



Draft

Annual Plan

2019/20

YEAR TWO OF THE 2018–2028 LONG TERM PLAN



North Island

NEW ZEALAND



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 District stretches from Mount Bruce to north of Norsewood, and is bounded by the foothills of the majestic Ruahine and Tararua Ranges, and 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 district's rugged east coast at Herbertville and Akitio. These communities are one of the elements that make this district unique in New Zealand.

Around 95% of Tararua's 400,000 hectares is farmed and the district 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 district of rugged unspoiled landscape

DRAFT ANNUAL PLAN 2019/20

TARARUA DISTRICT COUNCIL

This document is the Draft Annual Plan of the Tararua District Council, for the period 1 July 2019 to 30 June 2020.

The Draft Annual Plan 2019/20 was adopted by Council on 27 March 2019.

**TARARUA DISTRICT COUNCIL
26 GORDON STREET, DANNEVIRKE 4930
PO BOX 115, DANNEVIRKE 4942**

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01

OVERVIEW

Guide to the Draft Annual Plan

There are five sections to this Annual 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 discloses the planned performance in relation to the financial benchmarks in our Treasury Risk Management Policy procedures.

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.

Part 3: Rates

This section contains the 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.

Part 5: General information

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

Associated documents

A comprehensive list of fees and charges will be found in 'Fees and Charges 2019/20'.

Other associated policies include:

1. Treasury Risk Management Policy and Procedures
2. Significance and Engagement Policy
3. Infrastructure Strategy
4. Remission Policy
5. Revenue and Financing Policy
6. Accounting Policies
7. Significant Forecasting Assumptions and Risks

The above policies can be found in the 2018–2028 Long Term Plan.

Annual Plan disclosure statement

for the year ending
30 June 2020

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Quantified Maximum Limit	Planned Limit	Met
Rates affordability benchmark			
Income	\$23,301,000	\$23,279,000	Yes
Increases	4.30%	4.20%	Yes
Debt Affordability			
Net debt as a percentage of total revenue	< 100%	70%	Yes
Net interest as a percentage of total revenue	< 7%	2.38%	Yes
Net interest as a percentage of annual rates income (debt secured under debenture)	< 10%	4.25%	Yes
Liquidity (external, term debt + committed loan facilities + available liquid investments to existing external debt)	> 110%	127%	Yes
Balanced budget benchmark	> 100%	114%	Yes
Essential services benchmark	> 100%	144.16%	Yes
Debt servicing benchmark	< 10%	2.51%	Yes

Notes

1. Rates affordability benchmark

- (1) For this benchmark,—
 - (a) the council's planned rates income for the year is compared within the weighted average local government cost index (BERL Local Government Cost Index) in any year plus two percent on rates contained in the financial strategy included in the council's long-term plan; and
 - (b) the council's planned rates increases for the year are compared with within the weighted average local government cost index (BERL Local Government Cost Index) in any year plus two percent] on rates increases for the year contained in the financial strategy included in the council's long-term plan.
- (2) The council meets the rates affordability benchmark if—
 - (a) its planned rates income for the year equals or is less than each quantified limit on rates; and
 - (b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2. Debt affordability benchmark

- (1) For this benchmark, the council's planned borrowing is compared with the following limits on borrowing contained in the financial strategy included in the council's long-term plan.
 - a) Net debt as a percentage of total revenue does not exceed 50%
 - b) Net interest as a percentage of total revenue does not exceed 7%
 - c) Net interest as a percentage of annual rates income (debt secured under debenture) does not exceed 10%
 - d) Liquidity (External, term debt + committed loan facilities + available liquid investments to existing external debt) exceeds 110%
- (2) The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3. Balanced budget benchmark

- (1) For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- (2) The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4. Essential services benchmark

- (1) For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5. Debt servicing benchmark

- (1) For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- (2) Because Statistics New Zealand projects that the council's population will grow [as fast as, or faster than, /slower than] the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than [10%/15%] of its planned revenue.

02

ACTIVITIES

Groups 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, water supplies, 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.

Explanation of activity pages

- Significant changes from the Long Term Plan – details the significant changes impacting the budgets in the Annual Plan.
- Funding impact statements – detail the sources and application of Council funds.
- What is the service provided – details the type of service Council is budgeting to deliver.
- Performance measures – describes what the community can expect to receive in terms of quality and quantity of service provided. Each level of service has corresponding performance measures and targets which allows the community to monitor performance.

Activities index

14	Building Communities and Leadership
19	Community and Recreation Facilities
30	District Promotion and Economic Development
35	Regulatory Services
42	Roading and Footpaths
48	Solid Waste Management
52	Stormwater
56	Wastewater
61	Water Supplies

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

Representation

Council Outcomes

This is how strongly the Council Outcomes relate to the Building Communities and Leadership activity.



Significant changes from the long term plan

Description	Type	Long Term Plan	Draft Annual Plan	Reasons
Community Support				
No significant variances				
Representation				
Reallocation of public relations cost	Operating	Nil	\$25,000	Cost for various items now allocated to this activity namely Council page in Bush Telegraph (and associated cost), and press releases.

Group level funding impact statement

Building Communities and Leadership

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,985	2,075	2,043	32
Targeted rates	-	-	-	-
Grants and subsidies operating	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	26	82	79	3
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	2,011	2,157	2,122	35
Applications of operating funding				
Payment to staff and suppliers	1,341	1,482	1,463	(19)
Finance costs	-	-	-	-
Internal charges and overheads applied	579	634	650	16
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,920	2,116	2,113	(3)
Surplus/(deficit) of operating funding (A - B)	91	41	9	33
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(30)	20	20	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(30)	20	20	-
Application of capital funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	30	31	30	
Increase (decrease) in reserves	30	31	(2)	(33)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	60	62	28	(34)
Surplus/(deficit) of capital funding (C - D)	(90)	(42)	(8)	33
Funding balance ((A - B) + (C - D))	-	-	-	-

Community Support

AIM

To support communities to support themselves.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Collaborative Council • 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 survey	75%
		All organisations receiving grants meet accountability requirements of Council	100%

Representation Performance measures

AIM

To enable democratic local decision-making and action by, and on behalf of, communities to meet the current and future needs of communities for good quality local infrastructure, local public services, and the performance of regulatory functions in a way that is cost-effective for households and businesses.

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Collaborative Council • Great lifestyle • Efficient infrastructure • Prosperous economy • Sustainable environment			
Good governance	Providing leadership to represent and make decisions in the best interests of the district and its communities	Percentage of residents rating the overall performance of the Mayor and Councillors as "fairly satisfactory" or "very satisfactory" in the community survey	75%
		Percentage of residents rating the overall performance of the community boards and community committees as "fairly satisfactory" or "very satisfactory" in the community survey	75%
Ensuring correct public processes are followed	Provide processes and community boards/committees through which the community can have its views heard	Percentage of Council committee meetings that meet the requirements of the Local Government Official Information and Meetings Act	100%

Community and Recreation Facilities

Activities in this group

- Cemeteries
- Community Buildings
- Housing
- Libraries
- Parks and Reserves
- Public Conveniences
- Service Centres
- Swimming Pools

Council Outcomes

This is how strongly the Council Outcomes relate to the Community and Recreation Facilities activity.



Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Draft Annual Plan	Reasons
Cemeteries				
No significant variances				
Community Buildings				
Increase in insurance premiums	Operating	\$81,000	\$100,000	The insurance premiums have increased due to hardening of the reinsurance market and increase in risk associated with earthquake and material damage.
Housing				
Increase in insurance premiums	Operating	\$39,000	\$68,000	The insurance premiums have increased due to hardening of the reinsurance market and increase in risk associated with earthquake and material damage.
Libraries				
No significant variances				
Parks and Reserves				
Increase in maintenance	Operating	\$303,000	\$324,000	Cost for maintenance contracts for upkeep of parks, reserves and camping grounds has increased.
Public Conveniences				
Increase in maintenance	Operating	\$160,000	\$173,000	Cost for maintenance contracts for cleaning of public toilets has increased mainly due to the change in frequency of cleaning.
Barraud Street toilet renewal	Capital	\$133,000	Nil	This project has been deferred one year while Council collects data on the facility usage to inform whether to renew or remove this facility.
Service Centres				
No significant variances				
Swimming Pools				
Increase in insurance premiums	Operating	\$7,000	\$15,000	The insurance premiums have increased due to hardening of the reinsurance market and increase in risk associated with earthquake and material damage.
Increase in management fee	Operating	\$368,000	\$394,000	Increase in management fee for Wai Splash. This relates to increase in cost to meet the pool safety requirements.

Group level funding impact statement

Community and Recreation Facilities

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,430	3,406	3,473	(67)
Targeted rates	1,751	1,843	1,887	(44)
Grants and subsidies operating	6	5	4	1
Fees and charges	744	773	764	9
Local authorities fuel tax, fines, infringement fees, and other receipts	415	415	351	64
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	6,346	6,442	6,479	(37)
Applications of operating funding				
Payment to staff and suppliers	3,852	3,770	3,888	118
Finance costs	64	69	60	9
Internal charges and overheads applied	1,329	1,379	1,400	(21)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	5,245	5,218	5,348	106
Surplus/(deficit) of operating funding (A - B)	1,101	1,224	1,131	69
Sources of capital funding				
Subsidies and grants for capital expenditure	100	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	162	(4)	76	(80)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	262	(4)	76	(80)
Application of capital funding				
Capital Expenditure:				
- to meet additional demand	80	143	140	(3)
- to improve the level of service	330	71	125	54
- to replace existing assets	1,250	791	835	44
Increase (decrease) in reserves	(297)	216	107	(109)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,363	1,221	1,207	(14)
Surplus/(deficit) of capital funding (C - D)	(1,101)	(1,225)	(1,131)	(66)
Funding balance ((A - B) + (C - D))	-	-	-	-

Cemeteries

AIM

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

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): 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 survey	90%
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	100%

Community Buildings

AIM

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

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Efficient infrastructure • Great lifestyle			
Buildings support a range of activities that enhance residents' lifestyle	Council provides community buildings that are fit for purpose	Percentage of residents rating community buildings as "fairly satisfactory" or "very satisfactory" in the community survey	90%
	Facilities are well-utilised	The increase from previous year in the total number of hours per annum facilities are booked through Council	> 1%

Housing

AIM

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

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Efficient infrastructure • Great lifestyle			
Council housing stock is fit for purpose	Housing units are maintained to a suitable standard	Percentage of housing units which, when inspected, are found to have maintenance issues which are more than minor	< 10%
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	90%

Libraries

Performance measures

AIM

To provide access to information, and to support life-long learning and literacy.

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Prosperous Economy • Great lifestyle			
Quality community space	Access to information	Library facilities are clean, welcoming, and open at times suited to the community based on an annual survey	90%
		Percentage of residents rating libraries as "fairly satisfactory" or "very satisfactory" in the community survey	90%
Supporting the education of children	Improve literacy and knowledge among the district's children	Percentage of customers satisfied with children's programmes (annual survey)	90%

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.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Great lifestyle			
People are proud of the district's parks and reserves	Our parks and park facilities are well presented	Percentage of residents rating parks and reserves as "fairly satisfactory" or "very satisfactory" in the community survey	90%
Community Outcome(s): Efficient infrastructure			
Facilities meet user needs	Our parks and reserves are in good condition	Number of recorded incidences where parks and reserves are found to be below the agreed maintenance standard	< 5
Playgrounds meet user needs	Playground equipment is safe to use and fit for purpose	Percentage of playgrounds in the district that had no faults under the AUS/NZ playground safety standard	95%

Public Conveniences

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
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AIM

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

Community Outcome(s): 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 survey	90%
		The number of complaints received per annum about the maintenance and cleanliness of public toilets (excluding graffiti and vandalism)	< 100
		Percentage of customer request responded to within 48 hours	85%

Service Centres

AIM

To provide an effective point of contact for the community to connect with Council.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Collaborative Council			
Customer Service staff are professional, knowledgeable, and courteous	Customers experience friendly, efficient and reliable service from Council	Percentage of customers who lodge faults/requests are satisfied with the service provided	85%
Customer Service staff respond to customer requests and enquiries promptly.	Customer requests are handled effectively and accurately	Average wait time for incoming calls	20 seconds
		Percentage of abandoned calls	< 5%
Council provide access to afterhours services	Responsive 24/7 phone service	Percentage of customers who lodge faults/requests are satisfied with the afterhours service received	90%

Swimming Pools

AIM

To provide funding support for community pools, which will promote community well-being.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Efficient infrastructure			
Public pools provided meet community expectations	Public swimming pools provide a quality visitor experience	Percentage of residents rating pools as "fairly satisfactory" or "very satisfactory" in the community survey	80%
	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	50 weeks
		The number of weeks each year outdoor pools are open for public use	> 10 weeks
Public swimming pools provide a safe swimming environment for the public	Pools meet the 'PoolSafe' safety standards		100%

District Promotion and Economic Development

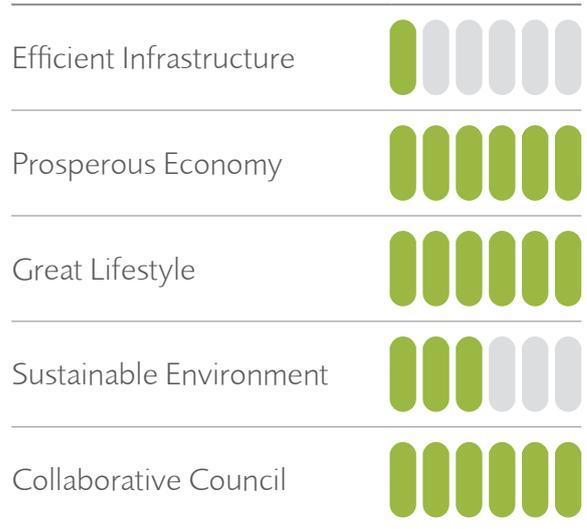
Activities in this group

Commercial Investments

District Promotion and Development

Council Outcomes

This is how strongly the Council Outcomes relate to the District Promotion and Economic Development activity.



Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Draft Annual Plan	Reasons
Commercial Investments				
No significant variances				
District Promotion and Development				
Reallocation of Public relations cost	Operating	\$25,000	Nil	Cost now allocated to representation, namely cost relating to Council page in Bush Telegraph (and associated cost), and press releases.

Group level funding impact statement

District Promotion and Economic Development

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	401	420	407	13
Targeted rates	601	631	611	20
Grants and subsidies operating	-	-	-	-
Fees and charges	7	7	7	-
Local authorities fuel tax, fines, infringement fees, and other receipts	243	54	38	16
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	1,252	1,112	1,063	49
Applications of operating funding				
Payment to staff and suppliers	746	678	684	6
Finance costs	10	26	12	(14)
Internal charges and overheads applied	291	306	303	(3)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,047	1,010	999	(11)
Surplus/(deficit) of operating funding (A - B)	205	102	63	39
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	480	541	553	(12)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	480	541	553	(12)
Application of capital funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	483	568	557	(11)
- to replace existing assets	36	-	-	-
Increase (decrease) in reserves	165	75	58	(17)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	684	643	615	(28)
Surplus/(deficit) of capital funding (C - D)	(204)	(102)	(63)	(39)
Funding balance ((A - B) + (C - D))	-	-	-	-

Commercial Investments

AIM

Commercial investments are managed to obtain optimal return for ratepayers.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
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Community Outcome(s): Efficient infrastructure

Properties do not become a burden to Council	Properties maximise returns to Council	Net operating surplus each year	> 5%
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District Promotion and Development

AIM

Improve the economic and social well-being of the Tararua District.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
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Community Outcome(s): Prosperous economy • Collaborative Council

Business development and growth	Coordinate workshops and/or seminars for business and community organisations	Number of workshops and/or seminars delivered	Minimum 10 per annum
	Undertake research and/or feasibility studies into economic development opportunities	Number of research reports and/or feasibility studies delivered	Minimum 2 per annum

Community Outcome(s): Prosperous economy • Collaborative Council • Great lifestyle

Visitor attraction and extension	Promote the Tararua at large events in and outside the district	Number of major events that Tararua is directly involved in	Minimum 5 events
Visitor attraction and extension; community development	Support community groups to run events in Tararua	Number of community events that are actively supported by Council	Minimum 10 per annum
Visitor attraction and extension	Provide professional customer service at the Tararua i-SITE	Percentage of i-SITE customers surveyed are satisfied with the services received	85%

Community Outcome(s): Collaborative Council

Community development	Council page content in Bush Telegraph and website is engaging and informative	Percentage of survey respondents that consider the Bush Telegraph Council page and website content useful or very useful (Public Voice Survey of over 600 residents).	65%
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Regulatory Services

Activities in this group

Animal Control

District Planning

Emergency Management

Health and Safety

Council Outcomes

This is how strongly the Council Outcomes relate to the Regulatory Services activity.

Efficient Infrastructure



Prosperous Economy



Great Lifestyle



Sustainable Environment



Collaborative Council



Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Draft Annual Plan	Reasons
Animal Control				
Increase in operating costs	Operating	\$338,000	\$379,000	The inclusion of a third animal control officer and a full-time administration staff to enable Council to meet the level of service and to better manage the risk associated with unregistered and roaming dogs.
Increase in legal fees	Operating	\$8,000	\$30,000	Increase in legal fees due to increase in enforcement activities.
Increase in dog registration fee	Operating	\$260,000	\$290,000	Increase in dog registration fees. This is to align the Fees and Charges to Council's pricing strategy and to remain compliant with Council's Revenue and Financing Policy.
District Planning				
No significant variances				
Emergency Management				
Decrease in Operating cost	Operating	\$203,000	\$179,000	In the 2017/18 year, the rural fire activity was transferred to FENZ. Following the transition year (2018/19), costs relating to this activity have become clearer. Overall, has resulted in a decrease in operating cost.
Health and Safety				
Increase in consultant and contract cost	Operating	\$8,000	\$63,000	The Quality Manager position previously held by an internal staff (Environmental Health Officer). With the resignation of the staff, the function is contracted out to an external consultant.
Increase in operating cost (excluding consultant cost above)	Operating	\$360,000	\$404,000	The Building Consent revenue has increased due to increases in Fees & Charges. This is to align the Fees and Charges to Council's pricing strategy and to remain compliant with Council's Revenue and Financing Policy.
Increase in building consent revenue	Operating	\$360,000	\$400,000	The building consent revenue has increased due to increases in Fees & Charges. This is to align the Fees and Charges to Council's pricing strategy and to remain compliant with Council's Revenue and Financing Policy.

Group level funding impact statement

Regulatory Services

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,341	1,415	1,467	(52)
Targeted rates	-	-	-	-
Grants and subsidies operating	-	-	-	-
Fees and charges	882	899	945	(46)
Local authorities fuel tax, fines, infringement fees, and other receipts	15	15	25	(10)
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	2,238	2,329	2,436	(108)
Applications of operating funding				
Payment to staff and suppliers	1,731	1,788	1,898	110
Finance costs	18	22	19	(3)
Internal charges and overheads applied	456	479	478	
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,205	2,289	2,396	106
Surplus/(deficit) of operating funding (A - B)	33	40	40	(2)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	126	122	124	(2)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	126	122	124	(2)
Application of capital funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	150	153	150	(3)
- to replace existing assets	5	3	8	5
Increase (decrease) in reserves	4	7	5	(2)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	159	163	164	-
Surplus/(deficit) of capital funding (C - D)	(33)	(40)	(40)	(2)
Funding balance ((A - B) + (C - D))	-	-	-	-

Animal Control

AIM

To improve public safety by mitigating the risk of harm, injury, or nuisance from dogs and wandering stock.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Collaborative Council • Great lifestyle			
Public safety	Animal control complaints and issues are resolved in a timely manner	Percentage of residents rate dog control as "fairly satisfactory" or "very satisfactory" in community survey	80%
		Percentage of calls that involve dog attacks responded to during working hours to within 2 hours	100%
	Promoting responsible animal ownership through public education	Educational publications are available to the community	Minimum of 6 articles per year

District Planning

AIM

To provide for the continued sustainable management of the Tararua District's land resources and a strong prosperous economy.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Collaborative Council			
Quality customer service	The district planning service is satisfactory	Percentage of applicants satisfied with the service, based on the customer satisfaction survey	85%
Reliable customer service	District Planning service is reliable	Percentage of customers that receive a decision on their application within the statutory timeframe	100%
Responsive customer service	Council responds effectively to complaints about non-compliance	Non-compliances are resolved within three months of customer complaint	95%

Emergency Management

AIM

To build resilient communities, ready and able to provide a reliable and timely response to emergencies.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Collaborative Council			
Support the community to prepare for an emergency	Facilitate Community Civil Defence Response Groups in all of our larger communities	The number of local training exercises performed annually to ensure community civil defence readiness	1 or more
Community Outcome(s): Collaborative Council • Sustainable environment			
Leadership and training	Improve our ability to manage and coordinate emergency services during civil defence emergencies	Percentage of Council staff who have completed the Civil Defence and Emergency Management Foundation Course	80%
Capability	Maintain a high level of staff and volunteer capability to manage a civil defence event	Conduct a full civil defence Emergency Operations Centre exercise and participate in Group and National exercises	2 exercises per year

Health and Safety

AIM

To provide a safe and healthy community environment.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Prosperous economy • Collaborative Council			
Public safety	Ensure that the district's built environment is safe and healthy	All swimming pool and/or spa fencing inspected once every three years	100%
	Protect public health by regulating the sale of food, funeral parlours, offensive trades, hairdressing salons, and camping grounds	Percentage of registered premises inspected for compliance within statutory timeframes	95%
Customer service	Building safe communities through cost effective and streamlined processes	Consents issued within statutory timeframes	100%
Community Outcome(s): Prosperous economy • Collaborative Council • Great lifestyle			
Public health	Protect public health by regulating the sale of alcohol	Percentage of licensed premises inspected annually for compliance	95%
Community Outcome(s): Collaborative Council • Great lifestyle			
Liveable communities	Excessive noise complaints will be attended to by Council to minimise disturbance to others	Percentage of noise complaints responded to within two hours of a complaint	90%
Community Outcome(s): Collaborative Council • Sustainable environment • Great lifestyle			
Attractive communities	Control excessive rubbish dumping, overhanging vegetation, and fire hazards through monitoring and enforcement	Percentage of complaints responded to within 48 hours	95%

Roading and Footpaths

Activities in this group

- Footpaths
- Roading

Council Outcomes

This is how strongly the Council Outcomes relate to the Roothing and Footpaths activity.



Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Draft Annual Plan	Reasons
Footpaths				
Pahiatua Main Street upgrade	Capital	\$1,354,000	\$3,0690,000	The significant increase in cost relates to the renewals/replacement of underground assets carried forward from the 2018/19 financial year.
Roading				
Increase in operating costs	Operating	\$7,522,000	\$7,894,000	The increase mainly relates to increase in emergency works budget in response to the adverse weather events (increasing in frequency and severity) resulting in increased damage to the road network placing strain on the funding reserves.
Emergency reinstatement	Capital	\$562,000	\$900,000	Increase funding into emergency reinstatement works, ensuring Council have sufficient budget to restore levels of service following weather events without the need for loan funding.
	Operating	\$562,000	\$700,000	Increase funding into emergency works reserves. This ensures Council continues to maintain sufficient reserves to fund unbudgeted emergency reinstatement works.
Route 52 Improvements	Capital	\$1,500,000	\$1,750,000	This is a multiyear project. \$250,000 from 2018/19 had been carried forward to 2019/20 due to time taken to prepare and submit a robust business to NZ Transport Agency.
Targeted Enhanced Funding Safety Improvements	Capital	Nil	\$1,500,000	The NZ Transport Agency have confirmed that if a Targeted Enhanced Financial Assistance Rate (TEFAR) of 83% is approved for the Route 52 Improvements Project, Council's savings (\$1.7 million over the \$10 million project) needs to be invested in other road improvements projects. Council resolved to seek approval of TEFAR to be applied to Route 52 Improvements Project and reinvest savings (which will also attract NZTA subsidy) into other road improvements projects/programmes.

Group level funding impact statement

Roading and Footpaths

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	35	32	27	5
Targeted rates	6,155	6,394	6,330	64
Grants and subsidies operating	4,126	4,182	4,369	(187)
Fees and charges	165	169	165	4
Local authorities fuel tax, fines, infringement fees, and other receipts	419	414	331	83
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	10,900	11,191	11,222	(31)
Applications of operating funding				
Payment to staff and suppliers	6,563	6,655	6,891	236
Finance costs	129	184	139	(45)
Internal charges and overheads applied	1,440	1,482	1,611	129
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	8,132	8,322	8,641	320
Surplus/(deficit) of operating funding (A - B)	2,768	2,869	2,581	288
Sources of capital funding				
Subsidies and grants for capital expenditure	5,267	6,452	8,951	(2,499)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,240	1,440	665	775
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	6,507	7,892	9,616	(1,724)
Application of capital funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,505	3,429	4,855	1,426
- to replace existing assets	6,932	7,912	8,092	180
Increase (decrease) in reserves	(162)	(581)	(750)	(169)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	9,275	10,760	12,197	1,437
Surplus/(deficit) of capital funding (C - D)	(2,768)	(2,869)	(2,581)	(288)
Funding balance ((A - B) + (C - D))	-	-	-	-

Footpaths

AIM

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

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): 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 survey	75%
		The percentage of footpaths within the district that fall within the footpath condition standards set out in the Asset Management Plan	90%
		Council ensures quality of footpaths and safety of users	Complaints regarding footpaths are responded to within 3 working days*

* These performance measures are provided by the Department of Internal Affairs and are mandatory.

Roading

AIM

To provide a safe and efficient transport network that improves the movement of people and products, both within and through the district.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Efficient infrastructure			
Safety - ensure that our roading network is safe	Our roading network is safe	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number*	< 0
		The change in level of risk measured by the total number of fatal and serious injuries per kilometre each year on the network	< 0
		The change in level of risk measured by the total number of fatal and serious injuries by traffic volume each year on the network	< 0
Resilience - the availability and restoration of each road when there is a weather or emergency event, whether there is an alternative route available and the road user information provided	Roads are maintained to the appropriate standards	The number of unplanned road closures and the number of vehicles affected by closures annually	Reducing - based on baseline determined in 2018/19
		The number of instances where road access is lost	Reducing - based on baseline determined in 2018/19
Amenity - roading network is maintained to ensure a comfortable ride quality	Council ensures quality of roads and safety of users	The 85th percentile roughness on sealed roads	110
		The 95th percentile roughness on sealed roads	130

Major aspect	Level of service	Performance measure	2019/20 Target
Accessibility - roading network is maintained to ensure availability and connectivity for users.	Ensure that all roads remain available to users	Proportion of network not available to Class 1 heavy vehicles	Reducing - based on baseline determined in 2018/19
		Proportion of network not available to 50MAX vehicles	Reducing - based on baseline determined in 2018/19
Roads are maintained to the appropriate standards	Requests from the public are responded to in a timely manner	Customer service requests relating to roads are responded to within 3 working days*	90%
		Percentage of residents rating urban roads as "fairly satisfactory" or "very satisfactory" in the community survey	75%
		Percentage of residents rating rural roads as "fairly satisfactory" or "very satisfactory" in the community survey	75%
		Council ensures quality of roads and safety of users	The average quality of the ride on the sealed road network is measured by smooth travel exposure*
		The percentage of sealed road network that is resurfaced*	> 5%

* These performance measures are provided by the Department of Internal Affairs and are mandatory.

Solid Waste Management

Activities in this group

Solid Waste Management

Council Outcomes

This is how strongly the Council Outcomes relate to the Solid Waste Management activity.



Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Draft Annual Plan	Reasons
Solid Waste Management				
Increase in fees from refuse collection and disposal	Operating	\$513,200	\$773,200	Fees and charges were increased to recover cost increases for this activity and to move toward full cost recovery for the refuse disposal activity and align to the pricing strategy.
Increase in cost refuse collection and disposal	Operating	\$859,000	\$946,000	Increase in transportation and landfill charges for disposal of refuse.

Group level funding impact statement

Solid Waste Management

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	360	349	449	(100)
Targeted rates	1,010	1,044	823	221
Grants and subsidies operating	50	51	50	1
Fees and charges	533	544	793	(249)
Local authorities fuel tax, fines, infringement fees, and other receipts	10	11	2	9
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	1,963	1,999	2,116	(118)
Applications of operating funding				
Payment to staff and suppliers	1,588	1,620	1,694	74
Finance costs	69	65	69	4
Internal charges and overheads applied	250	256	258	2
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,907	1,941	2,021	80
Surplus/(deficit) of operating funding (A - B)	56	58	95	(37)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(136)	(119)	(126)	7
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(136)	(119)	(126)	7
Application of capital funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	10	10	-
- to replace existing assets	20	10	10	-
Increase (decrease) in reserves	(100)	(82)	(52)	30
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	(80)	(62)	(32)	30
Surplus/(deficit) of capital funding (C - D)	(56)	(58)	(95)	37
Funding balance ((A - B) + (C - D))	-	-	-	-

Solid Waste Management

AIM

To protect people's health and our environment by minimising the production of waste and promoting recycling and reuse.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Efficient infrastructure			
Refuse and recycling services meet the needs of the district	Refuse and recycling services meet user needs	Percentage of residents rating recycling collection services as "fairly satisfactory" or "very satisfactory" in the community survey	80%
		Percentage of residents rating landfills/transfer station management as "fairly satisfactory" or "very satisfactory" in the community survey	75%
Community Outcome(s): Sustainable environment			
The impact of refuse on the environment is minimised	Council will promote and encourage recycling and reuse	Kilograms of waste per resident sent to landfills by the Council per annum	256kg
		Tonnage of recycled materials processed by Council	1,220 tonnes
		Council's open and closed landfills are well managed	Percentage of landfills where all Horizons resource consent conditions are met

Stormwater

Activities in this group

Stormwater

Council Outcomes

This is how strongly the Council Outcomes relate to the Stormwater activity.



Significant changes from the Long Term Plan

No significant issues or variances for Stormwater.

Group level funding impact statement

Stormwater

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	607	631	640	(9)
Grants and subsidies operating	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	28	23	22	1
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	635	654	662	(8)
Applications of operating funding				
Payment to staff and suppliers	143	146	144	(2)
Finance costs	44	48	52	4
Internal charges and overheads applied	197	204	211	7
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	384	398	408	9
Surplus/(deficit) of operating funding (A - B)	251	255	254	1
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	83	171	157	14
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	83	171	157	14
Application of capital funding				
Capital Expenditure:				
- to meet additional demand	-	87	85	(2)
- to improve the level of service	150	154	150	(4)
- to replace existing assets	350	51	50	
Increase (decrease) in reserves	(166)	133	125	(8)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	334	425	410	(15)
Surplus/(deficit) of capital funding (C - D)	(251)	(255)	(254)	
Funding balance ((A - B) + (C - D))	-	-	-	-

Stormwater

Performance measures

AIM

To provide affordable protection for urban community assets, commercial properties, and habitable dwellings from flood events.

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): 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 flooding events where an overflow of stormwater enters a habitable floor*	< 20
		For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system*	< 5
A reliable stormwater network		Percentage of residents rating stormwater management as "fairly satisfactory" or "very satisfactory" in the community survey	70%
		Number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system*	< 9
		Number of enforcement actions against Council for not meeting resource consent conditions for discharge from the stormwater system relating to*:	
		<ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement orders • convictions 	0 0 0 0
Responsiveness	Council ensures quality and efficiency of the stormwater network	Median time (hours) to attend a flooding event, measured from the time that Council receives a notification until service personnel reach the site*	2 hours

* These performance measures are provided by the Department of Internal Affairs and are mandatory.

Wastewater

Activities in this group

Wastewater

Council Outcomes

This is how strongly the Council Outcomes relate to the Wastewater activity.



Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Draft Annual Plan	Reasons
Wastewater				
Increase in trade waste fees and charges	Operating	\$115,000	\$140,000	To align the trade fees to the increases in the targeted urban wastewater rates, to move closer to cost recovery and align to the pricing strategy.
Increase in treatment cost	Operating	\$113,000	\$148,000	The increase in treatment cost mainly relates additional treatment chemicals, testing and validation required to monitor against conditions required under the resource consents.
Increase in maintenance cost	Operating	\$248,000	\$267,000	The cost mainly relates mainly relates to the increase in maintenance cost for the upgrades to treatment plant and optimisation of the plants to meet the conditions required under the resource consents.
Eketahuna wastewater pipeline to Pahiatua treatment plant	Capital	\$1,542,000	\$100,000	Council will need to do further work to justify this project in view of the shorter consent period (Council's point discharge consent was renewed only for seven years) and the changes to the conditions under the new resource consent.

Group level funding impact statement

Wastewater

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	126	127	130	(3)
Targeted rates	2,402	2,407	2,472	(65)
Grants and subsidies operating	-	-	-	-
Fees and charges	115	118	140	(22)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	2,643	2,652	2,742	(90)
Applications of operating funding				
Payment to staff and suppliers	1,046	1,091	1,109	18
Finance costs	222	252	271	19
Internal charges and overheads applied	318	328	333	5
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,586	1,671	1,713	42
Surplus/(deficit) of operating funding (A - B)	1,058	981	1,029	(48)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	465	1,441	28	1,413
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	465	1,441	28	1,413
Application of capital funding				
Capital Expenditure:				
- to meet additional demand	-	103	100	(3)
- to improve the level of service	800	1,696	350	(1,346)
- to replace existing assets	1,523	1,751	1,753	2
Increase (decrease) in reserves	(799)	(1,128)	(1,147)	(19)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,523	2,422	1,057	(1,365)
Surplus/(deficit) of capital funding (C - D)	(1,058)	(981)	(1,029)	48
Funding balance ((A - B) + (C - D))	-	-	-	-

Wastewater

Performance measures

AIM

To provide urban areas with a reliable wastewater system that protects people's health and our environment.

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Efficient infrastructure • Sustainable environment			
Council systems are well managed	A reliable wastewater service	The number of dry weather sewage overflows from the wastewater system per 1,000 connections*	< 5
		Percentage of residents rating wastewater management as "fairly satisfactory" or "very satisfactory" in the community survey	80%
		Risks to public health and our natural environment are minimised	4
		Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to*:	
		• abatement notices	0
		• infringement notices	0
		• enforcement orders	0
		• convictions	0
Council provides a service which is responsive to the needs of the community	Council responds quickly to customer complaints	Median response time to attend a sewage fault, measured from the time Council receives notification to the time that service personnel reach the site*	1 hour
		Median time to resolve a sewage fault, measured from the time Council receives notification to the time that service personnel confirm resolution of the blockage or other fault*	5 hours

Major aspect	Level of service	Performance measure	2019/20 Target
	Council services meet customer expectations	Number of complaints received about wastewater per 1,000 connections for*:	
		• sewerage odour	< 4
		• sewerage system faults	< 5
		• sewerage system blockages	< 7
		• Council's response to the above issues	< 3
		• total number of recorded complaints	< 19

** These performance measures are provided by the Department of Internal Affairs and are mandatory.*

Water Supplies

Activities in this group

Water Supplies

Council Outcomes

This is how strongly the Council Outcomes relate to the Water Supplies activity.



Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Draft Annual Plan	Reasons
Water Supplies				
Pahiatua treatment plant	Capital	Nil	\$2,700,000	<p>This scheme's primary water source was from the bore. From time to time, particularly during summer, when the bore water supply fails to meet demand, the town water supply is supplemented from the Mangatainoka River.</p> <p>The raw water feed from the Mangatainoka River can be highly variable in terms of water quality.</p> <p>The preferred upgrade option is for the continued supply of blended raw water from both the Pahiatua Bore and Mangatainoka River with an upgraded treatment plant to address the odour and taste issues from the river source as well as disinfection treatment to ensure safe drinking water.</p>
Increase in metered water fees revenue	Operating	\$545,000	\$600,000	The increase reflects both the increase in consumption and also increase in the underlying cost to supply portable drinking water.
Increase in operating cost	Operating	\$1,571,000	\$1,733,000	The increase reflects the additional treatment cost and treatment plant operators, water sampling cost and staff resources to ensure compliance with the Drinking Water Standards.

Group level funding impact statement

Water Supplies

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,395	2,482	2,743	(261)
Grants and subsidies operating	-	-	-	-
Fees and charges	5	5	5	-
Local authorities fuel tax, fines, infringement fees, and other receipts	268	243	207	36
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	2,668	2,730	2,955	(225)
Applications of operating funding				
Payment to staff and suppliers	949	981	1,075	94
Finance costs	261	269	332	63
Internal charges and overheads applied	311	321	326	5
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,520	1,571	1,733	162
Surplus/(deficit) of operating funding (A - B)	1,148	1,159	1,222	(63)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	512	8	1,570	(1,562)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	512	8	1,570	(1,561)
Application of capital funding				
Capital Expenditure:				
- to meet additional demand	-	72	70	(2)
- to improve the level of service	910	360	1,970	1,610
- to replace existing assets	1,355	684	665	(19)
Increase (decrease) in reserves	(604)	52	86	34
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,661	1,168	2,791	1,624
Surplus/(deficit) of capital funding (C - D)	(1,148)	(1,159)	(1,222)	63
Funding balance ((A - B) + (C - D))	-	-	-	-

Water Supplies

AIM

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.

Performance measures

Major aspect	Level of service	Performance measure	2019/20 Target
Community Outcome(s): Efficient infrastructure • Sustainable environment			
Council provides a reliable source of drinking water that meets the community's needs	Council provides a reliable water supply	Percentage of customers rating availability of water as "satisfactory" or "very satisfactory" in the community survey	75%
		Number of recorded complaints per 1,000 connections to Council's networked reticulation system for:	
	Council provides water at a consistent volume	• drinking water pressure or flow*	< 4
	Water looks and tastes good	• drinking water taste*	< 5
		• drinking water clarity*	< 5
		• drinking water odour*	< 4
	Interruptions to supply are minimised	• continuity of supply*	< 5
Council is responsive to issues relating to water supplies		• Council's response to the issues above*	< 2
		• total number of recorded complaints*	< 25
Water provided is safe to drink		Number of schemes with a Public Health Management Plan in place	8
		Number of schemes that comply with Part 4 (bacteria compliance criteria) of the NZ Drinking Water Standards*	8
Water provided is safe to drink		Number of schemes that comply with Part 5 (protozoal compliance criteria) of the NZ Drinking Water Standards*	7

Major aspect	Level of service	Performance measure	2019/20 Target
Council provides a service that is responsive to the needs of the community	Council is responsive to issues relating to water supplies	Median response time to attend an urgent call-out, measured from the time Council receives notification to the time that service personnel reach the site*	1 hour
		Median time to resolve an urgent call-out, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption*	5 hours
		Median response time to attend a non-urgent call-out, measured from the time Council receives notification to the time that service personnel reach the site*	8 hours
		Median time to resolve a non-urgent call-out, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption*	24 hours
Council manages water as a valuable community resource	Wastage of water is minimised	The percentage of real water loss from the Council's networked reticulation schemes based on the minimum night flow (MNF) analysis*	15%
		Average consumption of drinking water per day per resident connected to a Council scheme*	300 litres

* These performance measures are provided by the Department of Internal Affairs and are mandatory.

03

RATES

Funding impact statement

Rating policy

The Rating Policy outlines how the rate funding required to fund activities will be set by the Council.

This includes 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 well-being of the district.

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 overview of the resulting mix of general and targeted rates, user charges and other funding sources is set out in the Funding Impact Statement for activities or groups of activities. More details for each activity are set out 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 has moved 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). The latest revaluation of the district was carried out as at 1 September 2017 and these values have been used for rating purposes for the Long Term Plan. 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/decrease in values does not automatically mean that there will be an increase/decrease in rates. It depends on whether the valuation of a property changes more than the average of the group of property values. Council does not collect extra rates as

a result of valuation changes. 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 the land value of a property will only impact the rates bill of the property to the extent that the change is higher or lower than the average change.

Council rate assessments contain different charges that make up the annual levy:

- General Rates (calculated on land value with no differentials);
- Uniform Annual General Charge (set charge); and
- Targeted Rates (uniform charge or value based rate).

Components of the rating system

The Council's rating system is utilised to fund the net cost of operations and programmes outlined in this Long Term 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
S15(1)(a)	Yes	Uniform Annual General Charge
S13(2)(a) & S14(a)	No	General Rate Land Value
		Specified Services Targeted Differential Rate
S16(3)(b) & S16(4)(b)	No	Land Value Rate - Rural
S16(3)(b) & S16(4)(b)	No	Land Value Rate - Urban
S16(3)(b) & S16(4)(b)	No	Capital Value Rate - Industrial Commercial Urban
S16(3)(b) & S16(4)(b)	No	Capital Value Rate - Industrial Commercial Rural
		Libraries and Swimming Pools Rate
S16(3)(a) & S16(4)(a)	Yes	Targeted Rate - Libraries and Swimming Pools
		Refuse and Recycling Targeted Differential Rate
S16(3)(b) & S16(4)(b)	No	Refuse and Recycling - Rural
S16(3)(b) & S16(4)(b)	No	Refuse and Recycling - Urban
S16(3)(b) & S16(4)(b)	No	Refuse and Recycling - Industrial Commercial
		Roading Rate
S16(3)(a) & S16(4)(a)	No	Roading Land Value Rate - District-wide
		Roading Targeted Differential Rate
S16(3)(b) & S16(4)(b)	No	Rural
S16(3)(b) & S16(4)(b)	No	Urban
S16(3)(b) & S16(4)(b)	No	Industrial Commercial
		Town Centre Refurbishment Targeted Differential Rates
		Dannevirke
S16(3)(b) & S16(4)(b)	No	Dannevirke Town Centre Refurbishment North Ward
S16(3)(b) & S16(4)(b)	No	Dannevirke Town Centre Refurbishment South Ward

Properties to be charged (known as "rating units")	Schedule 2 category (category rated)	Schedule 3 – how it is rated
Rateable properties	n/a	Per rating unit
Rateable properties	n/a	Land value
Rateable properties	Situation and use of land	Land value
Rateable properties	Situation and use of land	Land value
Rateable properties	Situation and use of land	Capital value
Rateable properties	Situation and use of land	Capital value
Rateable properties	n/a	Per rating unit
Rateable & non-rateable properties	Situation, use of land, and provision of service	Per rating unit
Rateable & non-rateable properties	Situation, use of land, and provision of service	Per rating unit
Rateable & non-rateable properties	Situation, use of land, and provision of service	Per rating unit
Rateable properties	n/a	Land value
Rateable properties	Situation & use of land	Per rating unit
Rateable properties	Situation & use of land	Per rating unit
Rateable properties	Situation & use of land	Per rating unit
Rateable properties	Situation of rating unit	Per rating unit
Rateable properties	Situation of rating unit	Per rating unit

Legislation: Local Government (Rating) Act 2002**Rate subject to 30% cap (S21)****Types of rates****Woodville**

S16(3)(b) & S16(4)(b)	No	Woodville Town Centre Refurbishment North Ward
S16(3)(b) & S16(4)(b)	No	Woodville Town Centre Refurbishment South Ward

Eketahuna

S16(3)(b) & S16(4)(b)	No	Eketahuna Town Centre Refurbishment North Ward
S16(3)(b) & S16(4)(b)	No	Eketahuna Town Centre Refurbishment South Ward

Pahiatua

S16(3)(b) & S16(4)(b)	No	Pahiatua Town Centre Refurbishment North Ward
S16(3)(b) & S16(4)(b)	No	Pahiatua Town Centre Refurbishment South Ward

Urban Wastewater

S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Rate - Full Charge
S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Rate - Half Charge
S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Rate - For Connected Multiple Use

Educational establishments and multi-unit residential properties

S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Rate - Full Charge
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Stormwater

S16(3)(b) & S16(4)(b)	Yes	Urban Stormwater Targeted Rate
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Water

S16(3)(b) & S16(4)(b)	No	Urban Water Targeted Rate - Full Charge
S16(3)(b) & S16(4)(b)	No	Urban Water Targeted Rate - Half Charge
S19(2)(a)	No	Pongaroa Water Targeted Rate
S16(3)(b), S16(4)(b), S19(2)(a) & S19(2)(b)	No	Water Metered Rates

The rates requirement for the three sectors compared to Year 1 and Year 2 of the Long Term Plan is as follows:

Sector	Long Term Plan Year 1 - 2018/19		
	Rates by sector	\$ change from prior year	% change from prior year
Rural	13,621,789	473,603	3.60%
Urban	10,126,212	397,008	4.08%
Industrial/Commercial	1,743,083	82,880	4.99%
Windfarms	199,603	22,649	12.80%
Total Rates Requirement	25,690,687	976,140	3.95%

*All amounts are inclusive of GST.

Properties to be charged (known as "rating units")	Schedule 2 category (category rated)	Schedule 3 – how it is rated
Rateable properties	Situation of rating unit	Per rating unit
Rateable properties	Situation of rating unit	Per rating unit
Rateable properties	Situation of rating unit	Per rating unit
Rateable properties	Situation of rating unit	Per rating unit
Rateable properties	Situation of rating unit	Per rating unit
Rateable properties	Situation of rating unit	Per rating unit
Rateable and non-rateable properties	Provision of service	Separately used or inhabitable parts of a rating unit
Rateable and non-rateable properties	Availability of service	Per rating unit
Rateable and non-rateable properties	Provision of service	The number of water closets or urinals within the rating unit
Rateable and non-rateable properties	Provision of service	The number of water closets or urinals within the rating unit
Rateable properties	Situation of land	Per rating unit
Rateable and non-rateable properties	Provision of service	Separately used or inhabitable parts of a rating unit
Rateable and non-rateable properties	Availability of service	Per rating unit
Rateable and non-rateable properties	Situation and provision of service	n/a
Rateable and non-rateable properties	Availability of service	n/a

Long Term Plan Year 2 - 2019/20			Annual Plan 2019/20		
Rates by sector	\$ change from prior year	% change from prior year	Rates by sector	\$ change from prior year	% change from prior year
14,153,684	531,895	3.90%	14,205,374	583,585	4.28%
10,506,423	380,211	3.75%	10,558,609	432,397	4.27%
1,810,835	67,752	3.89%	1,801,743	58,660	3.37%
208,447	8,844	4.43%	204,819	5,216	2.61%
26,679,389	988,702	3.85%	26,770,545	1,079,858	4.20%

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 Land value

Urban properties

Urban - settlement	16,000
Urban - settlement	8,000
Urban low land value	33,000
Urban low land value	31,000
Urban medium land value	44,000
Urban medium land value	46,000
Urban medium land value	77,000
Urban medium land value	39,000
Urban high land value	99,000
Urban high land value	165,000
Urban high land value	67,000

Rural properties

Rural - settlement	50,000
Rural - settlement	315,000
Rural - lifestyle	170,000
Rural medium land value	1,890,000
Rural medium land value	1,120,000
Rural medium land value	1,350,000
Rural high land value	5,400,000
Rural high land value	7,261,000
Rural high land value	5,500,000
Rural high land value	7,400,000

Industrial/commercial properties

Ind/com - urban low land/capital value	8,000
Ind/com - urban low land/capital value	9,500
Ind/com rural - low - land/capital value	25,000
Ind/com rural - medium - land/capital value	20,000
Ind/com urban - medium - land/capital value	185,000
Ind/com urban - medium - land/capital value	83,000
Ind/com - urban high - land/capital value	225,000
Ind/com - urban high - land/capital value	425,000
Ind/com - urban high - land/capital value	-
Ind/com - rural high - land/capital value	600,000
Ind/com - rural high - land/capital value	850,000
Ind/com - rural high - land/capital value	355,000
Ind/com - rural (windfarm)	750,000
Ind/com - rural (windfarm)	1,300,000

Capital value	LTP 2018/19 Year 1	Draft Annual Plan 2019/20	Difference (\$)	Difference (%)
126,000	2,039	2,126	87	4.3%
66,000	1,994	2,081	88	4.4%
170,000	2,241	2,335	94	4.2%
140,000	2,245	2,340	95	4.2%
245,000	2,276	2,366	90	4.0%
305,000	3,215	3,384	170	5.3%
380,000	2,422	2,510	88	3.6%
315,000	9,406	10,107	701	7.5%
550,000	2,502	2,584	82	3.3%
390,000	2,233	2,291	58	2.6%
470,000	11,496	12,355	860	7.5%
200,000	1,390	1,455	64	4.6%
325,000	2,034	2,116	82	4.1%
370,000	1,630	1,695	65	4.0%
2,440,000	6,423	6,697	273	4.3%
1,450,000	4,275	4,454	179	4.2%
1,940,000	4,907	5,116	209	4.3%
6,300,000	16,177	16,867	691	4.3%
8,168,000	21,365	22,281	916	4.3%
5,800,000	16,470	17,173	703	4.3%
8,820,000	21,765	22,697	933	4.3%
73,000	2,009	2,097	88	4.4%
52,000	2,243	2,363	121	5.4%
116,000	1,244	1,284	40	3.2%
260,000	3,514	3,652	138	3.9%
880,000	4,208	4,341	133	3.2%
720,000	3,250	3,311	61	1.9%
2,040,000	5,519	5,570	52	0.9%
3,700,000	10,412	10,512	100	1.0%
11,400,000	21,467	21,421	(46)	(0.2%)
64,500,000	71,785	73,049	1,264	1.8%
5,550,000	9,180	9,409	229	2.5%
5,800,000	8,081	8,258	177	2.2%
5,920,000	9,108	9,340	231	2.5%
7,590,000	12,375	12,701	326	2.6%

How Council rates

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, including as a fixed amount per rating unit, per separately used or inhabited part of a rating unit, or number of services used such as number of water closets, or using a factor – such as land or capital value. These categories are set out below.

General rate

The Council sets a general rate with no differentials, based on the land value of each rating unit.

Function/service	How it operates
General rate (various functions/services)	A district-wide rate charged on land values

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.

Council considers a range from 27% to 29% 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.

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	By sector – charged on land value or capital value
Refuse and Recycling	By sector – fixed amounts
Roading	A district-wide rate – charged on land value
Roading	By sector – fixed amounts
Town Centre Refurbishment	By wards – North or South – fixed amounts
Wastewater	Three rates by provision (100% rate) or availability (50% rate) for wastewater 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
Libraries and Swimming Pools	A district-wide rate based on the rating unit – a fixed amount per rating unit
Stormwater	A district-wide rate based on provision of service – a fixed amount per rating unit

Differential 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.

• Ward rates

Differential targeted rates may be collected as a fixed amount for each differential category 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).

• **Sector rates**

Category	Description
Urban	All rating units in the district situated in the urban areas as defined in the District Plan 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 District Plan 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 District Plan. It does not include residential flats or farms. <p>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, wastewater, and stormwater.</p>

The following are the activities, or groups of activities, for which targeted rates are set:

• **Refuse and recycling 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, urban, and industrial/commercial.

The majority of costs will be allocated to the urban sector to reflect the higher use and service levels in urban areas. The balance of costs will be allocated between rural and industrial/commercial to reflect the waste generated by businesses, and the access to recycling services provided to the rural sector.

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 urban

Footpaths have distinctly uneven sector benefits compared 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 71% of Footpaths cost.

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 and urban

Economic Development 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

A share of Economic Development

Urban

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 and 14% of Footpaths cost to Industrial Commercial Urban.

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.

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. 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 reflect 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 roading targeted differential rate)**

A targeted uniform rate in the dollar on the rateable land value of every rating unit in the district ranging from 75% to 80% of the Roothing Cost, which 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 roading 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 roading 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.

- **Roothing rate – targeted differential**

A targeted differential rate in the dollar on every rating unit in the district for different rate categories.

This cost broadly represents the fixed cost of providing Roothing, a cost that may be shared by all ratepayers. This essentially treats the differentiated fixed amount

targeted rate funding for Roothing as a network access charge.

The fixed component of cost ranging from 20% to 25% 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 Roothing 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.

- **Town Centre Refurbishment - Dannevirke targeted differential rate**

Council is funding the Dannevirke town centre refurbishment 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 refurbishment 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 pay this rate.

- **Town Centre Refurbishment - Woodville, Pahiatua, and Eketahuna targeted differential rate**

Council is funding separately the Woodville town centre refurbishment, and the Pahiatua and Eketahuna town centre refurbishments, 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 refurbishments 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 ensures 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 rate is charged as follows:

- full charge for separately used or inhabitable part of the rating unit which receives an ordinary supply of water from an urban water supply;

- 50% of the fixed amount for 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.

Water metered rates

This is collected under Section 16 and 19 of the Local Government (Rating) Act 2002.

Rural properties supplied from town water supplies are charged a rate as a fixed amount under Section 16, plus a charge for all water consumed above a certain quantity under Section 19 of the Local Government (Rating) Act 2002.

The standardised charges for water supplied through a meter are:

- A targeted rate per rating unit.
- Plus a charge in excess of 80 cubic metres supplied during each consecutive three-month period per separately used or inhabited part of a rating unit.

The unit rate per cubic metre in excess of 80 cubic meters per quarter will be set by the Council annually based on the percentage change in the urban water targeted rate compared to the previous year.

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 80 cubic metres per quarter to other users and such rate will be set by the Council annually.

Pongaroa water rate

A separate targeted 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 through a 20mm pipe at a gravity fed pressure.

Urban wastewater targeted rate

A targeted rate is charged as follows:

- A targeted rate of the full charge on each separately used or inhabitable part of the rating unit connected to the wastewater system.
- Then a fixed amount, 33% of the full charge, on each water closet/urinal between 4 and 12.
- There is no charge for the 13th and subsequent water closets/urinals.
- 50% of the fixed amount 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 remission policy applies to educational establishments.

Libraries and swimming pools

A targeted rate will be charged on every rating unit in the district as a fixed amount per rating unit.

Urban stormwater rate

A targeted rate will be charged on every rating unit in the district's stormwater drainage area as a fixed amount per rating unit.

Fees and charges

Council sets its fees and charges in accordance with the Schedule of Fees and Charges. Any request for additional services not covered in the schedule will be considered based on a recovery of associated cost.

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.

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, wastewater, and refuse collection.

Instalments

Rates and charges for the year ending on 30 June 2020 will be assessed in four instalments, which will become due and payable on the following dates:

Instalment	Due date	Instalment period
Instalment 1	31 August 2019	1 July 2019 to 30 September 2019
Instalment 2	30 November 2019	1 October 2019 to 31 December 2019
Instalment 3	29 February 2020	1 January 2020 to 31 March 2020
Instalment 4	31 May 2020	1 April 2020 to 30 June 2020

Charges for Water Metered Rates for the year ending on 30 June 2020 will be assessed in four instalments, which will become due and payable on the following dates:

Instalment	Meters read	Due date
Instalment 1	September 2019	20 October 2019
Instalment 2	December 2019	20 January 2020
Instalment 3	March 2020	20 April 2020
Instalment 4	June 2020	20 July 2020

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 on the following dates:

Due date	Current rates penalty date
31 August 2019	1 September 2019
30 November 2019	1 December 2019
29 February 2020	1 March 2020
31 May 2020	1 June 2020

For Water Metered Rates, a penalty of 10% is added to all amounts of rates remaining unpaid a day after the due date, as listed below.

Due date	Water metered rates penalty date
20 October 2019	21 October 2019
20 January 2020	21 January 2020
20 April 2020	21 April 2020
20 July 2020	21 July 2020

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 8 July 2019, and again on 8 January 2020.

Discount

A 3% discount under the Local Government (Rating) Act 2002 Section 55(3) will be provided for full payment of the 2019/20 rates on or before 31 August 2019.

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;

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—

- (a) at a uniform rate in the dollar of rateable value for all rateable land; or
- (b) 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, application of non-rateable status, or creating separate rating categories; or
- two or more rating units where they 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.

Separately used or inhabitable part of a rating unit

being any part of a rating unit that is or is able to be used or inhabitable 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 one function.
- (3) A targeted rate may be set in relation to—
 - (a) all rateable land within the local authority's district; or
 - (b) one 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 inhabitable 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

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	7,963	8,328	8,373	45
Targeted rates	14,921	15,432	15,506	74
Grants and subsidies operating	4,181	4,238	4,424	186
Fees and charges	2,743	2,813	3,111	298
Interest and dividends from investments	224	147	100	(47)
Local authorities fuel tax, fines, infringement fees, and other receipts	376	234	231	(3)
Total operating funding (A)	30,408	31,192	31,745	553
Applications of operating funding				
Payment to staff and suppliers	23,135	23,598	24,398	800
Finance costs	830	1,084	911	(173)
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	23,965	24,682	25,309	627
Surplus/(deficit) of operating funding (A - B)	6,443	6,510	6,436	(74)
Sources of capital funding				
Subsidies and grants for capital expenditure	5,367	6,452	8,951	2,499
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	4,072	4,794	4,125	(669)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	9,439	11,246	13,076	1,830
Application of capital funding				
Capital Expenditure:				
- to meet additional demand	80	405	395	(10)
- to improve the level of service	5,662	6,573	8,296	1,723
- to replace existing assets	12,574	12,488	12,676	188
Increase (decrease) in reserves	(2,184)	(1,710)	(1,855)	(145)
Increase (decrease) of investments	(250)	-	-	-
Total applications of capital funding (D)	15,882	17,756	19,512	1,756
Surplus/(deficit) of capital funding (C - D)	(6,443)	(6,510)	(6,436)	74
Funding balance ((A - B) + (C - D))	-	-	-	-

Reconciliation funding impact statement to comprehensive revenue and expense

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)
Revenue			
Statement of Comprehensive Revenue and Expense	35,286	37,144	40,206

Summary Funding Impact Statement

Sources of Operating Funding

Total operating funding	30,408	31,192	31,745
Add sources of capital funding:			
- Subsidies and grants for capital expenditure	5,367	6,452	8,951
Less rates remissions and discounts	(489)	(500)	(490)
Total Revenue	35,286	37,144	40,206

Expenditure

Statement of Comprehensive Revenue and Expense	36,593	37,737	38,012
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Summary Funding Impact Statement

Application of Operating Funding

Total applications of operating funding	23,965	24,682	25,309
Add depreciation and amortisation expense	13,117	13,542	13,193
Less internal rates eliminates	(489)	(487)	(490)
Total Expenditure	36,593	37,737	38,012

Summary of rates by charges

Amounts are GST inclusive.

	Annual Plan 2018/19	Long Term Plan 2019/20	Draft Annual Plan 2019/20
Limit on uniform annual general charge: 30% cap of total rates	28.91%	29.40%	29.16%
Uniform annual general charge - fixed amount	\$558.11	\$590.72	\$579.01
General rate land value rate in dollar	0.00125929	0.00129651	0.00134206
Libraries and swimming pools - targeted rate	\$226.65	\$238.27	\$244.09
Specified services targeted differential - land value rate in dollar			
- rural	-	-	-
- urban	0.00105555	0.00093614	0.00078601
Specified services targeted differential - capital value rate in dollar			
- industrial commercial rural	0.00103906	0.00109042	0.00105614
- industrial commercial urban	0.00180684	0.00187404	0.00179930
Refuse and recycling targeted differential rate			
- rural	\$57.89	\$59.85	\$47.17
- urban	\$196.75	\$202.97	\$158.86
- industrial commercial	\$148.62	\$153.67	\$130.41
Roading rate land value rate in dollar	0.00152498	0.00157137	0.00156185
Roading targeted differential rate			
- rural	\$269.46	\$277.70	\$276.02
- urban	\$40.28	\$41.41	\$41.16
- industrial commercial	\$84.25	\$86.83	\$86.30
Town centre refurbishment targeted differential rate			
Dannevirke			
- North Ward	\$15.11	\$15.30	\$15.30
- South Ward	\$12.33	\$12.49	\$12.49
Woodville			
- North Ward	\$9.41	\$9.35	\$9.35
- South Ward	\$11.70	\$11.62	\$11.62
Eketahuna			
- North Ward	\$6.37	\$6.51	\$6.51
- South Ward	\$7.92	\$8.09	\$8.09
Pahiatua			
- North Ward	\$13.55	\$23.88	\$23.88
- South Ward	\$16.85	\$29.69	\$29.69

	Annual Plan 2018/19	Long Term Plan 2019/20	Draft Annual Plan 2019/20
Urban wastewater (95% of net cost including all loan costs)			
Per connected water closet/urinal			
Urban wastewater targeted differential rate			
- full charge	\$507.25	\$507.37	\$521.07
- half charge	\$253.62	\$253.68	\$260.53
- for connected multiple use	\$169.07	\$169.10	\$173.67
Urban stormwater targeted rate	\$144.08	\$149.49	\$151.67
Urban water targeted rate			
- full charge	\$406.46	\$421.63	\$471.76
- half charge	\$203.23	\$210.68	\$235.88
Pongaroa water targeted rate	\$94.40	\$96.40	\$94.40
Water metered rates / large industrial and intake line charges			
- quarterly minimum charge	\$116.62	\$120.41	\$132.94
- meter fee per cubic metre above 80m ³ over three months	\$1.48	\$1.54	\$1.72
- large industrial and line intake - per cubic metre	\$0.74	\$0.77	\$0.86

Summary of rates by total

	Annual Plan 2018/19	Long Term Plan 2019/20	Draft Annual Plan 2019/20
Uniform annual general charge	4,263,496	4,517,731	4,428,196
General land value rate in dollar	3,719,741	3,830,234	3,964,828
Libraries and swimming pools - targeted rate	1,731,396	1,822,269	1,866,726
Specified services targeted differential - land value rate			
- rural	-	-	-
- urban	572,058	572,058	167,995
Specified services targeted differential - capital value rate			
- industrial commercial rural	200,287	210,186	203,578
- industrial commercial urban	433,699	449,830	431,890
Refuse and recycling targeted differential rate			
- rural	201,999	208,866	164,590
- urban	742,345	767,581	600,752
- industrial commercial	65,650	67,881	57,606
Roading land value rate - district-wide	4,504,558	4,642,267	4,614,134
Roading targeted differential rate			
- rural	938,074	966,752	960,893
- urban	159,463	159,463	148,650
- industrial commercial	39,415	40,620	40,374
Town centre refurbishment targeted differential rate			
Dannevirke			
- North Ward	40,725	41,330	41,330
- South Ward	33,787	33,787	34,158
Woodville			
- North Ward	35,475	35,475	38,911
- South Ward	37,931	37,931	40,684
Pahiatua			
- North Ward	1,257	1,257	56,043
- South Ward	1,344	1,344	58,597
Eketahuna			
- North Ward	24,107	24,107	26,340
- South Ward	25,776	25,776	27,540
Urban wastewater targeted uniform rate			
- full charge	2,322,315	2,327,262	2,390,110
- half charge	33,302	33,310	34,209
- for connected multiple use	46,750	46,761	48,024
Urban stormwater targeted rate	606,811	630,898	640,125

	Annual Plan 2018/19	Long Term Plan 2019/20	Draft Annual Plan 2019/20
Urban water targeted rate			
- full charge	1,766,514	1,836,123	2,054,434
- half charge	27,175	28,189	31,641
Pongaroa water targeted rate	56,558	57,756	56,558
Total to fund (excluding GST and water metered rates)	22,339,728	23,199,469	23,278,736
Increase in rates	3.95%	3.85%	4.20%
Water metered rates (excluding GST)	545,000	560,260	600,000
Total of all rates (excluding GST)	22,884,728	23,759,729	23,878,736
Total of all rates (including GST)	26,317,437	27,323,688	27,460,546

Rate funding requirements

All the "number of chargeable properties" are before remissions – remissions are treated as a district-wide expense.

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)
District-wide general activities			
Charged through the uniform annual general charge + general differential land value rate in dollar			
District and Treasury	638,664	862,012	724,291
Animal Control	77,513	78,754	108,098
Cemeteries	264,861	271,558	270,257
Commercial Property	(12,000)	(12,240)	(12,000)
Community Buildings	845,211	809,158	825,695
Community Support	420,663	440,892	405,777
District Promotion & Development (40% of net cost)	400,574	420,372	407,156
Emergency Management - Civil Defence	219,300	235,436	199,210
Footpaths (15% of net cost)	35,492	31,563	26,501
Health and Safety	670,882	725,674	789,759
Housing (self funding)	-	-	-
Parks and Reserves	1,428,497	1,410,031	1,440,924
Public Conveniences	308,530	313,221	331,456
Representation	1,230,449	1,296,951	1,310,766
Resource Management	373,425	374,655	369,616
Service Centres	594,878	614,683	616,851
Wastewater (5% of total cost)	126,440	126,702	130,123
Solid Waste Management	359,858	348,544	448,544
Subtotal (excluding GST)	7,983,237	8,347,965	8,393,024
Plus GST	1,197,486	1,252,195	1,258,954
Total to fund (including GST)	9,180,722	9,600,160	9,651,978
Uniform annual general charge - fixed amount			
Number of chargeable properties	8,791	8,801	8,801
Total to fund			
District-wide general activities - uniform annual general charge - subtotal	4,263,496	4,517,731	4,428,196
Plus GST	639,524	677,660	664,229
Total to fund (including GST)	4,903,020	5,195,391	5,092,425

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)
General rate - land value rate in dollar			
Total district rateable land value	3,397,917,250	3,398,417,250	3,398,417,250

Total to fund			
District-wide general activities - general land value rate in dollar - subtotal	3,719,741	3,830,234	3,964,828
Plus GST	557,961	574,535	594,724
Total to fund (including GST)	4,277,702	4,404,769	4,559,553

Libraries and swimming pools - targeted rate

Estimated number of rateable properties	8,791	8,801	8,801
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Total to fund			
Libraries	1,174,616	1,213,959	1,210,948
Swimming Pools	556,780	608,310	655,778
Subtotal	1,731,396	1,822,269	1,866,726
Plus GST	259,709	273,340	280,009
Total to fund (including GST)	1,991,105	2,095,609	2,146,735

Specified services targeted differential - land value rate in dollar - rural

Total rural rateable land value	3,156,778,250	3,156,778,250	3,156,778,250
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Total to fund			
Emergency Management: rural fire protection (92% of net cost)	-	-	-
Plus GST	-	-	-
Total to fund (including GST)	-	-	-

Specified services targeted differential - land value rate in dollar - urban

Total urban rateable land value	183,333,000	183,833,000	183,833,000
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Total to fund			
Emergency Management: rural fire protection (7% of net cost)	-	-	-
Footpaths (71% of net cost)	167,995	149,397	125,439
Subtotal	167,995	149,397	125,439
Plus GST	25,199	22,410	18,816
Total to fund (including GST)	193,194	171,806	144,254

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)
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Specified services targeted differential - capital value rate in dollar - industrial commercial rural

Total industrial commercial rateable capital value for rural	221,670,600	221,670,600	221,670,600
Total to fund			
Economic Development (20% of net cost)	200,287	210,186	203,578
Emergency Management - rural fire protection (1% of net cost)	-	-	-
Subtotal (excluding GST)	200,287	210,186	203,578
Plus GST	30,043	31,528	30,537
Total to fund (including GST)	230,330	241,714	234,115

Specified services targeted differential - capital value rate in dollar - industrial commercial urban

Total industrial commercial rateable capital value for urban	276,037,000	276,037,000	276,037,000
Total to fund			
Economic Development (40% of net cost)	400,574	420,372	407,156
Footpaths (14% of net cost)	33,126	29,459	24,734
Subtotal (excluding GST)	433,699	449,830	431,890
Plus GST	65,055	67,475	64,784
Total to fund (including GST)	498,754	517,305	496,674

Refuse and recycling targeted differential rate - rural

Estimated number of rateable properties	4,013	4,013	4,013
Total to fund			
Solid Waste Management: recycling (20% of net cost)	160,126	164,736	164,590
Solid Waste Management: refuse (20% of net cost)	41,873	44,130	-
Subtotal (excluding GST)	201,999	208,866	164,590
Plus GST	30,300	31,330	24,688
Total to fund (including GST)	232,298	240,195	189,278

Refuse and recycling targeted differential rate - urban

Estimated number of rateable properties	4,319	4,329	4,329
Total to fund			
Solid Waste Management: recycling (70-80% of net cost)	588,462	605,403	604,867
Solid Waste Management: refuse (70-80% of net cost)	153,883	162,178	-
Subtotal (excluding GST)	742,345	767,581	604,867
Plus GST	111,352	115,137	90,730
Total to fund (including GST)	853,697	882,718	695,597

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)
Refuse and recycling targeted differential rate - industrial commercial			
Estimated number of rateable properties	508	508	508
Total to fund			
Solid Waste Management: recycling (0-10% of net cost)	52,041	53,539	53,492
Solid Waste Management: refuse (0-10% of net cost)	13,609	14,342	-
Subtotal (excluding GST)	65,650	67,881	53,492
Plus GST	9,847	10,182	8,024
Total to fund (including GST)	75,497	78,064	61,515

Roading rate - land value rate in dollar

Total district rateable land value	3,397,917,250	3,398,417,250	3,398,417,250
Total to fund			
Roading district-wide (excludes footpaths)	5,630,698	5,802,834	5,767,668
Less % charged through roading fixed amount targeted rates	20.0%	20.0%	20.0%
Less total \$ amount charged through roading fixed amount targeted rates	(1,126,140)	(1,160,567)	(1,153,534)
Subtotal (excluding GST)	4,504,559	4,642,267	4,614,135
Plus GST	675,684	696,340	692,120
Total to fund (including GST)	5,180,242	5,338,608	5,306,255

Roading targeted differential rate - rural

Estimated number of rateable properties	4,006	4,006	4,006
Total to fund			
Proportion of capital value for sector	83.3%	83.3%	83.3%
Subtotal (excluding GST)	938,074	966,752	960,893
Plus GST	140,711	145,013	144,134
Total to fund (including GST)	1,078,785	1,111,765	1,105,028

Roading targeted differential rate - urban

Estimated number of rateable properties	4,248	4,258	4,258
Total to fund			
Proportion of capital value for sector	13.2%	13.2%	13.2%
Subtotal (excluding GST)	148,650	153,195	152,266
Plus GST	22,298	22,979	22,840
Total to fund (including GST)	170,948	176,174	175,106

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)
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Roading targeted differential rate - industrial commercial

Estimated number of rateable properties	538	538	538
Total to fund			
Proportion of capital value for sector	3.5%	3.5%	3.5%
Subtotal (excluding GST)	39,415	40,620	40,374
Plus GST	5,912	6,093	6,056
Total to fund (including GST)	45,327	46,713	46,430

Town centre refurbishment targeted differential rate - Dannevirke - North Ward

Estimated number of rateable properties	3,104	3,111	3,111
Total to fund			
Subtotal	40,725	41,330	41,330
Plus GST	6,109	6,199	6,199
Total to fund (including GST)	46,833	47,529	47,529

Town centre refurbishment targeted differential rate - Dannevirke - South Ward

Estimated number of rateable properties	3,188	3,188	3,188
Total to fund			
Subtotal	34,158	34,595	34,595
Plus GST	5,124	5,189	5,189
Total to fund (including GST)	39,282	39,784	39,784

Town centre refurbishment targeted differential rate - Woodville - North Ward

Estimated number of rateable properties	4,759	4,766	4,766
Total to fund			
Subtotal	38,911	38,703	38,703
Plus GST	5,837	5,805	5,805
Total to fund (including GST)	44,748	44,509	44,509

Town centre refurbishment targeted differential rate - Woodville - South Ward

Estimated number of rateable properties	4,001	4,004	4,004
Total to fund			
Subtotal	40,684	40,441	40,441
Plus GST	6,103	6,066	6,066
Total to fund (including GST)	46,787	46,507	46,507

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)
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Town centre refurbishment targeted differential rate - Pahiatua - North Ward

Estimated number of rateable properties	4,759	4,766	4,766
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Total to fund

Subtotal	56,043	98,885	98,885
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Plus GST	8,406	14,833	14,833
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Total to fund (including GST)	64,450	113,718	113,718
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Town centre refurbishment targeted differential rate - Pahiatua - South Ward

Estimated number of rateable properties	4,001	4,004	4,004
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Total to fund

Subtotal	58,597	103,324	103,324
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Plus GST	8,790	15,499	15,499
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Total to fund (including GST)	67,386	118,823	118,823
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Town centre refurbishment targeted differential rate - Eketahuna - North Ward

Estimated number of rateable properties	4,759	4,766	4,766
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Total to fund

Subtotal	26,340	26,937	26,937
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Plus GST	3,951	4,041	4,041
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Total to fund (including GST)	30,291	30,978	30,978
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Town centre refurbishment targeted differential rate - Eketahuna - South Ward

Estimated number of rateable properties	4,001	4,004	4,004
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Total to fund

Subtotal	27,540	28,147	28,147
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Plus GST	4,131	4,222	4,222
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Total to fund (including GST)	31,671	32,369	32,369
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Urban wastewater targeted rate - full charge

Estimated number of rateable properties	5,265	5,275	5,275
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Total to fund

Subtotal	2,322,315	2,327,262	2,390,110
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Plus GST	348,347	349,089	358,516
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Total to fund (including GST)	2,670,663	2,676,351	2,748,626
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	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)
Urban wastewater targeted rate - half charge			
Estimated number of rateable properties	151	151	151
Total to fund			
Subtotal	33,302	33,310	34,209
Plus GST	4,995	4,996	5,131
Total to fund (including GST)	38,297	38,306	39,341
Urban wastewater targeted rate - for connected multiple use			
Estimated number of rateable units	318	318	318
Total to fund			
Subtotal	46,750	46,761	48,024
Plus GST	7,013	7,014	7,204
Total to fund (including GST)	53,763	53,775	55,228
Urban stormwater targeted rate			
Estimated number of rateable properties to receive full charges	4,839	4,849	4,849
Total to fund			
Subtotal	606,811	630,898	640,125
Plus GST	91,022	94,635	96,019
Total to fund (including GST)	697,833	725,533	736,144
Urban water targeted rate - full charge			
Estimated number of rateable properties to receive full charges	4,998	5,008	5,008
Total to fund			
Subtotal	1,766,514	1,836,123	2,054,434
Plus GST	264,977	275,418	308,165
Total to fund (including GST)	2,031,492	2,111,542	2,362,599
Urban water targeted rate - half charge			
Estimated number of rateable properties to receive half charges	153	153	153
Total to fund			
Subtotal	27,175	28,189	31,641
Plus GST	4,076	4,228	4,746
Total to fund (including GST)	31,251	32,417	36,388

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)
Pongaroa water targeted rate			
Estimated number of rateable properties	689	689	689
Total to fund			
Subtotal	56,558	57,756	56,558
Plus GST	8,484	8,663	8,484
Total to fund (including GST)	65,042	66,420	65,042
Total rates (excluding water metered rates)			
Total to fund (excluding GST and Water Metered Rates)*	22,339,728	23,199,469	23,278,736
Plus GST	3,350,959	3,479,920	3,491,810
Total to fund (including GST)	25,690,687	26,679,390	26,770,547
Water metered rate			
Total to fund	545,000	560,260	600,000
Plus GST	81,750	84,039	90,000
Total to fund (including GST)	626,750	644,299	690,000
Total of All Rates	26,317,437	27,323,689	27,460,547
Total number of rateable units	10,333	10,343	10,343

* Does not reconcile to total rates per the 'Forecast Statement of Comprehensive Revenue and Expense', as excludes rates on Council-owned property.

04

FINANCIALS

Prospective financial statements

Guide to the financial statements

Within this section, you will find the financial detail of the Long Term 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 revenue and expenses 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 revenue and expense

This provides information on the surplus or deficit arising throughout the Plan impacting on the past and future Comprehensive Revenue and Expense. 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 net assets/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.

Forecast statement of comprehensive revenue and expense

For the Year from 1 July 2019 to 30 June 2020

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Planned Revenue/Expense				
Operating transactions				
Rates	22,395	23,260	23,389	129
Subsidies	9,548	10,690	13,375	2,685
Fees and charges	2,743	2,813	3,111	298
Finance revenue	224	147	100	(47)
Miscellaneous revenue	376	234	231	(3)
Total Revenue	35,286	37,144	40,206	3,062
Expenditure				
Operating expenses	17,097	17,431	18,176	745
Depreciation and amortisation	13,117	13,542	13,193	(349)
Employee benefit costs	5,549	5,680	5,732	52
Finance costs	830	1,084	911	(173)
Total operating expenditure	36,593	37,737	38,012	275
Other asset gains/(losses)	79	64	94	30
Operating surplus/(deficit)	(1,228)	(529)	2,288	2,817
Other comprehensive revenue and expenses				
Gains on assets revaluations	18,736	19,070	19,164	94
Other comprehensive revenue and expenses subtotal	18,736	19,070	19,164	94
Total comprehensive revenue and expenses	17,508	18,541	21,452	2,911

Forecast statement of changes in net assets/equity

As at 30 June 2020

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Net assets/equity at 1 July	878,962	896,470	900,015	3,545
Total recognised comprehensive revenue and expense for the period	17,508	18,541	21,452	2,911
Net Assets/Equity at 30 June	896,470	915,011	921,467	6,456

Detailed changes

Accumulated funds

Balance at 1 July	341,610	342,466	325,080	(17,386)
Net surplus (deficit) after tax for the year	(1,228)	(529)	2,288	2,817
Transfers from equity to special reserves	2,084	1,645	1,855	210
Balance at 30 June	342,466	343,582	329,223	(14,359)

Asset revaluation reserves

Balance at 1 July	503,419	522,155	538,431	16,276
Increase in revaluation reserves	18,736	19,070	19,164	94
Balance at 30 June	522,155	541,225	557,595	16,370

Special funded reserves

Balance at 1 July	33,883	31,799	36,454	4,655
Increase in special reserves	(2,084)	(1,645)	(1,855)	(210)
Balance at 30 June	31,799	30,154	34,599	4,445

Trust funds

Balance at 1 July	50	50	50	-
Increase in trust funds	-	-	-	-
Balance at 30 June	50	50	50	-

Net Assets/Equity at 30 June	896,470	915,011	921,467	6,456
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* The opening balances for the Draft Annual Plan 2019/20 are different from the 2018/19 Annual Plan closing balance, as the opening balance takes into account actual balance as at 30 May and the forecast revenue and expenditure to 30 June 2019.

Forecast statement of financial position

As at 30 June 2020

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Assets				
Current Assets				
Cash and cash equivalents	2,018	2,048	2,018	(30)
Debtors and other receivables	3,874	3,929	4,500	571
Other financial assets	4,579	2,869	2,145	(724)
Inventories	115	115	68	(47)
Total current assets	10,586	8,961	8,731	(230)
Non-current assets				
Investment property	1,649	1,682	1,649	(33)
Biological assets	1,539	1,570	2,126	556
Other financial assets	278	278	375	97
Property, plant and equipment	39,677	40,608	44,236	3,628
Infrastructural assets	863,522	887,585	889,589	2,004
Restricted assets	4,770	4,770	4,770	-
Intangible assets	1,203	1,203	1,254	51
Total non-current assets	912,638	937,696	943,999	6,303
Total assets	923,224	946,657	952,730	6,073
Liabilities				
Current liabilities				
Trade and other payables	4,087	4,173	4,500	327
Borrowings - current	2,000	2,000	2,000	-
Employee benefit liabilities	448	459	448	(11)
Provision for landfill aftercare	-	-	-	-
Total current liabilities	6,535	6,632	6,948	316
Non-current liabilities				
Borrowings - non-current	19,072	23,866	23,125	(741)
Employee benefit liabilities	29	32	29	(3)
Provision for landfill aftercare	641	641	686	45
Tenant contributions	475	475	475	-
Total non-current liabilities	20,217	25,014	24,315	(699)
Total liabilities	26,752	31,646	31,263	(383)

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Equity				
Accumulated funds	342,466	343,582	329,223	(14,359)
Asset revaluation reserves	522,155	541,225	557,595	16,370
Special funded reserves	31,799	30,154	34,599	4,445
Trust funds	50	50	50	-
Total equity	896,470	915,011	921,467	6,456
Total liabilities and equity	923,222	946,657	952,730	6,073

Forecast cash flow statement

For the 10 years from 1 July 2018 to 30 June 2028

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Cash flows from operating activities				
Cash is provided from:				
Rates	22,885	23,705	23,879	174
Grants and subsidies	9,548	10,690	13,375	2,685
Fees and charges	2,743	2,813	3,111	298
Finance income	224	147	100	(47)
Other revenue	376	234	231	(3)
Total	35,776	37,589	40,696	3,107
Cash is applied to:				
Payments staff and suppliers	23,137	23,511	24,398	887
Finance costs	830	1,084	911	(173)
Total	23,967	24,595	25,309	714
Net cash from operating activities	11,810	12,993	15,387	2,394
Cash flows from investing activities				
Sale of fixed assets	-	-	-	-
Proceeds from investments realised	250	-	-	-
Total	250	-	-	-
Cash is applied to:				
Purchase of fixed assets	18,316	19,466	21,367	1,901
Purchase of investments	(2,184)	(1,710)	(1,855)	(145)
Total	16,132	17,756	19,512	1,756
Net cash from investing activities	(15,882)	(17,757)	(19,512)	(1,756)

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Cash flows from financing activities				
Cash is provided from:				
Loans raised	8,072	6,794	6,125	(669)
Total	8,072	6,794	6,125	(669)
Cash is applied to:				
Repayment of loans	4,000	2,000	2,000	-
Tenant Contributions repaid	-	-	-	-
Total	4,000	2,000	2,000	-
Net cash from financing activities	4,072	4,794	4,125	(669)
Net (decrease)/increase in cash held	-	30	-	(30)
Total cash and cash equivalent resources at beginning	2,018	2,018	2,018	-
Total cash resources at year end	2,018	2,048	2,018	(30)

Note 1: statement of capital expenditure

		Carry Forward	Draft Annual Plan 2019/20	Total Budget - Annual Plan 2019/20	Long Term Plan 2019/20	Variance
Route 52		250	1,500	1,750	1,533	217
Route 52 development	Subsidy 83% / Loan 17%	250	750	1,000	767	234
Route 52 renewal	Subsidy 83% / Depreciation Reserve 17%	-	750	750	767	(17)
Roading Developments		-	2,700	2,700	1,226	1,474
Minor safety improvements	Subsidy 66% / Loan 34%	-	1,200	1,200	1,226	(26)
Targeted enhanced funding safety improvements	Subsidy 83% / Loan 17%	-	1,500	1,500	-	1,500
Roading Renewals		-	7,017	7,017	6,814	204
Bridge renewals	Subsidy 66% / Depreciation Reserve 34%	-	250	250	256	(6)
Carpark renewals	Depreciation Reserve	-	157	157	160	(3)
Drainage renewals	Subsidy 66% / Depreciation Reserve 34%	-	550	550	562	(12)
Emergency reinstatement	Subsidy 66% / Depreciation Reserve 34%	-	900	900	562	338
Level crossing renewals	Subsidy 66% / Depreciation Reserve 34%	-	30	30	31	(1)
Pavement rehabilitation	Subsidy 66% / Depreciation Reserve 34%	-	1,625	1,625	1,661	(36)
Sealed roads resurfacing	Subsidy 66% / Depreciation Reserve 34%	-	2,225	2,225	2,274	(49)
Structures component replacements	Subsidy 66% / Depreciation Reserve 34%	-	200	200	204	(4)
Traffic services renewal	Subsidy 66% / Depreciation Reserve 34%	-	200	200	204	(4)
Unsealed road metalling	Subsidy 66% / Depreciation Reserve 34%	-	880	880	899	(19)

		Carry Forward	Draft Annual Plan 2019/20	Total Budget - Annual Plan 2019/20	Long Term Plan 2019/20	Variance
Pahiatua Main Street Upgrade		1,765	1,325	3,090	1,354	1,736
Fibre ducting for Pahiatua Main Street upgrade	Loan	92	-	92	-	92
Pahiatua Main Street upgrade	Loan	573	1,325	1,898	1,354	544
Stormwater reticulation renewals	Depreciation Reserve	200	-	200	-	200
Wastewater reticulation second pipe development	Loan	250	-	250	-	250
Wastewater reticulation renewals	Depreciation Reserve	250	-	250	-	250
Water reticulation second pipe development	Loan	400	-	400	-	400
Footpaths			405	405	414	(9)
Footpath development	Subsidy 66% / Loan 34%	-	30	30	31	(1)
Footpath renewals	Subsidy 66% / Depreciation Reserve 34%	-	325	325	332	(7)
Village main street upgrade	Loan	-	50	50	51	(1)
Utilities Network Extension			255	255	262	(7)
Stormwater reticulation network extensions	Loan	-	85	85	87	(2)
Wastewater reticulation network extensions	Loan	-	100	100	103	(3)
Water reticulation network extensions	Loan	-	70	70	72	(2)
Wastewater Treatment Developments			350	350	1,696	(1,346)
Eketahuna wastewater pipeline to Pahiatua treatment plant	Loan	-	100	100	1,542	(1,442)
Pongaroa treatment upgrade	Loan	-	140	140	144	(4)
Pongaroa wetland	Loan	-	-	-	-	-
Portable dewatering plant	Loan	-	100	100	-	100
Woodville shower and toilet facility	Loan	-	10	10	10	-

			Carry Forward	Draft Annual Plan 2019/20	Total Budget - Annual Plan 2019/20	Long Term Plan 2019/20	Variance
Wastewater Treatment Renewals				239	239	194	46
Dannevirke dose pumps	Depreciation Reserve	-	9	9	9	-	
Dannevirke treatment plant	Depreciation Reserve	-	76	76	78	(2)	
District telemetry	Depreciation Reserve	-	10	10	10	-	
Health and safety renewals	Depreciation Reserve	-	15	15	15	-	
Norsewood wastewater consent	Depreciation Reserve	-	50	50	51	(1)	
Pahiatua wastewater filter renewal	Depreciation Reserve	-	25	25	-	25	
Unplanned renewals	Depreciation Reserve	-	30	30	31	(1)	
Woodville wastewater filter renewal	Depreciation Reserve	-	25	25	-	25	
Wastewater Resource Consents		-	300	300	206	94	
Eketahuna wetland development consent	Loan	-	100	100	-	100	
Pongaroa discharge consent renewal	Depreciation Reserve	-	200	200	206	(6)	
Wastewater Reticulation Renewals		-	1,314	1,314	1,351	(37)	
Infiltration strategy and implementation	Depreciation Reserve	-	885	885	910	(25)	
Pump station	Depreciation Reserve	-	4	4	4	-	
Unplanned renewals	Depreciation Reserve	-	25	25	26	(1)	
Wastewater reticulation renewals	Depreciation Reserve	-	400	400	411	(11)	
Water Treatment Developments		-	2,770	2,770	51	2,719	
Pahiatua water membrane treatment plant	Loan	-	2,700	2,700	-	2,700	
Pressure reducing valves	Loan	-	50	50	51	(1)	
Water data telemetry	Loan	-	20	20	-	20	
Water Treatment Renewals		-	40	40	41	(1)	
Health & Safety Renewals	Depreciation Reserve	-	15	15	15	-	
Leak detection	Depreciation Reserve	-	25	25	26	(1)	
Water Reticulation Renewals		-	925	925	951	(26)	
Reticulation water mains renewals	Depreciation Reserve	-	600	600	617	(17)	
Unplanned renewals	Depreciation Reserve	-	25	25	26	(1)	
Water leakage strategy and implementation	Loan	-	300	300	308	(8)	

			Carry Forward	Draft Annual Plan 2019/20	Total Budget - Annual Plan 2019/20	Long Term Plan 2019/20	Variance
Stormwater Development			-	150	150	154	(4)
District stormwater development	Loan		-	150	150	154	(4)
Stormwater Renewals			-	50	50	51	(1)
Reticulation renewals	Depreciation Reserve		-	50	50	51	(1)
Connectivity			-	410	410	418	(9)
Extension of proposed broadband services	Loan		-	25	25	26	(1)
Fibre ducting development	Loan		-	10	10	10	-
Mobile black spot - rights to large cell towers	Loan		-	50	50	51	(1)
Town super-fast wireless development	Loan		-	50	50	51	(1)
Wireless black-spot reductions	Loan		-	275	275	281	(6)
Community Buildings			-	180	180	168	12
Dannevirke Town Hall renewals	Depreciation Reserve		-	35	35	36	(1)
District-wide seating renewal	Depreciation Reserve		-	3	3	3	-
Eketahuna renewals	Depreciation Reserve		-	23	23	23	-
Norsewood War Memorial Hall sealing	Depreciation Reserve		-	12	12	-	12
Norsewood War Memorial Hall vinyl	Depreciation Reserve		-	3	3	-	3
Pahiatua renewals	Depreciation Reserve		-	52	52	53	(1)
Unplanned renewals	Depreciation Reserve		-	50	50	51	(1)
Woodville Community Centre renewals	Depreciation Reserve		-	2	2	2	-
Buildings Earthquake Strengthening			-	415	415	423	(9)
Dannevirke Carnegie building earthquake assessment	Depreciation Reserve		-	100	100	102	(2)
Pahiatua Service Centre building	Depreciation Reserve		-	175	175	179	(4)
Woodville Library/Service Centre	Depreciation Reserve		-	140	140	143	(3)
Administrative Buildings			-	60	60	61	(1)
Dannevirke Civic Centre renewals	Depreciation Reserve		-	5	5	5	-
Dannevirke Civil Defence complex renewals	Depreciation Reserve		-	28	28	29	(1)
Eketahuna library renewals	Depreciation Reserve		-	12	12	12	-
Pahiatua Service Centre renewals	Depreciation Reserve		-	10	10	10	-
Woodville Library/Service Centre renewals	Depreciation Reserve		-	5	5	5	-

Funding source		Carry Forward	Draft Annual Plan 2019/20	Total Budget - Annual Plan 2019/20	Long Term Plan 2019/20	Variance
Parks and Reserves Renewals		-	97	97	63	34
Bush Multisport toilet renewal	Depreciation Reserve	-	35	35		35
Dannevirke Domain renewal	Depreciation Reserve	-	10	10	10	-
District-wide fencing	Depreciation Reserve	-	10	10	10	-
District-wide minor renewals	Depreciation Reserve	-	10	10	10	-
District-wide playground matting	Depreciation Reserve	-	30	30	31	(1)
Eketahuna Domain renewal	Depreciation Reserve	-	2	2	2	-
Camping Ground Developments		-	90	90	46	44
Dannevirke campground accessible toilet	Loan	-	45	45		45
District-wide power outlets	Loan	-	45	45	46	(1)
Camping Ground Renewals		-	24	24	24	-
Dannevirke hardstand	Depreciation Reserve	-	20	20	20	-
District-wide renewals	Depreciation Reserve	-	4	4	4	-
Swimming Pools		-	7	7	7	-
District-wide plumbing and electrical renewals	Depreciation Reserve	-	7	7	7	-
Cemetery Developments		-	100	100	102	(2)
Mangatera new area	Loan	-	100	100	102	(2)
Cemetery Renewals		-	10	10	-	10
Ormondville Cemetery renewal	Depreciation Reserve	-	10	10	-	10
Solid Waste Developments		-	10	10	10	-
Pongaroa capping	Loan	-	10	10	10	-
Solid Waste Renewals		-	10	10	10	-
Minor capital renewals	Depreciation Reserve	-	10	10	10	-
Animal Control Renewals		-	5	5	-	5
Dannevirke SPCA power replacement	Depreciation Reserve	-	5	5	-	5

	Funding source	Carry Forward	Draft Annual Plan 2019/20	Total Budget - Annual Plan 2019/20	Long Term Plan 2019/20	Variance
Civil Defence		-	153	153	156	(3)
Digital radio network development	Loan	-	150	150	153	(3)
Radio renewals	Depreciation Reserve	-	3	3	3	-
Community Support		-	50	50	51	(1)
District-wide town CCTV renewals	Depreciation Reserve	-	30	30	31	(1)
Ducting for electric vehicle charging stations	Loan	-	20	20	20	-
Support Developments		-	129	129	131	(1)
CCTV development	Loan	-	14	14	14	-
Council fibre extensions	Loan	-	20	20	20	-
Hardware development	Loan	-	20	20	20	-
Software development	Loan	-	60	60	61	(1)
Unmanned aerial vehicles development	Loan	-	15	15	15	-
Support Renewals		-	467	467	474	(9)
CCTV renewals	Depreciation Reserve	-	10	10	10	-
Copiers renewal	Depreciation Reserve	-	33	33	34	(1)
Hardware renewal	Depreciation Reserve	-	283	283	288	(5)
Software renewal	Depreciation Reserve	-	98	98	100	(2)
Telephones renewal	Depreciation Reserve	-	36	36	36	(1)
Unmanned aerial vehicles renewal	Depreciation Reserve	-	7	7	7	-
Vehicle Renewals		-	292	292	298	(6)
Vehicle renewals	Depreciation Reserve	-	292	292	298	(6)
Project Management Office		-	100	100	102	(2)
Project Management Office	Depreciation Reserve	-	100	100	102	(2)
Carpark Renewals		153	-	153	-	153
District off-road carpark sealing	Depreciation Reserve	153	-	153	-	153
Total Capital Expenditure		2,168	22,567	24,735	19,466	5,271

Summary of capital projects

	Carry Forward	Draft Annual Plan 2019/20	Total Budget - Annual Plan 2019/20	Long Term Plan 2019/20	Variance
Growth	-	395	395	405	(10)
Level of Service	1,565	9,496	11,061	6,573	4,491
Renewal	603	12,676	13,279	12,488	790
Grand Total	2,168	22,567	24,735	19,466	5,271

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 ratepayers.

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 24 reserves of which 23 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 discretionary 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 depreciated 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 2019/20 (000s)	Transfers in (000s)	Transfers out (000s)	Closing balance 2028 (000s)
Council	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 reserve can be used to fund internal borrowing.	29,108	10,771	(12,676)	27,203
Makuri Water Scheme	To establish a depreciation reserve to fund the renewal of assets for this scheme.	12	-	-	12
Pongaroa Water Supply	To establish a depreciation reserve to fund the renewal of assets for this scheme.	287	7	-	294
Tararua Aquatic Community Trust Wai Splash	To establish a depreciation reserve to fund the renewal of major assets.	145	58	-	203
Bush Multisport	To establish a depreciation reserve to fund the renewal of major assets.	120	25	-	145
Total		26,672	128,663	(130,477)	27,857

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 reserves 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 2018 (\$000s)	Transfers in (\$000s)	Transfers out (\$000s)	Closing balance 2028 (\$000s)
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. • 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. 	1,714	45	-	1,759
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.	1,600	40	-	1,640
Tararua Gratuity	This reserve is for staff who have qualified or qualify for gratuities.	68	-	-	68
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.	1,128	62	(170)	1,020
Recreation Grant	To accumulate funds to support recreational projects in the district.	41	32	-	73
Tenant Contribution (Debt Repayment)	To account for and refund tenant contributions for leasing of Council's housing properties.	492	-	-	492

Description	Purpose of Fund	Opening balance 2018 (\$000s)	Transfers in (\$000s)	Transfers out (\$000s)	Closing balance 2028 (\$000s)
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.	74	12	-	86
Biodiversity Protection	To support: <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. 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 trees, vegetation and habitats landscapes).	22	11	-	33
Forestry	Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest.	1,041	7	-	1,048
Election	To account for elections funds, rate funded each year to spread out election cost in the year of election.	30	1	(50)	(19)
Waste Management Fund	To account for the waste management levies received. This reserve will be solely used to fund specific projects for this activity.	75	27	-	102
Domain Boards Bank Balances	To account for the bank balances of the Domain Board in trust.	427	111	(100)	438
Total		6,712	346	(320)	6,738

Trust Funds

These special reserves are set up to receive bequests 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 2018 (\$000s)	Transfers in (\$000s)	Transfers out (\$000s)	Closing balance 2018 (\$000s)
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.	-	-	-	-
Mayoral Storm Relief Fund	To account for government assistance that Council receives to provide support (mainly for the welfare of farmers and businesses) following any major storm disruption in the Manawatu-Wanganui region.	8	-	-	8
Ormondville Playground	Funds held on behalf of the Ormondville community to purchase playground equipment in the town.	1	-	-	1
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.	21	-	-	21
Dannevirke Fairbrother Trust	Funds bequest by the Trust for projects that benefit the Dannevirke community.	20	-	-	20
Total		50	-	-	50

Note 3: depreciation expense by group of activity

	Annual Plan 2018/19 (\$000s)	LTP 2019/20 (\$000s)	Draft Annual Plan 2019/20 (\$000s)	Variance (\$000s)
Building Communities and Leadership	34	34	3	(31)
Community and Recreation Facilities	2,028	2,055	2,111	56
District Promotion & Economic Development	35	76	55	(21)
Regulatory Services	39	46	55	9
Roading and Footpaths	8,796	9,049	8,498	(551)
Solid Waste Management	24	24	70	46
Stormwater Drainage	223	232	232	-
Wastewater	914	966	1,013	47
Water Supplies	1,024	1,060	1,156	96
Total	13,117	13,542	13,193	(349)

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**GENERAL
INFORMATION**

Council

HER WORSHIP THE MAYOR



Mrs T H (Tracey) Collis
PO Box 115, Dannevirke 4942
06 374 4080
tracey.collis@taruadc.govt.nz

SOUTH WARD COUNCILLORS



Cr A K (Alison) Franklin
615 Ridge Road North, RD 3, Pahiatua 4983
06 376 6487
alison.franklin@taruadc.govt.nz



Cr S (Shirley) Hull
Mangahao Road, RD 3, Pahiatua 4983
06 376 7283
shirley.hull@taruadc.govt.nz

NORTH WARD COUNCILLORS



Deputy Mayor

Cr A L (Allan) Benbow

38 Cowper Road, Dannevirke 4930
06 374 8854 • 021 374 984
allan.benbow@tararua.govt.nz



Cr J E (Jim) Crispin

8 Stairs Street, Dannevirke 4930
06 374 6768 • 027 717 8862
jim.crispin@tararua.govt.nz



Cr C J (Carole) Isaacson

63 Umutaoroa Road, RD 8, Dannevirke 4978
06 374 5577 • 027 307 5013
carole.isaacson@tararua.govt.nz



Cr K (Kerry) Sutherland

33 McPhee Street, Dannevirke 4930
06 374 7940 • 027 626 3311
kerry.sutherland@tararua.govt.nz



Cr P (Peter) Johns

44 McLean Street, Woodville 4920
06 376 5048 • 027 442 7115
peter.johns@tararua.govt.nz



Cr A J (Andy) Thompson

393 Ballance Valley Road, RD 3, Pahiatua 4983
06 376 7372 • 027 482 4345
andy.thompson@tararua.govt.nz

Community Boards

Dannevirke Community Board

Generally meets on the first Monday of the month at 3:00pm.

- **Chairperson**
Mr W R (Ross) MacDonald
91 Piri Piri Road, RD 7, Dannevirke 4977
06 374 7996
gloriarossmacdonald@gmail.com
- **Deputy Chairperson**
Mr P (Pat) Walshe
2 Cuba Street, Dannevirke 4930
06 374 5702
patrickw11@hotmail.com
- Mr T (Terry) Hynes
281 Top Grass Road, Rua Roa, RD 8, Dannevirke 4930
06 374 5761
kinvara281@gmail.com
- Ms K (Kim) Spooner
2 Lower Domain Road, Dannevirke 4930
06 374 9090
kimsponer@xtra.co.nz
- **Councillor**
Mrs C (Carole) Isaacson
RD 8, Umutaoroa, Dannevirke 4978
06 374 5577
carole.isaacson@tararua.govt.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**
Ms S (Sharon) Shannon
125 Larsens Road, Eketahuna
06 375 8130
bevansharon@hotmail.com
- Mrs D F (Diana) Eagle
1775 Mangaone Valley Road, RD 4,
Eketahuna 4993
06 376 8256 or 027 323 3570
eagleeketahuna@xtra.co.nz
- Ms P (Pauline) Wilson
102 Stanly Street, Eketahuna 4900
06 375 8805
paulinewilson@xtra.co.nz
- **Councillor**
Mr A J (Andy) Thompson
393 Ballance Valley Road, RD 3, Pahiatua 4983
06 376 7372 or 027 482 4345
andy.thompson@tararua.govt.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).

Council Committees

Chief Executive's Performance Appraisal Committee

- **Chairperson**
Her Worship the Mayor, Mrs T H (Tracey) Collis
- Deputy Mayor, Mr A L (Allan) Benbow
- Cr S A (Shirley) Hull

Tribunal and Hearings Committee

- Her Worship the Mayor, Mrs T H (Tracey) Collis
- Cr S A (Shirley) Hull

Audit and Risk Committee

- **Chairperson**
Mr K (Kevin) Ross
- Deputy Mayor, Mr A L (Allan) Benbow
- Her Worship the Mayor, Mrs T H (Tracey) Collis
- Cr J E (Jim) Crispin
- Cr S A (Shirley) Hull

Works Liaison Committee

- **Chairperson**
Cr J E (Jim) Crispin
- Deputy Mayor, Mr A L (Allan) Benbow
- Cr E J (Ernie) Christison
- Her Worship the Mayor, Mrs T H (Tracey) Collis
- Cr P (Peter) Johns
- Cr A J (Andy) Thompson

Tararua District Licensing Committee

- **Chairperson**
Mr David Lea
- **Secretary**
Mrs Joan Spencer
- **Members**
Mr Nick Perry
Mrs Maureen Reynolds
Mr Kerry Sutherland

Iwi Liaison Working Party

- **Chairperson**
Her Worship the Mayor, Mrs T H (Tracey) Collis
- Deputy Mayor, Mr A L (Allan) Benbow
- Cr P (Peter) Johns

Management team

Executive Staff

Blair King ME (Civil) CPEng
Chief Executive

Peter Wimsett CA, BBS
Manager Strategy & District Development

Raj Suppiah CA
Chief Financial Officer

Chris Chapman
Tararua Alliance Manager

Craig Lunn BRP (Hons), MNZPI
Manager Planning and Regulatory

Dave Watson
Group Manager – Plant and Property

Chris Whiley
Tararua IT Alliance Manager

Jackie Hitt
Human Resources Manager

Directory

Head Office and Council Chamber

PO Box 115 Dannevirke 4942	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
Facebook:	TararuaDC

Service Centre Locations

Dannevirke

26 Gordon Street, Dannevirke
(06) 374 4080

Eketahuna

31 Main Street, Eketahuna
(06) 376 0219

Pahiatua

136 Main Street, Pahiatua
(06) 376 0110

Woodville

45 Vogel Street, Woodville
(06) 376 0200

Other

Bankers

Westpac New Zealand Ltd
Dannevirke

Bank of New Zealand
Dannevirke

Auditors

Audit New Zealand
PO Box 149
Palmerston North
On behalf of the Auditor-General

Insurance Brokers

Aon New Zealand Ltd
Wellington

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.