



Engagement Document

Draft Annual Plan 2019/20

YEAR TWO OF THE 2018–2028 LONG TERM PLAN



Message from the Mayor and Chief Executive

Welcome to Tararua District Council's 2019/20 Draft Annual Plan.

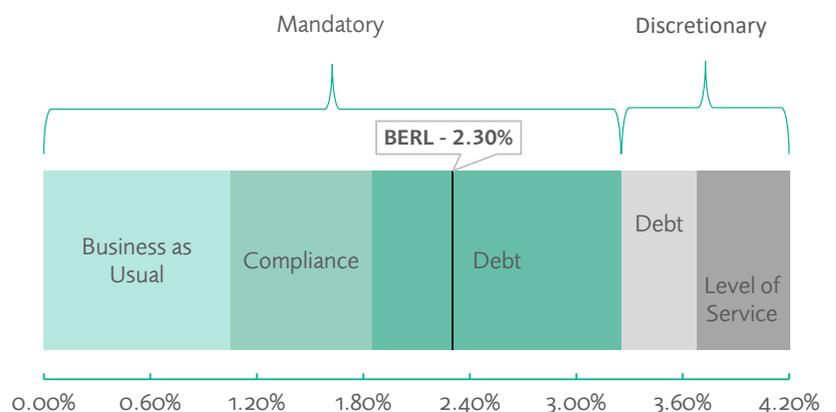
This Draft Annual Plan supports the continued progress towards the projects and programmes outlined in the 2018–2028 Long Term Plan, while building resilience and meeting ever increasing compliance requirements are on-going themes for your Council.

Council is not deviating greatly from the Long Term Plan, however, there has been an increase in the proposed rates increase for the year ahead. The forecast rates increase in the Long Term Plan was 3.88% but has now increased to 4.2%. Much of our work over the coming year is focused on things we have little or no control over and the majority of these are "must dos". We

are responding to the impacts of climate change that are not only impacting Tararua District but the entire world. We are meeting our statutory requirements for earthquake prone buildings and the three waters (water, stormwater, and wastewater), which are over and above our current "business as usual". We're also increasing our levels of service to ratepayers in areas where there is demand. The drivers for the proposed rates increase is predominately due to "must dos" as highlighted by the chart below.

Council has come under considerable cost pressures due to impacts from legislative and regulatory change as well

RATES INCREASE DRIVERS





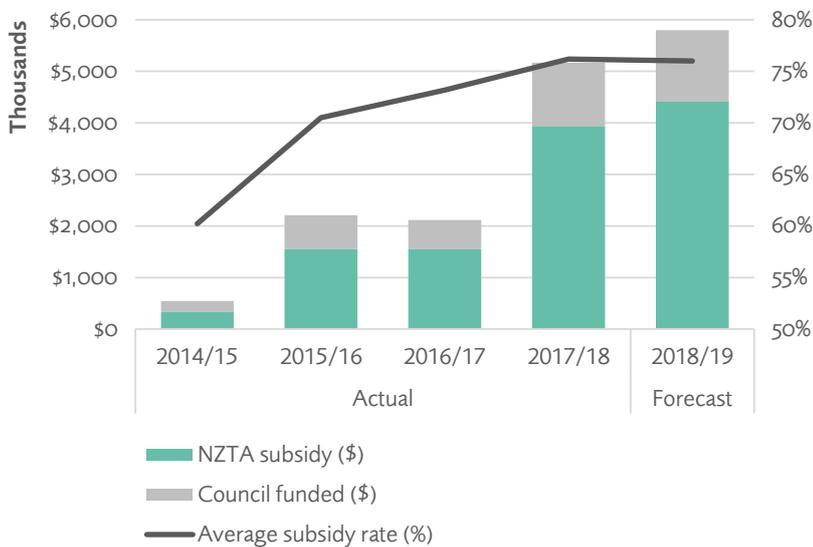
as the need to build resilience to soften the impacts of climate change. Building the resilience of our roading network to cope with the effects of climate change is increasingly challenging. What were once one in 10-year events are happening on a much more frequent basis resulting in significant increases in costs for emergency works. These costs are not only for the physical works across the district but also for the 'behind the scenes' work required for improved design outcomes. While a majority of these costs are met by NZ Transport Agency ratepayers are still required to meet an ever-increasing balance.

Climate change, along with increased compliance, is also responsible for increasing costs for water delivery in the district. The changing weather patterns mean Council is required to make significant additional investment in water treatment plant equipment along with water storage facilities. These are necessary to effectively manage the variance in water flows, whether they are low flows experienced during summer or increased flows that create turbidity due to increased water volumes during storm events.

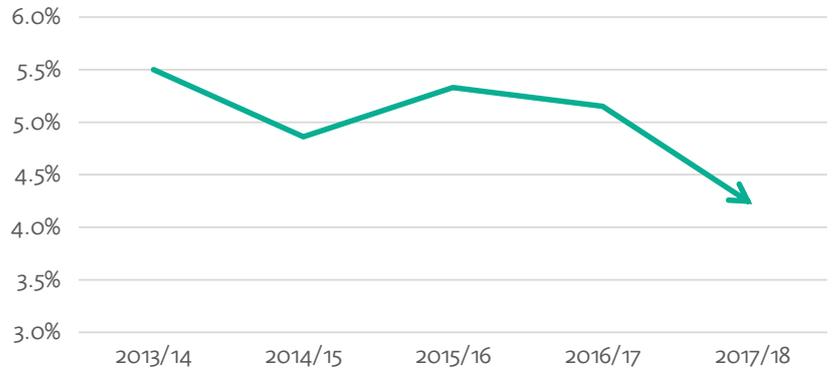
We are aware that Pahiatua residents are concerned about the discolouration and odour in their water. We can assure



ROADING EMERGENCY WORKS



EFFECTIVE INTEREST RATE ON BORROWINGS



residents that Council is making the investments required to remedy this and has placed a high priority on finalising this project.

The Government commissioned a report in response to the 2016 Havelock North water supply contamination and, at present, we continue to face unknown costs, as their response through the Three Waters Review has yet to be finalised. The Three Waters Review considers regulation and supply arrangements for water, stormwater, and wastewater to better support New Zealand's prosperity, health, safety and environment.

On-going stormwater monitoring indicates we will continue to face challenges in managing the impact of severe weather events in our stormwater networks, which will ultimately result in increased cost.

The renewal of resource consents across the districts have resulted in significant costs to date with resource consent renewals for Eketahuna, Pahiatua and Woodville underway, and Norsewood and Pongaroa about to commencing. While these projects are expensive they will result in positive environmental outcomes as the effect of discharge to rivers is minimised.

As we renew our infrastructure across the Tararua District, we face positive

pressures, not in the least, an increase in building consents. While this has resulted in an increase of staff within our regulatory team, the growth in our population from a period of decline has put pressure on housing. The intended review of the District Plan is in response to this demand, so that we ensure sufficient availability of land for the building activity to grow. As the new Manawatu-Tararua Highway replacement route for the Manawatu Gorge gets closer to fruition, it holds the potential for Tararua to become more attractive and accessible as a place to live.

We are also seeing positive pressure on our pensioner housing stock and Council will be reviewing options to increase availability in this area. Within a relatively short period Council has moved from having vacant pensioner housing to now having a growing waiting list, particularly in Dannevirke.

On the subject of buildings, our communities have earthquake prone buildings and other infrastructure that require attention. Council faces direct inspection costs for Council owned buildings, which can lead to further costs for remedial work. We are guided by legislation as a response to the Christchurch and Kaikoura earthquakes, and as a result have also seen a significant rise in insurance premiums

for Council. In addition to managing Council's own earthquake prone buildings, we will also be commencing the profiling of commercial properties in the district to identify those that are potentially earthquake prone.

While we face these increasing cost pressures, and anticipate they will continue, Council also places tremendous focus on exploring opportunities to offset these through cost savings.

One of the areas identified for savings is in borrowing costs. As highlighted in the 2018–2028 Long Term Plan, Council is planning to increase debt over the coming years in order to complete an ambitious programme of capital projects. The increased debt levels have triggered an opportunity for Council to become a "guarantor council" with the Local Government Funding Agency (LGFA). By becoming a guarantor council we are able to access lower interest rates on our borrowing, which results in lower overall interest costs.

In a further effort to reduce costs for ratepayers Council has sought to apply a "user pays" approach to services where appropriate. An example is in the area of solid waste. Increases in costs in waste disposal had meant that ratepayers were contributing to the overall cost of waste services. Council is increasing the fees and charges for waste disposal to ensure the costs are met by those using the service. Applying a user pays philosophy is also expected to encourage increased reuse and recycling thereby reducing waste to landfill, which is good for the environment. Council will continue to apply a user pays philosophy across our activities where doing so will reduce the burden on ratepayers.

While many of the cost increases Council faces are beyond our control and are the result of building resilience and meeting compliance requirements, we must remain mindful that some are at least in part attributable to positive pressures facing Tararua District.

Opportunities for our young people is another area that Council is increasingly giving attention to. It is important our

rangitahi have social activities within the district such as access to facilities including swimming pools, skate parks and playgrounds. It is also important that our youth have good quality education and training options that lead to positive employment outcomes.

Our relationships with both Rangitane o Tamaki nui-a-Rua and Ngati Kahungunu ki Tamaki nui-a-Rua continue to go from strength to strength. We continue to engage with both Iwi on a range of matters and are heartened by the sense of collaboration that continues to develop.

An opportunity that has arisen since the Long Term Plan was adopted is the announcement of the Provincial Growth Fund by Central Government. It is an exciting opportunity for provincial New Zealand to consider projects that they otherwise would not be able to due to funding constraints. Council has already had two projects approved and has provided letters of support for others. We will continue to investigate further opportunities to maximise the benefit for Tararua over the life of the fund.

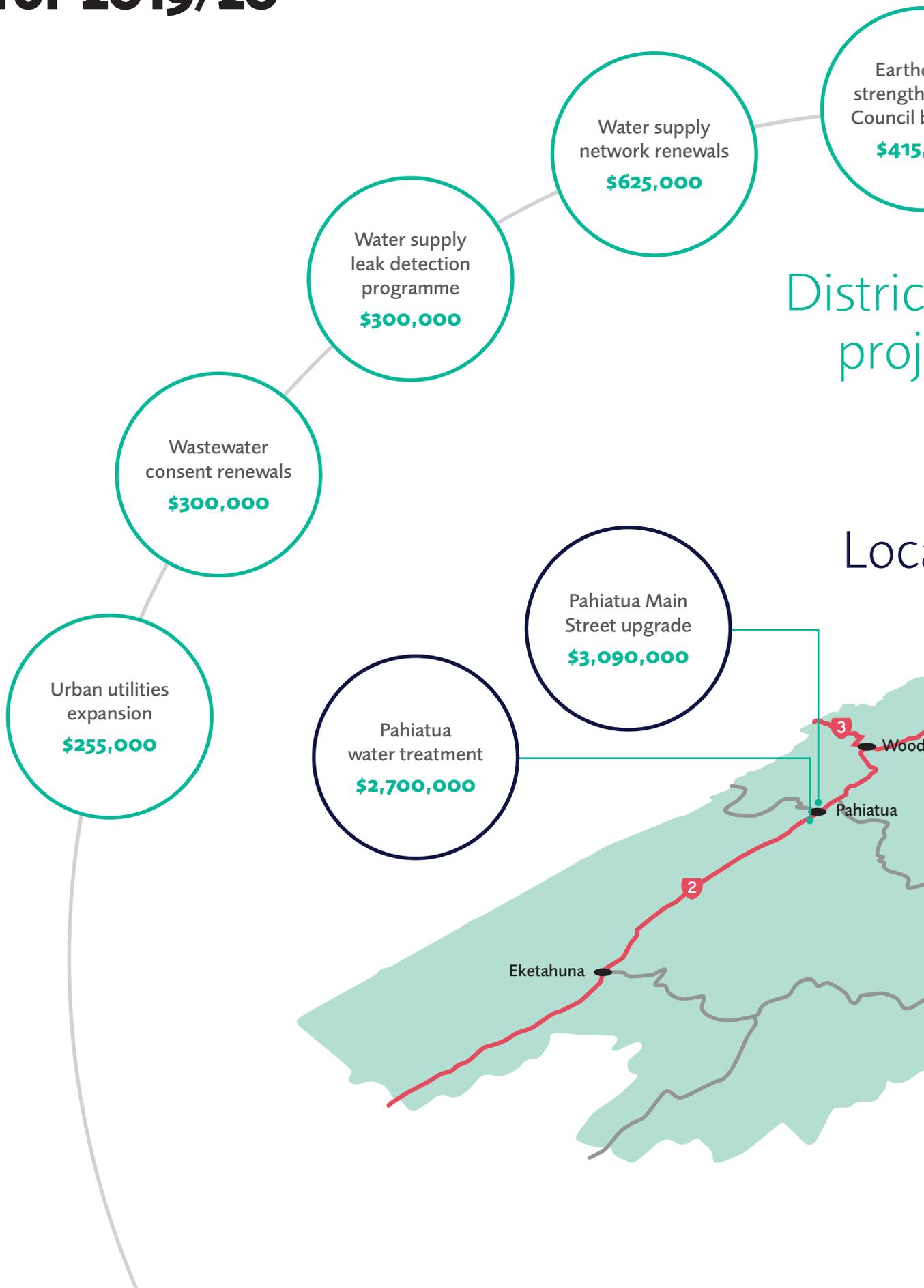
As we said earlier, much of the work we are doing is improving the resilience of Tararua for the future. This means we have only been able to improve our levels of service to ratepayers where demand requires in order to balance affordability. If we as a community would like increases in levels of service in others areas we must understand this will come at a cost and further increase rates.

Finally, we do not propose to consult with the community on the 2019/20 Annual Plan as there are no significant changes from the 2018–2028 Long Term Plan. We are, however, always happy to receive your feedback on matters that are important to you.

Tracey Collis
Mayor

Blair King
Chief Executive

Our Major Projects for 2019/20

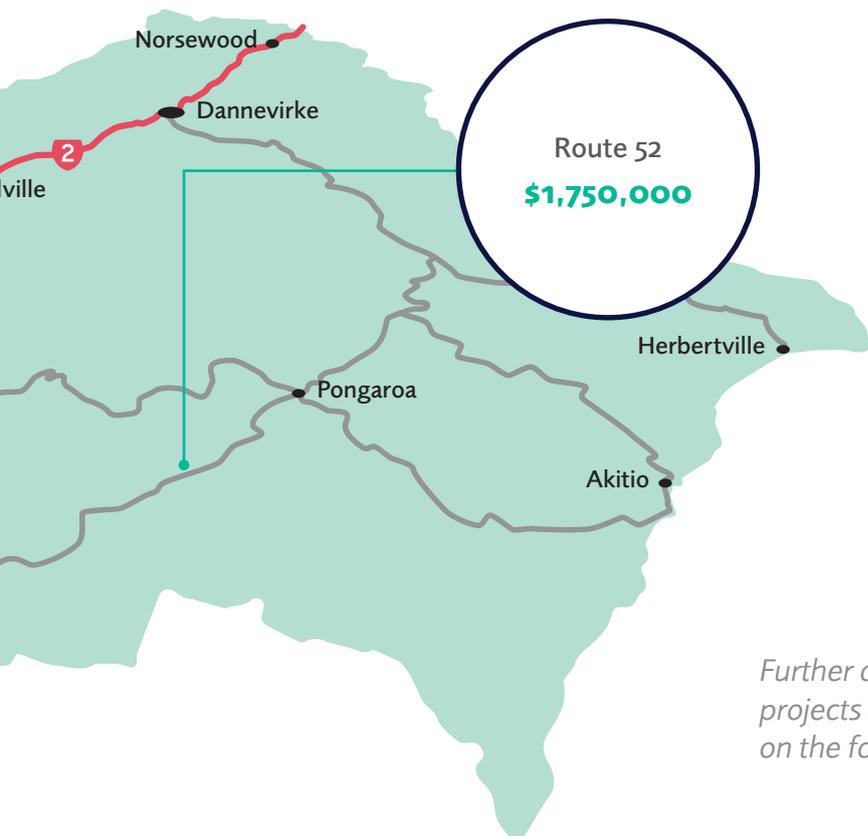


All figures relate to the project spending for the 2019/20 year only. Some projects cover multiple years so the total cost may be larger than shown here. For more information please refer to the 2018–2028 Long Term Plan.



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alised projects



Further details of these projects can be found on the following pages.

Project and Programme Update

Here's a brief update on some of the major projects and programmes Council is currently managing.

Route 52

The Tararua Alliance team continues to develop the necessary business case to gain funding from NZ Transport Agency for this project. The project, which covers the 25 km section of Route 52 from the Weber junction to the Central Hawkes Bay boundary, is aimed at increasing the safety and resilience of this road. The project to upgrade this road is particularly important given the expected increase in heavy traffic volumes due to forestry harvesting. Once completed the drive along the scenic part of the district will be safer for residents, transport operators and visitors who all share this road.

Emergency roading works

Tararua District, like the rest of New Zealand, is experiencing significant changes in weather patterns due to climate change. As a result of increased frequency and intensity of these weather events we are having to undertake increasing amounts of emergency works to keep roads operating following each storm event. Not only does this divert staff from other planned road works, it also adds additional cost to the total roading budget. Where possible we are undertaking work to minimise the impact of these storm events, such as removing roadside trees that become hazards during severe events. We are also constantly working to improve the design of our roads to lessen the impact of these events. While we can mitigate the impact of these events to

some extent, we are forecasting ever increasing capital and operating costs in this area.

Pahiatua water upgrade

Now that the water storage project in Pahiatua is complete, Council's focus turns to improving water quality. Pahiatua water is currently drawn from both a bore and the Mangatainoka River as the bore is insufficient to meet demand. The water drawn from the river poses quality challenges for Council and is what is causing current odour, taste and discolouration issues.

As a result Council will need to invest in more sophisticated treatment equipment to deal with these issues. It is important we get the right treatment option and this means taking the time and making the investment to get it right. We anticipate the work to build the new treatment plant will be completed during this Annual Plan period.

Pahiatua Main Street upgrade

This project, aiming to revitalise the Pahiatua Main Street, has progressed significantly over the last year. We have consulted with the community on three separate occasions to hear what they want for the future of their town. During this consultation period we developed a series of possible options for consideration and collected feedback on each one. We were delighted with both the level of engagement



from the community and the overall satisfaction expressed for the proposed design features. The community feedback is now being used to develop a final detailed design in order to commence construction. We anticipate underground works will begin during 2019 with above ground work following in 2020. Once completed, the centre of Pahiataua will be a gathering space for locals and an attraction to encourage visitors to stop.

Wastewater consent renewals

Council has been working to upgrade the wastewater networks in towns across the district as part of our commitment to the Manawatu River Leaders' Accord and in order to meet consent conditions set by Horizons Regional Council. The various consent renewals are:

- Pahiataua – moving through a mediation process
- Eketahuna – hearings have finished and a decision is imminent
- Woodville – being publicly notified
- Norsewood – commencing application process
- Pongaroa – commencing application process

A key feature of wastewater consent renewals is the requirement to adhere to increased standards, thereby improving the quality of treated discharge into our environment.

Water supply leak detection programme

The team at Tararua Alliance have commenced a multi-year programme to systematically survey the water reticulation network of the district. The programme will highlight leaks in the network and schedule a programme for repair. This programme will help conserve our precious water and, when combined with our water storage and treatment projects, provide improved resilience in water supply for residents.

Water supply network renewals

A significant percentage of the water supply network in Tararua was built over 50 years ago and is coming towards the end of its useful life. In order to minimise the risk of future outages across the network a programme of renewals has been developed. Council is investing additional resources in this programme that will see old cast iron and/or asbestos cement pipes replaced with modern alternatives.

Earthquake strengthening of Council buildings

Council owns a number of properties that currently do not meet the requirements of the Building Act. Engineering assessments are being ordered for each of these buildings. As buildings are assessed Council will

develop plans to undertake any remedial action required on a case by case basis.

Urban utilities expansion

In the 2018–2028 Long Term Plan Council made provision to extend the utilities network by 10 sections per annum to provide for population growth. Council has commenced initial planning for utilities expansion with more in-depth work required following a partial review of the District Plan.

Digital network

Council provided a commitment to support the community led group Connect Tararua in their efforts to improve the mobile and digital connectivity in the district. Connect Tararua submitted an application to the Provincial Growth Fund to assist with the development of a feasibility study for the project in 2018. The Minister has since announced indicative funding for the region, including Tararua, however precise details are yet to be advised by officials. Council continues to support this project to provide what is now considered basic infrastructure in a modern world. Improving digital connectivity will be a huge enabler for Tararua residents.

External funding

In order to maximise outcomes for ratepayers while reducing costs as much as possible, Council has explored

opportunities to seek external funding to leverage existing, or attract new, investment. Council has recently been successful in attracting the following funding for projects in the period ahead:

- **Tourism Infrastructure Fund**
\$102,404 to install toilets at the Mangatainoka Reserve, which has seen a significant increase in freedom campers. The funding also included installing solar compacting rubbish bins at Mangatainoka Reserve, Waihi Falls and Akitio beach. Solar compacting rubbish bins can reduce operating costs significantly by requiring emptying less.
- **Energy Efficiency and Conservation Authority (EECA)**
\$50,000 towards two electric vehicle charging stations in Pahiatua town centre as part of the Main Street upgrade project.
- **Central Energy Trust**
\$165,000 towards upgrading the under-veranda lighting in the Pahiatua town centre. This funding will enhance the safety of Pahiatua for residents at night, and aligns well with the wider Pahiatua Main Street Upgrade project.
- **Provincial Growth Fund (PGF)**
Council has been successful in securing funding for two projects from the PGF:

- **Land Use Optimisation** – this project will investigate the opportunities to grow and develop markets for four horticulture crops in Tararua District. A key consideration for each of the crops being researched is how they might support farmers to meet the requirements of the Horizons One Plan in order to gain resource consents. The crops being researched are feijoas, hazelnuts, berries and cider apples.
- **Tourism and Trails Strategy** – this project will explore high level opportunities to grow the district's visitor market and develop a clear cycleway and walkway strategy.
- **Application support** – in addition to our own successful applications, Council has provided letters of support to:
 - **Connect Tararua** – while not an application directly by Council, the Connect Tararua application for a feasibility study into digital coverage across the district has received significant support.
 - **CEDA** – for an application to undertake a tourism study into Te Apiti Manawatu Gorge tourism opportunities.

- **Manawatu Environmental Network (Source to Sea)** – for an application to explore social enterprise opportunities in the area of biodiversity along the Manawatu River.

We are continuing to explore opportunities to attract external funding to leverage the investments made by Council as this reduces funding required from ratepayers.

Waste services

Council adopted a new Waste Management and Minimisation Plan 2017–2023 in December 2017. Since then, Council has invested in new glass collection containers that provide for glass to be fully recycled thereby reducing waste to landfill. Council is also in the process of altering the fees and charges relating to solid waste to ensure a user pays philosophy applies rather than this service being subsidised by ratepayers. Council also intends undertaking education around waste minimisation to reduce the overall level of waste ending up in landfill.



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

Tell us what you think

Public engagement for the Annual Plan 2019/20 is open until Friday, 10 May. We're also seeking feedback on some other key matters.

Key matters



2019/20 Draft Annual Plan

We are producing the Annual Plan for the 2019/20 financial year. This Annual Plan is also known as Year 2 of the 2018–2028 Long Term Plan.

We want to engage with the public about this and a few other things, so we developed this Engagement Document that sums up our plans for the year ahead and covers off a few more things that we'd like to hear your thoughts on.



Class 4 Gambling and Racing Board Venue Policy Public Consultation

We are seeking public feedback on the review of the Class 4 Gambling and Racing Board Venue Policy for the Tararua District.

The Gambling Act 2003 requires Council to have a policy on Class 4 venues for its district, and the Racing Act 2003 also requires the Council to have a policy on Board venues.



Easter Sunday Shop Trading Public Pre-consultation

Local councils can now create local policies to allow shop trading either across their entire district or in limited areas on Easter Sunday.

Tararua District Council needs to conduct a pre-consultation to establish whether the community wants to see a change to the current situation (no trading allowed) and is seeking opinions through a public survey.

You can find information about all current engagements and consultations at any Council Service Centre or Community Library, or go to: www.tararoadc.govt.nz/consultation





info@tararua.govt.nz

www.tararua.govt.nz

Dannevirke Service Centre

26 Gordon St, Dannevirke
PO Box 115, Dannevirke 4942

Ph: 06 374 4080 (24 hours)
Fax: 06 374 4137

**Woodville Service Centre
& Library**

45 Vogel Street, Woodville

Ph: 06 376 0200 (24 hours)
Fax: 06 376 1025

Pahiatua Service Centre

136 Main Street, Pahiatua

Ph: 06 376 0219 (24 hours)
Fax: 06 376 8181

**Eketahuna Service Centre
& Library**

31 Main Street, Eketahuna

Ph: 06 376 0219 (24 hours)
Fax: 06 376 8181