

LIVING WELL IN TARARUA

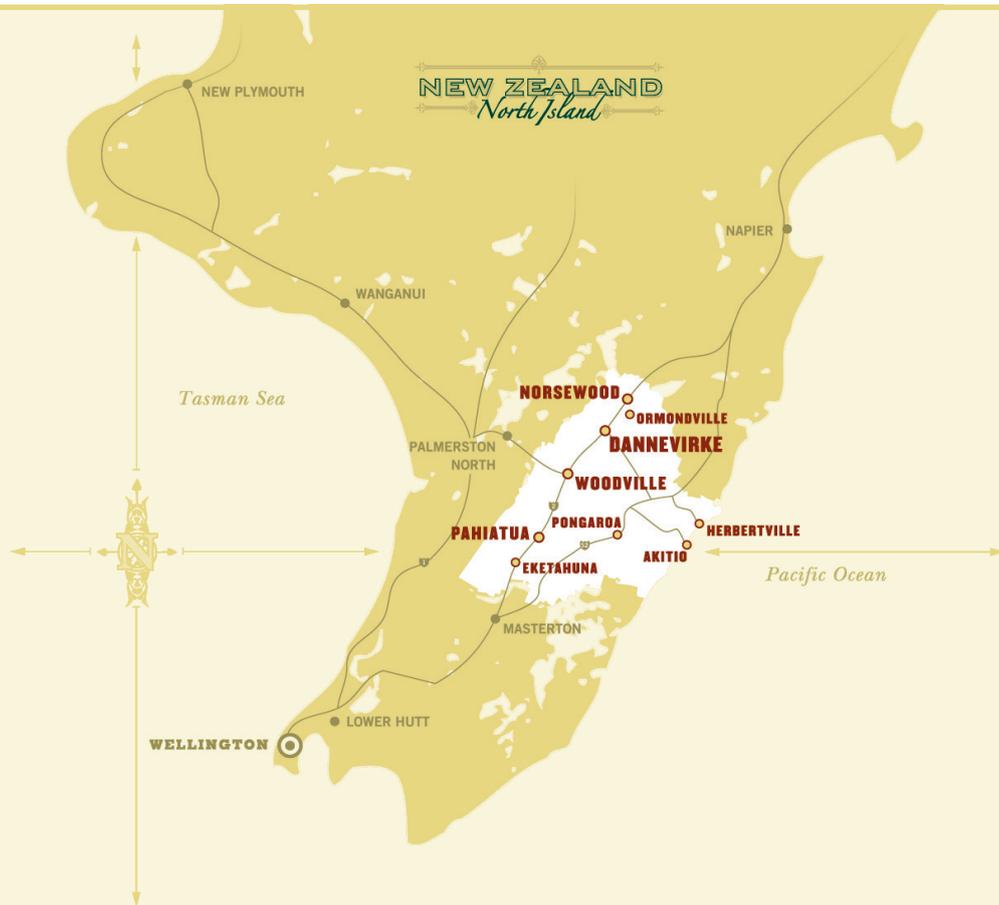
– IT'S MORE THAN
JUST A PROMISE!



TARARUA

DISTRICT COUNCIL

LONG TERM PLAN 2015–2025



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

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

In the beginning...

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

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

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

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

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

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

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

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

LONG TERM PLAN 2015–2025

 TARARUA DISTRICT COUNCIL

This document is the Long Term Plan of the Tararua District Council, for the period 1 July 2015 to 30 June 2025.

The Long Term Plan 2015–2025 was adopted by Council on 24 June 2015.

**TARARUA DISTRICT COUNCIL
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Contents

Part 1 : Overview	5	Public Conveniences.....	80
Guide to the Long Term Plan.....	7	Service Centres.....	83
Welcome from the Mayor, Roly Ellis.....	8	Swimming Pools.....	86
Welcome from the Chief Executive, Blair King.....	9	District Promotion and Economic Development.....	90
Changes From the Consultation Document and Responses to Submissions.....	11	Commercial Investments.....	94
Our Vision and Strategy.....	16	District Promotion and Development.....	97
Council Outcomes.....	18	Regulatory Services.....	101
Monitoring the Council Outcomes.....	19	Animal Control.....	106
Keeping it Affordable – Our Financial Strategy.....	21	Emergency Management.....	110
Long Term Plan Disclosure Statement.....	36	Health and Safety.....	115
Independent Auditor’s Report.....	43	District Planning.....	119
Part 2 : Activities	45	Roading and Footpaths.....	122
Groups of Activities.....	46	Footpaths.....	126
Building Communities and Leadership.....	48	Roading.....	130
Community Support.....	52	Solid Waste Management.....	135
Representation.....	55	Stormwater.....	142
Community and Recreation Facilities.....	59	Wastewater.....	148
Cemeteries.....	64	Water Supplies.....	156
Community Buildings.....	67	Part 3 : Rates	165
Housing.....	70	Revenue and Financing Policy.....	167
Libraries.....	73	Funding Impact Statement.....	183
Parks and Reserves.....	77	Rating Remission Policy.....	226

Part 4 : Financials 233

Prospective Financial Statements.....	234
Forecast Statement of Comprehensive Revenue and Expense.....	236
Forecast Statement of Changes in Net Assets/Equity	238
Forecast Statement of Financial Position	240
Forecast Cash Flow Statement	244
Note 1: Statement of Capital Expenditure.....	246
Note 2: Statement of Reserves and Special Funds.....	261
Note 3: Depreciation Expense by Group of Activity	266
Statement of Accounting Policies	268
Basis of Preparation	268
Significant Accounting Policies	269
Long Term Plan Significant Forecasting Assumptions and Risks	280

Part 5 : Policies 303

Summary of the Significance and Engagement Policy	305
Policy on Financial Contribution	308
Policy on the Development of Maori Capacity to Participate in Council Decision-Making.....	310
Assessment of Water and Sanitary Services	312
Infrastructure Strategy	314

Part 6 : General Information 373

Council.....	374
Community Boards and Council Committees	376
Management Team	378
Directory	379
Tararua District Council Statistics.....	380
Glossary of Terms.....	381

Overview

1



Guide to the Long Term Plan

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

Part 1: Overview

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

Part 2: Activities

Information is provided here for the group of activities and each activity of Council, including why Council is involved, the intended outcomes, the service levels that Council intends to deliver and how the results will be measured.

Part 3: Rates

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

Part 4: Financials

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

Part 5: Policies

This section contains Council's key policies on financial contributions, significance and engagement, infrastructure strategy, assessment of water and sanitary services, and Maori participation in Council decision-making.

Part 6: General Information

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

Associated Documents

A comprehensive list of fees and charges will be found in 'Fees and Charges 2015/16'.

Other associated policies include:

1. Treasury Risk Management Policy and Procedures
2. Significance and Engagement Policy

These policies and the Fees and Charges 2015/16 are on Council's website, www.tararua.govt.nz

Welcome from the Mayor, Roly Ellis

Council has been working with residents and key stakeholders to create this new 10-year Plan for the Tararua. Council has reaffirmed the focus on core infrastructure, economic development and financial prudence, as well as responding to challenges and opportunities for the Tararua district. The previous Long Term Plan was reviewed and all proposed projects and service levels were reconsidered against these strategic focus areas.

The people of Tararua continue to face the impact from natural events, farm product price swings and changes in government policy. Council is aware of tight budgets for many ratepayers and the need for Council to keep rates increases low.

Affordability has been, and will continue to be, a key focus of this Council, and will underpin all of our other strategies.

A major challenge facing our communities is the decline in population over the last 20 years; this threatens our ability to provide affordable services in the future.

Many positive developments are happening in the community and business sectors, and the district is more positive than it has been for many years. Council has allocated a modest increase in funding for Economic Development with the aim to boost spending locally, retain local residents and attract new people to enjoy the unique lifestyle offered in Tararua. Job numbers have started to increase in the district and we aim to facilitate continued growth in business and population over the next 10 years.

We also plan to keep Council debt and rates at levels that allow the community to grow, to recover from emergencies

effectively, and maintain flexibility to make choices in the future.

Prudent financial management has left us a legacy – we are currently in a strong financial position enabling lower rates increases. Rates are proposed to increase 2.98% next year (3.45% in current year), with an average annual increase of 2.71% over the next 10 years (3.8% in the 2012–2022 Plan). Our debt levels are modest and well within our target debt ratios.

Another key focus for Councillors is to build on our current Iwi relationships. Council has resolved to work closely with representatives from Rangitane O Tamaki Nui A Rua and Ngati Kahungunu to achieve strong relationships with both Iwi to shape a better district.

Over the next few years, Council has committed to a number of key projects to improve community facilities, water supplies, wastewater treatment and urban stormwater services. Most of these projects will involve further community input before final decisions are made. We are looking forward to delivering better core services that facilitate future growth and improved lifestyles of the Tararua district.



Welcome from the Chief Executive, Blair King

My key role is to deliver to the ratepayers and residents Council's vision, strategies and service levels, using a combination of internal staff and external contractors. Collectively, the team is responsible for planning, project management and improving outcomes for the community, all still at an affordable level.

The challenges will continue of course; our infrastructure networks are constantly being required to meet higher environmental standards, and internal processes need to comply with more auditing and compliance requirements.

Council is under increasing pressure to deliver services more efficiently. This involves new ways of working. For example, the new Alliance partnership model for the management of our roading corridor network, and the recent amalgamation of the Council services in Woodville into one building. We expect a more resilient roading network rather than the traditional model of taking the lowest price contractor.

The majority of funding for maintenance and renewal of our large roading network is provided by the NZ Transport Agency (NZTA). After a nationwide review of this funding, Tararua will receive a higher subsidy over the next three years. This will help to maintain our roading network in the medium term. However, we are also signalling potential challenges:

- to maintain roads based on function and frequency of use; and
- reduced funding for emergency works (such as flood damage)

These two issues will potentially reduce the amount of funding available for our current service levels. We have little control over these, and the full effects will not be known until 2017/18.

The recent flood damage resulting from the heavy rainfall on 20 and 21 June for the Tararua district has mainly impacted the major roads with no significant damage to Council's other infrastructure network assets and buildings.

Full assessment of the damage will be completed early next year with remedial work and funding options explored thereafter. Council has sufficient reserves and is also likely to receive NZTA enhanced subsidy (as in previous years) for the any remedial work arising for the flood damage.

Council is part-way through a successful programme of upgrading urban water and wastewater networks, including the source, storage and treatment of water, and the treatment and discharging of wastewater.

In addition to the existing programme of upgrades already agreed in the 2012 Long Term Plan, the 2015 Long Term Plan process has resulted in two new projects:

- improve water storage in Woodville; and
- meeting water quality standards in Pongaroa township.



In Wastewater, we will continue with the previously established programme. This is being developed in collaboration with Horizons, the Ministry for the Environment and major stakeholders.

We continue to work with our funding partners to deliver the required outcomes in the most affordable and sustainable way. These infrastructure projects support growth in the district.

On top of these projects we will continue to deliver all the other Council services. Council is not making any significant changes in its approach to funding operational and capital expenditure.

The exceptions to this are the Pensioner Housing activity and the solid waste kerbside bag collection service. Council has decided to:

- sell the pensioner housing units by 2017/18, but only to an appropriate social housing provider (or providers) through a tender process;
- exit the solid waste kerbside bag collection service in 2018/19, as long as suitable and affordable private sector options are available to urban properties that currently receive the collection service.



Changes From the Consultation Document and Responses to Submissions

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

This Long Term Plan is the first to be completed under the recent amendments to the Local Government Act. A new Consultation Document was the focus of the consultation process. This contained the options for key decisions that Council wanted to have community feedback on. The process resulted in 224 submissions, a substantial increase from the 2012 Long Term Plan process.

The following are the key issues in the Consultation Document, and Council's responses to the submissions.

Woodville and Pongaroa Water Upgrade Projects

Woodville Water Supply

Water for Woodville is sourced from an open stream into a storage dam or directly to the treatment plant.

Council upgraded the quality of water in Woodville in 2011. The issue that remains is the volume of supply. This means that Woodville often enters summer with the storage at less than full levels. Water restrictions are common throughout

summer. If anything goes wrong with the treatment plant, there is little opportunity to fix it before the town runs out of water.

The aim of this project is to address these issues and provide adequate drinking water to the community throughout the year. There is a need to increase the storage of both treated and raw water in Woodville, making the scheme less dependent on weather conditions and more resilient. Options for storage include expanding the current facility, or building a new storage facility at a new site.

This was a large topic for submissions, with 143 received. Almost all (137) supported this project proceeding as quickly as possible to provide the Woodville community with a more resilient drinking water supply, particularly during summer when river levels are in low flow.

Council confirmed the objective to provide the Woodville community with a more resilient and secure drinking water supply, however, the project potentially involves consent processes and cannot be rushed. The project is estimated to cost \$2 million and Council plans to put forward a business case in Year 1, consult with the Woodville community the options and complete construction by Year 3.

Pongaroa Water

The current Pongaroa township water supply does not currently meet the Ministry of Health Drinking Water Standards. The current low level of service is matched by a much lower cost of the scheme to the Pongaroa township. If Pongaroa continues with the current service, Council will need to publicly notify that the water supply does not meet the standards.

The standards may become mandatory in the next few years, but the subsidy is only available if we commit to the upgrade now. The Council has applied for a subsidy of up to 85% for construction of a new treatment plant and reticulation. The project is estimated to cost \$500,000, of which Council's share will be \$107,000 after subsidy.

The key issue is the ongoing operational costs. Pongaroa urban water users will come onto the district-wide urban water rate resulting in a big increase in water rates to Pongaroa urban water users.

Council received 34 submissions, 28 from outside Pongaroa (19 supporting) and 6 within (4 supporting). There was also a late petition from Pongaroa residents opposing the project. Council decided to proceed with the project as proposed, subject to securing a funding subsidy from the Ministry of Health.

Exit from Services

Pensioner Housing

The Council owns and manages a housing portfolio of 92 units, with tenancy limited to elderly residents with limited assets. Rentals are well below market rates, but are set at a level to ensure that the annual costs of ownership are covered, and that this service is not ratepayer funded.

Many of the units are old and need modernising. Council has insufficient pensioner housing reserves to fund the modernisation of the ageing units. Unless rents are substantially increased, the activity will need a large funding injection over the next 10 years.

Community organisations can now receive funding from government to buy or build social housing and to subsidise rents – Council is not able to access these funds. The need for social housing remains, however, Council may no longer be the best provider of this service due to its limited ability to access these funds.

This was another large focus of submissions in the consultation process, with 170 submissions received on the operation and management of pensioner housing. Views were mixed with 77 submissions supporting Council exiting the service, and 71 wanting to increase rents and retain ownership and management.

Council has decided to divest itself of its housing stock in Year 3, as this is in the best interests of ensuring the ongoing

operation and continued access to pensioner housing within the district. This is subject to an acceptable tender from a suitable social housing provider. This will enable the ongoing support for existing tenants, as well as maximising the ability to source external funds to renew the units.

Council will invite expressions of interest from respected not-for-profit social housing providers to purchase its pensioner housing units excluding the property with the six older units at Hovding Court (Dannevirke), which it has previously agreed are to be sold separately. Depending on the sector response, it may be possible to sell the units to one or several social housing providers in appropriate blocks. Proceeds from sales is estimated at \$3.7 million, and would go into the Council general reserves initially to be used in the future for the benefit of the district as a whole.

Kerbside Refuse Collection

Due to the increasing use of Council's recycling services and competition provided by the private sector, revenue from the kerbside refuse collection service is steadily declining.

The current bag label sales only just meet the cost of providing this service. In the medium term, as demand for the service continues to fall and costs for disposal continue to increase, either label prices need to increase or the service will require ratepayer subsidy. Council has no plans to exit the kerbside recycling collection service, as this would not be consistent with Council's waste minimisation policy to encourage recycling and reduce waste volumes.

163 submissions were received concerning the kerbside refuse collection, with 75 supporting the proposal to exit, and 83 not in favour. While the submissions were mixed, Council is aware that residents are gradually shifting away from Council bags to cheaper alternatives and wheelie bins. This is likely to make it unaffordable for those that wish to remain on the Council bag collection service.

Council has decided to exit this service in Year 4 subject to ensuring that the private sector will deliver a similar service in Dannevirke, Woodville, Pahiatua and Eketahuna at a competitive price to the cost of purchasing a refuse label.

Council will work with the private sector throughout Year 2 of the Long Term Plan to ensure that all towns currently serviced by Council have affordable options in place. Council will continue to provide recycling and transfer stations/landfills regardless of the decisions made for kerbside refuse collection.

Woodville Service Centre / Library / i-SITE

Council owns three separate commercial buildings in Woodville. Recent changes to tenancies/ usage and earthquake prone assessments have meant Council has to decide how these buildings will continue to be used in the future. The business units of Library/Service Centre and



i-SITE have good synergy. It is better business practice to have one building and a shared set of operating costs. An associated factor is the community desire to see public toilets available in this vicinity to service travellers and encourage more people to stop at the Tararua i-SITE.

Council had proposed to move the Library/Service Centre and i-SITE services across the road into the building that the Tararua Alliance is currently operating from, when it becomes vacant later in 2015.

Woodville Districts' Vision (WDV) supported an alternative option to relocate the Library/Service Centre, i-SITE and the Lindauer Studio and Museum to 49 Vogel Street. This involved constructing a separate building for the Library on the site.

The issue of the future use of the Woodville buildings is clearly a major one for the Woodville community. A total of 177 submissions were received covering a range of options. The majority of submitters supported the Council proposal, but from the wide range of opinions Council gained an understanding of the importance to the community of the buildings currently being used as the Library/Service Centre and i-SITE services. Issues on the future location and management of the Lindauer Studio and public toilets also created complications.

Council has decided to prepare a proposal and costing to strengthen and modify the Woodville Library/Service Centre and i-SITE building at 42 Vogel Street (the existing site), with this business case to also consider making the area a focal point for the community and to provide public toilets in that vicinity. The business case will include the feasibility of moving the staff from the Woodville Library/Service Centre to the Tararua Alliance building when it is vacated as a temporary arrangement during the period of undertaking the above work. The Lindauer Studio will remain in its current location, and the rose gardens will continue to be maintained in conjunction with the local community.

The former Infracon building at 49 Vogel Street and the Tararua Alliance building at 45 Vogel Street (when it becomes vacant) are declared surplus to requirements, and will be marketed for sale or long term lease to the Council's best advantage.

Eketahuna Landfill

Council has consent to dispose of 1,000m³ of general waste per year at the Eketahuna Landfill; this consent expires in 2017.

Historically, the site has been used for locally generated waste. In 2013 Council began diverting some of the waste from the Pahiatua Transfer Station to reduce the cost to ratepayers of transporting and disposing of waste in Waipukurau – also, to utilise the full allowance of the consent each year. There is a need to plan now for ongoing waste disposal in Eketahuna, before the consent expires.

Council considered two viable options, apply for a new consent and extend the landfill or close the landfill and develop a transfer station on the existing site. Without further investigation, it is not clear which of these will deliver the best community outcome in the long term.

In Year 1, Council has decided to develop a business case to determine the better of the two options. This is funded from the existing waste management operational budget. Council has provided a funding provision of \$150,000 in Year 3 to build a transfer station, similar to that located at Pahiatua or Woodville. Council will consult with the Eketahuna community as part of the 2016/17 Annual Plan process before making a final decision.

NZ Transport Agency (NZTA) Funding

Tararua District Council's NZTA subsidy funding for maintenance and renewals (from petrol taxes and road user charges) has been increased from 62% to 65% over the next three years. The transition will be an increase of 1% each year until we reach 65%, which will be Year 4.

However, this new rate differs from the previous system as it applies to all categories, i.e. operational, capital and flood damage. NZTA has set the Emergency Works subsidy at the same level as the normal roadwork subsidy unless the level of damage to the Tararua roading network is substantial (around \$1 million or more from out of the ordinary, short duration natural events in any year).

This may result in lower funding in some years for damage from weather events. Major natural disasters (such as floods and earthquakes) that cause extensive damage to the roading network will receive enhanced funding for repairs, but smaller more regular damage from rainfall events will not. Council will need to ensure there is funding reserves for those years that we receive lower than usual funding.

Council has existing reserves for this purpose but these may be depleted if we experience smaller events in the next ten years that do not qualify for higher subsidies. Under the new Tararua Alliance model - the roading corridor maintenance programme – Council has opportunities to look for efficiencies, better asset management disciplines and look at options to manage our risk around the potential lower subsidies for major natural disasters.

We are assuming that the existing reserves will be sufficient. We will discuss funding options with the community as part of our Annual Plan process in Year 2 and Year 3 of the Long Term Plan.

Tararua Alliance

Recent reviews of Land Transport Funding (Financial Assistance Rates Review, Roading Efficiency Group, One Network Road Classification) have been seeking councils

to demonstrate their use of public money is efficient and effective. With an annual expenditure of over \$12m, the Council's roading programme has the largest impact on rates based on land value, and the perception of Council performance.

In March 2014, the Council resolved to retender the road and bridge maintenance contract from 1 July 2014. The driver for this was seeking the best option to align with the current NZTA led review of the Financial Assistance Rates that will apply in the three year period from 2015-18, and identify what would be the present market cost for the delivery of the current levels of service. Council was also open to suggestions on the new contract that could include restructuring how the contract was managed.

Comments back from the two councils who have been working in the "Alliance Model" for over five years (Wanganui and Western Bay of Plenty) were they strongly preferred that model to the traditional master-servant relationship that commonly deteriorates over time between the engineering teams and the contractor's staff.

A report from an external consultant recommended that the preferred option was to seek a "Closer Working Agreement", where selected members of our Engineering Services Team and the Contractor would jointly deliver the services including Asset Management, but across the entire roading activity rather than just road and bridge maintenance. This recognises the findings from the Roothing Efficiency Group that delivery of the best "whole of life" solutions is usually only evident where there is a collaborative contract model. Such a model involves all parties having a shared understanding of the asset and risks, jointly deciding what work will best achieve the level of service sought, and what the cost drivers are.

Council resolved to proceed with an "Alliance Model" with Downers for a five-year term in October 2014. Council also included the management of Stormwater in the partnership agreement to improve efficiencies as these activities are closely aligned. Overall Council is expecting an improved contract efficiency and effectiveness, along with a shift to more proactive and advanced level of asset management.

Economic Development and the Tararua Business Hub

In 2014 Council opened the Tararua Business Hub in Dannevirke. The Tararua Business Hub is a facility for all current and prospective business owners in the Tararua District, with a special emphasis on working alongside those with small to medium sized businesses to encourage their growth and support their development. The Tararua Business Hub also offers structured support, mentorship and advice to those starting out in self-employment.

The Tararua Business Hub is a one stop spot for a collective group of enthusiastic experts that are available to support

business in the district. The Tararua Business Hub delivers in four areas:

- Facilitating
- Supporting
- Linking
- Enabling

Council confirmed its commitment to economic development and the funding to deliver the projects in the Economic Development Plan 2013-2018.

Other Changes to Levels of Service or Policies

A range of submissions was received on other issues requesting changes to services or policies. Council decisions on these are summarised below:

- A new public toilet facility will be provided at the Dannevirke Upper Domain.
- A review of the existing smoke free environments policy will be undertaken in conjunction with the next Annual Plan to consider the possibility of proposing an extension to include further outdoor public areas.
- Council will provide a third half-day at the Pahiatua transfer station.
- The annual grant to the Tararua Aquatic Community Trust for the management and operation of the Wai Splash community pool in Dannevirke has been increased from \$190,000 to \$240,000 per annum to cover increased costs for power, insurance, plant maintenance and wages. A district walkways network plan will be developed as part of the Recreation and Reserves Strategy over the next ten years to provide good amenities for lifestyle and recreation. A policy will be prepared for consideration in conjunction with the next Annual Plan to facilitate the development of cycle/walkways within the district.
- Additional funding of \$65,000 has been allocated in Year 1 to meet the current mowing levels of service. These level of service for berm mowing and street cleaning are to be reviewed in conjunction with the Tararua Alliance and further considered through the next Annual Plan.

Property Valuations and Rates Distribution

Council sets the total amount of rates required to fund its expenditure based on the budgeted costs included in this Long Term Plan. For the majority of its rates, Council



uses property valuations as the basis to distribute the total rates requirement proportionally across all properties in the district. For industrial and commercial properties some Council rates are based on capital value.

Property revaluations are performed every three years and Council uses these rating valuations for the purposes of calculating the rates each property is to pay. The last revaluation of the district was carried out in September 2014 and these values have been used for rating purposes for the Long Term Plan effective 1 July 2015.

Effect of New Valuations on Rates

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

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

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

Proposed Changes to Fees and Charges

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

- Building – several changes to fees to reflect the work and the complexity of the build. New infringements have also been included. These changes are in line with the Building Act.
- Planning services charges have been set according to the Resource Management Act 1991. These will enable Council to recover the costs of resource applications and not unfairly burden the general ratepayers.
- Council proposed making substantial changes to the dog registration fees, including removing the Domestic Rural dog category and increasing most dog fees. Council received nine submissions that all opposed the changes. Council considered the dog fees and decided to retain the existing categories with higher fees.
- Cemeteries – fees and charges are proposed to increase higher than inflation. This to reflect the current cost for interments, purchase of plots and maintenance.

Refer to the 'Fees and Charges 2015/16' on Council's website for details.

Our Vision and Strategy

Council has reaffirmed the Vision that was adopted for the 2012-2022 Long Term Plan (LTP). This was developed using a consultation process of workshops with business and key stakeholders, as well as the community.

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

Council is part-way through implementing important parts of this Vision, and good progress has been made. This includes improved water and wastewater services, and an increase in economic development services. Since 2012, employment levels have increased and the population has stabilised.

This plan is about looking after our district and it is about living well!

The strategies for the next three years that will move us closer to our Vision are:

1. Continued investment in core infrastructure to:
 - increase public safety in Council roads, footpaths, recreation facilities and public buildings;
 - build resilience in water, wastewater, stormwater, and roading networks;
 - environment and meet our commitments to the Manawatu River Accord;
 - meet legally required performance standards.

2. Promoting and facilitating economic development through:
 - supporting and facilitating growth in local business;
 - building district identity;
 - promoting the district by telling our story;
 - providing business friendly and welcoming support for new residents and businesses.
3. Continued financial viability through sustainable growth and investment, including:
 - cost control;
 - affordability;
 - reducing financial and business risk;
 - financial sustainability (long-term financial health).

The workshop that was held with key stakeholders and businesses of Tararua in late 2014 supported the Vision and strategies, however, participants suggested that Council prioritise, refocus and expand on the underlying strategies to achieve the long-term Vision for the district. It was about



taking stock of what we have achieved in the last three years and what we want to achieve in the next three years.

Council decided that the plan should reflect this, therefore, the theme for the Long Term Plan 2015-2025 is...

"Living well in Taranaki... It's more than just a promise!"

This theme is consistent with the Council Outcomes that are an integral part of the 2015–2025 Long Term Plan. Council Outcomes reflect the results that the community want to see over the next decade.

The strategies Council has chosen as the focus for this 10 year plan place more emphasis on some of these outcomes – our activities are linked to these and they provide us with a focus as to what we are trying to achieve.

Council Outcomes

The Council Outcomes are the 10-year goals for the Council as part of working towards the longer term Vision.

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

Council Outcomes for the 2015-2025 Long Term Plan

1. Efficient Infrastructure

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

2. Prosperous Economy

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

A district with a clear identity that promotes its lifestyle.

3. Collaborative Council

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

4. Great Lifestyle

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

5. Sustainable Environment

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

How do Council Outcomes Link to Council Activities?

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

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

Monitoring the Council Outcomes

Council Outcomes represent the 10-year goals of Council in working towards the long term Vision. Recent changes in legislation have resulted in a change of focus for outcomes in this Long Term Plan. Previously Council (2005) facilitated a community based process that identified Community Outcomes. These Outcomes were owned by the community and included goals that the Council did not have significant input into, such as health services and policing. The new Council Outcomes are focused on goals that Council has a significant role in achieving. Council will still need to work with the community and other organisations to achieve these outcomes – Council does not have the resources to do this alone. Council will be reviewing the Council Outcomes, and report on the progress, as part of the 2018–2028 Long Term Plan process.

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

Strategic level monitoring will be undertaken and reviewed on an annual basis (some of the measures monitored can only be done through the five yearly census – the next census is March 2018). This will allow Council to consider the need to change the strategic direction as part of the Annual Plan process. Significant changes would result in an amendment to this Long Term Plan. Generally Council will utilise existing measures and information sources that are available publicly or through other partner organisations.



Council Outcomes	Strategic Monitoring
<p>Efficient Infrastructure</p> <p>Highly efficient, fit for purpose and affordable rural and urban infrastructure.</p>	<p>Meeting potable water standards.</p> <p>Wastewater compliance with consents.</p> <p>Cost per household against peer Councils – benchmarking (Roading, 3 waters, solid waste).</p> <p>Resource consent compliance for discharges and water takes.</p> <p>Commercial users surveys.</p> <p>Residents surveys.</p> <p>Broadband coverage.</p>
<p>Prosperous Economy</p> <p>A strong, growing, prosperous local economy that attracts, welcomes and retains businesses and residents.</p> <p>A district with a clear identity that promotes its lifestyle.</p>	<p>Resident population.</p> <p>Internal and external migration patterns.</p> <p>Household numbers.</p> <p>Agricultural returns and stock numbers.</p> <p>Satisfaction surveys.</p> <p>Employment trends.</p> <p>Business demographics.</p> <p>Land use changes.</p> <p>Visitor numbers and spend.</p> <p>Household wealth.</p> <p>National and international economic trends.</p>
<p>Collaborative Council</p> <p>A council seen as a leader in community partnerships and collaboration to ensure services are delivered in the most effective and affordable way.</p>	<p>Rates affordability.</p> <p>Council completing projects on time as budgeted.</p> <p>Number of collaborative services.</p> <p>Societal and technology changes.</p> <p>Central government policy and changes to legislation.</p> <p>Iwi involvement.</p>
<p>Great Lifestyle</p> <p>Recreation facilities, heritage and public amenities that support an outstanding lifestyle.</p>	<p>Recreation activity and events.</p> <p>Number of active community organisations.</p> <p>Earthquake prone building numbers.</p> <p>Residents perceptions on safety.</p> <p>Crime and injury trends.</p>
<p>Sustainable Environment</p> <p>The district has a natural environment that is protected, preserved and enhanced for present and future generations.</p>	<p>Manawatu River Accord (progress).</p> <p>Iwi involvement.</p> <p>Biodiversity health (Council managed reserves and Department of Conservation monitoring).</p> <p>Pest and weed control across the district.</p>



Keeping it Affordable – Our Financial Strategy

The Financial Strategy provides a financial framework for making decisions, and outlines how Council intends to manage its finances prudently.

Council's 2015–2025 Long Term Plan financial strategy is about living within our means by keeping our services and investments, affordable and sustainable.

1

WHAT ARE OUR FUNDING CHALLENGES?

Funding Sources

	Rates	Subsidies	Fees and Charges	Other revenue
2009/10 YEAR 1 2009–2019 LTP	49%	38%	10%	3%
2012/13 YEAR 1 2012–2022 LTP	60%	26%	13%	1%
2015/16 YEAR 1 2015–2025 LTP	62%	26%	9%	3%

Council, like many councils, is heavily reliant on rates and NZ Transport Agency roading subsidies. The funding mix trend over nine years shows a move more towards rates and less from subsidies. The higher percentage in revenue from subsidies, in 2009/10 and 2010/11, is mainly due to the significant expenditure on our roading infrastructure.

The cost increases since 2009 have been in delivering services, for example, Park and Reserves, Solid Waste Management, and Regulatory, where cost recovery from Fees and Charges, and funding from central government funding was limited.

The conclusion of the Funding Assistance Review (FAR) review in 2014 has been positive to Council. Our subsidy moved from 59% to 62% in 2015/16 and increase by 1% each year until we reach 65% in 2018/19. However, this new rate differs from the previous system as it applies to all categories, i.e. operational, capital and flood damage. NZ Transport Agency has set the Emergency Works subsidy at the same level as the normal roadwork subsidy unless the level of damage to the Taranaki roading network is substantial (around \$1 million or more from a single event). Council will need to ensure there is reserves fund for those years that we receive lower than usual funding.

Operating Expenditure

Graph 1 shows Council's operating expenditure in two bars – Operations and Employee Benefit Cost, and Depreciation and Finance cost.

Operations and Employee Benefit Cost have a greater impact on rates increases for Council as the majority of costs are funded directly from rates as shown in Graph 1. This graph shows how operating expenditure is funded – rates, subsidies, fees and charges, and other revenue.

The funding percentage is as follows:

- Operations – 50%
- Employee Benefit Cost – 14%
- Subtotal – 64%**
- Depreciation – 34%
- Finance cost – 2%
- Subtotal – 36%**

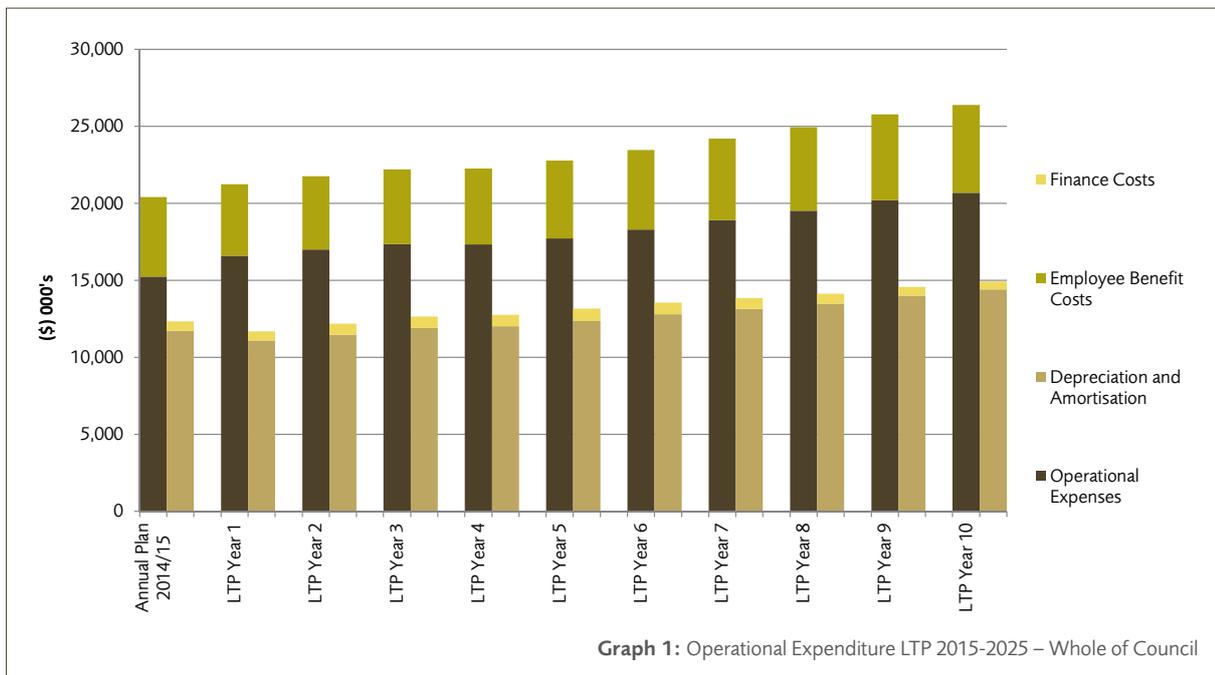


The funding percentage clearly shows that operational and employee cost are the significant cost drivers for Council. One of our concerns is the ongoing operations and maintenance cost of new assets. Cost for new assets are loan funded and hence cost is spread over the lesser of the life of the asset or 20 years. However, operations and maintenance cost are yearly and they can be more costly, over the life of the asset, than the capital cost of the asset itself.

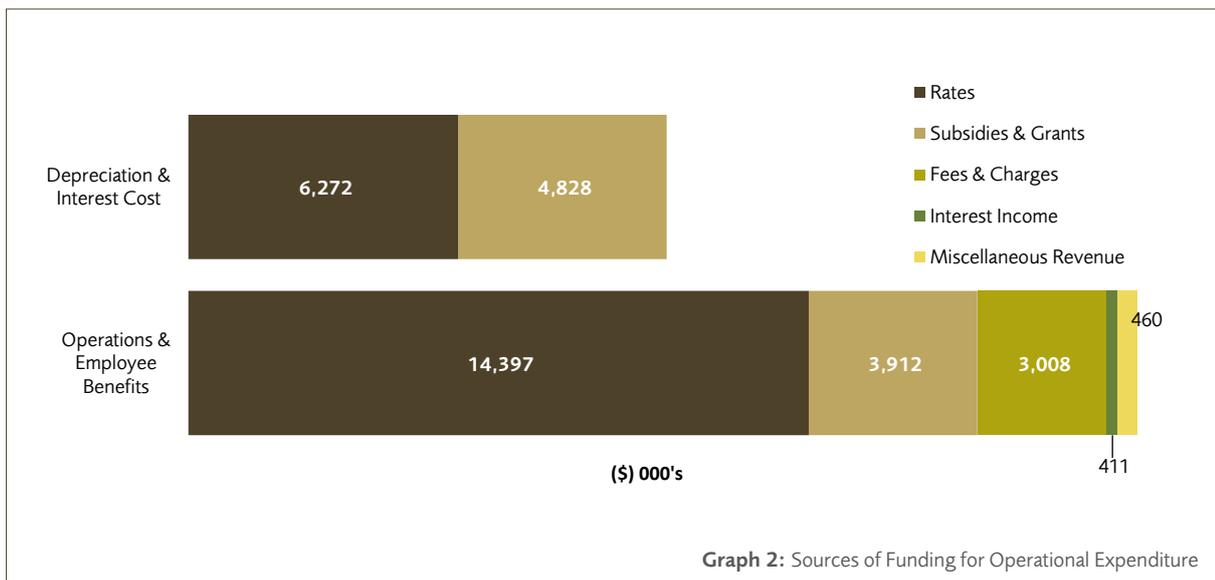
Council will have to continue to deliver its services in a cost effective, sustainable, well-planned and coordinated manner to provide agreed levels of service within the proposed rates levels.

Some options explored by Council in the background to this Long Term Plan are:

- Exit from services if the commercial sector is able to provide more efficiently or better placed to delivery the services.
- Explore options of delivery – outsourced versus bringing the service in-house.
- Continue to look for cost savings through efficiencies.
- Explore opportunities to realise the optimal return to Council from our investment properties and surplus to requirements assets.
- Whole of life costing – cost for capital projects will include the operations and maintenance cost up to eventual replacement.



Graph 1: Operational Expenditure LTP 2015-2025 – Whole of Council



Graph 2: Sources of Funding for Operational Expenditure

Household Income and Rates Affordability

The issue of affordability is not just for current years but for future years as well. The decisions we make have to address the affordability concerns in providing services to the community now and in the future.

The 2013 census showed that the district's population reduced by 3% since the last census. The number of rating assessments increased with a small reduction in the number of people in each household, and an increase in vacant houses and holiday homes. The 2013 census also showed that average household incomes have increased an average of 2% a year since 2006.

However, rates for the average property have been increasing faster than household incomes. The main driver for this has been increases in service levels with upgrades to urban water and wastewater services, plus increased costs to meet new legal requirements in regulatory, buildings and solid waste services.

	2001/02	2006/07	2013/14	% Change 2001 to 2013
Tararua district average household incomes	\$33,300	\$41,000	\$47,500	42.6%
Total rates income	\$10,299,000	\$13,710,000	\$19,408,000	88.4%
Rateable assessments*	10,330	10,317	10,732	3.9%
Rates per rateable assessment	\$997	\$1,329	\$1,808	81.4%
Percentage of Rates over average income	2.99%	3.24%	3.81%	27.2%

* Based on number of uniform annual general charge.

Note: information is obtained from Statistics NZ and Census data

Looking at affordability by sector is difficult as data on incomes is limited to Census results. Some properties have no houses on them, some are owned by people in other districts, while many others are rental properties where the household incomes do not relate to the owners of the rental properties.

The 2007 Rates Inquiry commissioned by government determined that "as a rough benchmark, affordability problems arise where rates exceed 5% of gross household income". Overall the Tararua is well under this measure, with the estimate using the uniform annual general charge at, or slightly over, the measure. The urban communities are on average likely to be closer to the 5% level, but unlikely to be at an unaffordable level. Council understands that individual ratepayers will at times be struggling to pay their rates bills, but there is a government scheme (Rates Rebate Scheme) available to support those on low incomes.

Council will look to maintain rates increases close to BERL Local Government Cost Index. Over the next 10 years rates increases are forecast to be much lower than the past 10 years as network upgrades and other facility upgrades are completed.



Change in Demographics

The 2013 census also showed that Tararua has an aging population. This may have impacts on the future services demanded from Council, and the ability for pensioners and fixed income earners to pay for Council services. However, this also creates opportunities for elderly care services.

The aging population will increase the need for Council to limit rates increases. Community and political pressure will increase over time to stay close to CPI increases as superannuation payments are indexed to this.

Whilst the need for social housing remains, Council may no longer be the best provider of this service, due to its limited ability to access funds and an ageing portfolio. The Government announced policy changes, with subsidies for non-government community agencies to provide social housing, a scheme that Councils are not able to access.

Council has proposed in the Long Term Plan that it divest its housing portfolio to suitable housing providers who can access the funding from the new scheme. There is greater community benefit through government funding entering the District in the form of social housing grants, monies that the Council is not eligible to access.

Infrastructure Investments

The provision and management of infrastructure is a core function of Council, accounting for the largest portion of its annual operating and capital expenditure. Planning and delivering infrastructure is a balance between providing for growth in demand and the levels of service the community desires, and affordability for ratepayers

This year Council prepared The Infrastructure Strategy as required by the changes in the Local Government Act. The

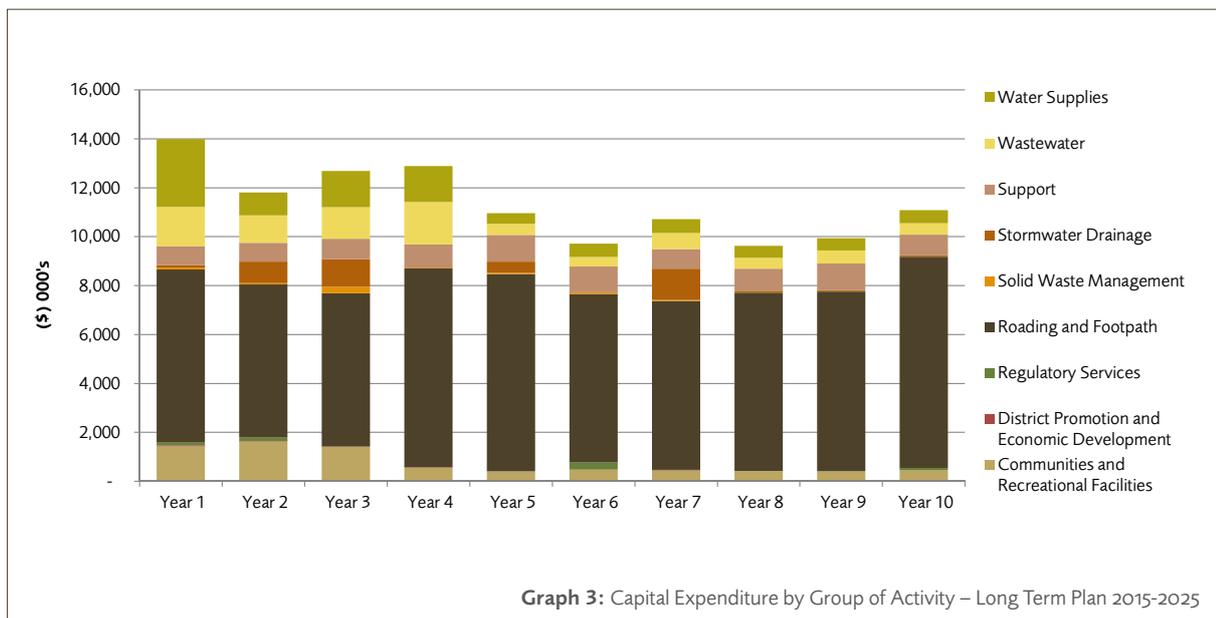
Infrastructure Strategy and the Financial Strategy are 'two sides of the same coin'.

The Financial Strategy provides a financial framework for making decisions and outlines how Council intends to manage it finances prudently. While the infrastructure strategy provides details of the level and timing of investment needed to operate, replace, renew and upgrade existing facilities, the financial strategy outlines the required rating and debt levels to fund these investments.

Graph 3 below provides a summary of the forecast annual capital expenditure. Total capital expenditure for the Long Term Plan is \$111 million, which is 10% lower than the total in the 2012–2022 Long Term Plan. Renewals expenditure is \$86million compared to \$25 million of new assets for increased levels of service.

The over overarching significant infrastructure issue facing our community is maintaining affordability whilst upgrading aging infrastructure. The population of the District is dispersed and there is a large roading network to maintain. There are multiple small towns each with their own wastewater and water schemes. These networks require upgrading, to meet increased environmental and health standards, and to improve the resilience of the infrastructure for the future.

However, the assets of the Council are in overall good condition. Whilst assets are aging, regular and ongoing investment in preventative maintenance and operations of these assets, combined with programmed renewals, will ensure that these assets are able to continue to deliver the agreed levels of service for the least lifecycle cost without increasing the risk of failure. With the current financial strategy, the maintenance, operation and renewal of assets will not be significant issues for Council.



2

PRUDENT FINANCIAL MANAGEMENT

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

Financial Resources

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

Cost Control

Outputs and processes must be cost effective

Affordability

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

Risk Aversion

Council will assess and minimise business and financial risks.

Financial Sustainability

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



3

HOW DO WE PROPOSE TO RESPOND?

a. Rate Limits

BERL Local Government Cost Index Inflation Plus 2%

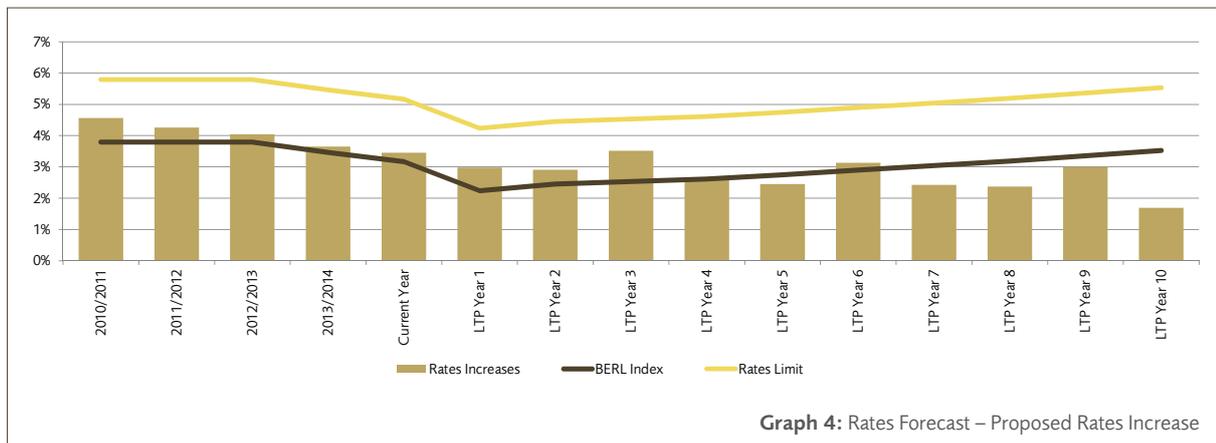
Throughout the life of the Long Term Plan, Council resolved to keep rates changes within the weighted average local government cost index (BERL inflation index) in any one year PLUS 2%.

b. Proposed Rates Increases

LTP Year	Proposed Rates* Increases	BERL Index	Rates Limit
2010/11	4.56%	3.79%	5.79%
2011/12	4.26%	3.79%	5.79%
2012/13	4.04%	3.79%	5.79%
2013/14	3.65%	3.46%	5.46%
Current Year	3.45%	3.17%	5.17%
LTP Year 1	2.98%	2.24%	4.24%
LTP Year 2	2.91%	2.45%	4.45%
LTP Year 3	3.52%	2.53%	4.53%
LTP Year 4	2.58%	2.61%	4.61%
LTP Year 5	2.45%	2.75%	4.75%
LTP Year 6	3.13%	2.90%	4.90%
LTP Year 7	2.43%	3.04%	5.04%
LTP Year 8	2.37%	3.19%	5.19%
LTP Year 9	3.00%	3.36%	5.36%
LTP Year 10	1.70%	3.53%	5.53%

* For the purpose of calculating proposed rates increases water by meter rates are excluded.

Average rates increase for the 10 years of the plan is 2.7% compared to 3.8% in the 2012–2022 Long Term Plan. Rates increases of over 5% in the years prior to 2010/11 are no longer



Graph 4: Rates Forecast – Proposed Rates Increase

required as Council's significant investments in its roading and three waters infrastructure are nearing completion.

c. Balanced Budget

Operating Revenues = Operating Expenditures

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

The Council may set projected operating revenues at a different level from that required, if the Council resolves that it is financially prudent to do so.

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

For the 10 years in the Long Term Plan, Council has resolved not to balance the budgets mainly due to the unfunding of depreciation in the following areas:

- Maintenance and renewal costs of Roothing is funded (62% to 65%) by the NZ Transport Agency by way of a grant. Hence, Council only funds (rates funding) its share of the depreciation expense (35% to 38%). Council depreciation expense is higher than renewals expenditure because of the need to fund long term assets with varying lives.
- Pensioner Housing is self-funding but the fees and charges received are only sufficient to cover

operational expenses and not depreciation. Hence, the reason for Council to exit from this activity.

- Some low use buildings – these buildings are unlikely to be replaced and depreciation is not funded. However, Council continues to maintain these Buildings.
- Pongaroa water scheme - the community will fund the renewal and replacement of the scheme.

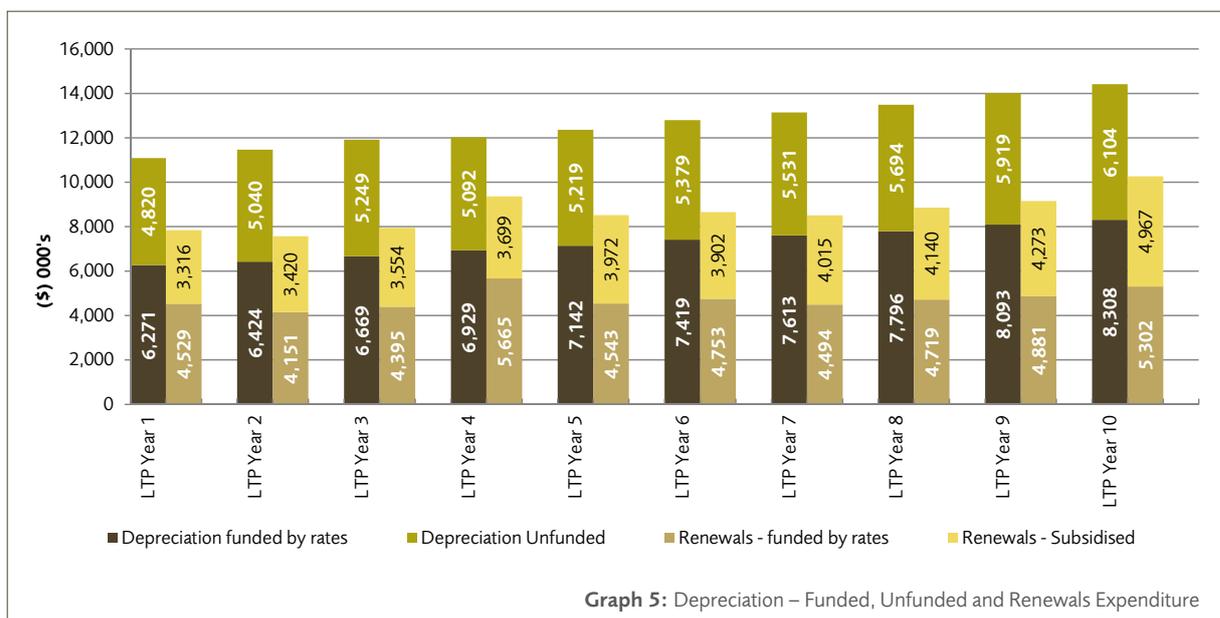
d. Capital Expenditure and Depreciation Funding

Most assets lose their value over time as they wear out (in other words, they depreciate), and must be replaced once the end of their useful life is reached. Depreciation is a method of allocating the cost of an asset over its useful life.

Depreciation represents the charge to the current ratepayers for the use of the asset during each year. This means that today's generation does not pay for future generations' use of Council's assets.

Graph 5 shows Council's rates funded and unfunded depreciation and forecast renewal expenditure for the 10 years.

What the graph also shows is that the depreciation expense is higher than Council's renewal expenditure. This is mainly due to the replacement of assets that will occur beyond the 10 years and the need for the current ratepayers to pay their share of the cost for the use and eventual replacement of these assets as mentioned above.



Graph 5: Depreciation – Funded, Unfunded and Renewals Expenditure



4

POLICIES GOVERNING FINANCIAL LIMITS

a. Borrowing

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

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

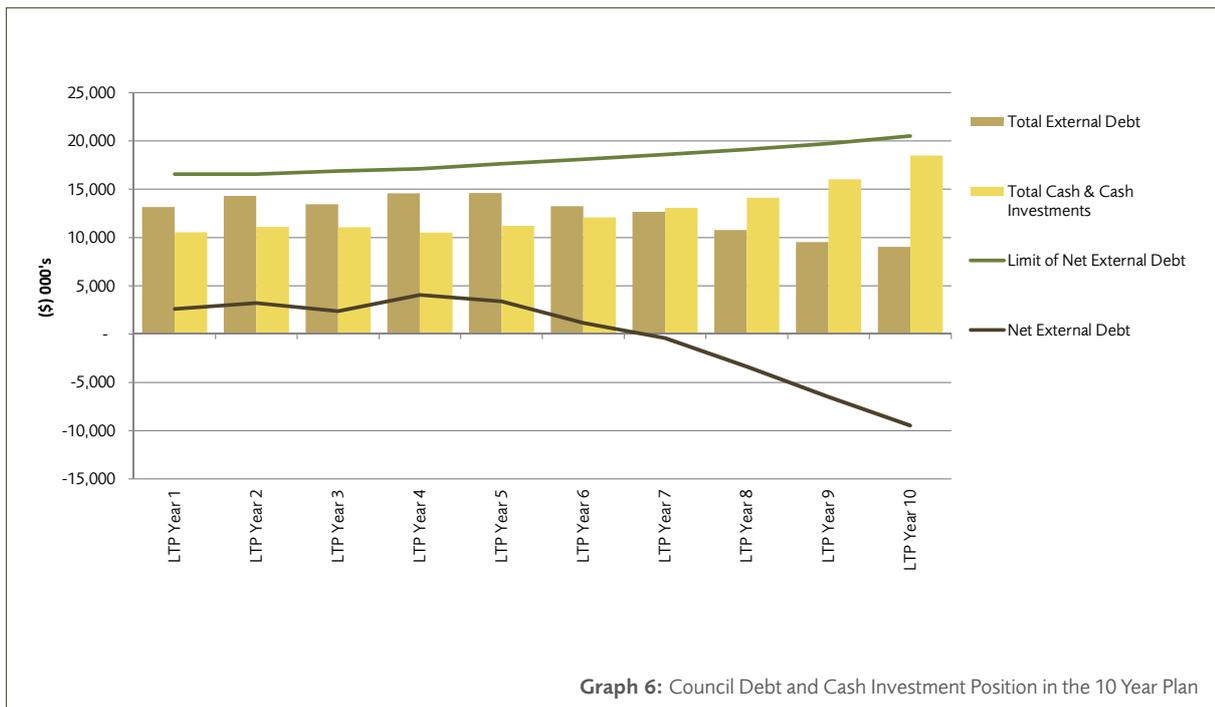
b. Limits for Borrowing

The borrowing limits are determined in the Treasury and Risk Management Policy.

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

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

In order to fund the capital works programme in the 10 Year Plan, the amount of borrowing will peak at \$14.6 million in Year 5 and reduce to \$9 million by Year 10. At the lowest point of Councils debt limit in 2018/19 (net external debt as a percentage of total revenue), Council still has capacity to borrow an additional \$13.1 million for capital investment.



Graph 6: Council Debt and Cash Investment Position in the 10 Year Plan

Debt Ratio	Limit	2015/16	2016/17	2017/18	2018/19	2019/20
Net external debt as a percentage of total revenue	<50%	7.88%	9.70%	7.08%	11.88%	9.60%
Net Interest on external debt as a percentage of total revenue	<7%	1.06%	1.33%	1.26%	1.16%	1.35%
Net Interest on external debt as a percentage of annual rates income (debt secured under debenture)	<10%	1.66%	2.02%	1.88%	1.72%	2.01%
Liquidity (external, term debt + committed loan facilities + cash and cash investments to existing external debt)	>110%	218.18%	212.48%	219.41%	206.40%	211.06%

Debt Ratio	2020/21	2021/22	2022/23	2023/24	2024/25
Net external debt as a percentage of total revenue	3.21%	-1.07%	-8.77%	-16.46%	-23.10%
Net Interest on external debt as a percentage of total revenue	1.12%	0.82%	0.50%	0.12%	-0.25%
Net Interest on external debt as a percentage of annual rates income (debt secured under debenture)	1.66%	1.22%	0.75%	0.18%	-0.38%
Liquidity (external, term debt + committed loan facilities + cash and cash investments to existing external debt)	228.96%	242.60%	277.63%	320.56%	360.31%

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

moving margins between interest rate receivable and interest rates payable.

Internal borrowing is used when external borrowing costs are higher than allowed investment returns.

c. Internal Borrowing

Internal borrowing is a mechanism available to manage both the level of funds available and external debt.

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

Utilising internal borrowing enables Council to manage its cash/investment portfolio to take advantage of the

d. Security for Borrowing

Many of Council's assets are not readily saleable so are less attractive as security items. Council will secure borrowings by a charge over our rating revenue either directly or through a debenture trust deed.

Council will not secure other assets unless circumstances show it to be appropriate (e.g. leased assets).



5

POLICIES GOVERNING INVESTMENTS

a. Council Appetite for Risk

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

b. Equity Investments

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

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

Council equity investments are in NZ Local Government Insurance Corporation Limited (Civic Assurance).

c. Treasury Investments

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

These are held:

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

For these investments, Council expects an average market return.

d. Community Loans

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

6

EXPECTED CHANGES IN THE DISTRICT

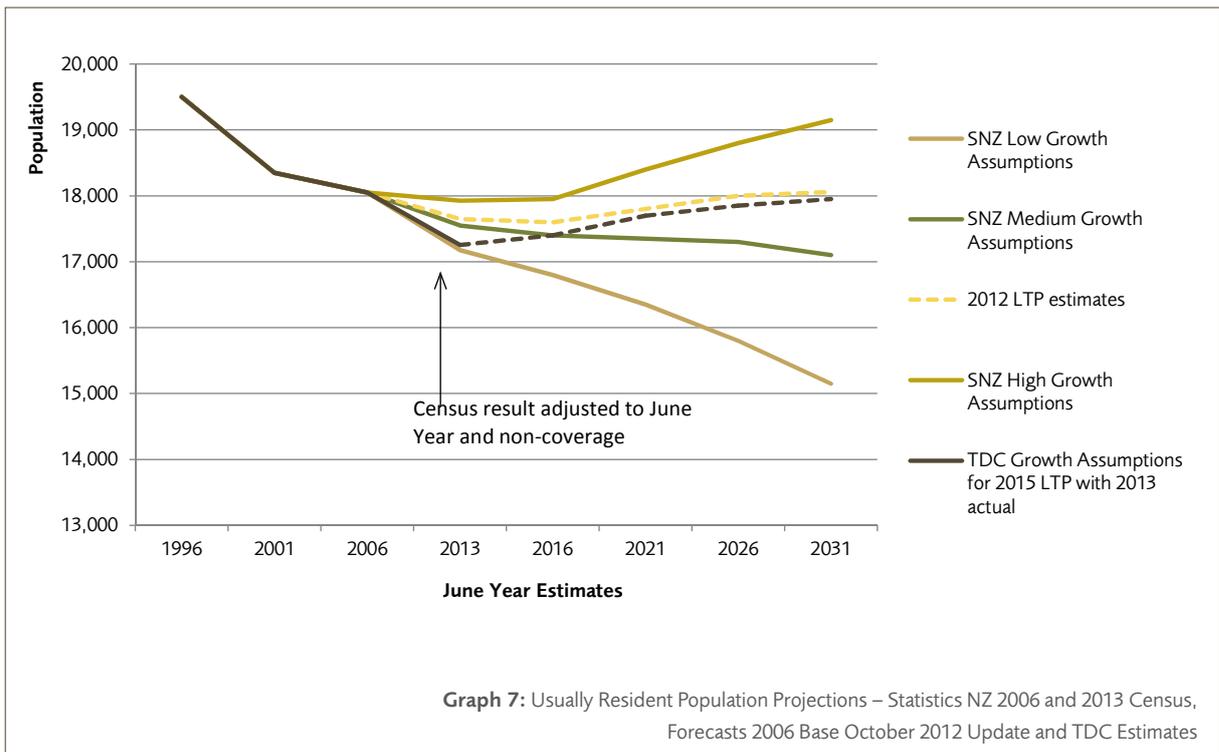
a. Population Forecast

The population of the Tararua District has declined over the last 12 years at around 0.3% a year. The decline was bigger from 2006 to 2013, although Council has a view that most of this decline was in the 2006 to 2011 period. During 2013 and 2014 there has been a major change in international migration trends, as well as continued strong retail trade sales, increased job numbers and improved farm returns for beef.

Council has determined that the Most Likely Scenario (MLS) in terms of population and household change is medium to 2016 to a high growth scenario thereafter, based on Statistics NZ current forecasts.

The population decline is forecast to reverse and grow from current levels to 2016, then grow steadily over the following 30 years to 2045 as a result of:

- A reversal of outward net migration as less residents leave to seek employment in Australia and more people choose to live in the Tararua.
- High commodity prices result in increased disposable incomes in the rural sector (once debt levels are reduced) flowing through to increased retail and servicing profitability.
- Countered by an ageing population and a continuing shift of services to the regional centres.
- Improved infrastructure (including water, astewater and broadband fibre) and recreational facilities.





- Employment growth in manufacturing and retail business builds on the positive initiatives currently underway, new windfarm and oil exploration investments and more promotion by the Council.
- Increasing demand for affordable rural lifestyles.
- Increasing demand for low cost housing in commuting distance to Hastings and Palmerston North.

b. Land Use Changes

Council is not anticipating any significant change to primary land use. We could expect to see dairy conversion and farmers looking to diversify the use of marginal land in forestry and crops but not significant.

7

SENSITIVITY

The Long Term Plan is sensitive to many risks and events. The effects are set out in the assumptions sections of Long Term Plan.

Some general examples of sensitivity to change include:

- For every \$1 million of debt, rates may increase by about \$28,000 in Year 1 and on average \$44,000 in the subsequent nine years of the plan.
- A \$100,000 increase in operating cost in Year 1, results in a 0.5% increase in rates.



8

CONSEQUENCES FOR NOT FOLLOWING THE PLAN

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

Mitigation includes having sufficient cash reserves, access to credit, and a community able to afford the rates impact as result of unexpected events. Council also has insurance cover and access to Government funding for emergencies.

Long Term Plan Disclosure Statement

for the period commencing 1 July 2015

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.

For the purpose of calculating proposed rates increases, water by meter rates are excluded.

Rates affordability benchmark

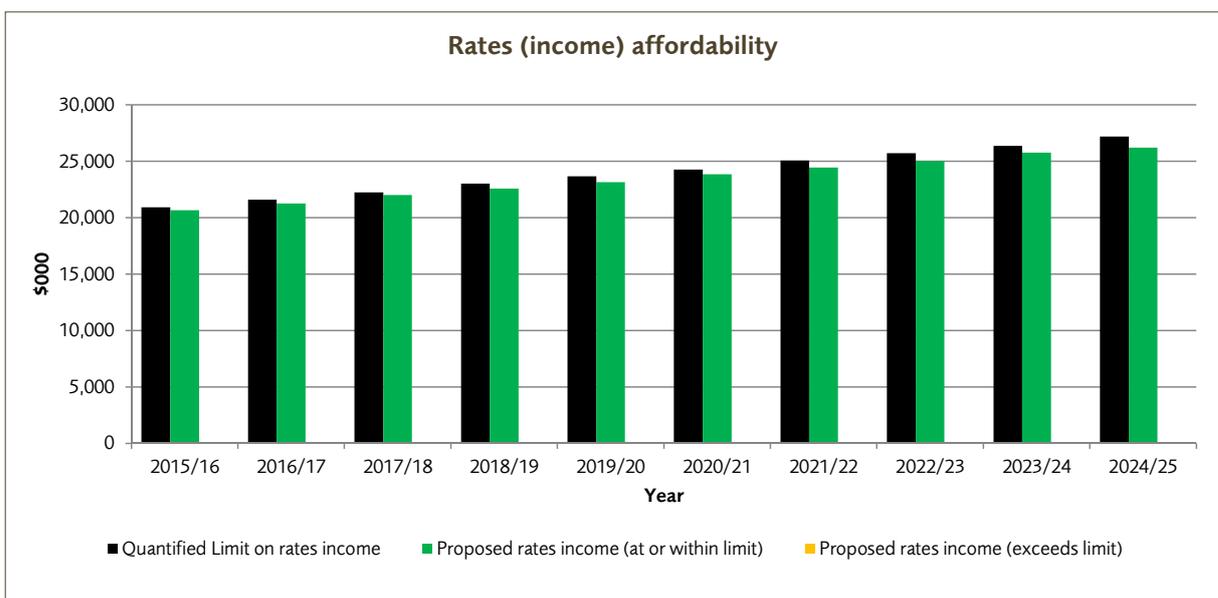
The council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares the Council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan.

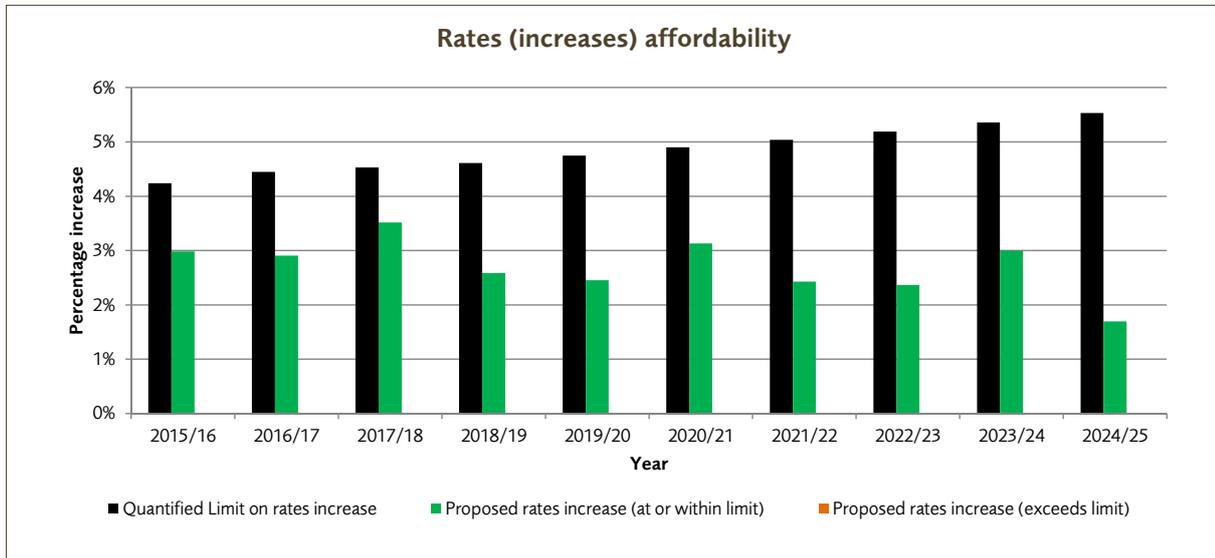
The quantified limit is the prior year planned rates income plus the Berl Local Government Cost Index plus 2%.





Rates (increases) affordability

The following graph compares the Council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is Berl Local Government Cost Index plus 2%.



Overall, Council's rates increases over the 10 years of the Long Term Plan show that we are well within our quantified limits.

	2015/16	2016/17	2017/18	2018/19	2019/20
Quantified Limit on rates increase	4.24%	4.45%	4.53%	4.61%	4.75%
Planned rates increase	2.98%	2.91%	3.52%	2.58%	2.45%
Available Headroom*	1.26%	1.54%	1.01%	2.03%	2.30%

	2020/21	2021/22	2022/23	2023/24	2024/25
Quantified Limit on rates increase	4.90%	5.04%	5.19%	5.36%	5.53%
Actual rates increase	3.13%	2.43%	2.37%	3.00%	1.70%
Available Headroom*	1.77%	2.61%	2.82%	2.36%	3.83%

*Denotes difference between quantified limits and actual rate increases

The above table shows that we are committed to keeping rates affordable. We continue to balance the desire to keep rate increases low, while at the same time investing in our infrastructure and enabling the district to thrive by attracting more business and people.

Debt affordability benchmark

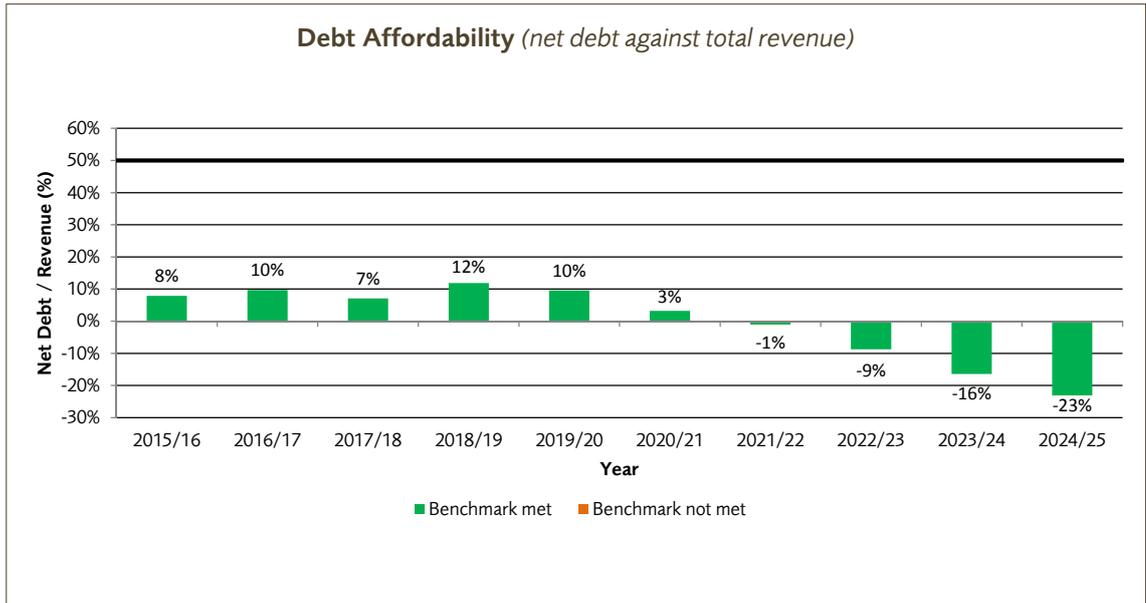
The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

We have four limits on borrowing in the Financial Strategy included in this Long Term Plan. Council plans to meet all of its debt limits in each of the 10 years of this plan, with sufficient capacity to borrow if required.

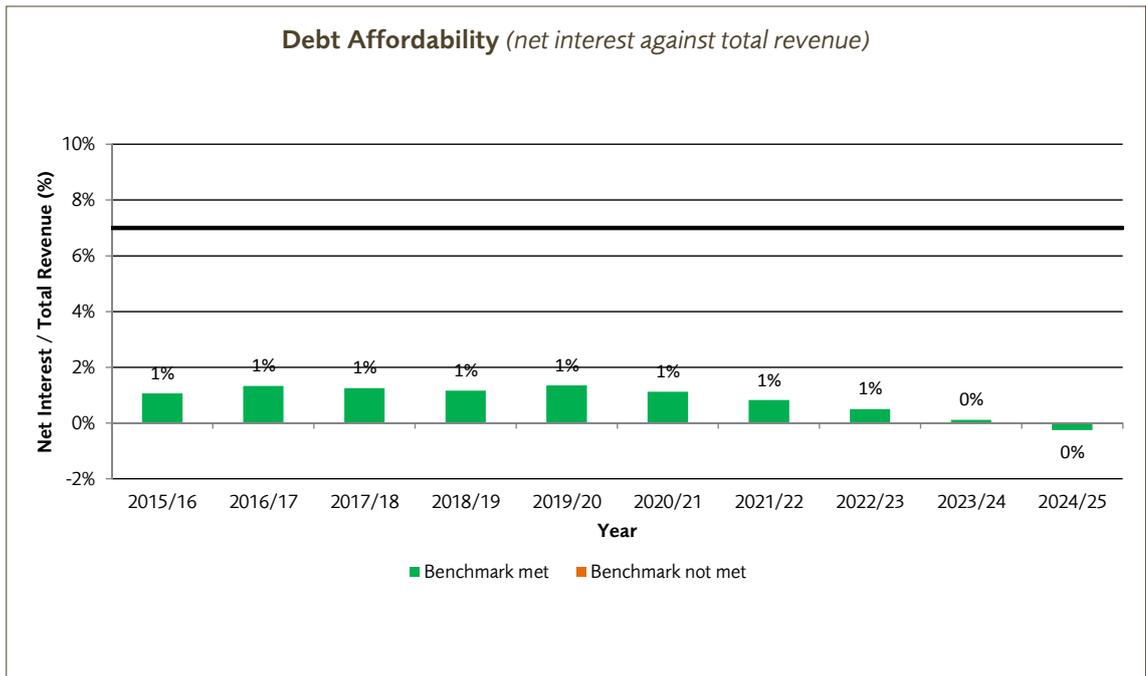
The following graphs compare the council's planned debt with its quantified limits on borrowing contained in the financial strategy included in this long-term plan.

The quantified limits are as follows:

1. Net external debt as a percentage of total revenue will not exceed 50%

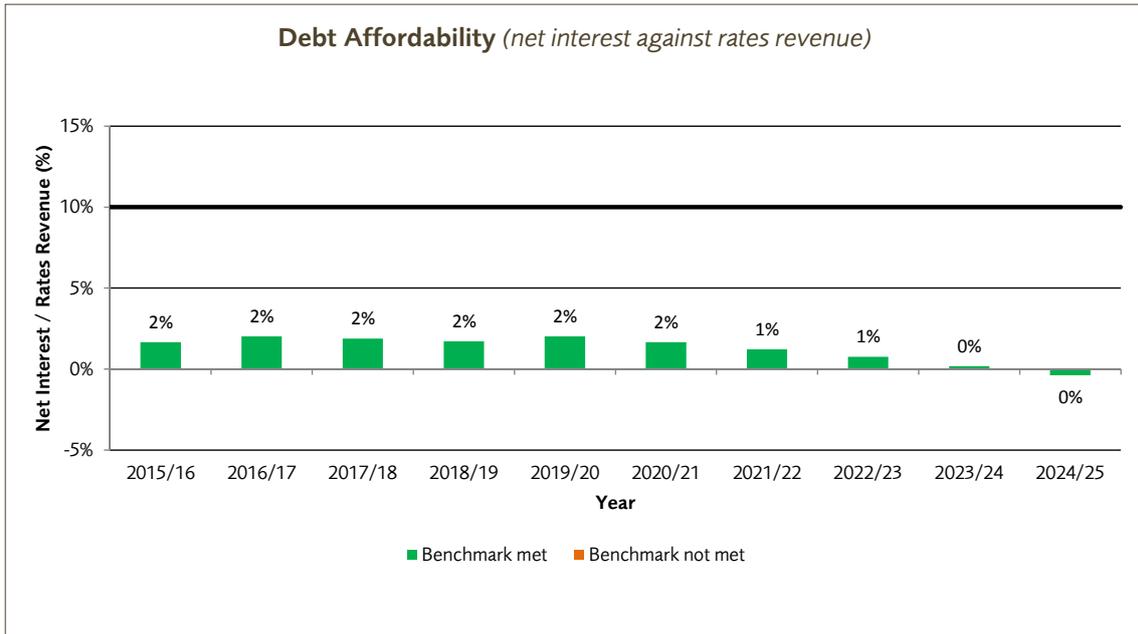


2. Net interest on external debt as a percentage of total revenue will not exceed 7%.

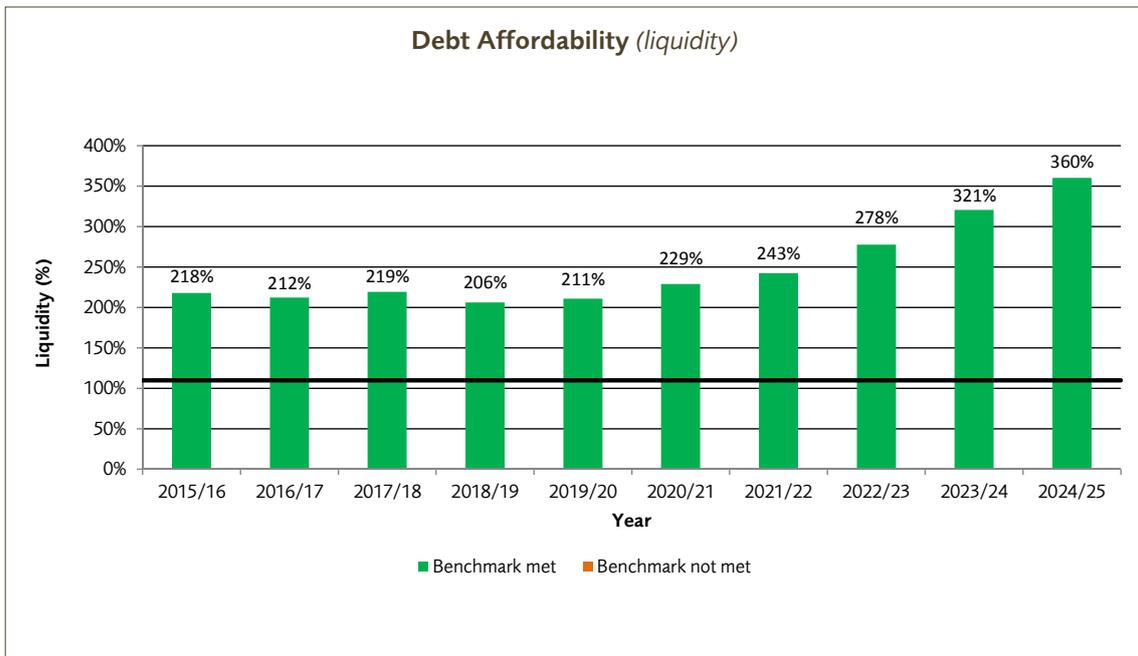




- 3. Net interest on external debt as a percentage of annual rates income will not exceed 10%.



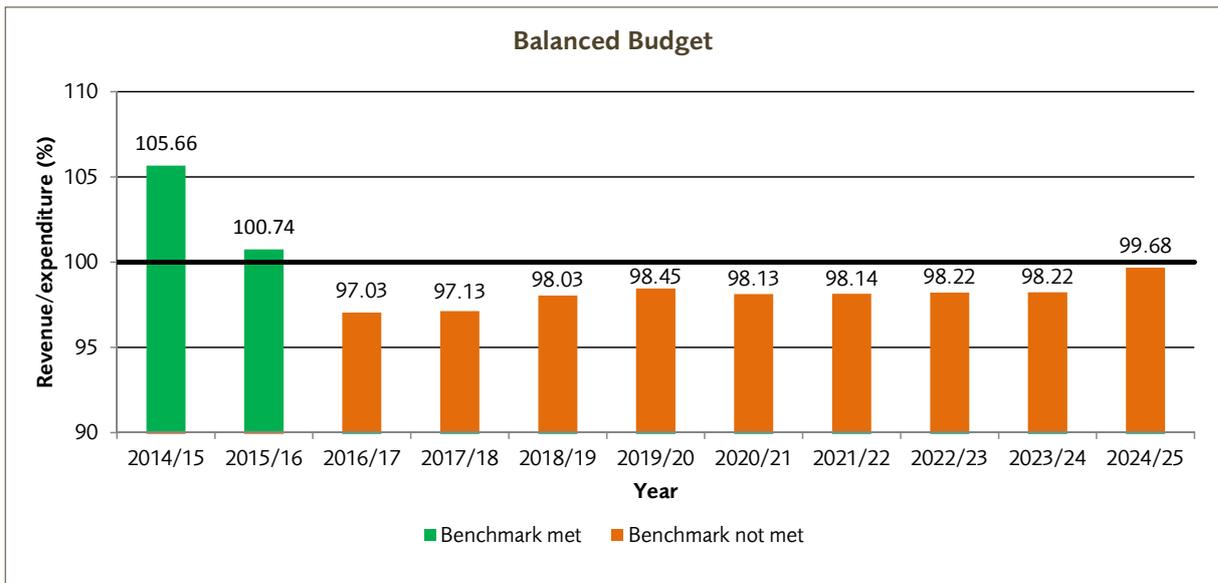
- 4. Liquidity (external term debt plus committed loan facilities plus cash and cash investments to existing external debt) is greater than 110%.



Balanced budget benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



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

The Council may set projected operating revenues at a different level from that required, if the Council resolves that it is financially prudent to do so.

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

For the 10 years in the Long Term Plan, Council has resolved not to balance the budgets mainly due to the unfunding of depreciation in the following areas:

- Maintenance and renewal costs of Roading are funded (62% to 65%) by the NZ Transport Agency

by way of a grant. Hence, Council only funds (rates funding) its share of the depreciation expense (35% to 38%). Council depreciation expense is higher than renewals expenditure because of the need to fund long term assets with varying lives.

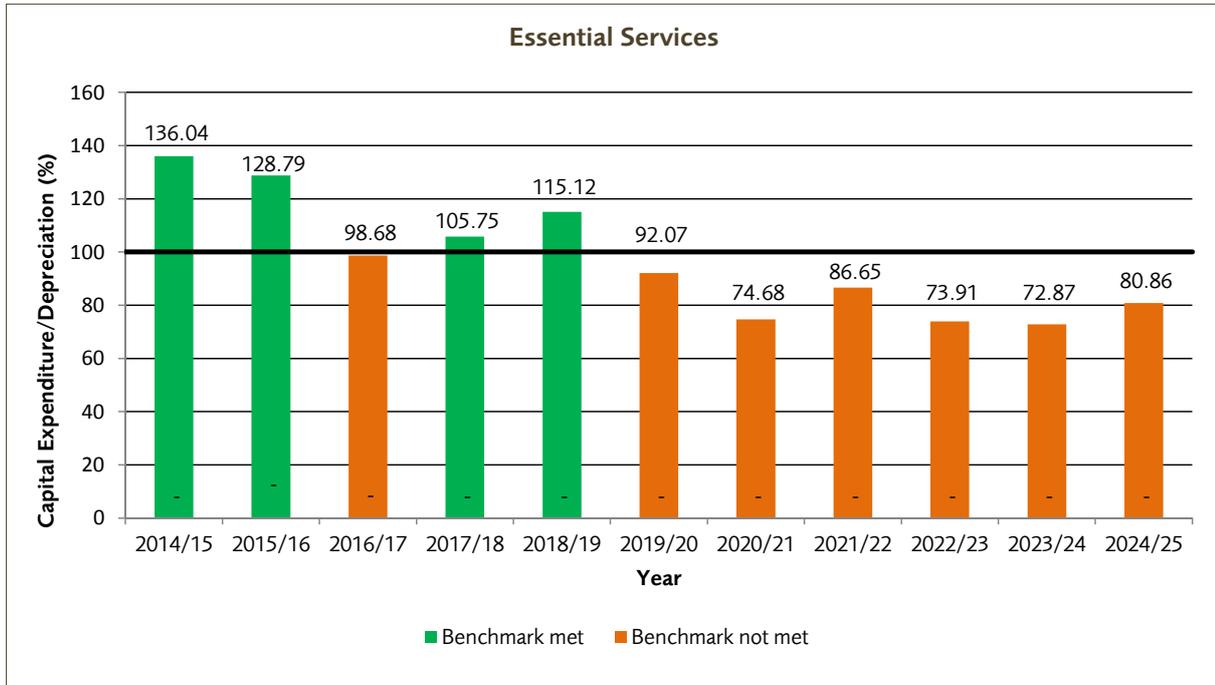
- Pensioner Housing is self-funding but the fees and charges received are only sufficient to cover operational expenses and not depreciation. Hence, the reason for Council to review the option to exit from this activity.
- Some low use buildings – these buildings are unlikely to be replaced and depreciation is not funded. However, Council continues to maintain these buildings.
- Pongaroa water scheme – the community will fund the renewal and replacement of the scheme.



Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

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.



Most assets lose their value over time as they wear out (in other words, they depreciate), and must be replaced once the end of their useful life is reached. Depreciation is a method of allocating the cost of an asset over its useful life.

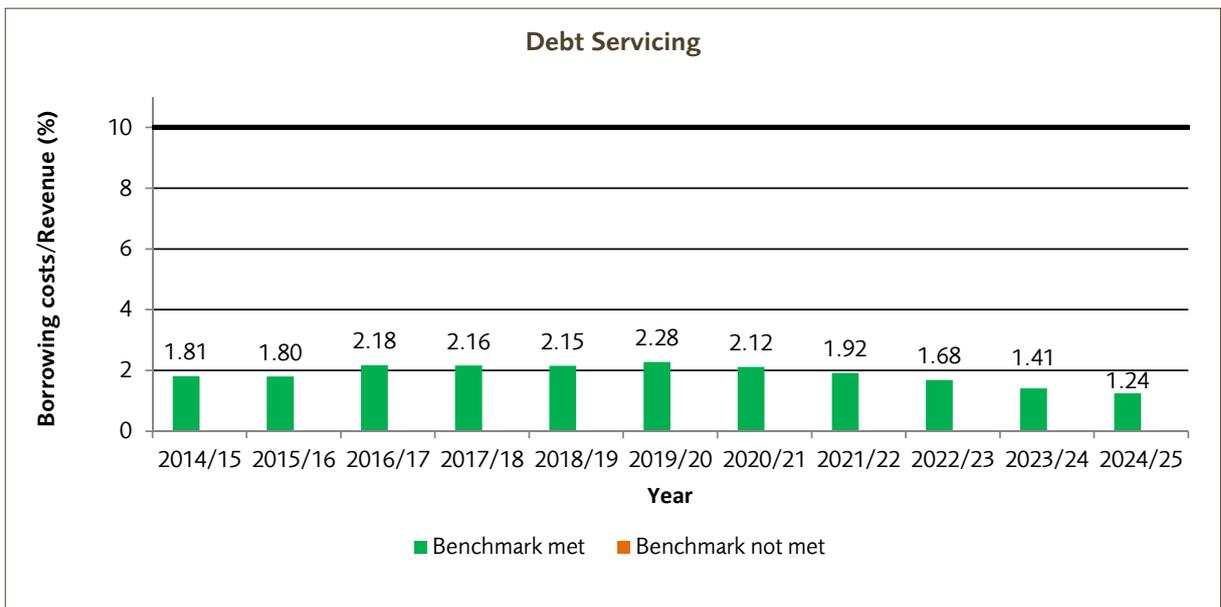
Hence, depreciation represents the charge to the current ratepayers for the use of the asset. This means that today's generation does not pay for future generation's use of Council's assets.

What the graph shows is that the depreciation expense is higher than Council's renewal expenditure. This is mainly due to the replacement of assets that will occur beyond the 10 years (mainly bridges, treatment plants, water storage) and the need for the current ratepayers to pay their share of the cost for the use (depreciation expense) for eventual replacement of these assets in the future.

Debt servicing benchmark

The following graph displays the council's planned borrowing costs 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).

Because Statistics New Zealand projects the council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.





Independent Auditor's Report

To the reader

Independent auditor's report on Taranua District Council's 2015/25 Long-Term Plan

I am the Auditor-General's appointed auditor for Taranua District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's Long Term Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 24 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 36 to 42 represent a complete list of the disclosures required by Part 2

of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from District Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's

¹ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and The International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

We have followed the independence requirements of the Auditor General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.

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

Activities

2

Groups of Activities

What the Council Does

Groups of Activities

Building Communities & Leadership ..48
Community & Recreation Facilities.....59
District Promotion & Economic Development90
Regulatory Services..... 101
Roading & Footpaths 122
Solid Waste Management 135
Stormwater 142
Wastewater 148
Water Supplies 156

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

- Key issues – highlights issues that may be of concern to the community.
- Contribution to Council outcomes – shows the level of contribution towards achieving the Council outcomes.
- Strategic considerations – sets out the issues that impact on future demand for the activity, and the assumptions Council is making.
- Funding impact statements – detail the sources and application of Council funds.
- Major projects – details the significant operating and capital projects for the year.
- What is the service provided – details the type of service Council is budgeting to deliver.
- Key issues and risks – a more detailed assessment of expected trends and changes that are likely to impact the delivery of services.
- Options for changes to service levels – the main options that Council has to change service levels in the future.



- 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. In addition to showing the performance target for future years, where available the actual achievement for 2013/14 has been provided as a comparator. Where it is a "New Measure", the targets where possible is based on historical data captured in Council's customer request system or industry good practice.

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

Contribution to Council Outcomes

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

Key Issues

- Amalgamations in other parts of New Zealand may result in changes in representation structures being considered locally.
- Activity service reviews required by the Local Government Act 2002, over the next two years, may result in change in service levels or delivery models.
- No significant change to levels of service.

Significant Negative Effects

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

Strategic Considerations

Future Demand

Community Support

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

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

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

Representation

Communities and/or Central Government may demand a change in focus to the Council's policies and services, and these expectations may cause increased pressure on funding and rates. Further new statutory requirements may create additional workloads on elected representatives and staff, and future amalgamations of local authorities may be proposed.

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

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

and environmental wellbeing of the district's communities to facilitate their sustainable development.

Assumptions

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

Group Level Funding Impact Statement

Building Communities and Leadership

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,655	1,622	1,689	1,775
Targeted rates	-	-	-	-
Grants and subsidies operating	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	56	33	35	36
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,711	1,655	1,724	1,811
Applications of Operating Funding				
Payment to staff and suppliers	1,107	1,160	1,189	1,218
Finance costs	-	-	-	-
Internal charges and overheads applied	584	458	496	552
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	1,691	1,618	1,685	1,770
Surplus/(Deficit) of Operating Funding (A - B)	20	37	39	41
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	30	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	30	-	-	-
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	10	-	11
Increase (decrease) in reserves	50	27	39	30
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	50	37	39	41
Surplus/(Deficit) of Capital Funding (C - D)	(20)	(37)	(39)	(41)
Funding Balance ((A-B) + (C - D))	-	-	-	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
1,743	1,817	1,915	1,896	1,978	2,091	2,074
-	-	-	-	-	-	-
-	-	23	47	49	50	52
-	-	-	-	-	-	-
39	41	41	45	47	48	51
-	-	-	-	-	-	-
1,782	1,858	1,979	1,988	2,074	2,189	2,177
1,251	1,285	1,344	1,406	1,451	1,495	1,548
-	-	-	-	-	-	-
489	528	590	533	572	641	574
-	-	-	-	-	-	-
1,740	1,813	1,934	1,939	2,023	2,136	2,122
42	45	45	49	51	53	55
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
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-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	11	-	12	-	13	-
42	34	45	37	51	40	55
-	-	-	-	-	-	-
42	45	45	49	51	53	55
(42)	(45)	(45)	(49)	(51)	(53)	(55)
-	-	-	-	-	-	-

Community Support

Aim – to support communities to support themselves.

What is the Service Provided

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

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

Why We Provide It

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



Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Local government may be expected to fill large gaps in community funding due to a decline in central government and other grants sources.	●				●	
The trend of diminishing numbers of volunteers will continue, increasing the demand for community support.		●			●	
Technology is driving changes to the way people want and expect information to be delivered. The current delivery model for information and advocacy is still based on physical meetings and buildings.		●		●		
Council is preparing a feasibility study to extend the service centre, library, and i-SITE in Woodville to allow for future service delivery. This is further explained in the Community Buildings and Service Centre activities in the Community and Recreation Facilities group.		●		●		
Council is actively seeking alternative funding for parts of this activity from various external sources, including central government. Organisations are encouraged to seek alternative sources of funding, rather than relying on Council grants.		●		●		

Options for Changes to Service Levels

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

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

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
CCTV town centre monitoring	\$429,000	Over 10 years	Operating

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0%	0%
Grants / other	0%	0%
Rates	100%	100%

Why is it funded this way?

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

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

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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 to be conducted in 2017, 2020, and 2023	Achieved 94%	Not measured	75%	Not measured	75%
		All organisations receiving grants meet accountability requirements of Council	100%	100%	100%	100%	100%



Representation

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.

What is the Service Provided

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

Community Boards and Community Committees provide this at a local level. The service provides:

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

Why We Provide It

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

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
<p>In consulting with the community, the Council makes decisions in the interests of the whole community including future generations. To do this the Council wants input from residents and ratepayers; the challenge is how to consult with all people in the most effective and efficient manner. This requires effective decision making and coordination, trained staff and appropriate facilities, systems and processes. Litigation is a potential risk.</p>		●			●	
<p>The next review of representation will take place in 2015, and at least every six years thereafter. Electors (at least 5% of eligible voters) may at any time demand a poll on the electoral system for local elections and the establishment of Maori wards or constituencies. Triennial elections will be held in October 2016, 2019 and 2022.</p>	●			●		

Options for Changes to Service levels

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

Major Projects for the Next Ten Years

None.

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0%	0%
Grants / other	0%	0%
Rates	100%	100%

Why is it funded this way?

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



Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
Community Outcome(s): Collaborative Council • Great lifestyle • Prosperous economy • Efficient infrastructure • 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 to be conducted in 2017, 2020 and 2023	Not achieved 73% Target 75%	Not measured	75%	Not measured	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 to be conducted in 2017, 2020, and 2023	Achieved 75% Target 75%	Not measured	75%	Not measured	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	Achieved 100% Target 100%	100%	100%	100%	100%



Community and Recreation Facilities

Contribution to Council Outcomes

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

Key Issues

- Changes to the Local Government Act 2002, in 2014, included a focus on efficient delivery of activities, and the requirement to assess Council's role in the activity.
- Council will seek expressions of interest from reputable social housing providers for the sale of pensioner housing units.
- Legislative change may impact on the cost of earthquake-prone Council buildings being upgraded. This will also likely impact on the viability of some privately owned commercial and community buildings.
- Council has decided to proceed with a feasibility study to extend the existing Woodville Service Centre / i-SITE and Library, and create an enhanced civic building. Council intends to sell or lease the former Infracon building and the current Alliance building.

Significant Negative Effects

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

Strategic Considerations

Future Demand

Cemeteries

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

Community Buildings

Demand may decrease in some areas especially rural communities as the rural population slowly declines. Changing social practices and an ageing population will change the mix of activities the buildings are used for. There may be additional demands for disabled access for people and mobility scooters. Alternatively if a community trust group comes up with a sound proposal to encourage more sports groups in any area then usage of a particular facility may increase, e.g. Pahiatua sports complex. Council may be faced with moderate costs to meet the expected requirements of earthquake-prone standards. New legislation is expected in 2016 and is likely to confirm the existing standard of 34% of the current building code structural requirements. In the medium term there may be an increased demand for buildings that comply with the earthquake strength code if a number of existing buildings are closed (for upgrading or to be demolished).

Housing

The ageing population will increase demand for affordable housing. This housing must still meet the increasing standards being demanded by tenants. Occupancy rates are currently falling as Council units are increasingly not meeting the minimum standards demanded by tenants. This includes more storage, bigger rooms, disabled access, places for mobility scooters, larger appliances, etc. Changes to government policy on funding for rental subsidies and funding for social housing providers have eroded the

reasons why Council delivers this activity. As such, Council has decided to exit this activity.

Libraries

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

Parks and Reserves

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

Public Conveniences

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

Service centres

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

Swimming Pools

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



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

Assumptions

- The population of the Tararua district will slowly increase.
- Median age of residents will increase.
- Future demand for burials will be similar to current trends.
- That the level of service and usage for community buildings will remain at the present level.
- Council-owned community buildings and recreation assets will be able to affordably comply with the Earthquake Prone Building requirements.
- That there will be an increased demand for affordable low cost housing. This will largely be met by government and not-for-profit social housing providers. Council will sell its pensioner housing units to a social housing provider and exit the activity.
- Council will continue to support the library at current levels.
- Opportunities to increase revenue through added value services are explored and implemented.
- Visitors to the district will continue to require public conveniences.
- Customer service delivery will ensure that Council will retain at least one physical office in the four larger urban towns.
- That Management Committees or Trustees will be available to manage the three summer public pools.

Group Level Funding Impact Statement

Community and Recreation Facilities

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	2,820	2,991	3,068	3,306
Targeted rates	1,386	1,580	1,665	1,791
Grants and subsidies operating	5	5	5	5
Fees and charges	503	567	581	595
Local authorities fuel tax, fines, infringement fees, and other receipts	406	394	407	430
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	5,120	5,537	5,726	6,127
Applications of Operating Funding				
Payment to staff and suppliers	3,169	3,285	3,432	3,523
Finance costs	57	53	77	101
Internal charges and overheads applied	906	1,181	1,222	1,273
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	4,132	4,519	4,731	4,897
Surplus/(Deficit) of Operating Funding (A - B)	988	1,018	995	1,230
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	791	603	575	(2,706)
Gross proceeds from sale of assets	30	-	212	3,368
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	821	603	787	662
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	14	23	84	28
- to improve the level of service	730	691	1,166	820
- to replace existing assets	1,212	712	381	562
Increase (decrease) in reserves	(147)	195	151	482
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	1,809	1,621	1,782	1,892
Surplus/(Deficit) of Capital Funding (C - D)	(988)	(1,018)	(995)	(1,230)
Funding Balance ((A-B) + (C - D))	-	-	-	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
3,427	3,430	3,490	3,666	3,654	3,845	4,060
1,828	1,860	1,914	1,971	1,971	2,035	2,081
6	6	6	6	6	6	7
210	216	223	229	237	244	253
398	429	463	499	540	583	635
-	-	-	-	-	-	-
5,869	5,941	6,096	6,371	6,408	6,713	7,036
3,234	3,256	3,256	3,449	3,476	3,583	3,837
112	106	98	91	84	78	71
1,246	1,269	1,311	1,365	1,357	1,400	1,428
-	-	-	-	-	-	-
4,592	4,631	4,665	4,905	4,917	5,061	5,336
1,277	1,310	1,431	1,466	1,491	1,652	1,700
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(125)	(200)	(186)	(157)	(177)	(170)	(163)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(125)	(200)	(186)	(157)	(177)	(170)	(163)
58	-	5	14	-	-	-
38	17	17	29	18	19	19
467	374	444	405	401	388	426
589	719	779	861	895	1,075	1,092
-	-	-	-	-	-	-
1,152	1,110	1,245	1,309	1,314	1,482	1,537
(1,277)	(1,310)	(1,431)	(1,466)	(1,491)	(1,652)	(1,700)
-	-	-	-	-	-	-

Cemeteries

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

What is the Service Provided?

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

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

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

Why We Provide It

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

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

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Regular monitoring will be undertaken to ensure there is a sufficient number of cemetery plots available to meet future demand.		●		●		
Managing changes in demand and consumption of services will be achieved through developing cemetery land reserves as required.	●			●		
Council interment fees are low compared to other districts. Gradual increases in fees reflecting Local Government cost inflation has been built into the budgets.	●			●		

Options for Changes to Service levels

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

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

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Development Mangatera Cemetery - new area	\$95,000	2016/17 to 2018/19	Capital
Mangatera new berms	\$87,000	2015/16 to 2021/22	Capital

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	20-25%	20-30%
Grants / other	0%	0-5%
Rates	75-80%	70-80%

Why is it funded this way?

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

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

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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 to be conducted in 2017, 2020, and 2023	Achieved 96% Target 75%	Not measured	75%	Not measured	75%
Access to cemetery plots	Plots are available in all local cemeteries	Percentage of cemeteries in district with plots available for next 12 months – based on historical burial data	Achieved 100% Target 100%	100%	100%	100%	100%



Community Buildings

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

What is the Service Provided?

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

The Carnegie Centre in Dannevirke is awaiting further earthquake assessment before a decision can be made on its future, as required under the Building Act 2004. Council has indicated that it will not fund a structural upgrade, but will support a community-led group to seek funds to do so.

Council has agreed to extend and upgrade the Woodville combined service centre/i-SITE and library. A business case will be prepared in 2015/16, including design and structural upgrades, and service delivery during the construction period. The project includes new toilets.

Why We Provide It

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Usage has been impacted by the provision of alternative venues.		●			●	
Falling occupancy rates for some buildings is a concern.	●				●	
The Carnegie Centre has been defined as earthquake prone under the Building Act 2004.			●		●	
The Dannevirke Town Hall Concert Chamber has no wheel chair access.	●			●		
Pongaroa Community Hall has no accessible toilet.	●			●		
The Pahiatua Service Centre needs to be structurally upgraded to meet minimum earthquake standards. Council has agreed to carry out this work.	●				●	

Options for Changes to Service Levels

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

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

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Pahiatua Service Centre building upgrade to meet earthquake standards	\$305,000	2015/16 to 2016/17	Capital
Upgrade other Council buildings to meet earthquake standards	\$226,000	2017/18	Capital
District-wide off-road car park sealing renewals	\$1,699,000	Over 10 years	Capital
Woodville combined Council services	\$528,000	2015/16 and 2016/17	Capital



Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	5-10%	0-10%
Grants / other	0%	0%
Rates	90-95%	90-100%

Why is it funded this way?

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

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
Community Outcome(s): Efficient infrastructure • Great lifestyle							
Buildings support a range of activities which enhance residents' lifestyle	Council provides community buildings which are fit for purpose	Percentage residents "fairly satisfied" or "very satisfied" with community buildings in the community survey to be conducted in 2017, 2020, and 2023	Achieved 96% Target 90%	Not measured	90%	Not measured	90%
	Facilities are well-utilised	The total number of hours per annum facilities are booked through Council	Achieved 3,321 hrs Target >3,100 hrs	>3100 hrs	>3100 hrs	>3100 hrs	>3100 hrs

Housing

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

What is the Service Provided?

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

Why We Provide It

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

Council sets rentals at lower than market rates, with the aim to be not more than 25% of the applicable New Zealand superannuation. Beneficiary tenants can apply to Work and Income for assistance with their housing costs.

Council has decided to exit the service to an approved social housing provider, as this will maximise the ability for the community to access government funding.



Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
The Hovding Court complex has 10 units that are dated and unsuitable for elderly tenants with another three built in the 1970's.	●					●
Rental levels need to be increased substantially to cover cost increases and improve the financial viability of the activity in the short term, and in the longer term if the units are not sold.	●				●	
Ruahine complex has six older units that require renewal.	●					●
More tenants now have cars which require carports, and mobility scooters which require sheds with electricity.	●				●	
The housing reserves are not sufficient to renew the older units.		●				●
Changes to government policy means that social housing providers are the favoured model to deliver social housing		●				●

Options for Changes to Service Levels

Council is proceeding with the intention to sell the units to an approved social housing provider. Funds raised will be used to reduce debt. The Council sold units at Norsewood and Ormondville, in 2011, with the proceeds to be invested in the remaining housing stock. An alternative delivery option is to contract the delivery of services to a third party such as a community trust. Experiences of other local authorities who have used this delivery method have found that it can be successful but Council would still be required to assist in providing capital funds.

Major Projects for the Next Ten Years

None.

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	100%	100%
Grants / other	0%	0%
Rates	0%	0%

Why is it funded this way?

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

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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	New measure	< 10%	< 10%	< 10%	Council is proposing to exit this activity in Year 3
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	Achieved 99% Target 90%	90%	90%	90%	Council is proposing to exit this activity in Year 3

Libraries

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

What is the Service Provided

The Council owns and manages library buildings and services in Dannevirke, Eketahuna, Pahiatua and Woodville. The four community libraries are run as a single district-wide service. Books are loaned to the Pongaroa and Norsewood communities. Council's principal library is located in Dannevirke and many functions are centralised there. Dannevirke manages the overall collection and ensures outlying collections are refreshed regularly. The Eketahuna and Woodville library combines with the service centre in one building. The Eketahuna office is also a money exchange facility.

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

Why We Provide It

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

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

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Public expectations are rising in terms of technology and libraries are faced with meeting this challenge. It is no longer just about the physical collections. The public expect easy to use access to other information resources. The Library Management System is at its end life and needs to be replaced as the support and development of this software is ceasing. Replacement software will need to support the online services offered by the library.			●		●	
Tararua libraries meet these demands by providing up-to-date technology such as that supplied through the Aotearoa Peoples Network Kaharoa (free high-speed internet 24/7 access at no charge). This interaction with the internet enables them to be included in the digital world in a supported environment with competent staff on hand to assist them if needed. E-Books and online subscription databases are now an expected part of library services that require a change to Collection Development to ensure they are integrated into the purchasing strategy.		●		●		
Buildings – as public expectations change, the traditional library building requires changes to meet those needs. Alterations to buildings may trigger earthquake strengthening legislation. The Woodville Library/Service centre has had planned changes delayed due to the building not meeting minimum code requirements.		●				●
An ageing population and the impact on service design, e.g. large print collections, audio and e-books, digital support.	●				●	
The Council target is to have 2.5 items per capita (42,142) and as at 30 June 2014, total book stock was 47,625 (100% of the target figure). New Zealand Public Library standards call for three items per capita, at present Tararua District Library holds 2.8.			●		●	
There were some other factors that affect libraries, namely: <ul style="list-style-type: none"> Other demands on Council funding and affordability for communities. In New Zealand there are many libraries that service small populations and so have limited resources with which to work. In areas here the population is 25,000 or less, Councils spend 50% less per head of population on library services than those serving 100,000 or more, meaning there is a marked disparity in the funds available to provide services to rural and provincial areas of New Zealand. Communication networks in rural areas may not always be able to support the technology needs of the library service. 				●	●	

Options for Changes to Service Levels

Delivery options will continue to change in the coming years with the addition of new technologies and other digital means of information access. This will require the library to continue to keep abreast of technology change in order to

deliver on this. Rural broadband will become a necessity as more and more information is available online.

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

Increasing the book renewals from the current 2.5 items to 3 items per 1,000 head of population as per the Library and Information Association of New Zealand Standards for Public Libraries could also be an option, at a cost of an additional \$10,000 per annum. This would ensure that the library stock is kept up-to-date and adequate for future needs. A reduction in the replacement of library stock would result in people reading less and reduced average reading skills. Good reading skills are essential for achievement in New Zealand society. Children will compete for jobs in a global society, and if they do not have access to similar resources to children in other New Zealand towns, they will be disadvantaged.

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

With the Library Management System requiring replacement, the potential of shared services with neighbouring regions, or national consortia be undertaken to take into consideration potential cost savings and or resource sharing options.

Radio Frequency Identification (RFID) as a means to allow staff to spend more time on customer support as opposed to "stock-keeping tasks". Responding to the changing needs of the community is an important way for libraries to remain relevant and self-service can contribute to this by freeing up resources to provide value-added programmes.

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Electronic identification for books	\$85,000	2016/17	Capital
Purchase new books	\$1,133,000	Over 10 years	Capital
Upgrade Library Management software system	\$118,000	2015/16	Capital
Furniture and fittings	\$173,000	Over 10 years	Capital

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	5-10%	0-10%
Grants / other	0%	0%
Rates	90-95%	90-100%

Why is it funded this way?

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

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
Community Outcome(s): Prosperous Economy • Great lifestyle							
Quality community space	Access to information	Library services are clean, welcoming and open at times suited to their community based on the annual survey carried out internally by the library	New measure	90%	90%	90%	90%
		Percentage of residents rating libraries as "fairly satisfactory" or "very satisfactory" in the community surveys conducted in 2017, 2020, and 2023.	Achieved 96% Target 88%	Not measured	90%	Not measured	90%
The provision of information for residents	Provide access to a wide range of information and life-long learning opportunities	Library collections are current and accessible based on a weighted average of: <ul style="list-style-type: none"> the number of new items added to the collection (60% weighting with zero for 2 items per 1,000 of population and 10% for each 0.1 items above that up to 60% for 2.5 per 1000 of population), and percentage of time that online information (e-resources – eBooks, online databases) is available to the public (40% weighting with zero for 90% of the time up to the 40% for 100% of the time). 	New Measure	85%	85%	90%	90%
Supporting the education of children	Supporting literacy in all it's forms	Number of programmes run annually	New Measure	> 5	> 6	> 7	> 7
		Library customers are satisfied with the programmes offered	New Measure	90%	90%	90%	95%
Supporting ongoing education of adults	Enabling independent life-long learning, research and innovation	Library customers are satisfied with staff service (annual survey)	No survey Target 82%	90%	90%	90%	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.

What is the Service Provided?

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

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

Why We Provide It

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

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Ensure that all facilities are maintained in a safe condition and meet the needs of recreational groups and residents.		●		●		
Ensure camping grounds continue to meet required standards.		●			●	
Dealing with vandalism within current budgets (vandals are responsible for about 2.5% of the annual costs of camping grounds).		●			●	

Options for Changes to Service Levels

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

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

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

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Woodville Camping Ground Upgrade	\$105,000	2015/16	Capital
Woodville new playground equipment	\$72,000	2015/16 and 2021/22	Capital
Eketehuna Camping Ground – 2 new cabins	\$52,000	2017/18	Capital
District Wide Walkway Development	\$113,000	Over 10 years	Capital



Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0-5%	0-5%
Grants / other	0%	5-10%
Rates	95-100%	85-95%

Why is it funded this way?

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

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

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

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
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Community Outcome(s): Great lifestyle

People are proud of the city's parks and streetscapes	Our parks and park facilities are well presented	Percentage of residents rating parks and reserves as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023	Achieved 96% Target 90%	Not measured	90%	Not measured	90%
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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	New measure	< 5	< 5	< 5	< 5
Playgrounds meet user needs	Playground equipment is safe to use and fit for purpose	Percentage of playgrounds in the district with all equipment meeting the AUS/NZ playground safety standard	Achieved 85% Target 80%	85%	90%	90%	100%

Public Conveniences

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

What is the Service Provided?

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

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

Why We Provide It

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



Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Vandalism – high usage toilets are closed at night because of vandalism. There is also a higher incidence of vandalism to public toilets during the school holidays with some facilities having to be closed for repairs.		●			●	
Cleaning – keeping toilets clean in high usage times, i.e. school holidays, even with extra daily cleans, can be a problem.		●		●		
Public toilets can attract anti-social behaviour.		●			●	
Increasing demand for toilets to provide services to encourage visitors to stop in towns.		●				●

Options for changes to Service levels

Increasing the quality and quantity of facilities would possibly increase the number of visitors travelling on SH2 stopping for a break and doing some shopping as well. Operating costs are high though and the Council already provides multiple facilities on this road. Council could reduce services and leave it to the private sector to provide facilities. The issue of bus parking would be associated with any changes. Council will provide new toilets at the Dannevirke Domain (single) and at the Woodville Service Centre/Library site (double, as part of the upgrade of the building). The Dannevirke Domain toilet is to be sited next to the playground, with the existing toilet in the grandstand to be closed. Council intends to maintain service levels for all other public toilets while refurbishing some toilets that are old and need updating.

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Woodville new toilets as part of Library / Service Centre / i-SITE relocation	\$100,000	2015/16	Capital
Dannevirke Domain new playground toilet	\$40,000	2015/16	Capital
Dannevirke Barraud Street toilet renewal	\$142,000	2018/19	Capital
District-wide renewals	\$113,000	Over 10 years	Capital

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0%	0%
Grants / other	0%	0%
Rates	100%	100%

Why is it funded this way?

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

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
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 to be conducted in 2017, 2020, and 2023	Achieved 89% Target 70%	Not measured	90%	Not measured	90%
		The number of complaints received per annum about the condition of public toilets	Achieved 47 Target <51	<50	<50	<50	<50

Service Centres

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

What is the Service Provided?

Council has four Services Centres located in:

- **Dannevirke** 26 Gordon Street
Providing customer services Monday to Friday from 8:00am to 5:00pm
- **Woodville** 42 Vogel Street
Providing customer services and library services Monday to Friday from 9:00am to 1:00pm and 1:30pm to 5:00pm
- **Pahiatua** 136 Main Street
Providing customer services Monday to Friday from 8:00am to 4:30pm
- **Eketahuna** 31 Main Street
Providing customer services, library services and a money exchange facility Monday to Friday from 10:30am to 12:30pm and 1:00pm to 4:30pm

The principal office is in Dannevirke and acts as the main point of contact for managing the district-wide phone service from 8:00am to 5:00pm Monday to Friday. The Pahiatua Service Centre provides support to the Dannevirke office with phone operations and general enquiries.

The Woodville and Eketahuna Library and Service Centres provide one location to source information and access to modern library services. Eketahuna also provide a money exchange service (mini banking service).

We provide a 24-hour phone service handled by an afterhours call centre outside of normal office hours.

Our service centres provide the following customer services:

Receipt of

- Rates payments and general invoices
- Dog registration and related
- Building consent applications
- Solid fuel appliance applications
- Liquor licencing applications
- Environmental health applications

Assistance

- Rates rebate applications
- Support for local pensioners
- Sale of refuse labels
- Local cemetery interments
- Sale of cemetery plots
- Local community buildings – bookings
- Point of contact for general enquiries, notifications, animal control and faults
- District-wide phone service from 8:00am to 5:00pm, Monday to Friday
- Library services – Woodville and Eketahuna

Why We Provide It

The service centres provide a local presence for the community to obtain advice, assistance, information and to make payments.

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
An increasing number of transactions are handled electronically reducing the need for physical services in four towns.			●		●	
There are costs associated with maintaining a front counter presence to assist those preferring a face-to-face relationship.			●		●	
The provision of four service centres creates duplication of maintenance and operating expenses.			●		●	
An ageing population and the impact on service demand.			●		●	
Meeting earthquake prone building standards in the existing Council buildings.			●		●	
Integrating the Service Centre with the Library in Woodville.			●		●	

Options for Changes to Service Levels

- Status quo.
- Alter current hours but stay within weekly opening total.
- Reduce hours – reduction in cost to ratepayer and reduced level of service.
- Reduce number of service centres across the district, reducing rates and the level of service.

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

Whilst there has been a noticeable increase in the use of payments made by electronic methods that lessens the need for face-to-face contact, recent local government statistics show that people still want a choice of how they interact with us.

Careful monitoring of service delivery will help Council ensure that we maintain a high level of customer service but remain cost effective.

Council intends to extend the existing Woodville combined services building. This will provide additional space for the library and improve the service centre public interface.

Major Projects for the Next Ten Years

None.

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0%	0%
Grants / other	0%	0%
Rates	100%	100%

Why is it funded this way?

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

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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	Achieved 94% Target 93%	92%	94%	95%	95%
Customer Service staff respond to customer requests and enquiries promptly.	Customer requests are handled effectively and accurately	Average wait time for incoming calls	New measure	20 seconds	20 seconds	20 seconds	20 seconds
		Percentage of abandoned calls	New measure	< 10%	< 10%	< 10%	< 10%
Council provide access to after-hours services.	Responsive 24/7 phone service	Percentage of customers who lodge faults/requests are satisfied with the after hours service received.	Achieved 81% Target 90%	90%	90%	90%	95%
		Percentage of abandoned calls	New measure	< 10%	< 10%	< 10%	< 10%
		Average wait time for incoming calls	New measure	20 seconds	20 seconds	20 seconds	20 seconds

Swimming Pools

Aim – to provide funding support for community pools, which will promote community wellbeing.

What is the Service Provided?

There are four public swimming pools in the Tararua district:

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

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

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

Why We Provide It

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

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Council has received structural pool engineering advice on the outdoor pools in Eketahuna and Pahiatua; they are at the end of their useful life structurally and require replacing. Both pools could have major breakdowns of plant or equipment or of the pools themselves before replacement.			●			●
Council does not have adequate reserves to fund the replacement of these pools. Should the communities choose to have a new pool then the costs associated with providing it need to be considered.		●				●
Skilled volunteers are required to manage the facilities (management committees or trustees).			●	●		
Increasing prices of key operational items are placing local management committees under increasing pressure.		●			●	
Loss of water in leaking pools puts pressure on local water supplies.	●				●	
Minor maintenance is the responsibility of the local pool management. Council relies on being advised by the local management of any major issues (except for Dannevirke which is the responsibility of the Tararua Aquatic Community Trust).		●			●	

Options for Changes to Service Levels

Faced with the renewal of the Pahiatua and Eketahuna summer pools Council has provided funding towards building similar facilities in partnership with the local communities. Council could withdraw from the activity at this point if the communities were not prepared to support these projects by fundraising.

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

In Eketahuna the desired level of service is unlikely to change significantly.

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

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

All requests for changes will be assessed on a district-wide basis having regard to the initial capital cost (often covered by external sponsorship and fund raising) and ongoing maintenance costs, which are a continuing cost to ratepayers. In order to identify the ongoing operational costs of any renewed facility, Council is requiring a peer reviewed full business case for Pahiatua and Eketahuna.

While residents will always want higher service levels, these are often unaffordable.

Swimming pools are funded from a uniform targeted rate district-wide.

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Pahiataua pool replacement	\$513,000	2016/17	Capital
Eketahuna pool replacement	\$526,000	2017/18	Capital
Woodville swimming pool	\$105,000	2018/19	Capital

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0%	0%
Grants / other	0%	0%
Rates	100%	100%

Why is it funded this way?

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

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



Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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 to be conducted in 2017, 2020, and 2023	Achieved 88% Target 70%	Not measured	80%	Not measured	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	Achieved 52 weeks Target 52 weeks	52 weeks	52 weeks	52 weeks	52 weeks
		The number of weeks each year outdoor pools are open for public use	Achieved Eketahuna 8 weeks Pahiatua 12 weeks Woodville 11 weeks Target 10 weeks	>10 weeks	>10 weeks	>10 weeks	>10 weeks
The district can afford to support public pools	Public swimming pools are financially sustainable in the long term	Percentage of rates spent funding public swimming pools (base – average household rates)	Achieved 1.99% Target 1.99%	< 4%	< 4%	< 4%	< 4%

District Promotion and Economic Development

Contribution to Council Outcomes

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

Key Issues

- Council forestry assets, previously managed by Taranaki Forests Limited, are now managed in-house and included in the Commercial Investments activity. The forestry assets will continue to provide commercial returns to Council until a satisfactory sale price is obtained.
- In this Long Term Plan, a key strategy is to increase the resources put into Promotion and Economic Development. This year sees another moderate increase in the level of service, as indicated in the Long Term Plan. The outcome derived is to increase the population and employment in the district. This will underpin the viability of the investments in urban infrastructure.
- Council acts as a facilitator to grow economic development through specific projects that aim to increase the economic output of the district. Council encourages access to government support and business support services. Council considers this as the most cost effective option to encourage local businesses to grow, and for new businesses to be established. Council has established a Business Hub to enable, link, and facilitate business growth and employment in the district.



Significant Negative Effects

There are no significant negative effects from these activities.

Strategic Considerations

Future Demand

Commercial Property

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

District Promotion and Development

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

Council has adopted an Economic Development Plan that sets out objectives and projects for investment in economic development. The focus is on facilitating, support, and promotion.

The level of demand from the business community for the Council Economic Development and Promotion activity tends to reflect the general state of the economy. Currently the Council operates a moderate level of service and feedback from the business sector is that this needs to be increased. There are considerable resources and opportunities in the district that are not being fully utilised.

Official forecasts (Statistics NZ) are still predicting a long term declining population. Recently the population has begun to stabilise. Feedback from key local stakeholders is that a stable to modestly increasing population is essential to the achievement of the new Council Outcomes. Increasing

demand for Council to lead and coordinate promotion activities across the district is likely to continue until the population is consistently growing.

Assumptions

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

Group Level Funding Impact Statement

District Promotion and Economic Development

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	169	266	274	280
Targeted rates	288	425	437	446
Grants and subsidies operating	-	-	-	-
Fees and charges	688	103	106	108
Local authorities fuel tax, fines, infringement fees, and other receipts	24	363	181	52
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,169	1,157	998	886
Applications of Operating Funding				
Payment to staff and suppliers	649	682	698	693
Finance costs	3	3	4	4
Internal charges and overheads applied	106	199	203	205
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	758	884	905	902
Surplus/(Deficit) of Operating Funding (A - B)	411	273	93	(16)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	13	30	(17)	(2)
Gross proceeds from sale of assets	-	-	313	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	13	30	296	(2)
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	61	40	15	16
- to replace existing assets	14	-	-	-
Increase (decrease) in reserves	349	263	374	(34)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	424	303	389	(18)
Surplus/(Deficit) of Capital Funding (C - D)	(411)	(273)	(93)	16
Funding Balance ((A-B) + (C - D))	-	-	-	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
286	293	301	310	316	324	333
456	468	481	495	505	518	532
-	-	-	-	-	-	-
111	114	118	121	125	129	134
50	48	44	41	37	34	31
-	-	-	-	-	-	-
903	923	944	967	983	1,005	1,030
741	800	779	810	825	818	815
4	5	5	6	6	6	5
206	210	217	223	222	228	232
-	-	-	-	-	-	-
951	1,015	1,001	1,039	1,053	1,052	1,052
(48)	(92)	(57)	(72)	(70)	(47)	(22)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2)	23	(3)	(4)	(11)	(23)	(23)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2)	23	(3)	(4)	(11)	(23)	(23)
-	-	-	-	-	-	-
16	17	17	18	-	-	-
-	-	-	-	-	-	-
(66)	(86)	(77)	(94)	(81)	(70)	(45)
-	-	-	-	-	-	-
(50)	(69)	(60)	(76)	(81)	(70)	(45)
48	92	57	72	70	47	22
-	-	-	-	-	-	-

Commercial Investments

Aim – property and forestry assets are managed to obtain the best return for ratepayers and divested as the opportunities arise.

What is the Service Provided?

Council has a number of commercial buildings throughout the district and forestry blocks transferred from Taranua Forests Limited (liquidated in 2013). They include the old depots at Dannevirke, Tahoraiti and Woodville, and leased lands district-wide.

Why We Provide It

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

These commercial buildings were acquired at the time of amalgamation when Taranua District Council was first formed and, together with the forestry blocks, make a financial return to Council. Council will consider selling these properties at a fair market value as opportunities arise.



Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
The tenants may vacate the premises, without an alternative tenant needing the site.	●				●	
The low rent on the rural bus depot in Dannevirke means this does not meet required rental returns and will be considered for sale over the 10 years.	●			●		
The majority of the original non-strategic commercially viable properties have been sold. What remains is the older buildings such as the Infracon Tararua depots, and Rural Bus depot. These buildings are likely to require costly maintenance in the future.		●			●	
Changes to forest log prices has a significant impact on the forestry harvesting activities.	●					●

Options for Changes to Service Levels

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

Major Projects for the Next Ten Years

None.

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	100%	100%
Grants / other	0%	0%
Rates	0%	0%

Why is it funded this way?

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

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



Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
Community Outcome(s): Efficient infrastructure							
Properties do not become a burden to Council	Properties maximise returns to Council	Occupancy of commercial buildings each year	Achieved 100%	100%	100%	100%	100%
			Target 95%				
		Net operating surplus each year	Achieved 74%	> 5%	> 5%	> 5%	> 5%
			Target 5%				

District Promotion and Development

Aim – proactively supporting a sustainable social and economic environment.

What is the Service Provided?

Council's involvement in district promotion and development is focused on two main areas. One is business development in advisory and facilitation functions, and the second is destination marketing.

Business Attraction

To attract business and encourage the formation of new business, on behalf of Council we are currently supporting a number of actions:

A Business Hub, in Dannevirke, has been opened to ramp up our capacity to support businesses including start-ups, business incubation, linking business one-on-one support and research and development. This project was part of the Economic Development Plan 2013-2018 and has a district-wide focus.

Destination Marketing

Council provides one information centre – namely the Tararua i-SITE in Woodville – which is an accredited member of the Visitor Information Network. The Tararua i-SITE is the primary information centre for the Tararua district, providing information on our district's activities and attractions to domestic and international visitors. This is delivered through brochures, displays, the national distribution of the Tararua Visitor Guide, and ii face to face promoting the complete Tararua experience. The Tararua i-SITE is managed by one full-time staff member and supported by one part-time staff. The management responsibility of the i-SITE staff is under the guidance of the Economic Development Manager.

There are four other district information centres located in Norsewood, Dannevirke, Pahiatua and Eketahuna. All

centres receive funding and support from Council to assist with the operation of their centres.

Regional Development

Council fosters relations and alliances with neighbouring and comparable regions; local and independent agencies and businesses to identify potential opportunities for working cooperatively on initiatives. Council is currently working with organisations such as Horizons Regional Council, Department of Conservation, Destination Manawatu, Destination Wairarapa, UCOL, Vision Manawatu, Rangitane O Tamaki Nui a Rua Inc and Wairarapa Inc. In 2014/15 this included being part of the government funded regional growth study that is focused on doubling agribusiness exports from the region by 2025.

The Council also owns the aerodrome at Dannevirke, which provides a low-cost basic service for commercial and private operators.

Why We Provide It

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

The District Promotion and Development activity addresses these challenges by undertaking initiatives to encourage business growth and develop tourism, which together provide the best opportunities for economic growth in the district. Economic growth is needed to provide quality employment opportunities that will enable current residents to stay and attract new residents to the district.

The Tararua i-SITE supports the district tourism operators to promote their business, and assist with initiatives for events and promotion throughout the district and nationally.

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Council significantly reduced funding in 2009/10 and kept it low in 2010/11 due to the tight economic conditions. Council gradually increased funding in the 2012-2022 Long Term Plan to reflect the strategic focus of Council. The 2015 Long Term Plan continues with the increases in funding in order to facilitate business development and employment growth.		●			●	
Getting the right programmes to improve future economic development initiatives.	●				●	
Increases in marketing activities and business advice may fail to attract new businesses and residents.		●			●	
Ensuring features of the Tararua district are marketed to the right audiences.		●			●	
Retaining business sector support for activities.		●			●	
Impacts from economic and population trends outside the control of the Council					●	
World food commodity markets are likely to have a significant effect on the district's largest earner, agriculture		●			●	
Aging population will place increasing importance on retaining and attracting younger people to the District.		●				●

Options for Changes to Service Levels

Council has discretion in this activity and could reduce funding. Council significantly reduced funding in 2009/10. From then to 2012 the world financial crisis resulted in difficult business conditions and lower employment. During consultative workshops in 2011 local businesses and leading community organisations indicated to Council that increased spending on economic development and promotion was very important for the future prosperity of the district. Attracting skilled employees to build on local opportunities is a crucial part of future growth.

Council to increase service levels in marketing and promotion.

Tararua could be serviced by neighbouring districts economic development agencies and/or regional tourism



organisations. Shared service or contracts for service could be developed to reflect local needs. Vision Manawatu, based in Palmerston North, already carries out a limited business advisory and support service (businesses that meet certain criteria) on behalf of central government (Trade and Enterprise, and Ministry of Science and Innovation). Council could increase the level of service for business advice by contracting Vision Manawatu to expand on this existing service. Council has decided to provide additional services in-house and to set up a business support hub in Dannevirke.

Further increases in service are project based and Council will provide these through specific project linked contracts.

Currently Palmerston North City Council and Manawatu District Council are reviewing how economic development services are delivered. A proposal to merge Vision Manawatu and Destination Manawatu has been included in the consultation phase of their 2015-25 Long Term Plans. Future structures may change and this may result in more cost effective options for Council to consider for service delivery.

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

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
The Business Hub Dannevirke	\$776,000	Over 10 years	Operating
Additional business development projects	\$654,000	Over 10 Years	Operating

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0-5%	0-5%
Grants / other	0%	0%
Rates	95-100%	95-100%

Why is it funded this way?

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

Council has introduced a new targeted rate based on capital value for industrial/commercial properties to fund 60% of

the cost of this activity. Refer to the Revenue and Financing Policy for more details.

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
Community Outcome(s): Prosperous economy • Collaborative Council							
Community partnerships and collaboration	Assist businesses to apply for Government subsidies and grants	Assist local businesses by referring to NZTE / Ministry of Science and Innovation	Achieved 5 Target 5	Minimum 5 per annum	Minimum 5 per annum	Minimum 5 per annum	Minimum 7 per annum
Community Outcome(s): Great lifestyle • Collaborative Council							
Proactively supporting a sustainable social environment	Promote the Tararua at large events in and outside the district	Number of major events that "Tararua" is directly involved	Achieved 7 Target 3	Minimum 5 events	Minimum 5 events	Minimum 5 events	Minimum 7 events
A district with a clear identity that promotes its lifestyle	Support community groups to run events in Tararua	Number of community events that are actively supported by Council	New measure	Minimum 10 per annum			
Community Outcome(s): Great lifestyle							
A district that promotes its lifestyle	Provide professional customer service at the Tararua i-SITE	Percentage of customers surveyed are satisfied with the services received	New measure	80%	85%	85%	85%
Responsive and collaborative district	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).	New Measure	60%	60%	60%	65%



Regulatory Services

Contribution to Council Outcomes

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

Key Issues

- A decline in the number of registered dogs in the district is forcing up dog registration fees over time in order to maintain the existing level of service.
- New animal care regulations require Council to build a new pound in Dannevirke. This is budgeted for 2015/16 and the increased costs will result in increases in dog fees.
- The Food Act 2014 will move Council away from licensing food premises into more of an audit role. This may have a negative effect on fee revenue for the Council.
- Council is required to upgrade or demolish the Council buildings that have been assessed as earthquake-prone buildings. A significant number of building owners will need to upgrade their buildings.

The government's decision on any changes to the Building Act 2004 regarding earthquake-prone building standards has not yet been made.
- The Government has in recent years talked about regionalising or even nationalising a range of regulatory services. The review of local government currently underway could see these options considered again.
- To continue to operate as a Building Consent Authority the Council needs to maintain its accreditation and maintain an appropriate staffing level.
- Applications for large infrastructure projects such as windfarms are managed with the assistance of consultants and generally, costs incurred are recovered from the applicant. The costs of appeals to the Environment Court are not usually recoverable and can amount to \$100,000 or more for each appeal.
- Increased extreme weather events from climate change could result in more extreme fire risk seasons and floods.
- Council is continuing to rebuild a skilled incident management team in-house.

- Ageing ex-New Zealand Fire Service vehicles are no longer seen as the most appropriate "least cost long term" option for supplying to our five volunteer rural forces. Council is moving to the national "yellow" rural fire engine to ensure all vehicles are consistently equipped, and meet or exceed minimum levels of performance.
- Further national changes in management and structure of rural fire forces may impact on how we manage local fire services.

Significant Negative Effects

Animal Control

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

Health and Safety

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

District Planning

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

Emergency Management

None.

Strategic Considerations

Future Demand

Animal Control

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

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

Health and Safety

We expect the future demand for the building control service to increase over the medium to long term, but expect the demand for most of the other services to remain at the current level. Changes in legislation may mean that there will be a reduction in the environment health area, which could enable a review of the delivery method for this activity. Changes in the demand for the building control service will be evident through the level of building consent applications lodged.

District Planning

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

The Resource Management Act is being reviewed by the government in 2015/16. This may result in changes to the way Council administers the Resource Management Act, or may change the type and size of developments that require consents to proceed.

Emergency Management

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

Assumptions

- That most services will continue to be provided at the existing level and within the provisions of the existing legislation
- For District Planning, the Council activity is resourced to provide a base level of service. If changes are made to the Resource Management Act, the activity will continue at the current budgeted levels. In times of increased activity or complexity of applications, outside resources are used – the costs of which can often be recovered from the applicants.
- Changes in legislation and economic conditions are likely to impact on the Health and Safety activity, particularly the building control services. Council will



continue to recover costs for chargeable activities at the level determined by the Revenue and Financing Policy.

- There will always be a need for both Civil Defence and Emergency Management and Rural Fire as long as legislation requires local authorities to provide these. Flooding, rural fires, earthquakes and other natural disasters will continue to occur on an irregular basis.

Group Level Funding Impact Statement

Regulatory Services

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	897	1,007	977	996
Targeted rates	302	220	224	228
Grants and subsidies operating	5	9	9	9
Fees and charges	746	756	777	798
Local authorities fuel tax, fines, infringement fees, and other receipts	20	26	28	32
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,970	2,018	2,015	2,063
Applications of Operating Funding				
Payment to staff and suppliers	1,560	1,527	1,506	1,539
Finance costs	10	6	10	13
Internal charges and overheads applied	359	382	391	396
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	1,929	1,915	1,907	1,948
Surplus/(Deficit) of Operating Funding (A - B)	41	103	108	115
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	7	59	145	(16)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	7	59	145	(16)
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	8	65	154	-
- to replace existing assets	80	73	3	3
Increase (decrease) in reserves	(40)	24	96	96
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	48	162	253	99
Surplus/(Deficit) of Capital Funding (C - D)	(41)	(103)	(108)	(115)
Funding Balance ((A-B) + (C - D))	-	-	-	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
1,000	942	1,066	1,089	1,257	1,316	1,131
232	236	241	246	252	258	264
9	9	10	10	10	11	11
820	843	869	897	926	959	994
37	41	47	51	56	62	68
-	-	-	-	-	-	-
2,098	2,071	2,233	2,293	2,501	2,606	2,468
1,569	1,531	1,672	1,682	1,888	1,978	1,827
12	11	17	22	20	19	18
399	406	418	431	431	441	450
-	-	-	-	-	-	-
1,980	1,948	2,107	2,135	2,339	2,438	2,295
118	123	126	158	162	168	173
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(15)	(15)	275	(28)	(26)	(25)	(24)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(15)	(15)	275	(28)	(26)	(25)	(24)
-	-	-	-	-	-	-
-	-	288	-	-	-	-
3	3	3	4	4	4	104
100	105	110	126	132	139	45
-	-	-	-	-	-	-
103	108	401	130	136	143	149
(118)	(123)	(126)	(158)	(162)	(168)	(173)
-	-	-	-	-	-	-

Animal Control

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

What is the Service Provided?

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

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

Why We Provide It

Council is obliged to meet a number of statutory obligations under the Dog Control Act and because community safety is a community priority.

Council is required to ensure the obligations of responsible dog ownership are met and to adopt a policy and bylaw for the care and control of dogs in the district.

The Impounding Act 1955 requires the Council to maintain a stock pound and appoint a pound keeper. Council is obliged to care for stock impounded for trespassing or wandering on roads or public places.



Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Safety issues relating to dogs have led to new rules such as microchipping and may lead to further legislative change in the future.		●			●	
Meeting the desired levels of service requires additional resources and therefore higher fees.		●			●	
Meeting the needs of dog owners for dog exercise areas in urban areas will continue to be an issue that needs addressing.		●			●	
There is a gradual decline in the number of dogs in the district, while the public continue to expect a high level of service. This has an effect on the level of the dog registration fees and rates contribution to the activity.	●				●	
Call-outs for wandering stock in remote parts of the district can create a cost v benefit tension.	●				●	
The lack of a network of secure animal pounds throughout the district limits the ability of officers to economically impound animals.	●			●		
New animal care regulations require Council to build a new pound in Dannevirke. This will provide more space for each impounded dog, as well as exercise areas.			●			●
New Health and Safety regulations are likely to be introduced in 2015/16 and will have an impact on how we operate on a day-to-day basis.		●				●

Options for Changes to Service Levels

- Subject to legislative change, it is considered that the current dog control activity is appropriate for the communities' needs. A reduction in the level of service would be detrimental to Council's desired outcomes, while an increase is unlikely to provide any significant improvement in community satisfaction.
- The introduction of the half-hour call-back system for animal service requests has provided efficiencies for staff, without a reduction in the level of service.
- A change in the method of delivery is considered not to be appropriate for this district, given the other Council

activities in which the officers are involved and the interdependence of other staff.

- Council plans to extend the original pound building for two reasons:
 1. Finding a suitable alternative was becoming impossible and too expensive.
 2. To achieve a compliant pound within a minimal budget.

The new pound will be built in two stages to continue providing a service during the upgrade this.

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
New dog pound in Dannevirke	\$274,000	2015/16 to 2016/17	Capital

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	90-95%	90-100%
Grants / other	0%	0%
Rates	5-10%	0-10%

Why is it funded this way?

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



Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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 the community survey to be conducted in 2017, 2020, and 2023	Achieved 76% Target 70%	Not measured	75%	Not measured	80%
		Percentage of calls that involve dog attacks responded to within 2 hours	Achieved 100% Target 100%	100%	100%	100%	100%
	Promoting responsible animal ownership through public education	Educational publications and programmes are available to the community	New measure New measure	Minimum of 6 articles per year Minimum of 4 educational presentations per year	Minimum of 6 articles per year Minimum of 4 educational presentations per year	Minimum of 6 articles per year Minimum of 4 educational presentations per year	Minimum of 6 articles per year Minimum of 4 educational presentations per year

Emergency Management

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

What is the Service Provided?

Taranaki District Council is a member of the Manawatu-Wanganui Civil Defence Emergency Management Group which exists to provide centrally co-ordinated services to its members. The group functions through a Coordinating Executive Group (CEG) on which Council has a representative. The Council also has the following responsibilities within its district:

Civil Defence

- Provide civil defence education programmes to local communities through an ongoing public awareness campaign.
- Facilitate local Community Civil Defence Response Groups.
- Provide a linked communications network across the district to enable a coordinated response by Council's Incident Management Team to any event.
- To ensure appropriate resources are available to manage and coordinate a relevant response to Civil Defence events.
- Facilitate recovery after Civil Defence events.

Rural Fire

- Ensuring that all notified rural fires are responded to in accordance with National Rural Fire Authority standards.
- Ensuring Council has a trained and equipped "Incident Management Team", required to

coordinate response and recovery to large scale, or multiple rural fires/incidents, as required.

- Training of rural fire fighters to the National Rural Fire Authority (NRFA) minimum standard.
- Maintaining all equipment to NRFA standards.

During an event the local response is managed by a Controller based in the Emergency Operations Centre in Dannevirke. Smaller community incident control centres are set up in New Zealand Fire Service and Rural Fire Depots as required. Additionally, designated Welfare Centres may be activated in each community to cater for affected persons. Designated Welfare Centres consist of Council halls, schools, hotels etc. They are staffed by trained personnel from Community Civil Defence Response Group volunteers and are activated at the request of the Controller as required.

We have five rural fire forces within the district: Te Uri, Weber, Herbertville, Akitio, and Tiraumea. They have designated rural fire depots at each location, housing rural fire appliances and equipment. The turnout system for each fire force varies as to the geographical location. We have three automated systems for alerting the volunteer fire forces of a fire. They are at Te Uri, Weber and Herbertville. The other two fire forces are alerted by a phone call to the Rural Fire Controller, and then a phone tree system is put into action. Rural fire parties also provide a first response medical service to their communities until ambulance staff arrive and are trained for this.



Why We Provide It

Civil Defence

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

Rural Fire

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
There are ongoing risks to the community from geological faults and weather conditions that may change over time. Increased extreme weather events from climate change could result in more extreme fire risk seasons and floods. These events will continue to threaten public safety and the rural environment within the Tararua district.			●			●
Ageing ex-New Zealand Fire Service vehicles are no longer seen as the most appropriate "least cost long term" option for supplying to our volunteer rural forces. Part of this is the high annual maintenance costs, and part is their inability to get to the location of smaller rural fires safely and rapidly, if crews are needed to prevent these fires from gaining intensity and size. Council is moving to the national "yellow" rural fire engine to ensure all vehicles are consistently equipped, are 4 wheel drive capable, and meet or exceed minimum levels of performance. Council receives a subsidy for these vehicles.		●			●	
Consultation with the community and rural fire forces about the practicality of any proposed national changes in management and structure will also occur. An example is the proposed possible merging of rural and urban fire legislation.	●				●	
Council currently uses the Council Chambers as an Emergency Operations Centre (EOC). This situation would be untenable in the long term and would impact on Council's ability to continue business as usual during an event. Ideally the EOC should be a dedicated room built to category 4 level and already set up with radio, computer and phone communications. This room could also be used for civil defence training and Council computer training.			●			●

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
As part of the whole of Government radio policy, emergency services will be required to move to a digital radio network. This was planned for 2015/2016 financial year however due to technical problems this has been put on hold for at least another 5 years. In the mean time Council will continue to use analogue VHF radios with digital capability.		●				●
Our current Civil Defence plans, standard operating procedures and manuals all require updating, post Christchurch Earthquake, to align with changes to Ministry of Civil Defence and Emergency Management guidelines and National Plan. In some cases there are no existing plans, and these will take up to two years to complete.			●		●	

Options for Changes to Service Levels

With an increase in plantation forestry within the district from 8,568 hectares in 1995, to 26,000 hectares in 2011 and increasing, there is a higher risk of fire and resulting loss of property.

More time could be spent by staff to promote and facilitate Community Civil Defence Response Groups and to enable communities to prepare, respond and recover from civil defence disasters. In addition more time needs to be spent on preparation and training of personnel to act as incident control staff during an event. More staff could be employed to speed this process up.

Council could provide more modern and fit-for-purpose vehicles and appliances for the rural fire crews. This is a trade-off between rates increases and fire crew resourcing. Currently, the rural fire crews are required to use their own vehicles for parts of the activity. Council has started to address this by allocating a budget to purchase secondhand Council four wheel drive utes to be used by the rural fire crews.

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Rural Fire – replace Herbertville appliance	\$104,000	2024/25	Capital
Civil Defence – new digital communications network	\$288,000	2020/21	Capital



Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0-10%	0-5%
Grants / other	0%	0-5%
Rates	90-100%	95-100%

Why is it funded this way?

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

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

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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 community's	Communities are organised and have a current Community Civil Defence Response Group Plan	New measure	Herbertville, Pahiatua, Woodville and Dannevirke plans completed	Pongaroa, Ormondville, combined smaller communities plan completed	All plans reviewed and updated	Monitoring and updating plans
Community Outcome(s): Collaborative Council • Sustainable environment							
Leadership and training	Improve our ability to manage and coordinate emergency services during civil defence emergencies	Assessment of residents' readiness and capability to respond to a civil defence emergency	New measure	80%	85%	90%	100%
Community Outcome(s): Collaborative Council • Prosperous economy							
Agency partnerships and collaboration	Improve our ability to prevent and to respond promptly to uncontrolled fires in the rural area	Volunteer Rural Fire Forces respond to all fires within the rural area in accordance with 'NRFA Standard – Achieving Timely Responses to Fires'	New measure	100%	100%	100%	100%

Health and Safety

Aim – to provide a safe and healthy community environment, by reducing nuisance and health and safety risk, through education.

What is the Service Provided?

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

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

Building Control

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

Environmental Health

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

Alcohol Licensing

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

General Inspection

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

Why We Provide It

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Changes in economic conditions affect the demand for services, particularly in the building control activity. This has revenue implications and can also affect staffing levels if a long-term downturn is experienced. To continue to operate as a Building Consent Authority the Council will need to maintain its accreditation and maintain an appropriate staffing level. There is a shortage of experienced building and environmental health officers, which may affect the Council as senior staff retire.		●				●
In response to public pressure, the Government can amend existing legislation, or introduce new legislation or policies that affect how we go about our business. At the current time, this is particularly relevant in the building control and environmental health areas.			●			●
Government has floated proposals to consider regionalising or even nationalising building consenting services. If a change along these lines did proceed, the impact on the level of service could be significant and the potential exists for the loss of close integration with other council services.			●			●
In general, a cost recovery approach is used for the services provided, but with some activities this is not always practical.	●					●
The introduction of the Food Act has moved Council away from licensing food premises into an audit role. This may have a negative effect on fee revenue for the Council.	●					●
Liquor licensing legislation changes have resulted in a nationally set fee structure based on risk. Fee revenue is still uncertain as the new regime works through the first full cycle of licenses and management certificates.	●					●
As a result of the Earthquake Prone Building requirements a significant number of building owners will be required to get the integrity of their buildings assessed and may be required to carry out strengthening work. This work may not be economic in some cases and Council may be required to take steps to ensure the identified dangers are removed.	●					●

Options for Changes to Service Levels

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

Sale of Alcohol licensing and Environmental Health services are currently provided in-house by Council – previous experience has shown us that a shared service agreement

did not provide an increase to the level of service to our ratepayers. However, with the proposed changes to the new Health Act this year, we may have to review the way in which this activity is delivered once the reviewed statute is in place.

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

Major Projects for the Next Ten Years

None.

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	55-60%	40-50%
Grants / other	0%	0-5%
Rates	40-45%	50-60%

Why is it funded this way?

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

For health and alcohol licensing there is a moderate amount of public good in the general health monitoring and advisory service provided to the community. Direct inspections of premises is user fees, but some fees are set by government legislation and therefore full cost recovery is not always possible. In the general inspection area it is often impossible to identify offenders or impractical to recover enforcement costs. The whole community benefits from these activities.

Performance Measures

Major aspect	Level of service	Performance measure	Baseline	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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 5 years	New measure	100%	100%	100%	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	New measure	90%	90%	90%	90%
Customer service	Building safe communities through cost effective and streamlined processes	Consents issued within statutory timeframes	Not achieved 98% Target 100%	100%	100%	100%	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	Achieved 100% Target 100%	95%	95%	95%	95%
Community Outcome(s): Collaborative Council • Great lifestyle							
Livable communities	Excessive noise complaints will be attended to by council to minimise disturbance to others	Percentage of noise complaints responded to within an hour	New measure	95%	95%	95%	95%
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	New measure	90%	95%	100%	100%



District Planning

Aim – to provide for the continued sustainable management of the Tararua district's land resources and a strong prosperous economy.

What is the Service Provided?

Planning works with the community to determine the strategic direction for how the district's land resources are used, developed and protected. Planning assess development proposals with the potential to impact the environment or conflict with community objectives, and provides opportunities for public input. Planning ensures that people's actions are law abiding and in accordance with community expectations.

There are four aspects to the service provided by this activity:

1. Reviewing, maintaining, and updating the District Plan to keep it current and to respond to changing community objectives.
2. Processing resource consent applications and providing planning input into Project Information and Land Information memoranda (PIMs and LIMs).
3. Monitoring District Plan performance and land use activities, including compliance and enforcement actions as necessary.
4. Responding to requests for clarification or interpretation of District Plan provisions.

Why We Provide It

The Resource Management Act 1991 requires Tararua District Council to develop and implement a District Plan. Planning ensures appropriate land use through the District Plan and associated resource consent processes. Planning is necessary to address significant environmental issues and deliver the type of environment that is desired by the community.

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
How Council makes plans, processes resource consents, and undertakes monitoring and reporting will be impacted by reform of the resource management act.			●			●
Council's approach to managing land use and infrastructure, subject to natural hazard risk, will be influenced by increased government direction and legislative change. This will be addressed through a management strategy and the District Plan.	●				●	
Rapid expansion of oil and gas exploration and production could increase pressure to process applications within statutory timeframes. More government direction could impact how applications are assessed and decided. Changes to legislation and royalty sharing could impact how Council responds to increased demand on local infrastructure.		●			●	
Tararua is a large district, which makes it impractical to undertake extensive monitoring of activities. Construction has not started on several major projects (windfarms) that will require Council monitoring. Council relies on community input and that of other agencies to be effective.		●			●	
How Council collects and reports information, about planning activities and environmental outcomes, will be impacted by government directions and new legislation.	●			●		
An aging population will influence demand for particular types of development and their proximity. New environmental issues may emerge and require addressing through the District Plan.	●			●		

Options for Changes to Service Levels

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

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



Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
District Plan review	\$501,000	Over 10 years	Operating
State of the Environment Report	\$80,000	2018/19 and 2023/24	Operating
Natural Hazards Plan change	\$276,000	2016/17 to 2024/25	Operating

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	10-20%	10-20%
Grants / other	0%	0%
Rates	80-90%	80-90%

Why is it funded this way?

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

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
Community Outcome(s): Collaborative Council							
Quality customer service	Advice to customers is of good quality (fit for purpose)	Survey of customers rate advice received was helpful	New measure	85% agree	85% agree	85% agree	90% agree
Reliable customer service	District Planning service is reliable	Percentage of customers that receive a decision on their application within the statutory timeframe	Achieved 100% Target 100%	100%	100%	100%	100%
Responsive customer service	Council responds effectively to complaints about non-compliances	Non-compliances are resolved within 3 months of customer complaint	Achieved 99% Target 90%	95%	95%	95%	95%

Roading and Footpaths

Contribution to Council Outcomes

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



Significant Negative Effects

Footpaths

- No significant negative effects.

Roading

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

Strategic Considerations

Future Demand

Roading

Modest to low population increases, coupled with an ageing population, will limit increases in traffic volumes. Commercial traffic growth is forecast to be driven by primary sector activity. The harvesting of forests and increased dairying is already placing some increased demands on the network. Both these operations generate significant heavy vehicle traffic by way of logging trucks, milk tankers and service vehicles. Not all bridges in the network are capable of carrying Class I loads.

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

The western and southern areas of Tararua are areas with concentrated dairy farming. Fonterra are moving to use trucks with high loadings. Council will be working with Fonterra to identify key areas for road access. Currently existing pavements are sustaining truck movements. Our renewal programme is giving additional pavement strengthening.

Our eastern area of the network, particularly coastal areas, are very dry which does not attract the dairy industry.

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

Footpaths

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

Assumptions

- The NZ Transport Agency subsidy level for roading maintenance and renewals will increase from 62% in 2014/15 to 65% by 2017/18, and remain at 65% to Year 10.
- There will be no funding for seal extensions in the 2015/16 to 2018/19 roading programme.
- Oil prices will not significantly impact costs in the next 10 years.
- Traffic volumes and makeup will continue at current trends. Significantly more trucks on the local network would lead to higher costs.
- Land use will remain at current patterns.
- Forestry harvests as forecasted.
- Councils' role in road network maintenance remains as current structure.
- No large industrial developments outside of current industrial/commercial land.
- Enhancement to the footpath network will occur with improvements to town centres in Pahiatua and Eketahuna.

Group Level Funding Impact Statement

Roading and Footpaths

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	105	94	98	99
Targeted rates	7,078	6,793	6,692	6,640
Grants and subsidies operating	3,865	3,848	3,965	4,117
Fees and charges	150	160	162	166
Local authorities fuel tax, fines, infringement fees, and other receipts	266	283	321	352
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	11,464	11,178	11,238	11,374
Applications of Operating Funding				
Payment to staff and suppliers	6,423	6,604	6,696	6,846
Finance costs	137	121	133	136
Internal charges and overheads applied	1,456	1,270	1,299	1,324
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	8,016	7,995	8,128	8,306
Surplus/(Deficit) of Operating Funding (A - B)	3,448	3,183	3,110	3,068
Sources of Capital Funding				
Subsidies and grants for capital expenditure	5,550	4,296	3,803	3,952
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(52)	524	66	103
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	5,498	4,820	3,869	4,055
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,148	1,681	640	706
- to replace existing assets	5,990	5,378	5,600	5,558
Increase (decrease) in reserves	808	944	739	859
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	8,946	8,003	6,979	7,123
Surplus/(Deficit) of Capital Funding (C - D)	(3,448)	(3,183)	(3,110)	(3,068)
Funding Balance ((A-B) + (C - D))	-	-	-	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
89	91	90	92	93	95	98
6,906	7,145	7,378	7,562	7,743	7,905	8,123
4,281	4,403	4,526	4,657	4,801	4,954	5,122
170	174	179	184	189	195	202
387	421	460	497	543	583	631
-	-	-	-	-	-	-
11,833	12,234	12,633	12,992	13,369	13,732	14,176
7,010	7,184	7,378	7,586	7,813	8,054	8,321
169	223	241	233	224	216	208
1,351	1,377	1,415	1,451	1,469	1,505	1,533
-	-	-	-	-	-	-
8,530	8,784	9,034	9,270	9,506	9,775	10,062
3,303	3,450	3,599	3,722	3,863	3,957	4,114
4,114	4,397	4,338	4,464	4,602	4,749	5,459
-	-	-	-	-	-	-
1,546	1,132	(215)	(212)	(211)	(207)	(202)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,660	5,529	4,123	4,252	4,391	4,542	5,257
-	-	-	-	-	-	-
2,261	1,947	705	724	746	769	795
5,856	6,111	6,171	6,177	6,547	6,574	7,831
846	921	846	1,073	961	1,156	745
-	-	-	-	-	-	-
8,963	8,979	7,722	7,974	8,254	8,499	9,371
(3,303)	(3,450)	(3,599)	(3,722)	(3,863)	(3,957)	(4,114)
-	-	-	-	-	-	-

Footpaths

Aim – to provide safe access and walking opportunities for pedestrians in urban areas.

What is the Service Provided?

The Council manages approximately 114km of footpaths with a replacement value of \$6 million. The type of surface used is dependent on life cycle cost considerations, pedestrian volumes and the amenity value of the location (i.e. shopping precincts). The main types of footpath surfaces in the district townships are:

- Asphaltic concrete: mix of graded aggregate and asphaltic binder laid in a 15-20mm layer.
- Concrete: unreinforced concrete laid in a 75mm layer.
- Chip-seal: layer of sprayed bitumen with a fine grit spread on top.
- Slurry seal: mix of fine aggregate and emulsion laid in a 3-5mm layer.
- Metal: graded crushed stone chips spread on formed base course.

Council has a policy to provide at least one footpath per urban road where pedestrian access is required. Special surfaces such as concrete cobblestones/pavers and pressed concrete have been installed in the main shopping area in Dannevirke. This mainstreet upgrade project is planned to be repeated in the main shopping streets in Pahiatua and Eketahuna during the 2015 to 2020 period.

Why We Provide It

Pedestrians need safe and convenient routes to their destinations. Mainstreet footpaths support economic activity by providing an attractive environment. There is no legislative requirement to provide footpaths. Footpaths contribute strongly to the Council Outcome – Great Lifestyle.



Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
An aging footpath network requires the current renewal investment to continue.		●			●	
Unsafe footpaths need to be identified and prioritised for replacement			●		●	
Coordination of maintenance and capital works programmes with other utility providers.		●		●		
Meeting the needs of the disabled and visually impaired.			●		●	
Urban character and streetscape design.		●				●
Footpath reinstatement (following trenching / excavation / development).		●		●		
Demographics, increasing numbers of 65 plus age group, needing access to footpaths	●				●	

Options for Changes to Service Levels

Council has discretion over upgrades to the footpath network. The current policy of ensuring that there is one footpath in every urban street is continuing. Modest sums could be saved by removing the \$30,000 a year for network extensions.

The mainstreet upgrades are reliant on community support. Should the Pahiatua or Eketahuna communities oppose their upgrade Council will reconsider the project. The renewal programme is designed to maintain the current network. Council does not want the condition of footpaths to decline as it did some years ago. Council invested considerable sums in the last 10 years to bring the standard up to what the urban residents consider an acceptable level.

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
New footpaths	\$334,000	Over 10 years	Capital
Pahiatua town centre footpath upgrade	\$2,904,000	2017/18 to 2019/20	Capital
Eketahuna town centre footpath upgrade	\$442,000	2015/16	Capital
Footpath renewals	\$845,000	Over 10 years	Capital

The town centre upgrade project amounts exclude renewal of underground services, which will be quantified when the project designs are finalised.

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0%	0%
Grants / other	0%	0%
Rates	100%	100%

Why is it funded this way?

Occupiers of urban residential and commercial properties which are served with footpaths benefit from easier access and the added value to the properties. While the primary benefit is for the people who use the footpaths, these users generally cannot be identified or restricted from using footpaths from a public safety factor.

In towns where central business district footpath upgrades take place, Council will apply a non-district-wide targeted rate to those areas benefiting from the upgrade. This will increase local accountability for projects and allow funding of services above the standard necessary to be functional. Funding for the Eketahuna and Pahiatua town centre upgrades will have their loan repayments and interest costs funded through four targeted rates. They will be charged with 10% of the costs allocated to the Ward that is directly benefiting the area and the remaining cost allocated equally. This ensures that the local community (as defined by North and South Wards) pay a higher proportion of the cost than the rest of the district.



Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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 to be conducted in 2017, 2020, and 2023	Achieved 81% Target 75%	Not measured	75%	Not measured	75%
	Council maintains footpaths to an acceptable level to customers	The percentage of footpaths within the district fall within the footpath condition standards set out in the Asset Management Plan	Achieved 95% Target 90%	90%	90%	90%	90%
	Council ensures quality of footpaths and safety of users	Customer requests relating to footpaths are responded to within 5 working days*	New measure	85%	85%	90%	90%

Community Outcome(s): Efficient infrastructure • Great lifestyle • Collaborative Council

Town centre upgrades reflect the diversity, character and heritage of the community	Council ensures the needs of both local and visitors will be considered in the town upgrades	Percentage of residents rate town centre upgrades as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023	Achieved 91% Target 80%	Not measured	85%	Not measured	85%
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* 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.

What is the Service Provided?

The roading network of Taranua District Council is listed as the fourth-largest of any local authority in New Zealand. The network consists of a total of 1,957km of roads, with 1,183km sealed, and 773km of unsealed roads. Additionally, there are 394 bridges, and all associated infrastructure assets, such as signs (9,106), lighting and culverts (130).

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

The network is managed by the Roding Alliance, a partnership between Council, Downers, and contractors. Due to the low population base, the Taranua District Council is heavily reliant upon subsidies received from NZ Transport Agency.

Taranua District Council is responsible for the management of roads with a depreciated replacement value of approximately \$747 million. This is the most costly of the Council's major activities.

Council receives a subsidy of 62% from the NZ Transport Agency, which is increasing to 65% over the next three years. This subsidy covers all maintenance activities for both operational and renewal works. Any drop in subsidy places an impact on Council's budget. A new system of customer service levels, the One Network Road Classification (ONRC) system, is being implemented by the NZ Transport Agency. This new system may change the amount of funding available to maintain our current service levels. The new system will be implemented for the 2018-2021 roading programme.

Why We Provide It

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

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



Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Population in the district has declined over the past decade, and even if projections are for this to level out, traffic movements and the tonnage of goods moved across the Roading network is likely to remain at current levels or even increase. This means a reduced number of ratepayers will be funding the maintenance and upkeep of transport infrastructure for an aging demographic.	●				●	
Developing a better understanding of the long-term maintenance and renewal needs of Council's Roading infrastructure. This will need to take into account the Government's Policy Statement (GPS) for transport, and the evolving requirements of the One Network Road Classification (ONRC).		●				●
Establishing with NZTA the three year block funding allocation to apply from 2015-16 and again from 2018/19 that will continue to sustain the infrastructure at an appropriate level of service in keeping with the GPS and ONRC.			●			●
NZTA has a general policy regarding bridges that are considers uneconomic. Under this policy financial assistance will be provided for the most cost effective maintenance option; this may not match current level of service.			●			●
Increasing levels of log harvesting over local roads, particularly Route 52 where 26,000 tonnes annually is expected over the next 5-10 years.		●				●
The potential impact of further Dairy conversion on roads within the district, which is dependent on water allocation, and Regional Planning documents covering nitrogen and phosphorous leaching.		●			●	
Enabling high productivity vehicles to access primary producers and processors, which may accelerate if the proposed irrigation scheme in Central Hawkes Bay known as the Ruataniwha Water Storage Scheme (RWSS), proceeds.		●			●	
Impacts of changing weather patterns along with the resulting damage caused by severe weather events and understanding how Council's ability to fund repair works will be affected.		●				●

Options for Changes to Service Levels

Council can reduce costs by reducing the level of maintenance across the roading network. This will result in a declining level of service that Council generally considers unacceptable, and contrary to the Vision of Council and Council Outcomes. Council is reviewing the future renewals of low use roads and structures. It could be possible to lower levels of service on some specific assets that provide limited benefits to the residents of the district.

Council could increase levels of service by increasing renewals, resealing, and maintenance schedules. In most cases, this will not get NZ Transport Agency subsidy, as service levels will rise above the One Network Road Classification guidelines. The 100% rates funding to increase levels of service is seen as unaffordable by Council.

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Saddle Road upgrade (100% funded by NZTA)	\$608,000	2015/16	Capital
Minor safety improvements	\$6,685,000	Over 10 years	Capital
Drainage renewals	\$5,904,000	Over 10 years	Capital
Sealed road resurfacing	\$26,713,000	Over 10 years	Capital
Unsealed Road Metalling - Heavy Metal Overlays	\$6,395,000	Over 10 years	Capital
Pavement rehabilitation	\$19,207,000	Over 10 years	Capital
Traffic services renewal	\$1,034,000	Over 10 years	Capital
Structures component replacements	\$1,057,000	Over 10 years	Capital
Bridge renewals	\$587,000	2015/16, 2019/20, and 2024/25	Capital

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	%0	0-5%
Grants / other	50-60%	50-60%
Rates	40-50%	40-50%

Why is it funded this way?

The beneficiaries are the users of the roads, the owners of properties served by roads, the local community within the district and the wider community.

The private benefit is collected via fuel taxes and road user charges by the government and allocated by a grant through the NZ Transport Agency.



Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
Community Outcome(s): Efficient infrastructure							
Ensure that our roading network is safe	Ensure roads are safe for all road users	The change (expressed as a number) from the previous financial year in the number of fatalities and serious injury crashes on the local road network*	Achieved Nil	0 or less over a 3 year average	0 or less over a 3 year average	0 or less over a 3 year average	0 or less over a 3 year average
Roads are maintained to the appropriate standards	Requests from the public are responded to in a timely manner	Customer requests relating to roads are responded to within 5 working days*	Achieved 99% Target 85%	85%	85%	90%	90%
		Percentage of residents rating urban and rural roading as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023	Achieved 77% Target 70%	Not measured	70%	Not measured	75%
Clearance of damage by weather/emergency events	Ensure that all roads remain available to users	Initial response to impassable roads be undertaken within 24 hours	Achieved 100% Target 99%	99%	99%	99%	99%
Community Outcome(s): Efficient infrastructure • Great lifestyle • Collaborative Council							
Maintained roading network provides a safe and comfortable ride quality	Council ensures quality of roads and safety of users	The average quality of the ride on the sealed road network is measured by smooth travel exposure*	Achieved 95% Target 95%	95%	95%	95%	95%
		The percentage of the sealed local network that is resurfaced*	New measure	> 5%	> 5%	> 5%	> 5%

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



Solid Waste Management

Contribution to Council Outcomes

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
A need to review the operations at refuse transfer stations and for bulk recycling to reduce costs.		●			●	
Rebuilding a cost effective transfer station at Pahiatua.		●			●	
The need to remove cleanfill and greenwaste from the waste stream at transfer stations.	●			●		
Setting appropriate waste disposal fees that reflect the cost of delivering the services. Disposal costs are expected to increase from 2015/16.	●				●	
The possible closure of the Eketahuna landfill, as the consent expires in 2017.		●			●	
The split of costs between sectors that makes up the Council targeted rate.	●			●		
Reviewing the need for Council to continue with kerbside collection. Falling demand and strong private sector competition may mean that Council should exit the service.		●		●		

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Fly-tipping volumes as disposal costs increase.	●			●		
Promotion of the recovery of green waste for processing into compost and other marketable products.		●			●	
Development of an environmental waste minimisation education programme.	●			●		
Reviewing the Waste Management and Minimisation Plan by December 2017.	●			●		
The limited amount of data on waste volumes particularly from private industry.	●			●		

Significant Negative Effects

- Land use, contamination of land and odour associated with refuse.
- Loss of resources from materials ending in landfills.
- Cost of investment in infrastructure, including transport costs to take waste out of the district.
- Costs of handling and processing waste, including recycling and recovery.

Strategic Considerations

Future Demand

An awareness by local residents of the need to reduce the volume of waste, along with rising prices to dispose of waste, has resulted in significant reductions in the volume of waste being disposed. In the past the Council has been faced with conflicting objectives of trying to maximise user pays revenue to the landfills against increasing recycling and reducing waste volumes. Increasing the former resulted in increased costs and less revenue. Despite this, considerable investment and success in recycling has occurred. With the closure of the two main landfills and construction of transfer stations much of this conflict has been removed. Reducing volumes of waste to be disposed now results in directly reduced transport and landfill costs (at Waipukurau, Eketahuna, and Pongaroa).

With a stable population and very modest property developments the volume of waste is expected to continue to fall as awareness and price result in ongoing behavioral changes. Transfer stations now have areas to separate green waste and cleanfill, reducing volumes being disposed of by up to a half of 2009 volumes.

On current policies and services it is likely that future waste flows will contain more e-waste and less mixed green

waste. General household waste is forecast to gradually decline with recycled volumes continuing to rise strongly. This trend will reduce in impact over the short term, as households will have separated out the obvious materials. In the medium to long term it will become increasingly expensive to increase recycling as this will involve less valuable materials or materials that are expensive to recycle.

The private sector will continue to collect the majority of district waste, with an increasing percentage being disposed of through Council transfer stations or Council partners co-located with the transfer stations. With intense competition, particularly in the wheelie bin services, Council expects its share of the waste disposal to reduce over time.

This competition, coupled with the added convenience of wheelie bins, has resulted in a reduction in demand for kerbside bag collection. Recent efficiencies in contracts has managed to balance costs and revenue of the bag collection service. Demand is expected to continue to fall and Council is planning to exit the bag collection service once the current contract expires in 2017 (subject to private sector services being available).

The forecast is for a modest reduction in volumes of general household and commercial waste and an increase in the volume of recycled materials.

Assumptions

- The private sector will continue to provide a competitive market for contracted services.
- Transport costs will not increase significantly.
- Legislation will not change significantly, including the Emissions Trading Scheme.
- Consumer patterns and product packaging will remain at current levels.
- Private sector will not offer lower priced local landfills.



- Council remains in the business of Solid Waste with an emphasis on recycling.
- Disposal costs (per tonne charge at Waipukurau) will be as forecast.

What is the Service Provided?

The majority of the waste stream in the district, handled by the Council, is currently disposed of at Waipukurau. Waste is processed and transported to Waipukurau through transfer stations at Dannevirke, Pahiatua, and Woodville. Waste from Pahiatua is currently being diverted to Eketahuna Landfill to maximise the use of the consent. This consent expires in 2017. A small volume of waste is still disposed of at the Pongaroa Landfill. These two small landfills have current resource consents that limit disposal to locally generated waste only. The Council manages four closed landfills (Dannevirke, Pahiatua, Woodville and Ormondville). A full service transfer station has been constructed at the Dannevirke landfill site. A basic transfer station currently operates at Woodville (contracted) while a modest transfer station is provided at the Pahiatua landfill site. Council will investigate whether to apply for a new landfill consent for Eketahuna by 2017, or close the landfill and provide a basic transfer station on that site.

Services include:

1. Operating landfills in Eketahuna and Pongaroa, closed landfills in Woodville, Ormondville, Dannevirke and Pahiatua
2. Transfer stations in Dannevirke, Pahiatua, and Woodville (contracted).
3. Providing a kerbside refuse collection in Norsewood, Dannevirke, Woodville, Pahiatua, Ormondville, Eketahuna, Pongaroa, Akitio and Herbertville and a "bagged refuse" transfer facility in Makuri and Alfredton.
4. Providing kerbside recycling collections in Dannevirke, Woodville, Ormondville, Pahiatua and Eketahuna (Paper and cardboard, tin, aluminium and plastics type 1 and 2 only).
5. Providing recycling centres in Dannevirke and Pahiatua.
6. Provide "drop off" bulk bins for glass in Norsewood, Woodville, Eketahuna, Pongaroa; and wheelie bins in Akitio, Herbertville (summer only) and Weber (remainder of year).
7. Providing street refuse bins for the travelling public and local residents

Urban refuse collection and kerbside recycling services are operated in the townships. Almost all operational services are contracted out, including the ownership of the Woodville transfer station, all trucks and collection equipment, recycling bins and kerbside bins. The exception

is the wheelie bin recycling service at Akitio, Herbertville (summer only) and Weber.

Why We Provide It

Council is required by legislation to ensure that waste can be safely disposed of. The Council is not required to provide these services directly. The availability of disposal facilities and services such as kerbside collections, transfer stations, and landfills remain an essential part of waste management. The Council has a statutory duty under the Waste Minimisation Act 2008 to prepare and adopt a Waste Management and Minimisation Plan.

The Council adopted a Waste Management and Minimisation Plan in December 2011. This Plan outlines the activities the Council will undertake in terms of waste collection and disposal. This Plan also identified that Council will promote waste reduction by promoting recycling.

The Council role in Solid Waste is identified as:

1. The Council will identify, educate and promote methods for reducing waste and improving resource efficiency.
2. To facilitate local solutions to local waste management issues.
3. To ensure that waste management practices do not adversely affect human health, animal and plant health, amenity values and cultural values.

Options for Changes to Service Levels

As the Council is now transporting the majority of the Council collected waste to Waipukurau, there is considerable economic incentive to reduce the waste stream. Working with all households and businesses in waste minimisation, reuse and recycling could reduce the waste stream handled by private companies. This will reduce costs to all residents in the district as well as work on reducing the wider adverse impacts on the environment.

The Council has largely completed the programme of landfill closures and new transfer stations/recycling centres outlined in the 2012-2022 Long Term Plan. In the next three years, Council plans to consolidate the services and make decisions on the future of the Eketahuna landfill. The review of the Waste Management and Minimisation Plan in 2016/17 will allow Council and the community to consider service levels and options for private sector involvement.

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Eketehuna - new transfer station	\$126,000	2017/18	Capital
Eketahuna landfill closure	\$126,000	2017/18	Capital
Pongaroa capping	\$89,000	Over 7 years	Capital

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	30-40%	20-30%
Grants / other	0-5%	0-5%
Rates	55-65%	70-80%

Why is it funded this way?

Urban households and many commercial businesses receive a kerbside recycling and refuse collection service. All properties have access to recycling bulk bins for glass and other materials. Rural residents that drop off recycling at bulk bins and recycling centres also use the services. Funding for recycling and refuse disposal is best funded on a uniform basis differentiated between rural, industrial/commercial and urban to reflect the higher service levels in urban areas. 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.

Pricing is a tool that can impact on people's behaviour to achieve the reduction, reuse and recycling of solid waste.



Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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 rubbish collection services as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023	Achieved 89% Target 60%	Not measured	75%	Not measured	75%
		Percentage residents rating recycling as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023	Achieved 82% Target 75%	Not measured	75%	Not measured	75%
		Percentage residents rating landfills/transfer station management as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023	Achieved 86% Target 60%	Not measured	75%	Not measured	75%
Community Outcome(s): Sustainable environment							
The impact of refuse on the environment is minimised	Council will promote and encourage recycling and reuse	Tonnage of waste sent to landfills by the district per annum	Achieved 4,241 Target < 4,500	< 4,400	< 4,400	< 4,400	< 4,400
	Council's open and closed landfills are well managed	Percentage of landfills where all Horizons resource consent conditions are met	100%	100%	100%	100%	100%

Group Level Funding Impact Statement

Solid Waste Management

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	438	543	549	529
Targeted rates	733	864	880	920
Grants and subsidies operating	40	50	51	52
Fees and charges	536	567	581	494
Local authorities fuel tax, fines, infringement fees, and other receipts	27	29	27	25
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,774	2,053	2,088	2,020
Applications of Operating Funding				
Payment to staff and suppliers	1,488	1,690	1,727	1,652
Finance costs	59	98	94	92
Internal charges and overheads applied	110	150	153	157
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	1,657	1,938	1,974	1,901
Surplus/(Deficit) of Operating Funding (A - B)	117	115	114	119
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(27)	(95)	(100)	11
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	(27)	(95)	(100)	11
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	30	20	126
- to replace existing assets	-	40	41	144
Increase (decrease) in reserves	90	(50)	(47)	(140)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	90	20	14	130
Surplus/(Deficit) of Capital Funding (C - D)	(117)	(115)	(114)	(119)
Funding Balance ((A-B) + (C - D))	-	-	-	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
519	496	481	456	430	414	385
993	1,049	1,109	1,172	1,238	1,309	1,384
54	55	57	59	61	63	65
507	521	536	553	570	589	609
22	22	22	22	23	24	26
-	-	-	-	-	-	-
2,095	2,143	2,205	2,262	2,322	2,399	2,469
1,725	1,774	1,823	1,880	1,940	2,002	2,070
91	87	84	80	76	73	69
159	162	167	171	173	178	182
-	-	-	-	-	-	-
1,975	2,023	2,074	2,131	2,189	2,253	2,321
120	120	131	131	133	146	148
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(105)	(66)	(107)	(78)	(98)	(93)	(88)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(105)	(66)	(107)	(78)	(98)	(93)	(88)
-	-	-	-	-	-	-
11	44	-	23	-	-	-
11	11	46	12	12	13	13
(7)	(1)	(22)	18	23	40	47
-	-	-	-	-	-	-
15	54	24	53	35	53	60
(120)	(120)	(131)	(131)	(133)	(146)	(148)
-	-	-	-	-	-	-

Stormwater

Contribution to Council Outcomes

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Frequency of extreme weather events and climate change.		●			●	
The extent of investment in diversion projects to reduce the amount of stormwater runoff from rural areas in Pahiatua and Dannevirke.		●				●
Possible requirements to treat stormwater discharge before disposing to waterways.	●				●	
The lack of consistent design standards across each network.		●			●	
Obstruction of debris, plastic bottles, leaves etc. in the channels and vehicle crossings can also cause havoc with the stormwater pathways.		●		●		
Open waterways tend to become dumps for organic garden waste, which has to be cleared, along with weed growth.		●		●		
Pahiatua Huxley Street drain has sewer and water laterals dissecting the open drain which can cause obstruction in high flows. This issue is linked to the Pahiatua diversion project.		●			●	



Significant Negative Effects

- Storm events of a severity which exceeds design standards may result in short term negative effects such as localised flooding.
- Potential danger posed by open drains.

Strategic Considerations

Future demand

The ongoing development of residential sections and commercial businesses accelerates runoff, making the peak flows more concentrated and putting pressure on the stormwater system. This is further increased by isolated intense rain events that are expected to become more frequent as a result of climate change. Council is planning to build diversion schemes in Pahiatua and Dannevirke to reduce stormwater runoff from rural land into the urban stormwater networks. This will increase the level of service and provide additional capacity in the systems to cope with more intense rainfall events.

Council is considering a range of options for both the Pahiatua and Dannevirke diversion projects. In order to make optimal decisions that are affordable, stormwater network modelling will be carried out in 2015/16. The results will influence the decisions made on the scope and timing of the projects. Decisions are expected to be made as part of the 2016/17 Annual Plan process. Construction is forecast for 2016/17 (Dannevirke) and 2017/18 (Pahiatua). Depending on the options chosen, Council is planning on piping the Huxley Street drain in 2021/22.

Total annual volumes of stormwater disposed through each network are expected to remain close to current levels in the near term. However, more frequent high intensity rainfall events are predicted. These could result in a need to increase the capacity of the existing networks, or else accept a decline in service level. As yet average rainfall levels and the number of flood events are consistent with historical data.

In Eketahuna, Woodville and Pahiatua lack of growth or subdivisional developments will mean less impact from any increased rainfall events. Dannevirke has small but steady growth and the associated increase in hard (impermeable) surface areas will lead to a gradual increase in the required peak capacity.

Any new residential development i.e. new subdivisions will have to take into consideration whether the present infrastructure can handle the extra stormwater from these properties.

Assumptions

- Stormwater volumes will remain consistent with historical trends, over the next 10 years, for the four networks currently provided.
- No major treatment of stormwater discharges will be required.
- Eliminating infiltration in to the wastewater reticulation may in turn create a greater stormwater discharge into the network.
- Populations will stabilise then slowly increase.
- No new major legislation on stormwater will be enacted.
- The current levels of service achieved will continue (design return events).

What is the Service?

The four main townships in Tararua (Dannevirke, Woodville, Pahiatua and Eketahuna) each have systems based around open waterways:

Dannevirke

Drainage to Mangapurupuru Stream and McCallum Street drain.

Pahiatua

Drainage to Huxley St drain.

Woodville & Eketahuna

Drainage to a number of unnamed drains.

Each network provides:

- Outlets for property stormwater discharge.
- Kerb and channels infrastructure for disposal of stormwater into open drainage systems.
- Spraying of open waterways is carried out by a contractor twice a year.

Why We Provide It

Stormwater is a result of rainfall events, resulting in the need to dispose of surface water. Stormwater systems safeguard people and properties from flooding and the effects of flooding that can lead to public health and safety issues, including avoiding dangerous road conditions.

Options for Changes to Service Levels

Council operates basic gravity based stormwater systems. The diversion schemes in Pahiatua and Dannevirke and the piping of the Huxley Street drain will add considerably to the asset value of the networks. Council would need to significantly increase service levels to remove all ponding areas however this would result in affordability

concerns. Networks could also be developed in smaller towns. Currently Council provides a reasonable service at affordable levels.

Resident satisfaction is currently moderate. Council is planning on upgrading known major weaknesses in the existing networks. This should provide added protection should climate change result in increased flooding of urban areas.

Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Dannevirke Mangapurupuru diversion	\$855,000	2015/16 to 2016/17	Capital
Dannevirke Allardice Street diversion from High Street	\$399,000	2019/20	Capital
Pahiatua diversion prior to town system	\$1,094,000	2015/16 to 2017/18	Capital
Pahiatua pipe Huxley Street drain	\$1,223,000	2021/22	Capital
Mains replacement	\$529,000	Over 10 years	Capital

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0%	0%
Grants / other	0%	0%
Rates	100%	100%

Why is it funded this way?

Properties within the stormwater network areas benefit from collecting and disposing stormwater to limit flood damage. Property owners downstream from these areas also benefit. There is also a public benefit of health and safety to the urban populations generally and a lesser benefit to people outside the urban areas who may visit the urban areas.



Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 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*	New measure	< 40	< 40	< 30	< 25
		For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system*	New measure	< 5	< 4	< 3	< 3
	A reliable stormwater network	Percentage of residents rating stormwater management as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023	Achieved 76% Target 65%	Not measured	70%	Not measured	70%
		Number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system*	New measure	< 10	< 9	< 8	< 6
A reliable stormwater network	Number of enforcement actions against Council for not meeting resource consent conditions for discharge from the stormwater system relating to*:	• abatement notices	New measure	0	0	0	0
		• infringement notices	New measure	0	0	0	0
		• enforcement orders	New measure	0	0	0	0
		• convictions	New measure	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 that service personnel reach the site*	New measure	2 hours	2 hours

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

Group Level Funding Impact Statement

Stormwater

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	755	657	681	755
Grants and subsidies operating	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	13	16	21	26
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	768	673	702	781
Applications of Operating Funding				
Payment to staff and suppliers	140	84	88	90
Finance costs	86	63	78	113
Internal charges and overheads applied	295	284	290	295
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	521	431	456	498
Surplus/(Deficit) of Operating Funding (A - B)	247	242	246	283
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(98)	(20)	765	952
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	(98)	(20)	765	952
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	60	830	1,069
- to replace existing assets	40	41	45	47
Increase (decrease) in reserves	109	121	136	119
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	149	222	1,011	1,235
Surplus/(Deficit) of Capital Funding (C - D)	(247)	(242)	(246)	(283)
Funding Balance ((A-B) + (C - D))	-	-	-	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
-	-	-	-	-	-	-
800	819	840	880	928	945	961
-	-	-	-	-	-	-
-	-	-	-	-	-	-
31	35	39	44	50	54	60
-	-	-	-	-	-	-
831	854	879	924	978	999	1,021
93	98	94	98	102	105	110
128	130	131	149	166	158	150
301	306	315	323	327	334	341
-	-	-	-	-	-	-
522	534	540	570	595	597	601
309	320	339	354	383	402	420
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(165)	243	(168)	1,063	(213)	(203)	(192)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(165)	243	(168)	1,063	(213)	(203)	(192)
-	-	-	-	-	-	-
-	399	-	1,223	-	-	-
51	52	54	56	58	61	63
93	112	117	138	112	138	165
-	-	-	-	-	-	-
144	563	171	1,417	170	199	228
(309)	(320)	(339)	(354)	(383)	(402)	(420)
-	-	-	-	-	-	-

Wastewater

Contribution to Council Outcomes

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Meeting Council commitments agreed to as part of the River Accord.		●				●
The renewal of resource consents is a major issue for the wastewater systems Council owns.	●				●	
Pressure to deliver the upgrades as committed to with the Ministry for the Environment and to meet increased environmental expectations, whilst still keeping schemes operational and affordable.		●				●
The high capital costs of upgrades and associated affordability impacts on the urban ratepayers to meet consent requirements from Horizons Regional Council.		●				●
Usage of new technology to monitor asset status and performance that may improve operational and management efficiency.		●		●		



Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Difficulties in achieving land based disposal of effluent for the district's wastewater plants due to land availability, soil types and climate limitations.		●			●	
Infiltration of stormwater in to the sewerage system, especially in Dannevirke, Pahiatua, and Woodville.	●				●	
Septic tanks at Akitio not complying with the Horizons One Plan.		●		●		

Significant Negative Effects

- Significant environmental damage could occur if Council does not meet its wastewater disposal standards.
- Cultural values could be negatively impacted by low quality treated wastewater disposal.

Strategic Considerations

Future Demand

- The future volume of wastewater required to be treated and disposed is expected to decline marginally in all networks. This is due to stable population, coupled with a number of new initiatives, to reduce stormwater infiltration.
- The need to control the quantity of infiltration and inflow to reticulation systems is extremely important in terms of the capacity of the sewerage system. Closed circuit tv inspections and smoke testing are underway to eliminate infiltration.

These techniques highlight badly deteriorated pipes that need repairing and renewing. A renewals programme can then be developed that removes infiltration problems and spreads the cost evenly over several years.

- The Council will monitor the trade waste disposal systems of all industries within the district to monitor future requirements and ensure environmental policies regarding disposal of waste are met.
- A reduction in water consumption will indirectly reduce wastewater flows. Changes in demand management in water supplies may also impact on wastewater demand.
- The minimum level of treatment is set through the One Plan rules. It is expected that these minimum levels will increase at each consent renewal process.

Assumptions

- The systems will be able to cope with industry development and any change in quality of trade waste.
- Population stabilises then slowly increases.
- Council will meet its Resource Consent requirements.
- No new major legislation on wastewater will be enacted.
- New resource consents for Woodville and Norsewood will be issued with conditions that are currently anticipated or are only of minor additional impact to that budgeted.
- The One Plan will not result in required upgrades to existing networks that are consented until at least the end of the current round of resource consents (2019).
- The current levels of service will continue.
- Infiltration work to be increased, solutions and improvements to be made.

What is the Service Provided?

Council provides wastewater disposal to seven communities. The wastewater system consists of wastewater pipes, pump stations, and some form of treatment and disposal. Council systems are focussed to urban areas. The Council maintains the wastewater disposal systems, oxidation ponds, pump stations, pipe reticulation, manholes and the wastewater treatment plants. Maintenance work is contracted out.

New connections to the sewer reticulation system have to be approved by Council. Extensions to the existing system are approved on a case by case basis depending on the vicinity of new development to the existing reticulated systems.

1. Council provides reliable wastewater services that effectively dispose of wastewater.
2. Council treats all discharges to comply with resource consent conditions.
3. Wastewater disposal does not create any smells, spills or health issues and causes minimal impact on the natural environment.
4. Future improved sewerage treatment is being planned for Eketahuna, Pahiatua, Dannevirke, Woodville, Pongaroa, Norsewood and Ormondville.
5. Septic tanks in the Pongaroa, Ormondville and Norsewood schemes are emptied when the need arises. This is part of their rates.

Why We Provide It

A safe, reliable and sufficient disposal of wastewater is a critical resource for any community to maintain public and environmental health. A reliable system also serves to protect our natural environment for present and future generations.

A number of statutes as well as the District Plan and associated bylaws govern council wastewater management.

Options for Changes to Service Levels

Council has a number of resource consents with Horizons Regional Council (Horizons) with regards to wastewater activities. These consents mainly relate to controlling of pollutants and discharges affecting the environment and waterways. Council is required to meet the discharge standards contained in the One Plan. Council is also a signatory to the Manawatu River Accord, and has a goal of improving the health of the Manawatu River. Renewals of consents are resulting in the need for higher levels of treatment. Council has little option around these requirements. Council has the choice of providing significantly more treatment to discharge at times of low flow in the waterways, or look at land based disposal during dry periods. Council is part way through an extensive upgrade programme to meet all these commitments.

Upgrades for Dannevirke, Pahiatua, and Woodville treatment systems have received subsidy funding from the Ministry for the Environment through Horizons.

The Dannevirke discharge is currently the single largest contributor of phosphorus to the upper Manawatu River at low flows and Council is not currently able to comply with the current consent conditions for this facility. This upgrade is now expected to be completed in 2016/17. Problems with meeting discharge conditions also exist other townships.

An upgrade to the Woodville treatment plant will be completed in 2014/15. The Pahiatua upgrade is scheduled for 2015/16 completion.

The Dannevirke and Pahiatua upgrades rely on the granting of a resource consent before the project can be completed. The outcome of consent applications is unknown at this time.



Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
Eketahuna treatment plant upgrade	\$810,000	2015/16	Capital
Septic tank treatment/dewatering	\$200,000	2015/16	Capital
Dannevirke sewerage treatment discharge to Manawatu River	\$321,000	2017/18	Capital
Dannevirke sewerage treatment plant membrane cassettes	\$519,000	2016/17	Capital
Dannevirke disposal to land	\$481,000	2017/18	Capital
Norsewood upgrade treatment plant and discharge	\$293,000	2016/17 to 2019/2020	Capital
Ormondville sewerage treatment upgrade	\$135,000	2021/22	Capital
District-wide backup generators	\$156,000	2016/17	Capital
Dannevirke membrane filter replacement	\$1,210,000	2018/19	Capital
Mains pipeline replacement	\$3,729,000	Over 10 years	Capital
Preventative mains renewal	\$340,000	Over 10 years	Capital

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	0-5%	0-10%
Grants / other	0%	0-5%
Rates	95-100%	90-100%

Why is it funded this way?

The beneficiaries are the properties connected to the wastewater networks. There is a public health benefit particularly to people who live in urban areas, and also with the downstream effects of clean rivers benefiting the whole district.

Performance Measures

Major aspect	Level of service	Performance measure	Baseline	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
Community Outcome(s): Efficient infrastructure • Sustainable environment							
Council systems are well managed	A reliable waste water service	The number of dry weather sewage overflows from the wastewater system per 1,000 connections*	New measure	< 5	< 5	< 5	< 5
		Percentage of residents rating wastewater management as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023	Achieved 97% Target 70%	Not measured	70%	Not measured	70%
	Risks to public health and our natural environment are minimised	Number of schemes with consents that are current	Not achieved 4 Target 7	5	6	7	7
		Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to*:					
		• abatement notices	New measure	0	0	0	0
		• infringement notices	New measure	0	0	0	0
		• enforcement orders	New measure	0	0	0	0
		• convictions	New measure	0	0	0	0
Council provides a service which is responsive to the needs of the community	Council responds quickly when things go wrong	Median response time to attend a sewage fault, measured from the time Council receives notification to the time that service personnel reach the site*	New measure	1 hour	1 hour	1 hour	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*	New measure	8 hours	8 hours	8 hours	8 hours



Major aspect	Level of service	Performance measure	Baseline	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
	Council services meet customer expectations	Number of complaints received about wastewater per 1,000 connections for*:					
		• sewerage odour	New measure	< 5	< 5	< 5	< 4
		• sewerage system faults	New measure	< 5	< 5	< 5	< 4
		• sewerage system blockages	New measure	< 7	< 7	< 7	< 4
		• Council's response to the above issues	New measure	< 10	< 10	< 10	< 8

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

Group Level Funding Impact Statement

Wastewater

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	107	114	121
Targeted rates	2,046	1,943	2,111	2,297
Grants and subsidies operating	-	-	-	-
Fees and charges	110	80	83	86
Local authorities fuel tax, fines, infringement fees, and other receipts	72	72	70	76
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,228	2,202	2,378	2,580
Applications of Operating Funding				
Payment to staff and suppliers	737	809	834	856
Finance costs	313	312	337	353
Internal charges and overheads applied	299	324	332	340
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	1,349	1,445	1,503	1,549
Surplus/(Deficit) of Operating Funding (A - B)	879	757	875	1,031
Sources of Capital Funding				
Subsidies and grants for capital expenditure	563	-	-	120
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,411	864	416	351
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	1,974	864	416	471
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,286	1,145	768	903
- to replace existing assets	355	453	356	388
Increase (decrease) in reserves	212	23	167	211
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	2,853	1,621	1,291	1,502
Surplus/(Deficit) of Capital Funding (C - D)	(879)	(757)	(875)	(1,031)
Funding Balance ((A-B) + (C - D))	-	-	-	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
125	128	130	133	137	140	144
2,368	2,428	2,477	2,533	2,595	2,660	2,733
-	-	-	-	-	-	-
88	91	94	98	102	106	110
85	47	56	69	80	96	112
-	-	-	-	-	-	-
2,666	2,694	2,757	2,833	2,914	3,002	3,099
881	907	936	967	1,002	1,038	1,076
354	339	323	309	297	282	268
345	352	362	371	377	386	394
-	-	-	-	-	-	-
1,580	1,598	1,621	1,647	1,676	1,706	1,738
1,086	1,096	1,136	1,186	1,238	1,296	1,361
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(301)	(412)	(414)	(259)	(380)	(361)	(343)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(301)	(412)	(414)	(259)	(380)	(361)	(343)
-	-	-	-	-	-	-
149	23	-	135	-	-	-
1,585	438	394	519	449	533	468
(949)	223	328	273	409	402	550
-	-	-	-	-	-	-
785	684	722	927	858	935	1,018
(1,086)	(1,096)	(1,136)	(1,186)	(1,238)	(1,296)	(1,361)
-	-	-	-	-	-	-

Water Supplies

Contribution to Council Outcomes

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

Key Issues and Risks

Key Issues and Risks	Levels of Service Impacts			Financial Impacts																
	Low	Medium	High	Low	Medium	High														
<p>Council is nearing the end of a major upgrade of the water networks with a focus on water treatment and storage. Major upgrades have been completed in Dannevirke, Woodville, and Eketahuna.</p>		●				●														
<p>The Health (Drinking Water) Amendment Act (2007) requires all water suppliers to take practicable steps to meet the Drinking Water Standards for New Zealand 2005 (revised 2008) by various dates – depending on the size of the community supplied. These dates are:</p> <table border="0"> <tr> <td>Norsewood/Eketahuna</td> <td>2015</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Akitio/Pongaroa</td> <td>2016 or possibly later (Pongaroa rural scheme)</td> <td></td> <td>●</td> <td></td> <td>●</td> <td></td> </tr> </table> <p>This does not necessarily mean the water quality must meet the Drinking Water Standards by that time but a Public Health Risk Management Plan must be approved outlining how and when it will meet the standard. Council is planning on meeting the majority of these deadlines but has a choice on the timing of the upgrade projects.</p>	Norsewood/Eketahuna	2015						Akitio/Pongaroa	2016 or possibly later (Pongaroa rural scheme)		●		●							
Norsewood/Eketahuna	2015																			
Akitio/Pongaroa	2016 or possibly later (Pongaroa rural scheme)		●		●															



Key Issues and Risks	Levels of Service Impacts			Financial Impacts		
	Low	Medium	High	Low	Medium	High
Treatment of water in some urban supplies not yet upgraded. Government subsidy has been obtained for a second bore in Pahiatua, and an application for for a subsidy to upgrade Pongaroa has been applied for.		●				●
As the quality of urban water has largely been addressed, Council is now focusing on the security of supply (source and storage). Dannevirke storage has been resolved. The next focus is to increase supply for Pahiatua (second bore) and storage in Woodville. The options for Woodville will be considered in a business case prepared in 2015/16.		●				●
The Drinking Water Standards affect Pongaroa levels of service, future renewal requirements and funding. This scheme supplies urban and rural connections and is not currently fully funding their depreciation. The scheme is managed by the property owners connected to the supply. The future renewal of this supply and how to meet required standards is a significant decision in this Long Term Plan.		●			●	
In heavy rain events, turbidity (discolouration) can become a problem.		●		●		
Some supplies historically allowed for farmer extraction before town use to recognise the use of their land for pipelines. As water is now seen as scarce resource, this issue is a focus to be resolved in this Long Term Plan.	●				●	

Significant Negative Effects

- Potential depletion of the natural water resource by over-extraction of water.
- Impacts on waterways from extraction including limiting the remaining allocation available.

Strategic Considerations

Future Demand

The future volume of water to be supplied is expected to grow slowly (Dannevirke, assuming no loss of commercial use) or remain static in the other network areas. This is due to the expected changes in population coupled with societal impacts. In addition, improved condition assessments and proactive maintenance should result in a lower proportion of leakages.

The older the water supply networks are the more relevant leakage control, detection and repairs become. Council can save a significant amount of money by implementing leak detection programmes, through reduced demand lower treatment costs, and restricting lost income. The Council will continue with leak detection programmes started in 2013.

Leak detection and control is important even if the Council can meet current demand.

By educating the population about the benefits of conserving water and restricting wastage the Council can reduce demand and avoid the costly expense of upgrading infrastructure assets.

The volume of water to be supplied is a function of:

- The number of households,
- the volume of water used by commercial operators,
- the number of people per household,
- leakage rates in the pipe network,
- the quality of the water and the pressure it is delivered. Improved taste and pressure could result in increased demand,
- greater awareness of the total cost (financial and environmental) of using water extraction consent limits set by the regional council.

Assumptions

- Future demand for water will be similar to current trends. No major commercial user will be established in the next 10 years that will exceed current capacities.
- Resource consent requirements will remain at the levels stated in the One Plan.
- No major infrastructure failures occur.
- The 2005 Drinking Water Standards will not be altered.

What is the Service Provided?

Council provides water supplies to eight communities. An additional three communities have water schemes managed by private water scheme activities. Each supply has an intake controlled under a Regional Council Resource Consent, some form of treatment, storage and reticulation. As these consents impose limits on the volume that can be supplied, Council undertakes water conservation education, restrictions and rationing, and the implementation of metering at industrial sites.

The Council maintains the water supply intake areas, reservoirs, pipe reticulation, fire hydrant valves, property laterals and tobies in a safe and good working condition. This Long Term Plan proposes that the operation of the reticulation is managed in-house by Council staff.

Monitoring activity is carried out to ensure water is healthy and complies with consent standards. This includes flow testing, analysis of customer complaint and service failure records, proactive inspection of critical assets, testing pipe material to determine condition and decay rates and water quality testing.

1. Council provides reliable water supplies.

2. The water provided is safe to drink.
3. Future water supply capacity is planned for.

Why We Provide It

A safe, reliable and sufficient supply of water is a critical resource for any community to support human, animal and plant life, and to supply industrial and economic needs.

Council supplies are directed mainly to urban areas. Where these areas have New Zealand Fire Service brigades located within them, the pressure and volume of Council's supplies are also necessary to provide for urban fire-fighting activities.

Council water management is governed by a number of statutes as well as the District Plan and associated bylaws.

Options for Changes to Service Levels

The extensive upgrade programme to meet the 2005 Drinking Water Standards will deliver a much higher level of service. The new standards are mandatory; however, Council has a choice around the mix of treatment, risk, water sources and storage that make up the new standards. Council is conscious of also providing water supplies that taste good and have reasonable pressure. The overall water quality influences the mix of options that Council is to undertake.

In general Council is planning to provide more secure supplies that require less treatment to achieve the standards. This results in less chemical and mechanical treatment, reducing operating costs and improving taste. This approach has led to installing a cover on the Dannevirke storage dam.



Major Projects for the Next Ten Years

Projects and programmes	Estimated cost	Time frame	Operating or Capital
District wide backup generators	\$150,000	2015/16	Capital
Pongaroa township water supply	\$519,000	2016/17	Capital
Woodville water storage	\$2,112,000	2015/16 to 2018/19	Capital
Akitio upgrade water treatment	\$150,000	2015/16	Capital
Mains pipeline replacement	\$3,825,000	Over 10 years	Capital
Preventative renewals	\$586,000	Over 10 years	Capital
Resource consent renewals	\$175,000	2018/19, 2020/21, and 2021/22	Capital
Pahiatua bore and storage	\$1,423,000	2015/16	Capital

Funding Sources and Mechanisms

	2012 LTP Target	2015 LTP Target
User charges	20-30%	20-30%
Grants / other	0%	0-20%
Rates	70-80%	70-80%

Why is it funded this way?

The immediate beneficiaries are the properties that are connected to the water supplies, however, there is a public health benefit in providing potable water supplies. The public benefits also include fire protection and street cleaning for residents. Farmers tapping into some schemes contribute greatly to costs and a number remain unmetered.

Performance Measures

Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
Community Outcome(s): Efficient infrastructure • Sustainable environment							
Council provides a reliable source of drinking water which meets the community's needs	Council provides a reliable water supply	Percentage of customers rating availability of water as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023	Achieved 78% Target 60%	Not measured	65%	Not measured	70%
		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*	New measure	5	5	5	4
	Water looks and tastes good	• drinking water taste*	New measure	5	5	5	4
		• drinking water clarity*	New measure	5	5	5	4
		• drinking water odour*	New measure	5	5	5	4
	Interruptions to supply are minimised	• continuity of supply*	New measure	5	5	5	4
	Council is responsive to issues relating to water supplies	• Council's response to the issues above	New measure	5	5	5	4
	Water provided is safe to drink	Number of schemes with a Public Health Management Plan in place	7	7	7	7	7
		Number of schemes which comply with Part 4 (bacteria compliance criteria) of the NZ Drinking Water Standards*	New measure	5	5	7	7
	Water provided is safe to drink	Number of schemes which comply with Part 5 (protozoal compliance criteria) of the NZ Drinking Water Standards*	New measure	5	5	7	7



Major aspect	Level of service	Performance measure	2013/14 Results	Year 1 target	Year 2 target	Year 3 target	Years 4-10 target
Council provides a service which 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*	New measure	1 hour	1 hour	1 hour	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*	New measure	8 hours	8 hours	8 hours	8 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*	New measure	24 hours	24 hours	24 hours	24 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*	New measure	72 hours	72 hours	72 hours	72 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*	New measure	7%	The lower of year-end actual result and target will be used as a baseline for future years showing a decrease in percentage of water loss.		
		Average consumption of drinking water per day per resident connected to a Council scheme*	New measure	300 litres	The lower of year-end actual result and target will be used for future years.		

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

Group Level Funding Impact Statement

Water Supplies

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,023	2,077	2,351	2,465
Grants and subsidies operating	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	106	105	113	123
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,129	2,182	2,464	2,588
Applications of Operating Funding				
Payment to staff and suppliers	728	785	809	847
Finance costs	285	257	286	288
Internal charges and overheads applied	236	283	290	296
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	1,249	1,325	1,385	1,431
Surplus/(Deficit) of Operating Funding (A - B)	880	857	1,079	1,157
Sources of Capital Funding				
Subsidies and grants for capital expenditure	530	532	415	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	733	1,638	(231)	309
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	1,263	2,170	184	309
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,509	2,405	555	1,069
- to replace existing assets	362	366	379	407
Increase (decrease) in reserves	272	256	329	(10)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	2,143	3,027	1,263	1,466
Surplus/(Deficit) of Capital Funding (C - D)	(880)	(857)	(1,079)	(1,157)
Funding Balance ((A-B) + (C - D))	-	-	-	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
-	-	-	-	-	-	-
2,554	2,632	2,691	2,758	2,825	2,903	2,987
-	-	-	-	-	-	-
-	-	-	-	-	-	-
139	153	170	187	207	231	258
-	-	-	-	-	-	-
2,693	2,785	2,861	2,945	3,032	3,134	3,245
873	898	927	957	992	1,026	1,065
307	311	296	283	269	256	243
300	306	315	324	327	336	343
-	-	-	-	-	-	-
1,480	1,515	1,538	1,564	1,588	1,618	1,651
1,213	1,270	1,323	1,381	1,444	1,516	1,594
-	-	-	-	-	-	-
-	-	-	-	-	-	-
617	(408)	(359)	(328)	(355)	(338)	(322)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
617	(408)	(359)	(328)	(355)	(338)	(322)
-	-	-	-	-	-	-
993	-	29	43	-	-	-
478	433	514	526	486	502	531
359	429	421	484	603	676	741
-	-	-	-	-	-	-
1,830	862	964	1,053	1,089	1,178	1,272
(1,213)	(1,270)	(1,323)	(1,381)	(1,444)	(1,516)	(1,594)
-	-	-	-	-	-	-

Rates

3



Revenue and Financing Policy

The Revenue and Financing Policy explains how the Council funds each activity it is involved in and why.

Council provides a number of distinct activities and services to its communities. It must undertake these services in a financially prudent and sustainable way for the Council as a whole. This policy explains how Council activities are funded. It is not about what Council does, nor is it about what it costs. Revenue sources include rates, fees, charges, subsidies and investments.

Affordability and the public's ability to pay rates is a major concern as the Council has to strike a balance between the need to provide a level of service that meets customer and legislative requirements, and the need for funds to provide these levels of service in an affordable manner. Council seeks to maintain an affordable and predictable level of rates in the future.

The Financial Strategy sets out how Council is planning to do this. It sets limits on rates increases and debt levels. This Revenue and Financing Policy keeps within those limits and sets out the broad guidelines for establishing the funding of activities.

The Revenue and Financing Policy is more than rating, it also drives the policy direction for other revenue policies including Funding Impact Statements, Financial Contribution, Treasury (liability and investment) and Remission policies. The Revenue and Financing Policy will be reviewed every three years as part of the ten year planning process.

The Local Government Act 2002 requires Council to meet its funding needs from a defined list of sources. The Council determines which of these are appropriate for each activity, considering equity between generations, fairness

and affordability. Council seeks to maintain an affordable and predictable level of rates in the future.

Alongside the increasing levels of service are the affordability issues that many residents face. These affordability issues occur across the urban, rural and commercial / industrial sectors and are often driven by the many factors outside Council control or knowledge. These factors include employment, climate, world demand for farm products and family situations. On average the urban sector has more of an affordability issue, with lower median household incomes when compared to the rural sector. Many of the infrastructure upgrade costs will be borne by urban residents only. Council is fully aware of these affordability issues and is focusing on designing infrastructure that balances function, longevity and affordability. Council is also actively working to gain external grant funding where possible and practical.

In deciding the most appropriate funding source for each activity the Council must show:

- The community outcomes to which the activity primarily contributes; and
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- The period in or over which those benefits are expected to occur; and
- The extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity; and

- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- The overall impact of any allocation of liability for revenue needs on the community.

The list of funding sources available to Council are:

- (a) general rates, including—
 - (i) choice of valuation system; and
 - (ii) differential rating; and
 - (iii) uniform annual general charges:
- (b) targeted rates,
- (ba) lump sum contributions,
- (c) fees and charges,
- (d) grants and subsidies,
- (e) interest and dividends from investments,
- (f) borrowing,
- (g) proceeds from asset sales,
- (h) development contributions,
- (i) financial contributions under the Resource Management Act 1991,
- (j) any other source.

Council is also required to outline the policies in respect of the funding of operating and capital expenses.

Description of Council Expenditure

Broadly speaking, the Council has two types of expenses: operating expenditure and capital expenditure.

Operating expenditure is used to fund the on-going day-to-day activities and services of the Council.

Capital expenditure is money spent in acquiring or upgrading a business asset such as equipment or buildings. Council has three categories of capital expenditure spread across its activities:

- Renewals – Defined as capital expenditure that increases the life of an existing asset with no increase in service level.
- Increased Level of Service – Defined as capital expenditure that increases the service level delivered by the asset.
- Growth – Defined as capital expenditure that is required to provide additional capacity to cater for future growth in demand.

Operating Expenditure

The Council's policies and practices as regards the funding of its operating expenses are set to ensure that these comply with applicable legislation and generally accepted accounting practice.

In general terms it will use a mix of revenue sources to meet operating expenses, with major sources being general rates, subsidies and fees and charges. However, revenue from targeted rates is applied to specific activities. Reserve funds including savings from previous years are also used as a revenue source occasionally. Operating costs do not normally utilise loans or proceeds from asset sales.

Deviating from this policy is a Council decision. Occasionally Council is required under accounting rules to write down or treat a cost as an operating expense that had been expected to be funded from loans.

Capital Expenditure

Capital developments are funded (in decreasing priority) from subsidies, user contributions, reserves or trust funds (where appropriate), and loans. In roading, some ongoing capital developments are funded from subsidies and rates.

Capital renewals are funded (in decreasing priority) from subsidies, depreciation or other reserves. Loans may also be used where subsidies and reserves are insufficient and to do so supports the principle of intergenerational equity. Rates may also be used where subsidies and reserves are insufficient.

Council Created Reserves

Savings, carry forward budgets specific to each activity or rates charged for specific projects are placed in reserves. These reserves may be used to fund activities where appropriate to the purpose of the reserves.

The use of reserves will require a specific resolution of Council before expenditure is committed. The exception to this is depreciation reserves used to renew existing assets. The use of the depreciation reserves are approved by Council as part of the Long Term Plan and Annual Plan budgets.

Trust Funds

Trust funds are normally bequeathed to Council "in trust". Reserves and Trust funds (savings) may be used to fund activities where appropriate to the purpose of the reserves or trusts (operating or capital).

Funding Mechanisms

Different funding sources are used for different types of expenditure. Council funds its expenditure using the following funding mechanisms.

Operating Revenue Sources of Funds

General Rates

This is generally used to recover public good activities and includes Uniform Annual General Charge. Council uses land value for the application of its general rate. The Council does not set the general rate on a differential basis. The general rate is also used to recover small rounding amounts resulting from full fixed rate charges being rounded down to the nearest whole dollar (excluding GST).

Targeted rates

These rates include Uniform Annual Charges, differential rates set on value (land or capital value), rates set over an area of benefit and rates for a service or for an activity. Targeted rates can be set on a uniform or differential basis, with a range of different factors of liability. This can be used for both private good and public good.

Lump Sum Contributions

For the recovery of specific capital expenditure, otherwise loan funded (optional for ratepayer). This usually has a high component of private good, though Council has employed district targeting to give people the choice to reduce debt.

Fees and Charges

Have a high component of private good. These are any fee, recovery fine or charge made by Council for service or activity.

Interest from Investments and Other Revenue

Income from an investment are mainly interest, and income from other revenue sources are mainly fuel tax, rental income, and sale of forestry logs.

This would be generally public good.

Development Contributions Under Section 106 Local Government Act

This is used to recover the growth component of capital expenditure from developments. Council does not have a Development Contributions Policy because of the low growth forecasts.

Financial Contributions under the Resource Management Act 1991

This is used to recover costs to mitigate the effects of growth which may not be limited to capital expenditure. This must have a high component of private good.

Grants and Subsidies

Income from another organisation. These generally would be of a public good.

Council Created Reserves

Savings or carry forward budgets specific to each activity are sometimes available to fund operating costs subject to Council approval. Reserves linked to specific activities built up from operational surpluses or grants may also be used. This can be used for both private good and public good.

Capital Revenue Sources of Funds

Borrowing

Borrowings can be both short term and long term. Borrowing is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and also to enable the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community over the period the benefits of that expenditure accrue. It is not prudent or sustainable for all capital expenditure to be funded from borrowings and Council must balance prudence against equity. The overriding limits on borrowing are set out in the Financial Strategy.

This is a funding tool and does not need a split between public and private good as it is only deferring the eventual charge.

Proceeds from Asset Sales

This would only need to be recognised where an asset was being sold and not replaced with a similar asset. For example, where the proceeds from the sale of corporate property are used to fund another activity. Proceeds from property sales will be placed in the General Reserves, unless limited by a specific Trust deed or bequest. Again this is a funding tool.

Council Created Reserves

Council created reserves are from rates, surplus revenues over expenditure being held for a particular purpose,

savings for a particular purpose, or the transfer of non-cash expenditure (for example depreciation). The use of reserves will require a specific resolution of Council before expenditure is committed, except for depreciation reserves.

Funding Options

The following table summarises how sources of revenue are applied to Council's activities. For example, a subsidy is the number one source of funds and this may be used first equally for any operating or capital cost.

Key

1st – primary source of funding if available.

2nd – secondary source on a case by case basis.

Possible – funding will be considered, if necessary, on a case by case basis.

Priority of Source (Number)	Revenue Source	Operating	Capital: Renew Existing Assets	Capital: Develop Assets - to Improve Services	Capital: Develop Assets - to Cater for Growth
1	Subsidies & Grants	1st	1st	1st	1st
2	Fees and Charges	1st	2nd	2nd	2nd
3	Loans (Borrow internally from savings or externally)	Not permitted	Possible	1st	1st
3	Reserves	Possible 2nd	1st	1st	1st
4	Prior year surpluses	Possible 2nd	2nd	Possible 2nd	Possible 2nd
4	Interest and other revenue	1st	1st	Possible 2nd	Possible 2nd
5	General Rates	1st	1st	Possible 2nd	Possible 2nd
5	Targeted Rates	1st	1st	2nd	2nd
5	UAGC	1st	1st	Possible	Possible

Activity Funding Targets

Council's funding targets set the level of revenue that is appropriate for users to contribute for each Council activity identified. Council has reviewed these targets as required by the Local Government Act 2002 Section 101 as part of this Revenue and Financing Policy. The targets are shown in the summary tables and more detail is included in each activity section.

The specified funding source proportions are indicative only. They are not intended as an exact proportion, rather as a guideline. It is recognised that within each activity in any given year there may be justification for variation from those proportions. This could be from changes to market conditions, government policy or the demand for Council services. In order to reflect the uncertainty involved in these targets a range in each activity has been assessed.



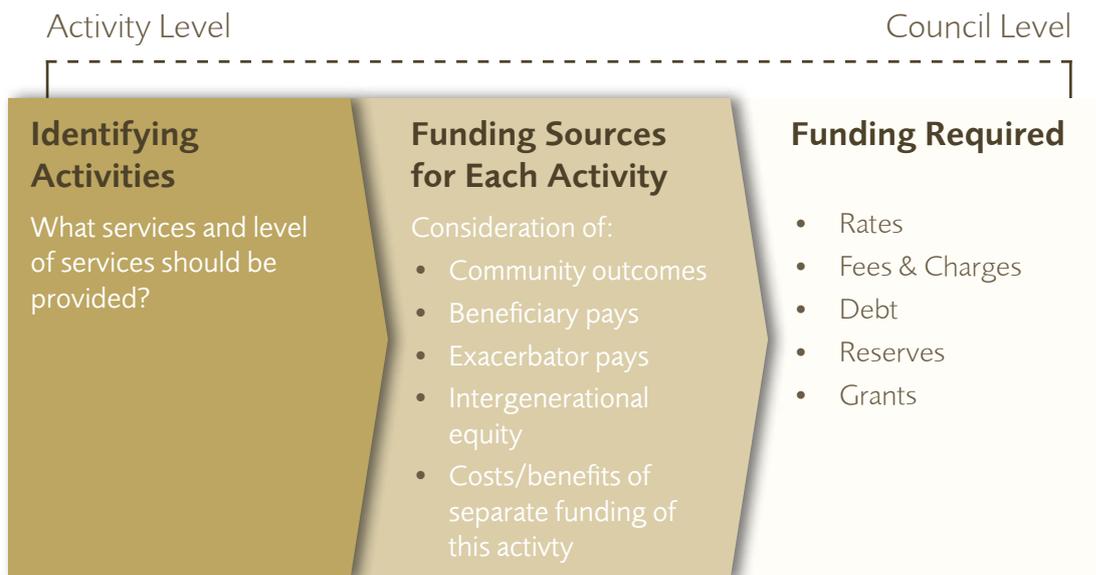
Process for determining funding sources

In determining the appropriate funding sources, the council has adopted a two-stage process in accordance with section 101 (3) of the Local Government Act 2002.

Step 1

The first step is to determine the most appropriate source of funding for each activity by considering the following:

- community outcomes to which the activity primarily contributes;
- distribution of benefits between the community as a whole, any identifiable part of the community and individuals;
- the period in, or over which, the benefits are expected to occur. Generally, benefits derived from operating costs are received in the year the expenditure is incurred. In contrast, capital expenditures relate to investments in assets that generate benefits over their useful lives that extend beyond the current year;
- the extent of the actions or inaction of individuals or a group contributing to the activity undertaken;
- the costs and benefits, including consequences of transparency and accountability, of funding the activity distinctly from other activities.



Step 2

Once the most appropriate funding method for each activity is identified based on the considerations stated above, the council needs to consider the overall impact of its funding mix on the community.

For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability.

Selecting the Appropriate Funding Source – Council Funding Principles

The general principles used in the process are:

- the public good theory
 - the distribution of benefits between the community as a whole 'public benefit'= rates
 - An activity should be collectively funded if those that benefit directly cannot be identified and/or if those that benefit directly cannot be excluded from using the service
- the user/beneficiary pays principle
 - An activity should be funded on a user pays basis if an individual or group of individuals directly receive benefits of the activity exclusively and that costs of the activity can easily be attributed to that individual or group of individuals.
 - The service 'consumed' is excludable and creates rivalry (using this service reduces the availability for someone else).
- The merit goods theory
 - The use of private goods and services can also result in benefits to third parties – people who don't directly use them. In these cases Council considers that the service should be provided on the basis of community need rather than willingness to pay, or identifiable benefits received (e.g. regional sporting facilities).
- the intergenerational equity principle
 - the period in or over which those benefits are expected to accrue
- the exacerbator/polluter pays principle
 - the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity, and
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
 - This considers the efficiency or ability to separate and identify costs and then collect

revenue, and the impact on demand for services

The differentiation of private and public goods and the identification of externalities are necessary for the strict apportionment of the costs between private users and the community as a whole. Sometimes such differentiation is not easy, because very few goods and services can be treated as purely private or public; most goods and services have characteristics of both private and public goods.

For each activity the following have been considered:

- Relationship to Council Outcomes
- Council considerations (high to low) of:
 - the distribution of benefits from the activity between the community, any identifiable groups or individuals;
 - intergenerational equity,;
 - exacerbator pays; and
 - the costs and benefits of distinct funding.
- A percentage range of public versus private benefits providing a rationale for the allocation between rates and targeted recoveries through fees and charges.
- The overall impact of any allocation of liability for revenue needs on the community.
- The following policy positions have been set by Council and are used with the principles above.
- Where the benefit accrues to the whole district, general rates will be used (these include UAGC).
- Where benefits accrue to certain groups within the district, user charges, differentials or targeted rates will be used if efficient to do so.
- User pays is also recognised as a tool to achieve Council's goals e.g. charging for refuse collection to encourage waste minimisation. Where a fee or charge is not practical, targeted rates may be set in accordance with Council's rating policies.
- Where it is practical to recover the designated portion of the net operating cost of an activity from a private user or exacerbator, fees and charges are set at levels designed to achieve this provided there are no legislative constraints on doing this.
- In some cases e.g. Wastewater, targeted rates are used as a surrogate for user charges as Council considers this to be a more efficient and effective method of funding than individual user charges.
- Rates are at least partly a tax. While effort is made to link payment of rates to benefits received or costs generated it is not possible to do this on an individual ratepayer basis.



- Subsidy from central government recognises that some services, e.g. roading, form part of a national infrastructure and only central government can levy user charges.
- Uniform Annual General Charge (UAGC) recognises that most services are available to all properties regardless of value and that all properties should contribute a reasonable amount to the running of the district.

Very few activities deliver entirely public benefits or private benefits. Most activities contain aspects of both and fall somewhere between the two ends of the continuum. The characteristics of an activity determine what type of funding mechanism is used to fund a particular service.

For example, an activity towards the public end of the continuum may not be a good candidate for user charges as people cannot be prevented from consuming it, or because everyone is provided with access to the service whether they wish to or not. Such activity will generally be candidates for funding from some general source such as a general rate. An activity that delivers benefits towards the private end of the spectrum may be a candidate for a targeted rate or a user charge. In the end, it comes down to "reasonable" judgement by elected members having considered the legal factors, funding principles and Council policies.

In this document we use the words "public" or "private" to reflect who benefits from the services Council provides. When the word "public" is used it means the community at large will receive benefits and generally it is more efficient to charge for those through general or targeted rates (if the public benefits vary between specific sectors). When the word "private" is used it means that either an individual or an identifiable group of individuals will receive benefits and generally this group can be charged either directly through user charges because it is efficient to do so or by using a targeted rate as a proxy for user charges.

The tables which follow show this analysis for each activity within the groups of activities. A summary is provided on the final page of the policy.

Group of Activities / Activity	Community Outcomes	User/beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Section 101(3) (b) impact modification
Building Communities and Leadership						
Community Support	Great Lifestyle	Low	Low	Low	Low	Low
Representation	Collaborative Council	Low	Low	Low	Low-Medium	Low
Community and Recreation Facilities						
Cemeteries	Efficient Infrastructure	High	High	Low	Low	Medium
Community Buildings	Efficient Infrastructure; Great Lifestyle	Medium	High	Low	Medium	Medium
Housing	Efficient Infrastructure	High	High	Low	Low	Low
Libraries	Efficient Infrastructure	High	Low-Medium	Low	Low	High
Parks and recreation grounds (excluding domain boards)	Great Lifestyle; Efficient Infrastructure	Low	High	Low-Medium	Medium	Low



Benefits		Rationale	Funding Sources	
Private	Public		Operational	Capital
0%	100%	Although the benefits will accrue to the groups and individuals who are recipients of funding, a greater number of people in the wider community will benefit from the expenditure. User pays is inconsistent with the idea of strengthening community initiatives.	General rate	-
0%	100%	Elected members represent the residents of the district. The benefit of representation is available to all residents and ratepayers of the district.	General rate	Loans, general rates, reserves
20-30%	70-80%	The private benefit is received by the families of the deceased, and to those researching family history. There is also a public benefit with communities benefiting from being able to have family members buried in their community. The garden maintenance has a component of private and public benefit.	General rate, fees & charges	Loans, general rates, reserves
0-10%	90-100%	Local communities are provided with facilities for social and recreational use. While individuals and local communities benefit from the use of the facilities there is also a public benefit in having halls available to all people of the district.	Fees & charges, general rate	Fees & charges, general rates, reserves
100%	0%	The main beneficiaries are the pensioner flat tenants, who receive housing at rentals well below market rates.	Fees & charges	Asset sales, reserves
0-10%	90-100%	Recreational reading primarily benefits the individual users, as do school holiday programmes and the availability of reference material for school projects etc. The acquisition of knowledge does have a high public benefit through contributing value to the community by people having access to knowledge, being well informed and by encouraging literacy. Historically libraries have not charged for books in New Zealand and imposing charges would result in a significant reduction in usage and issues.	Fees & charges, targeted rate	Loans, general rates, reserves
5-15%	85-95%	Parks and Reserves beneficiaries are the users, both local and visitors to the district, and in particular user groups such as sports clubs. It is not feasible to charge for many Council facilities, as you cannot restrict access to reserves and playgrounds. All residents have access to reserves. Camping grounds benefit the users with low-cost holiday accommodation, and businesses by attracting visitors. The Domain Board is a self-funding function of Council, other than for depreciation and support costs, and is not included in the requirement for rates.	General rate, fees & charges	Loans, general rates, reserves



Group of Activities / Activity	Community Outcomes	User/beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Section 101(3) (b) impact modification
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Community and Recreation Facilities (continued)

Public Conveniences	Sustainable Environment	Medium	Medium	Medium	Low	Medium
Service Centres	Collaborative Council; Efficient Infrastructure	Medium	Low	Low	Low	Medium
Swimming Pools	Efficient Infrastructure	High	Medium	Low	Medium	Medium

District Promotion and Development

Commercial Investments	Strong Prosperous Economy	High	High	Low	Low	Low
District Promotion & Development	Strong Prosperous Economy	Medium	Low	Low	Low	Medium

Regulatory Services

Animal Control	Collaborative Council; Great Lifestyle	Low-Medium	Low	High	Low	Low
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Benefits		Rationale	Funding Sources	
Private	Public		Operational	Capital
0%	100%	The benefits are the provision of clean and safe toilets for travellers, shoppers, parents and children in commercial areas in particular, and for users of recreational facilities. Businesses located near to public toilets benefit indirectly, and the public generally benefit from reduced environmental degradation.	General rate	Loans, general rates, reserves
0%	100%	Service Centres primary function is about providing customer support and public information, however much of the time spent on private benefit work is of a very small duration and is therefore not directly recoverable.	General rate	Loans, general rates, reserves
0% (Council does not receive the entry fees or manage the facilities)	100% (grant only)	Swimming pools are recreational facilities, and provide social benefits such as swimming coaching, and leisure opportunities for elderly people with health issues, and children and parents. Users of the pools are private beneficiaries and user fees reflect this. Council charges rates and some fees. The main fees are not collected by Council. They are set and collected by a trust or by management committees. The Council funds a grant that represents only the public good proportion of costs. The fees collected by the Trust / local management reflect a high private benefit to individual users.	General rate, fees & charges	Loans, general rates, reserves
100%	0%	The primary beneficiaries are the users or lessees of the properties. These are considered an investment type of asset and therefore a commercial return is expected.	Fees & charges	Loans, fees & charges, reserves
0-5%	95-100%	Private beneficiaries are the individuals who gain employment, retailers, tourist operators, motels, and other businesses, but the whole district benefits from an increased population, wealth and larger rating base.	General rate, targeted rate, fees & charges	General rates, targeted rates, reserves
90-100%	0-10%	The majority of the costs for this activity should be borne by dog owners, as it is the existence of dogs in the community that gives rise to the need to carry out this activity. There is a small public benefit from animal education programmes.	Fees & charges general rate	Loans, reserves, & general rate



Group of Activities / Activity	Community Outcomes	User/beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Section 101(3) (b) impact modification
Regulatory Services (continued)						
Emergency Management	Collaborative Council; Prosperous Economy	Low	Low	Low	Low	Low
Health & Safety	Prosperous Economy; Collaborative Council	High	Low	Medium	Medium	Medium
District Planning	Sustainable Environment; Prosperous economy	Medium-High	Low	Low-Medium	Medium-High	Medium
Roading and Footpaths						
Footpaths	Efficient Infrastructure	Low	Medium-High	Low-Medium	Low	Low
Roading	Efficient Infrastructure	Medium-High	High	Medium	Medium-High	Low



Benefits		Rationale	Funding Sources	
Private	Public		Operational	Capital
0-5%	95-100%	<p>The primary purpose of civil defence is emergency preparedness with an initial response capability. This activity cannot be attributed to any individuals and therefore it is the community as a whole that benefits from this activity.</p> <p>The major beneficiaries of Rural Fire are the rural community including all forestry owners and the Department of Conservation. Those who do not control fires properly or do not follow legal requirements are subject to user charges.</p>	General rate, targeted rate, fees and charges & subsidies	Loans, general rates, reserves
40-50%	50-60%	<p>The building control activity is mainly funded by the beneficiaries of the service, as they can be easily identified. There is some general community benefit because the public can be assured that buildings being erected are safe.</p> <p>For health and liquor licensing there is a moderate level of public good in the general health monitoring and advisory service provided to the community. Direct inspections of premises is user fees, but some fees are set by government legislation and therefore full cost recovery is not always possible.</p> <p>In the general inspection area it is often impossible to identify offenders or impractical to recover enforcement costs. The whole community benefits from these activities.</p>	Fees & charges general rate	Loans, general rates, reserves
10-20%	80-90%	<p>There are two distinct beneficiaries of this activity, the first being the applicant and the second being the whole district through the monitoring and development of the District Plan.</p>	Fees & charges general rate	Loans, general rates, reserves
0%	100%	<p>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.</p>	General rates & targeted rates	General rates, targeted rates, reserves
50-60%	40-50%	<p>The beneficiaries are the users of the roads, the owners of properties served by roads, the local community within the district and the wider community. The private benefit is collected via fuel taxes and road user charges by the government and allocated by a grant through NZ Transport Agency.</p>	Targeted rates, subsidies, fees & charges & reserves	Targeted rates, subsidies, reserves



Group of Activities / Activity	Community Outcomes	User/beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Section 101(3) (b) impact modification
Solid Waste Management						
	Efficient Infrastructure; Sustainable Environment; Prosperous Economy	High	Low-Medium	Low-Medium	Low	Medium
Stormwater						
	Efficient Infrastructure	High	Medium-High	Medium	Medium	High
Wastewater						
	Efficient Infrastructure	Medium	High	Low-Medium	Low	Medium
Water Supplies						
	Efficient Infrastructure	High	High	Low	Low-Medium	Medium



Benefits		Rationale	Funding Sources	
Private	Public		Operational	Capital
20-30%	70-80%	Urban households and many commercial properties receive a kerbside recycling and refuse collection service and all properties have access to recycling bulk bins for glass and other materials. Rural residents that drop off recycling at bulk bins and recycling centres, and refuse at disposal points also use the services. The whole district benefits from the promotion of the clean image and the environmental benefits. Pricing is a tool that can impact on people's behaviour to achieve the reduction, reuse and recycling of solid waste.	General rates, targeted rates fees & charges, grants	Loans, targeted rates, reserves
0%	100%	Properties within the stormwater network areas benefit from collecting and disposing stormwater to limit flood damage. Property owners downstream from these areas also benefit. There is also a public benefit of health and safety to the urban populations generally, and a lesser benefit to people outside the urban areas who may visit the urban areas.	Targeted rates	Loans, general rates, reserves
0-10%	90-100%	The beneficiaries of this activity are properties connected to the networks. There is a public health benefit particularly to people who live in urban areas, and also with the downstream effects of clean rivers benefiting the whole district.	General rates, targeted rates, fees & charges & reserves	Targeted rates, loans, grants & reserves
20-30%	70-80%	The immediate beneficiaries are the properties that are connected to the water supplies, however, there is a public health benefit in providing potable water supplies. The public benefits also include fire protection and street cleaning for urban residents. Farmers tapping into some schemes contribute greatly to costs and a number remain unmetered.	Targeted rates, fee & charges & reserves	Targeted rates, loans, grants & reserves

Summary of Funding Targets

Funding Source Proportions for Total Revenue*

* Total revenue includes capital grants.

	Rates	Fees and Charges	Grants and Other Revenue	
Building Communities and Leadership				* Grants from Department of Internal Affairs to support RSA cemetery plots.
Community Support	100%	-	-	
Representation	100%	-	-	† Revenue from domain board leases and charges.
Community and Recreation Facilities				‡ Grant from Ministry for the Environment in Year 3.
Cemeteries	70-80%	20-30%	0-5%*	
Community Buildings	90-100%	0-10%	-	# Water fees and charges are largely from metered water supplies that are technically a rate.
Housing	-	100%	-	
Libraries	90-100%	0-10%	-	
Parks and Recreation Grounds	85-95%	0-5%	5-10%†	^ Grants from Ministry of Health for upgrading public water supplies in Year's 1 and 2.
Public Conveniences	100%	-	-	
Service Centres	100%	-	-	
Swimming Pools	100%	-	-	
District Promotion and Development				
Commercial Investments	-	100%	-	
District Promotion and Development	95-100%	0-5%	-	
Regulatory Services				
Animal Control	0-10%	90-100%	-	
Emergency Management	95-100%	0-5%	0-5%	
Health and Safety	50-60%	40-50%	0-5%	
District Planning	80-90%	10-20%	-	
Roading and Footpaths				
Footpaths	100%	-	-	
Roading	40-50%	0-5%	50-60%	
Solid Waste Management				
	70-80%	20-30%	0-5%	
Stormwater				
	100%	-	-	
Wastewater				
	90-100%	0-10%	0-5%‡	
Water Supplies				
	70-80%	20-30%#	0-20%*	



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 wellbeing 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.

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 & Swimming Pools Rate
S16(3)(a) & S16(4)(a)	Yes	Targeted Uniform Rate- Libraries & Swimming Pools
		Refuse & Recycling Targeted Differential Rate
S16(3)(b) & S16(4)(b)	No	Refuse & Recycling - Rural
S16(3)(b) & S16(4)(b)	No	Refuse & Recycling - Urban
S16(3)(b) & S16(4)(b)	No	Refuse & 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
		Footpath Special Development Targeted Differential Rates
		Dannevirke Town Centre Refurbishment
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
		Woodville Town Centre Refurbishment
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



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
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
Eketahuna Town Centre Refurbishment		
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 Town Centre Refurbishment		
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
Stormwater		
S16(3)(b) & S16(4)(b)	Yes	Urban Stormwater Targeted Uniform Rate
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 by Meter Rates

Rates requirement for the three sectors in the first three years of the Long Term Plan compared to the 2014/15 Annual Plan is as follows:

Sector	Plan 2014/15	Long Term Plan Year 1 - 2015/16		
		Rates by Sector	\$ Change From Prior Year	% Change From Prior Year
Rural	12,599,176	12,854,059	254,883	2.02%
Urban	8,915,834	9,184,121	268,287	3.01%
Industrial/Commercial	1,498,815	1,550,083	51,268	3.42%
Windfarms*	66,825	181,532	114,707	171.65%
Total Rates Requirement	23,080,650	23,769,795	689,145	2.98%

* Windfarms are part of the industrial/commercial sector. They are shown separately as the valuation changes in Year 1 are significant resulting in large increases in rates.



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 & Non-Rateable Properties	Provision of service	Separately used or inhabitable parts of a rating unit
Rateable & Non-Rateable Properties	Availability of service	Per rating unit
Rateable & Non-Rateable Properties	Provision of service	The number of water closets or urinals within the rating unit
Rateable & 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 & Non-Rateable Properties	Provision of service	Separately used or inhabitable parts of a rating unit
Rateable & Non-Rateable Properties	Availability of service	Per rating unit
Rateable & Non-Rateable Properties	Situation and provision of service	n/a
Rateable & Non-Rateable Properties	Availability of service	n/a

Long Term Plan Year 2 - 2016/17			Long Term Plan Year 3 - 2017/18		
Rates by Sector	\$ Change From Prior Year	% Change From Prior Year	Rates by Sector	\$ Change From Prior Year	% Change From Prior Year
13,002,931	148,872	1.16%	13,274,263	271,332	2.09%
9,655,751	471,630	5.14%	10,169,434	513,683	5.32%
1,615,148	65,065	4.20%	1,688,250	73,102	4.53%
185,699	4,167	2.30%	189,215	3,516	1.89%
24,459,529	689,734	2.91%	25,321,162	861,633	3.52%

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	Old Land value	Old capital Value	New Land value	New capital Value
Urban properties				
Urban - Settlement	16,000	126,000	16,000	126,000
Urban - Settlement	8,000	66,000	8,000	66,000
Urban Low Land Value	28,000	100,000	17,000	100,000
Urban Low Land Value	26,000	139,000	21,000	120,000
Urban Medium Land Value	40,000	200,000	38,000	185,000
Urban Medium Land Value	41,000	90,000	20,000	75,000
Urban Medium Land Value	68,000	360,000	68,000	385,000
Urban Medium Land Value	56,000	220,000	50,000	180,000
Urban High Land Value	90,000	399,000	90,000	399,000
Urban High Land Value	170,000	380,000	150,000	340,000
Urban High Land Value	185,000	305,000	185,000	600,000
Rural Properties				
Rural - Settlement	53,000	190,000	50,000	175,000
Rural - Settlement	350,000	360,000	315,000	325,000
Rural - Lifestyle	170,000	335,000	170,000	335,000
Rural Medium Land Value	1,325,000	1,875,000	1,460,000	2,070,000
Rural Medium Land Value	2,200,000	2,425,000	2,200,000	2,430,000
Rural Medium Land Value	2,000,000	2,250,000	2,200,000	2,480,000
Rural High Land Value	3,775,000	4,500,000	4,150,000	4,950,000
Rural High Land Value	4,937,000	5,677,000	5,431,000	6,222,000
Rural High Land Value	5,500,000	5,800,000	5,500,000	5,800,000
Rural High Land Value	6,800,000	8,190,000	6,800,000	8,200,000



Actual 2014/15	Budget 2015/16	Difference \$	Percentage %
1,703	1,813	111	6.5%
1,483	1,595	112	7.5%
1,960	1,977	17	0.9%
1,948	2,001	53	2.7%
2,020	2,084	64	3.2%
2,043	1,995	(49)	(2.4%)
2,215	2,280	65	2.9%
1,724	1,758	34	2.0%
2,356	2,411	55	2.3%
2,432	2,335	(98)	(4.0%)
2,962	2,975	14	0.5%
1,245	1,308	63	5.1%
2,069	1,981	(88)	(4.2%)
1,523	1,569	46	3.0%
5,023	5,234	211	4.2%
7,674	7,336	(338)	(4.4%)
6,060	6,249	189	3.1%
12,430	12,858	428	3.4%
15,953	16,500	546	3.4%
17,673	16,710	(964)	(5.5%)
21,612	20,402	(1,210)	(5.6%)

Property Type	Old Land value	Old capital Value	New Land value	New capital Value
Industrial/Commercial Properties				
Ind/Com - Urban Low Land/Capital Value	8,500	13,500	8,500	14,000
Ind/Com - Urban Low Land/Capital Value	9,500	54,000	8,500	52,000
Ind/Com Rural - Low - Land/Capital Value	25,000	115,000	25,000	116,000
Ind/Com Rural - Medium - Land/Capital Value	20,000	295,000	20,000	265,000
Ind/Com Urban - Medium - Land/Capital Value	195,000	790,000	175,000	810,000
Ind/Com Urban - Medium - Land/Capital Value	76,000	550,000	76,000	590,000
Ind/Com - Urban High - Land/Capital Value	175,000	2,075,000	160,000	1,860,000
Ind/Com - Urban High - Land/Capital Value	450,000	2,975,000	405,000	3,630,000
Ind/Com - Urban High - Land/Capital Value	-	13,100,000	-	9,790,000
Ind/Com - Rural High - Land/Capital Value	600,000	30,100,000	600,000	30,100,000
Ind/Com - Rural High - Land/Capital Value	850,000	7,650,000	850,000	7,650,000
Ind/Com - Rural High - Land/Capital Value	355,000	5,750,000	355,000	5,750,000
Ind/Com - Rural (Windfarm)	300,000	1,800,000	750,000	6,710,000
Ind/Com - Rural (Windfarm)	400,000	4,400,000	1,300,000	8,890,000

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 inhabitable 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

The Council applies the Uniform Annual General Charge (UAGC) as a specific rate of an equal amount on each rating unit. The UAGC is applied as a fixed amount to every rating



Actual 2014/15	Budget 2015/16	Difference \$	Percentage %
1,921	1,902	(19)	(1.0%)
2,161	2,120	(41)	(1.9%)
1,298	1,249	(49)	(3.8%)
3,174	3,165	(9)	(0.3%)
3,703	3,774	71	1.9%
2,704	2,819	115	4.2%
4,689	4,666	(23)	(0.5%)
7,825	9,261	1,436	18.4%
18,897	16,474	(2,423)	(12.8%)
32,861	29,016	(3,845)	(11.7%)
11,385	10,253	(1,132)	(9.9%)
7,887	7,090	(797)	(10.1%)
2,667	8,745	6,079	228.0%
5,548	12,165	6,617	119.3%

unit within the district and does not vary with the value of the rating unit.

It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate. Individuals benefit as each has an equal opportunity to access and use the assets and services, and to an extent, many within the community make similar use of the assets and services.

Hence, Council considers a range from 27.5% to 29% 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
Solid Waste Refuse & Recycling	By Sector – fixed amounts
Roading	A District-wide Rate – charged on Land Value
Roading	By Sector – fixed amounts
Roading Special Development Loans	By Ward, North or South – fixed amounts
Footpaths Special Development Loans	Two Rates by Ward, North or South – fixed amounts
Wastewater	Three Rates by Provision (100% Rate) or Availability (50% Rate) for 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
Swimming Pools & Libraries	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

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, sewerage/wastewater, stormwater.</p>

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

Solid Waste Targeted Differential Uniform Rate

Funding for recycling and the public benefit costs of refuse are best funded on a uniform rating unit basis



differentiated between rural, 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 Rural

Emergency Management has a distinctly uneven sector benefits to other general activities of Council and that certain proportions of these costs would be charged by land value. Hence, included in the rural differential targeted rate is 92% of Rural Fire protection cost.

The Rural Fire protection cost meets the cost of preparedness for fighting fires and the actual cost of fighting fires where this cannot be recovered from the person who started the fire. The main beneficiaries of this service are landowners in the areas outside the urban fire districts, however a contribution is received from urban properties as some benefit is gained by these areas (fire hazard inspections, preventing spread of fire etc).

Land Value in this instance has been used because:

- It better reflects community created wealth, e.g. access to services, so is better related to the infrastructure provided by Council.
- Is more related to the land area and ability of land to generate income.
- Is not proportional to owners total investment

Land Value Rate for Urban

Emergency Management and Footpaths have distinctly uneven sector benefits compared to other general activities of Council and certain proportions of these costs would be charged by land value. Included in the urban differential targeted rate is 7% of Rural Fire protection cost and 71% of Footpaths cost.

The Rural Fire protection cost meets the cost of preparedness for fighting fires and the actual cost of fighting fires where this cannot be recovered from the person who started the fire. The main beneficiaries of this service are landowners in the areas outside the urban fire districts, however a contribution is received from urban properties as some benefit is gained by these areas (fire hazard inspections, preventing spread of fire etc).

Occupiers of urban residential and commercial properties which are served with footpaths benefit from

easier access and the added value to the properties. While the primary benefit is for the people who use the footpaths, these users generally cannot be identified or be restricted from using footpaths from a public safety factor.

Land Value in these instances has been used because:

- it better reflects Council created wealth, e.g. access to services and is better related to the infrastructure provided by Council;
- it is more related to the land area;
- it is not proportional to owners total investment.

Capital Value Rate for Industrial Commercial: Rural & Urban

Economic Development, Emergency Management and Footpaths have distinctly uneven sector benefits to other general activities of Council and certain proportions of these costs will be charged by capital value. Ratepayers are further defined according to two sub categories (rural and urban) and two uses of land, windfarms and utilities (excluding windfarms). In essence, rates are being set differentially as follows:

Rural A share of Economic Development plus Rural Fire

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, 1% of Rural Fire protection cost to Industrial Commercial Rural, 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.

The Rural Fire protection cost meets the cost of preparedness for fighting fires and the actual cost of fighting fires where this cannot be recovered from the person who started the fire. The main beneficiaries of this service are landowners in the areas outside the urban fire districts, however a contribution is received from urban properties as some benefit may be gained by these areas (fire hazard inspections, preventing spread of fire etc). However, Rural industrial commercial ratepayers benefit the most from this service.

Occupiers of urban residential and commercial properties which are served with footpaths benefit from easier access and the added value to the properties. While the primary benefit is for the people who use the footpaths, these users generally cannot be identified or be restricted from using footpaths from a public safety factor. Urban industrial commercial ratepayers generally

benefit from access and use of footpaths or may affect the footpaths in access to underground services.

Capital Value in these instances has been used because:

- Council determined that the Industrial/Commercial Sector benefits generally closely reflects the total value of ratepayers investment
- Insofar as property values indicate ability to pay, capital values more fairly reflect ability to pay.
- The spread between high and low rates are generally less extreme.
- Rating base expands as development expands.
- Industrial/commercial businesses with high capital values will pay more for this service, and those with low capital value less.

Roading (excluding special development targeted differential rate)

A 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 Roothing network will be charged for the whole network as there is no way to separate and prevent one group of ratepayers from accessing and using a part of the network funded from another group of ratepayers.

This is a district-wide rate in the dollar because Roothing needs to be managed as a Roothing network and, on a district-wide basis, progressively throughout the funding year. This is consistent with the policy approach to funding taken by NZ Transport Agency (Council's primary Roothing funding source) to fund Roothing as a network.

District-wide rating spreads the cost of Roothing amongst all ratepayers. An advantage of this is that it makes larger expenditure commitments more affordable than annually uneven cost recoveries targeted to specific ratepayer categories. It therefore provides regularity to funding to appropriately manage the district asset.

Roothing Rate – Targeted Differential

A targeted differential uniform 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.

Dannevirke Footpaths Special Development Targeted Differential Rate

Council is funding the Dannevirke High Street footpath upgrade by way of a targeted rate set as a fixed amount per rating unit set differentially for the North and South Wards. Funding for the Dannevirke High Street upgrade has its loan repayments and interest costs funded through these rates. The North Ward, as the main area of benefit, is allocated 10% of the total costs with the remaining cost allocated equally. Overall, the North Ward pays 55% of the costs and the South Ward 45%. This ensures that the local community (as defined by North and South Wards) pay a higher proportion of the cost than the balance of the district.

A lump sum payment option was made available. Properties on which the lump sum was paid do not pay this rate.

Woodville, Pahiatua and Eketahuna Footpaths Special Development Targeted Differential Uniform Rate

Council is funding separately the Woodville Town Centre upgrade, and the Pahiatua and Eketahuna Town Centre upgrades, by way of a targeted rate set as a fixed amount per rating unit set differentially for the North and South Wards. Funding for Woodville, Pahiatua and Eketahuna town centre upgrades will have its loan repayments and interest costs funded through these rates. The South Ward, as the main area of benefit, is allocated 10% of the total costs with the remaining cost allocated equally. Overall, the South Ward pays 55% of the costs and the North Ward 45%. This ensured that the local communities (as defined by North and South Wards) pay a higher proportion of the cost than the balance of the district.

Urban Water Rate

A targeted rate is charged as follows:

- full charge for a 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 by Meter Rates

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

Rural properties supplied from town water supplies in Dannevirke and Pahiatua 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.

Several farming properties in Woodville are connected to the town supply and are charged with the Fixed Amount Targeted Rate plus a charge for water consumed through the meter in excess of the standard allowance.

The standardised charges for water supplied through a meter are:

- A Targeted Rate per rating unit.
- Plus a charge in excess of 100 cubic metres supplied during each consecutive three-month period per separately used or inhabitable part of a rating unit.

The unit rate per cubic metre in excess of 100 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 100 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.

Wastewater Targeted Rate

A targeted uniform rate of the full charge on each separately used or inhabited 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.

A rating unit used primarily as a residence for one household will be treated as having only one water closet/urinal.

Urban Stormwater Rate

A targeted uniform 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, sewerage and refuse collection.

Instalments

Rates and charges for the year ending on 30 June 2016 will be assessed in four instalments, which will become due and payable on the following dates:

Instalment	Due Date
Instalment 1	31 August 2015
Instalment 2	30 November 2015
Instalment 3	29 February 2016
Instalment 4	31 May 2016

Charges for Water by Meter Rates for the year ending on 30 June 2016 will be assessed in four instalments, which will become due and payable on the following dates:

Instalment	Due Date
Instalment 1	20 July 2015
Instalment 2	20 October 2015
Instalment 3	20 January 2016
Instalment 4	20 April 2016

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 2015	1 September 2015
30 November 2015	1 December 2015
29 February 2016	1 March 2016
31 May 2016	1 June 2016

For Water by Meter 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 by Meter Rates Penalty Date
20 July 2015	21 July 2015
20 October 2015	21 October 2015
20 January 2016	21 January 2016
20 April 2016	21 April 2016

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 2015, and again on 8 January 2016.

Discount

A 3% discount under the Local Government (Rating) Act 2002 Section 55(3) will be provided for full payment of the 2015/16 rates on or before 31 August 2015.

Appendix 1 – Definitions

District valuation roll means in relation to a territorial authority, a roll prepared for a district under Section 7 of the Rating Valuations Act 1998 and approved under Section 11 of that Act;

Division where a rating unit is split into one or more parts and the parts are rated separately for the purpose of setting rates over the whole rating unit. Examples are where there are different differential categories such as provision of services, different remission/postponement categories or if part of the property is non-rateable.

Farmland means a rating unit that is used exclusively or principally for agricultural, horticultural, or pastoral purposes, or for the keeping of bees or poultry or other livestock; and "farming purposes" has a corresponding meaning.

General Rate As per Local Government (Rating) Act 2002 Section 13

A local authority may set a general rate for all rateable land within its district.

(2) A general rate may be set—

- (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 1 function.

- (3) A targeted rate may be set in relation to—

- (a) all rateable land within the local authority's district; or
- (b) 1 or more categories of rateable land under Section 17.

- (4) A targeted rate may be set—

- (a) on a uniform basis for all rateable land in respect of which the rate is set; or
- (b) differentially for different categories of rateable land under Section 17.

Uniform Annual General Charge Local Government

(Rating) Act 2002 Section 15 Uniform annual general charge—

- (1) A local authority may set a uniform annual general charge for all rateable land within its district, being—

- (a) a fixed amount per rating unit; or
- (b) a fixed amount per separately used or 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

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	5,960	6,617	6,756	7,019
Targeted rates	14,610	14,559	15,040	15,542
Subsidies & grants for operating purposes	3,915	3,912	4,030	4,183
Fees and charges	4,238	2,501	2,548	2,492
Interest and dividends from investments	353	245	281	305
Local authorities fuel tax, fines, infringement fees, and other receipts	157	460	272	142
Total Operating Funding (A)	29,233	28,294	28,927	29,683
Applications of Operating Funding				
Payment to staff and suppliers	21,705	21,235	21,740	22,181
Finance costs	626	596	721	729
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	22,331	21,831	22,461	22,910
Surplus (Deficit) of Operating Funding (A - B)	6,902	6,463	6,466	6,771
Sources of Capital Funding				
Subsidies and grants for capital expenditure	6,642	4,828	4,219	4,072
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	972	3,583	1,173	(860)
Gross proceeds from sale of assets	30	-	525	3,368
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	7,644	8,411	5,917	6,580
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	14	23	84	28
- to improve the level of service	6,742	6,117	4,149	4,709
- to replace existing assets	8,638	7,845	7,570	7,949
Increase (decrease) in reserves	2,152	889	580	665
Increase (decrease) of investments	(3,000)	-	-	-
Total Applications of Capital Funding (D)	14,546	14,874	12,383	13,351
Surplus (Deficit) of Capital Funding (C - D)	(6,902)	(6,463)	(6,466)	(6,771)
Funding Balance ((A - B) + (C - D))	-	-	-	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
7,010	7,084	7,333	7,448	7,609	7,910	7,843
16,136	16,635	17,130	17,617	18,058	18,534	19,065
4,350	4,474	4,621	4,779	4,927	5,084	5,257
2,142	2,203	2,269	2,338	2,415	2,497	2,586
339	326	359	407	451	511	612
146	150	154	159	164	170	175
30,123	30,872	31,866	32,748	33,624	34,706	35,538
22,251	22,756	23,436	24,179	24,921	25,751	26,374
736	803	766	713	644	558	510
-	-	-	-	-	-	-
22,987	23,559	24,202	24,892	25,565	26,309	26,884
7,135	7,312	7,663	7,855	8,058	8,396	8,653
4,114	4,397	4,338	4,464	4,602	4,749	5,459
-	-	-	-	-	-	-
1,130	24	(1,357)	(577)	(1,913)	(1,226)	(508)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,244	4,421	2,981	3,887	2,689	3,523	4,951
58	-	5	14	-	-	-
3,468	2,446	1,057	2,195	764	788	814
9,364	8,516	8,655	8,509	8,860	9,154	10,270
(511)	771	927	1,024	1,123	1,977	2,520
-	-	-	-	-	-	-
12,379	11,733	10,644	11,742	10,747	11,919	13,604
(7,135)	(7,312)	(7,663)	(7,855)	(8,058)	(8,396)	(8,653)
-	-	-	-	-	-	-

Reconciliation Funding Impact Statement to Comprehensive Revenue and Expense

	Plan 2014/15	Budget 2015/16	Forecast 2016/17	Forecast 2017/18
Income				
Prospective Statement of Comprehensive Revenue & Expense	34,587	33,122	33,146	33,754
Summary Funding Impact Statement				
Total operating funding	29,233	28,294	28,927	29,681
Add sources of capital funding:				
- Subsidies and grants for capital expenditure	6,688	4,828	4,219	4,073
Total Revenue	35,921	33,122	33,146	33,754
Expenditure				
Prospective Statement of Comprehensive Revenue and Expense				
Operating expenditure	32,763	32,924	33,937	34,843
Total applications of operating funding	22,331	21,832	22,473	22,925
Add depreciation and amortisation expense	11,720	11,092	11,464	11,918
Add non cash entries	-	-	-	-
Total Expenditure	34,051	32,924	33,937	34,843



Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
34,237	35,268	36,204	37,211	38,225	39,454	40,996
30,122	30,871	31,865	32,747	33,623	34,705	35,537
4,115	4,397	4,339	4,464	4,602	4,749	5,459
34,237	35,268	36,204	37,211	38,225	39,454	40,996
35,024	35,936	37,019	38,054	39,074	40,341	41,318
23,002	23,575	24,221	24,910	25,584	26,330	26,906
12,022	12,361	12,798	13,144	13,490	14,011	14,412
-	-	-	-	-	-	-
35,024	35,936	37,019	38,054	39,074	40,341	41,318

Summary of Rates by Charges

Amounts are GST inclusive.

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Limit on Uniform Annual General Charge: 30% Cap of Total Rates	29.00%	29.44%	28.50%	28.82%
Uniform Annual General Charge	482.43	522.19	506.45	518.01
General Land Value Rate In Dollar	0.00090301	0.0009489	0.0010468	0.0011094
Targeted Uniform Rate - Libraries & Swimming Pools	176.06	200.99	211.61	227.17
Specified Services Targeted Differential - Land Value Rate				
- Rural	0.00011961	0.0000825	0.0000840	0.0000854
- Urban	0.00346723	0.0031837	0.0033313	0.0033568
Specified Services Targeted Differential - Capital Value Rate				
- Industrial Commercial Rural	0.00099636	0.0008727	0.0008964	0.0009134
- Industrial Commercial Urban	0.00138471	0.0015989	0.0016506	0.0016815
Refuse & Recycling Targeted Differential Rate				
- Rural	39.16	46.53	47.39	49.46
- Urban	116.40	155.39	156.76	162.21
- Industrial Commercial	338.69	240.44	255.12	276.68
Roading Land Value Rate - District-Wide	0.00200745	0.0018092	0.0017721	0.0017542
Roading Targeted Differential Uniform Rate				
- Rural	281.42	285.60	279.76	276.73
- Urban	44.33	45.35	44.32	43.79
- Industrial Commercial	98.75	97.74	95.74	94.63
Footpath Special Development Fixed Amount Loan Rate				
Dannevirke Town Centre Refurbishment				
- North Ward	16.94	17.38	17.05	16.81
- South Ward	13.79	14.15	13.88	13.68
Woodville Town Centre Refurbishment				
- North Ward	12.05	12.03	11.93	11.79
- South Ward	14.95	14.91	14.79	14.62
Eketahuna Town Centre Refurbishment				
- North Ward	-	1.88	1.76	1.67
- South Ward	-	2.33	2.18	2.07
Pahiatua Town Centre Refurbishment				
- North Ward	-	-	-	0.45
- South Ward	-	-	-	0.56



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
29.03%	29.02%	29.82%	29.82%	29.82%	29.81%	29.82%
534.33	548.20	589.46	599.34	614.68	633.00	642.21
0.0010546	0.0010390	0.0010051	0.0010153	0.0010294	0.0010848	0.0010285
231.51	235.09	241.51	248.26	247.88	255.48	260.79
0.0000869	0.0000886	0.0000904	0.0000923	0.0000944	0.0000966	0.0000989
0.0030129	0.0030802	0.0030399	0.0030985	0.0031355	0.0032156	0.0032958
0.0009333	0.0009572	0.0009820	0.0010070	0.0010284	0.0010550	0.0010802
0.0016675	0.0017092	0.0017431	0.0017903	0.0018248	0.0018725	0.0019223
53.34	56.26	59.44	62.72	66.20	69.90	73.82
173.42	181.35	189.94	198.67	207.83	217.53	227.67
310.20	339.03	371.42	405.08	442.29	481.71	525.20
0.0018170	0.0018600	0.0019069	0.0019589	0.0020162	0.0020618	0.0021238
286.42	292.58	300.12	308.09	316.06	322.82	332.15
45.27	46.19	47.32	48.52	49.72	50.73	52.13
98.06	100.10	102.80	105.45	108.30	110.54	113.87
16.58	16.35	16.13	15.92	15.72	15.52	15.32
13.50	13.31	13.14	12.96	12.80	12.64	12.48
11.69	11.51	11.42	11.28	11.16	10.98	10.80
14.49	14.27	14.16	13.98	13.84	13.62	13.40
0.95	1.01	0.93	0.86	0.79	0.72	0.65
1.18	1.25	1.16	1.07	0.98	0.90	0.80
14.34	24.81	33.34	33.20	33.24	33.05	32.92
17.78	30.75	41.33	41.17	41.21	40.97	40.81



	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Urban Wastewater (95% of net cost including all loan costs)				
Per connected water closet/urinal				
Urban Wastewater Targeted Differential Rate				
- Full Charge	414.99	415.22	449.99	487.35
- Half Charge	207.50	207.61	224.99	243.68
- For Connected Multiple Use	138.32	138.39	149.98	162.43
Urban Stormwater Targeted Uniform Rate	181.36	157.64	162.93	180.16
Urban Water Targeted Uniform Rate				
- Full Charge	337.38	347.82	406.74	423.75
- Half Charge	168.69	173.91	203.37	214.59
Pongaroa Water Targeted Uniform Rate	92.80	97.11	97.15	105.50
Water Meter / Large Industrial and Intake Line Charges				
- Quarterly Minimum Charge	84.34	86.95	101.68	105.94
- Meter fee per cubic metre above 100m ³ over 3 months	1.23	1.27	1.49	1.55
- Large Industrial and Line Intake - per cubic metre	0.62	0.64	0.74	0.77



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
500.71	511.68	520.31	530.40	541.68	553.50	566.81
250.36	255.84	260.15	265.20	270.84	276.75	283.40
166.89	170.54	173.42	176.78	180.54	184.48	188.92
190.19	194.12	198.60	207.33	218.02	221.14	224.33
439.08	452.00	459.79	468.77	477.73	488.27	499.72
222.35	228.90	232.84	237.38	241.91	247.25	253.04
107.97	109.70	113.51	117.67	122.13	126.99	132.29
109.77	113.00	114.95	117.19	119.43	122.07	124.93
1.60	1.65	1.68	1.71	1.75	1.78	1.83
0.80	0.83	0.84	0.86	0.87	0.89	0.91

Summary of Rates by Total

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Uniform Annual General Charge	3,797,314	4,105,329	3,985,946	4,084,159
General Land Value Rate in Dollar	2,264,623	2,507,657	2,766,618	2,933,312
Targeted Uniform Rate - Libraries & Swimming Pools	1,385,808	1,580,120	1,665,483	1,791,111
Specified Services Targeted Differential - Land Value Rate				
- Rural	277,852	202,058	205,844	209,372
- Urban	516,465	458,942	480,939	485,346
Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial				
- Rural	99,112	143,870.28	147,771	150,975
- Urban	289,853	370,812.16	382,812	389,960
Refuse & Recycling Targeted Differential Rate				
- Rural	146,669	172,840	176,052	183,959
- Urban	440,007	587,656	594,176	616,263
- Industrial Commercial	146,669	103,704	110,033	119,573
Roading Land Value Rate - District-wide	5,034,414	4,781,506	4,683,697	4,638,341
Roading Targeted Differential Uniform Rate				
- Rural	1,050,934	1,058,589	1,036,935	1,026,894
- Urban	163,618	167,655	164,226	162,636
- Industrial Commercial	44,051	44,789	43,873	43,448
Footpath Special Development Targeted Differential Uniform Rate				
Dannevirke Town Centre Refurbishment				
- North Ward	46,555	47,648	46,739	46,063
- South Ward	39,858	40,865	40,085	39,506
Woodville Town Centre Refurbishment				
- North Ward	50,861	50,576	50,164	49,577
- South Ward	54,406	54,122	53,682	53,054
Pahiatua Town Centre Refurbishment				
- North Ward	-	-	-	1,904
- South Ward	-	-	-	2,038
Eketahuna Town Centre Refurbishment				
- North Ward	-	7,904	7,385	7,041
- South Ward	-	8,465	7,910	7,542
Urban Wastewater Targeted Uniform Rate				
- Full Charge	1,885,504	1,888,712	2,050,778	2,227,417
- Half Charge	21,471	21,483	23,282	26,487
- For Connected Multiple Use	36,443	36,945	40,039	43,363
Urban Stormwater General Targeted Uniform Rate	754,844	657,086	680,570	755,009
Urban Water Targeted Uniform Rate				



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
4,219,813	4,336,960	4,671,078	4,757,744	4,887,481	5,041,958	5,123,705
2,789,574	2,745,877	2,660,743	2,689,145	2,720,580	2,866,857	2,718,144
1,828,352	1,859,862	1,913,777	1,970,744	1,970,937	2,034,922	2,080,678
213,193	217,323	221,888	226,676	231,619	237,131	242,986
436,283	446,033	440,858	450,702	456,080	468,427	480,834
154,265	158,218	162,743	167,329	170,887	175,308	179,965
386,723	396,402	404,264	415,200	423,196	434,270	445,815
198,606	209,732	221,849	234,361	247,630	261,801	276,786
660,366	692,117	726,554	761,675	798,607	837,764	878,796
134,059	146,813	160,840	175,771	191,913	209,441	228,349
4,806,449	4,915,545	5,048,108	5,188,265	5,328,628	5,449,020	5,613,075
1,064,111	1,088,264	1,117,613	1,148,642	1,179,718	1,206,372	1,242,692
168,530	172,355	177,003	181,918	186,839	191,061	196,813
45,022	46,044	47,286	48,599	49,914	51,041	52,578
45,434	44,809	44,223	43,640	43,090	42,533	41,999
38,965	38,429	37,928	37,428	36,955	36,477	36,019
49,139	48,396	48,038	47,425	46,949	46,179	45,436
52,585	51,790	51,407	50,750	50,241	49,418	48,622
60,302	104,311	140,184	139,628	139,763	138,975	138,431
64,530	111,626	150,014	149,420	149,563	148,720	148,139
4,007	4,232	3,930	3,638	3,336	3,039	2,727
4,291	4,532	4,210	3,897	3,574	3,255	2,920
2,294,998	2,351,948	2,398,399	2,451,851	2,511,056	2,573,073	2,642,301
28,301	30,256	31,897	33,900	35,798	38,023	40,169
44,552	45,528	46,295	47,194	48,197	49,249	50,432
799,551	818,769	840,259	880,091	928,312	944,650	961,208



	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
- Full Charge	1,436,646	1,482,914	1,734,117	1,832,062
- Half Charge	20,536	21,020.29	24,581	25,938
Pongaroa Water Targeted Uniform Rate	65,768	66,120.00	66,144	66,053
Total to Fund (excluding GST)	20,070,130	20,669,388	21,269,880	22,018,402
Increase in Rates (excluding Water by Meter Rates)	3.41%	2.98%	2.91%	3.52%
Water by Meter Rates	500,000	506,500	525,747	541,499
Total Rates*	20,570,130	21,175,888	21,795,627	22,559,901

* Total rates as per the 'Forecast Statement of Comprehensive Revenue and Expense'.



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
1,900,265	1,958,553	1,994,294	2,035,673	2,076,656	2,125,022	2,177,047
26,876	27,667	28,143	28,692	29,240	29,884	30,585
67,596	68,679	71,065	73,674	76,465	79,505	82,826
22,586,738	23,141,071	23,864,891	24,443,671	25,023,225	25,773,375	26,210,079
2.58%	2.45%	3.13%	2.43%	2.37%	3.00%	1.69%
558,821	577,258	597,467	619,551	643,103	668,833	696,944
23,145,559	23,718,329	24,462,358	25,063,222	25,666,328	26,442,208	26,907,023

Rate Funding Requirements

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

	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
District-wide General Activities				
Charged through the Uniform Annual General Charge + General Differential Land Value Rate In Dollar				
District & Treasury	106,208	229,439	233,929	165,930
Animal Control	9,032	19,445	21,989	27,966
Cemeteries	282,143	229,956	239,847	252,429
Commercial Property	(22,805)	(17,000)	(17,408)	(17,843)
Community Buildings	714,930	727,443	806,991	883,205
Community Support	347,327	365,820	378,708	388,232
District Promotion & Development (40% of net cost)	192,184	283,348	291,067	297,399
Emergency Management - Civil Defence	122,257	173,164	176,260	179,241
Footpaths (15% of net cost)	104,646	93,712	98,298	99,172
Health & Safety	428,081	546,252	497,182	506,890
Housing (Self Funding)	-	-	-	-
Parks and Reserves	979,723	1,188,793	1,150,385	1,267,659
Public Conveniences	250,163	252,120	264,360	282,897
Representation	1,107,163	1,013,749	1,062,505	1,132,876
Resource Management	337,801	267,706	282,047	282,258
Service Centres	562,678	593,064	605,930	619,357
Sewerage (5% of total cost)	102,285	102,481	111,268	120,909
Solid Waste Management	438,121	543,495	549,206	528,894
Subtotal (excluding GST)	6,061,937	6,612,987	6,752,564	7,017,471
Plus GST	909,290	991,948	1,012,885	1,052,621
Total to Fund (including GST)	6,971,227	7,604,935	7,765,449	8,070,092
Uniform Annual General Charge				
Number of Chargeable Properties	9,058	9,047	9,057	9,073
Total to Fund				
District-wide General Activities - Uniform Annual General Charge - Subtotal	3,797,314	4,105,329	3,985,946	4,084,159
Plus GST	569,597	615,799	597,892	612,624
Total to Fund (including GST)	4,366,911	4,721,128	4,583,838	4,696,783



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
80,949	153,398	130,977	84,752	31,195	(22,145)	(78,406)
24,071	23,763	23,312	21,580	18,304	18,269	13,719
277,431	286,407	297,192	304,963	312,495	325,958	333,899
(18,307)	(18,821)	(19,366)	(19,948)	(20,585)	(21,265)	(21,988)
984,200	940,197	904,819	981,462	923,071	1,025,114	1,082,415
398,430	409,508	421,561	434,270	447,693	462,376	478,134
303,894	311,712	320,663	329,730	336,740	345,462	354,648
182,053	185,568	197,880	233,054	236,173	240,522	245,072
88,745	90,739	89,572	91,575	92,632	95,152	97,679
511,515	519,020	507,077	541,190	520,420	555,180	538,359
-	-	-	-	-	-	-
1,259,483	1,278,398	1,335,399	1,388,924	1,397,881	1,471,063	1,579,459
282,900	288,702	298,411	317,113	339,959	324,230	347,929
1,085,278	1,141,495	1,220,832	1,182,033	1,243,149	1,333,540	1,291,832
281,987	213,311	338,088	293,376	482,089	501,986	333,774
623,236	635,796	653,729	673,114	680,486	698,891	716,217
124,624	127,775	130,347	133,313	136,582	140,018	143,837
518,897	495,869	481,329	456,388	429,778	414,465	385,270
7,009,387	7,082,837	7,331,822	7,446,889	7,608,061	7,908,815	7,841,849
1,051,408	1,062,426	1,099,773	1,117,033	1,141,209	1,186,322	1,176,277
8,060,795	8,145,263	8,431,595	8,563,922	8,749,270	9,095,137	9,018,126
9,088	9,104	9,119	9,135	9,150	9,166	9,181
4,219,813	4,336,960	4,671,078	4,757,744	4,887,481	5,041,958	5,123,705
632,972	650,544	700,662	713,662	733,122	756,294	768,556
4,852,785	4,987,504	5,371,740	5,471,406	5,620,603	5,798,252	5,892,261



	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
General Land Value Rate in Dollar				
Total District Rateable Land Value	2,885,046,510	3,040,240,050	3,040,490,050	3,041,772,383
Total to Fund				
District-wide General Activities - General Land Value Rate in Dollar - Subtotal	2,264,623	2,507,657	2,766,618	2,933,312
Plus GST	339,693	376,149	414,993	439,997
Total to Fund (including GST)	2,604,316	2,883,806	3,181,611	3,373,309
Targeted Uniform Rate - Libraries & Swimming Pools				
Estimated Number of Rateable Properties	9,058	9,047	9,057	9,073
Total to Fund				
Libraries	983,761	1,062,401	1,126,973	1,197,271
Swimming Pools	402,047	517,719	538,510	593,840
Subtotal	1,385,808	1,580,120	1,665,483	1,791,111
Plus GST	207,871	237,018	249,822	268,667
Total to Fund (including GST)	1,593,679	1,817,138	1,915,305	2,059,778
Specified Services Targeted Differential - Land Value Rate - Rural				
Total Rural Rateable Land Value	2,672,199,660	2,818,601,000	2,818,601,000	2,819,601,000
Total to Fund				
Emergency Management: Rural Fire Protection (92% of net cost)	277,852	202,058	205,844	209,372
Plus GST	41,678	30,309	30,877	31,406
Total to Fund (including GST)	319,530	232,367	236,721	240,778
Specified Services Targeted Differential - Land Value Rate - Urban				
Total Urban Rateable Land Value	171,589,650	166,058,050	166,308,050	166,558,050
Total to Fund				
Emergency Management:- Rural Fire Protection (7% of net cost)	21,141	15,374	15,662	15,930
Footpaths (71% of net cost)	495,324	443,568	465,276	469,416
Subtotal	516,465	458,942	480,939	485,346
Plus GST	77,470	68,841	72,141	72,802
Total to Fund (including GST)	593,935	527,783	553,080	558,148



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
3,043,022,383	3,040,240,107	3,045,304,717	3,046,837,050	3,040,337,150	3,040,240,169	3,040,369,180
2,789,574	2,745,877	2,660,743	2,689,145	2,720,580	2,866,857	2,718,144
418,436	411,882	399,112	403,372	408,087	430,029	407,722
3,208,010	3,157,759	3,059,855	3,092,517	3,128,667	3,296,886	3,125,866
9,088	9,104	9,119	9,135	9,150	9,166	9,181
1,177,550	1,199,036	1,241,375	1,285,806	1,273,145	1,322,103	1,351,736
650,802	660,826	672,402	684,938	697,792	712,819	728,942
1,828,352	1,859,862	1,913,777	1,970,744	1,970,937	2,034,922	2,080,678
274,253	278,979	287,067	295,612	295,641	305,238	312,102
2,102,605	2,138,841	2,200,844	2,266,356	2,266,578	2,340,160	2,392,780
2,820,601,000	2,820,601,000	2,822,601,000	2,823,601,000	2,823,601,000	2,824,601,000	2,825,601,000
213,193	217,323	221,888	226,676	231,619	237,131	242,986
31,979	32,598	33,283	34,001	34,743	35,570	36,448
245,172	249,921	255,171	260,677	266,362	272,701	279,434
166,808,050	166,808,050	167,058,050	167,558,050	167,558,050	167,808,050	168,058,050
16,221	16,535	16,883	17,247	17,623	18,043	18,488
420,062	429,497	423,975	433,455	438,457	450,384	462,346
436,283	446,033	440,858	450,702	456,080	468,427	480,834
65,442	66,905	66,129	67,605	68,412	70,264	72,125
501,725	512,938	506,987	518,307	524,492	538,691	552,959



	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
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Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial RURAL

Total Industrial Commercial Rateable Capital Value for Rural	114,394,600	189,585,600	189,585,600	190,087,049
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Total to Fund

Economic Development (20% of net cost)	96,909	141,674	145,534	148,699
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Emergency Management-Rural Fire Protection (1% of net cost)	3,020	2,196	2,237	2,276
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Subtotal	99,929	143,870	147,771	150,975
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Plus GST	14,989	21,581	22,166	22,646
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Total to Fund (including GST)	114,918	165,451	169,937	173,621
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Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial URBAN

Total Industrial Commercial Rateable Capital Value for Urban	240,723,300	266,705,500	266,705,500	266,705,500
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Total to Fund

Economic Development (40% of net cost)	191,367	283,348	291,067	297,399
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Footpaths (14% of net cost)	97,669	87,464	91,745	92,561
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Subtotal	289,036	370,812	382,812	389,960
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Plus GST	43,355	55,622	57,422	58,494
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Total to Fund (including GST)	332,391	426,434	440,234	448,454
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Refuse & Recycling Targeted Uniform Rate - Rural

Estimated Number of Rateable Properties	4,307	4,272	4,272	4,277
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Total to Fund

Solid Waste Management: Recycling (20% of net cost)	102,030	127,829	130,170	134,577
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Solid Waste Management: Refuse (20% of net cost)	44,639	45,011	45,882	49,383
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Subtotal	146,669	172,840	176,052	183,959
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Plus GST	22,000	25,926	26,408	27,594
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Total to Fund (including GST)	168,669	198,766	202,460	211,553
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Refuse & Recycling Targeted Uniform Rate - Urban

Estimated Number of Rateable Properties	4,327	4,329	4,339	4,349
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Total to Fund

Solid Waste Management: Recycling (60-70% of net cost)	306,089	441,009	449,087	464,289
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Solid Waste Management: Refuse (60-70% of net cost)	133,918	155,289	158,292	170,370
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Subtotal	440,008	596,298	607,379	634,659
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Plus GST	66,001	89,445	91,107	95,199
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Total to Fund (including GST)	506,009	685,743	698,486	729,858
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Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
190,087,049	190,087,049	190,588,498	191,090,498	191,090,498	191,090,498	191,585,600
151,947	155,856	160,331	164,865	168,370	172,731	177,324
2,317	2,362	2,412	2,464	2,518	2,578	2,641
154,265	158,218	162,743	167,329	170,887	175,308	179,965
23,140	23,733	24,411	25,099	25,633	26,296	26,995
177,405	181,951	187,154	192,428	196,520	201,604	206,960
266,705,500	266,705,500	266,705,500	266,705,500	266,705,500	266,705,500	266,705,500
303,894	311,712	320,663	329,730	336,740	345,462	354,648
82,829	84,690	83,601	85,470	86,456	88,808	91,167
386,723	396,402	404,264	415,200	423,196	434,270	445,815
58,009	59,460	60,640	62,280	63,479	65,140	66,872
444,732	455,862	464,904	477,480	486,675	499,410	512,687
4,282	4,287	4,292	4,297	4,302	4,307	4,312
143,819	150,411	157,634	165,058	172,930	181,346	190,237
54,787	59,321	64,214	69,304	74,700	80,455	86,549
198,606	209,732	221,849	234,361	247,630	261,801	276,786
29,791	31,460	33,277	35,154	37,145	39,270	41,518
228,397	241,192	255,126	269,515	284,775	301,071	318,304
4,359	4,369	4,379	4,389	4,399	4,409	4,419
496,176	518,918	543,839	569,449	596,609	625,644	656,318
189,017	204,659	221,539	239,097	257,715	277,570	298,594
685,192	723,577	765,378	808,547	854,324	903,214	954,912
102,779	108,537	114,807	121,282	128,149	135,482	143,237
787,971	832,114	880,185	929,829	982,473	1,038,696	1,098,149



	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Refuse & Recycling Targeted Uniform Rate - Industrial Commercial				
Estimated Number of Rateable Properties	498	496	496	497
Total to Fund				
Solid Waste Management: Recycling (10-20% of net cost)	102,030	70,306	71,594	74,017
Solid Waste Management: Refuse (10-20% of net cost)	44,639	24,756	25,235	27,160
Subtotal (excluding GST)	146,669	95,062	96,829	101,178
Plus GST	22,000	14,259	14,524	15,177
Total to Fund (including GST)	168,669	109,321	111,353	116,355
Roading Land Value Rate - District-wide				
Total District Rateable Land Value	2,885,046,510	3,040,240,050	3,040,490,050	3,041,772,383
Total to Fund				
Roading District-wide (excludes Footpaths)	6,293,017	6,052,539	5,928,731	5,871,318
Less % charged through Rooding Fixed Amount Targeted Rates	20%	21%	21%	21%
Less Total \$ Amount Charged through Rooding Fixed Amount Targeted Rates	(1,258,604)	(1,271,033)	(1,245,034)	(1,232,977)
Subtotal (excluding GST)	5,034,413	4,781,506	4,683,697	4,638,341
Plus GST	755,162	717,226	702,555	695,751
Total to Fund (including GST)	5,789,575	5,498,732	5,386,252	5,334,092
Roading Targeted Differential Uniform Rate - Rural				
Estimated Number of Rateable Properties	4,297	4,265	4,265	4,270
Total to Fund				
Proportion of Capital Value for Sector	83.3%	83.3%	83.3%	83.3%
Subtotal (excluding GST)	1,050,934	1,058,589	1,036,935	1,026,894
Plus GST	157,640	158,788	155,540	154,034
Total to Fund (including GST)	1,208,574	1,217,377	1,192,475	1,180,928
Roading Targeted Differential Uniform Rate - Urban				
Estimated Number of Rateable Properties	4,248	4,255	4,265	4,275
Total to Fund				
Proportion of Capital Value for Sector	13.2%	13.2%	13.2%	13.2%
Subtotal (excluding GST)	163,618	167,655	164,226	162,636
Plus GST	24,543	25,148	24,634	24,395
Total to Fund (including GST)	188,161	192,803	188,860	187,031



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
497	498	498	499	499	500	500
79,100	82,726	86,699	90,782	95,112	99,740	104,630
30,133	32,627	35,318	38,117	41,085	44,250	47,602
109,234	115,353	122,017	128,899	136,197	143,991	152,232
16,385	17,303	18,303	19,335	20,429	21,599	22,835
125,619	132,656	140,320	148,234	156,626	165,590	175,067
3,043,022,383	3,040,240,107	3,045,304,717	3,046,837,050	3,040,337,150	3,040,240,169	3,040,369,180
6,084,113	6,222,209	6,390,010	6,567,424	6,745,099	6,897,494	7,105,158
21%	21%	21%	21%	21%	21%	21%
(1,277,664)	(1,306,664)	(1,341,902)	(1,379,159)	(1,416,471)	(1,448,474)	(1,492,083)
4,806,449	4,915,545	5,048,108	5,188,265	5,328,628	5,449,020	5,613,075
720,967	737,332	757,216	778,240	799,294	817,353	841,961
5,527,416	5,652,877	5,805,324	5,966,505	6,127,922	6,266,373	6,455,036
4,275	4,280	4,285	4,290	4,295	4,300	4,305
83.3%	83.3%	83.3%	83.3%	83.3%	83.3%	83.3%
1,064,111	1,088,264	1,117,613	1,148,642	1,179,718	1,206,372	1,242,692
159,617	163,240	167,642	172,296	176,958	180,956	186,404
1,223,728	1,251,504	1,285,255	1,320,938	1,356,676	1,387,328	1,429,096
4,285	4,295	4,305	4,315	4,325	4,335	4,345
13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%
168,530	172,355	177,003	181,918	186,839	191,061	196,813
25,279	25,853	26,550	27,288	28,026	28,659	29,522
193,809	198,208	203,553	209,206	214,865	219,720	226,335



	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Roading Targeted Differential Uniform Rate - Industrial Commercial				
Estimated Number of Rateable Properties	513	527	527	528
Total to Fund				
Proportion of Capital Value for Sector	3.5%	3.5%	3.5%	3.5%
Subtotal	44,051	44,789	43,873	43,448
Plus GST	6,608	6,718	6,581	6,517
Total to Fund (including GST)	50,659	51,507	50,454	49,965
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment North Ward				
Estimated Number of Rateable Properties	3,165	3,156	3,156	3,156
Total to Fund				
Subtotal	46,555	47,648	46,739	46,063
Plus GST	6,983	7,147	7,011	6,910
Total to Fund (including GST)	53,538	54,795	53,750	52,973
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment South Ward				
Estimated Number of Rateable Properties	3,325	3,322	3,322	3,322
Total to Fund				
Subtotal	39,858	40,865	40,085	39,506
Plus GST	5,979	6,130	6,013	5,926
Total to Fund (including GST)	45,837	46,995	46,098	45,432
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment North Ward				
Estimated Number of Rateable Properties	4856	4,840	4,840	4,840
Total to Fund				
Subtotal	50,861	50,576	50,164	49,577
Plus GST	7,629	7,586	7,525	7,437
Total to Fund (including GST)	58,490	58,162	57,689	57,014
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment South Ward				
Estimated Number of Rateable Properties	4,188	4,176	4,176	4,176
Total to Fund				
Subtotal	54,406	54,122	53,682	53,054
Plus GST	8,161	8,118	8,052	7,958
Total to Fund (including GST)	62,567	62,240	61,734	61,012



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
528	529	529	530	530	531	531
3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
45,022	46,044	47,286	48,599	49,914	51,041	52,578
6,753	6,907	7,093	7,290	7,487	7,656	7,887
51,775	52,951	54,379	55,889	57,401	58,697	60,465
3,156	3,156	3,156	3,156	3,156	3,156	3,156
45,434	44,809	44,223	43,640	43,090	42,533	41,999
6,815	6,721	6,634	6,546	6,463	6,380	6,300
52,249	51,530	50,857	50,186	49,553	48,913	48,299
3,322	3,322	3,322	3,322	3,322	3,322	3,322
38,965	38,429	37,928	37,428	36,955	36,477	36,019
5,845	5,764	5,689	5,614	5,543	5,472	5,403
44,810	44,193	43,617	43,042	42,498	41,949	41,422
4,840	4,840	4,840	4,840	4,840	4,840	4,840
49,139	48,396	48,038	47,425	46,949	46,179	45,436
7,371	7,259	7,206	7,114	7,042	6,927	6,815
56,510	55,655	55,244	54,539	53,991	53,106	52,251
4,176	4,176	4,176	4,176	4,176	4,176	4,176
52,585	51,790	51,407	50,750	50,241	49,418	48,622
7,888	7,768	7,711	7,613	7,536	7,413	7,293
60,473	59,558	59,118	58,363	57,777	56,831	55,915



	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Footpath Special Development Targeted Differential Uniform Rate - Pahiataua Town Centre Refurbishment North Ward				
Estimated Number of Rateable Properties	-	-	-	4,840
Total to Fund				
Subtotal	-	-	-	1,904
Plus GST	-	-	-	286
Total to Fund (including GST)	-	-	-	2,190
Footpath Special Development Targeted Differential Uniform Rate - Pahiataua Town Centre Refurbishment South Ward				
Estimated Number of Rateable Properties	-	-	-	4,176
Total to Fund				
Subtotal	-	-	-	2,038
Plus GST	-	-	-	306
Total to Fund (including GST)	-	-	-	2,344
Footpath Special Development Targeted Differential Uniform Rate - Eketahuna Town Centre Refurbishment North Ward				
Estimated Number of Rateable Properties	-	4,842	4,842	4,842
Total to Fund				
Subtotal	-	7,904	7,385	7,041
Plus GST	-	1,186	1,108	1,056
Total to Fund (including GST)	-	9,090	8,493	8,097
Footpath Special Development Targeted Differential Uniform Rate - Eketahuna Town Centre Refurbishment South Ward				
Estimated Number of Rateable Properties	-	4,182	4,182	4,182
Total to Fund				
Subtotal	-	8,465	7,910	7,542
Plus GST	-	1,270	1,187	1,131
Total to Fund (including GST)	-	9,735	9,097	8,673
Urban Wastewater Targeted Rate - Full Charge				
Estimated Number of Rateable Properties	5,225	5,231	5,241	5,256
Total to Fund				
Subtotal	1,885,504	1,888,712	2,050,778	2,227,417
Plus GST	282,826	283,307	307,617	334,112
Total to Fund (including GST)	2,168,330	2,172,019	2,358,395	2,561,529



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
4,840	4,840	4,840	4,840	4,840	4,840	4,840
60,302	104,311	140,184	139,628	139,763	138,975	138,431
9,045	15,647	21,028	20,944	20,964	20,846	20,765
69,347	119,958	161,212	160,572	160,727	159,821	159,196
4,176	4,176	4,176	4,176	4,176	4,176	4,176
64,530	111,626	150,014	149,420	149,563	148,720	148,139
9,680	16,744	22,502	22,413	22,434	22,308	22,221
74,210	128,370	172,516	171,833	171,997	171,028	170,360
4,842	4,842	4,842	4,842	4,842	4,842	4,842
4,007	4,232	3,930	3,638	3,336	3,039	2,727
601	635	590	546	500	456	409
4,608	4,867	4,520	4,184	3,836	3,495	3,136
4,182	4,182	4,182	4,182	4,182	4,182	4,182
4,291	4,532	4,210	3,897	3,574	3,255	2,920
644	680	631	585	536	488	438
4,935	5,212	4,841	4,482	4,110	3,743	3,358
5,271	5,286	5,301	5,316	5,331	5,346	5,361
2,294,998	2,351,948	2,398,399	2,451,851	2,511,056	2,573,073	2,642,301
344,250	352,792	359,760	367,778	376,658	385,961	396,345
2,639,248	2,704,740	2,758,159	2,819,629	2,887,714	2,959,034	3,038,646



	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Urban Wastewater Targeted Rate - Half Charge				
Estimated Number of Rateable Properties	119	119	119	125
Total to Fund				
Subtotal	21,471	21,483	23,282	26,487
Plus GST	3,221	3,222	3,492	3,973
Total to Fund (including GST)	24,692	24,705	26,774	30,460
Urban Wastewater Targeted Rate - For Connected Multiple Use				
Estimated Number of Rateable Units	303	307	307	307
Total to Fund				
Subtotal	36,443	36,945	40,039	43,363
Plus GST	5,467	5,542	6,006	6,504
Total to Fund (including GST)	41,910	42,487	46,045	49,867
Urban Stormwater Targeted Uniform Rate				
Estimated Number of Rateable Properties to Receive Full Charges	4,781	4,789	4,799	4,815
Total to Fund				
Subtotal	754,844	657,086	680,570	755,009
Plus GST	113,227	98,563	102,086	113,251
Total to Fund (including GST)	868,071	755,649	782,656	868,260
Urban Water Targeted Rate - Full Charge				
Estimated Number of Rateable Properties to Receive Full Charges	4,897	4,903	4,903	4,972
Total to Fund				
Subtotal	1,436,646	1,482,914	1,734,117	1,832,062
Plus GST	215,497	222,437	260,118	274,809
Total to Fund (including GST)	1,652,143	1,705,351	1,994,235	2,106,871
Urban Water Targeted Rate - Half Charge				
Estimated Number of Rateable Properties to Receive Half Charges	140	139	139	139
Total to Fund				
Subtotal	20,536	21,020	24,581	25,938
Plus GST	3,080	3,153	3,687	3,891
Total to Fund (including GST)	23,616	24,173	28,268	29,829



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
130	136	141	147	152	158	163
28,301	30,256	31,897	33,900	35,798	38,023	40,169
4,245	4,538	4,785	5,085	5,370	5,703	6,025
32,546	34,794	36,682	38,985	41,168	43,726	46,194
307	307	307	307	307	307	307
44,552	45,528	46,295	47,194	48,197	49,249	50,432
6,683	6,829	6,944	7,079	7,230	7,387	7,565
51,235	52,357	53,239	54,273	55,427	56,636	57,997
4,830	4,846	4,861	4,877	4,892	4,908	4,923
799,551	818,769	840,259	880,091	928,312	944,650	961,208
119,933	122,815	126,039	132,014	139,247	141,698	144,181
919,484	941,584	966,298	1,012,105	1,067,559	1,086,348	1,105,389
4,977	4,983	4,988	4,994	4,999	5,005	5,010
1,900,265	1,958,553	1,994,294	2,035,673	2,076,656	2,125,022	2,177,047
285,040	293,783	299,144	305,351	311,498	318,753	326,557
2,185,305	2,252,336	2,293,438	2,341,024	2,388,154	2,443,775	2,503,604
139	139	139	139	139	139	139
26,876	27,667	28,143	28,692	29,240	29,884	30,585
4,031	4,150	4,221	4,304	4,386	4,483	4,588
30,907	31,817	32,364	32,996	33,626	34,367	35,173



	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Pongaroa Water Targeted Rate				
Estimated Number of Rateable Properties	815	783	783	720
Total to Fund				
Subtotal	65,768	66,120	66,144	66,053
Plus GST	9,865	9,918	9,922	9,908
Total to Fund (including GST)	75,633	76,038	76,066	75,961
Total of all Rates				
Total to Fund	20,070,282	20,669,388	21,269,880	22,018,402
Plus GST	3,010,542	3,100,408	3,190,482	3,302,760
Total to Fund (including GST)	23,080,825	23,769,796	24,460,362	25,321,162
Total Number of Rateable Units	10,703	10,733	10,674	10,690



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
720	720	720	720	720	720	720
67,596	68,679	71,065	73,674	76,465	79,505	82,826
10,139	10,302	10,660	11,051	11,470	11,926	12,424
77,735	78,981	81,725	84,725	87,935	91,431	95,250
22,586,738	23,141,071	23,864,891	24,443,671	25,023,225	25,773,375	26,210,079
3,388,011	3,471,161	3,579,734	3,666,551	3,753,484	3,866,006	3,931,512
25,974,749	26,612,232	27,444,625	28,110,222	28,776,709	29,639,381	30,141,591
10,705	10,721	10,736	10,752	10,767	10,783	10,798

Rating Remission Policy

1. Delegated Authority

Authority to consider and approve remissions under this Rating Remission Policy is delegated to the Chief Executive, Chief Financial Officer, and Revenue Manager.

2. Policy on Rates Remissions

Remission of Penalty Charges

2.1 Objectives of the Policy:

2.1.1 To enable Council to remit penalties in certain circumstances that it considers to be fair and reasonable to do so.

2.2 Conditions and Criteria:

2.2.1 The Council grants to the Chief Executive, Chief Financial Officer, and Revenue Manager delegated authority in the following circumstances to approve on receipt of an application the remission of such penalty charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

2.2.2 Where there exists a history of regular punctual payment and payment is made within reasonable time of the ratepayer being expected to be aware of the non-payment.

2.2.3 Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment when the original account was issued in the name of the previous owner/lessee.

2.2.4 On compassionate grounds, i.e. where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of

some type, and has been unable to attend to payment (elderly persons living on their own etc).

2.2.5 Rate account not received where it can be proved a genuine cause exists.

2.2.6 In situations where there are arrears from previous years, negotiation may be entered into over the amount of penalty that is ultimately to be paid on such accounts subject to the proviso that dispensations subsequently granted shall be conditional upon settlement being made of the total account due.

2.2.7 Where the first instalment has been penalised and the ratepayer agrees to pay the total balance of the year's rates at the second instalment.

2.2.8 In such instances where an error has been made on the part of Council staff or arising through error in the general processing which has subsequently resulted in a penalty charge being imposed.

2.2.9 Where ratepayer has entered into arrears repayment agreement, penalties will be remitted from start of agreement to expiry date of agreement not exceeding three years and providing agreement conditions adhered to.

2.3 And that in implementing this policy the circumstances of each case be taken into consideration on their individual merits and it be conditional upon the full amount of such rates due having being paid.



3. Remissions – QEII Covenants

Objectives of the Policy

- 3.1 To recognise and support the environmental value of such protected areas.
- 3.2 To acknowledge the non-commercial use of such protected land.

Conditions and Criteria

- 3.3 The extent of the rates remission if approved is to be 100%.
- 3.4 Applications are to be received in writing requesting rates relief be given to areas protected by the registration of a QEII Open Space Covenant.
- 3.5 No buildings dwellings or batches of any type are to exist or allowed to be erected.
- 3.6 Pest eradication shall be primarily the responsibility of the owner.
- 3.7 No portion of the covenanted area is to be developed or utilised in any way for commercial purposes. This includes generating income for maintenance of the covenanted area.

4. Remissions – School Sewerage Charges

Objectives

- 4.1 In recognition that schools may be disproportionately disadvantaged by Council's present "pan charge system" and to ensure schools are more fairly charged for sewerage services based on their staff and students numbers rather than number of connections.

Conditions and Criteria

- 4.2 Schools must meet the definition of an "Educational Establishment" as defined under Schedule 1 para 6(5) of the Local Government (Rating) Act 2002.
- 4.3 Council will remit sewerage rates, upon submission of application, the amount of which will be arrived at by subtracting the sum of calculation (b) from the sum of calculation (a).
- 4.4 Calculation (a): Council's standard sewerage charge (based on the number of water closets/urinals).
- 4.5 Calculation (b): the number of full time equivalent on-site students and staff divided

by 20 and multiplied by the Uniform Annual Charge for Sewerage.

- 4.6 If the sum of calculation (b) is greater than (a) then no remission will accrue.
- 4.7 The Council calculation, for practical reasons will be assessed as at 1 March each year.
- 4.8 Annual reapplication is required.

5. Remissions – Rating of Community, Sporting and Other Non-Profit Organisations

This remission applies to owners where they meet the following objectives and operate as non-commercial/non-profit/non-business operations. The criteria are assessed as at 1 July for the new rating year.

Objectives of the Policy

- 5.1 To facilitate the ongoing provision of community services that meets the needs of Tararua district residents.
- 5.2 To facilitate the ongoing provision of recreational opportunities for Tararua district residents.
- 5.3 Assist the organisation's survival; and
- 5.4 Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

- 5.5 The Council may remit rates where the application meets the following criteria:
- 5.6 The extent of any remission to any qualifying organisation shall be 100% of the amount of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) component of its rates.
- 5.7 The policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
- 5.8 The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
- 5.9 The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction,

- or who engage in recreational, sporting, or community services as a secondary purpose only.
- 5.10 The application for rate remission must be made to the Council prior to the commencement of the rating year; applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.
- 5.11 Annual re-application required.
- 5.12 Organisations making application should include the following documents in support of their application:
- Statement of objectives;
 - Full financial accounts at the most recent balance date;
 - Other information as may be requested
- 6.6 Application must be submitted on the required form.
- 6.7 Land must be used as a single operation.
- 6.8 The remission of the uniform charges (UAGC, Roothing UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) shall begin to apply in the following financial quarter in which the application is received.
- 6.9 Refer to the 'Non-Contiguous Rating Units Owned by the Same Owner Remissions Flowchart' in this document for an overview of general guidelines.
- 6.10 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.

6. Remission for Non-Contiguous Rating Units Owned by the Same Owner

Objectives

- 6.1 To provide for relief from uniform charges (UAGC, Roothing UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) for rural land which is non-contiguous, farmed as a single entity and owned by the same owner.

Conditions and Criteria

- 6.2 Rate remission to the extent of the uniform charges (UAGC, Roothing UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) will be given on non-contiguous rating units. The ratepayer will remain liable for at least one uniform charges (UAGC, Roothing UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate).
- 6.3 The same owner must own the rating units on which remission is to be given.
- 6.4 The land must be classified as "rural" for differential purposes
- 6.5 Only one dwelling may exist among all the rating units.

7. Rates Remission for Leases

Objectives

- 7.1 To apply a remission of the uniform charges (UAGC, Roothing UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) and Special Development Loan(s) for rural land on a fair and equitable basis to ratepayers where they are paying these charges on another property.
- 7.2 Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as one unit for setting a rate if the units are:
1. In the same ownership; and
 2. Used jointly as a single operation; and
 3. Contiguous or separated by a road, railway, drain, water race, river or stream.
- 7.3 This Policy provides for the possibility of a rates remission where 1 & 3 of the above three conditions are not all met on land classified as rural, but where it is nevertheless considered the rating units would not be treated as separate.
- 7.4 In particular, this policy would provide a remission for the following ratepayers:
- Where land is leased land from other ratepayers where Section 11 of the Local Government (Rating) Act 2002 is met and is used jointly as a single unit.

- Where land is leased from Maori Trustees where the term of the lease is more than 3 years but less than 10 years thus not meeting section 11 and is used jointly as a single unit .
- Where a ratepayer is maintaining and paying rates on land where the owner is untraceable i.e. Abandoned Land and is used jointly as a single unit.

Conditions and Criteria

- 7.5 Rate remission to the extent of the uniform charges (UAGC, Roothing UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) and Special Development Loan(s) and will be given on contiguous and non-contiguous rating units. The ratepayer will remain liable for at least one uniform charges (UAGC, Roothing UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) and Special Development Loan(s) on rating units they own.
- 7.6 The land must be classified as "rural" for differential purposes.
- 7.7 Only one dwelling may exist among all the rating units.
- 7.8 Application must be submitted on the required form and the lease agreement provided to Council.
- 7.9 The remission of the UAGC shall begin to apply in the following financial quarter in which the application is received.
- 7.10 Where the land is considered abandoned the lessee must keep their own rates current – the remission will cease at 30 June if rates are still owing by the lessee at this date.
- 7.11 The remission will cease at 30 June if the following occurs:
- The rating unit the remission is made in conjunction with is sold or the leased rating unit is sold.
 - The lease on the rating unit is cancelled.
- 7.12 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.
- 7.13 The lessee(s) of the rating units will be entered into the Council's Rating Database and the rates issued to the lessee to enable

justification of remissions to the other rating units applied in conjunction with.

8. Rates Remission for Uneconomical Lots

Objectives

- 8.1 To apply a remission of 50% on uniform charges (UAGC, Roothing UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) on uneconomic rural properties.
- 8.2 This policy recognises that low value properties (generally very small) have been adversely impacted by the increase in targeted rates for rural properties.

Conditions and Criteria

- 8.3 Rate remission to the extent to 50% on uniform charges (UAGC, Roothing UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate).
- 8.4 The land must be classified as "rural" for differential purposes.
- 8.5 No dwelling may exist in the rating unit.
- 8.6 Land value less than \$10,000.
- 8.7 Application must be submitted on the required form and submitted to Council before 30 June.
- 8.8 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.

9. Rates Remission for Subdivisions

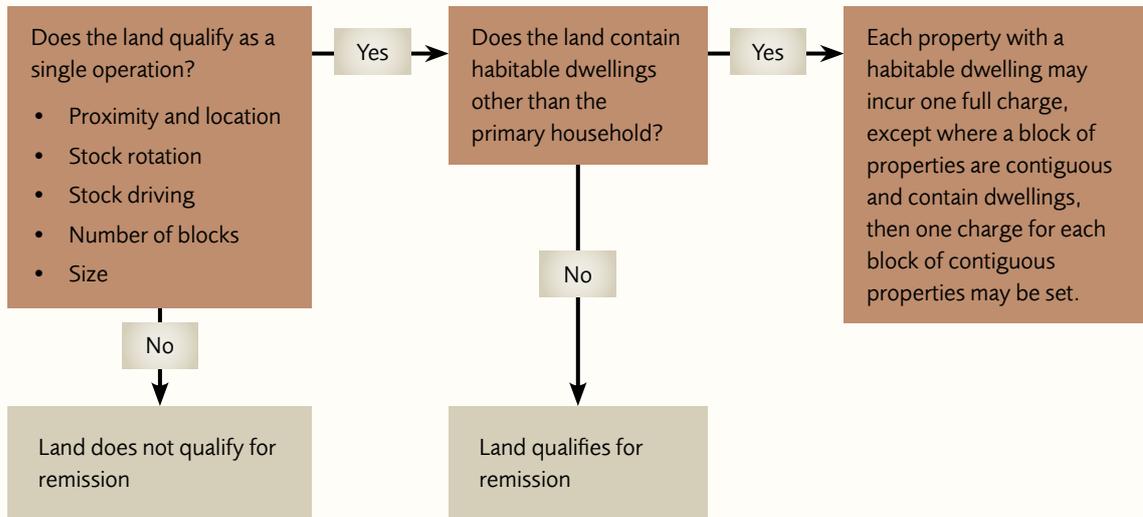
Objectives

- 9.1 To support the development and holding of subdivision land for residential and rural lots by remitting uniform charges (UAGC, Roothing UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) on unsold development land where each separate lot or title is treated as a separate Rating Unit.

Conditions and Criteria

- 9.2 This remission applies to unsold subdivided land, where as a result of the High Court decision of 20 November 2000 "Neil Construction and others vs North Shore City

Non-contiguous Rating Units Owned by the Same Owner Remissions Flowchart



Council and others", each separate lot or title is treated as a separate Rating Unit, and such land is implied to be not used as a single unit.

- 9.3 The rating units must have created in accordance with Council's subdivision development requirements.
- 9.4 The rating units on which remission is applied must be owned by the same ratepayer.
- 9.5 The rating units must be vacant land.
- 9.6 Rate remission to the extent of uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) for unsold subdivided land.
- 9.7 Remission shall cease for any allotment if any interest in the land is passed by the developer to another party. Remission ceases from the end of the quarter in which the change in title occur.
- 9.8 Application must be submitted on the required form and submitted to Council before 30 June.
- 9.9 The ratepayer will remain liable for at least one UAGC, roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate.
- 9.10 Remissions will not apply to Water and Sewerage targeted rates.

- 9.11 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.

10. Remission of Rates on Land Affected by Natural Calamity

Objectives of the Policy

- 10.1 To assist ratepayers experiencing financial hardship due to a natural calamity.

Conditions and Criteria

Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

The Council may remit all or part of any rate on any rating unit where the application meets the following criteria:

- 10.2 Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit; and
- 10.3 It is applicable for each single event and does not apply to erosion, subsidence etc that may have occurred without a recognised major event; and
- 10.4 Where the Government has established a reimbursement scheme for rates relief in respect of such properties; or



- 10.5 The Council can set additional criteria for each event. This is because the criteria may change depending on the nature and severity of the event and available funding at the time. The Council may require financial or other records to be provided as part of the remission approval process.

11. Policy on Rates Postponements

Council does not provide rates postponements.

12. Policy on Remission of Rates on Maori Freehold Land

Council does not provide remission of rates on Maori freehold land.

13. Policy on Postponement of Rates on Maori Freehold Land

Council does not provide postponement of rates on Maori freehold land.

Financials

4

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 10 Years from 1 July 2015 to 30 June 2025

After allowance for inflation

(\$000's)	Plan 2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Planned Income / Expenditure				
Operating Transactions				
Rates	20,570	21,176	21,796	22,560
Subsidies	10,556	8,740	8,249	8,256
Fees and charges	2,401	2,502	2,548	2,492
Finance income	353	245	281	305
Miscellaneous income	707	460	272	142
Total Income	34,587	33,122	33,146	33,755
Expenditure				
Operating expenses	15,242	16,596	17,009	17,357
Depreciation and amortisation	11,720	11,092	11,464	11,918
Employee benefit costs	5,175	4,640	4,743	4,839
Finance costs	626	596	721	729
Total Operating Expenditure	32,763	32,924	33,937	34,843
Other asset gains/(losses)	30	45	(216)	89
Operating Surplus/(Deficit)	1,854	243	(1,007)	(1,000)
Other Comprehensive Revenue and Expenses				
Gains on assets revaluations	21,323	12,918	15,789	19,178
Other Comprehensive Revenue and Expenses Subtotal	21,323	12,918	15,789	19,178
Total Comprehensive Revenue and Expenses	23,177	13,161	14,782	18,178



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25
23,147	23,719	24,463	25,065	25,667	26,444	26,908
8,464	8,871	8,960	9,243	9,529	9,834	10,716
2,142	2,203	2,269	2,338	2,415	2,497	2,586
339	326	359	407	451	511	612
146	150	154	159	164	170	175
34,238	35,269	36,205	37,212	38,226	39,456	40,997
17,333	17,730	18,296	18,914	19,524	20,214	20,687
12,022	12,361	12,798	13,144	13,490	14,011	14,412
4,933	5,042	5,159	5,283	5,416	5,558	5,709
736	803	766	713	644	558	510
35,024	35,936	37,019	38,054	39,074	40,341	41,318
98	111	121	134	152	168	188
(689)	(557)	(694)	(709)	(697)	(719)	(134)
21,362	25,292	25,193	26,843	32,428	31,276	34,179
21,362	25,292	25,193	26,843	32,428	31,276	34,179
20,673	24,735	24,499	26,134	31,731	30,557	34,045

Forecast Statement of Changes in Net Assets/Equity

As at 30 June for the 10 Years from 2015 to 2025

After allowance for inflation

(\$000's)	Plan 2014/15	Budget 2015/16	Forecast 2016/17	Forecast 2017/18
Net Assets/Equity at 1 July	899,739	881,197	894,357	909,140
Total recognised Comprehensive Revenue & Expense for the period	23,177	13,161	14,782	18,179
Net Assets/Equity at 30 June	922,916	894,358	909,139	927,319
Detailed Changes				
Accumulated Funds				
Balance at 1 July	355,825	350,352	348,816	346,050
Net Surplus (Deficit) after Tax for the Year	1,854	243	(1,007)	(999)
Transfers from Equity to Special Reserves	1,137	(1,779)	(1,758)	(938)
Balance at 30 June	358,816	348,816	346,050	344,113
Asset Revaluation Reserves				
Balance at 1 July	518,657	504,895	517,813	533,603
Increase in Revaluation Reserves	21,323	12,918	15,789	19,178
Balance at 30 June	539,980	517,813	533,602	552,781
Special Funded Reserves				
Balance at 1 July	25,209	25,900	27,679	29,437
Increase in Special Reserves	(1,137)	1,779	1,758	938
Balance at 30 June	24,072	27,679	29,437	30,375
Trust Funds				
Balance at 1 July	48	50	50	50
Increase in Trust Funds	-	-	-	-
Balance at 30 June	48	50	50	50
Net Assets/Equity at 30 June	922,916	894,358	909,139	927,319

* Opening balances for Year 1 are different from 2014/15 Annual Plan closing balance because the opening balance takes into account actual balance as at 28 February and the forecast expenditure and revenue to 30 June 2012.



Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
927,319	947,993	972,727	997,228	1,023,364	1,055,092	1,085,651
20,673	24,735	24,500	26,134	31,730	30,559	34,045
947,992	972,728	997,227	1,023,362	1,055,094	1,085,651	1,119,696
344,113	342,355	339,507	336,307	332,495	328,655	324,379
(689)	(557)	(693)	(709)	(698)	(717)	(134)
(1,069)	(2,292)	(2,506)	(3,104)	(3,144)	(3,557)	(3,600)
342,355	339,507	336,307	332,495	328,655	324,379	320,645
552,781	574,143	599,435	624,628	651,471	683,899	715,175
21,362	25,292	25,193	26,843	32,428	31,276	34,179
574,143	599,435	624,628	651,471	683,899	715,175	749,354
30,375	31,444	33,736	36,242	39,346	42,490	46,047
1,069	2,292	2,506	3,104	3,144	3,557	3,600
31,444	33,736	36,242	39,346	42,490	46,047	49,647
50	50	50	50	50	50	50
-	-	-	-	-	-	-
50						
947,992	972,728	997,227	1,023,362	1,055,094	1,085,651	1,119,696

Forecast Statement of Financial Position

As at 30 June for the 10 Years from 2015 to 2025

After allowance for inflation

(\$000's)	Plan 2014/15	Budget 2015/16	Forecast 2016/17	Forecast 2017/18
Assets				
Current Assets				
Cash & Cash Equivalents	4,495	3,518	3,488	3,462
Debtors & Other Receivables	5,045	3,874	3,967	4,071
Other Financial Assets	3,089	7,013	7,613	7,604
Inventories	658	91	91	91
Total Current Assets	13,287	14,496	15,159	15,228
Non-Current Assets				
Investment Property	1,765	2,102	1,821	1,876
Biological Assets	1,271	1,269	1,301	1,335
Other Financial Assets	3,813	257	257	257
Property, Plant & Equipment	32,512	40,414	42,292	39,143
Infrastructural Assets	880,724	849,462	862,969	882,696
Restricted Assets	5,178	4,170	4,401	4,401
Intangible Assets	892	779	779	779
Total Non-Current Assets	926,155	898,453	913,841	930,508
Total Assets	939,442	912,949	928,979	945,714
Liabilities				
Current Liabilities				
Trade & Other Payables	2,803	3,466	3,529	3,605
Borrowings - Current	-	-	2,000	860
Employee Benefit Liabilities	600	549	560	571
Total Current Liabilities	3,403	4,015	6,089	5,036
Non-Current Liabilities				
Borrowings - Non-current	11,719	13,142	12,315	12,595
Employee Benefit Liabilities	81	73	75	78
Provision for Landfill Aftercare	648	686	686	686
Tenant Contributions	675	675	675	-
Total Non-Current Liabilities	13,123	14,576	13,751	13,359
Total Liabilities	16,526	18,591	19,840	18,395



Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
3,424	3,360	3,297	3,257	3,177	3,114	3,063
4,172	4,277	4,385	4,492	4,602	4,711	4,814
7,093	7,864	8,791	9,815	10,938	12,915	15,435
91	91	91	91	91	91	91
14,780	15,592	16,564	17,655	18,808	20,831	23,403
1,936	2,004	2,078	2,160	2,252	2,355	2,468
1,373	1,416	1,464	1,515	1,574	1,640	1,714
257	257	257	257	257	257	257
38,523	40,094	39,682	38,707	40,390	39,463	38,426
905,548	927,556	950,080	975,472	1,001,929	1,030,063	1,061,950
4,401	4,713	4,713	4,713	5,135	5,135	5,135
779	779	779	779	779	779	779
952,838	976,841	999,076	1,023,626	1,052,341	1,079,717	1,110,756
967,597	992,410	1,015,616	1,041,259	1,071,123	1,100,524	1,134,131
3,672	3,709	3,757	3,824	3,850	3,900	3,949
2,000	2,000	2,000	577	1,913	1,226	508
583	596	610	625	641	658	676
6,255	6,305	6,367	5,026	6,404	5,784	5,133
12,584	12,608	11,251	12,097	8,848	8,309	8,519
81	84	87	91	95	99	103
686	686	686	686	686	686	686
-	-	-	-	-	-	-
13,351	13,378	12,024	12,874	9,629	9,094	9,308
19,606	19,683	18,391	17,900	16,033	14,878	14,441



(\$000's)	Plan 2014/15	Budget 2015/16	Forecast 2016/17	Forecast 2017/18
Equity				
Accumulated Funds	358,816	348,816	346,050	344,113
Asset Revaluation Reserves	539,980	517,813	533,602	552,781
Special Funded Reserves	24,072	27,679	29,437	30,375
Trust Funds	48	50	50	50
Total Equity	922,916	894,358	909,139	927,319
Total Liabilities & Equity	939,442	912,949	928,979	945,714



Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
342,354	339,506	336,305	332,492	328,651	324,374	320,639
574,143	599,435	624,628	651,471	683,899	715,175	749,354
31,444	33,736	36,242	39,346	42,490	46,047	49,647
50	50	50	50	50	50	50
947,991	972,727	997,225	1,023,359	1,055,090	1,085,646	1,119,690
967,597	992,410	1,015,616	1,041,259	1,071,123	1,100,524	1,134,131

Forecast Cash Flow Statement

For the 10 Years from 1 July 2015 to 30 June 2025

After allowance for inflation

(\$000's)	Plan 2014/15	Budget 2015/16	Forecast 2016/17	Forecast 2017/18
Cash Flows from Operating Activities				
Cash is provided from:				
Rates	20,570	21,176	21,704	22,457
Grants and Subsidies	10,556	8,740	8,249	8,256
Fees and Charges	4,238	2,501	2,548	2,492
Finance Income	353	245	281	305
Other Revenue	157	460	272	142
Total	35,874	33,122	33,054	33,652
Cash is applied to:				
Payments Staff & Suppliers	21,704	21,236	21,676	22,104
Finance Costs	626	596	721	729
Total	22,330	21,832	22,397	22,833
Net cash from operating activities	13,544	11,290	10,656	10,818
Cash Flows from Investing Activities				
Sale of fixed assets	30	-	525	3,368
Proceeds from investments realised	3,000	1,000	1,520	1,675
Total	3,030	1,000	2,045	5,043
Cash is applied to:				
Purchase of fixed assets	15,394	13,984	11,803	12,685
Purchase of investments	2,152	1,889	2,101	1,665
Total	17,546	15,873	13,904	14,350
Net cash from investing activities	(14,516)	(14,873)	(11,859)	(9,307)
Cash Flows from Financing Activities				
Cash is provided from:				
Loans raised	6,034	3,583	3,173	-
Total	6,034	3,583	3,173	-
Cash is applied to:				
Repayment of loans	5,000	-	2,000	860
Tenant Contributions repaid	-	-	-	675
Total	5,000	-	2,000	1,535
Net cash from financing activities	1,034	3,583	1,173	(1,535)
Net (decrease)/increase in cash held	62	-	(30)	(24)
Total cash & cash equivalent resources at beginning	4,433	3,518	3,518	3,488
Total cash resources at year end	4,495	3,518	3,488	3,464



Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
23,046	23,614	24,355	24,957	25,558	26,334	26,806
8,464	8,871	8,960	9,243	9,529	9,834	10,716
2,142	2,203	2,269	2,338	2,415	2,497	2,586
339	326	359	407	451	511	612
146	150	154	159	164	170	175
34,137	35,164	36,097	37,104	38,117	39,346	40,895
22,188	22,715	23,392	24,110	24,892	25,704	26,323
736	803	766	713	644	558	510
22,924	23,518	24,158	24,823	25,536	26,262	26,833
11,212	11,645	11,938	12,280	12,580	13,083	14,061
-	-	-	-	-	-	-
1,500	1,500	1,500	2,000	2,000	1,500	1,000
1,500	1,500	1,500	2,000	2,000	1,500	1,000
12,890	10,962	9,717	10,719	9,624	9,942	11,084
989	2,271	2,427	3,024	3,123	3,477	3,520
13,879	13,233	12,144	13,743	12,747	13,419	14,604
(12,379)	(11,733)	(10,644)	(11,743)	(10,747)	(11,919)	(13,604)
3,130	2,024	643	-	-	-	-
3,130	2,024	643	-	-	-	-
2,000	2,000	2,000	577	1,913	1,226	508
-	-	-	-	-	-	-
2,000	2,000	2,000	577	1,913	1,226	508
1,130	24	(1,357)	(577)	(1,913)	(1,226)	(508)
(37)	(64)	(63)	(40)	(80)	(62)	(51)
3,462	3,424	3,360	3,297	3,258	3,177	3,115
3,425	3,360	3,297	3,257	3,178	3,115	3,064

Note 1: Statement of Capital Expenditure

Funding		Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
COMMUNITY AND RECREATION FACILITIES				
Cemeteries				
Growth				
Eketahuna new berms	Loan	-	-	-
Mangatera new area	Loan	-	20	21
Mangatera new berms	Loan	20	59	3
Pahiatua new berms	Loan	-	4	-
Woodville new berms	Loan	3	-	4
Level of Service				
Pahiatua carpark sealing	Loan	10	-	-
Pahiatua stillborn area	Loan	15	-	-
Woodville carpark sealing	Loan	6	-	-
Cemeteries Total		54	84	28
Community Buildings				
Level of Service				
Pahiatua Service Centre earthquake strengthening upgrade	Loan	100	205	-
Upgrade earthquake prone buildings - district wide	Loan	-	-	226
Woodville Service Centre/Library earthquake strengthening and refurbishment	Loan	200	328	-
Woodville Sports Stadium - install heating	Loan	-	20	-
Renewal				
Dannevirke Sports Centre Pavilion - general	Depreciation Reserve	4	-	4
Dannevirke Sports Centre Stadium - general	Depreciation Reserve	42	12	-
Dannevirke Town Hall - general	Depreciation Reserve	11	6	2
Dannevirke Town Hall - replace dress circle seats	Depreciation Reserve	-	-	-
District off-road carpark sealing	Depreciation Reserve	150	154	157
District-wide new seating - community buildings	Depreciation Reserve	3	3	3
Eketahuna Community Centre - general	Depreciation Reserve	-	-	-
Eketahuna Medical Centre - general	Depreciation Reserve	5	5	-
Pahiatua Stadium - general	Depreciation Reserve	-	2	10
Pahiatua Town Hall - general	Depreciation Reserve	2	15	13
Pongaroa Community Hall - general	Depreciation Reserve	-	12	5
Woodville Community Centre - general	Depreciation Reserve	23	-	-
Woodville Sports Stadium - redevelop toilets	Depreciation Reserve	-	-	63
Community Buildings Total		540	763	484



Funding		Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Libraries				
Level of Service				
RFID Software	Loan	-	85	-
Renewal				
Books	Depreciation Reserve	100	102	105
Furniture and fittings	Depreciation Reserve	70	10	10
Microfilm reader	Depreciation Reserve	20	-	-
Upgrade library management system	Depreciation Reserve	118	-	-
Libraries Total		308	198	115
Parks & Reserves				
Level of Service				
Dannevirke camping ground - install wifi	Loan	12	-	-
Dannevirke camping ground - security gate	Loan	12	-	-
Dannevirke Domain playground equipment	Loan	-	-	-
District-wide drainage	Loan	5	5	5
District-wide walkway development	Loan	10	10	10
Eketehuna camping ground - x2 new cabins	Loan	-	-	52
Woodville camping ground upgrade	Loan	105	-	-
Woodville play equipment	Loan	60	-	-
Renewal				
Dannevirke camping ground - general	Depreciation Reserve	2	-	8
Dannevirke Domain - footpath repair	Depreciation Reserve	15	-	-
Dannevirke Domain grandstand	Depreciation Reserve	7	2	-
Dannevirke Domain store sheds	Depreciation Reserve	-	-	2
Eketehuna camping ground - general	Depreciation Reserve	2	2	2
Eketehuna Domain - tennis court matting	Depreciation Reserve	-	-	52
Eketehuna Domain - general renewals	Depreciation Reserve	7	-	-
Eketehuna playground matting	Depreciation Reserve	10	-	-
Pahiatua camping ground - general	Depreciation Reserve	2	2	3
Pahiatua camping ground - replace roof	Depreciation Reserve	20	-	-
Pahiatua new flagpole	Depreciation Reserve	25	-	-
Woodville camping ground renewals	Depreciation Reserve	5	-	-
Woodville Fountaine Square - furniture replacement	Depreciation Reserve	20	-	-
Parks & Reserves Total		319	22	136



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25	Total
-	-	-	-	-	-	-	85
108	111	114	117	121	125	129	1,133
11	11	11	12	12	13	13	173
-	-	-	-	-	-	-	20
-	-	-	-	-	-	-	118
118	122	125	129	133	138	142	1,529
-	-	-	-	-	-	-	12
-	-	-	-	-	-	-	12
22	-	-	-	-	-	-	22
5	6	6	6	6	6	6	57
11	11	11	12	12	13	13	113
-	-	-	-	-	-	-	52
-	-	-	-	-	-	-	105
-	-	-	12	-	-	-	72
-	-	31	6	2	3	-	52
-	-	-	-	-	-	-	15
-	11	-	2	-	-	-	22
-	-	-	2	-	-	-	4
2	2	2	8	2	3	3	29
-	2	6	-	-	-	-	60
-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	10
2	2	2	2	2	3	3	24
-	-	-	-	-	-	-	20
-	-	-	-	-	-	-	25
-	-	-	-	-	-	-	5
-	-	-	-	-	-	-	20
42	34	58	50	25	26	25	738



Funding		Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Public Conveniences				
Level of Service				
Dannevirke Domain new playground toilet	Loan	40	-	-
Woodville new toilets	Loan	100	-	-
Renewal				
Dannevirke Barraud Street	Depreciation Reserve	-	2	-
District-wide general renewals	Depreciation Reserve	10	10	10
Pahiatua main toilets	Depreciation Reserve	2	-	-
Woodville public toilets	Depreciation Reserve	-	2	-
Woodville toilets - Fontaine Square	Depreciation Reserve	-	31	-
Public Conveniences Total		152	45	10

Swimming Pools

Level of Service

Eketehuna - shade sails	Loan	10	-	-
Eketehuna pool replacement	Loan	6	-	526
Pahiatua pool replacement	Loan	-	513	-

Renewal

Eketehuna Swimming Pool	Depreciation Reserve	2	2	2
Pahiatua Swimming Pool	Depreciation Reserve	2	2	2
Woodville Pool - new filter	Depreciation Reserve	30	-	-
Woodville Swimming Pool	Depreciation Reserve	3	3	105

Swimming Pools Total		53	520	635
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DISTRICT PROMOTION & ECONOMIC DEVELOPMENT

District Promotion and Development

Level of Service

Computer hardware	Loan	5	5	5
Fibre cabling	Loan	10	10	11
Info/i-SITE at Wind Farm Centre	Loan	25	-	-

District Promotion & Development Total		40	15	16
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REGULATORY SERVICES

Animal Control

Level of Service

Dannevirke pound alterations stage 1	Loan	50	-	-
Dannevirke pound alterations stage 2	Loan	-	154	-

Renewal

Dannevirke pound renewal	Depreciation Reserve	70	-	-
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Animal Control Total		120	154	-
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Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25	Total
-	-	-	-	-	-	-	40
-	-	-	-	-	-	-	100
142	-	-	2	-	-	3	149
11	11	11	12	12	13	13	113
2	-	-	2	-	-	-	7
-	2	-	-	-	-	-	4
-	-	-	-	-	-	-	31
155	13	11	16	12	13	16	444
-	-	-	-	-	-	-	10
-	-	-	-	-	-	-	532
-	-	-	-	-	-	-	513
2	2	2	2	2	3	3	23
2	2	2	2	2	3	3	23
-	-	-	-	-	-	-	30
3	3	3	4	4	4	4	136
8	8	8	8	9	9	9	1,266
5	6	6	6	-	-	-	38
11	11	11	12	-	-	-	76
-	-	-	-	-	-	-	25
16	17	17	18	-	-	-	139
-	-	-	-	-	-	-	50
-	-	-	-	-	-	-	154
-	-	-	-	-	-	-	70
-	274						



Funding		Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Emergency Management				
Level of Service				
Digital radio (own network)	Loan	-	-	-
Replacement vehicle - rural fire utility	Loan	15	-	-
Renewal				
Herbertville rural fire appliance	Depreciation Reserve	-	-	-
Radio renewals	Depreciation Reserve	3	3	3
Emergency Management Total		18	3	3
ROADING AND FOOTPATHS				
Footpaths				
Level of Service				
Footpath construction	Loan	30	30	31
Footpath renewal Eketahuna - kerb and channel	Loan	442	-	-
Footpath renewal Pahiatua - kerb and channel	Loan	-	-	52
Renewal				
Footpath renewal	Depreciation Reserve	-	152	-
Footpaths Total		472	183	83
Roading				
Minor safety improvements	Subsidy 64% / Loan 36%	601	609	623
Saddle Road upgrade	Subsidy	608	-	-
Renewal				
Bridge renewals	Subsidy 64% / Depreciation Reserve 36%	-	-	-
Carpark renewals	Depreciation Reserve	30	20	5
Drainage renewals	Subsidy 64% / Depreciation Reserve 36%	506	518	535
Pavement rehabilitation	Subsidy 64% / Depreciation Reserve 36%	1,704	1,728	1,766
Sealed roads resurfacing	Subsidy 64% / Depreciation Reserve 36%	2,375	2,409	2,461
Structures component replacements	Subsidy 64% / Depreciation Reserve 36%	95	96	98
Traffic services renewal	Subsidy 64% / Depreciation Reserve 36%	93	94	96
Unsealed road metalling - heavy metal overlays	Subsidy 64% / Depreciation Reserve 36%	575	583	596
Roading Total		6,587	6,057	6,180



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25	Total
-	-	288	-	-	-	-	288
-	-	-	-	-	-	-	15
-	-	-	-	-	-	104	104
3	3	3	4	4	4	-	30
3	3	292	4	4	4	104	438
32	33	34	34	35	37	38	334
-	-	-	-	-	-	-	442
1,592	1,261	-	-	-	-	-	2,904
159	-	168	-	177	-	189	845
1,783	1,293	201	34	213	37	227	4,525
638	653	671	690	711	733	757	6,685
-	-	-	-	-	-	-	608
-	272	-	-	-	-	315	587
5	-	-	-	-	-	-	61
553	573	594	617	642	668	697	5,904
1,808	1,853	1,904	1,957	2,016	2,078	2,394	19,207
2,521	2,584	2,653	2,728	2,810	2,897	3,275	26,713
101	103	106	109	112	116	120	1,057
99	101	104	107	110	113	117	1,034
610	625	642	660	680	701	724	6,395
6,334	6,765	6,674	6,867	7,080	7,306	8,399	68,250



Funding		Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Solid Waste Management				
Level of Service				
Eketehuna - new transfer station	Loan	-	-	126
Eketahuna capping	Loan	20	20	-
Pongaroa capping	Loan	10	-	-
Renewal				
Dannevirke transfer station - road improvements	Depreciation Reserve	30	31	-
District-wide recycling bin setup	Depreciation Reserve	-	-	7
Eketehuna landfill closure	Depreciation Reserve	-	-	126
Pongoroa landfill - new cell	Depreciation Reserve	-	-	-
Recycling centres - minor capital	Depreciation Reserve	10	10	10
Solid Waste Management Total		70	61	270
Stormwater				
Level of Service				
Assessment of Mangapurupuru stormwater project	Loan	10	-	-
Dannevirke Allardice Street diversion from High Street	Loan	-	-	-
Dannevirke Mangapurupuru diversion	Loan	25	830	-
Pahiatua diversion prior to town system	Loan	25	-	1,069
Pahiatua Huxley Street drain-pipe	Loan	-	-	-
Renewal				
Mains replacement	Depreciation Reserve	41	45	47
Stormwater Total		101	875	1,116
Wastewater				
Level of Service				
Akitio sewer option report	Loan	15	-	-
CCTV heavy mains cleaning	Loan	20	21	21
Dannevirke disposal to land	Subsidy 25% / Loan 75%	-	-	481
Dannevirke sewer network Adelaide Road investigation	Loan	-	10	-
District generators	Loan	-	156	-
Eketahuna treatment plant	Loan	810	-	-
Norsewood treatment plant	Loan	-	52	-
Norsewood upgrade	Loan	-	-	80
Ormondville sewerage treatment upgrade	Loan	-	-	-
Pongaroa treatment plant	Loan	90	-	-
Septic tank treatment/dewatering	Loan	200	-	-
Sewerage treatment discharge to Manawatu River	Loan	-	-	321
Sewerage treatment plant membrane cassettes	Loan	-	519	-
Telemetry sewerage	Loan	10	10	-



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25	Total
-	-	-	-	-	-	-	126
-	-	-	-	-	-	-	40
11	44	-	23	-	-	-	89
-	-	-	-	-	-	-	61
-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	126
-	-	34	-	-	-	-	34
11	11	11	12	12	13	13	113
22	55	46	35	12	13	13	596
-	-	-	-	-	-	-	10
-	399	-	-	-	-	-	399
-	-	-	-	-	-	-	855
-	-	-	-	-	-	-	1,094
-	-	-	1,223	-	-	-	1,223
51	52	54	56	58	61	63	529
51	451	54	1,279	58	61	63	4,110
-	-	-	-	-	-	-	15
-	-	-	-	-	-	-	62
-	-	-	-	-	-	-	481
-	-	-	-	-	-	-	10
-	-	-	-	-	-	-	156
-	-	-	-	-	-	-	810
-	23	-	-	-	-	-	75
138	-	-	-	-	-	-	218
-	-	-	135	-	-	-	135
-	-	-	-	-	-	-	90
-	-	-	-	-	-	-	200
-	-	-	-	-	-	-	321
-	-	-	-	-	-	-	519
11	-	-	-	-	-	-	31



Funding		Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Wastewater (continued)				
Renewal				
Aerators	Depreciation Reserve	-	-	-
Dannevirke membrane replacement	Depreciation Reserve	-	-	-
Dannevirke sewerage treatment plant screen replacement	Depreciation Reserve	80	-	-
District-wide manhole replacements	Depreciation Reserve	10	10	11
Eketehuna consent upgrade	Depreciation Reserve	30	-	-
Mains replacement	Depreciation Reserve	280	291	321
Preventative mains renewals	Depreciation Reserve	50	52	53
Pump station	Depreciation Reserve	3	3	3
Wastewater Total		1,598	1,124	1,291
Water Supplies				
Level of Service				
Akitio upgrade	Loan	150	-	-
Dannevirke building consent - impounded supply	Loan	-	10	-
Dannevirke soda ash conversion	Loan	30	-	-
Dannevirke treatment plant	Loan	482	-	-
Demand management and zone metering	Loan	20	-	-
District generators	Loan	150	-	-
Eketahuna water storage	Loan	75	-	-
Leak detection work	Loan	25	26	-
Pahiatua bore and storage	Subsidy 37% / Loan 63%	1,423	-	-
Pongaroa township water supply	Subsidy 80% / Loan 20%	-	519	-
Woodville water storage	Loan	50	-	1,069
Renewal				
District-wide pumps	Depreciation Reserve	-	-	6
Dose pump	Depreciation Reserve	3	-	-
Mains replacement	Depreciation Reserve	305	327	347
Meter reading devices	Depreciation Reserve	8	-	-
Preventative renewals	Depreciation Reserve	50	52	53
Resource consent	Depreciation Reserve	-	-	-
Water Supplies Total		2,771	934	1,476



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25	Total
30	-	-	24	-	-	-	54
1,210	-	-	-	-	-	-	1,210
-	-	-	-	-	-	-	80
11	11	12	12	13	13	-	103
-	-	-	-	-	-	-	30
331	365	377	416	432	449	468	3,729
-	57	-	61	-	66	-	340
3	5	5	5	5	5	-	37
1,734	460	394	653	449	533	468	8,706
-	-	-	-	-	-	-	150
-	-	-	12	-	-	-	23
-	-	-	-	-	-	-	30
-	-	-	-	-	-	-	482
-	-	-	-	-	-	-	20
-	-	-	-	-	-	-	150
-	-	-	-	-	-	-	75
-	-	29	31	-	-	-	111
-	-	-	-	-	-	-	1,423
-	-	-	-	-	-	-	519
993	-	-	-	-	-	-	2,112
-	-	7	-	-	-	8	22
3	-	-	-	-	-	-	6
364	376	389	404	423	436	454	3,825
-	-	-	-	-	-	-	8
55	57	59	61	63	66	69	586
55	-	59	61	-	-	-	175
1,471	433	544	569	486	502	531	9,717



Funding		Year 1 2015/16	Year 2 2016/17	Year 3 2017/18
Support Activities				
Renewal				
Business continuity - generator and UPS	Depreciation Reserve	8	8	8
Computer hardware renewal	Depreciation Reserve	274	311	233
Computer software	Depreciation Reserve	134	85	160
Dannevirke Civic Centre	Depreciation Reserve	7	5	11
Dannevirke Civil Defence complex	Depreciation Reserve	-	-	-
Dannevirke Library - painting, carpets, air-conditioning	Depreciation Reserve	5	5	-
Digger (Assets group)	Depreciation Reserve	-	-	-
Eketehuna Library - painting, carpets, air-conditioning	Depreciation Reserve	3	32	14
Fibre cabling renewal	Depreciation Reserve	3	3	78
Information technology - computer hardware	Depreciation Reserve	10	-	11
Miscellaneous renewals	Depreciation Reserve	5	5	5
Pahiatua Service Centre - general and carpeting	Depreciation Reserve	1	5	53
Phone system	Depreciation Reserve	65	20	21
Photocopiers	Depreciation Reserve	49	34	19
Truck (Assets group)	Depreciation Reserve	-	-	-
Vehicle replacement	Depreciation Reserve	155	245	215
Woodville Library - painting, carpets, air-conditioning	Depreciation Reserve	47	1	8
Woodville Service Centre	Depreciation Reserve	16	5	5
Support Activities Total		782	765	840
Capital Expenditure Grand Total		13,984	11,803	12,685

Summary of Capital Projects

	Year 1 2016	Year 2 2017	Year 3 2018	Year 4 2019	Year 5 2020	Year 6 2021
Growth	23	84	28	58	-	5
Level of Service	6,117	4,149	4,709	3,468	2,446	1,057
Renewal	7,845	7,570	7,949	9,364	8,516	8,655
Grand Total	13,984	11,803	12,685	12,890	10,962	9,717



Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25	Total
8	9	9	9	9	10	10	88
245	264	279	286	300	340	290	2,822
257	341	293	198	156	220	152	1,995
8	6	31	12	9	95	101	282
-	31	7	-	-	-	13	51
16	-	6	6	-	101	-	139
65	-	-	-	-	-	-	65
5	13	1	12	-	-	13	93
16	3	70	3	3	4	4	187
-	11	-	12	-	13	-	56
5	6	6	6	6	6	7	57
1	11	6	-	1	-	-	78
21	70	22	23	23	24	25	315
35	43	20	37	21	48	22	328
-	-	69	-	-	-	-	69
223	278	205	200	367	214	188	2,291
-	1	-	-	-	-	2	60
6	6	6	7	6	6	8	71
913	1,093	1,029	811	902	1,080	833	9,047
12,890	10,962	9,717	10,719	9,624	9,942	11,084	113,409

Year 7 2022	Year 8 2023	Year 9 2024	Year 10 2025	Total
14	-	-	-	212
2,195	764	788	814	26,507
8,509	8,860	9,154	10,270	86,690
10,719	9,624	9,942	11,084	113,409



Note 2: Statement of Reserves and Special Funds

Reserves

The Council has an obligation to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community; and to act in the best interest of its ratepayer.

The management of reserves forms an integral component of meeting these obligations.

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest.

Council has 27 reserves of which 26 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 2015 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2025 ('000)
Council Depreciation	To receive depreciation funded each financial year, less any outgoings to pay for capital renewal of assets or debt prepayment for amount borrowed to fund capital development. This is the only reserve that can be used to fund internal borrowing.	17,942	108,624	(86,339)	40,228
Makuri Water Scheme	To establish a depreciation reserve to fund the renewal of assets for this scheme.	7	4	-	11
Pongarua Water Supply Depreciation	To establish a depreciation reserve to fund the renewal of assets for this scheme.	713	359	-	1,072
Tararua Aquatic Community Trust Wai Splash Depreciation	To establish a depreciation reserve to fund the renewal of major assets.	207	580	-	787
Bush Multisport Depreciation	To establish a depreciation reserve to fund the renewal of major assets.	112	54	-	166



Special Funded Reserves

The value of these reserves funds is that they allow projects to precede without distortion in the revenue patterns particularly rates. The reserve also provide a useful source of funds for an unforeseen requirement.

Council authorises the establishment of special funds and process for accumulating and utilising special funds. Approvals of specific uses are set out in the Long Term Plan, or in Council decisions.

Description	Purpose of Fund	Opening Balance 2015/16 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2024/25 ('000)
Tararua General Purpose	<p>Created for financing specific projects which shall be determined at Council's discretion.</p> <p>This reserve is also to receive:</p> <ul style="list-style-type: none"> • Proceeds from sale or disposal of assets where a particular function is discontinued, and for property sales. • Insurance monies received when buildings or property are damaged and not reinstated. • 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. 	996	844	(419)	1,422
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.	2,297	1,103	-	3,400
Tararua Gratuity	This reserve is for staff who have qualified or qualify for gratuities.	152	-	-	152
Infrastructure Protection Reserve	This reserve is created to accumulate funds to pay for Council's share in the event of a major disaster resulting in loss of assets.	176	38	(118)	96
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.	770	-	(770)	-
Dannevirke Airport Authority	To account for any surplus from Dannevirke Aerodrome and proceeds from sales/disposal of Dannevirke Aerodrome assets. This reserve will be used solely for operation and capital expenditure for Dannevirke Aerodrome.	4	2	-	6



Description	Purpose of Fund	Opening Balance 2015/16 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2024/25 ('000)
District-wide Cemetery	To accumulate funds from the purchase of cemeteries plots in the District. This reserve will be used solely for operation and capital expenditure for the Cemeteries activity.	22	11	-	33
Recreation Grant	To accumulate funds to support recreational projects in the district.	85	281	-	366
Tenant Contribution (Debt Repayment)	To account for and refund tenant contributions for leasing of Council's housing properties.	718	90	(808)	-
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.	51	160	-	211
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).	2	136	-	138
Forestry	Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest.	892	641	(934)	599
Election	To account for elections funds, rate funded each year to spread out election cost in the year of election.	-	140	(93)	47
Water Development	To account for surpluses in the Water activity. This reserve will be used solely for operational expenditure for the Water activity.	52	0	(52)	-
Waste Management Fund	To account for the waste management levies received. This reserve will be solely used to fund specific projects for this activity.	205	98	-	303



Description	Purpose of Fund	Opening Balance 2015/16 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2024/25 ('000)
Wastewater Surplus Reserve	To account for surpluses in the Wastewater activity. This reserve will be used solely for operational expenditure for the Wastewater activity.	83	4	(87)	-
Domain Boards Bank Balances	To account for the bank balances of the Domain Board in trust.	412	198	-	609

Trust Funds

This special reserves are set up to receive bequest received from communities in the district for specific purpose. These funds are held in Trust for these specific purposes.

Description	Purpose of Fund	Opening Balance 2015 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2025 ('000)
Arts Council of New Zealand	To account for the annual grant that we receive from Creative New Zealand for allocation to support arts and cultural projects.	-	-	-	-
Mayoral Storm Relief Fund	To account for government assistance that Council receives to provide support (mainly for the welfare of farmers and businesses) major disruption in the Manawatu/Wanganui region.	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



Note 3: Depreciation Expense by Group of Activity

	Plan 2015	Year 1 2016	Year 2 2017	Year 3 2018
Building Communities & Leadership	4	4	4	4
Community & Recreation Facilities	1,949	1,954	1,975	2,119
District Promotion & Economic Development	22	4	7	9
Regulatory Services	100	88	91	94
Roading & Footpaths	7,369	6,960	7,079	7,192
Solid Waste Management	317	90	91	98
Stormwater Drainage	234	226	238	257
Wastewater	760	772	865	955
Water Supplies	965	994	1,114	1,190
Total	11,720	11,092	11,464	11,918



Year 4 2019	Year 5 2020	Year 6 2021	Year 7 2022	Year 8 2023	Year 9 2024	Year 10 2025
4	4	4	4	4	4	4
1,932	1,936	2,041	2,043	2,029	2,169	2,171
11	12	13	13	14	13	11
94	94	94	119	119	119	119
7,365	7,594	7,826	8,052	8,291	8,554	8,833
102	103	113	113	114	126	126
277	286	300	311	335	347	361
1,001	1,048	1,081	1,116	1,160	1,201	1,249
1,236	1,284	1,327	1,373	1,425	1,479	1,538
12,022	12,361	12,798	13,144	13,490	14,011	14,412

Statement of Accounting Policies

Reporting Entity

Taranaki District Council (Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return. The Council has designated itself as a public benefit entity (PBEs) for financial reporting purposes.

Basis of Preparation

The financial information contained within these policies and financial statements is prospective information in terms of FRS-42 Prospective Financial Statements. The purpose for which the information has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Council and to provide a broad accountability mechanism of the Council to the community. The prospective information may not be appropriate for purposes other than those described.

In preparing these prospective financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The information in the prospective financial statements is uncertain and its preparation requires the exercise of judgement. Actual financial results achieved are likely to vary from the information presented and the variations may be material. Events and circumstances may not occur as expected and may or may not have been predicted or the Council may subsequently take actions that differ from the proposed course of action on which the prospective financial statements are based.

Statement of Compliance

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).



These prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity.

The preparation of prospective financial statements in conformity with PBE IPSAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, and financial instruments (including derivative instruments).

Functional and Presentation Currency

The financial statements are presented in the functional currency of New Zealand, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$'000).

Authorisation for Issue

The Council authorised the prospective financial statements on 24 June 2015. Council and management accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated within the prospective financial statements.

Changes in Accounting Policies

There have been no changes in accounting policies. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Revenue may be derived from either exchange or non-exchange transactions.

Exchange and Non-exchange Transactions

An exchange transaction is one in which the Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Non-exchange transactions are where the Council receives value from another entity without giving approximately

equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced quarterly within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Contribution Revenue

Development contributions and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging

of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Government Subsidies

Government grants, for example from NZ Transport Agency, Ministry of Health and Ministry of Environment, are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of Services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of Goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash.

Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

Interest and Dividends

Dividends are recognised when the right to receive payment has been established.

Interest revenue is recognised using the effective interest method.

Construction Contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the Statement of Comprehensive Revenue and Expense.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction



that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the Surplus or Deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council will recognise finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts where applicable are shown within borrowings in current liabilities in the statement of financial position.

Trade and Other Receivables

Trade and other receivables are initially measured at face value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the Surplus or Deficit.

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Surplus or Deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories: fair value through surplus or deficit, held-to-maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses recognised in the surplus or deficit.

Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its Treasury Policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each balance date. The resulting gain or loss is recognised in the surplus or deficit as part of finance costs.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits, community and related party loans.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the Surplus or Deficit.

Loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Surplus or Deficit as a grant.

Held to Maturity Investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the Surplus or Deficit.

Financial Assets at Fair Value Through Other Comprehensive Revenue and Expenditure

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. Council's financial assets at fair value through equity comprise local authority stock and investments in quoted and unquoted shares.

Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

Council's investments in associate companies are not included in this category as they are held at cost, whereas, this category is to be measured at fair value.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in equity except for impairment losses, which are recognised in the Surplus or Deficit. On derecognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Impairment of Financial Assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Surplus or Deficit.



Loans and Other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Surplus or Deficit. When the receivable is uncollectable, it is written off against the allowance account.

Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Quoted and Unquoted Equity Investments

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Surplus or Deficit) is removed from equity and recognised in the Surplus or Deficit.

Impairment losses recognised in the Surplus or Deficit on equity investments are not reversed through the Surplus or Deficit.

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Surplus or Deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property Plant and Equipment

Property, plant and equipment consists of:

Operational Assets

These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

Infrastructure Assets

Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Restricted Assets

Restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset.

Gains and losses on disposals are included in the Surplus or Deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction, investment properties, biological assets, and the museum, art gallery and heritage assets are not depreciated.

Depreciation is not charged on additions in the year of construction.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset Category	Useful Life	Depreciation Rate
Operational & Restricted Assets		
Buildings	15–80	(1.3%–6.7%)
Computer equipment	3–5	(20%–33%)
Furniture and fittings	2–45	(2.2%–50%)
Landfill post closure	25–40	(2.5%–4.5%)
Leasehold Development	3–20	(5%–33%)
Library Books	1–10	(10%–100%)
Motor vehicles	5–20	(10%–20%)
Plant and equipment	2–25	(4%–50%)
Swimming pools	15–50	(2%–6.7%)

Infrastructural Assets

Roading		
Top surface (seal)	15–18	(5.6%–6.7%)
Top Surface (Unsealed)	1	(100%)
Pavement (seal base course)	30–90	(1.1%–3.33%)
Pavement (unsealed base course)	Not depreciated	
Sub-base (Rural)	Not depreciated	
Sub-base (Urban)	40	(2.5%)
Formation	Not depreciated	
Culverts	50–100	(1%–2%)

Asset Category	Useful Life	Depreciation Rate
Kerbing	25–100	(1%–4%)
Footpaths	10–100	(1%–10%)
Signs	8	(12.5%)
Streetlights	12–30	(3.3%–8.3%)
Bridges	50–140	(0.7%–2%)
Sewerage Network		
Pipes & Manholes	60–120	(0.8%–1.7%)
Treatment Ponds	80	(1.3%)
Pumps	10	(10%)
Flow Monitoring Equipment	10	(10%)
Stormwater		
Pipes	80	(1.3%)
Manholes	100	(1%)
Water Network		
Monitoring Equipment (hardware)	10–20	(5%–10%)
Monitoring Equipment (software)	5	(20%)
Pipes, Hydrants, Valves	50–120	(0.8%–2%)
Treatment Plants	10–100	(1%–10%)
Pumps	15–25	(4%–6.7%)
Tanks	40–200	(0.5%–2.5%)
Waste Management	2–17	(5.9%–50%)
Items under construction	Non depreciable	

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

Revaluations	Frequency
Infrastructural Assets	Annually
Roads (except land under roads)	Annually
Bridges	Annually
Sewerage	Annually
Stormwater	Annually
Water	Annually
Land	Every 3 years
Restricted Assets	Every 3 years



Buildings

Every 3 years

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Surplus or Deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Surplus or Deficit will be recognised first in the Surplus or Deficit up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems

Infrastructure assets are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. These assets are revalued annually as at 1 July.

Operational and Restricted Land and Buildings

These are revalued at fair value as determined from market-based evidence by an independent valuer on a three yearly cycle.

Land Under Roads

Land under roads, was valued based on fair value of adjacent land as determined by reference to the Council rating data. Subsequently, this has not been revalued.

Unformed or Paper Roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the statement of financial position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to value. In addition there is a very limited market for sale to the surrounding or adjacent property owner, and cannot be measured reliably because of the small individual area

of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

Intangible Assets

Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in Surplus or Deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

	Useful life	Depreciation Rate
Computer software	3-5 years	20-33%

Forestry Assets

Forestry assets are revalued annually at fair value less estimated point of sale costs. An independent peer review is undertaken of the valuation. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Surplus or Deficit.

The costs to maintain the forestry assets are included in the Surplus or Deficit.

Compensating emissions units relating to pre-1990 forest land are recorded at a nil cost. Possible deforestation penalties relating to pre-1990 forest are not recognised.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the Surplus or Deficit. Investment properties are not depreciated.

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows. If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Surplus or Deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Surplus or Deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Surplus or Deficit, a reversal of the impairment loss is also recognised in the Surplus or Deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Surplus or Deficit.

Livestock

A small number of deer are kept for recreational purposes, hence are not revalued but recognised at cost.

Creditors and Other Payables

Trade and other payables are initially measured at face value and subsequently measured at amortised cost using the effective interest method.

Employee Benefits

Short-Term Benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-Term Benefits

Long Service Leave and Retirement Leave

These are long-term employee benefits that are assessed on an accrued entitlement basis at current rates of pay.

Superannuation Schemes

Defined Contribution Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Surplus or Deficit as incurred.

Defined Benefit Schemes

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms



of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability, Council will be required to reimburse a holder for a loss incurred and is disclosed as a contingent liability.

Borrowing

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Accumulated funds
- Revaluation reserves

- Special funded reserves
- Trust funds

Special Funded and Council Created Reserves

Special funded reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Council's Treasury Policies and Long Term Plan allow internal borrowing against these reserves on the basis they will be reimbursed over time or at time of need.

Trust Funds

Trust funds are those subject to specific conditions accepted as binding by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using specific cost driver.

Statement of Cash Flows

Cash means cash and cash equivalent balances on hand, held in bank accounts, demand deposits and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Council invests such assets as part of its day to day cash management.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. They include cash received from all revenue sources (such as rates, taxes and government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of non-current assets, which are intended to generate future income and cash flows. Investing and financing activity transactions have had their respective sources and applications of cash netted off where roll over of financing has occurred and where there have been transfers between Council bank accounts.

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

Critical Accounting Estimates and Assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural Assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by

Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Surplus or Deficit.

To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers are used in performing or reviewing the Council's infrastructural asset revaluations.

Critical Judgements in Applying Council's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies for the periods ending 30 June 2016-2025.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's housing policy. These properties are accounted for as property, plant and equipment.

Cautionary Note

The forecast financial statements are prepared based on best estimates available at the time of preparing the accounts. Actual results are likely to vary from information presented and the variations may be material.

The purpose of this plan is to consult with the community on the spending priorities outlined within the plan, and may not be appropriate for any other purpose.



Rounding

There will be rounding of numbers in the Plan as the model used calculates to the dollar but the Plan is rounded to the nearest thousands.

Long Term Plan Significant Forecasting Assumptions and Risks

For the 10 Years from 2015 to 2025

The assumptions made by Council in preparing this Long Term Plan form an important part of the financial forecasts. These assumptions include the number of properties requiring Council services, the cost of borrowing to fund new infrastructure, cost increases for a range of materials and services and other major factors outside of Council control such as climate change and government legislation. The Council is required to identify the significant forecasting assumptions and risks underlying the forecast financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

The Council has made a number of assumptions in preparing this 10 year Long Term Plan. The assumptions ensure that all estimates and forecasts are made on the same basis across all Council activities. The assumptions underlying the prospective financial information are as at 30 June 2015. These assumptions apply for the ten-year period of the Plan.



1

POPULATION GROWTH OR DECLINE

Assumption

Population growth – Council has projected that over the 10 years, the district population will increase slightly by 3% with the total population in 2026 at 17,850 compared to 17,255 estimated in 2013 (based on 2013 Census).

Households (including unoccupied) are forecast to increase by 1–3% with the total households in 2026 at 8,300 (estimated at 3% increase) compared to 8,076 estimated in 2013 (based on 2013 Census).

Risk

Population and household growth is significantly different (growth or decline) to that assumed, or population in a particular sector may change significantly.

Level of Uncertainty

Low to Medium

Impact

Low to Medium

Effect of Uncertainty

- Growth – Significantly higher population growth will put pressure on existing infrastructure and Services. Council will need to find ways of raising additional extra revenue required to meet the increase level of service due to growth or consider lower levels of service.
- Decline – A significant decrease in district population would mean a smaller ratepayer base will be expected to meet the increasing infrastructure cost or will Council will need to reduce the lower level of service to maintain rates at an affordable level.

Mitigation

- Growth – Higher than expected population growth will mean Council's rating base will increase allowing Council to collect more rates. Council's balance sheet and current infrastructure has sufficient capacity to meet increased levels of service due to growth.
- Decline – Council as part of its economic development activity has budgeted several projects to help bring businesses and people into the district.

2

AGEING POPULATION

Assumption

That the median age of District residents will increase significantly over the long term leading to changes in the way Council delivers services. The number of residents aged 65+ increased by 17% from 2006 to 2013. Older people now make up 17% of the resident population (March 2013). This is expected to increase to 24% in 2026.

Risk

The main risk is that population will continue to age significantly faster than forecast. The increase in older people is happening at a faster rate than previously forecast. If the migration flows again turn into a strong outflow to Australia then this trend will continue.

Affordability will increasingly become an issue for ratepayers and threaten the ability of Council to fund the forecast levels of service.

Level of Uncertainty

Low – The long-term trend to an older population is reasonable certain. The actual outcomes are highly dependent on the migration trends.

Impact

Low.

Effect of Uncertainty

A major shift towards older people is likely to change the type of services demanded from Council, and the ability to pay for those services. This is unlikely to result in new activities, but rather the types of services and facilities. The specifications of Council services may change but overall this is unlikely to result in higher costs. This would include recreation assets and services, footpaths design and supporting the wider elderly care sector.

Mitigation

Changes in demands for Council services are not new and are part of the political process. The range of Council services utilised by older people is not significantly different from younger people. While the need for organised active team sports as traditionally catered for may decline there will still be a demand for open spaces, walkways, pools, halls etc.

Council has included in the Long Term Plan projects and service performance measures to meet the increased demand and service expectations where required.



3

NATURAL DISASTERS

Assumption

Natural disasters – Council will be prepared to respond to any natural hazards including floods, storms, earthquakes and volcanic activity that occur during the life of this long-term plan. It is assumed that there will be no natural disasters requiring emergency work that cannot be funded out of Council's budgetary provisions.

Risk

Natural disaster can cause significant damage to infrastructure and disruption of service. An increasing number of natural disasters including earthquakes, floods and volcanic events have occurred in New Zealand in the last decade.

Council may not be adequately prepared or resourced to respond to a major natural disaster, or to a succession of natural disasters.

Level of Uncertainty

Low.

Impact

High.

Effect of Uncertainty

A major natural event would impact on council by demanding immediate funding. This would reduce the resilience of the Council for meeting future unforeseen costs. Additional borrowing would impact on future rating levels. An earthquake may cause 10% destruction of Council's assets costing \$100-\$110 million.

Tararua District and other district businesses could be subject to a break in business continuity in the event of a major natural event. Council services including water (treatment), the road network and wastewater networks and treatment could be disrupted for considerable periods. Depending on the severity or timing of disasters, Council may not have enough staff to rapidly manage recovery and response.

Mitigation

The Council has a business continuity plan, which outlines both crisis response and recovery. Civil Defence emergency planning is in alignment with business continuity preparedness. The Council also continues to be part of the Manawatu-Wanganui Civil Defence and Emergency Management Group working to ensure preparedness for any natural disaster, co-ordinate a response and support recovery.

Any major natural disaster that results in significant repair costs to Council will be largely funded by insurance and/or government assistance (through various funding arrangements).

Council has cover for 40% of the cost from commercial insurance and the remaining 60% is covered by central government to manage this additional unexpected cost. Council also provides funding for major disaster or civil emergency through Council's civil defence



role, a funded provision for annual flood damage on roads, insurance of operational assets and utility assets, cash reserves, an emergency preapproved loan facility (up to \$5 million) for infrastructure replacement, and an ability to borrow up to \$14 million above its forecast debt levels in the Long Term Plan.

Council has created a Disaster Fund Reserve to pay for any shortfall in insurance, central government and NZ Transport Agency funding.



4

INFRA- STRUCTURAL CAPACITY

Assumption

That forecast population, household and business growth could be catered for by current and planned capacity of assets.

Risk

A major surge in household and/or industrial growth in a number of urban centers would place pressure on 3 waters infrastructure in those networks. This is unlikely and there is considerable existing capacity (both in infrastructure and housing) in the urban areas.

Level of Uncertainty

Low – A much higher growth rate would be required before capacity issues arose during the next 10 years.

Impact

Low.

Effect of Uncertainty

Capacity exists to cater for forecast population and business growth. Growth significantly above this level may result in the need to expand the major infrastructure networks and would require funding. Growth will place more demand on recreational and community facilities. These facilities also have considerable capacity to cater for additional residents.

Urban growth that required additional infrastructure capacity would require investment by council. This could be achieved through a combination of loan funding, development contributions, reserves and by rating. Council operates within safe margins of borrowing and more borrowing could be undertaken should the need arise, although this is considered unlikely.

Mitigation

The reducing household occupancy rate will result in an increasing number of urban households. While this results in increased network connections and hard surface stormwater runoff, there is also be an offsetting trend to lower usage per connection through water saving appliances, public awareness and education.

Additional properties results in an expansion of the rating base. Given the current and already planned infrastructural capacities the forecast growth results in a positive financial impact on Council.

Current capacity is generally sufficient to cater for expected population changes.

5

CLIMATE
CHANGE**Assumption**

It is assumed that any climate changes will not be significant during the 10 Year Plan.

Risk

That there will be increasing intensity of climate related event(s) requiring emergency work that cannot be funded out of normal budgetary provisions.

Level of Uncertainty

Low/medium – While the long term trend of rising temperatures and more frequent intense weather events is reasonably certain, the short to medium term impacts are less certain.

Impact

Medium.

Effect of Uncertainty

The effects of climatic change on the East Coast is likely to mean more intense periods of rain, and also more severe droughts; both of which may impact on rural ratepayers ability to remain profitable and afford the costs of Council.

Unexpected pressures may come on infrastructure requiring new capital developments such as stormwater control. Pressure will increase to fund these works.

While these impacts may not be significant in terms of the overall Council activities, there is expected to be impacts to the way activities allocate resources and the type of proactive projects undertaken. Many of these are already underway and are being built into normal operating budgets.

- **Roading** – Increased frequency and intensity of rainfall events are leading to more drainage works in the road network that reduce long-term maintenance costs resulting from washouts, slumping and scouring.
- **Water** – Longer periods of drought result in increased demand, while flood events create turbidity. Council is investing in bigger water storage facilities to reduce these risks. Demand management programmes (awareness, rainwater storage etc) are already underway to reduce peak demand.
- **Wastewater** – Increased frequency and intensity of rainfall events results in infiltration and inflows that increase volumes to be treated. Programmes to address include leak detection and stormwater works.
- **Stormwater** – Increased frequency and intensity of rainfall events results in service levels falling. Increasing size and coverage of networks may be required.

Significant impacts are not expected to be frequent in the next few decades. Council has a policy of holding depreciation renewal



reserves. Costs from damages associated with extreme weather are likely to rise as the incidence of these events increases in the future.

The effect of climate change on the World may continue to make New Zealand an attractive place to immigrate to with possible increasing demand on Council Services.

Mitigation

Financial impacts will be mitigated by ensuring adequate insurance cover is used and appropriate maintenance is undertaken as a preventative measure. Climate change is not an exact science and unusual weather patterns are becoming more common at present. Much more rapid climate change is possible and could result in frequent storm damage from flooding and wind. A watching brief will be maintained.

Council is already providing for many climate related risks within existing budgets such as prevention of infiltration of stormwater into sewerage from heavy rainfall, installation of larger roading culverts, development of new stormwater systems, construction of water storage facilities and identifying new sources of water in the Plan.

Current NIWA analysis is that the climate is changing consistent to their model forecasts.

6

INFLATION

Assumption

Council has adjusted financial projections to reflect the estimated impact of inflation. Council has used the Local Government Cost Index (LGCI) forecasts of price level changes to calculate a weighted average inflation rate for each year of the plan. Appendix one contains the BERL inflation adjusters (commissioned by the Society of Local Government Managers) used in producing this plan. These forecasts were issued in October 2014.

Risk

That actual inflation will be significantly different from the assumed inflation. Council is exposed to cost increases based on international oil prices (pipes, bitumen, and fuel). Council has no control on these prices and these are often volatile due to shifts in exchange rates and international oil prices.

Level of Uncertainty

Medium.

Impact

Medium.

Effect of Uncertainty

This will lead to misstatement in some of the costs in the budgeted financial statements. Council is particularly susceptible to changes in the price of imported plastics, capital equipment, petrol and diesel as about 50% of Council business is roading related.

Mitigation

The LGCI forecasts are usually above the Consumer Price Index (based on the actual outcomes in the last 10 years) and this builds in some buffer for oil price increases. However, the reverse can occur as is likely in 2014/15.

While individual indices will at times vary from what has been included in this Long Term Plan, over the longer term this will tend to average out.

Council's rates limit is set at LGCI plus 2%, hence has factored in any significant increase in inflation rates.



7

ASSET LIVES

Assumption

Useful lives of assets are as recorded in asset management plans or based upon professional advice. Refer to Accounting Policies for Depreciation Rates. The overall costs of renewals and operating costs for the three waters and Roading is shown in the Infrastructure Strategy.

Risk

Assets wear out earlier or later than estimated.

Level of Uncertainty

Years 1-3 Low; Years 4-10 Medium; years 11 to 30 (as shown in Infrastructure Strategy) Medium.

Impact

Medium.

Effect of Uncertainty

The financial effect of the uncertainty is likely to be immaterial unless asset lives for significant assets such as bridges change significantly. Depreciation and interest costs would increase or decrease if capital expenditure were required earlier or later than anticipated.

Mitigation

Impact of increased depreciation and interest cost could be mitigated as capital projects could be reprioritised in the event of early expiration of assets or funded through use of internal borrowings.

Additional condition assessment programmes have been commenced recently for Water Supplies and bridges to give more accurate assessments of asset lives.

8

REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Assumption

Assets are valued as stated in the accounting policy. The following assumptions have been applied to projected asset revaluations:

- The revaluations will reflect the changes predicted by BERL.
- Depreciation impact of inflation will be in the year following revaluation.

Risk

That the BERL Forecasts will be materially incorrect, leading to misstatements, in particular forecast asset values that will result in changes to the depreciation charged and hence the rates levied.

Level of Uncertainty

Medium.

Impact

Medium.

Effect of Uncertainty

Increased valuations will increase depreciation and affect funding levels.

Valuation changes that result in a 1% budget change in the total funded depreciation (an overall impact across all asset classes) would increase depreciation costs by \$65,000 a year.

Mitigation

The 10 Year Plan for each subsequent year is reviewed by way of the Annual Plan round and a new 10 Year Plan is produced every three years.



9

CONTRACTS

Assumption

There will be no significant variations in contract terms and/or price from the re-tendering of operation and maintenance contracts and renewal of service level agreements, other than those variations recognised in this plan.

Risk

There is a significant variation in cost and / or terms from re-tendering contracts and renewal of service level agreements. Refer to the inflation assumption for more detail on cost impacts.

Level of Uncertainty

Low.

Impact

Medium.

Effect of Uncertainty

Council has many contracts across different activities. These involve different competitive markets. In most cases the impacts of changes in contract costs and terms (both positive and negative) even out. The exception is where the inflation forecast is significantly wrong and costs in general are higher or lower than forecast.

Mitigation

Contracts have cost increase clauses based on inflation indexing included in the contract documents. Such cost increases are already factored in the financial forecast as inflation adjustments.

Council is also able to review levels of service and budgets on an annual basis, through either the Draft Annual Plan or Long Term Plan processes.

10

SOURCES OF FUNDS FOR THE REPLACEMENT OF SIGNIFICANT ASSETS

Assumption

That the depreciation reserves will adequately fund the renewals of assets over the 10 year period and the longer term (to 2045). Additional details are set out in the Revenue and Finance Policy, Financial Strategy and Infrastructure Strategy.

Risk

That there will be a shortfall in funds available to replace assets.

Level of Uncertainty

Medium.

Impact

Medium.

Effect of Uncertainty

Council has built depreciation reserves over time to fund the long term renewals of assets. The impact of the uncertainty on rating levels is likely to be immaterial in the short term as the depreciation funds have an overall substantial positive balance (2015/16 opening balance \$19.7 million). This balance is forecast to reach \$46.6 million at the end of the 10 year period (June 2026). This reflects that renewals are forecast to be less than the amount funded for depreciation. The assumptions on Inflation, Asset lives and Revaluation of Property, Plant and Equipment will have a impact on the required funding levels for depreciation over the medium to long term.

Mitigation

Council is able to access borrowings to supplement depreciation reserves if required at levels forecast within the Long Term Plan.



11

NZ TRANSPORT AGENCY FUNDING

Assumption

NZ Transport Agency requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs. As a result of the FAR review Council is forecasting that the current subsidy level of 62% (2015/16 for maintenance and renewal costs within the approved NZ Transport Agency Roadway Programme) will increase by 1% a year to 65% in 2018/19. The 65% level of subsidy is assumed to continue after that for the long term.

Risk

Changes in the subsidy rate and variation in criteria for inclusion in the subsidised works programme. A new national level of service framework (ONRC) is being implemented for 2018 onwards. This may reduce the roading programme eligible for subsidy. Emergency works criteria has changed and may reduce the level of subsidy to repair flood damages.

Level of Uncertainty

Medium (due to ONRC implementation).

Impact

Medium.

Effect of Uncertainty

Variations in subsidy rates will increase/decrease Council's subsidy revenue by \$120,000 to \$160,00 for every 1% change in subsidy.

Mitigation

NZ Transport Agency completed a major review of the FAR in 2014. There is unlikely to be a major review again in the Long Term Plan timeframe. Council is able to review levels of service and community expectations through the Draft Annual Plan and Long Term Plan processes.

12

SUBSIDIES FOR WATER AND WASTEWATER UPGRADES

Assumption

Health and Environment subsidies will not be available for wastewater network improvement projects that are additional to those already approved under the Ministry for the Environment River Clean-up Fund. Water Supply subsidies from the Ministry of Health Drinking Water Subsidy Scheme are assumed to close in 2014/15. Subsidies have been secured for some current projects that are yet to be built. Details of individual upgrade projects and the funding sources are set out in the Statement of Capital Expenditure.

Risk

There is no risk to the Long Term Plan forecasts as any variation to this assumption will be financially positive to Council.

Level of Uncertainty

Medium.

Impact

Low.

Effect of Uncertainty

Any further subsidies will reduce the rate requirements and debt levels.

Mitigation

Council is able to review levels of service and community expectations through the Annual Plan and Long Term Plan processes.



13

WIND FARM IMPACT

Assumption

Development of windfarms will not have significant impact of Council renewals expenditure for the roading network.

Risk

Wind Farms will result in significant cost to Council in upgrades and renewals or their timing for the roading network.

Level of Uncertainty

Low.

Impact

Low.

Effect of Uncertainty

Depreciation reserves will be required to fund these renewals. However, financial contributions from the power generators are expected to cover the full cost of the development and renewals.

Council will also consider bring forward some renewals expenditure to take advantage of the required upgrades due to windfarm developments.

Mitigation

Council through the resource consent application process will ensure that conditions of development include adverse impacts on existing infrastructure and the environment.

14

LEGISLATIVE
CHANGES**Assumption**

Legislative changes are expected to have a minor effect on Council's finances and / or levels of service, but no change to the current governance arrangements. It is assumed existing shared services and collaboration will continue.

The Council is assumed to retain the current boundaries and it is assumed that there will be no forced amalgamations.

The forecasts assume:

- No additional expenditure to assess all commercial and some multi-unit multi-story residential buildings as previous budget is being carried forward from 2014/15.
- Some additional costs to meet more requirements around health and safety but these have been absorbed in existing operating budgets.
- The current levels of service and demand continue for Resource Management Act processes but officers are closely monitoring the situation.
- That the Council will continue to deliver infrastructural services within the existing legislative framework.
- That legislated minimum levels of service / standards (such as drinking water quality) will not be changed.

Risk

Further legislative changes could increase the levels of service and/ or number of activities Council is required to deliver. Likely areas are regulatory and compliance areas including Resource Management Act processes and earthquake prone building standards. Possible changes to the Building Act (2004) are likely to increase levels of service required by Council but remain uncertain.

Roading, Water Supply, Wastewater and Stormwater are also the subjects of ongoing reviews that could impact on the way these services are delivered. Local Government New Zealand is leading a review of possible efficiencies in the three waters activities.

Changes to the Health and Safety Act have been signaled for 2015. These changes are likely to increase the risks/ liability for Council and senior Council staff. Additional processes and operating costs above the ability to be absorbed in current budgets are possible.

The government has stated that forced amalgamations will not occur. This may change over time. Any group in the community can now initiate a review of Council boundaries. Over time, if amalgamations proceed in other regions, it is likely that the issue of amalgamation with one or more neighbors will arise and be the subject of a Local Government Commission review.



Level of Uncertainty

Medium.

Impact

Medium / High.

Effect of Uncertainty

Resources will be required to assess the structural rating of all the buildings required under proposed changes to the Building Act. A government decision around who will fund any additional assessments has not yet been confirmed. It is likely that additional costs will fall on Council. Council has previously budgeted for this and this will be carried forward to 2015/16. This sum may not be sufficient to meet obligations if Council is required to fund all of the work itself.

Changes to Resource Management Act and Health and Safety processes and policies, especially the District Plan structure, could result in significant additional costs to Council above those built into existing operational budgets.

Any amalgamation process would result in policy resources being diverted or additional external advice being sought and could significantly interfere with the assumed work programme.

Any changes to the delivery of infrastructure services may remove these costs from the Council, but is unlikely to reduce the costs to ratepayers who receive the services.

Mitigation

Council continues to enjoy close working relationships with neighbouring Councils at the governance and officer levels.

Specific requirements from new legislation can be partially addressed through changes to fees and charges, or through additional targeted rates. Council will make submissions on government Bills where the impacts are substantial to ensure government policy makers are aware of the potential impacts.

15

RESOURCE CONSENT RENEWALS

Assumption

Conditions of existing resource consents held by Council will not be altered significantly. Any resource consents due for renewal during the 10-year period will be renewed accordingly. Resource consents issued for new / upgraded infrastructure will not contain significantly different conditions / standards to those anticipated in the project.

Risk

Conditions of resource consents are altered significantly.

Council is unable to renew existing resource consents upon expiry.

Level of Uncertainty

Medium.

Impact

Low.

Effect of Uncertainty

The financial effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the Council needing to spend additional funds to enable compliance. If there were changes to conditions or consents not renewed or issued, Council would face additional costs to meet consents or to continue a process to apply for new consents. Council is well positioned to support additional consent requirements however there would be an opportunity cost of not undertaking other infrastructure works or services. Affordability of services in small communities could become increasingly difficult.

Mitigation

Council has a good working relationship with Horizons. The Council will monitor and work with Horizons to ensure Council has sufficient notice of and is well placed to manage any change required.

The government has recognised the financial impacts on smaller communities and contestable funding is available for both water and wastewater upgrades. The Council has recently been successful in obtaining some of this funding.



16

INTEREST RATES

Assumption

Council has used the following interest rates:

External Interest Rates	Investments	Loans
2016	4.00%	5.30%
2017	4.00%	5.30%
2018	4.00%	5.30%
2019	4.10%	5.30%
2020	4.20%	5.50%
2021	4.20%	5.50%
2022	4.30%	5.50%
2023	4.30%	5.50%
2024	4.40%	5.50%
2025	4.50%	5.50%

Internal interest expense and income on Council funds held is 4.0% for the 10 years of the Plan.

Risk

Prevailing interest rates will differ significantly from those estimated.

Level of Uncertainty

Medium.

Impact

Low.

Effect of Uncertainty

Based on Council projected borrowings levels, interest costs will increase/decrease by between \$110,000 and \$160,000 per annum for every 1% movement in interest rates.

Council investments will increase/decrease by between \$90,000 and \$180,000 per annum for every 1% movement in interest rates.

Mitigation

Interest rates are largely driven by factors external to the New Zealand economy. Council is not predicting a significant increase in borrowings over the 10-year period. Council has in place an interest rate strategy (swaps) to deliver greater certainty over the interest rate cost for the duration of the Long Term Plan. Council receives professional advice.

17

ACCESS TO EXTERNAL FUNDING

Assumption

Council will be able to borrow at the required level.

Risk

Inability to fund services or capital investment if Council is not able to borrow. Risk is seen as low as Council have access to the LGFA funding market. While it is likely Council will be able to secure loans, it cannot be guaranteed.

Level of Uncertainty

Low.

Impact

High.

Effect of Uncertainty

If rates are used as an alternative source of funding for capital projects, rates requirements would rise and forecast levels of service would come under review.

Mitigation

There is high demand for local government debt. The Council now has access to the LGFA that can source funds from overseas as well as NZ. The Council enjoys a strong relationship and loan facilities with its bankers, which could be drawn down if the need arose. The financial strategy is prudent in all regards with debt levels reflecting a prudent approach.



Appendix 1 – SOLGM / BERL Price Adjustors as at October 2014

The following tables are extracts from the 'Forecasts of Price Level Change Adjustors – 2014 Update Note to Society of Local Government Managers'.

Adjustors: % per annum change

	Road	Property	Water	Staff	Other	Pipelines
Year ending	% per annum change					
June 2012	5.2	3.3	6.0	2.3	2.4	3.1
June 2013	1.1	1.7	-2.8	2.1	2.9	-2.7
June 2014	0.7	1.9	-2.1	1.9	1.8	-2.5
June 2015	0.4	1.9	4.7	1.6	1.5	1.8
June 2016	1.2	2.2	5.2	1.8	2.3	2.1
June 2017	1.4	2.4	3.8	1.9	2.5	2.5
June 2018	2.2	2.5	3.0	2.0	2.6	2.6
June 2019	2.4	2.6	3.2	2.1	2.7	2.8
June 2020	2.5	2.8	3.3	2.2	2.9	2.9
June 2021	2.7	2.9	3.5	2.3	3.0	3.1
June 2022	2.8	3.0	3.7	2.4	3.1	3.2
June 2023	3.0	3.2	3.8	2.5	3.3	3.4
June 2024	3.1	3.3	4.0	2.6	3.4	3.5
June 2025	3.3	3.4	4.2	2.7	3.6	3.6
20-year avge %pa	3.2	2.9	3.5	2.4	3.0	3.0

Source: BERL

LGCI, annual average % change

Year ending	Annual average % per annum LGCI
June 2004	3.83
June 2005	2.53
June 2006	7.76
June 2007	2.67
June 2008	5.81
June 2009	4.45
June 2010	1.00
June 2011	2.45
June 2012	4.73
June 2013	0.78
June 2014	1.13
June 2015	2.00
June 2016	2.24
June 2017	2.45
June 2018	2.53
June 2019	2.61
June 2020	2.75
June 2021	2.90
June 2022	3.04
June 2023	3.19
June 2024	3.36
June 2025	3.53
20-year average % per annum	3.06

Source: BERL

Policies

5



Summary of the Significance and Engagement Policy

Overview

The Significance and Engagement Policy sets out what decisions or matters the Council and the community consider particularly important, how the Council will go about assessing the importance of matters, and how and when the community can expect to be consulted on both.

This Policy provides the following guidance for Council and its communities:

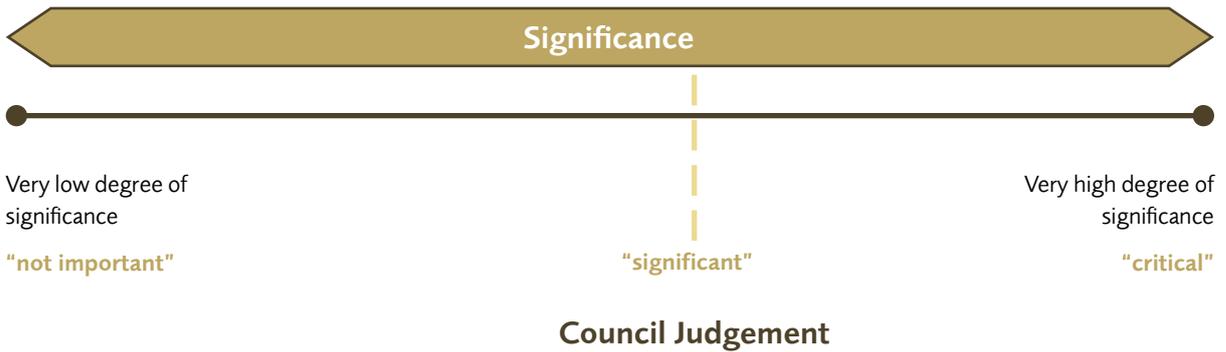
- Identifies the degree of significance attached to particular issues, proposals, assets, decisions and activities.

- Provides clarity about how and when communities can expect to be engaged in decisions made by Council.
- Informs Council about the extent, form and type of engagement required.
- Ensures Council meets the needs of local communities, sector good practice and the intent of the Local Government Act 2002.

In determining the degree of significance of any issues, proposals, assets, decisions, or activities, Council will assess and consider the following criteria and measures:

Criteria	Measure
The degree to which the issue/decision affects the district	Has a substantial tangible impact on the whole District based on changes to services levels or the manner in which revenue is to be obtained.
The degree to which the issue / decision affects the level of service of a significant activity	A significant multi-year change in the levels of service at an activity level.
The impact on the ability of future Councils to reverse the decision, where financial or legislative agreements permit	Future Councils will be committed to long-term (>5 year) contract costs (>5% of Council operational costs), without the ability to periodically consider viable alternatives.
The degree to which the issue / decision has a new financial impact on Council or the rating levels of its communities	Impact on rates is not within the Financial Strategy limit (LGCI plus or minus 2% in one year).
The degree to which a decision or action would require a change in an underlying strategic policy	The decision represents a new strategic direction for Council.
The level of district interest in the decision	A decision or proposal on a matter where the majority of a community expresses considerable interest or the community is deeply divided.

If an issue exceeds at least two of the above criteria, the matter is more likely to be considered significant, requiring a higher level of community engagement.



The policy will be reviewed at a minimum of every three years during the first six months of the new Council term.

Strategic Assets

The Council considers the following as Strategic Assets:

- The roading network
- Wastewater reticulation and treatment network
- Water supply reticulation and treatment network
- Pensioner housing
- Storm water collection and disposal network
- The total of the land designated as Reserves under the Reserves Act 1977

Decisions on transferring the ownership or control of strategic assets have Special Consultative Procedure requirements required under the Local Government Act 2002, and hence supersede this Policy. The Council would not undertake significant engagement for decisions that relate to changes to a part of a strategic asset, unless that part would have a tangible and significant effect on the level of service being sought and provided to the community.

When Council May Not Consult or Engage With the Community

The size and scale of any decision includes the longer-term consequences, not just the immediate impacts. Other legislation or processes that can restrict the ability of Council to select a flexible process with the community bind some decisions made by Council. There are times when Council will not normally consult with the community because the issue is routine, operational or because there is an emergency.

Procedures and Guidelines

Council will be guided by the following:

- The potential effect on delivering Council's vision and strategic goals.
- The potential impact on the current and future well-being of the Tararua district.
- Whether the proposal or decision will affect a large portion of the community.
- How the decision aligns with historical Council decisions.
- The impact on Maori cultural values and their relationship to land and water.
- The level of community interest in the decision and whether community views on the issue are already known.
- The impact on the scale and cost of services delivered by the Council.

In general, the more significant an issue, the greater the need for community engagement.

Council will make available background information on the options available relative to the issue, reflecting the significance of the decision, and the interest and involvement of the community. Engagement plans will reflect any Memorandum of Understanding or any other similar high-level agreements with stakeholders as a starting point.

Council will normally respond to written/oral submissions in formal hearing processes, and will cater for sign language if advance notice of at least a week is given. In other processes involving large numbers of resident input, the Council response will be a more general feedback through local newspapers, local newsletters or the Council website.



Level of Engagement

Council will choose the form of consultation that best suits the community affected and the decision being made. While this will vary between specific issues, assets, or other matters the Council has a preference for:

- a) Direct communication with the most affected parties.
- b) The use of digital media including websites and email based surveys.
- c) Background information through local newspapers.
- d) Written and oral submissions.
- e) Inclusive planning sessions open to the public.
- f) Formal public meetings only if requested by affected communities or required by legislation.

Community engagement occurs across a spectrum at differing levels. As you move from providing information to full community engagement, Council must balance the benefits of community input against the time and cost of achieving this.

Council does not always have control over decision making timeframes, and the costs must be in proportion to the issue being addressed. However, Council does recognise that the costs of poor decisions can be very high over time. Over the time of a decision making process, a variety of techniques may be used on any issue or proposal.

The Council will select the exact method that it considers appropriate after considering criteria or circumstances that reflect specific requirements of the community affected and the information that already exists. The different levels of engagement available to the Council range from:



It will not always be appropriate or practicable to conduct processes at the participatory end of the consultation continuum. Many minor issues will not warrant a participatory approach and constraints of time and money will limit what is possible on some occasions.

Even in situations where there is plenty of opportunity to gain community input, it may not be possible to have significant control over what is done with the results. There are a number of government legislative and regional council policies that can influence, or in some cases limit, the options for Council decisions.

Policy on Financial Contribution

Introduction

Section 102(4) of the Local Government Act 2002 requires the Council to adopt a policy on development contributions (money or land required from developers under the provisions of the Local Government Act 2002) or financial contributions (money or land required from developers under the provisions of the Resource Management Act 1991 and the Taranaki District Plan).

The Resource Management Act 1991 requires the Council to manage the effects of subdivision and development in a manner that promotes the sustainable management of the district's natural and physical resources. Contributions from subdividers and developers provide a means of offsetting, avoiding, remedying or mitigating the adverse effects of such activities.

Financial contributions (whether cash, land, works or services) may be required from developers where the cost of providing or upgrading the public infrastructure or utility service can be attributed to a development.

Requiring developers to pay the actual costs of extending services is considered to be an appropriate method of encouraging an efficient, consolidated, compact pattern of land use. It is recognised that the true costs of service provision for an extended network would include not only the actual cost of the extension, but also a share of the costs that have been invested by the community in the establishment of the existing service network.

As a general rule, the Council will use financial mechanisms to ensure that ratepayers do not subsidise land developers who are seeking to extend service networks to serve their subdivisions and developments while there is still spare capacity on the existing network.

Currently the district is not experiencing, nor forecasted to experience, demand for public infrastructure generated by growth, therefore no allowance has been made for capital

expenditure to be funded from financial contributions during the term of the Long Term Plan.

Financial Contributions as Conditions of Resource Consents

Under section 5.1.6.3 of the District Plan contributions (whether cash, land, works or services) may be required as conditions of land use and subdivision consent in relation to the matters below. It should be noted that the amount or value of contributions (if any) will depend upon the circumstances of each resource consent application. The purpose, circumstances and maximum amount of financial contributions that may be imposed by the Council as a condition of consent is specified below:

(a) Provision of new roads and streets

Required where access cannot be provided from existing streets or where capacity of existing roads would be exceeded.

Maximum amount is the actual cost of building the road, including the value of the land.

(b) Upgrading and widening of existing roads

Required where development will result in need to upgrade the road.

Maximum amount is the actual cost of the work.

(c) Private rights of way, accessways and vehicle crossings

Construction and sealing may be required to ensure that there is no adverse effect on the roading network.

Maximum amount is the actual cost of the work.

**(d) Off-street vehicle parking/loading spaces**

Where on-site parking cannot be provided, Council may require a financial contribution to provide and maintain nearby public car parks.

Maximum amount is \$2,000 per car parking/loading space.

(e) Street lighting

Council may require the upgrading of street lighting where, as a result of a proposed development, it is deemed necessary.

Maximum amount is the actual cost of the work.

(f) Earthworks

Where earthworks are required to provide building areas, roads or services, Council may require the work to be carried out to a specified standard.

Maximum amount is the actual cost of the work.

(g) Water supply

To ensure that a satisfactory supply of water is provided to a development, Council may require a potable water supply to be established or connection to reticulated services to be made.

Maximum amount is the actual cost of the work.

(h) Sewage/wastewater disposal

Council may require either connection to an existing reticulated system, the upgrading of the system, or the establishment of on-site treatment and disposal.

Maximum amount is the actual cost of the work.

(i) Stormwater

Council may require drainage facilities to reduce the adverse effects of uncontrolled run-off of stormwater from new developments.

Maximum amount is the actual cost of the work.

(j) Landscape treatment/fences

Where it is desirable to reduce the adverse visual effects of a proposed development, or any existing facilities, the Council may require landscape treatment or fences.

Maximum amount is the actual cost of the work.

(k) Open spaces, reserves and public recreational facilities

Where major new developments will generate a significant increase in demand for and usage of facilities, or where there is an opportunity to protect and enhance important natural features or areas, Council may require financial contributions.

Maximum amount is:

- (i) In relation to building development, 0.5% of value of development
- (ii) In relation to subdivision, 5% of value of additional allotments.

(Note contributions will only be levied in areas that will be identified as being in need of such facilities in the Council's Reserves and Recreation Facilities Strategy – currently in preparation).

(l) Esplanade reserves/strips/accessways

Where a development is proposed along the margins of watercourses/waterbodies that are identified in the district plan as priority areas, the Council may require the provision of an esplanade reserve, strip or access strip.

Maximum amount is actual cost of vesting 20 metre wide area adjacent to watercourse/waterbody.

(Note priority areas still being identified. Until they are, Section 231 of the Resource Management Act applies, which requires a 20 metre wide esplanade reserve where new allotments are created along the bank of any river or lake or adjacent to the sea.)

Policy on the Development of Maori Capacity to Participate in Council Decision-Making

Local iwi are an important key stakeholder in the governance of the district. Council has a long standing partnership arrangement with Rangitane O Tamaki Nui A Rua. More recently Ngati Kahungunu have requested a similar partnership with Council. Both iwi are in negotiations with the Crown on treaty settlements.

Te Tiriti o Waitangi – the Treaty of Waitangi – is the founding document between Maori and the Crown. The Council has delegated responsibilities from the Crown to ensure that local authorities observe the principals of the Treaty. The Local Government Act 2002 requires the Council to engage with Maori in decision-making processes relating to a wide variety of issues.

The Local Government Act 2002 requires the Council to establish processes to provide opportunities for Maori to contribute to Council's decision-making processes, and consider ways that it may foster the development of Maori capacity to participate in Council decision-making. These principles and more detailed requirements are set out in Parts 2 (Purpose and Role of Local Government) and 6 (Planning, Decision-Making and Accountability – specifically Section 82).

Processes to provide opportunities for iwi to contribute to Council decision-making are referenced in Council's Significance and Engagement Policy.

There is a need to especially consider Maori contributions as local iwi:

- are Partners with the Crown as set out in the Treaty of Waitangi;

- if a significant decision relates to land or a body of water, Council must "take into account the relationship of Maori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna and other taonga". (Section 77)
- Maori organisational forms and the iwi-hapu-whanau linkages are complex.

The Council has a current Memorandum of Partnership with Rangitane O Tamaki Nui A Rua. This covers processes for engagement in decision-making.

As part of the Crown negotiating treaty claims with the two Iwi who exercise Rohe within the Tararua District Council boundary, areas of significance to those Iwi have been identified. Some of these areas identified by Iwi have reserve status under the Reserves Act 1977, with management control vested in the Council, rather than the Crown through the Department of Conservation.

In November 2013, following an approach by Rangitane and the Office of Treaty Settlements, the Council resolved to decline a request from Rangitane relating to four reserves managed by Council, to be either vested or co-managed under a joint Reserves Management Board as part of their potential Crown Settlement.

The Council has discussed the potential conflict between this resolution and the wording within the Memorandum of Partnership. In October 2014 Council hosted a workshop attended by Rangitane and Ngati Kahungunu to listen to an update on the Treaty Settlement Process for each claim,



along with options on how the Council could demonstrate its commitment to building partnerships with Iwi.

In the spirit of partnership and trust, recognising that the general public see the Council as a steward of the community assets, Council has agreed to support joint decision-making on the Dannevirke Domain with the formation of a joint committee comprising two representatives from each Iwi and four Council members. Council has also supported the following in order to facilitate progressing the Crown Treaty settlements with Rangitane and Ngati Kahungunu:

The Makirikiri Scenic Reserve be available for settlement with Rangitane and the Makirikiri Recreation Reserve for settlement with Ngati Kahungunu.

Council has resolved to work closely with the representatives from both Iwi. This represents an expansion by Council of formal relationships to include Ngati Kahungunu.

In order to provide guidance for the liaison committee, Council is working with Rangitane and Ngati Kahungunu Iwi on preparing new Memorandums for consideration by the Council to work with local iwi to develop new partnership agreements. These new partnership agreements will set in place the detailed policy for the Development of Maori Capacity to Participate in Council Decision-Making as required by the Local Government Act 2002. Specific issues that may be addressed by the joint Maori Liaison Committee in this term include:

- New Memorandums of Partnership;
- Future community Investment partnerships;
- A stocktake of issues affecting Maori in the district;
- The existing and expected capacity of Maori to contribute to decisions; and
- Appropriate communication protocols.

Assessment of Water and Sanitary Services

The Local Government Act 2002 requires that the Council identify and explain any significant differences between the Assessment of Water and Sanitary Services and the Long Term Plan.

Variation between territorial authority's long-term plan and assessment of water and sanitary services and waste management plans (Local Government Act 2002 – Schedule 10 (6))

- A long-term plan for a territorial authority must identify and explain any significant variation between the proposals outlined in the long-term plan and the territorial authority's—
 - (a) assessment of water and other sanitary services under Section 125;
 - (b) waste management and minimisation plans adopted under Section 43 of the Waste Minimisation Act 2008.

The following paragraphs detail the variations between the Long Term Plan and:

- Assessment of Water and Sanitary Services (2005)
- Waste Management and Minimisation Plan (2011)

Assessment of Water and Sanitary Services

The Assessment of Water and Sanitary Services was a mandatory requirement under the original Local Government Act (LGA) 2002. This requirement was removed as part of the 2010 amendment to the Local Government Act 2002. Council is now expected to carry out an assessment "from time to time".

A full Assessment of Water and Sanitary Services was completed in 2005. Council has been making progress addressing all the major issues identified in the Assessment. These included:

- the need to meet the Drinking Water Standards (DWS);
- renew wastewater consents and undertake any required upgrades; and
- closure of the two major landfills.

Public Health Risk Management Plans have been prepared for all public water supplies including the Dannevirke, Pahiatua, Woodville and Eketahuna public water supplies over the last few years. Council has included in the Long Term Plan a range of projects to upgrade water systems to meet the 2005 Drinking Water Standards, and a series of wastewater upgrades that are linked to Horizons requirements and the Manawatu River Accord. As signatory to the Manawatu River Accord the Council is part of a successful joint application to central government for a grant to upgrade the Dannevirke, Woodville and Pahiatua Wastewater treatment plants.

Stormwater management is being increased to comply with the One Plan with a series of assessments of the quality of stormwater discharges. Major stormwater diversion projects for Pahiatua and Dannevirke are included in the Long Term Plan.

There have been no significant changes to the management of cemeteries or public toilets. Demand is stable and projects are focused on renewals and the development of new burial plots as required.

Overall Council considers that this Long Term Plan contains no significant variation to the strategies and major issues contained in the Assessment of Water and Sanitary Services. The full review of all Council Asset Management Plans has provided updated costs and confirmation of the strategies.



Waste Management and Minimisation Plan

Council adopted a Waste Management and Minimisation Plan (WMMP), as required by the Waste Management Act 2008, in December 2011. The Waste Management and Minimisation Plan signalled a review of levels of service with the new Dannevirke transfer station and the intention to increase recycling services. This Long Term Plan includes a continuation of a strong emphasis on recycling, as well as consolidation of solid waste disposal facilities. A new Pahiatua recycling centre was opened in February 2012, as well as changes to the way bulk recycling bins are managed. The new Pahiatua transfer station to be established in 2012/13 was not stated in the Waste Management and Minimisation Plan. However, this changes the flow of solid waste rather than the volume. The new transfer station is only planned to be open eight hours a week.

Overall Council considers that this Long Term Plan contains no significant variation to the strategies and major issues contained in the Waste Management and Minimisation Plan.

Infrastructure Strategy

Recent changes to the Local Government Act require local authorities to prepare and adopt a 30-year infrastructure strategy as part of its Long Term Plan.

Long term planning for infrastructure is not new to the Taranua District Council; we prepared comprehensive asset management plans for each of our asset groups¹ in 2011/12. These asset management plans were foundation documents for the Council 2012-2022 Long Term Plan. Much of the information and assumptions contained within these asset management plans is still valid today.

This strategy brings together, into one document, key outputs from the Transportation, Water, Wastewater and Stormwater Asset Management Plans. It has been prepared under Section 101B of the Local Government Act and it provides the Council and community with an integrated picture of the key infrastructure service issues they are likely to face over the next thirty years.

The resulting strategy addresses:

- the main options for dealing with those issues;
- the scenario Council considers is the most likely for dealing with these issues; and
- the indicative estimates and timing of the cost of managing infrastructure assets under this scenario.

This is the first infrastructure strategy prepared by Taranua District Council. Coupled with sound asset management plans, Council sees this 30-year strategy as a demonstration of sound stewardship of the Council-Community owned assets and future finances.

In the future Council intends to bring the infrastructure and financial strategies together into one.

¹ Transportation (roading and footpaths), Water, Wastewater, Stormwater, Community Facilities (parks, reserves, and buildings), and Solid Waste



1

INTRODUCTION

The provision and management of infrastructure is a core function of Council, accounting for the largest portion of its annual operating and capital expenditure. Infrastructure provided by the Council protects public health by providing clean drinking water and treating and disposing of wastewater appropriately. It enables goods and people to move around the district, contributing to the economy and facilitating social interaction. It ensures that homes and businesses are protected from the effects of flooding, and it is at the heart of the recovery following a natural disaster.

Planning and delivering infrastructure is a balance between providing for growth in demand and the levels of service the community desires, and affordability for ratepayers. Infrastructural assets have long lives that extend well beyond the 30 years of this strategy, and once in place, these assets incur operating, maintenance and renewal costs that communities are committed to fund for many years to come. Planning for future infrastructure needs to be considered with a long-term view in mind.

Planning brings with it uncertainty. Assumptions are made about demand and the service standards future generations will want and are willing to pay. The regulatory environment is also changing and Council needs to build and replace assets with assets that will deliver on increasing health, safety, and environmental standards in the future.

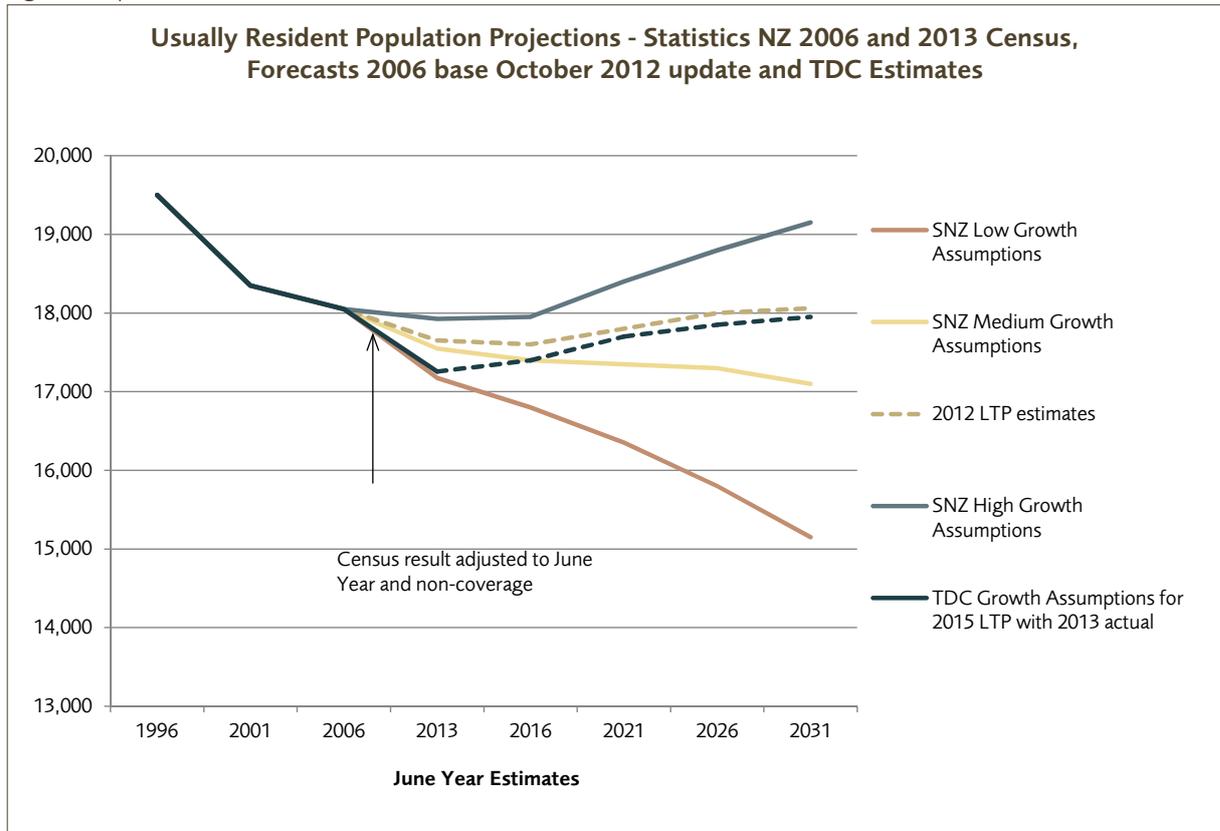
The purpose of the infrastructure strategy is to:

- a) identify significant infrastructure issues for the local authority over the period covered by the strategy; and
- b) identify the principal options for managing those issues and the implications of those options.²

The strategy focuses on understanding the medium to long-term infrastructure needs which in turn informs the 10 year Long Term Plan decision making process of Council.

² Local Government Act, Section 103B (2)(b)

Figure 1: Population Growth Scenarios





2

TARARUA AT A CLANCE

Tararua district is situated on the southeast coast of the North Island, bound to the west by the Tararua Range. It covers an area of 4,360km² and has an estimated resident population³ of 17,225.

The four main towns of Dannevirke, Woodville, Pahiatua, and Eketahuna are service centres for the agricultural sector. In addition they service other categories of economic activity, such as industry and tourism (mostly domestic from passing traffic).

The primary industry in Tararua is agriculture with over a third of the district's workers employed in this sector. Tararua has a wealth of resources, the greatest being the farmland that grows top quality stock, producing wool, meat, and dairy products of a particularly high standard.

A small number of larger industries include meat processing, dairy processing and steel fabrication, and smaller scale industries including clothing. Agriculture, retail trade, manufacturing, farm servicing, health and education services make up the bulk of employment. Cottage industries and home occupations are common. Tourism currently makes a small contribution to the district's economy.

2.1 Our Infrastructure

A broad range of infrastructure networks support the Tararua district. Transportation networks stretch across the district, linking people, places and businesses with each other and other parts of New Zealand. Our piped networks on the other hand, are confined to the towns. They enable residents and businesses to connect to water, wastewater, and stormwater schemes.

A number of different borough councils established the assets of Council prior to the merger and establishment of Tararua District Council in 1989. As a result, levels of service vary across the district, particularly for piped networks. Council has been prudent in its investment and funding provisions for the future replacement of this aging infrastructure.

In an environment of low population growth, Council has made a steady investment in its infrastructure over time with a focus on addressing condition and performance issues, and establishing appropriate and affordable levels of service.

³ 2013 Census

2.2 Demographic Context

Preparing 30-year forecasts of core network infrastructure requires forecasting of population and households to 2045. However, detailed forecasts based on the 2013 census will not be available until February 2015, and district and area unit forecasts published by Statistics NZ do not go past 2031, currently.

The accuracy of such long term forecasts are likely to be low, with the result being driven by local employment conditions, international farm product prices, and the relative attractiveness of other areas and countries. Society, government policies, technology, transport, communication, etc will likely be very different.

2.2.1 Population to 2045

The population of the Taranua district has declined over the last 12 years at around 0.5% a year. The decline was bigger from 2006 to 2013, although Council has a view that most of this decline was in the 2006 to 2011 period. During 2013 and 2014 there has been a major change in international migration trends, as well as continued strong retail trade sales, increased job numbers, and improved farm returns for beef.

Council has determined that the most likely scenario (MLS) in terms of population and household change is medium

to 2016 to a high growth scenario thereafter⁴, based on Statistics NZ current forecasts.

The population decline is forecast to reverse and grow from current levels to 2016, then grow steadily over the following 30 years to 2045 as a result of:

- A reversal of outward net migration as less residents leave to seek employment in Australia and more people choose to live in the Taranua.
- High commodity prices result in increased disposable incomes in the rural sector (once debt levels are reduced) flowing through to increased retail and servicing profitability.
- Improved infrastructure (including water, wastewater, and broadband fibre) and recreational facilities.
- Employment growth in manufacturing and retail business builds on the positive initiatives currently underway, new windfarm and oil exploration investments, and more promotion by the Council.
- Increasing demand for affordable rural lifestyles.
- Increasing demand for low-cost housing within commuting distance to Hastings and Palmerston North.

Table 1: Population Forecast to 2031

Year	2012 Update 2006 base Medium Series Stats NZ forecasts	2012 Update 2006 base High Series Stats NZ forecasts	TDC Forecasts 2015 (mixture – recovery to 2016 and Stats NZ high after that)	2012 Long Term Plan Forecasts
Usually Resident Population Forecasts as at 30 June				
1991	19,500	19,500	19,500	
1996	19,500	19,500	19,500	
2001	18,350	18,350	18,350	
2006	18,050	18,050	18,050	
2011 estimate	17,750	17,750	17,750	
2013 estimate	17,255	17,255	17,255	17,650
2016 forecast	17,400	17,950	17,400	17,600
2021 forecast	17,350	18,400	17,600	17,800
2026 forecast	17,300	18,800	17,850	18,000
2031 forecast	17,100	19,150	17,950	18,060

⁴ Detailed assumptions and forecasts are contained within Part A of the Taranua District Council Asset Management.



The assumptions for population growth past 2031 will be for modest growth with no major “game-changing” factors such as a major oil find, or a very large increase in the profitability of sheep, for example. This implies net migration losses that are less than forecast by Statistics NZ.

Table 2: TDC Population Forecast 2031 to 2046

TDC Growth Assumptions	
2031 forecast	17,950
2036 forecast	18,050
2041 forecast	18,200
2046 forecast	18,300

The Statistics NZ forecasts assume a continued loss of residents due to migration. Statistics NZ does not forecast significant changes in net migration as this variable is almost impossible to predict, so the last 10 years of trends are used. The international migration trends for Tararua have dramatically improved over the last year. This has been driven largely by less people moving to Australia and the 2014/15 year could see a net gain. This current trend is built into the rapid recovery scenario that results in a lift in population. The risk is that the drivers of this new trend (China and world demand for quality protein, and reduced demand for minerals such as iron ore, coal, gold and oil) could again change and that the population forecasts are too optimistic.

The Council is forecasting that rural incomes will continue to be sound on the back of the current higher food commodity prices. This should result in higher disposable incomes for many residents in the current year. Changes can happen quickly and can be generated by events outside of the Tararua area or influence (such as a major earthquake in Wellington). These impacts are normally seen through the net migration figures. New jobs and/or a greater interest in relocating in to Tararua for lifestyle reasons will result in the population stabilising over the next 10 years and then slowly growing after that.

2.2.2 Population Forecast – by Area

The Statistics NZ 2010 update medium growth forecasts (based on the 2006 census) shows a decline in population in Eketahuna, Pahiatua and Woodville, with Dannevirke also declining in the longer term. The actual outcome in the 2013 census was for a decline in Dannevirke and Pahiatua, and a small decline in Eketahuna and the rural area. Woodville stayed static compared to 2006.

Table 3: Resident Population by Major Urban Area and Combined Rural Areas

Urban and Rural Areas	Usually Resident Census Count			% Change 2006 to 2013
	2001	2006	2013	
Dannevirke	5,376	5,517	5,043	-8.6%
Woodville	1,479	1,401	1,401	0.0%
Pahiatua	2,610	2,562	2,412	-5.9%
Eketahuna	579	456	441	-3.3%
Rural	7,815	7,695	7,557	-1.8%
Total District	17,859	17,631	16,854	-4.4%

Detailed recent employment data for Dannevirke and the Fonterra upgrade of Pahiatua, and anecdotal movement in the real estate market, give some optimism that the two major urban areas are currently growing again. The more likely scenario in the medium term (based on current trends) is for Dannevirke to recover modestly, Pahiatua strongly, Woodville to grow modestly and Eketahuna to remain at current levels. The rural area is expected to show a minor decline as farm sizes continue to grow.

Table 4: 30-Year Forecasts for Major Urban Area and Combined Rural Areas

	Dannevirke	Woodville	Pahiatua	Eketahuna	4 Urban Areas	Urban % of District	Rural Areas	District
Taranua Area Unit Population Forecasts, Urban Recovery and Steady Rural Decline Plus Lifestyle Growth								
1996	5,680	1,610	2,770	650	10,710	55%	8790	19,500
2001	5,530	1,520	2,680	590	10,320	56%	8030	18,350
2006	5,660	1,430	2,630	470	10,190	56%	7860	18,050
2013	5,180	1,430	2,480	455	9,545	55%	7680	17,225
2016	5,300	1450	2,550	460	9,760	56%	7640	17,400
2021	5,450	1450	2,650	460	10,010	57%	7590	17,600
2026	5,600	1500	2,700	470	10,270	58%	7580	17,850
2031	5,700	1525	2,750	475	10,450	58%	7500	17,950
2036	5,750	1550	2,800	480	10,580	59%	7470	18,050
2041	5,800	1600	2,850	480	10,730	59%	7470	18,200
2046	5,850	1650	2,850	500	10,850	59%	7450	18,300

2.2.3 Population Forecasts – by Household

Total households were forecast to increase slowly from 2011 to 2016, and then grow modestly from 2016 to 2031. The pattern of a steady decline in the number of people per household has continued. This is a long-term trend across most of New Zealand. The 2013 census recorded a 1% increase in occupied dwellings and a 15% increase in unoccupied dwellings compared to 2006. Overall, there was a 2% increase in total dwellings.

Table 5: Statistics New Zealand Medium Growth Forecasts 2006 Census Base With 2013 Census

Series	Forecast Households at 30 June						Change 2006–2031	
	2006 (SNZ)	2013 Estimate	2016	2021	2026	2031	Number	Average Annual (%)
Tararua District								
High			7,600	7,800	8,000	8,200	1,100	0.6
Medium	7,100	7,140	7,300	7,400	7,400	7,300	200	0.1
Low			7,000	7,000	6,800	6,500	-600	-0.3

Total household numbers, including unoccupied dwellings, are forecast to have a modest increase despite the relatively stable population. Forecasts are driven by the household occupancy rate falling from 2.4 residents per house in 2013 (2.5 in 2006) to 2.3 residents in 2031, and 2.2 residents in 2046. Eketahuna and Pahiatua are forecast to have the smallest increase, with Dannevirke, Woodville and the rural areas having a modest increase.

Table 6: 30-Year Forecasts for Total Households Major Urban Area and Combined Rural Areas

	2013	2031	2046	% Change 2013 to 2045	% of District Households 2013	% of District Households 2031
Number of Households (including Unoccupied Dwellings), Forecasts based on 2013 census data and TDC occupancy rate forecast for Tararua 2031 and 2046						
Dannevirke	2,416	2,655	2,850	10%	30%	30%
Woodville	720	750	830	9%	9%	9%
Pahiatua	1,150	1,300	1,390	4%	14%	14%
Eketahuna	260	265	275	3%	3%	3%
Balance rural area	3,530	3,730	3,880	13%	44%	45%
Tararua district	8,076	8,700	9,225	10%		

2.3 Strategic Context

The Infrastructure Strategy is informed by the asset management plans, which are the Council's tactical plans for delivery on the Outcomes of Council through management and investment in infrastructure. Whereas the Financial Strategy sets out the funding constraints, the asset management plans identify the demand for infrastructure. Through conjoint development of the infrastructure and financial strategies, trade-offs and key strategies are developed, which inform the Council's Long Term Plan.

The relationship between these documents is shown in Figure 2.

Figure 2: Relationship between key planning documents



Whilst the relationship is shown as hierarchical, planning information flows both ways. Knowledge of Council's current services and the assets that support them helps inform the future Vision. In turn the asset management planning process is informed by the Vision; the services likely to be needed in the future.

The Infrastructure Strategy is a key document informing the Financial Strategy and visa versa. In time it is the intention of Taranaki District Council to merge these two strategies into one single document, such is the strength of the linkages.

In January 2012, the Council adopted its first asset management policy. The adoption of an asset management policy ensures that the Council takes a consistent approach to asset management planning, that the asset management plans reflect the strategic direction of Council, and provide a sound basis for developing the Infrastructure Strategy and Long Term Plan.

2.3.1 Council's Vision and Strategy

The Vision for the 2015-2025 Long Term Plan is the vision the Council developed with the community for the 2012 Long Term Plan:

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

The Vision is underpinned by six Council Outcomes:

- **Efficient Infrastructure** Highly efficient, fit for purpose and affordable rural and urban infrastructure.
- **Prosperous Economy** A strong, growing, prosperous local economy that attracts, welcomes and retains businesses and residents.

A district with a clear identity that promotes its lifestyle.
- **Collaborative Council** A council seen as a leader in community partnerships and collaboration to ensure services are delivered in the most effective and affordable way.
- **Great Lifestyle** Recreation facilities, heritage and public amenities that support an outstanding lifestyle.
- **Sustainable Environment** The district has a natural environment that is protected, preserved, and enhanced for present and future generations.

2.3.2 Financial Strategy

The Financial Strategy provides a financial framework for making decisions and outlines how Council intends to manage it finances prudently. Council's 2015-2025 Long Term Plan financial strategy is about living within our means by keeping our services and investments, affordable and sustainable.

While the Infrastructure Strategy provides details of the level and timing of investment needed to operate, replace, renew and upgrade existing facilities, the Financial Strategy outlines the required rating and debt levels to fund these investments. Together they outline how the Council intends to balance investment in assets and services with affordability.

The Infrastructure Strategy and the Financial Strategy are "two sides of the same coin". The Infrastructure Strategy is informed by the Financial Strategy, and the Financial



Strategy outlines Council's approach to funding the infrastructure needs identified in the Infrastructure Strategy.

Any major changes to the direction of the financial strategy of Council would require a review of this Infrastructure Strategy and visa versa.

2.3.3 Asset Management Plans

The key documents underpinning the Infrastructure Strategy are the asset management plans (AMP). Asset management plans are the tool for combining management, financial, engineering and technical practices to ensure that the level of service required by customers is provided at the lowest long-term cost to the community. This requires taking a lifecycle approach to asset planning.

The objectives of the Council's asset management plans are:

- to describe how Tararua District Council will implement the expectations that the community has about the management of its asset based activities through setting and delivering service levels within budget constraints;
- to provide clear linkages to the Annual Plan, Long Term Plan, and all other key planning processes and documents;
- to comply with the Local Government Act (LGA), specifically in relation to activities, services and assets.

Many of the assets planning activities undertaken by Council are applied to all infrastructure assets. For this reason, Tararua District Council has developed asset

management plans in two parts. A single Part A document provides an overview of asset management planning at Tararua District Council⁵. A Part B document for each asset group describes the assets and how the Part A principles are applied to the management of the assets.

Council has recently reviewed the 2012 asset management plans as the first step in preparing its 2015-2025 Long Term Plan. As the Vision for the 2015-2025 Long Term Plan is no different to the 2012 Vision, the asset management plan review focused on levels of service and asset performance; identifying any known significant issues for the delivery of the activity/assets now and in the future. This work has led to the identification of the current and future asset requirements and the financial forecast for capital (renewals and new capital projects) and operational expenditure for each asset group.

Most Likely Scenario (MLS)

The basis of this strategy is built on a series of assumptions and forecasts that translate into major drivers of demand for expenditure. Section 2.2 outlines the demographic context under which the Council forecasts it will be operating.

Council has developed a detailed forecast of assumptions that impact across all Council activities. These detailed assumptions are included in the Draft Long Term Plan 2015-2025 and are summarised in Appendix A of this strategy. More detailed forecasts of issues that impact directly on the infrastructure activities have been developed through the asset management plan process. Where relevant, these assumptions are summarised in Section 6 of this strategy.

⁵ Part A Tararua District Council – Overview of Asset Management Planning

3

SIGNIFICANT INFRA- STRUCTURE ISSUES

Unlike many other councils in New Zealand, Tararua District Council do not forecast growth to be an infrastructure issue in the next thirty years. The existing urban areas have considerable capacity to cater to stronger population growth. With a relatively stable, to slowly increasing population forecast, decline is not considered to be an issue either.

The assets of the Council are in overall good condition. Whilst assets are aging, regular and ongoing investment in preventative maintenance and operations of these assets, combined with programmed renewals, will ensure that these assets are able to continue to deliver the agreed levels of service for the least lifecycle cost without increasing the risk of failure. With the current financial strategy, the maintenance, operation and renewal of assets will not be significant issues for Council.

The Council has not identified any significant gaps between the levels of service people expect from core infrastructure and the levels of service Council is able to deliver, now and over the next thirty years. Where levels of service gaps exist currently, projects and changes in management techniques have already been identified or are underway to address these, as detailed in the asset management plans.

The overarching significant infrastructure issue facing our community is maintaining affordability whilst upgrading aging infrastructure. The population of the district is dispersed and there is a large roading network to maintain. There are multiple small towns each with their own wastewater and water schemes. These networks require upgrading to meet increased environmental and health standards, and to improve the resilience of the infrastructure for the future.

The quality of life, health, and economy of the Tararua district is reliant on infrastructure. The impact of infrastructure failure through natural disasters can result in loss of service or access, social and business disruption, and costly repairs. Within the region there are a number of existing and potential natural hazards including flooding, land instability, storms, coastal inundation, and earthquakes. In the future, weather related events are expected to increase in frequency and intensity due to climate change. It will be a challenge for the Council to invest in the resilience of its infrastructure while still maintaining affordability.

INFRASTRUCTURE STRATEGY

A number of options for managing forecast infrastructure issues were developed as preparation for this strategy. Council programme summaries⁶ detail these issues and options. The Council has developed its strategic response to identified infrastructure issues within the constraints of affordability and the Financial Strategy.

The Infrastructure Strategy takes its priorities from the Council Vision and Strategy. These are:

- **Continued investment in core infrastructure;** and
- **Continued financial viability through sustainable growth and investment**

In order to meet the above, Council has a continued focus on ensuring that infrastructure delivers the agreed levels of service to the community in the most cost effective manner. The focus for the next thirty years will be on "thinking smart":

- Prudent operation and maintenance of existing infrastructure assets, as outlined in Council's asset management plans.
- Investment in innovative and cost effective infrastructure solutions to replace aging assets and enhance the overall network performance.
- Undertaking regular condition and performance monitoring of assets in order to renew and replace assets in a timely manner and ensure no loss of service.
- Honouring our commitment to the Manawatu River Accord by striving to continually improve the quality of our district's waterways through innovation in operation and design of our wastewater treatment plants and stormwater networks.
- Improving resilience by building redundancy or spare capacity into systems, relocating infrastructure that is at significant risk of hazards, strengthening existing infrastructure (e.g. seismic strengthening) to withstand hazards or building assets which are less vulnerable to hazards.
- Investment in new infrastructure that provides enhanced levels of service, and meets or exceeds environmental and health standards, whilst being efficient to operate, maintain and upgrade as needed. This may mean increased expenditure up front in order to reduce whole of life costs.
- Managing the scale of infrastructure investment – avoiding a "one size fits all" scenario where, for smaller towns, this could lead to over investment in assets that are under-utilised and a waste of Council's financial resources. Balancing this with ensuring sufficient capacity is maintained in networks to support economic and social development of communities.

⁶ Business Case Summaries – 2015-2025 Long Term Plan

5

INFRASTRUCTURE INVESTMENT SUMMARY

The provision of fit for purpose, affordable infrastructure is key to delivering on the Council's Vision. Many of the infrastructure projects of Council are small, have relatively little impact on the delivery of agreed levels of service, and are therefore "business as usual" for Council.

Figure 3 provides a summary of the forecast annual capital expenditure under the most likely scenario (MLS) for the four infrastructure groups covered by this policy.

The investment in capital projects is only part of the picture. The capital investments Council has made in the past, and will continue to make in the future, commit Council and its community to a long-term stream of annual costs to maintain, operate, renew and replace these assets. Figure 4 shows that the Council's operating expenditure on infrastructure assets is forecast to steadily rise over the 30-year period as a result of the operating impact of investments and inflation. Transportation makes up most of the expenditure, consistent with the historical expenditure pattern of this Council.

Table 7: Historic Renewals – Transport and Three Waters

Activity	2011/12	2012/13	2013/14
Roading	5,980	5,393	6,219
Footpaths	37	113	7
Water Supply	155	575	194
Wastewater	57	417	571
Stormwater	84	144	-
Total	6,313	6,642	6,991

Note: Data from Capital Expenditure – Renewals in Annual Report

Combined together in Figure 5, Council's forecast annual expenditure on transport and the three waters for the next 30 years is clear. The graph shows that operating expenditure will account for most of the annual costs, with renewals making up most of the capital expenditure, and investment in level of service being relatively minor by comparison, particularly after year five.

Figure 3: Annual Capital Expenditure – Transport and the Three Waters

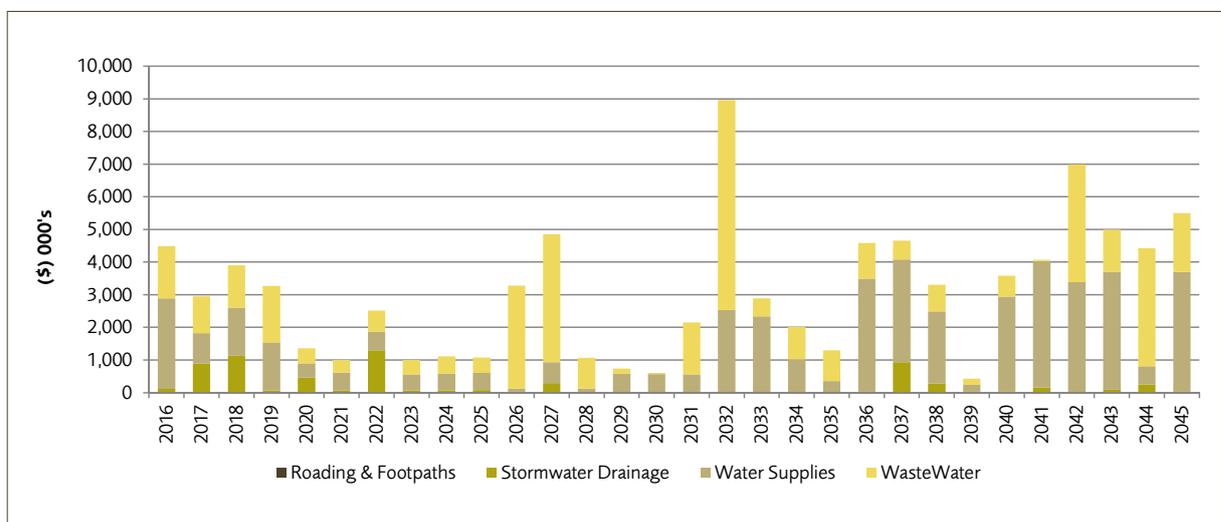




Figure 4: Annual Operating Expenditure – Transport and the Three Waters

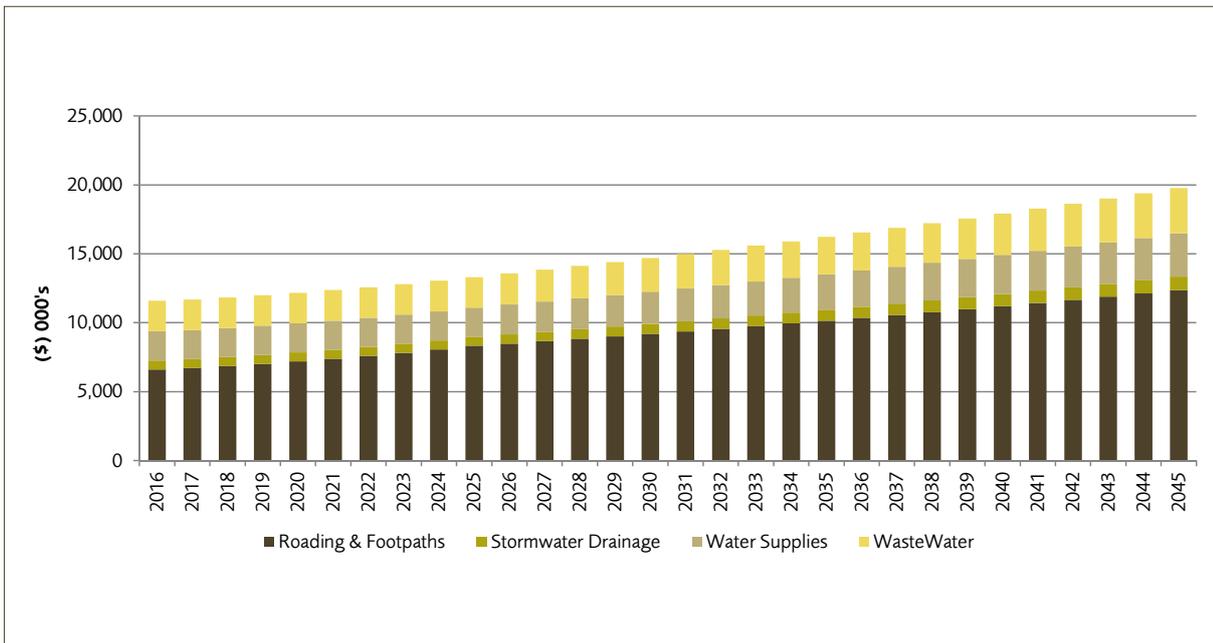
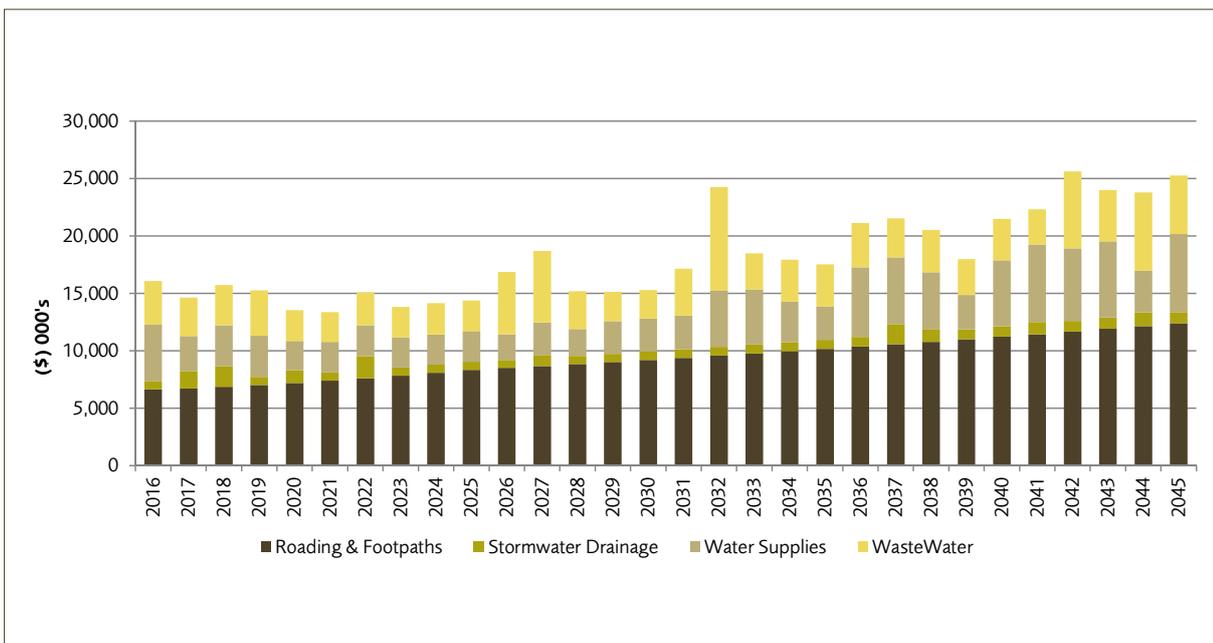


Figure 5: Total Annual Spend – Transport and the Three Waters



5.1 Sustainability of Asset Funding

Assets are generally in a good condition. The roading network has a high rating for smoothness and has spare capacity across most of the network, although the network is ageing. Water networks are in good shape but extensive renewals will be required within the next 30 years in Pahiatua and Woodville, in particular. Stormwater networks are relatively basic and do not yet need a high level of investment. Wastewater networks are in reasonable condition and have been the focus of CCTV camera inspections, and this has allowed Council to gain a good understanding of asset condition and performance of the reticulation. Greater emphasis is being placed on performance and compliance issues including the amount of inflow and infiltration.

The strategy is to renew the assets before maintenance costs rise, resulting in the effective use of scheme funds (optimised decision-making). The required level of renewal will vary, depending on:

- the age profile of the asset;
- the condition profile of the asset;
- the ongoing maintenance demand;
- the performance of the asset.

Council is part way through a process of improving its asset management plans and has recently shifted to a new asset management information system. This is part of a shift to a more proactive management approach that will directly link condition assessments to asset lives and funding required. The new system should be progressively implemented over the next few years and be fully in place for the 2018 Long Term Plan process.

5.1.1 Financial Provisions

Council has built depreciation reserves over time to fund the long term renewals of assets. These depreciation funds have an overall substantial positive balance (2015/16 opening balance \$19.7 million). This balance is forecast to reach \$46.6 million at the end of the 10 year period (June 2026). Council has no intention of changing its policy of fully funding depreciation.

In the event of natural disasters or new legal requirements to increase standards Council can access these reserve funds to fund the renewal of assets. Council is also able to access borrowings to supplement depreciation reserves, if required.

5.2 Maintaining or Improving Public Health and Environmental Outcomes

Council has two main focus areas for maintaining or improving public health. The first is based around the upgrade of public urban water supplies to improve the quality and resilience of these networks. This involves meeting the mandatory Drinking Water Standards. The second is to upgrade the treatment and disposal of urban wastewater to improve the health of our river systems. As such, the latter is more focused on environmental outcomes.

Council has already completed a number of these projects in the last few years. The major projects remaining are:

Environmental Outcomes

- Dannevirke waste water treatment plant upgrade
- Disposal of treated effluent to land
- Eketahuna Treatment plant
- Norsewood treatment plant Upgrade

Maintaining or Improving Public Health

- The renewal and upgrade of the Woodville water storage dam.
- Upgrade of Pongaroa water treatment
- Upgrade the water treatment in Akitio
- Upgrade stormwater Dannevirke
- Upgrade stormwater Pahiatua

Details on these projects are set out in Section 5.4 on Significant Capital Expenditure Decisions.

5.3 Disposal of Assets and Deferral of Expenditure

Council has no intention to dispose of assets covered by this Strategy, or to defer expenditure on assets. There are no significant disposal issues for assets at the end of their useful lives.

Pipe assets may be relined (sewer) or left in situ, as opposed to removed. Pipes are typically located in the Roding corridor, and their removal necessitates reinstatement work that causes disruption to the Community and costs that exceed the benefit of pipe removal. Exceptions are where the location is needed for a new asset or a change in the design of the roading assets necessitates the pipe removal. Council has a strategy over time to replace pipe assets at the end of their life in locations whereby trenches can be 'shared' for multiple assets and disruption to the roading corridor is minimised. Council has no intentions to remove any roading assets; these assets are typically rehabilitated in their current location.

5.4 Significant Capital Expenditure Decisions

In preparing an Infrastructure Strategy, in accordance with the Local Government Act 2002 Amendment Act 2014, Council is required to:

Identify the significant decisions about capital expenditure that local authority expects it will be required to make – (Section 101B (4) (b) (i))

In determining, what are decisions are significant, in the context of this strategy; reference has been made to Council's Significance and Engagement Policy (2014). An outline of the relevant sections of this policy is contained in Appendix C.

Generally a significant infrastructure decision, in the context of this strategy, will have two or more of the following characteristics:

- Has a substantial tangible impact on the whole District based on changes to services levels or the manner in which revenue is to be obtained.
- Has a significant multi-year change in the levels of service at an activity level.
- The decision represents a new strategic direction for Council.
- A decision or proposal on a matter where the majority of a community expresses considerable interest or the community is deeply divided.

Council has already made a number of significant capital expenditure decisions as part of the 2012-2022 Long Term Plan. A number of the resulting projects have been completed or are underway

These included:

1. Upgrade of the Saddle Road.
2. Upgrade of water supplies – Dannevirke impounded supply and treatment, Pahiatua second bore, Eketahuna extra storage, Pongaroa treatment, Akitio treatment.
3. Upgrade of wastewater treatment plants- This programme received funding from the Ministry for the Environment 'Clean up river fund', for treatment upgrades, including the relining of sewage oxidation ponds and land irrigation, in Dannevirke, Pahiatua and Woodville. Council is also upgrading its plants in Eketahuna, Norsewood and Pongaroa. This programme is ongoing and also addresses ongoing operational efficiency and affordability of the treatment solutions.
4. Main street Upgrades Woodville, Eketahuna and Pahiatua

Table 8 provides an overview of the significant capital expenditure decisions the Council will make as part of its 2015 Long Term Plan regarding transportation and the three waters. The table outlines the options the Council has considered. In some cases these are for projects which have already been consulted. Where Council has a preferred option, this is indicated and the cost of that option included within the financial summary. In some cases, the infrastructure decision is some way off, and further investigations are required before Council can determine its preferred option. In these cases, a business case will be prepared and the preferred option consulted on as part of an Annual Plan. The financial summary for these projects includes a best guess estimate for the project, made by the Asset Manager, based on the information at hand.

Table 8: Significant Capital Expenditure Decisions

Asset/ Network	Issue / Risk	Practical Options
Woodville water supply	<p>The Woodville water supply consists of an unlined earth embankment impounded supply that supplements the flow from the river. The supply is used when the river water is too turbid to harvest, or river levels are low and consent conditions require the harvest volume to be reduced. Historical issues with the supply are:</p> <ul style="list-style-type: none"> • Water must be pumped to the treatment plant. • Unlined leading to murky water and higher treatment costs and processing time. • Algal problems due to being uncovered, higher temperatures, and duck effluent. • Insufficient volume to meet town needs during long dry periods. 	<ol style="list-style-type: none"> 1. Optimize the existing impounded supply through deepening and adding an impervious liner. 2. Seek a site for a new impounded supply, that optimizes construction costs with a reduction in pumping costs. <p>Objective: Ensure Woodville water treatment plant can access a secure source and appropriate volume of water, that has the best whole of life cost. This objective will be the basis of a business case in Year 1 to establish which of the two main options is the best.</p> <p>Note: The Woodville water treatment plant was upgraded in 2013 to address water clarity, odour and taste issues.</p>
Pongaroa water supply	<p>The Pongaroa water scheme does not comply with Treatment and Storage Compliance with Water Quality Standards.</p> <p>Treating the current water source to drinking water standards, will not be affordable for the community without external funding.</p> <p>Up to 85% funding is available through the Ministry of Health.</p> <p>Some urgency to get an application in before closing date of 27 February 2015.</p> <p>The community has not been consulted regarding this scheme. The resulting operating costs would be paid for through the targeted water rate. The cost of water for Pongaroa residents would rise from \$100 to over \$300 per household.</p>	<ol style="list-style-type: none"> 1. Status quo – advertise as a non-compliant supply but supply home UV and filter systems. 2. Meet minimum water quality standard + minimum storage. 3. Meet minimum water quality standard + good storage. <p>Council's preferred option is Option 2.</p>
Wastewater plant upgrades	<p>Environmental standards for wastewater disposal have increased and, as a signatory to the Manawatu River accord, Taranaki District Council is committed to improving the environmental outcomes from the discharge of treated wastewater.</p> <p>A programme of upgrades began in 2012, assisted through funding from the Ministry for the Environment.</p> <p>The overall programme consists of a number of specific projects, including pond lining, treatment upgrades, and land disposal irrigation systems.</p> <p>There is a risk that the programme will not be finished on time or achieve the environmental standard required for new consents.</p>	<p>Components of the upgrades contain a number of options. Council wishes to achieve the following with each treatment plant upgrade:</p> <ul style="list-style-type: none"> • Ministry for the Environment funding and reporting conditions are met. • Effluent results meet or exceed likely consent requirements. • Treatment process are sustainable- environment and financial. • Treatment plants are resilient. • Surplus capacity is built in to cope with changes in inflow during extreme events.



Implications / Decision (Cost and Timing)	Purpose of Expenditure				
	Renewal	LOS Increase	Growth	Public Health	Natural Hazard
<p>Business case prepared Year 1.</p> <p>Consultation as part of 2015/16 Draft Annual Planning process.</p> <p>Financial provision of \$2 million in Year 3 of Long Term Plan (2018/19) based on an upgrade to the existing impounded supply</p> <p>Note: once decision has been made, there is a long lead in time for this project due to engineering designs, consents for building and managing the storage.</p>		✓	✓	✓	✓
<p>Loan funding of \$186,000 in last Long Term Plan in 2016/17 and 2017/18 – actual gross cost is greater based on Eketahuna experience.</p> <p>New costs are estimated to be \$400,000. Based on receiving 65% subsidy, Council costs are \$186,000.</p> <p>This is to treat the existing water source to drinking water standards.</p> <p>Home owners would also have the cost of disconnecting their current tanks.</p> <p>Rates impact: approximately:</p> <p>+\$17,000 debt funding (interest and loan repayment) + \$8,000 extra depreciation + \$12,000 maintenance per annum spread over two years</p>		✓		✓	
<ul style="list-style-type: none"> Eketahuna treatment plant, Year 1 \$810,000 Norsewood upgrade, Year 3 \$75,000, Year 4 \$125,000 Dannevirke Manawatu River discharge, Year 3 \$300,000 	✓	✓		✓	

Asset/ Network	Issue / Risk	Practical Options
Land disposal of treated wastewater	<p>Council is planning to dispose of treated wastewater to land as part of its commitment to cleaning up our rivers.</p> <p>Investigations to date have not found any suitable land due to climate, soil types current land usage and industry restrictions on grazing treated land.</p>	<ol style="list-style-type: none"> 1. Abandon plans for land irrigation and continue to improve the quality of effluent entering waterways through treatment plant upgrades 2. Continue with plans to develop land irrigation to irrigate land <p>Council's preferred option is Option 2. Council is committed to the River Accord and removal of waste is a key objective for the signatories, including local iwi.</p>
Dannevirke stormwater	<p>The storm water scheme in Dannevirke is a combination of pipes and streams. During periods of heavy rainfall, surface flooding occurs on a number of road intersections, particularly to the North of the town.</p>	<ol style="list-style-type: none"> 1. Divert part of the Mangapurupuru Stream stormwater before it enters town. 2. Undertake storm water modelling to determine best solution before commencing physical works. <p>Council's preferred option is Option 2. Undertake stormwater modelling of the scheme, which involves looking at scheme capacity and demand during low, high, and extreme rainfall events. This will identify all potential issues with the scheme, including areas of likely surface flooding during extreme events. From this, solutions can be identified and prioritised.</p> <p>Stormwater issues remain until modelling completed.</p>
Pahiatua stormwater	<p>The storm water scheme in Pahiatua is a combination of open drains and underground pipes. During periods of heavy rainfall, surface flooding occurs in some locations, due to the limitations of the scheme. Members of the community have also raised their concerns, from time to time, about the safety of the Huxley Street drain.</p>	<ol style="list-style-type: none"> 1. Utilise existing open drain network which runs parallel with Tiraumea Road travelling across SH2 to Halls Road, to divert storm water before it enters town 2. Undertake storm water modelling to determine best solution before commencing physical works <p>Council's preferred option is Option 2. Undertake storm water modelling of the scheme which involves looking at scheme capacity and demand during low, high and extreme rainfall events. This will identify all potential issues with the scheme, including areas of likely surface flooding during extreme events. From this, solutions can be identified and prioritised</p> <p>Drain and storm water issues remain until modelling completed.</p>
NZ Transport Agecny One Network Road Classification	<p>A large portion of Council's network is likely to be re- classified.</p> <p>Reclassification may result in a decrease in funding, which will place pressure on Council's financial resources.</p>	<p>Currently, pending assessment from NZ Transport Agency, the current Taranua District Council Roding Classification is being assessed in accordance with NZ Transport Agency guidelines to meet One Network Road Classification (ONRC) requirements.</p>



Implications / Decision (Cost and Timing)	Purpose of Expenditure				
	Renewal	LOS Increase	Growth	Public Health	Natural Hazard
<p>Council will carry forward funding into Year 3, \$450,000 in anticipation of a site being found.</p> <p>Funding includes pumping and reticulation costs</p>		✓		✓	
<p>Modelling Year 1</p> <p>\$800,000 Year 2 Mangapurupuru diversion</p> <p>\$350,000 Year 5</p> <p>Budget assumptions at this time are high level based on a diversion of rural stormwater and an urban stormwater diversion project</p>		✓	✓	✓	✓
<p>Modelling Year 1 - \$25,000</p> <p>Diversion works Year 3 – \$1 million – (within 2012 Long Term Plan provision)</p> <p>Piping Huxley Street Drain year 7 – \$1 million – new works</p> <p>Current Budget listed in 2012 Long Term Plan is \$ 1,237,000 for the Pahiatua storm water diversion project. It is unclear until modelling is completed, whether this is sufficient.</p> <p>Budget assumptions at this time are high level based on a diversion of rural storm water and piping the Huxley Street Drain.</p>		✓	✓	✓	✓
<p>2018-2020 Upon implementation of the NZ Transport Agency ONRC levels of service will be adjusted in accordance with NZTA guidelines.</p> <p>This could affect levels of renewals for both pavements and bridges.</p>	✓				

Asset/ Network	Issue / Risk	Practical Options
Eketahuna town centre upgrade	<p>There is an opportunity to upgrade the Eketahuna CBD including footpaths, parking and underground services. This could lead to improved driver and pedestrian safety, improved services, less surface flooding, enhanced aesthetics and encouragement for visitors to stop and shop.</p> <p>NZTA have indicated lack of funding available to replace the kerb and channel in the town centre .</p>	<ol style="list-style-type: none"> 1. Undertake Maintenance and renewal works with no change in design 2. Defer Upgrade 3. Proceed with project as planned 4. Undertake Project as planned and use roading budgets to replace kerb and channel <p>Council's preferred option is Option 4.</p> <p>This option ensures that the maximum number of the desired project outcomes is achieved, when compared to the other options.</p> <p>This option will result in a reduction in the funding available for other roading projects</p>
Pahiatua town centre upgrade	<p>There is an opportunity to upgrade the Pahiatua town centre including footpaths, parking and underground services. This could lead to improved driver and pedestrian safety, improved services, less surface flooding, enhanced aesthetics and encouragement for visitors to stop and shop.</p> <p>The town Centre is bisected by two lanes of highway and NZTA have indicated lack of funding available to replace the Kerb and Channel in the town centre.</p> <p>Outcomes may be compromised if state highway assets are not upgraded as part of the project.</p>	<ol style="list-style-type: none"> 1. Proceed with project as planned 2. Undertake Project as planned and use roading budgets to replace kerb and channel <p>Council's preferred option is Option 2.</p> <p>This option ensures that the maximum number of the desired project outcomes is achieved, when compared to the other options.</p> <p>This option will result in a reduction in the funding available for other roading projects.</p> <p>There is sufficient time to re-prioritise roading projects.</p>



Implications / Decision (Cost and Timing)	Purpose of Expenditure				
	Renewal	LOS Increase	Growth	Public Health	Natural Hazard
<p>This option utilises the current planned budget of \$442,000 to undertake work for the town centre upgrade to realise as many of the community outcomes desired as possible.</p> <p>At the same time, Council budgets for kerb and channel Renewals - Sealed Pavement Maintenance (\$55,000) are used to upgrade kerb and channel and the footpath renewal budget (\$50,000) where possible to assist with Construction Costs.</p>	✓	✓			✓
<p>\$50,000 investigation and design Year 3</p> <p>Construction Year 4 - \$1.5 million</p>	✓	✓			✓

6

ASSET LIFECYCLE MANAGEMENT

This section of the Strategy provides more detail on each of the four infrastructure asset groups covered by this strategy, including key issues, level of service and demand assumptions, plans to renew and upgrade existing assets, including to maintain or improve public health and environmental standards and to improve asset resilience.

6.1 Significant Assets

The Local Government Act requires Council to include the assumptions of the local authority about the life cycle of significant infrastructure assets – (Section (4)(c)(i)).

Council identifies those assets critical to the delivery of level of service, as part of its asset management planning process. These assets are listed within each of the asset management plans⁷. These constitute Council's significant assets in the context of this strategy.

In some cases these are individual assets, e.g. Civic building. In other cases they are a network or collection of assets that are managed collectively to deliver the agreed level of service. They are not significant to Council because of their dollar value, but because of the tangible impact, they have on delivery of levels of service.

6.1.1 Lifecycle Management Practices

Council ensures that asset management practices are applied in a consistent way. These practices are detailed in Part A of the Tararua District Council asset management plan. The current practices relevant to this strategy are as follows:

6.1.2 Condition & Performance Processes

The assessment of asset condition is an essential part of asset management planning. Asset condition assessments are undertaken to determine:

- where the asset is in its life cycle;
- the remaining effective life of an asset;
- the rate of deterioration of the asset;
- when asset rehabilitation or replacement will be required;
- financial cash flow projections;
- the risk of failure;
- the frequency of inspection required to manage risk of failure.

The data collected is used to support core asset management activities such as, risk management, predictive modelling, planned maintenance and rehabilitation, asset valuation and budget forecasting.

⁷ Business Case Summaries – Long Term Plan 2015-2025



Assets are assigned a grade from 0-5. The general meanings of the grades are as follows:

Table 9: Asset Grades

Grade	Condition	General Meaning
0	Non-existent	Asset absent or no longer exists <i>No work required</i>
1	Excellent	Sound physical condition
2	Good	Acceptable physical condition; minimal short term failure risk but potential for deterioration <i>Only minor work required (if any)</i>
3	Average	Significant deterioration evident; failure unlikely in near future but further deterioration likely <i>Work required but asset is still serviceable</i>
4	Poor	Failure likely in short term <i>Substantial work required in short term, asset barely serviceable</i>
5	Very Poor	Failed or failure imminent/ safety risk <i>Major work or replacement required urgently</i>

Formal assessment of roads assets is an ongoing process. Roading data is graded using the RAMM grading scale.

Historically, formal condition assessment was not undertaken for pipe networks. Council purchased a CCTV camera in 2012 and has begun a programme of formal grading of pipes using the NZWWA grading system. To date waste water pipes within the Dannevirke and Eketahuna networks have been inspected, as well as waste water and storm water pipes at other locations where an issue has arisen.

Condition assessment primarily relates to the physical state of an asset, whereas the performance of the asset is closely aligned to the level of service provided to customers. For example, waste water pipes may be under performing due to a build up of fat, even though the pipe itself is in perfect condition. Alternatively it may be operating satisfactorily even though the condition is poor.

Performance grading is a relatively new concept for Council. Performance assessment has been largely limited to bridges, and some treatment plants and network pipes. Assets are

assigned a grade from 0-5. The general meanings of the grades are shown in Table 10.

Performance information is maintained through investigations undertaken in response to customer requests for service/complaints and routine maintenance audits. For example, water quality testing, Hydrant flow and static pressure testing, traffic counts. There is opportunity for further development of the process for capturing performance data.

Table 10: Performance Gradings

Grade	Performance	General Meaning
1	Excellent	Meets user needs in every way <i>No work required</i>
2	Good	Largely meets user needs <i>Only minor modification required (if any)</i>
3	Average	Meets most of the user needs, but there are levels of service gaps <i>Meets most of the user needs, but there are levels of service gaps Some modification needed</i>
4	Poor	Meets very little of the user needs <i>Substantial modification work required in short term</i>
5	Very Poor	No longer an appropriate asset to meet current levels of service <i>Replacement required</i>

6.1.3 Maintenance Strategy

The short-term maintenance strategy is intended to retain current levels of service with respect to asset condition and functionality whilst minimising costs. In the longer-term maintenance activity will be modified as necessary to reflect:

- The age of assets relative to expected economic life cycle
- The risk of failure of critical assets
- Changes in the desired level of service
- The nature and timing of asset upgrading/development works

6.1.4 Renewal Tactics

The general renewal strategy is to rehabilitate or replace assets when justified by:

- Asset performance.
- Renewal of an asset where it fails to meet the required level of service.

Non-performing assets are identified by the monitoring of asset reliability, capacity and efficiency during planned maintenance inspections and operational activity. Indicators of non-performing assets include:

- Repeated asset failure.
- Repeated reticulation leaks.
- Ineffective and/or uneconomic operation.
- Inefficient energy consumption.
- Economics – when it is no longer economic to continue repairing the asset (i.e. the annual cost of repairs exceeds the annualised cost of its renewal).
- Risk – risk of failure and associated environmental, public health, financial and social impact justifies proactive action.

Council will proactively renew water, storm water and wastewater pipes in conjunction with other infrastructure projects in the roading corridor, to reduce the cost of trenching and reinstatement and minimise social and business disruption, providing the asset has been identified as being near the end of its physical life and/or not performing to the required standard.

Council will also take the opportunity when renewing assets to achieve increased environmental standards, public health and provide greater asset resilience, where this can be achieved as an augmentation to the asset renewal programme

Renewal budgets are forecast by asset managers based on life and condition/performance. RAMM is used to generate renewals forecast for roads assets.

6.1.5 Data Sources

The component data entered in SPNAM is the data source for the valuation of three waters assets. SPNAM is currently only used to estimate future renewal budgets, due to the lack of a full set of condition data to verify the estimated replacement dates of assets.

RAMM is the data source for Roading assets.

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the grading system from the International Infrastructure Management Manual International Edition, 2011, as reproduced below.

Table 11: Data Accuracy Grading System

Confidence Grade	Description	Accuracy
1	Accurate	100%
2	Minor Inaccuracies	± 5%
3	50% estimated	± 20%
4	Significant data estimation	± 30%
5	All data estimated	± 40%

The confidence gradings for asset data are included in Appendix B.

6.1.6 Asset Lives

Assumptions about asset lives are contained in Appendix D. Whereas the table shows a range of values, in reality each asset and asset component within the asset database has a theoretical useful life. The assigned value is based on the asset type, the materials it is constructed from, the size of the asset (particularly pipes), the use of the asset (particularly bridges, roads and pipes) and the environment in which the asset is located. Assigned useful lives are based on industry guidelines and the knowledge of the asset manager. They are reviewed annually.

6.2 Water Supplies

Council aims 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.

6.2.1 Overview of Water Assets

The residential water schemes of the district are outlined in Table 12.

Table 12: Taranua District Council Water Supplies

Water Supply Networks as at 30 June 2014	Asset Register		Valuation	
	Length of Pipe	Number of Connections	Gross Replacement Cost (\$)	Depreciated Replacement Cost (\$)
Dannevirke	74.9km	2,500	28,989,901	14,900,177
Pahiatua	33.7km	1,140	10,892,615	6,775,066
Woodville	36.0km	846	13,063,216	6,285,600
Eketahuna	21.1km	292	7,463,825	5,252,526
Norsewood	3.4km	74	682,649	454,077
Akitio	2.0km	53	422,006	201,993
Total	170.7km	4,905	61,514,212	33,869,439

Pongaroa also has a water supply network, however, this is managed privately and the consent is not in Council's name.

All schemes consist of three main categories of assets:

The water intakes – water sources in the Taranua are a mix of bores and open watercourses - streams/rivers. Where the source is a bore, assets consist of the bore and pump, pump shed. Where the source is an open watercourse, assets are typically an intake structure of some kind with telemetry to control the intake volume. Water intakes are subject to resource consent conditions.

Water treatment and storage – water moves to the treatment and storage facilities through a pipe network controlled by valves either through gravity or via pumping. Treatment facilities vary from scheme to scheme, but typically consist of a filtering process and a chlorination process. The process may also include physical disinfection- UV. Water is stored both as untreated and treated water.

Water reticulation – treated water is delivered to the consumer through a network of pipes. The flow of water is controlled through a series of valves and may include some pumping. Water is accessed via individual property connections to mains and sub-mains, and through hydrants. Council is able to monitor water flows and usage through meters located throughout the network and at extraordinary user connections.

6.2.2 Key Issues

The key issues that have been identified for Council's water supplies include:

- Maintaining the quality and continuity of water supplies
- Managing the demand for water to comply with conditions of consent to abstract water and to reduce the extent of capital investment in storage
- The need to invest in storage to improve the resilience of schemes
- Continued investment in the renewal of pipes and other water supply infrastructure

6.2.3 Level of Service Assumptions

- The future costs of providing desired levels of service and funding are based on the current Drinking Water Standards. No significant changes to the standards will occur during the period of the plan.
- Government subsidies may be available for Pongaroa to comply with the Drinking Water Standards but no other networks (noting that Eketahuna and Pahiatua have already been funded).
- Levels of service will be progressively increased in those schemes where the current level of service falls below the agreed targets in the Long Term Plan. All other level of service will remain unchanged.

None of the above assumptions are rated as having a high degree of uncertainty⁸.

Council intends to deliver the following levels of service to communities connected to a Council owned residential water scheme⁹. These are no different to the levels of service that are currently being delivered.

- Council provides a reliable water supply
- Council provides water at a consistent volume
- Water looks and tastes good
- Interruptions to supply are minimised
- Water provided is safe to drink
- Council is responsive to issues relating to water supplies
- Wastage of water is minimised

In order to achieve the above service standards, Council intends to increase the following levels of service:

6.2.3.1 Water quality Council will progressively increase the safety of water supplied to communities through continuing the programme of water supply and treatment upgrades it began in 2012. Council intends for all schemes to have a Public Health Management Plan in place be fully compliant with safety aspects of the New Zealand Drinking Water Standards.

6.2.3.2 Provision of water at a consistent volume It is Council's intention to ensure that all towns have an appropriate volume of water in storage or a bore supply, in order to ensure that water restrictions are limited. This will be achieved in part through capital expenditure on increasing storage in towns where storage is currently limited and in part through management of the existing supply to ensure water is harvested and stored in wetter months for supplementing supply during drier periods.

6.2.3.3 Loss of water Council will continue its programme of leak detection and address leaks through repair and replacement of pipes, valves and connections.

Council also intends to decrease the following level of service:

6.2.3.4 Extraordinary users connected to the intake line There are a small number of extraordinary users within the District that are connected directly to the intake line. They are connected by virtue of historical agreements, as the water main passes over their land. Over time their demand for water has become high, especially during dry periods. Their usage can reduce the flow of water entering the Council's storage and treatment facilities at a time when consent conditions also limit water abstraction. This impacts on Council's ability to provide a consistent volume of water to users in the town schemes.

These users have little or no storage on site, and are therefore very dependent on the Council supply. Council intends to manage this situation through restricting supply and/or encouraging on site storage.

⁸ Part B Tararua District Council Water Asset Management Plan and Long Term Plan Significant Forecasting Assumptions and Risks.

⁹ Tararua District Council Draft Long Term Plan 2015-2025.



6.2.4 Demand Assumptions

- Council will continue to supply reticulated water to the six towns that currently with a residential water scheme
- Future demand for water will be similar to current trends.
- Conditions of existing resource consents held by Council will not be altered significantly
- There will be no large extensions to the water network needed to met growth during the 30-year period
- No new large wet industries will connect to Council water supplies – it is forecast that no new large wet industries will enter the district, and that if they did, they will source their own water, in the same way as existing wet industries – Fonterra, Tui Breweries, Oringi, etc.
- Growth in connections will be limited to infill developments and small subdivisions
- The existing reticulation and supplies will have sufficient surplus capacity to meet forecast demand, throughout the year, once storage issues have been addressed
- Users will continue to be responsible for the management and funding of their connection to the Council main

None of the above assumptions are rated as having a high degree of uncertainty.

6.2.5 Asset Condition

The condition of water assets is assessed by physical inspection – where assets are easy to access, such as treatment plants and pumps, and hydrants, and through inspection as part of physical renewal work, asset failures and when addressing asset performance issues, where assets are below ground such as pipes and valves. Figure 6 provides an overview of the condition of assets within each scheme using the 1-5 condition grading system outlined in Section 6.2.1.

For water assets, the condition grading of the schemes is largely based on age and type of material.

Figure 7 (over page) shows the renewal forecast for pipe schemes based on SPNAM data. The uncertainty about the actual installation date of some parts of the pipe network, means, that the data set currently assumes 51% of the network was installed in the 1980s. We know this not to be the case. The installation date is the major factor contributing to the peaks shown in the graph. The water data set is currently being loaded into a new software solution. This will give Tararua District Council greater ability to forecast the timing of renewals based on condition, age and performance, and the relative importance of these.

Figure 6: Condition of Water Scheme Reticulation

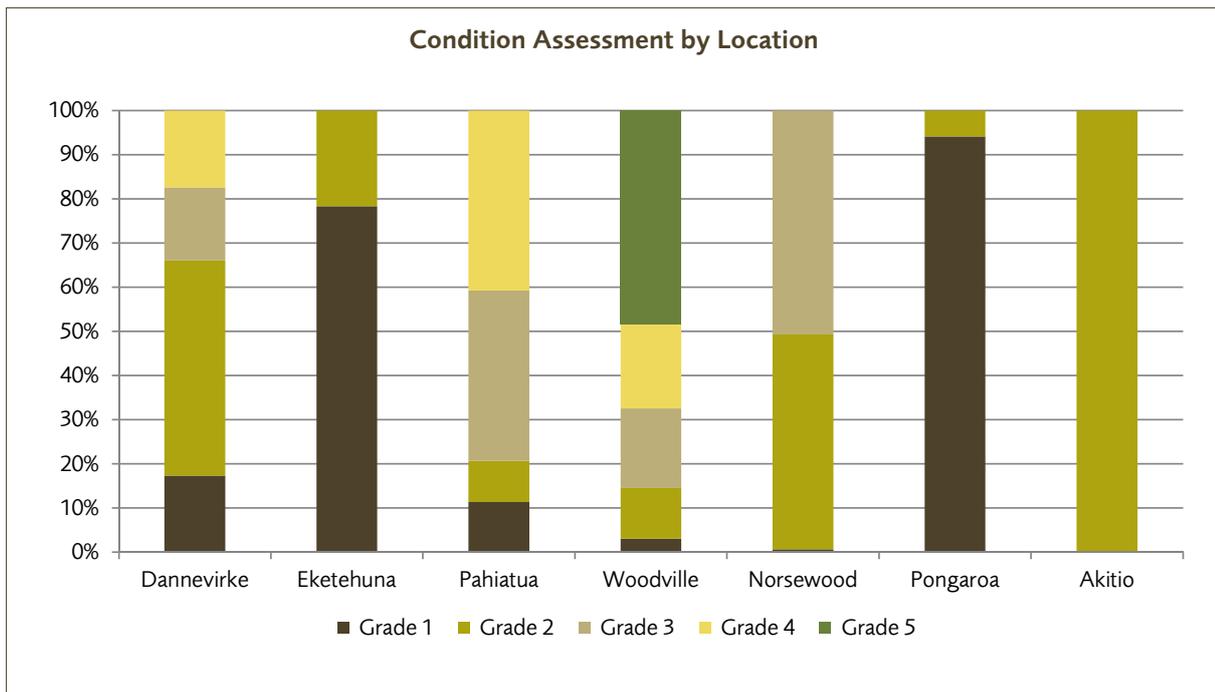
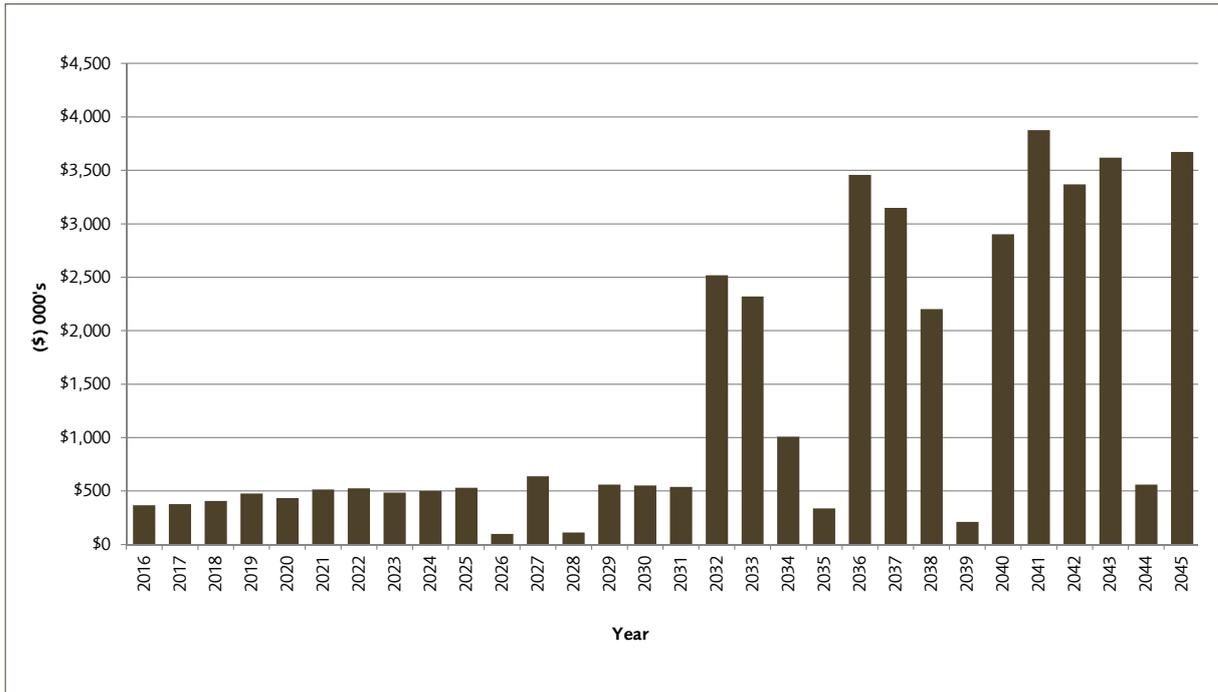


Figure 7: Total Water Supply Renewals 2015–2045



6.2.6 Significant Decisions relating to Water Supply

Woodville Water Storage

Woodville water supply is sourced from an open source stream into a storage dam or directly to the treatment plant.

Council upgraded the quality of water in Woodville in 2011. The issue that remains is the volume of supply. This means that Woodville often enters summer with the storage at less than full levels. Water restrictions are common throughout summer. If anything goes wrong with the treatment plant, there is little opportunity to fix it before the town runs out of water.

The aim of this project is to address these issues and provide adequate drinking water to the community throughout the year.

There is a need to increase the storage of both treated and raw water in Woodville, making the scheme less dependent on weather conditions and more resilient. Options for storage include expanding the current facility, or building a new storage facility at a new site.

Council has provided \$50,000 in Year 1 to prepare a business case that will be considered by the Woodville township and Council as part of the 2016/17 Annual Plan. The 10 year plan assumes a total of \$2 million funded from loan will be spent in 2017/18 and 2018/19 for the construction of the Woodville water storage.

Extraordinary Users

In the past, decisions on who – in the adjacent rural areas – has access to each water supply, and the cost and conditions of that access, have impacted on the size and treatment costs required. Council has decided that within the next few years the non-urban use of Council water supplies will be reviewed.

Council intends to ensure that extraordinary users (rural and large industrial) of Council water supplies are supplied on an equitable basis. Many of these users have historical agreements made with previous Councils. Longstanding issues with some of these users are now creating problems as a result of the new standards and consent conditions for water use. Council is seeking to limit the usage of Council supplied water to that set out in any previous agreements. This will help Council address the water demand issues in the main towns.

Council will also look to amend its Water Supply Bylaw to consider the option for all urban users to have a separate rain water tank to help meet water demand for non-portable (garden etc) use during summer months.

Pongaroa Water Supply

An application has been made to Ministry of Health, on behalf of the Pongaroa community for funding assistance towards a treated residential water scheme. This project, estimated at \$500,000, will proceed subject to securing funding from the Ministry of Health.



6.3 Wastewater Schemes

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

6.3.1 Overview of Water Assets

The residential wastewater schemes of the district are outlined in Table 13.

Table 13: Tararua District Council Wastewater Schemes

Location of Network	Property Connections	Pipe length (km)	Pump stations number	Treatment Plant	Gross Replacement Cost (\$) June 2014	Depreciated Replacement Cost (\$) June 2014
Dannevirke	2,661	37.5	7	3 ponds 9.2 ha	23,844,187.32	10,670,856.76
Pahiatua	1,123	17.8	3	3 ponds 4.1 ha	10,475,860.32	4,930,609.01
Woodville	675	13.1	1	2 ponds 2.9 ha	8,799,697.21	3,475,169.71
Eketahuna	220	6.5	2	2 ponds 0.4 ha	3,752,242.07	1,754,596.40
Norsewood	70	3.2	2	2 ponds 0.06 ha	1,090,515.83	718,310.23
Pongaroa	69	3.4	2	2 ponds 0.32 ha	1,093,420.07	729,011.20
Ormondville	39	3.5	3	2 ponds 0.22 ha	925,002.62	646,866.58
Total Plant & Networks	4,857	85	20	16 ponds	49,980,925.44	22,925,419.89

All schemes consist of three main categories of assets:

Wastewater reticulation – untreated wastewater is discharged by the consumer through a network of pipes. The flow of wastewater is controlled through a series of valves and may include some pumping. Wastewater makes its way from the property connection into mains and sub-mains, and through to the treatment plant. Council is able to monitor wastewater flows through meters located throughout the network and at the treatment plant.

Wastewater treatment – wastewater moves into the waste water treatment plant through a screen which removes solid particles. The wastewater then moves through a series of ponds, where biological processes occur to reduce the level of nutrients. It is in these ponds that particulate matter that has not broken down settles to the bottom of the pond. The wastewater moves through a treatment plant. Treatment facilities vary from scheme to scheme, but typically consist of a filtering process and a chemical treatment process. The process may also include physical disinfection (UV).

Treated wastewater discharges – treated wastewater is discharges into open wafer courses under the provisions of a resource consent. The consent conditions vary from scheme to scheme but include conditions for water quality – nutrient levels and volume. Discharges structures have been developed

and located to facilitate as much mixing with the receiving environment as is possible.

6.3.2 Key Issues

The key issues that have been identified for Council's wastewater schemes include:

- Discharge effluent quality – to meet the requirements of the Manawatu River Leader's Accord Action Plan, particularly with regard to higher nutrient discharge standards.
- Resource consents have expired or are due to expire and need renewing.
- Affordability – more demanding treatment requirements will, over time, impact on communities' ability to pay for wastewater.
- Infiltration into wastewater pipes leading to greater volumes of wastewater arriving at the plants for treatment than is necessary.
- Continued investment in the renewal of pipes and other wastewater supply infrastructure.
- Network failure – maintaining the quality and continuity of sewerage systems, which are particularly susceptible to severe damage in seismic events and inundation in high rainfall events.
- Managing the demand for water to comply with conditions of consent to abstract water and to reduce the extent of capital investment in storage.

6.3.3 Level of Service Assumptions

- Existing and new resource consent requirements will necessitate upgrades of the seven schemes.
- The future costs of providing desired levels of service and funding are based on the provisions of the current One Plan. No significant changes to this plan will occur during the period of the strategy.
- Society will continue to have an increasing focus on environmental protection (waterways) .
- Levels of service will be progressively increased in those schemes where the current level of service falls below the agreed targets in the Long Term Plan. All other level of service will remain unchanged.

None of the above assumptions are rated as having a high degree of uncertainty¹⁰.

Council intends to deliver the following levels of service to communities connected to a Council owned residential wastewater scheme¹¹. These are no different to the levels of service that are currently being delivered.

- A reliable waste water service
- Risks to public health and our natural environment are minimised.
- Council responds quickly when things go wrong
- Council services meet customer expectations

In order to achieve the above service standards, Council intends to increase the following levels of service:

6.3.3.1 Discharge Water Quality Council will progressively increase the cleanliness and safety of water in the streams and rivers into which treated wastewater is discharged through continuing the programme of wastewater treatment upgrades it began in 2012. Council intends for all schemes to have resource consent in place and be operating in accordance with or exceeding consent conditions within three years.

6.3.3.2 A reliable wastewater scheme It is Council's intention to continue its CCTV programme to identify pipe failures and pipe blockages and prioritise the renewal and servicing of these pipes.

6.3.3.3 Infiltration Council will continue its programme to address infiltration and reduce the volume of water entering the wastewater network from leaking pipes and stormwater connections. This will lead to increased resilience of the wastewater scheme during heavy rainfall events and a reduction in the volume of wastewater entering the treatment plants.

Council does not intend to decrease any levels of service.

6.3.4 Demand Assumptions

- Council will continue to supply reticulated wastewater scheme to the seven towns that currently have a residential wastewater scheme.
- Future demand for wastewater will be similar to current trends.
- Conditions of existing resource consents held by Council will be altered significantly.

¹⁰ Part B Taranua District Council Wastewater Asset Management Plan and Long Term Plan Significant Forecasting Assumptions and Risks.

¹¹ Taranua District Council Draft Long Term Plan 2015-2025.



- There will be no large extensions to the wastewater network needed to meet growth during the 30-year period.
- No new wet industries will enter the district and if they did, they will make some provision for waste water treatment onsite.
- Growth in connections will be limited to infill developments and small subdivisions.
- Changes to Council policy on trade waste charges will not impact on demand.
- The existing reticulation and treatment plants will have sufficient surplus capacity to meet forecast demand and discharge consent conditions, throughout the year, once infiltration issues have been addressed.
- Users will continue to be responsible for the management and funding of their connection to the Council main.

None of the above assumptions are rated as having a high degree of uncertainty.

6.3.5 Asset Condition

The condition of wastewater assets is assessed by physical inspection- where assets are easy to access, such as treatment plants, ponds and pumps, and through the use of the CCTV camera where assets are below ground such as

pipes. Inspection occurs as part of physical renewal work, asset failures and when addressing performance issues. Figure 8 provides an overview of the condition of assets within each scheme using the 1-5 condition grading system outlined in section 6.2.1.

For wastewater assets, the condition grading of the schemes is largely based on age and type of material. The CCTV camera has allowed Council to gain a good understanding of asset condition and performance of the reticulation. This data is now being used to programme pipe renewals. When Council has a complete data set, this information will be used to reassess the over all condition of each scheme and forecast the timing of renewals.

Renewal Profile

Figure 9 (over page) shows the renewal forecast for wastewater schemes based on SPNAM data. The large peak in 2023 represents the replacement of the microfiltration plant at Dannevirke. In reality this plant will not be replaced in totality. Further work on the asset data is needed to componentise plants to get better definition of renewal needs.

The wastewater data set is currently being loaded into a new software solution. This will give Tararua District Council greater ability to forecast the timing of renewals based on condition, age and performance, and the relative importance of these.

Figure 8: Condition of Wastewater Schemes

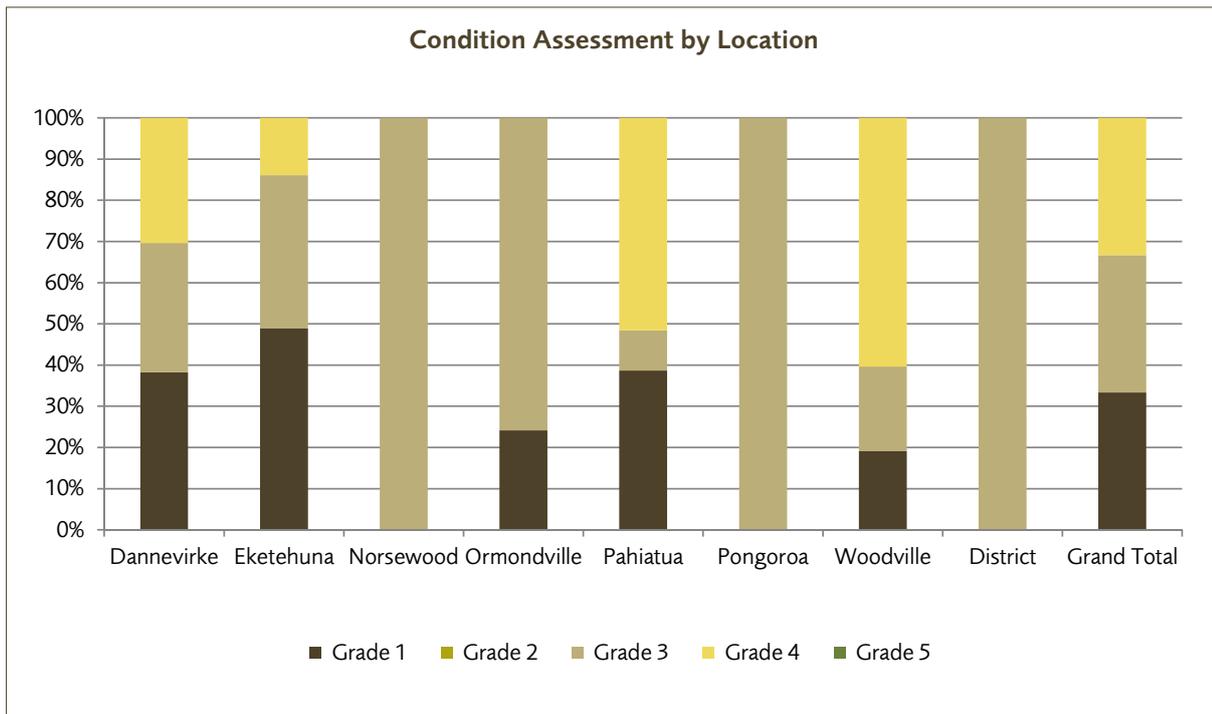
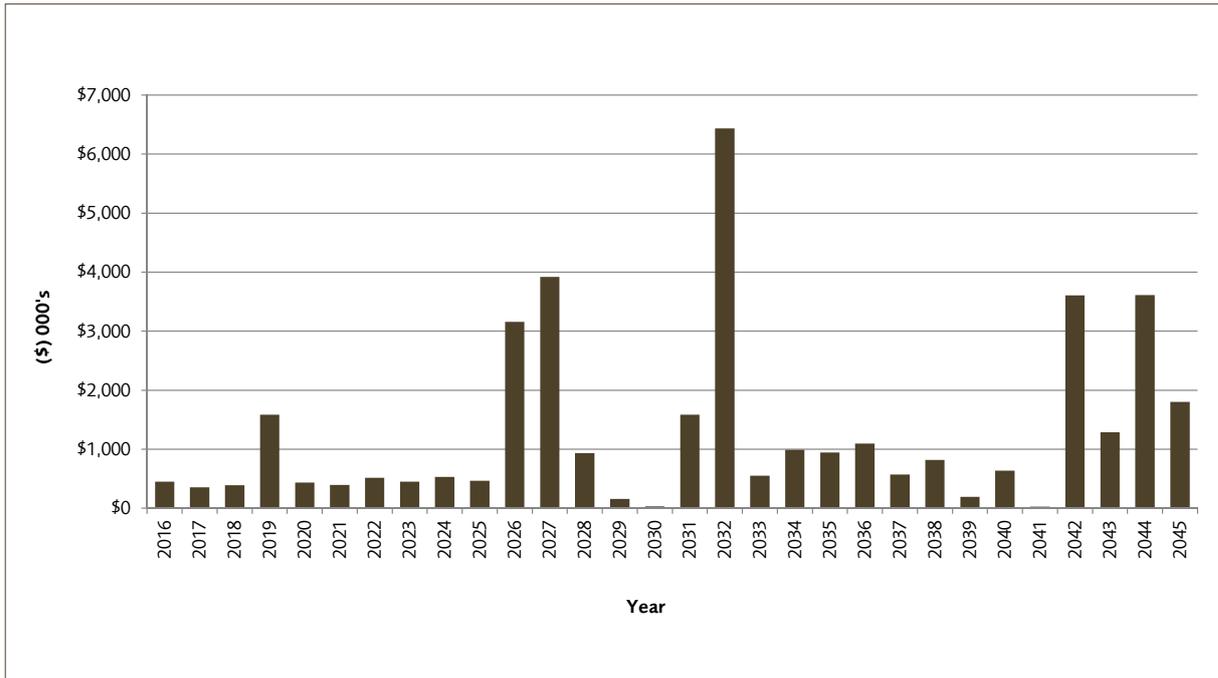


Figure 9: Total Wastewater Renewals 2015-2045



6.3.6 Significant Decisions Relating to Wastewater

Land Irrigation

Council remains committed to further reducing impacts from wastewater discharges into rivers, and over the 10 years of this plan, will continue to pursue land based treatment options. This includes the irrigation and secondary use of the land, which may require the direct purchase or lease as suitable land becomes available. A budget of \$450,000 has been included in the 10 year plan.

6.4 Stormwater

Council aims to provide protection of the community's assets from flooding by providing systems that enable stormwater to dissipate as quickly as practicable.

6.4.1 Overview of Stormwater Assets

The urban stormwater schemes of the district are outlined in Table 14.

Table 14: Taranua District Council Stormwater Schemes

Location of scheme	Gross Replacement Cost (\$)	Depreciated Replacement Cost (\$)
Pahiatua	6,491,205.31	4,623,145.02
Dannevirke	7,460,189.90	4,350,596.12
Woodville	2,838,969.69	1,846,876.15
Eketahuna	1,353,761.43	751,631.51
Grand Total	18,144,126.33	11,572,248.80

The network assets consist of:

- **21.8km of pipes**, of which:
 - 18.3km are reinforced concrete with rubber joints;
 - 1.6km are uPVC plastic.
- **307 manholes** made from steel reinforced concrete with cast iron lids.



- **1.3km culverts**, either round, rectangular or "arch roofed" in cross section, carrying stormwater under buildings, roads and driveways.
- **23.9km of open-channel drains and streams.**

Also part of the system but managed under Council's Asset Management Plan for Roading:

- Approximately 886 sumps made of steel reinforced concrete with metal grates.
- Approximately 225km of kerb and channel draining to the stormwater networks.

6.4.2 Key Issues

The key issues that have been identified for Council's stormwater schemes include:

- Localised surface flooding during heavy rainfall events
- High volumes of water entering the townships from surrounding areas
- The high cost of maintaining open water courses
- Public health and safety issues associated with open drains in urban areas

6.4.3 Level of Service Assumptions

- The future costs of providing desired levels of service and funding are based on the current One Plan. No significant changes to this plan will occur during the period of the strategy.
- Levels of service will be progressively increased in those schemes where the current level of service falls below the agreed targets in the Long Term Plan. All other level of service will remain unchanged.

None of the above assumptions are rated as having a high degree of uncertainty¹².

Council intends to deliver the following levels of service to communities connected to an urban stormwater scheme¹³. These are no different to the levels of service that are currently being delivered.

- An effective stormwater system that protects people and properties from flooding.
- A reliable stormwater network.

In order to achieve the above service standards, Council intends to increase the following levels of service:

6.4.3.1 Surface flooding and resilience of schemes

Council intends to reduce the incidence of surface flooding events and incidences of residential and business inundation by stormwater during heavy rainfall. Modelling techniques will be used to assess stormwater distribution throughout the township, identifying the areas with potential for stormwater issues. Council's response to this information will be a combination of diverting stormwater before it enters the area, building up stormwater holding capacity within the area and increasing maintenance of stormwater assets.

Council does not intend to decrease any levels of service.

6.4.4 Demand Assumptions

- Council will continue to manage stormwater in the four towns that currently have an urban stormwater scheme.
- Annual stormwater volumes will remain constant over the next 30 years for the four networks.
- Eliminating infiltration in to the sewerage reticulation may in turn create a greater stormwater discharge into the network.
- Any new stormwater diversion projects would create new point discharges that would require Resource Consent from the Regional Council
- The current levels of service achieved will continue (design return events).
- Ensuring the waterways are clear at all times from rubbish, debris and weed growth so the system runs at full capacity with no obstruction during heavy rainfall
- There will be increased incidences of heavy stormwater events due to climate change
- No new major legislation on stormwater will be enacted
- There will be no large extensions to the stormwater network needed to meet growth during the 30-year period
- Growth in connections will be limited to infill developments and small subdivisions
- The existing reticulation will have sufficient surplus capacity to meet forecast demand, throughout the year, stormwater diversion projects have been completed

¹² Part B Tararua District Council Stormwater Asset Management Plan and Long Term Plan Significant Forecasting Assumptions and Risks.

¹³ Tararua District Council Draft Long Term Plan 2015-2025.

- Users will continue to be responsible for the management and funding of their connection to the stormwater outlet in the Council kerb and channel.

None of the above assumptions are rated as having a high degree of uncertainty.

6.4.5 Asset Condition

The condition of stormwater assets is assessed by physical inspection- where assets are easy to access, such as sumps, grates, and through the use of the CCTV camera where assets are below ground such as pipes. Inspection also occurs as part of physical renewal work, asset failures and when addressing performance issues. Figure 10 provides an overview of the condition of assets within each scheme using the 1–5 condition grading system outlined in Section 6.2.1.

For stormwater assets, the condition grading of the schemes is largely based on age and type of material. The CCTV camera has allowed Council to gain a good understanding of pipe condition and performance. This data is now being used to programme pipe renewals. When Council has a complete data set, this information will be used to reassess the over all condition of each scheme and forecast the timing of renewals.

Figure 11 provides an overview of the current renewal profile for storm water assets based on SPNAM data. The large peak in 2037 is as a result of assumed installation date, rather than known condition. The data will be reviewed as part of Council's asset management improvement programme

6.4.6 Significant Decisions Relating to Stormwater

Dannevirke Stormwater Diversion

In Dannevirke, stormwater enters the Mangapurupuru Stream and then runs through the town. Council is investigating a project that will reduce stormwater flooding in the town by diverting stormwater away from the Mangapurupuru Stream.

As each stormwater network operates as one system, any changes will have an impact on other parts of the scheme. Council is proposing to conduct stormwater modelling in Year 1 (\$25,000) to understand the best value stormwater options to solve the current problems. A possible response is to build two new stormwater pipes to divert stormwater from flowing through the network.

- Divert stormwater at Cole Street and pipe to discharge into Mangatera Stream.
- Divert stormwater from High Street/Hospital Street and pipe down legal right of way to Mangatera Stream.

Pahiatua Stormwater Diversion

In Pahiatua, the aim is to reduce stormwater flooding during heavy rain events, but also to improve the safety and aesthetics of Huxley Street by piping the existing drain. These are two separate projects but are closely related. Piping the Huxley Street drain becomes more feasible once stormwater flowing into the system from the rural area to the south of Pahiatua is diverted – this has been debated by Council's for over 30 years.

Council needs to better understand the flows and impacts of change in order to find an affordable solution. As in Dannevirke, Council is proposing to conduct stormwater modelling in Year 1 (\$25,000) to understand best value options with the decision to be made as part of 2016/17 Annual Plan process. Funding is included for a stormwater diversion project in 2017/2018, and piping the Huxley Street drain in 2021/22.



Figure 10: Condition of Stormwater Schemes

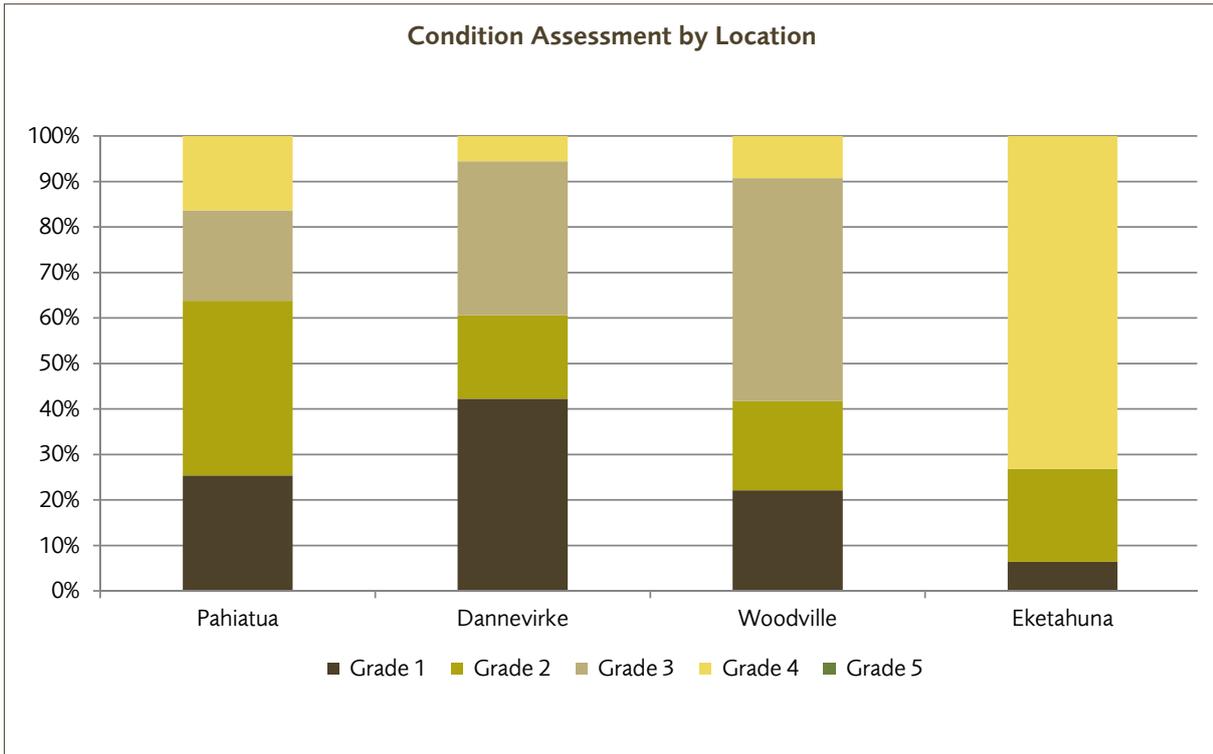
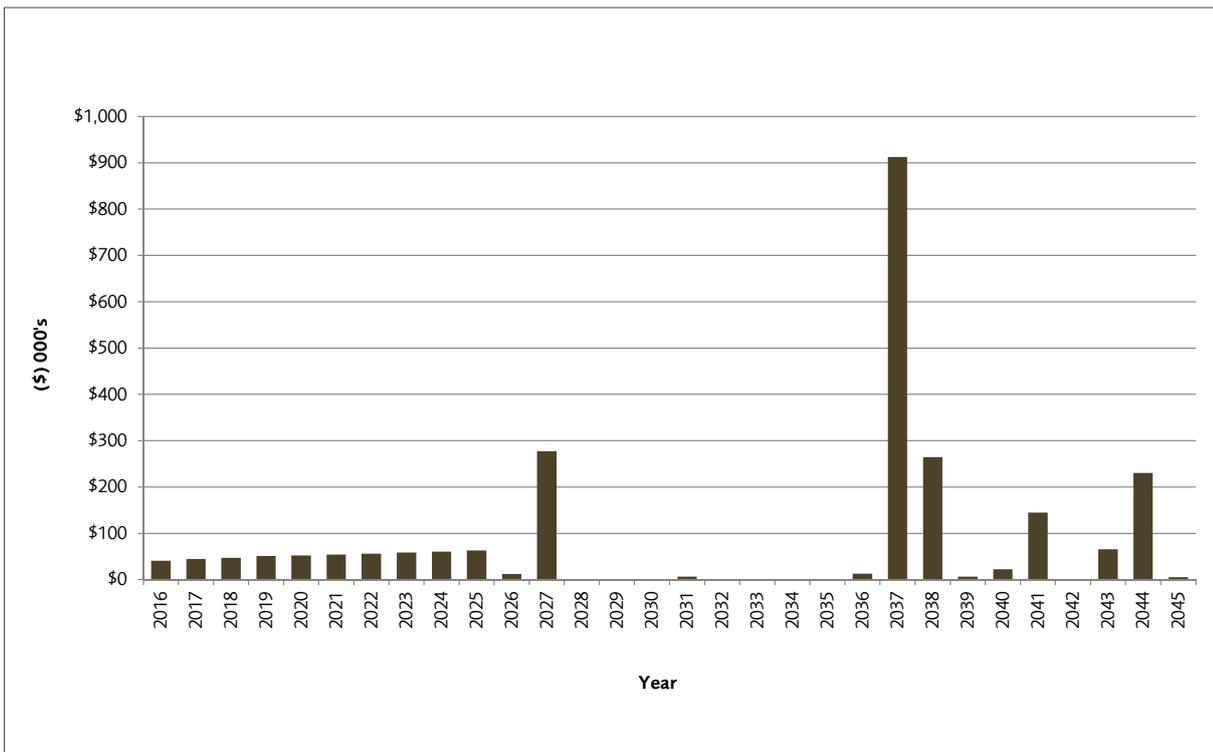


Figure 11: Total Stormwater Renewals 2015-2045



6.5 Transportation

Council aims to provide a safe and efficient Roothing network that meets the short and long term needs of the District and is operated and enhanced in a sustainable manner at the lowest overall whole of life cost.

6.5.1 Overview of Transportation Assets

The transportation assets of the district consist of:

- 1,175.60kms of sealed roads
- 782.10kms of unsealed roads
- 112.40kms of footpaths
- 9106 road signs
- 398 bridges
- 130 large culverts
- 2,078 water tables
- 1,542 surface water channels

The values of the transportation assets are detailed in Table 15.

Table 15: Taranua District Council Transportation Assets

	Gross Replacement Cost (\$)	Depreciated Replacement Cost (\$)
Road surface	36,710,151.80	20,918,317.11
Sealed basecourse	154,294,967.31	101,208,887.23
Sealed formation	437,524,890.80	437,524,888.56
Sealed land	24,832,602.78	-
Sealed sub-base	37,826,485.56	36,125,482.50
Road footpaths	11,880,649.18	5,962,057.79
Road roundabouts	398,196.49	306,913.90
Road structure bridges	131,548,942.13	52,150,306.26
Road structures large culverts	15,895,823.40	5,118,211.29
Group summary	147,444,765.53	57,268,517.55
Road drainage	85,639,776.86	67,510,181.52
Road lights:	2,665,570.99	1,060,487.70
Road traffic facilities signs	1,853,940.74	926,970.44
Total	941,071,998.06	728,812,704.30

The Roothing Network within Taranua District Council has grown the amalgamation of various counties/boroughs such as Dannevirke, Woodville, Pahiatua, Eketahuna, Akitio, and Weber.

All counties/boroughs had various forms of road management within very differing ground/road conditions. Areas towards the coastal region had very unstable country, whereas, areas to the south had many roads built on river gravels.

Records show prior to various amalgamations many roads were sealed particularly within the Woodville area. Pavements were not fully reconstructed but road surfaces broomed and sealed. This occurred through the early seventies/eighties. Over the following years reseals and pavement rehabilitation have been undertaken on the sealed surfaces.

6.5.2 Key Issues

The challenges facing the Roothing network are not related to traffic growth. Across the network there is considerable spare capacity to cater for additional traffic flows. The key issues are:

- The roading network is old and was not originally built to handle the heavy traffic that uses it today.
- Changes to NZTA Funding Assistance Rate (FAR) Review and One Network Road Classification (ONRC) may force reductions in levels of service.
- Emergency works and the effects of Flat Lined Subsidy.
- Increasing costs and reduced funding from NZ Transport Agency for maintenance and renewals.
- Increasing effects of forestry and dairy on the network.
- Securing funding for network improvements.
- Renewing the large number of bridges in the future.

A 30-year roading strategy has recently been prepared¹⁴. In conjunction with the asset management plan, this provides more detail on the management of transport assets over the next thirty years.

6.5.3 Level of Service Assumptions

Roothing is funded through a partnership with Central government through the NZ Transport Agency. Historically most standards were set by the Council within broad

¹⁴ Taranua District Council – 30 Year Roothing Infrastructure Strategy

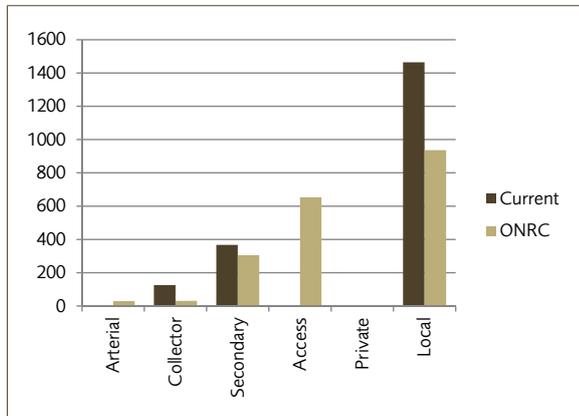


NZTA guidelines. This year a new system has been set in place that sets national standards (One Network Road Classification) for each type of road. Figure 12 shows the movement in road classifications within the Tararua District Council network. This may impact on the affordability of maintaining existing levels of service.

Other assumptions include:

- Levels of service will be progressively increased on those roads where the current level of service falls below the agreed targets in the Long Term Plan. All other level of service will remain unchanged.
- Council will continue to address safety issues on the network as they are identified.

Figure 12: Kilometres of Tararua District Council Roads Within NZTA Roding Categories



None of the above assumptions are rated as having a high degree of uncertainty¹⁵.

Council intends to deliver the following levels of service to the community¹⁶. These are no different to the levels of service that are currently being delivered.

- Safety: Utilise appropriate best practice to provide a safe road network.
- Quality: Construct and maintain road links to provide appropriate access.
- Reliability: Provide a Roding network that gives substantially unimpeded travel.
- Appearance: Provide a road network that is aesthetically pleasing.
- Affordability: Provide an affordable road network.

- Legislative: Ensure activities associated with the road network comply with legislation and the Council's legal liability to provide roads.
- Community: Recognise roads as part of the community where enquiries are responded through a timely manner.

6.5.4 Demand Assumptions

- There will be no significant increase in the size of the network.
- Traffic volumes will remain low.
- Mature forests will be harvested and transported to ports by road.
- Mobility scooters on footpaths will increase as out population ages.
- Some roads will be subjected to more heavy vehicles, for intense periods of time, as a result of forestry harvesting.
- Users will continue to be responsible for the management and funding of their vehicle crossing.

None of the above assumptions are rated as having a high degree of uncertainty.

6.5.5 Asset Condition

Pavement Condition

Pavement condition is currently assessed by road roughness, visual inspection and age. Some deflection and circle testing is also carried out.

Condition is measured biennially and physical faults are continuously recorded over a fixed statistically representative portion of the carriageway. Capturing condition at any one time is complex because of the constant wear, and it is more meaningful to chart the trends from year to year. The extent and severity of defects such as rutting, cracking, shoving, corrugations, potholes and edge break, together with roughness, define the overall condition of the pavement.

Figure 13 (over page) shows asset condition using the roughness readings. These readings are only taken on sealed roads. Unsealed road roughness is a much more difficult task to deal with. A roughness level of 130 is generally considered to be the point at which road pavements should be considered for renewal. Of the

¹⁵ Part B Tararua District Council Transportation Asset Management Plan and Long Term Plan Significant Forecasting Assumptions and Risks.

¹⁶ Tararua District Council Draft Long Term Plan 2015-2025.

Figure 13: Surface Roughness Statistics

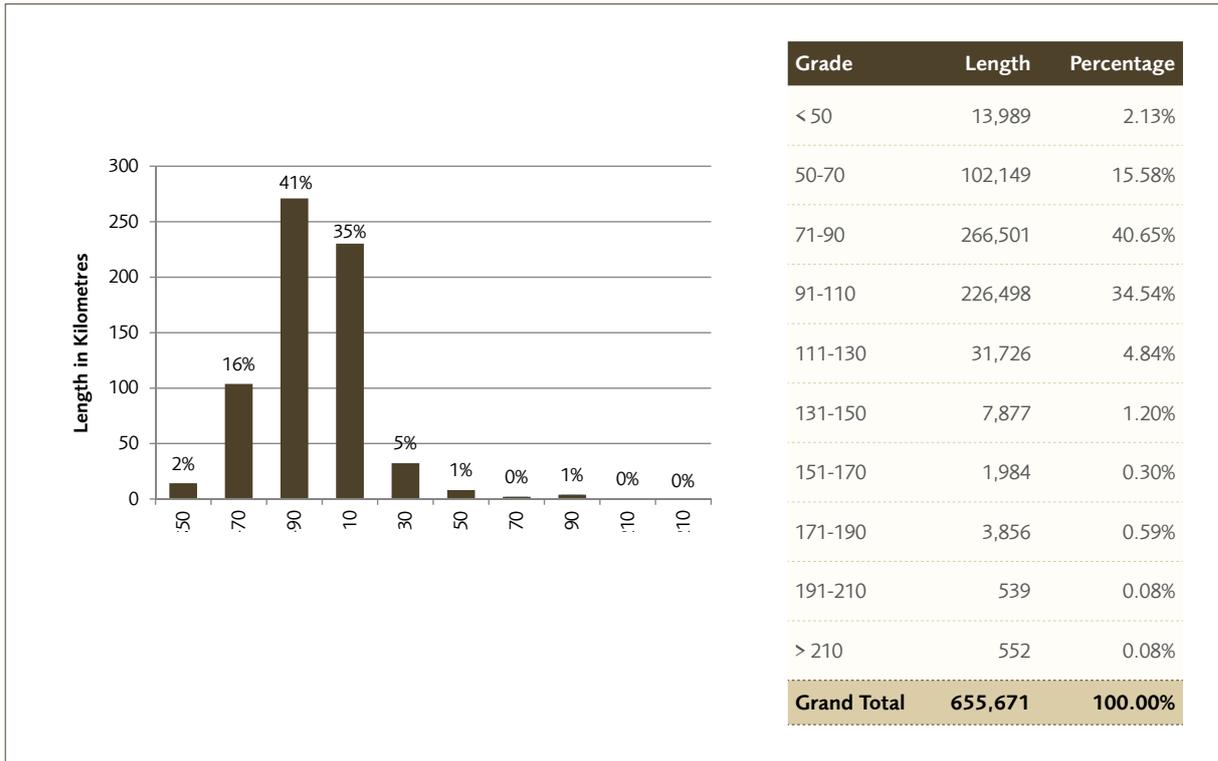
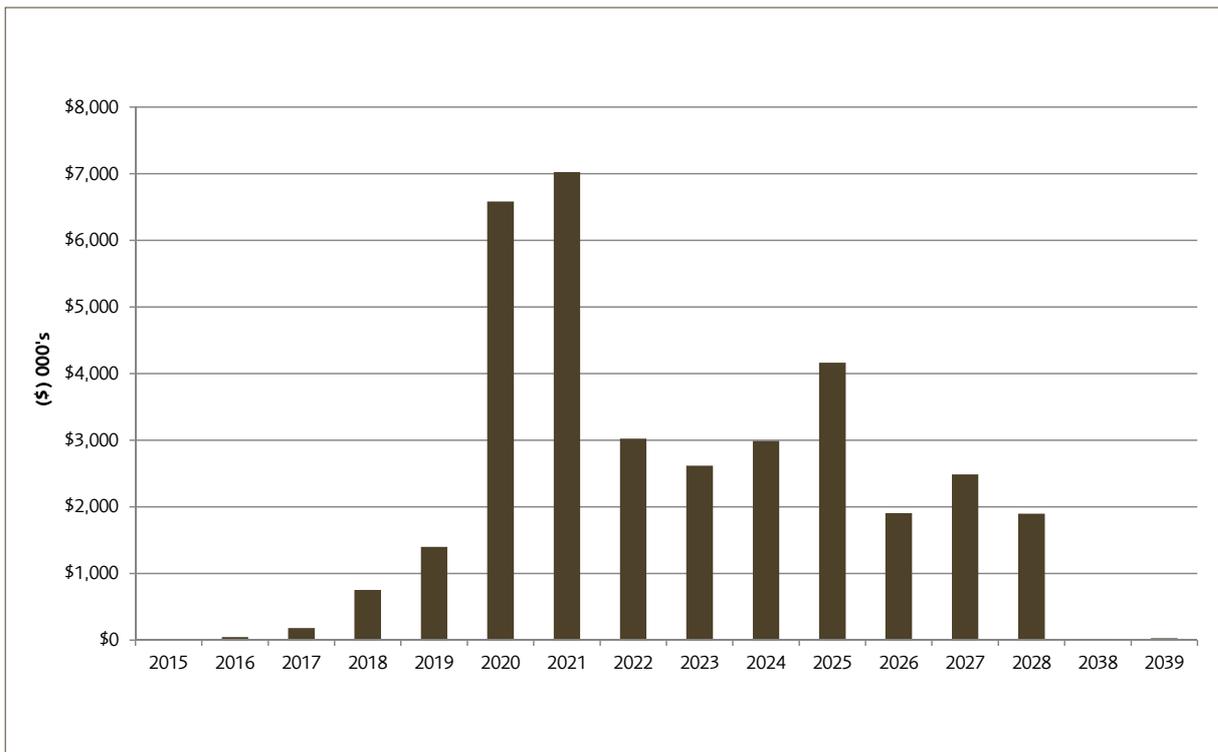


Figure 14: Forecast Road Surface Renewals





1,322km surveyed, 19% of the roads have a roughness count of less than 50, whereas only 2% are greater than 230. Being a district with predominantly low traffic volumes, consideration is all we can give to these sections. Rehabilitation work is based more on observed condition than roughness.

Council is aware that parts of some significant assets are ageing and will need renewal over the next 30 years. These form the basis of the renewal budget forecasts contained in this Strategy and the 2015–2025 Long Term Plan.

The assumptions underpinning these renewal profiles are:

1. That Council will manage out any peaks and troughs and maintain the average sealing quantity as per the last 20 years.
2. Over the past 20 years, Council has averaged 93km of reseal per year, so with an average seal width of 5.6m we end up with 522,404m² seal a year.
3. Using the 2014/15 valuation rate at \$4.96/m² for sealing, we end up with a starting point of \$2.5 million.
4. Inflation at 1% over the whole period – this is in line the NZ Transport Agency budget provisions.

Bridge Asset Condition

Annual inspections are carried out on all bridges, large culverts, and underpasses using the NZ Transport Agency

'Bridge and Other Structures Inspection Policy' (NZTA S6:2009) as a basis for inspection policy, and using the Transit New Zealand 'Bridge Inspection and Maintenance Manual Revised Edition – 2001' (manual number: SP/M/O16) for inspection and recording procedures.

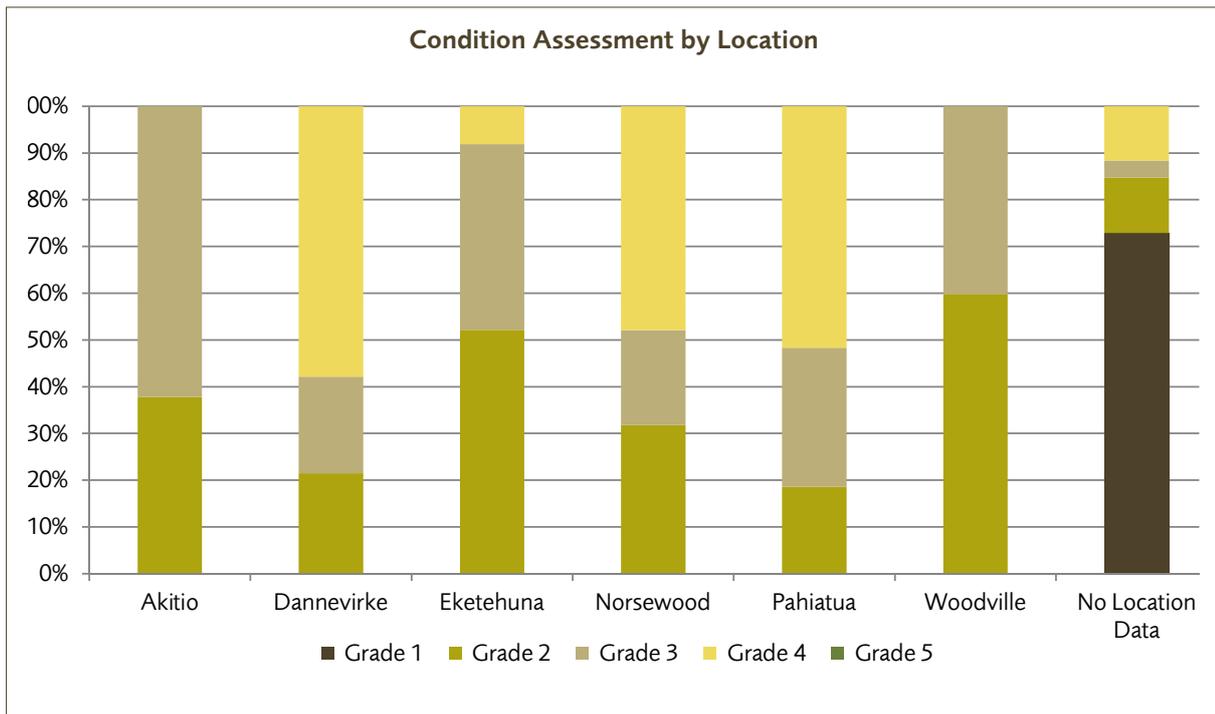
A formal condition-grading programme has also been developed. This rating assesses the major components of the Bridge, assisting with forecasting remaining useful life. As time progresses the inspections will give a pattern to develop further maintenance needs or ultimately signal Bridge Renewals.

An overall intention of this rating system will be to form guidance for bridge lifespans, which have the potential to increase.

Figure 15 provides an overview of the condition of bridges and large culverts assets within each scheme using the 1–5 condition grading system outlined in section 6.2.1.

As New Zealand is a relatively young nation the history on Bridge lifecycles is unknown so hence the current practise of giving a Bridge an average life expectancy of 100 years. As many of these assets have yet to be renewed there is often no proven age that they will need to be replaced. Renewal ages are based on industry accepted good practice and are conservative. Current renewals do not point to any issues with this approach (i.e. asset failures have not increased in recent years).

Figure 15: Condition of Bridges and Large Culverts Within Network



The renewals forecast for bridges based on a 100 year life, is shown in Figure 16.

If we use condition information as evidence that the bridge life expectancies can be increased then the depreciation values change significantly for bridge renewals over the next 30 years:

- Under current life cycle of 100 years requirement will be for 115 Bridges to be renewed at an estimated cost of \$34,615,107.
- If the lifecycle is adjusted to 110 then the requirement will be for 45 bridges to be renewed at an estimated cost of \$13,762,852.
- If the lifecycle is adjusted to 120 then the requirement will be for 9 Bridges to be renewed at an estimated cost of \$1,637,571.
- If the lifecycle is adjusted to 130, then the requirement will be for one bridge to be renewed at an estimated cost of \$121,827.

As actual condition assessments improve over the medium term, these will be used to modify the renewal forecasts. As an example, major bridge renewals could easily change by +/- 10 years or even longer on the positive side.

6.5.6 Significant Decisions Relating to Transportation

Town Centre Upgrades

Council will continue with its town centre upgrade projects, with Eketahuna and Pahiatua due in the next few years.

Council will work closely on the design and scope with the local community and businesses. NZ Transport Agency is also involved as the owner of the state highway road(s) passing through these towns.

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

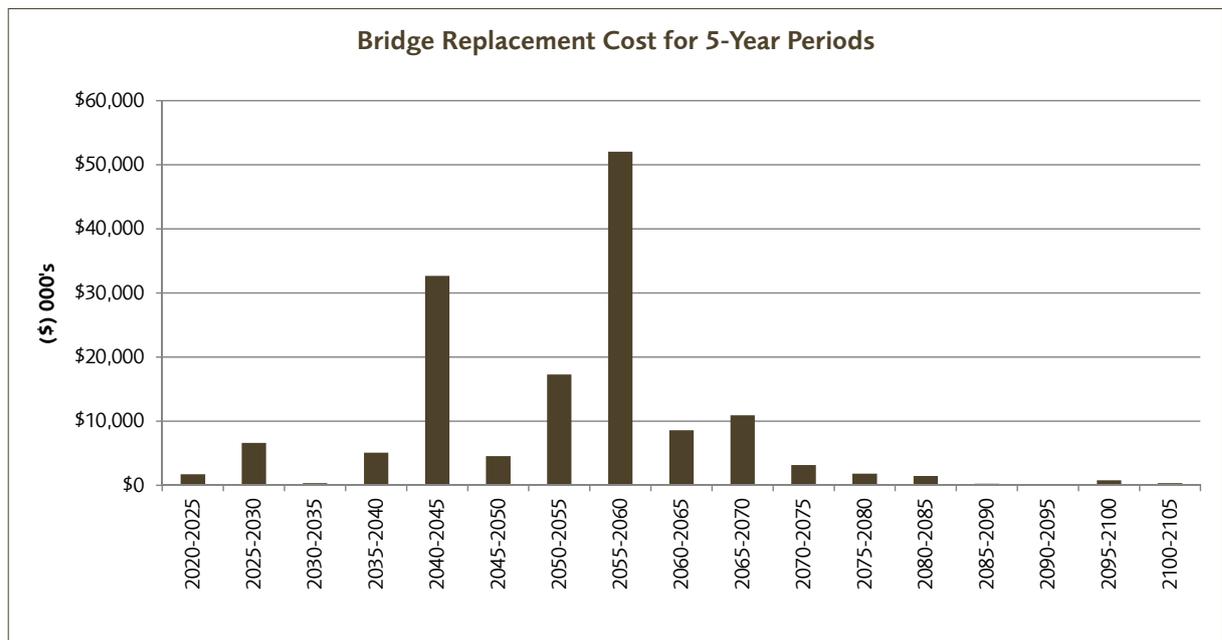
Eketahuna Town Centre Upgrade

The upgrade of the Eketahuna town centre is next off the block and is scheduled for 2015/16 for a total cost of \$442,000. The Eketahuna Community Board has undertaken a comprehensive community consultation process to establish the outcomes the community wants from the project. Council will also do kerb and channel, water, stormwater, and wastewater renewals, and consider lighting, safety and telecommunications improvements as part of this upgrade. To assist with the total construction cost, where possible, these additional works will be funded from budgets other than the town centre upgrade projects.

Pahiatua Town Centre Upgrade

The Pahiatua town centre upgrade follows, and is scheduled to start in 2017/18 at a total cost of \$2.9 million. As with Eketahuna, infrastructure and other renewals/upgrades will also be considered.

Figure 16: Bridge Renewals





APPENDIX A – ASSUMPTIONS

The Council has made a number of assumptions in preparing the 10-year Long Term Plan. The assumptions ensure that all estimates and forecasts are made on the same basis across all Council activities. These assumptions have been used for the infrastructure strategy.

These assumptions are outlined below. They are described in more detail, including mitigation measures in the Draft Long Term Plan 2015–2025.

1. Population Growth or Decline

Assumption

Population growth - Council has projected that over the 10 years, the district population will increase slightly by 3% with the total population in 2026 at 17,850 compared to 17,255 estimated in 2013 (based on 2013 Census).

Households (including unoccupied) are forecast to increase by 5% with the total households in 2026 at 8,500 compared to 8,076 estimated in 2013 (based on 2013 Census).

Risk

Population and household growth is significantly different (growth or decline) to that assumed, or population in a particular sector may change significantly.

Level of Uncertainty

Low to medium.

Impact

Low to medium

2. Ageing Population

Assumption

That the median age of District residents will increase significantly over the long term leading to changes in the way Council delivers services. The number of residents aged 65+ increased by 17% from 2006 to 2013. Older people now make up 17% of the resident population (March 2013). This is expected to increase to 24% in 2026.

Risk

The main risk is that population will continue to age significantly faster than forecast. The increase in older people is happening at a faster rate than previously forecast.

Level of Uncertainty

Low - The long-term trend to an older population is reasonable certain. The actual outcomes are highly dependent on the migration trends.

Impact

Low.

3. Natural Disasters

Assumption

Natural disasters – Council will be prepared to respond to any natural hazards including floods, storms, earthquakes and volcanic activity that occur. It is assumed that natural disasters will not be catastrophic in scale such as experienced by Christchurch City recently.

Risk

Natural disaster can cause significant damage to infrastructure and disruption of service. An increasing number of natural disasters including earthquakes, floods and volcanic events have occurred in New Zealand in the last decade. Insurance is becoming increasingly difficult to obtain at an affordable level.

Council may not be adequately prepared or resourced to respond to a major natural disaster, or to a succession of natural disasters. The current risk partnership with government where the government covers 60% of costs to Water and Wastewater from natural disasters (leaving Council to cover 40% through external insurance cover or self-insurance may not continue¹⁷). Any reduction in government cover from 60% will result in increased insurance costs or higher risks. The % government contribution to Roading repairs through NZTA is set by the FAR plus 20% (85%) and the size of the event. Current indications are that the criteria for government funding may be tightened, increasing the risks to Council.

Level of Uncertainty

Low.

Impact

High.

¹⁷ The 1991 Disaster Recovery Plan stated that central government would pay a maximum of 60% for all costs associated with the restoration of water and sewerage services after natural disasters.



4. Infrastructural Capacity

Assumption

That forecast population, household and business growth could be catered for by current and planned capacity of assets.

Risk

A major surge in household and/or industrial growth in a number of urban centers would place pressure on three waters infrastructure in those networks. This is unlikely and there is considerable existing capacity (both in infrastructure and housing) in the urban areas.

Level of Uncertainty

Low – a much higher growth rate would be required before capacity issues arose due to the level of surplus capacity currently in the networks.

Impact

Low.

5. Climate Change

Assumption

It is assumed that the District will be affected by long-term climate change in parallel with predicted changes as advised by government agencies, and that any climate changes will not be significant during the 10 Year Plan.

Risk

That there will be increasing intensity of climate related event(s) requiring emergency work that cannot be funded out of normal budgetary provisions.

Level of Uncertainty

Low/medium – while the long term trend of rising temperatures and more frequent intense weather events is reasonably certain, the short to medium term impacts are less certain.

Impact

Medium.

6. Inflation

Assumption

Council has adjusted financial projections to reflect the estimated impact of inflation. Council has used the Local Government Cost Index (LGCI) forecasts of price level changes to calculate a weighted average inflation rate for each year of the plan. Appendix one contains the BERL inflation adjusters (commissioned by the Society of Local Government Managers) used in producing this plan. These forecasts were issued in October 2014.

Risk

That actual inflation will be significantly different from the assumed inflation. Council is exposed to cost increases based on international oil prices (pipes, bitumen, and fuel). Council has no control on these prices and these are often volatile due to shifts in exchange rates and international oil prices.

Level of Uncertainty

Medium.

Impact

Medium.

7. Asset Lives

Assumption

Useful lives of assets are as recorded in asset management plans or based upon professional advice. Refer to Accounting Policies for Depreciation Rates. The overall costs of renewals and operating costs for the three waters and Roading is shown in the Infrastructure Strategy.

Risk

Assets wear out earlier or later than estimated.

Level of Uncertainty

Years 1-3 low; Years 4-10 medium; years 11 to 30 (as shown in Infrastructure Strategy) medium.

Impact

Medium.

8. Revaluation of Property, Plant & Equipment

Assumption

Assets are valued as stated in the accounting policy. The following assumptions have been applied to projected asset revaluations:

- the revaluations will reflect the changes predicted by BERL;
- depreciation impact of inflation will be in the year following revaluation;
- value of non-depreciable assets (e.g. land) is forecast to remain constant.

Risk

That the BERL Forecasts will be materially incorrect, leading to misstatements, in particular forecast asset values that will result in changes to the depreciation charged and hence the rates levied.

Level of Uncertainty

Medium.

Impact

Medium.

9. Contracts

Assumption

There will be no significant variations in terms of price from the re-tendering of operation and maintenance contracts and renewal of service level agreements, other than those variations recognised in this plan.

Risk

There is a significant variation in cost and / or terms from re-tendering contracts and renewal of service level agreements. Refer to the inflation assumption for more detail on cost impacts.

Level of Uncertainty

Low.

Impact

Medium.

10. Sources of Funds for the Replacement of Significant Assets

Assumption

That the depreciation reserves will adequately fund the renewals of assets over the 10 year period and the longer term (to 2045). Additional details are set out in the Revenue and Finance Policy, Financial Strategy and Infrastructure Strategy.

Risk

That there will be a shortfall in funds available to replace assets.

Level of Uncertainty

Medium.

Impact

Medium.

11. NZTA funding

Assumption

NZ Transport Agency requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs. As a result of the FAR review Council is forecasting that the current subsidy level of 62% (2015/16 formaintenance and renewal costs within the approved NZTA Roding Programme) will increase by 1% a year to 65% in 2018/19. The 65% level of subsidy is assumed to continue after that for the long term.

Risk

Changes in the subsidy rate and variation in criteria for inclusion in the subsidised works programme. A new national level of service framework (ONRC) is being implemented for 2018 onwards. This may reduce the roading programme eligible for subsidy. Emergency works criteria has changed and may reduce the level of subsidy to repair flood damages.

Level of Uncertainty

Medium(due to ONRC implementation).

Impact

Medium.

12. Subsidies for Water and Wastewater Upgrades

Assumption

Health and Environment subsidies will not be available for wastewater network improvement projects that are additional to those already approved under the Ministry for the Environment River Clean-up Fund. Water Supply subsidies from the Ministry of Health Drinking Water Subsidy Scheme are assumed to close in 2014/15. Subsidies have been secured for some current projects that are yet to be built. Details of individual upgrade projects and the funding sources are set out in the Statement of Capital Expenditure.

Risk

There is no risk to the Long Term Plan forecasts as any variation to this assumption will be financially positive to Council.

Level of Uncertainty

Medium.

Impact

Low.

13. Wind Farm Impact

Assumption

Development of wind farms will not have significant impact of Council renewals expenditure for the roading network.

Risk

Wind Farms will result in significant cost to Council in upgrades and renewals or their timing for the roading network.

Level of Uncertainty

Low.

Impact

Low.

14. Legislative changes

Assumption

Legislative changes are expected to have a minor effect on Council's finances and / or levels of service, but no change to the current governance arrangements. It is assumed existing shared services and collaboration will continue.

The Council is assumed to retain the current boundaries and it is assumed that there will be no forced amalgamations.

The forecasts assume:

- that the Council will continue to deliver infrastructural services within the existing legislative framework;
- that legislated minimum levels of service / standards (such as drinking water quality) will not be changed.

Risk

Roading, Water Supply, Wastewater and Stormwater are the subjects of ongoing reviews that could impact on the way these services are delivered. Local Government New Zealand is leading a review of possible efficiencies in the three waters activities.

Changes to the Health and Safety Act have been signaled for 2015. These changes are likely to increase the risks/liability for Council and senior Council staff. Additional processes and operating costs above the ability to be absorbed in current budgets are possible.

The government has stated that forced amalgamations will not occur. This may change over time. Any group in the community can now initiate a review of Council boundaries. Over time, if amalgamations proceed in other regions, it is likely that the issue of amalgamation with one or more neighbors will arise and be the subject of a Local Government Commission review.

Level of Uncertainty

Medium.

Impact

Medium/high.

15. Resource Consent Renewals

Assumption

Conditions of existing resource consents held by Council will not be altered significantly. Any resource consents due for renewal during the 10-year period will be renewed accordingly. Resource consents issued for new/upgraded infrastructure will not contain significantly different conditions/standards to those anticipated in the project.

Risk

Conditions of resource consents are altered significantly.

Council is unable to renew existing resource consents upon expiry.

Level of Uncertainty

Medium.

Impact

Low.

16. Interest Rates

Assumption

Council has budgeted for this long-term plan that interest on loans raised will be 5.5% in year one and average 5.8% over 10 years. It is assumed that return on investments made by Council will be 4.5% year 1 and average 4.8% over 10 years.

Risk

Prevailing interest rates will differ significantly from those estimated.

Level of Uncertainty

Medium.

Impact

Low.



17. Access to External Funding

Assumption

Council will be able to borrow at the required level.

Risk

Inability to fund services or capital investment if Council is not able to borrow. Risk is seen as low as Council have access to the LGFA funding market. While it is likely Council will be able to secure loans, it cannot be guaranteed.

Level of Uncertainty

Low.

Impact

High.

APPENDIX B – DATA CONFIDENCE

From Valuation Report 2012/13:

Table 16: Data Reliability

Asset Type	Reliability of data
Pavements	A
Formation and basecourse	D
Small culverts	C
Other road components	B
Pipeline assets*	B-C

* While pipeline quantities are well documented (rating A), there is little condition data and hence remaining lives have a low confidence rating (B-C).

- A – Highly reliable** Data based on sound records, procedure, investigations and analysis, documented properly and recognized as the best method of assessment.
- B – Reliable** Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example the data are old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
- C – Uncertain** Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.
- D – Very uncertain** Data based on unconfirmed verbal reports and/or cursory inspection and analysis.



Roading – From Asset Management Plan

Table 17: Data Confidence and Completeness

Year	Data Confidence				Data Completeness				
	Very uncertain	Uncertain	Reliable	Highly reliable	60%	70%	80%	90%	100%
Bridges			●					●	
Culverts		●			●				
Footpaths								●	
Marking			●				●		
Retaining walls		●			●				
Signage			●				●		
Street lighting			●					●	
Carriageway			●					●	

Table 18: Data Accuracy Grading System

Grade	Description	Accuracy
1	Accurate	100%
2	Minor Inaccuracies	+/- 5%
3	50% estimated	+/- 20%
4	Significant data estimated	+/- 30%
5	All data estimated	+/- 40%

Water Supply: from Asset Management Plan

The confidence level is assessed at between 2 and 3 overall. Additional pipeline investigations are needed to provide more accurate forecasts of future renewal costs. While the number of assets is high the assessment of condition and costs has only been moderate. Ongoing condition assessment is also needed to further determine the appropriate time of renewal expenditure. Data accuracy is assessed at around 80%.

Wastewater: from Asset Management Plan

The confidence level is assessed at 3 overall. Additional pipeline investigations are needed to provide more accurate forecasts of future renewal costs. While the number of assets is high the assessment of condition and costs has only been moderate. Ongoing condition assessment using the CCTV camera, and linked to the asset register is needed to further determine the appropriate time of renewal

expenditure. Data accuracy is assessed at around 70%. Although the data accuracy appears low at 70% the indications from the Customer Service records that the proposed level of service is being met.

Stormwater: from Asset Management Plan

The confidence level is assessed at just over 2 overall. Condition assessments of pipes and culverts are largely complete. Ongoing condition assessment and valuation is required on stormwater assets to determine the appropriate time of renewal expenditure. A documented renewal schedule is yet to be prepared in detail. Improvements to the maintenance process for and accuracy of the Asset Register information is required. This will be a key role of the Tararua Alliance who are now managing stormwater as part of the Roding network



APPENDIX C – SIGNIFICANCE AND ENGAGEMENT POLICY

This policy provides that in determining the degree of significance of any issues, proposals, assets, decisions, or activities, Council will assess and consider a set of criteria and measures.

Table 19: Criteria for determining significance (reproduced from Council Significance and Engagement Policy)

Criteria	Measure
1. The degree to which the issue/decision affects the district	Has a substantial tangible impact on the whole District based on changes to services levels or the manner in which revenue is to be obtained.
2. The degree to which the issue / decision affects the level of service of a significant activity	A significant multi-year change in the levels of service at an activity level.
3. The impact on the ability of future Councils to reverse the decision, where financial or legislative agreements permit	Future Councils will be committed to long-term (>5 year) contract costs (>5% of Council operational costs), without the ability to periodically consider viable alternatives.
4. The degree to which the issue/decision has a new financial impact on Council or the rating levels of its communities	Impact on rates is not within the Financial Strategy limit (LGCI plus or minus 2% in one year).
5. The degree to which a decision or action would require a change in an underlying strategic policy	The decision represents a new strategic direction for Council.
6. The level of district interest in the decision	A decision or proposal on a matter where the majority of a community expresses considerable interest or the community is deeply divided.

The significance and engagement policy states that, in general, if an issue exceeds at least two of the above criteria, the matter is more likely to be considered significant. In determining whether a decision about capital expenditure is significant or not, criteria 1, 2, 5 and 6 are considered to be the most relevant.

APPENDIX D – ASSET LIVES

Table 20: Asset Lives

Asset Category	Useful Life	Depreciation Rate
Operational & Restricted Assets		
Buildings	15–80	(1.3%–6.7%)
Computer equipment	3–5	(20%–33%)
Furniture and fittings	2–45	(2.2%–50%)
Landfill post closure	25–40	(2.5%–4.5%)
Leasehold Development	3–20	(5%–33%)
Library Books	1–10	(10%–100%)
Motor vehicles	5–20	(10%–20%)
Plant and equipment	2–25	(4%–50%)
Swimming pools	15–50	(2%–6.7%)
Infrastructural Assets		
Roading		
Top surface (seal)	15–18	(5.6%–6.7%)
Top Surface (Unsealed)	1	(100%)
Pavement (seal base course)	30–90	(1.1%–3.33%)
Pavement (unsealed base course)	Not depreciated	
Sub-base (Rural)	Not depreciated	
Sub-base (Urban)	40	(2.5%)
Formation	Not depreciated	
Culverts	50–100	(1%–2%)
Kerbing	25–100	(1%–4%)
Footpaths	10–100	(1%–10%)
Signs	8	(12.5%)
Streetlights	12–30	(3.3%–8.3%)
Bridges	50–140	(0.7%–2%)
Sewerage Network		
Pipes & Manholes	60–120	(0.8%–1.7%)
Treatment Ponds	80	(1.3%)
Pumps	10	(10%)
Flow Monitoring Equipment	10	(10%)



Asset Category	Useful Life	Depreciation Rate
Stormwater		
Pipes	80	(1.3%)
Manholes	100	(1%)
Water Network		
Monitoring Equipment (hardware)	10–20	(5%–10%)
Monitoring Equipment (software)	5	(20%)
Pipes, Hydrants, Valves	50–120	(0.8%–2%)
Treatment Plants	10–100	(1%–10%)
Pumps	15–25	(4%–6.7%)
Tanks	40–200	(0.5%–2.5%)
Waste Management	2–17	(5.9%–50%)
Items under construction	Non depreciable	

APPENDIX E – MAJOR CAPITAL PROJECTS 2015– 2025

Table 21: Major Capital Projects 2015–2025

Ref	Activity	Description	Primary Type	Year 1 2016
1	Footpath	Kerb & Channel / Footpath Renewal Eketahuna	Level of Service	442,000
2	Footpath	Kerb & Channel / Footpath Renewal Pahiatua	Level of Service	-
3	Roading	Saddle Road Upgrade	Level of Service	608,000
4	Roading	Minor Safety Improvements	Level of Service	600,800
5	Roading	Unsealed Road Metalling - Heavy Metal Overlays	Renewal	574,711
6	Roading	Traffic Services Renewal	Renewal	92,945
7	Roading	Structures Component Replacements	Renewal	95,000
8	Roading	Sealed Roads Resurfacing	Renewal	2,375,268
9	Roading	Pavement Rehabilitation	Renewal	1,703,996
10	Roading	Drainage Renewals	Renewal	506,035
11	Roading	Bridge Renewals	Renewal	-
12	Stormwater	Pahiatua diversion prior to town system	Level of Service	25,000
13	Stormwater	Dannevirke Mangapurupuru diversion	Level of Service	25,000
14	Stormwater	Dannevirke Allardice St diversion from High St	Level of Service	-
15	Stormwater	Pahiatua pipe Huxley Street drain	Level of Service	-
16	Wastewater	Ormondville sewerage treatment upgrade	Level of Service	-
17	Wastewater	Sewage treatment plant membrane cassettes	Level of Service	-
18	Wastewater	Sewerage treatment discharge to Manawatu River	Level of Service	-



Year 2 2017	Year 3 2018	Year 4 2019	Year 5 2020	Year 6 2021	Year 7 2022	Year 8 2023	Year 9 2024	Year 10 2025
-	-	-	-	-	-	-	-	-
-	51,815	1,591,800	1,260,644	-	-	-	-	-
-	-	-	-	-	-	-	-	-
609,211	622,609	637,569	653,490	671,154	689,959	710,686	732,736	756,888
582,757	595,573	609,883	625,113	642,010	659,998	679,826	700,918	724,021
94,246	96,319	98,633	101,096	103,829	106,738	109,945	113,356	117,092
96,330	98,449	100,814	103,332	106,125	109,098	112,376	115,862	119,681
2,408,522	2,461,490	2,520,634	2,583,579	2,653,412	2,727,758	2,809,705	2,896,877	3,275,480
1,727,852	1,765,851	1,808,281	1,853,436	1,903,534	1,956,869	2,015,657	2,078,194	2,393,620
518,251	534,945	553,277	572,763	594,127	616,883	641,768	668,297	697,227
-	-	-	271,925	-	-	-	-	314,950
-	1,069,100	-	-	-	-	-	-	-
830,400	-	-	-	-	-	-	-	-
-	-	-	398,895	-	-	-	-	-
-	-	-	-	-	1,223,200	-	-	-
-	-	-	-	-	134,552	-	-	-
519,000	-	-	-	-	-	-	-	-
-	320,730	-	-	-	-	-	-	-



Ref	Activity	Description	Primary Type	Year 1 2016	Year 2 2017
19	Wastewater	Norsewood upgrade	Level of Service	-	-
20	Wastewater	Dannevirke Disposal to Land CF	Level of Service	-	-
21	Wastewater	Eketahuna treatment plant	Level of Service	810,000	-
22	Wastewater	Mains replacement	Renewal	280,000	290,640
23	Wastewater	Dannevirke membrane replacement	Renewal	-	-
24	Water Supplies	Pongaroa Township Water Supply	Level of Service	-	519,000
25	Water Supplies	Woodville water storage	Level of Service	50,000	-
26	Water Supplies	Norsewood additional storage/valves	Level of Service	-	-
27	Water Supplies	Mains replacement	Renewal	305,000	326,970
				8,503,755	8,622,619



Year 3 2018	Year 4 2019	Year 5 2020	Year 6 2021	Year 7 2022	Year 8 2023	Year 9 2024	Year 10 2025
80,183	137,913	-	-	-	-	-	-
481,095	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
320,730	330,990	364,704	377,472	415,888	431,698	448,970	467,840
-	1,210,320	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,069,100	992,970	-	-	-	-	-	-
-	-	-	-	-	-	-	-
347,458	364,089	376,101	389,268	403,656	422,810	435,765	-
9,915,447	10,957,173	9,165,078	7,440,931	9,044,599	7,934,471	8,190,975	8,866,799

General
Information

6

Council

His Worship the Mayor



R A (Roly) Ellis

PO Box 115
Dannevirke
06 374 4080
info@tararua.govt.nz



North Ward Councillors



Cr J E (Jim) Crispin

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



Cr K R (Keith) Fenemor

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 Dannevirke
 06 374 5450
 027 374 2011
keith.fenemor@tararua.govt.nz



Cr C J (Carole) Isaacson

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



Cr D A (David) Roberts

PO Box 69
 Dannevirke
 06 374 6405
 027 644 9459
david.roberts@tararua.govt.nz

South Ward Councillors



Cr T H (Tracey) Collis

674 Kakariki Road
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 06 376 6756
 027 630 4057
tracey.collis@tararua.govt.nz



Cr W H (Warren) Davidson

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 Eketahuna
 06 375 8364
warren.davidson@tararua.govt.nz



Cr S (Shirley) Hull

Mangahao Road
 RD 3
 Pahiatua
 06 376 7283
shirley.hull@tararua.govt.nz



**Deputy Mayor
 Cr W H (Bill) Keltie**

RD 1
 Pahiatua
 06 376 8996
bill.keltie@tararua.govt.nz

Community Boards and Council Committees

Community Boards

Dannevirke Community Board

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

- **Chairperson**
Mr R A (Bob) Dresser
22 Ries Street, Dannevirke 4930
06 374 6270
dresser234@msn.com
- **Deputy Chairperson**
Mr W R (Ross) MacDonald
91 Piri Piri Road, RD 7, Dannevirke 4977
06 374 7996
gloriarossmacdonald@gmail.com
- Mr E (Ernie) Christison
677 Laws Road, Dannevirke 4978
027 442 8099
ernie.contracting@xtra.co.nz
- Mr T (Tim) Delaney
41 Riverdale Road, Dannevirke 4930
06 374 5200
woollybuttskennel@gmail.com
- **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**
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 T (Trudi) Hull
120 Priest Road, RD 2, Eketahuna 4994
06 375 8220
chris.trud@xtra.co.nz
- Ms S (Sharon) Shannon
125 Larsens Road, Eketahuna
06 375 8130
bevansharon@hotmail.com
- **Councillor**
Mr W H (Warren) Davidson
RD 3, Eketahuna 4994
06 375 8364
warren.davidson@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

His Worship the Mayor, Mr R A (Roly) Ellis (Chairperson)

Cr S A (Shirley) Hull

Deputy Mayor, Mr W H (Bill) Keltie

Cr D A Roberts

Tribunal and Hearings Committee

Cr W H Davidson (Chairperson)

His Worship the Mayor, Mr R A (Roly) Ellis

Cr T H (Tracey) Collis

Cr S A (Shirley) Hull

Council Controlled Trading Organisation Committee

His Worship the Mayor – Mr R A (Roly) Ellis (Chairperson)

Deputy Mayor, Mr W H (Bill) Keltie (Deputy Chairperson)

Cr J E (Jim) Crispin

Cr D A (David) Roberts

Forestry Committee

His Worship the Mayor, Mr R A (Roly) Ellis (Chairperson)

Cr K R (Keith) Fenemor

Deputy Mayor, Mr W H (Bill) Keltie

Tararua District Licensing Committee

Mr David Lea (Chairperson)

Mr Nick Perry

Mrs Maureen Reynolds

Mr Kerry Sutherland



Management Team

Executive Staff

Blair King ME (Civil) MIPENZ
Chief Executive

Peter Wimsett CA, BBS
Manager Strategy & District Development

Raj Suppiah CA
Chief Financial Officer

Kathy Dever-Tod
Manager Assets Group

Ray Cannon
Manager Engineering Services



Directory

Head Office and Council Chambers

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:	Taranaki-District-Council

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

42 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

Solicitors

Cooper Rapley
Palmerston North

Insurance Brokers

Aon New Zealand Ltd
Wellington

Tararua District Council Statistics

General

Description	Total
Population (as at the 2011 Census)	16,854
Rateable Assessments	10,713
Non-Rateable Assessments	660
Area (ha)	427,000
Net Capital Value (\$m)	4,527
Rateable Land Value (\$m)	2,884

Local Roads

Description	Total
Rural-Metal Roads (km)	773
Rural-Sealed Roads (km)	1,099
Urban-Metal Roads (km)	1
Urban-Sealed Roads (km)	84
Total Roads (km)	1,957

Resource Management

Description	Total
Resource consents issued*	49
Landuse consents	17
Subdivision consents	32
Building consents issued	393
Registered dogs as at 30 June 2014	6,628
Licensed food premises as at 30 June 2014	108

* issued from 1 July 2013 to 30 June 2014.

Buildings

Description	Total
Major Halls	5
Sports Facilities	4
Public Conveniences	17
Libraries	3
Pensioner Flats	107

Recreation Facilities, Parks & Reserves

Description	Total
Camping Grounds	3
Swimming Pools	4
Cemeteries	20
Major Parks & Reserves	9

Utilities

Description	Total
Bridges	394
Water Supplies	
Urban	6
Independent	4
Sewerage Systems	7
Solid Waste Disposal Sites	9
Stormwater/Drainage Systems	4

Vehicles

Description	Total
Cars	11
Utilities	13
Fire Appliances	4



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.