107	110	113	117	121	126	130	134
Drainage renewals	Subsidy 59% / Depreciation Reserve 41%	5,688	490	505	523	539	555	573	593	615	636	658
Minor safety improvements	Subsidy 69% / Depreciation Reserve 31%	5,757	496	511	529	546	562	580	600	623	644	666
Pavement rehabilitation	Subsidy 59% / Depreciation Reserve 41%	18,108	1,560	1,608	1,665	1,716	1,768	1,824	1,888	1,958	2,025	2,096
Sealed roads resurfacing	Subsidy 59% / Depreciation Reserve 41%	24,957	2,150	2,217	2,294	2,365	2,436	2,514	2,602	2,699	2,790	2,888
Structures component replacements	Subsidy 59% / Depreciation Reserve 41%	1,103	95	98	101	105	108	111	115	119	123	128
Traffic services renewal	Subsidy 59% / Depreciation Reserve 41%	1,045	90	93	96	99	102	105	109	113	117	121
Unsealed road metalling - heavy metal overlays	Subsidy 59% / Depreciation Reserve 41%	6,965	600	619	640	660	680	702	726	753	779	806
Roading Total		64,783	5,581	5,754	5,955	6,140	6,324	6,527	6,755	7,005	7,244	7,497
Stormwater Drainage												
Mains replacement	Depreciation reserves	1,087	37	39	43	46	50	53	57	59	62	642
Stormwater Drainage Total		1,087	37	39	43	46	50	53	57	59	62	642
Support Activities												
Animal Control - motor vehicles	Depreciation reserves	322	25	41	-	44	28	47	-	50	33	54
Building Control - motor vehicles	Depreciation reserves	144	-	42	-	-	-	48	-	-	-	54
Business continuity - generator and UPS's	Depreciation reserves	135	20	29	21	9	9	9	9	9	10	10

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Cabling	Depreciation reserves	223	10	10	10	3	3	85	17	4	77	4
Chief Executive and pool motor vehicles	Depreciation reserves	284	-	52	-	50	-	59	-	56	-	67
Computer hardware	Depreciation reserves	2,336	181	226	185	277	207	282	220	265	212	280
Computer software	Depreciation reserves	879	65	36	37	38	39	40	40	190	195	200
Dannevirke Civic Centre	Depreciation reserves	83	10	5	7	8	6	12	8	6	9	13
Dannevirke Civil Defence complex	Depreciation reserves	8	-	-	-	-	-	-	-	-	8	-
Dannevirke Library - painting, carpets, aircon	Depreciation reserves	121	10	-	69	5	6		18	-	6	7
Eketahuna Library - painting, carpets, aircon	Depreciation reserves	35	-	8	-	3	1	15	6	-	1	-
Engineering - motor vehicles	Depreciation reserves	810	80	10	160	88	92	-	178	100	102	-
Health Inspection - motor vehicle	Depreciation reserves	72	-	21				24				27
Miscellaneous	Depreciation reserves	56	5	5	5	5	6	6	6	6	6	6
Pahiatua service centre	Depreciation reserves	61	1	32	16	-	6	-	-	-	6	-
Phone System	Depreciation reserves	194	10	10	10	11	50	11	12	12	12	56
Photocopiers	Depreciation reserves	320	15	50	16	53	17	17	57	18	60	19
Emergency Management motor vehicle	Depreciation reserves	114	-	-	53	-	-	-	-	61	-	-
Shredder	Depreciation reserves	10	-	10	-	-	-	-	-	-	-	-
Solid Waste - motor vehicle	Depreciation reserves	138	40	-	-	-	46	-	-	-	52	-
Water Supplies - motor vehicles	Depreciation reserves	280		-	43	88	-	-	49	100	-	-
Woodville Library - painting, carpets, aircon	Depreciation reserves	83	8	4	-	60	1	9	-	-	-	-
Woodville service centre	Depreciation reserves	90	20	17	-	16	6	6	6	6	6	7
Computer equipment - PC's	Depreciation reserves	68	68	-	-	-	-	-	-	-	-	-
DRP Generator	Depreciation reserves	60	60	-	-	-	-	-	-	-	-	-
Support Activities Total		7,028	628	598	685	758	520	668	746	824	797	804

NOTE 1: STATEMENT OF CAPITAL EXPENDITURE

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Swimming Pools												
Eketahuna swimming pool filtration	Depreciation reserves	20	20	-	-	-	-	-	-	-	-	-
Pahiatua swimming pool	Depreciation reserves	21	2	-	2	2	2	2	2	3	3	3
Pahiatua swimming pool filtration	Depreciation reserves	5	5	-	-	-	-	-	-	-	-	-
Woodville swimming pool	Depreciation reserves	35	3	3	3	3	3	4	4	4	4	4
Woodville		3	3	-	-	-	-	-	-	-	-	-
Eketahuna		8	8	-	-	-	-	-	-	-	-	-
Pahiatua		13	13	-	-	-	-	-	-	-	-	-
Swimming Pools Total		106	54	3	5	6	6	6	6	6	7	7
Wastewater												
Aerators	Depreciation Reserve	100	-	24	15	-	-	-	33	-	-	28
Dannevirke membrane replacement	Depreciation Reserve	1,360	-	-	-	-	-	-	1,360	-	-	-
Dannevirke sewage treatment plant screen replacement	Depreciation Reserve	64	-	-	-	64	-	-	-	-	-	-
Eketahuna consent upgrade	Depreciation Reserve	16	5	-	-	11	-	-	-	-	-	-
Mains replacement	Depreciation Reserve	3,328	242	259	276	298	321	343	368	402	409	411
Manhole replacements	Depreciation Reserve	78	6	6	6	7	7	8	9	9	9	10
Pahiatua consent upgrade	Depreciation Reserve	16	5	-	-	11	-	-	-	-	-	-
Preventative mains renewals	Depreciation Reserve	592	50	52	54	56	58	60	62	64	67	70
Pump station	Depreciation Reserve	15	-	-	-	-	7	-	-	8	-	-
Resource consent discharge Dannevirke	Depreciation Reserve	20	20	-	-	-	-	-	-	-	-	-
Sewer pump replacement	Depreciation Reserve	35	2	2	2	2	3	4	4	5	5	6
Wastewater Total		5,625	330	343	354	448	396	415	1,836	488	490	524

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Water Supplies												
Chlorinator	Depreciation reserves	12	12	-	-	-	-	-	-	-	-	-
Chlorine analyser	Depreciation reserves	10	10	-	-	-	-	-	-	-	-	-
Dose pump	Depreciation reserves	11	-	-	3	-	-	4	-	-	4	-
Eketahuna resource consent	Depreciation reserves	43	-	-	-	-	-	-	-	-	-	-
Mains replacement	Depreciation reserves	3,587	277	296	317	340	365	389	418	373	395	416
Pahiatua resource consent	Depreciation reserves	47	-	-	-	-	-	-	-	-	47	-
Preventative renewals	Depreciation reserves	592	50	52	54	56	58	60	62	64	67	70
Pumps	Depreciation reserves	21	6	-	-	-	-	7	-	-	8	-
Telemetry	Depreciation reserves	34	-	-	15	-	-	-	19	-	-	-
Treatment Plant - Pahiatua, Akitio, Woodville, Eketahuna	Depreciation reserves	64	64	-	-	-	-	-	-	-	-	-
Woodville resource consent	Depreciation reserves	47	-	-	-	-	-	-	-	-	47	-
Water Supplies Total		4,468	419	348	389	396	423	460	542	438	568	485
Renewals Grand Total		86,923	7,552	7,318	8,026	8,260	8,171	8,310	10,401	9,103	9,647	10,134

Capital: Growth

	Funding	Total	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Cemeteries												
Eketahuna new berms	Rates	19	6	-	3	-	-	-	5	-	-	5
Mangatera develop new area	Rates	109	44	35	30	-	-	-	-	-	-	-
Mangatera new berms	Rates	20	3	-	8	-	-	3	-	-	-	5
Pahiatua new berms	Rates	13	3	-	-	-	4	-	-	-	5	-
Woodville new berms	Rates	13	-	3	-	-	-	5	-	-	-	5
Cemeteries Total		173	56	38	41	-	4	8	5	-	5	16
Growth Grand Total		173	56	38	41	-	4	8	5	-	5	16

Total Capital Expenditure

	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Growth	56	38	41	-	4	8	5	-	5	16
Level of Service	6,607	6,755	6,154	1,508	2,466	2,975	3,259	4,420	337	2,151
Renewal	7,552	7,318	8,026	8,260	8,171	8,310	10,401	9,103	9,647	10,134
Total Capital Expenditure	14,214	14,112	14,221	9,768	10,641	11,293	13,665	13,524	9,990	12,300

Note 2: Statement of Reserves and Special Funds

Reserves

The Council has an obligation to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community; and to act in the best interest of its ratepayer.

The management of reserves forms an integral component of meeting these obligations.

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest.

Council has 25 reserves of which 24 are Council created discretionary reserves which the council has established for the fair and transparent use of monies. Reserves are not separately held in cash and the funds are managed as part of the council's treasury management.

These reserves are disaggregated into the following categories:

- Depreciation reserves.
- Special reserves (which is broken down into other special reserves).
- Trust Funds.

Depreciation Reserves

The Council's assets are depreciate as they are consumed. As such, the cost of this depreciation is passed on to the consumer through either rates or fees and charges. There will normally be a timing difference between the collection of this depreciation charge and the utilisation of it to fund renewal capital works. This will create movements in these reserves.

Description	Purpose of Fund	Opening Balance	Transfers in	Transfers out	Closing Balance
		2013 ('000)			2022 ('000)
Council Depreciation	To receive depreciation funded each financial year, less any outgoings to pay for capital renewal of assets or debt prepayment for amount borrowed to fund capital development. This is the only reserve that can be used to fund internal borrowing.	8,662	128,428	(91,971)	45,118
Makuri Water Scheme	To establish a depreciation reserve to fund the renewal of assets for this scheme.	7			7
Pongaroa Water Supply Depreciation	To establish a depreciation reserve to fund the renewal of assets for this scheme.	161	187		348
Tararua Aquatic Community Trust Wai Splash Depreciation	To establish a depreciation reserve to fund the renewal of major assets.	101	56		156
Bush Multisport Depreciation	To establish a depreciation reserve to fund the renewal of major assets.	63	35		98
Engineering Services (Consultancy) Depreciation	Depreciation fund to receive depreciation funded each financial year for the Engineering Services activity, less any outgoings to pay for capital renewal of assets or debt prepayment for amount borrowed to fund capital development.	181	495		676

Special Funded Reserves

The value of these reserves funds is that they allow projects to precede without distortion in the revenue patterns particularly rates. The reserve also provide a useful source of funds for an unforeseen requirement.

Council authorises the establishment of special funds and process for accumulating and utilising special funds. Approvals of specific uses are set out in the Long Term Plan, or in Council decisions.

Description	Purpose of Fund	Opening Balance 2013 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2022 ('000)
Tararua General Purpose	<p>Created for financing specific projects which shall be determined at Council's discretion.</p> <p>This reserve is also to receive:</p> <ul style="list-style-type: none"> • Proceeds from sale or disposal of assets where a particular function is discontinued, and for property sales. • Insurance monies received when buildings or property are damaged and not reinstated. • Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest. • Residual of all existing reserves which have outlived their original purpose and could therefore be usefully merged as a general purpose fund and so classified. 	1,244	309	(1,282)	271
Tararua Emergency Roading	To provide funds to re-establish the district's infrastructural assets following a disaster, together with funds received from Central Government. There is no plan to use this reserve other than if a disaster occurs.	1,909	1,501	(200)	3,210
Tararua Gratuity	This reserve is for staff who have qualified or qualify for gratuities.	288	83	(158)	213

Description	Purpose of Fund	Opening Balance	Transfers in	Transfers out	Closing Balance
		2013 ('000)			2022 ('000)
Tararua Housing	To account for any surplus from the housing activity and proceeds from sales/disposal of housing assets. These reserves will be used solely for the Housing activity.	285	1,527	(573)	1,239
Dannevirke Airport Authority	To account for any surplus from Dannevirke Aerodrome and proceeds from sales/disposal of Dannevirke Aerodrome assets. This reserve will be used solely for operation and capital expenditure for Dannevirke Aerodrome.	(19)	19	-	-
District Wide Cemetery	To accumulate funds from the purchase of cemeteries plots in the District. This reserve will be used solely for operation and capital expenditure for the Cemeteries activity.	58	32	-	90
Recreation Grant	To accumulate funds to support recreational projects in the district.	30	239	(100)	169
Tenant Contribution (Debt Repayment)	To account for and refund tenant contributions for leasing of Council's housing properties.	614	-	-	614
Heritage Reserve	To accumulate funds to be used to further the District land use outcomes. The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 2: Schedule of Heritage Resources.	41	135	(50)	126
Engineering Services (Consultancy) General	To account for surplus or deficit for Engineering Service's operations and consultancy work. Balance is this reserve may be used to assist in funding this activity's operations cost, if required.	101	56	-	157

Description	Purpose of Fund	Opening Balance 2013 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2022 ('000)
Biodiversity Protection	<p>To support:</p> <ul style="list-style-type: none"> • Sustainable management of the district's natural and physical environment • Protection and enhancement of the community's environment values <p>The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 3: Schedule of Natural Features (significant tress, vegetation and habitats landscapes.</p>	23	124	(50)	97
Election	To account for elections funds rate funded each year to spread out election cost in each lection year.	(25)	210	(150)	35
LAPP Disaster Fund	This reserve is created to accumulate funds to pay for Council's share of the mutual insurance liability under LAPP in the event of a major event experienced by LAPP member councils.	-	672	-	672
Waste Management Fund	To account for the waste management levies received. This reserve will be solely used to fund specific projects for this activity.	-	472	(40)	432
Domain Boards Bank Balances	To account for the bank balances of the Domain Board in trust.	316	175	-	491

Trust Funds

This special reserves are set up to receive bequest received from communities in the district for specific purpose. These funds are held in Trust for these specific purposes.

Description	Purpose of Fund	Opening Balance	Transfers in ('000)	Transfers out ('000)	Closing Balance
		2013 ('000)			2022 ('000)
Arts Council of New Zealand	To account for the annual grant that we receive from Creative New Zealand for allocation to support arts and cultural projects.	189	-	-	189
Mayoral Storm Relief Fund	To account for government assistance that Council receives to provide support (mainly for the welfare of farmers and businesses) major disruption in the Manawatu/Wanganui region.	7,761	-	-	7,761
Ormondville Play ground	Funds held on behalf of the Ormondville community to purchase playground equipment in the town.	1,257	-	-	1,257
Pahiatua Heritage Trust	Funds left over from the old Pahiatua Arts Council that has since been wound up. Will be used towards Heritage assets in the district.	19,545	-	-	19,545
Dannevirke Fairbrother Trust	Funds bequest by the Trust for projects that benefit the Dannevikre community.	125	-	-	125

Note 3: Depreciation Expense by Group of Activity

	Plan 2012	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Building Communities & Leadership	4	4	4	4	4	4	4	4	4	4	4
Community & Recreation Facilities	1,120	1,096	1,106	1,204	1,222	1,226	1,347	1,361	1,365	1,484	1,486
District Promotion & Economic Development	45	32	35	43	47	50	56	55	53	56	57
Regulatory Services	74	112	115	125	126	139	154	163	165	167	168
Roading & Footpaths	7,317	6,906	7,213	7,492	7,804	8,065	8,317	8,587	8,914	9,280	9,565
Solid Waste Management	48	327	331	340	341	341	349	349	350	359	358
Stormwater Drainage	228	193	207	216	225	235	255	280	290	308	321
Wastewater	775	765	882	994	1,076	1,126	1,176	1,223	1,272	1,328	1,386
Water Supplies	1,078	862	994	1,050	1,099	1,157	1,214	1,253	1,294	1,339	1,386
Total	10,668	10,296	10,888	11,470	11,944	12,342	12,872	13,276	13,707	14,324	14,732



Statement of Accounting Policies

Reporting Entity

Tararua District Council (Council) is a New Zealand territorial local authority governed by the Local Government Act 2002.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Basis of Preparation

Statement of Compliance

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These prospective financial statements have been prepared in accordance with NZ GAAP and NZ IFRS. The prospective financial statements incorporated within the ten year plan have been prepared in compliance with 'Financial Reporting Standards (FRS) 42: Prospective Financial Statements'.

The preparation of prospective financial statements in conformity with NZ IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that

are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, and financial instruments (including derivative instruments).

Functional and Presentation Currency

The financial statements are presented in the functional currency of New Zealand, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$'000).

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Significant Accounting policies

Revenue

Revenue is measured at the fair value of consideration received. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced quarterly within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Contribution Revenue

Development contributions and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Government subsidies

Council receives government grants from NZ Transport Agency, which subsidises part of Council's costs in providing the local roading infrastructure services. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of Goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash.

Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

Interest and Dividends

Dividends are recognised when the right to receive payment has been established.

Interest revenue is recognised using the effective interest method.

Construction Contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the Statement of Comprehensive Income.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.



Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the Prospective Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council will recognise finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts where applicable are shown within borrowings in current liabilities in the statement of financial position.

Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit.

When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the Prospective Statement of Comprehensive Income.

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Prospective Statement of Comprehensive Income.

Purchases and sales of financial assets are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories: fair value through profit or loss, held-to-maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses recognised in the prospective surplus or deficit.

Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each balance date. The resulting gain or loss is recognised in the prospective surplus or deficit as part of finance costs.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits, community and related party loans.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the Prospective Statement of Comprehensive Income.

Loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the

face value and present value of expected future cash flows of the loan is recognised in the Prospective Statement of Comprehensive Income as a grant.

Held to Maturity Investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the Prospective Statement of Comprehensive Income.

Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. Council's financial assets at fair value through equity comprise local authority stock and investments in quoted and unquoted shares.

Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 'Consolidated and Separate Financial Statements' and NZ IAS 28 'Investments in Associates') whereas this category is to be measured at fair value.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in equity except for impairment losses, which are recognised in the Prospective Statement of Comprehensive Income. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Prospective Statement of Comprehensive Income.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Impairment of Financial Assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Prospective Statement of Comprehensive Income.

Loans and Other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Prospective Statement of Comprehensive Income. When the receivable is uncollectable, it is written off against the allowance account.

Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the Council will not be able to collect amounts due to the original terms of the instrument. Significant financial

difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Quoted and Unquoted Equity Investments

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Prospective Statement of Comprehensive Income) is removed from equity and recognised in the Prospective Statement of Comprehensive Income.

Impairment losses recognised in the Prospective Statement of Comprehensive Income on equity investments are not reversed through the Prospective Statement of Comprehensive Income.

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Prospective Statement of Comprehensive Income.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property Plant and Equipment

Property, plant and equipment consist of:

Operational Assets

These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

Infrastructure Assets

Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Restricted Assets

Restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Prospective Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction, investment properties, biological assets, and the museum, art gallery and heritage assets are not depreciated.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset Category	Useful Life	Depreciation Rate
Operational & Restricted Assets		
Buildings	15–80	(1.3%–6.7%)
Computer equipment	3–5	(20%–33%)
Furniture and fittings	5–10	(10%–20%)
Landfill post closure	25–40	(2.5%–4.5%)
Leasehold Development	3–20	(5%–33%)
Library Books	1–10	(10%–100%)
Motor vehicles	5–10	(10%–20%)
Plant and equipment	3–25	(4%–33%)
Swimming pools	15–50	(2%–6.7%)
Infrastructural Assets		
Roading		
Top surface (seal)	15–18	(5.6%–6.7%)
Top Surface (Unsealed)	1	(100%)
Pavement (seal base course)	30–90	(1.1%–3.33%)
Pavement (unsealed base course)	Not depreciated	
Sub-base (Rural)	Not depreciated	
Sub-base (Urban)	40	(2.5%)
Formation	Not depreciated	

Asset Category	Useful Life	Depreciation Rate
Culverts	50–100	(1%–2%)
Kerbing	25–100	(1%–4%)
Footpaths	10–100	(1%–10%)
Signs	8	(12.5%)
Streetlights	12–30	(3.3%–8.3%)
Bridges	50–100	(1%–2%)
Sewerage Network		
Pipes & Manholes	60–120	(0.8%–1.7%)
Treatment Ponds	80	(1.3%)
Pumps	10	(10%)
Flow Monitoring Equipment	10	(10%)
Stormwater		
Pipes	80	(1.3%)
Manholes	100	(1%)
Water Network		
Monitoring Equipment (hardware)	10–20	(5%–10%)
Monitoring Equipment (software)	5	(20%)
Pipes, Hydrants, Valves	50–120	(0.8%–2%)
Treatment Plants	10–100	(1%–10%)
Pumps	15–25	(4%–6.7%)
Tanks	40–100	(1%–2.5%)
Waste Management	2–17	(5.9%–50%)
Items under construction	Non depreciable	

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

Revaluations	Frequency
Infrastructural Assets	Annually
Roads (except land under roads)	Annually
Bridges	Annually
Sewerage	Annually
Stormwater	Annually
Water	Annually
Land	Every 3 years
Restricted Assets	Every 3 years
Buildings	Every 3 years

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Prospective Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Prospective Statement of Comprehensive Income will be recognised first in the Prospective Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems

Infrastructure assets are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. The most recent valuation was performed by Ray Cannon BTech Civil Engineering (UK), Council's Consultancy Roading Manager and engineer,

and reviewed by Registered Valuers, John Vessey BE BA MIPENZ MACENZ at Opus, using optimised depreciated replacement cost. These assets are revalued annually as at 30 June.

Operational and Restricted Land and Buildings

These are revalued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Registered Valuer, Kerry Stewart BCom VPM PGDip(Com) SNZPI, Quotable Value New Zealand and the valuation is effective as at 30 June 2009. They are valued on a three yearly cycle.

Land Under Roads

Land under roads, was valued based on fair value of adjacent land as determined by reference to the Council rating data. Subsequently, this has not been revalued.

Unformed or Paper Roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the statement of financial position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to value. In addition there is a very limited market for sale to the surrounding or adjacent property owner, and cannot be measured reliably because of the small individual area of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

Library Collections

The Library books were valued by "Bookseller" of Palmerston North prior to purchase by Council on 30 September 2003 and will be carried forward as deemed cost from 1 July 2005. These are depreciated on a straight line basis at lives of 1 to 10 years. The NZ Genealogical Cemetery records are recorded at cost less aggregate depreciation and these are assumed to have a useful life of ten years.



Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Council's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets".

Goodwill on acquisition of associates is included in "investments in associates" and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in Prospective Statement of Comprehensive Income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

	Useful life	Depreciation Rate
Computer software	3 years	33%

Forestry Assets

Forestry assets are revalued annually at fair value less estimated point of sale costs. An independent peer review is undertaken of the valuation. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Prospective Statement of Comprehensive Income.

The costs to maintain the forestry assets are included in the Prospective Statement of Comprehensive Income.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the Prospective Statement of Comprehensive Income. Investment properties are not depreciated.

Creditors and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows. If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Prospective Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Prospective Statement of Comprehensive Income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Prospective Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Prospective Statement of Comprehensive Income.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Prospective Statement of Comprehensive Income.

Livestock

A small number of deer are kept for recreational purposes and are revalued each year according to Inland Revenue livestock values at national standard cost.

Employee Benefits

Short-Term Benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-Term Benefits

Long Service Leave and Retirement Leave

These are long-term employee benefits that are assessed on an actuarial entitlement basis at current rates of pay.

Council also makes provision for annual leave and sick leave for some Infracon Limited staff. This liability is based on the amount owed to employees at time of the Company's inception.

Superannuation Schemes

Defined Contribution Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Prospective Statement of Comprehensive Income as incurred.

Defined Benefit Schemes

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.



Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability, Council will be required to reimburse a holder for a loss incurred and is disclosed as a contingent liability.

Borrowing

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Accumulated funds
- Revaluation reserves
- Special funded reserves
- Trust funds

Special Funded and Council Created Reserves

Special funded reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Council's Treasury Policies and Long Term Council Community Plan allow internal borrowing against these reserves on the basis they will be reimbursed over time or at time of need.

Trust Funds

Trust funds are those subject to specific conditions accepted as binding by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using specific cost driver.

Statement of Cash Flows

Cash means cash and cash equivalent balances on hand, held in bank accounts, demand deposits and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Council invests such assets as part of its day to day cash management.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. They include cash received from all revenue sources (such as rates, taxes and government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of non-current assets, which are intended to generate future income and cash flows. Investing and financing activity transactions have had their respective sources and applications of cash netted off where roll over of financing has occurred and where there have been transfers between Council bank accounts.

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

Critical Accounting Estimates and Assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

The appropriate note discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Prospective Statement of Comprehensive Income.

To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers are used in performing or reviewing the Council's infrastructural asset revaluations.

Critical Judgements in Applying Council's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies for the periods ending 30 June 2012-2022.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's housing policy. These properties are accounted for as property, plant and equipment.

Group prospective Financial Statements are not Included

The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users.

The main purpose of prospective financial statements in the Long Term Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service.

The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distribution from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

Prospective Financial Information

The financial information contained within this document is prepared in accordance with the accounting standard FRS 42. The purpose for which it has been prepared is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cashflow of Council.

The actual results achieved for any particular financial year is also likely to vary from the information presented, and may vary materially depending on the circumstances that arise during the period.

No actual results have been incorporated within the prospective financial statements.

Cautionary Note

The forecast financial statements are prepared based on best estimates available at the time of preparing the accounts. Actual results are likely to vary from information presented and the variations may be material.

The purpose of this plan is to consult with the community on the spending priorities outlined within the plan, and may not be appropriate for any other purpose. Following the consultation period there may be changes made to the plan. The final plan will be adopted 27 June 2012.

Authorisation for Issue

The Council is responsible for these prospective financial statements, underlying assumptions and other related disclosures.

This document was authorised by Council on, and is dated 27 June 2012.

Rounding

There will be rounding of numbers in the Plan as the model used calculates to the dollar but the Plan is rounded to the nearest thousands.

Long Term Plan Significant Forecasting Assumptions and Risks

For the 10 Years from 2012 to 2022

The assumptions made by Council in preparing this Long Term Plan form an important part of the financial forecasts. These assumptions include the number of properties requiring Council services, the cost of borrowing to fund new infrastructure, cost increases for a range of materials and services and other major factors outside of Council control such as climate change and government legislation. Schedule 10 (section 17) of the Local Government Act 2002 contains provisions relating to "significant forecasting assumptions". The Act requires that Council identifies the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

The Council has made a number of assumptions in preparing this 10 year Long Term Plan. The assumptions ensure that all estimates and forecasts are made on the same basis across all Council activities. The assumptions underlying the prospective financial information are as at 30 June 2012. These assumptions apply for the ten year period of the Plan.



Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Population growth - Council has projected that over the 10 years, the district population will increase slightly by 1% with the total population in 2022 at 17,800 compared to 17,634 estimated in 2012.	Population growth is significantly higher than assumed.	Low	Low	Significantly higher population growth will put pressure on existing infrastructure and Services. Council will need to find ways of raising additional extra revenue required to meet the increase level of service due to growth or consider lower levels of service.	Higher than expected population growth will mean Council's rating base will increase allowing Council to collect more rates while maintaining the same level of rates. Council's balance sheet also has sufficient capacity to meet increase levels of service due to growth.
	Population in the district will significantly decline.	Medium	Medium	A significant decrease in district population would mean a smaller ratepayer base will be expected to meet the increasing infrastructure cost or will Council will need to reduce the lower level of service to maintain rates at an affordable level.	Despite a trend of a reducing population, the number of rateable properties has not varied significantly over the past 18 years with the rating base being maintained. This is expected to continue. Council as part of its economic development activity has budgeted several projects to help bring businesses and people into the district.
	Population in particular sector may change significantly	Low	Medium	The demand for increased levels of service comes from a growth in population. An increase in either urban, rural or industrial/commercial sectors will put pressure on Council services and its ability to meet the additional demands.	Council has anticipated a slight increase in population and have incorporated this in the Long Term Plan. A shift in population growth or even decline in the three sectors would mean that Council will need to review its planned projects and their timing.
Societal changes – population is ageing faster than the national average.	Population will age significantly faster.	Low	Low	Demand on services for older people will increase.	Council has included in the Plan projects (for example, development and upgrading of housing units) to meet the increased demand where required.

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Natural disasters – There will be no natural disaster requiring emergency work that cannot be funded out of the budgetary provisions.	Natural disaster causing significant damage to infrastructure and disruption of service	Low	High	An earthquake may cause 10% destruction of Council's assets costing \$80m-\$90m	<p>Council provides funding for major disaster or civil emergency through Council's civil defence role, a funded provision for annual flood damage on roads, insurance of operational assets and utility assets, cash reserves and an emergency loan facility for infrastructure replacement.</p> <p>Council has cover for 40% of the cost from LAPP insurance and the remaining 60% from central government to manage this additional unexpected cost.</p> <p>Council has also created a reserve to accumulate funds to pay for Council's share of the mutual insurance liability under LAPP.</p> <p>However, deductables will be borne by Council and is estimated at 1% of total cost. Council has the emergency loan facility to cover the deductible expense.</p>



Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Climate Change – That any climate changes will not be significant during the 10 Year Plan period.	That there will be increasing intensity of climate related event(s) requiring emergency work that cannot be funded out of normal budgetary provisions.	Low	Medium	<p>The effects of climatic change on the East Coast is likely to mean more intense periods of rain, and also more severe droughts; both of which may impact on rural ratepayers ability to remain profitable and afford the costs of Council.</p> <p>Unexpected pressures may come on infrastructure requiring new capital developments such as stormwater control. Pressure will increase to fund these works.</p> <p>The effect of climate change on the World may continue to make NZ an attractive place to immigrate to with possible increasing demand on Council Services.</p>	<p>Council is already providing for many climate related risks within existing budgets such as prevention of infiltration of stormwater into sewerage from heavy rainfall, installation of larger roading culverts, development of new stormwater systems, construction of water storage facilities and identifying new sources of water in the Plan.</p> <p>Current NIWA analysis is that the climate is changing consistent to their model forecasts.</p> <p>The underlying inflation assumptions in this plan factor increasing insurance, fuel and food costs that underpin costs charged to council.</p>
Pandemic – the possibility of an influenza pandemic has not been considered in this Plan other than as part of existing Civil Defence functions and business continuity plans.	A pandemic will affect the ability to fund and conduct Council services to varying degrees.	Low	Medium	The impact on Council's finances will depend on the scale of the pandemic event.	Council has business continuity plans in place to help mitigate the operational and financial effect of the pandemic event.
Sale of investments in subsidiaries materialises during the Long Term Plan.	Council will sell its investment in subsidiaries within the 10 years of the plan.	Medium	Low	If Council sells its investment in subsidiaries it may use the proceeds to repay full or portion of the loan borrowed to fund the investment.	In the event subsidiaries are sold, there is no loss of income to Council. Money gained from the sale will be used to reduce debt thereby reduce interest cost.

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
<p>Inflation – Council has adjusted financial projections to reflect the estimated impact of inflation.</p> <p>Council has used the Local Government Cost Index (LGCI) forecasts of price level changes to calculate a weighted average inflation rate for each year of the plan. See table of inflation rates that follow.</p>	That actual inflation will be significantly different from the assumed inflation.	Medium	Medium	This will lead to misstatement in all financial statements. Council is particularly susceptible to imported oil price changes with about 50% of Council business being roading related and reliant on bitumen and diesel.	<p>The LGCI figures are estimated to be almost 50% above the normal expected Consumer Price Index.</p> <p>While individual indices will at times vary from what has been included in this Long Term Plan. Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5% to 3.5%.</p>
Asset life – useful lives of assets are as recorded in asset management plans or based upon professional advice. Refer to Accounting Policies for Depreciation Rates.	Assets wear out earlier or later than estimated	Years 1-3 Low; Years 4-10 Medium	Low	The financial effect of the uncertainty is likely to be immaterial. Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated.	Impact of increased depreciation and interest cost could be mitigated as capital projects could be reprioritised in the event of early expiration of assets or funded through use of internal borrowings.
<p>Revaluation of Property, Plant & Equipment – these are noted in the accounting policy. The following assumptions have been applied to projected asset revaluations:</p> <ul style="list-style-type: none"> the revaluations will reflect the changes predicted by BERL. depreciation impact of inflation will be in the year following revaluation. value of non-depreciable assets (e.g. land) is forecast to remain constant. 	That the BERL Forecasts will be materially incorrect, leading to misstatements, in particular in the depreciation charged and hence the rates levied.	Medium	Medium	<p>Increased valuations will increase depreciation and affect funding levels.</p> <p>A 10% increase in imported oil may increase construction prices by up to 4% resulting in an increase in depreciation cost of \$400,000 (year 1) to \$425,000 (year 10).</p>	The 10 Year Plan for each subsequent year is reviewed by way of the Annual Plan round and a new 10 Year Plan is produced every three years.



Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Contracts – there will be no significant variations in terms of price from the re-tendering of operation and maintenance contracts and renewal of service level agreements, other than those variations recognised in this plan.	There is a significant variation in price from re-tendering contracts and renewal of service level agreements.	Low	Medium	The financial effect of the uncertainty is likely to be immaterial.	Contract have cost increase clauses included in the contract documents. Such cost increase are already factored in the financial forecast as inflation adjustments. Council is also able to review levels of service and budgets on an annual basis, either through the Draft Annual Plan or Long Term Plan processes.
Asset renewals – that the depreciation reserves will adequately fund the renewals of assets.	That there will be a shortfall in funds available to replace assets	Medium	Medium	The financial effect of the uncertainty is likely to be immaterial.	Council is able to access borrowings at levels forecast within the Long Term Plan.
NZ Transport Agency requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.	Changes in the subsidy rate and variation in criteria for inclusion in the subsidised works programme.	Medium	Medium	Variations in subsidy rates will increase/decrease Council's subsidy revenue by \$100,000 for every 1% change in subsidy.	NZ Transport Agency current subsidy funding is at 59% and fixed for three years after each review. The next review is due in 2015. Council is able to review levels of service and community expectations through the Draft Annual Plan and Long Term Plan processes.
Health and Environment subsidies will be available for Herbertville, Eketahuna and Akitio Sewerage and Herbertville, Eketahuna and Pongaroa water treatment developments	That the subsidy levels will not occur	Medium	Medium	\$3.6 million worth of subsidies for projects may not proceed or deferred. Debt and subsidy levels would reduce, and operational and depreciation costs would reduce. Council can decide to proceed with projects that are critical if subsidy is not available. These projects will either be funded internal or external loans.	Council is able to review levels of service and community expectations through the Draft Annual Plan and Long Term Plan processes.

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Development of wind farms will not have significant impact of Council renewals expenditure for the roading network.	Wind Farms will result in significant cost to Council in upgrades and renewals or their timing for the roading network.	Low	Low	Depreciation reserves will be required to fund this renewals. However, financial contribution from the power generators are expected to cover the full cost of the development and renewals. Council will also consider bring forward some renewals expenditure to take advantage of the required upgrades due to wind farm developments.	Council through the resource consent application process will ensure that conditions of development include adverse impacts on existing infrastructure and the environment.
Legislative changes – there will be no unexpected changes to legislation or other external factors that alter the nature of services provided by Council.	There are unexpected changes that alter the services provided by Council.	Medium	Low	Proposed legislative changes are likely to effect Council's finances through increased costs and lowered revenue.	It is difficult to adjust levels of service when they are driven by legislation, for example, new turnaround times for consent applications. Lower revenue within Building Services is likely to be off-set by less consents requiring processing. Increased cost can be recovered to increases fees and charges i.e. user pay.
Resource consents – conditions of existing resource consents held by Council will not be altered significantly. Any resource consents due for renewal during the 10 year period will be renewed accordingly.	Conditions of resource consents are altered significantly. Council is unable to renew existing resource consents upon expiry.	Medium	Low	The financial effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the Council needing to spend additional funds to enable compliance.	Council has a good working relationship with Horizons Regional Council and does not contemplate any material departure from these requirements over the next 10 years.
Forecast return on investments – Council has forecast the returns for significant investments. Refer to the schedule of indices.	Council will not achieve the forecast level of dividends.	Low	Low	That Council will not achieve the forecast rates of return leading to shortfalls in income.	The forecast dividend from TDC Holdings Limited is \$150,000 per annum. The level of dividend is dependent on the financial performance of the company and group. The Council has utilised historical results and future projections of the company to determine the forecast return.

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Expected interest rates on borrowings. Refer to the schedule of indices.	Prevailing interest rates will differ significantly from those estimated	Low	Medium	Based on Council projected borrowings levels, interest costs will increase/ decrease by between \$150,000 and \$100,000 per annum for every 1% movement in interest rates.	Interest rates are largely driven by factors external to the New Zealand economy. Council is not predicting a significant increase in borrowings over the 10 year period. Council has in place a interest rate strategy (swaps) to deliver greater certainty over the interest rate cost for the duration of the Long Term Plan.
Effect of Emissions Trading Scheme (ETS)	Impact of ETS on Council's operations will differ significantly from those estimated	Low	Low	<p>The council will face increased compliance and operating costs, which if significant enough may require higher fees and charges or increased rating requirements to fund them.</p> <p>The financial impact is not significant as Council's landfill operations have significantly reduced with the closure of Dannevirke and Pahiatua landfills.</p>	<p>Any direct impacts of the ETS through the potential price increase are assumed to be covered by the Council's inflation assumptions and thus factored into the forecasts.</p> <p>Specific ETS costs relating to Waste and landfill have been incorporated into those accounts and together with the adjusted revenue that will be received.</p>

Interest Rates on Borrowings

10 Year Long Term Plan	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Interest Rate (internal – based on interest income)	3.5%	3.5%	3.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Interest Rates (new external)	4.1%	4.5%	4.8%	5.5%	6.8%	6.8%	6.9%	6.9%	6.9%	6.9%

Interest Income

10 Year Long Term Plan	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Cash (Investments)	3.5%	3.5%	3.5%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Cumulative Inflation

The following Local Government Cost Index apply to the baseline 2012/13 figures and have been provided from Business and Economic Research Limited (BERL) as of October 2011.

Provision has been made for the effects of the Emissions Trading Scheme and Waste Levies.

We expect that this may affect different industries including local authorities quite differently.

	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Year 6 2018	Year 7 2019	Year 8 2020	Year 9 2021	Year 10 2022
Road	-	3.10	3.50	3.10	3.00	3.20	3.50	3.70	3.40	3.50
Property	-	2.90	2.90	3.00	3.10	2.80	2.80	3.00	3.30	3.30
Water	-	3.90	3.50	3.70	3.80	3.50	3.50	3.80	4.10	4.10
Energy	-	4.70	4.70	5.0	5.10	4.60	4.50	5.0	5.40	5.40
Staff/Private Sector Labour	-	2.40	2.40	2.60	2.60	2.40	2.30	2.60	2.70	2.70
Other	-	3.20	3.20	3.40	3.50	3.40	3.30	3.30	3.60	3.50
Average unweighted	-	3.37	3.37	3.47	3.52	3.32	3.32	3.57	3.75	3.75

Treasury Management Policy

The objective of this Policy is to control and manage costs and investment returns that can influence operational budgets, public equity and set debt levels.

Statutory Objectives

- All borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet the requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy.
- Tararua is governed by the following relevant legislation:
 - Local Government Act 2002, in particular Part 6 including sections 101,102,104 and 105.
 - Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act 1956 Part II Investments.
- All projected borrowings are to be approved by Council as part of the Annual Plan process or resolution of Council before the borrowing is affected.
- All legal documentation in respect to borrowing and financial instruments will be approved by Council's solicitors prior to the transaction being executed.
- Council will not enter into any borrowings denominated in a foreign currency.
- Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself.

- A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
 - The period of indebtedness is less than 91 days (including rollovers); or
 - The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

Council Objectives

- To manage investments to optimise returns in the long term whilst balancing risk and return considerations.
- Minimise Council's costs and risks in the management of its borrowings.
- Minimise Council's exposure to adverse interest rate movements.
- Monitor, evaluate and report on treasury performance.
- Borrow funds and transact risk management instruments within an environment of control and compliance under the Council approved Policy so as to protect Council's financial assets and manage costs.
- Arrange and structure long term funding for Council at the lowest achievable margin cost from debt lenders. Optimise flexibility and spread of debt maturity within the funding risk limits established by this Policy statement.
- Monitor and report on financing/borrowing covenants and ratios under the obligations of Council's lending/security arrangements.
- Comply with financial ratios and limits stated within this Policy.



- Monitor Council's return on investments.
- Maintain appropriate liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements.
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- Ensure that all statutory requirements of a financial nature are adhered to.
- To ensure adequate internal controls exist to protect Council's financial assets and to prevent unauthorised transactions.

Liability Management Policy

1.1 Borrowing Limits

Policy Statement

Council will manage its debt in accordance to limits set.

Debt will be managed within the following limits:

Item	Borrowing Limit
Net Debt as a percentage of equity	<10%
Net Debt as a percentage of total revenue	<100%*
Net Interest as a percentage of total revenue	<15%*
Net Interest as a percentage of annual rates income (debt secured under debenture)	<20%
Liquidity (External debt + committed loan facilities + available liquid investments to existing external debt)	>110%

*excludes non government capital contributions (e.g. developer contributions and vested assets) from revenue and government contributions netted from debt but excluded from revenues.

- Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue.
- Net debt is defined as total external debt less cash and cash equivalents.

1.2 Borrowing Mechanisms

Policy Statement

New borrowings and refinancing existing debt should be evaluated for cost effectiveness and compliance with policies.

Tararua is able to borrow through a variety of market mechanisms including issuing stock/bonds, commercial paper (CP) and debentures, direct bank borrowing, accessing the short and long-term wholesale/retail debt capital markets directly or internal borrowing of reserve and special funds.

Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.

1.3 Security

Policy Statement

Council assets may be pledged as security where it is advantageous and cost effective to do so.

Council's external borrowings and interest-rate risk management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Deed of Charge, Debenture or Debenture Trust Deed.

The security offered by Council ranks equally or pari passu with other lenders.

From time to time, and with Council approval, security may be offered by providing a charge over one or more of Council's assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance).
- Council considers a charge over physical assets to be appropriate.

- Any pledging of physical assets must comply with the terms and conditions contained within the Deed of Charge.

1.4 Debt Repayment

Policy Statement

Council should retain tax deductible debt ahead of non-tax deductible debt provided the benefits of doing so continue to exceed the risks.

The funds from all asset sales and operating surpluses will be applied to the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.

1.5. Guarantees/Contingent Liabilities and Other Financial Arrangements

Policy Statement

Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts, or business units, when the purposes of the loan are in line with Council's strategic objectives.

Council is not allowed to guarantee loans to Council-Controlled Trading Organisations under Section 62 of the Local Government Act.

Financial arrangements include:

- Rural housing loans
- Tenant contribution flats
- Rural water supply loans
- Advances to community organisations

Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed. Guarantees given will not exceed NZ\$1 million in aggregate.

1.6. Internal Borrowing of Special and General Reserve Funds

Policy Statement

Council may authorise use of special funds to reduce the requirement for external debt when there is financial benefit to borrow internally.

Given that Council may require funding for capital expenditure cash shortfalls over the remaining life of the existing special and general reserve funds, where such funds are deemed necessary they should be used for internal borrowing purposes when external borrowing is required.

Any internal borrowing of special funds used must be reimbursed for interest revenue lost.

1.7. Capital Works Funding and Debt Period

Policy Statement

Capital works will be funded through raising new debt or by utilising depreciation reserves when such reserves exist for the classes of assets.

The use of long-term loan funds will be restricted to capital items only.

Capital works will be funded through raising new debt or by utilising depreciation reserves where such exist for the classes of assets.

Term debt greater than one year will not be used to fund annual operational expenditure.

1.8. Departures from Normal Policy

The Council may, in its discretion, depart from the Liability Management Policies where it considers that the departure would advance its broader social or other policy objectives. Any resolution authorising a debt instrument under this provision shall note that it departs from the Council's ordinary policy and the reasons justifying that departure.



Investment Policy

Policy Statements

The Council may hold financial, property, forestry, and equity investments if there are strategic, economic or other valid reasons.

The Council will not be involved in investments for purely income earning purposes, except for short-term investment of surplus funds.

The Council will keep under review its approach to all major investments and the credit rating of approved financial institutions.

The Council will review its policies on holding investments at least once every three years.

2.1. Objectives

In its financial investment activity, Council's primary objective when investing is the protection of its investment capital and that a prudent approach to risk/return is always applied within the confines of this policy. Accordingly, only approved credit worthy counterparties are acceptable. The Council will act effectively and appropriately to:

- Protect the Council's investments and ensure they are risk averse and secure.
- Ensure the investments benefit the Council's ratepayers.
- Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

2.2. Acquisition of New Investments

With the exception of financial investments, new investments are acquired if an opportunity arises and approval is given by the appropriate Council committee, based on advice and recommendations from Council officers.

Before approving any new investments, Council gives due consideration to the contribution the investment will make in fulfilling Council's strategic objectives, and the financial risks of owning the investment.

2.3. Investment Mix

Council will maintain a prudent mix of investments

2.4. Utilisation of Investment Sales and Insurance Monies

Funds released from investment sales (after sale costs) or non reinstatement of damaged properties must be applied in the following order of priority:

- Repayment of any associated debt.
- Repayment of debt, which incurs interest at a rate well above the rate able to be earned on the proceeds where costs are justified.
- Placement of funds in reserves to the extent that the reserve is under funded and/or is required for intended future events.
- Purchase of assets/capital works rather than borrowing for those assets at an interest rate well above the rate able to be earned on the proceeds.

2.5. Departures from Normal Policy

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

2.6. Investment Management and Reporting Procedures

Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves and a cash buffer maintained.

To maintain liquidity, Council's short and long-term investment maturities are matched with Council's known cashflow requirements.

The performance of Council investments is regularly reviewed to ensure Council's strategic objectives are being met.

Treasury investments will be reported on using the monthly, quarterly and Annual Report process.

Risk Management

Council will manage risk associated with the treasury function in accordance with the following risk management policies.

Policy Statements

Total amount of debt should be spread across the range of financial institution and maturity dates.

Variable debt compared to floating debt should be no greater than 50% of total external debt.

Hedging instruments can be used but they should not increase Council's overall risk and cost of hedging is justified.

Council's portfolio shall be arranged to provide, at all times, sufficient funds for planned expenditure and to allow for payment of its obligations as they fall due.

The risk of default in respect to any individual investment will be minimised by the selection of quality investment spread across different entities.



Policy on Financial Contribution

Introduction

Section 102(4) of the Local Government Act 2002 requires the Council to adopt a policy on development contributions (money or land required from developers under the provisions of the Local Government Act 2002) or financial contributions (money or land required from developers under the provisions of the Resource Management Act 1991 and the Tararua District Plan).

The Resource Management Act 1991 requires the Council to manage the effects of subdivision and development in a manner that promotes the sustainable management of the district's natural and physical resources. Contributions from subdividers and developers provide a means of offsetting, avoiding, remedying or mitigating the adverse effects of such activities.

Financial contributions (whether cash, land, works or services) may be required from developers where the cost of providing or upgrading the public infrastructure or utility service can be attributed to a development.

Requiring developers to pay the actual costs of extending services is considered to be an appropriate method of encouraging an efficient, consolidated, compact pattern of land use. It is recognised that the true costs of service provision for an extended network would include not only the actual cost of the extension, but also a share of the costs that have been invested by the community in the establishment of the existing service network.

As a general rule, the Council will use financial mechanisms to ensure that ratepayers do not subsidise land developers who are seeking to extend service networks to serve their subdivisions and developments while there is still spare capacity on the existing network.

Currently the district is not experiencing, nor forecasted to experience, demand for public infrastructure generated by growth, therefore no allowance has been made for capital expenditure to be funded from financial contributions during the term of the Long Term Plan.

Financial Contributions as Conditions of Resource Consents

Under section 5.1.6.3 of the District Plan contributions (whether cash, land, works or services) may be required as conditions of land use and subdivision consent in relation to the matters below. It should be noted that the amount or value of contributions (if any) will depend upon the circumstances of each resource consent application. The purpose, circumstances and maximum amount of financial contributions that may be imposed by the Council as a condition of consent is specified below:

(a) Provision of new roads and streets

Required where access cannot be provided from existing streets or where capacity of existing roads would be exceeded.

Maximum amount is the actual cost of building the road, including the value of the land.

(b) Upgrading and widening of existing roads

Required where development will result in need to upgrade the road.

Maximum amount is the actual cost of the work.

(c) Private rights of way, accessways and vehicle crossings

Construction and sealing may be required to ensure that there is no adverse effect on the roading network.

Maximum amount is the actual cost of the work.

(d) Off-street vehicle parking/loading spaces

Where on-site parking cannot be provided, Council may require a financial contribution to provide and maintain nearby public car parks.

Maximum amount is \$2,000 per car parking/loading space.

(e) Street lighting

Council may require the upgrading of street lighting where, as a result of a proposed development, it is deemed necessary.

Maximum amount is the actual cost of the work.

(f) Earthworks

Where earthworks are required to provide building areas, roads or services, Council may require the work to be carried out to a specified standard.

Maximum amount is the actual cost of the work.

(g) Water supply

To ensure that a satisfactory supply of water is provided to a development, Council may require a potable water supply to be established or connection to reticulated services to be made.

Maximum amount is the actual cost of the work.

(h) Sewage/wastewater disposal

Council may require either connection to an existing reticulated system, the upgrading of the system, or the establishment of on-site treatment and disposal.

Maximum amount is the actual cost of the work.

(i) Stormwater

Council may require drainage facilities to reduce the adverse effects of uncontrolled runoff of stormwater from new developments.

Maximum amount is the actual cost of the work.

(j) Landscape treatment/fences

Where it is desirable to reduce the adverse visual effects of a proposed development, or any existing facilities, the Council may require landscape treatment or fences.

Maximum amount is the actual cost of the work.

(k) Open spaces, reserves and public recreational facilities

Where major new developments will generate a significant increase in demand for and usage of facilities, or where there is an opportunity to protect and enhance important natural features or areas, Council may require financial contributions.

Maximum amount is:

- (i) In relation to building development, 0.5% of value of development
- (ii) In relation to subdivision, 5% of value of additional allotments.

(Note contributions will only be levied in areas that will be identified as being in need of such facilities in the Council's Reserves and Recreation Facilities Strategy – currently in preparation).

(l) Esplanade reserves/strips/accessways

Where a development is proposed along the margins of watercourses/waterbodies that are identified in the district plan as priority areas, the Council may require the provision of an esplanade reserve, strip or access strip.

Maximum amount is actual cost of vesting 20 metre wide area adjacent to watercourse/waterbody.

(Note priority areas still being identified. Until they are, Section 231 of the Resource Management Act applies, which requires a 20 metre wide esplanade reserve where new allotments are created along the bank of any river or lake or adjacent to the sea.)



Policy on Significance

1. Purpose

This policy is to be used by the Council to assist it in determining the significance of matters, proposals and decisions in a consistent manner.

Every decision the Council makes must be made in accordance with the decision making requirements set out in sections 77, 78, 80, 81 and 82 of the Local Government Act 2002. However, the nature, extent and detail of compliance that is appropriate in any particular case will be guided by the "significance" of the matter (see section 79). The level of "compliance" includes:

- The extent to which different options are considered;
- The degree to which benefits and costs are quantified;
- The extent and detail of information to be considered;
- The extent and nature of any written records to be kept of the manner in which council has complied (see section 79(1)(b)).

The significance of a matter will also assist in determining whether a special round of consultation is required, and the extent of information disclosed to the community, whether as part of consultation or in reporting to the community.

In addition, if a decision is determined to be "significant" in accordance with the general approach, criteria and procedures in this policy, a higher standard of compliance is required. Section 76(3)(b) requires that the Council must ensure, before a significant decision is made, that subsection 76(1) has been "appropriately observed".

It is also possible that a significant decision might be caught by section 97 (decisions that may only be taken if provided for in the Long Term Plan or section 88 (decisions relating to a change in mode of delivery that must be made by special consultative procedure).

2. "General Approach" and Criteria for Determining Significance

The Local Government Act 2002 requires local authorities to set out their "general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters" (s90(1)(a)).

The Act includes definitions of "significant" and "significance":

significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for, -

- (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter;
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.

In accordance with the definition of "significance", the Council will determine the significance of any issue, requiring a decision, by making judgements about the likely impact of that decision on:

- (a) the current and future social, economic, environmental, or cultural well-being of the Tararua district;
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
- (c) the Council's capacity to perform its role and carry out its activities, now and in the future and the financial, resources and other costs of doing so.

As part of its consideration the Council will take into account how important the decision, matter or thing is in terms of the achievement of, or ability to achieve, the community outcomes in the Long Term Plan.

Note

The following matters **must** be consulted on using the Special Consultative Procedure, regardless of the Policy on Significance:

- Long Term Plan
- Annual Plan
- The transfer of a strategic asset
- Constructing, replacing or abandoning a strategic asset
- Any decision which will significantly affect the capacity of Tararua District Council or the cost to Tararua District Council of an activity in the Long Term Plan.

3. Procedure for Determining Significance

The range of issues requiring decisions by local authorities is very wide and it is impossible to foresee every possibility. It is therefore decided that thresholds are not used to determine significance.

The criteria for determining significance is set out in Section 2; General Approach and Criteria for Determining Significance.

The following procedure will be used to determine significance:

- 1) Identification of an issue requiring a Council decision (generally by staff);
- 2) Assessment of significance by staff, using the criteria set out in Section 2;
- 3) If the matter is significant or there is any doubt about whether the matter is significant, the decision will be referred to Council for a determination of the significance of the matter. The referral may include recommendations from staff addressing the issue of significance and relevant considerations having regard to the criteria set out in Section 2 above.
- 4) If the matter is referred to the Council, the Council will make a finding as to the:
 - (a) degree of significance of the issue; and
 - (b) if the matter is "significant", the appropriate method of observing Section 76(1) of the Local Government Act in making that decision.

Advice from Council staff will, in normal circumstances, be included in the approved report format. Reports to Council will specifically consider the impacts of decisions as set out in the criteria above.

4. Strategic Assets

This policy must also list those Council owned assets, considered by the council to be "strategic assets" (Section 90(2)).

"Strategic asset" is defined in the Local Government Act 2002 as:

"...an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

- (a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in—
 - (i) a port company within the meaning of the Port Companies Act 1988:



(ii) an airport company within the meaning of the Airport Authorities Act 1966"

The assets and groups of assets that the Council considers to be strategic are:

- the roading network
- wastewater networks and treatment
- water supply networks and treatment
- rental housing
- TDC Holdings Limited

Policy on the Development of Maori Capacity to Participate in Council Decision-Making

The Local Government Act requires the Council to establish processes to provide opportunities for Maori to contribute to Council's decision-making processes, and consider ways that it may foster the development of Maori capacity to participate in Council decision-making.

Processes to provide opportunities for people to contribute to Council decision-making are set out in Council's Consultation Policy, and in the Local Government Act 2002 Part 6 Sections 76-92.

There is a need to especially consider Maori contributions as:

- partners in the Treaty of Waitangi.
- if a significant decision relates to land or a body of water, Council must "take into account the relationship of Maori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna and other taonga." (s.77.)
- Maori organisational forms and the iwi-hapu-whanau linkages are complex.

The Council has a Memorandum of Partnership with Rangitane O Tamaki Nui A Rua. This covers processes for engagement in decision-making.

During the term of this plan Council will consider, and further explore, further initiatives to develop its relationship with Maori so that Maori are better able to contribute to Council's decision-making. Possible initiatives include:

- Partners in the Treaty of Waitangi.
- Identification of the existing capacity for Maori to contribute and address any identified barriers.
- Strengthening of the partnership relationship with Rangitane.
- A stocktake of issues affecting Maori in the district.
- Consideration of good consultation protocols with Maori as part of the review of Council's consultation policy.



Assessment of Water and Sanitary Services

The Local Government Act 2002 requires that the Council identify and explain any significant differences between the Assessment of Water and Sanitary Services and the Long Term Plan.

Variation between territorial authority's long-term plan and assessment of water and sanitary services and waste management plans (Local Government Act 2002 – Schedule 10 (6))

- A long-term plan for a territorial authority must identify and explain any significant variation between the proposals outlined in the long-term plan and the territorial authority's—
 - (a) assessment of water and other sanitary services under Section 125;
 - (b) waste management and minimisation plans adopted under Section 43 of the Waste Minimisation Act 2008.

The following paragraphs detail the variations between the Long Term Plan and:

- Assessment of Water and Sanitary Services (2005)
- Waste Management and Minimisation Plan (2011)

* Local Government Act 2002 section 125 Requirement to assess water and other sanitary services.

- (1) A territorial authority must, from time to time, assess the provision within its district of—
- (a) water services; and
 - (b) other sanitary services

Assessment of Water and Sanitary Services

The Assessment of Water and Sanitary Services was a mandatory requirement under the original Local Government Act (LGA) 2002. This requirement was removed as part of the 2010 amendment to the Local Government Act 2002. Council is now expected to carry out an assessment "from time to time".

A full Assessment of Water and Sanitary Services was completed in 2005. Council has been making progress addressing all the major issues identified in the Assessment. These included:

- the need to meet the Drinking Water Standards (DWS);
- renew wastewater consents and undertake any required upgrades; and
- closure of the two major landfills.

Public Health Risk Management Plans have been prepared for all public water supplies including the Dannevirke, Pahiatua, Woodville and Eketahuna public water supplies over the last few years. Council has included in the Long Term Plan a range of projects to upgrade water systems to meet the 2005 Drinking Water Standards, and a series of wastewater upgrades that are linked to Horizons requirements and the Manawatu River Accord. As signatory to the Manawatu River Accord the Council is part of a successful joint application to central

government for a grant to upgrade the Dannevirke, Woodville and Pahiatua Wastewater treatment plants.

Stormwater management is being increased to comply with the One Plan with a series of assessments of the quality of stormwater discharges. Major stormwater diversion projects for Pahiatua and Dannevirke are included in the Long Term Plan.

There have been no significant changes to the management of cemeteries or public toilets. Demand is stable and projects are focused on renewals and the development of new burial plots as required.

Overall Council considers that this Long Term Plan contains no significant variation to the strategies and major issues contained in the Assessment of Water and Sanitary Services. The full review of all Council Asset Management Plans has provided updated costs and confirmation of the strategies.

Waste Management and Minimisation Plan

Council adopted a Waste Management and Minimisation Plan (WMMP), as required by the Waste Management Act 2008, in December 2011. The Waste Management and Minimisation Plan signalled a review of levels of service with the new Dannevirke transfer station and the intention to increase recycling services. This Long Term Plan includes a continuation of a strong emphasis on recycling, as well as consolidation of solid waste disposal facilities. A new Pahiatua recycling centre was opened in February 2012, as well as changes to the way bulk recycling bins are managed. The new Pahiatua transfer station to be established in 2012/13 was not stated in the Waste Management and Minimisation Plan. However, this changes the flow of solid waste rather than the volume. The new transfer station is only planned to be open eight hours a week.

Overall Council considers that this Long Term Plan contains no significant variation to the strategies and major issues contained in the Waste Management and Minimisation Plan.

Council-Controlled Organisations

The Tararua District Council operates several Council-Controlled Organisations (CCO's) and Council-Controlled Trading Organisations (CCTO's).

The organisations independently manage their own facilities, deliver services, undertake developments, set their own key performance indicators, and generally act to achieve their own particular objectives.

The following table sets out the name of the organisation, a brief history, the nature and scope of activities, and the key performance measures.

Organisation	Significant Policies and Objectives	Nature and Scope of Activities	Key Performance Targets
<p>TDC Holdings Limited</p> <p>100% Owned by Tararua District Council.</p> <p>A Council-Controlled Trading Organisation.</p>	<p>This is a holding company established in 1997 to manage Council's investments in CCTO's.</p> <p>Its objective is to operate a successful investment business and to ensure Council obtains an adequate return on its investments.</p>	<p>The core investment of the Company is a 66% interest in Infracore Limited and a 100% interest in Tararua Forests Limited.</p> <p>The company will effectively and efficiently manage its subsidiary companies and will address business opportunities within the group.</p> <p>The company will approve the subsidiaries' strategies, directions, and Statements of Intent, monitor performance, and report half-yearly to Council.</p>	<p>To prepare and agree with Council on an Annual Statement of Intent by 30 June each year.</p> <p>To consider and agree with subsidiaries on their Statements of Intent during March-June each year.</p> <p>To monitor the subsidiaries performances against established targets.</p> <p>To report twice yearly to Council on the subsidiaries' performances and at earliest opportunity on any significant problems or issues relating to the company or subsidiaries.</p> <p>To comply in every respect with all legal requirements, with the company's constitution, and with the Statement of Intent.</p>



Organisation	Significant Policies and Objectives	Nature and Scope of Activities	Key Performance Targets
<p>Infracon Limited</p> <p>66% owned by TDC Holdings Limited, and 34% owned by Central Hawkes Bay District Council.</p> <p>A council-controlled trading organisation.</p>	<p>This primary objective is to provide competitive and quality service to a wide range of customers by creating a stimulating and rewarding environment for the staff.</p> <p>The secondary objective is to add value for the shareholders and their respective communities.</p>	<p>Infracon Limited's primary activity is the management and execution of infrastructural maintenance particularly in the areas of local authority roading and utilities. The Company undertakes work in the areas of:</p> <ul style="list-style-type: none"> • Road and bridge maintenance contracts. • Utilities and services maintenance. • Parks and reserves maintenance. • Civil engineering contracts for Transit New Zealand, local authorities and private customers. • General plant hire. • Crushing and quarry operations. • Refuse collection and disposal • Supply of readymix concrete • Other works which are incidental or conducive to the attainment of operating as a successful business. 	<p>Ratio of shareholders funds to total assets – 55% minimum.</p> <p>Ratio of net profit before tax to shareholders funds 13-15% minimum.</p>

Organisation	Significant Policies and Objectives	Nature and Scope of Activities	Key Performance Targets
<p>Tararua Forests Limited</p> <p>100% owned by TDC Holdings Limited.</p> <p>A council-controlled trading organisation.</p>	<p>Established in 1994 to manage and develop forests and forestry rights in the Tararua district.</p> <p>Its principle objectives are:</p> <ul style="list-style-type: none"> To pursue management practices, business and market opportunities in order to maximise profitability. To utilise joint ventures as a mechanism for further development of a sustainable forest base. To develop a management and financial plan for the ongoing activities of the company and monitor progress to ensure that the company achieves its objectives. To be a responsible corporate citizen. 	<p>Activities of the company are focused upon the development of profitable forestry, yielding financial and other benefits.</p> <p>These activities include:</p> <ol style="list-style-type: none"> Managing the forestry asset. Harvesting the forests at the appropriate times. Replanting of harvested areas. Expanding the forest area. Offering forestry management services to Tararua District Council and others. 	<p>Ratio of shareholders funds to total assets – 60% minimum.</p> <p>Ratio of net profit before tax to shareholders funds – 7% minimum.</p>
<p>Manawatu-Wanganui LASS Limited</p> <p>14% owned by Tararua District Council, together with six neighbouring Councils each owning 14%.</p> <p>A council-controlled trading organisation.</p>	<p>The Company was incorporated in 2008 by the seven Council's to take advantage of shared services between the Local Authorities</p>	<p>The aim of the Company is to investigate areas where combined purchasing power of the Council's can be used to reduce operating costs and so pass on savings to their ratepayers.</p>	
<p>Tararua Aquatic Community Trust</p> <p>A council organisation.</p>	<p>Created by a Deed of Trust in 1993 to provide and maintain a comprehensive indoor swimming complex for the district.</p>	<p>The Trust's objective is to provide and maintain a comprehensive indoor swimming pool and related services, in the Tararua district for the benefit and welfare of the citizens of the Tararua district. The budgeted base funding is \$180,000 + GST. Council is committed to support this district wide facility through grants and other loan funding.</p>	<p>To comply with the terms and conditions listed in the Management Agreement between the Trust and Council.</p> <p>To provide an audited set of Annual Accounts and Chairman's report to Council by 31 September each year.</p> <p>To provide a safe healthy environment for the customers of the complex at reasonable prices.</p>



Organisation	Significant Policies and Objectives	Nature and Scope of Activities	Key Performance Targets
<p>Tararua Safer Community Council</p> <p>A council organisation.</p>	<p>Commenced in 1995. Sponsored by Council under an agreement with the Crime Prevention Unit of the Ministry of Justice, it is the co-ordinating group for more than 20 community organisations. In addition it aims to encourage the development of new initiatives in crime prevention.</p>	<p>The mission of the Tararua Safer Community Council is to co-ordinate existing community crime prevention programmes and to plan for, and encourage the development of new programmes within the context of a local crime prevention plan.</p> <p>The co-ordinator works with a variety of organisations throughout the Tararua district, assisting with crime prevention strategies, funding proposals, organisational policy advice, and project development.</p>	<p>To report regularly to Council on its activities.</p> <p>To provide office facilities and administrative support in terms of agreed arrangements.</p> <p>To provide six-monthly reports to the Crime Prevention Unit.</p>

District Statistics

General Statistics

Description	Total
Population (June 2011)	17,634
Rateable Assessments (June 2011)	10,599
Non Rateable Assessments	660
Total Assessments	11,179
Area (ha)	427,000
Net Capital Value (\$m)	2,356
Rateable Land Value (\$m)	1,465
Rural-Metal Roads (km)	777
Rural-Sealed Roads (km)	1,095
Urban-Metal Roads (km)	0.54
Urban-Sealed Roads (km)	86
Total Roads (km)	1,956

Resource Management

Description	Total
Resource consents issued 1 July 2010 to 30 June 2011	38
Landuse consents	17
Subdivision consents	28
Building consents issued	404
Registered dogs as at 30 June 2011	6,729
Licensed food premises as at 30 June 2011	115

Utilities

Description	Total
Bridges	394
Water Supplies	
Urban	6
Independent	4
Sewerage Systems	7
Solid Waste Disposal Sites	5
Stormwater/Drainage Systems	4

Buildings

Description	Total
Major Halls	5
Sports Facilities	4
Public Conveniences	17
Libraries	3
Pensioner Flats	107

Recreation Facilities, Parks & Reserves

Description	Total
Camping Grounds	3
Swimming Pools	4
Cemeteries	20
Major Parks & Reserves	9

Vehicles

Description	Total
Cars	11
Utilities	13
Fire Appliances	4



Mayor and Councillors

His Worship the Mayor



R A (Roly) Ellis

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North Ward Councillors



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Dodunski**

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06 374 5450
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Cr D A (David) Roberts

PO Box 69
Dannevirke
06 374 6405
027 644 9459
david@dorrington.co.nz



**Cr C W (Chris)
Southgate**

PO Box 147
Dannevirke
06 374 2740
027 484 6576
cwsouthgate@xtra.co.nz

South Ward Councillors



**Cr W H (Warren)
Davidson**

RD 3
Eketahuna
06 375 8364
warwyn@infogen.net.nz



Cr S (Shirley) Hull

Mangahao Road
RD 3
Pahiatua
06 376 7283
hullo1@xtra.co.nz



Cr P A (Peter) Johns

23 Pinfold Road
Woodville
06 376 5991
027 442 7115
johnsandcompany@gmail.com



**Deputy Mayor
Cr W H (Bill) Keltie**

RD 1
Pahiatua
06 376 8996
carolandwillie@xtra.co.nz



Community Boards and Council Committees

Community Boards

Dannevirke Community Board

Generally meets on the first Monday of the month at 3:00pm.

Chairperson

Mr R P (Ray) Teahan
50 Allardice Street, Dannevirke 4930
06 374 9277
rayelaine@xtra.co.nz

Deputy Chairperson

Mrs C (Carole) Isaacson
RD 8, Umutaoroa, Dannevirke 4978
06 374 5577
huntzend@clear.net.nz

Councillor

Mrs J B (Brenda) Dodunski
2B Hunter Street, Dannevirke 4930
06 374 8054
dodoj@xtra.co.nz

Board Members

Mr R A (Bob) Dresser
22 Ries Street, Dannevirke 4930
06 374 6270
dresser234@msn.com

Mr W R (Ross) MacDonald
91 Piri Piri Road, RD 7, Dannevirke 4977
06 374 7996
rmacdonald@goldpine.co.nz

Eketahuna Community Board

Generally meets on the first Friday of the month at 10:00am.

Chairperson

Mr C C (Charlie) Death
Nireaha Road, RD 2, Eketahuna 4994
06 375 8503
deaths@inspire.net.nz

Deputy Chairperson

K A M (Katrina) Dimock
87 High Street, Eketahuna 4900
06 375 8213
dimock@xtra.co.nz

Councillor

Mr W H (Warren) Davidson
RD 3, Eketahuna 4994
06 375 8364
warwyn@info.gen.net.nz

Board Members

Mrs D F (Diana) Eagle
343 Parkville Road, RD 2, Eketahuna 4994
06 375 8356 027 434 7152
eagleeketahuna@xtra.co.nz

E H (Biddy) Fraser-Davies
36 Morgans Road, RD 2, Eketahuna 4994
06 375 8634
biddy@inspire.net.nz

Community Committees

Woodville operates its own autonomous community committee, Woodville Districts' Vision (Inc).

Pahiatua operates its own autonomous community committee, Pahiatua on Track (Inc).

Chief Executive's Performance Appraisal Committee

His Worship the Mayor – Mr R A Ellis (Chairperson)

Cr W H Davidson

Cr W H Keltie

Cr D A Roberts

Tribunal and Hearings Committee

Council Representatives

Cr W H Keltie (Chairperson)

Cr W H Davidson (Deputy Chairperson)

Cr P A Johns

Cr C W Southgate.



Management Team

Executive Staff

Blair King ME (Civil) MIPENZ
Chief Executive

Peter Wimsett CA, BBS
Manager Strategy & District Development

Mike Brown BBS, Mgmt Dip
Manager Environmental Services

Raj Suppiah CA
Chief Financial Officer

Kathy Dever-Tod
Manager Assets Group

Ray Cannon
Engineering Services Manager

Staff Numbers (full time equivalent)

	2011/12	2012/13
Council	54.0	56.4
Engineering Services	13.0	14.0
Total	67.0	70.4

Directory

Main Office and Council Chambers

PO Box 115 Dannevirke	26 Gordon Street Dannevirke
Telephone:	(06) 374 4080
Fax:	(06) 374 4137
General email:	info@tararua.govt.nz
Council website	www.tararua.govt.nz
District website	www.tararua.com

Service Centre Locations

Dannevirke

26 Gordon Street, Dannevirke
(06) 374 4080

Woodville

45 Vogel Street, Woodville
(06) 376 1010

Pahiatua

136 Main Street, Pahiatua
(06) 376 0110

Eketahuna

31 Main Street, Eketahuna
(06) 375 8149

Other

Bankers

Bank of New Zealand
Dannevirke

Auditors

Audit New Zealand
PO Box 149
Palmerston North
On behalf of the Auditor-General

Solicitors

Cooper Rapley
Palmerston North

Insurance Brokers

Aon New Zealand Ltd
Wellington

Local Authority Protection Programme
Wellington



Submissions

Submissions were received from the following organisations and individuals:

1	Akitio Ratepayers Committee	17	Carole Wilton	33	Eketahuna Our Town Committee	50	Gregory Kent
2	Andrea Hamblyn and Roger Broome	18	Charlie Death	34	Elliot Family Trust	51	Greta Chalmers
3	Andrew Donaldson	19	Chris Bone	35	Florante Arellano	52	Heart Foundation of New Zealand
4	Andrew Thompson	20	Chris Horrocks	36	Fonterra Co-operative Group Limited	53	Hinetewhiurangi Kani
5	Anglican Church	21	Clearspan	37	G Losch	54	Honor Bright
6	Angus McLanachan	22	Clifford and Margaret Oliver	38	Garrick Murfitt	55	Horizons Regional Council
7	Anonymous	23	Contact Energy Limited	39	Gary Groombridge	56	Ian Bailey
8	Barbara Barker	24	Cynthia Cass	40	Gaylene Braddick	57	Ian Fountaine
9	Barbara Reichenbach	25	Dannevirke Community Board	41	George and Joanna Taylor	58	Ian Riley
10	Barry Howe	26	Dannevirke Information Centre Inc	42	George Lawson	59	Islay Thompson
11	Bernadette Shearman	27	Dave Wolland	43	George Popow	60	Ivan Johanson
12	Beryl Knights	28	David and Eui-Sook Lane	44	George Ross	61	J C K Sweeney
13	Beth and Barry Archibald	29	Denise Gavin	45	Gerald Shone	62	Jane and Alan Elliott
14	Beverley Torstenson	30	Di Hawke	46	Graeme and Robyn Evans	63	Jean and Howard Harris
15	Bill and Diane Johnson	31	Donna Rayner	47	Graeme Evans	64	Jean Eddie
16	Bush Multisport Trust	32	Eketahuna Community Board	48	Graham and Deirdre Stephens	65	Jeffrey and Felicia Stibbards
				49	Greg and Sharon Cuttance	66	Jennifer Seator
						67	Jenny Kells

68	Jill Mills	94	Nick White	119	Tim Rayner
69	Joan Kennett	95	Nigel Gibbs	120	Tourism Tararua
70	John and Corrin McNaught	96	Norsewood War Memorial Community Hall Committee	121	Trevor Bennett
71	John and Leah Cordell	97	NZ Transport Agency	122	Trina Denton
72	John Haar	98	Oscar Oden	123	Valerie Bengston
73	Judy and Brian Coldstream	99	Pahiatua Information Centre	124	Verkleij Farming Limited
74	Judy Gleeson	100	Pahiatua On Track Inc	125	Vicky Barker
75	Julie Waring	101	Patja Green	126	Vision Manawatu
76	Keith and Patricia Holden	102	Paula Degraaff	127	Wairarapa REAP
77	Kelly and Margaret Brislane	103	Peter and Anne Greatbatch	128	Walker Bowyer
78	Kerry Hawke	104	Peter McDougall	129	Woodville Districts' Vision
79	Kevin and Cheryl Dawson	105	Physicians and Scientists for Global Responsibility		
80	Lindy Thompson	106	Powerco Limited		
81	Lynda Smith	107	Public Health Unit MidCentral Health		
82	M P and V G Todd	108	Pukaha Mount Bruce		
83	Manawatu Wanganui LASS Limited	109	R F and L M Scrimshaw		
84	Margaret Parsons	110	Rachel Crawford		
85	Marjorie Copestake	111	Serena Shannon		
86	Marjorie Gillespie	112	Sharon Senior		
87	Mary Salt	113	Shaun and Sue Morgans		
88	Mates Trust New Zealand	114	Sport Manawatu		
89	Maureen TeWake	115	Stuart Malins		
90	Meridan Energy Limited	116	Suzanne Flintoff		
91	Mighty River Power Limited	117	Tararua Federated Farmers		
92	Moanaroa Farming Company Limited	118	Tararua REAP		
93	Mrs P Ingram				



Glossary of Terms

Activity The operation of a facility or the provision of a service.

Asset Management Plan A plan, which identifies the current status of an asset, future renewal programme and options to meet growth due to demand/expansion.

Assets Assets are things that the Council owns such as roads, parks, footpaths, buildings.

Capital Development Is the creation of new assets or the addition of new components to existing assets that extend any assets service potential.

Capital Expenditure This is spending on new Council assets or replacing existing assets.

Capital Renewal Is the replacement of existing assets when they have reached the end of their useful life.

Capital Value The probable sale price of the freehold interest of the property if offered for sale at the time of valuation.

Community Board Selected community members/ward councillors to represent the interests of the community to Council.

Community Outcomes The community's priorities for the future of the district, identified through a community consultation process.

Cost of Service The true cost of performing an activity. Calculated as the total of direct costs, support costs, depreciation, interest and debt servicing.

Council-Controlled Organisation (CCO) means a council organisation that is:

- a) a company-
 - i) in which equity securities carrying 50% or more of the voting rights at the meeting of the shareholders of the company are-
 - A) held by one or more local authorities; or
 - B) controlled, directly or indirectly, by one or more local authorities; or
 - ii) in which one or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
- b) an organisation in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons,-
 - i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the organisation; or
 - ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the organisation.

Council-Controlled Trading Organisation (CCTO) A council-controlled organisation that operates a trading undertaking for the purpose of making a profit, formerly known as a Local Authority Trading Enterprise (LATE).

Depreciation The cost or value of the economic benefit of an asset used during a financial year.

Groups of Activities The Council's services are divided into nine groups of activities based on their relationship and the rationale for providing them.

Indicator Flag or signal that represent an issue of concern or which measure change or progress toward a desired outcome.

Infrastructural Assets Fixed utility systems that provide a continuing service to the community that are not generally regarded as tradeable. These assets include roads, water and sewerage services and stormwater systems.

Internal Recoveries Payment by one Council department to another in return for a service provided.

Land Value The probable price that would be paid for the bare land as at the date of valuation. The value includes development work such as drainage, excavation, filling, levelling, retaining walls, clearing, fertility build-up, flood protection.

Long Term Plan A plan which outlines the Council's programme for the next 10 years and how it will contribute to achieving the community outcomes. Formerly referred to as the Long Term Council Community Plan (or Community Plan).

Measure The actual piece of information or data used to gauge an indicator.

Mission This describes Council's basic purpose (its fundamental reason for being) and specifies the role Council is going to play in its environment.

Operational Expenditure All funding for providing services on a day to day basis, excluding renewal and capital expenditure.

Operating Revenue Revenue received as part of day-to-day activities. Includes user charges and rates but not capital revenue (such as new loans).

Performance Measure Measure by which organisational performance may be judged in relation to objectives.

Policy A course of action or set of parameters adopted by the Council or by management within which decisions can be made and action can be taken.

Private Benefit This occurs when individuals who benefit from a service can be clearly identified and therefore charged for that service. It applies to user charges, application fees, purchase price, and water by meter, though there are exceptions to the rule.

Public Benefit This relates to spending which benefits the community in general and for which no individual beneficiaries can be clearly identified.

Renewal Expenditure Funding for works that replace the existing assets over their projected lifetime. Generally funded from the depreciation reserve fund.

Reserve Funds Money set aside for a specific purpose. (See also Special Funds.)

Resource Consent This is permission to use resources such as land, water and air, granted under the Resource Management Act 1991.

Restricted Assets Assets that cannot be disposed of because of legal or other restrictions and that provide benefit or service to the community. They include reserves vested under the Reserves Act 1977, endowments and property held in trust for specific purposes.

Revenue Money received by Council.

Revenue and Financing Policy This is a statement about who should pay for the services provided by Council. The policy outlines who will benefit for each Activity and who should pay for it, taking into account fairness and what is practical.

Separate Rate A rate levied over a particular group of properties that receive or are capable of receiving a specific service or benefit additional to that provided by general rate funding.

Service Delivery Plan Outlines each of the Council's activities including service levels, performance measures, issues and future demand.

Significance This is the degree of importance of an issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impacts, and or likely consequences.

Special Funds Money set aside for a specific purpose. (See also Reserve Funds.)

Strategy Outlines how the district is going to undertake particular actions to deliver the community outcomes.

Submission Your opportunity to tell the Council your views on the Ten Year Plan. Submissions need to be made in writing.

Ten Year Plan A plan, adopted every three years, that sets the strategic direction for the Council over the next 10 years and outlines Council's contribution towards achieving the community outcomes. The Ten Year Plan is the same as the Long Term Plan. The term "Ten Year Plan" is used for ease of understanding.



Toby A valve situated at the property boundary for the purpose of controlling the flow of water to the property.

User fees and charges Fees charged to the community for use of specific services and facilities provided by the Council.

Vision Council's view of the future state of its community. It is used to inspire people into action, define future direction and implies that what we do now can influence and change the future for the better.