

LONG TERM PLAN 2021-2031



North Island

NEW ZEALAND



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

Rugged ranges, remote coastline, bush-clad valleys – defined by hundreds of kilometres of river. The Tararua District stretches from Mount Bruce to north of Norsewood, and is bounded by the foothills

of the majestic Ruahine and Taranaki Ranges, and the shores of the Pacific on the East Coast. The physical presence of Tararua is awesome.

In the beginning...

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

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

Tara's descendants, the Ngai-Tara, and the Rangitāne 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 Māori.

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

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

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

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

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

*Mahere mō
te wā roa*

LONG TERM PLAN

ⓉARARUA DISTRICT COUNCIL

This document is the Long Term Plan of the Tararua District Council, for the period 1 July 2021 to 30 June 2031.

The Long Term Plan 2021–2031 was adopted by Council on 30 June 2021.

Tararua District Council
26 Gordon Street, Dannevirke 4930
PO box 115, Dannevirke 4942

Contents

Overview

- 6** Guide to the Long Term Plan
- 8** The Mayor and Chief Executive's message
- 10** Our vision, mission, outcomes, and strategy framework
- 12** Changes from the Consultation Document and responses to submissions
- 19** Financial strategy
- 40** Long Term Plan prudence financial benchmarks disclosure statement
- 46** Independent auditor's report

Activities

- 50** Groups of activities – what the Council does
- 52** Building Communities and Leadership
 - 56** Community Development
 - 62** Representation
- 67** Community and Recreation Facilities
 - 73** Cemeteries
 - 77** Community Buildings
 - 83** Customer Services
 - 87** Libraries
 - 93** Parks and Reserves
 - 98** Pensioner Housing
 - 104** Public Conveniences
 - 109** Swimming Pools

- 114** District Promotion and Economic Development
 - 118** Economic Development
- 124** Regulatory Services
 - 129** Animal Control
 - 134** District Planning
 - 138** Emergency Management
 - 144** Health and Safety
- 150** Solid Waste Management
- 162** Stormwater
- 172** Transportation
 - 176** Footpaths
 - 181** Roothing
- 188** Wastewater
- 200** Water Supplies

Rates

- 215** Revenue and Financing Policy
- 231** Funding impact statement
- 274** Rating Remission Policy

Financials

- 284** Prospective financial statements
- 332** Statement of accounting policies
- 345** Long Term Plan significant forecasting assumptions and risks

Policies

383 Summary of the Significance and Engagement Policy

387 Policy on development contributions or financial contributions

391 Building community with tangata whenua

392 Assessment of water and sanitary services

394 Infrastructure strategy

General information

396 Council

398 Community Boards

399 Council Committees

401 Executive leadership team

402 Directory

403 Glossary of terms

Overview.

Tirohanga whānui

PART 1



Guide to the Long Term Plan

There are six sections in this Long Term Plan. This 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 groups 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 Māori 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**

- **Fees and Charges**

A comprehensive list of fees and charges can be found in 'Fees and Charges 2021/22'.

- **Treasury Risk Management Policy and Procedures**

- **Significance and Engagement Policy**

The Mayor and Chief Executive's message



**Together we
can set a steady
course towards a
prosperous future
for Tararua.**

Ki te kotahi te kākaho, ka whati; ki te kāpuia, e kore e whati.

If a reed stands alone, it can be broken; if it is in a group, it cannot.

When we stand alone we are vulnerable, but together we are unbreakable.

Our district is changing at a pace we haven't experienced before, as for the first time since long we are experiencing growth. We now need to lay the foundations to become growth ready. We also have challenges that we need to plan for such as the impacts of climate change, navigating Covid-19, and responding to the Central Government's three waters and resource management reforms, which may change the face of local government as we know it. Together we must strive to transform these challenges into opportunities for growth that fits with us.

Mutual collaboration is also necessary to make sure that we move towards becoming stronger, more inclusive and resilient. Your consideration of key issues in our district, and your input into our future, have been more important than ever. Many thanks to the seventy submitters who expressed their views on Council's direction over the next ten years. Now that our direction is set together by Council, iwi, and community, we can look forward to great things in Tararua. He waka eke noa – we're all in this together!

We all want Tararua to be sustainable – both for our environment and communities, and more inclusive to make sure all who live here mutually benefit. A big step in this direction is the overwhelming vote in favour of establishing a Māori ward in Tararua. This historic vote provides a pathway to our Māori community to have a voice in decision making. We now need to follow official procedures to formalise the ward structure for the 2022 and 2025 local body elections.

There are more exciting opportunities ahead for us. Te Ahu a Turanga: Manawatū Tararua Highway is one of the largest infrastructure projects in New Zealand. It will become a key gateway to Tararua and we are planning to make the most of this opportunity. This project will transform the Tararua and Manawatū-Whanganui region and create a wealth of opportunity for employment, growth, and business.

However, growth is not only about infrastructure. With the four well-beings (social, economic, cultural, and environmental) woven into our vision and mission, we can continue to focus on activities that enable our communities to flourish. We have added two dedicated Community Development roles alongside the Economic Development portfolio. They will be helping our

communities with a range of advice, from how to navigate regulations to get things moving faster, to securing funding. We look forward to expanding our ongoing work of lifting the well-being of our communities.

Another significant project in our district, the much necessary upgrade to Route 52, Huarahi Tūhono – Weber to Wimbledon, started in 2021. Besides working to provide social outcomes, such as employing local people, this \$14.6 million investment will improve road safety and resilience.

A key driver for these roading projects is the need to improve the resilience of our roading network against climate events. We maintain the fourth largest road network in the country, and we are facing increasing pressure on our road systems as impacts of extreme weather events intensify. Council proposes to increase levels of funding for road strengthening and emergency works.

The frequent and severe droughts that we are facing are also a result of climate change. We are grateful for the water conservation and commitment everybody has made to get us through the driest period we have seen for possibly 50 years. Council has significantly invested in water storage over the past decade. However, we will need to continue to manage water demand, and will investigate alternative water sources to ensure the needs of current and future residents are met.

Central Government's Three Waters Review, incorporating drinking water, stormwater, and wastewater, is moving at pace. In 2020, Council supplied data about our district's infrastructure in return for a \$5.02 million stimulus package to maintain and improve our current situation. Once we receive analysis of this data, we will be able to better understand the investment required to meet new regulations. Due to pressure to keep rates down, water infrastructure has been underfunded for decades, not only in Tararua, but throughout New Zealand. Upgrading our current infrastructure to meet increasing regulatory requirements will be challenging for rural councils like ourselves. Tararua ratepayers have water infrastructure assets totalling \$164 million, with a combined debt of \$23.2 million. Our community will want to know if we will be unduly disadvantaged for work already done.

Reducing solid waste to landfill and recycling are real ways to help mitigate climate change. Despite earlier efforts, our district did not meet waste minimisation targets and we run the risk of losing the waste levy provided by Government. That is why we are increasing our focus on waste reduction and constantly reviewing how our waste is managed. Working together with our partners, including iwi and local community groups, Council rolled out waste reduction trials throughout the district. These provided invaluable data and community feedback for policies and actions going forward. Councillors are now better equipped to decide on the right

improvements to our waste minimisation services now and in the future.

The new brand for the district – Land of Ranges is putting Tararua firmly on the map. Our new Land of Ranges district and town signage is vibrant, modern and visually shows our beautiful landscape, but also keeps the identity of each town with an image that is iconic to them. We want people to know Tararua when they enter and leave our places and district with great memories.

As our national Covid-19 vaccination programme gains momentum, we must continue to keep our guard up. The pandemic has shown our weaknesses but also our strengths. It has allowed strong relationships to be developed, that we are committed to continuing and strengthening further. We are all in this together and together we make the difference.

Thorough planning is required to make us more resilient to future changes and maximise the growth opportunities that arise. While growth is mostly positive, it will come at a cost and Council wants to make sure it is managed in a cost-effective and sustainable manner. In addition, Council debt has increased as we have upgraded infrastructure across the district, particularly our water infrastructure. It is vital that we manage our debt within acceptable levels to ensure we have the capacity to meet future unknown costs that will most likely arise, such as adverse weather events and regulatory challenges. All this comes at a cost, and this is being felt in the rates increase of 9.82% for 2021/22. In addition, the variance of rates distribution was more pronounced than previous years. For example, 10% of rate payers received a more than a 30% increase in rates, whilst others received a 10% decrease. These variations are largely due to the significant changes to the property rating valuations.

This Long Term Plan is the result of many hours and much hard work. The focus is to make sure that the Tararua District is ready for the growth and challenges that we will experience in the years ahead. It outlines the services, key projects and initiatives we are planning to deliver for everybody that calls Tararua home. It also outlines Council's financial situation as well as our activities and priorities for the next ten years, providing a long-term focus for decision-making, and explains how work will be scheduled and funded. We are looking forward to more involvement, engagement and investment in the decision-making process for Tararua to make sure we all get the best outcomes. Together we can set a steady course towards a prosperous future for Tararua. That's why we've themed this Long Term Plan "Ready Steady ... Grow!"



Tracey Collis
Mayor



Bryan Nicholson
Chief Executive

Our vision, mission, outcomes, and strategy framework



COUNCIL Mission

In partnership with tangata whenua and our communities, we will innovate and collaborate to enable a range of opportunities for the Tararua District.

Mā te mahi tahi mātou o kaunihera ki ngā tangata whenua, ka auaha aheinga mō tātou katoa o te rohe o Tamaki-nui-a-Rua.



DISTRICT Vision

Vibrant, connected communities where our land and waters are nurtured and our people flourish.

Mā te whenua, mā te waiora tātou e ora ai hei hapori ngangahau hei hapori honohono hoki.

COUNCIL WELL-BEING

Outcomes



Social well-being outcome

To enable our people to achieve the goals that are important to them.



Environmental well-being outcome

Our natural environment is healthy, resilient and cared for.



Cultural well-being outcome

Our people respect the beliefs, values, histories, and languages of our communities.



Economic well-being outcome

A vibrant economy that enables a range of opportunities for our people.

Strategic OBJECTIVES



Delivering Resilient Infrastructure

- To ensure public roads and footpaths are safe, reliable and resilient.
- To ensure efficient and reliable wastewater treatment that meets environmental outcomes.
- To provide safe and functional public facilities.
- To ensure a reliable supply of safe drinking water to our communities.
- To ensure efficient stormwater network capacity.
- To support the improvement of digital connectivity within the district.



Prudent Financial Management

- To ensure rates reflect the services expected by our communities.
- To ensure debt is maintained within prudent levels.
- To optimise the amount of external funding received to reduce the financial burden on ratepayers.



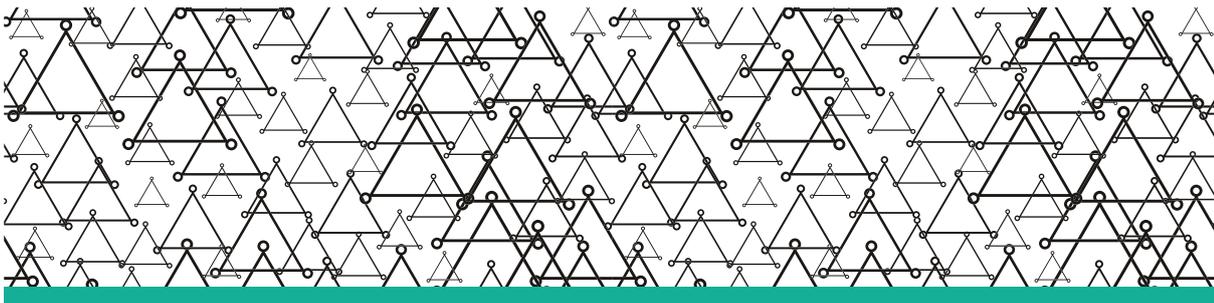
Growing Strong Communities

- To promote, support and facilitate safe, caring communities.
- To promote and develop resilience in our communities.
- To provide community and recreation facilities to our communities.
- To promote and support our cultural histories.



Building a Vibrant Economy

- To promote our district identity.
- To promote our district as a visitor destination.
- To support and promote business growth and diversity.
- To support and facilitate education and training opportunities.





Changes from the Consultation Document and responses to submissions

Seventy submissions were received, with the Council hearing 17 of these submissions in Dannevirke on 18 May 2021.

Strategic focus

The Councils' new vision, mission, outcomes and strategic objectives have been confirmed. This new strategic direction has been supported through the submissions on the key debate items, and the support for the development of a Growth Management strategy.

Refer to the section 'Our vision, mission, outcomes, and strategy framework' on pages 10 and 11.

Right Debate topics

Council focused on four key areas for residents to give feedback on.

Recycling

Council currently has a Waste Management and Minimisation Plan (WMMP) in place that was adopted in 2017. The WMMP, as required under the Waste Minimisation Act 2008, seeks to encourage waste minimisation and a reduction in waste disposal. Council currently provides limited kerbside recycling along with full recycling services at transfer stations.

A recent waste audit confirmed Council has not been meeting the targets set in the WMMP.

Council anticipates there will be an increasing focus on waste minimisation from Central Government and proposed

additional initiatives be put in place to improve our outcomes as a district. We plan to increase our investment in organic waste reduction through education around composting and worm farming. Council asked residents whether there was support for expanded kerbside services, and whether these services should extend into collecting general waste.

Any reduction in waste disposal reduces the cost to Council of transporting and disposal of waste to the Central Hawkes Bay landfill. Any future savings from waste disposal will be reinvested in waste minimisation initiatives.

35 submissions received

Option 1

Council does not undertake any new waste minimisation initiatives.

5

SUBMISSIONS IN SUPPORT

Option 2

Council introduces a staged approach to kerbside recycling in the four main towns (glass, wheelie bin service for plastic, cardboard, and tin recycling).

21

SUBMISSIONS IN SUPPORT

Option 3

Council introduces Option 2 plus add a collection service of either a wheelie bin or bag for refuse and bin for organic waste (food scraps and green waste) at kerbside.

9

SUBMISSIONS IN SUPPORT

Since the Draft Long Term Plan was prepared further information from Councils' current contractors has been received that has a significant impact on this project. The recycling market is very challenging currently and the costs of recycling, both in operating costs and the ability to sell recycled material for processing, are increasing. The government is also considering a container return scheme to improve waste recycling. Container return schemes incentivise consumers and businesses to return beverage containers (e.g. bottles, cans etc) for recycling and/or refilling. If this proceeds at a national level it could have significant impacts on the economic feasibility of a Council kerbside recyclable collection service.

The above then required Council to review the timelines and approach to renewing the various contracts for managing solid waste across the district and the implementation of kerbside services. The analysis has shown that it is cost effective and efficient to roll out the full kerbside recycling together and not phased over two years as proposed in the Consultation Document.

Council has decided to roll out additional kerbside glass and refuse recycling services as per option 2 on 1st July 2022, provisional on Government policy changes not having a significant negative effect on the initiative's feasibility.

Right Debate topics

Community development

Council proposed introducing a new activity called Community Development. This activity will include the services of the current Community Support activity as well as launching new services for our communities. Two new Community Development positions will allow Council to focus on:

- Facilitating community-led development activities towards the development of formal plans for each community to achieve the outcomes they want for themselves.

- Supporting community projects with regulatory matters to achieve faster outcomes.
- Supporting significant community projects to raise external funding.
- Raising external funding for Council projects in our communities.

The key to this activity is to better understand the needs and wants of our communities to better inform Council decision-making as well as providing support to achieve positive outcomes for larger community projects.

39 submissions received

Option 1

Council to meet the community development objectives from existing budgets.

12

SUBMISSIONS IN SUPPORT

Option 2

Council to establish a new Community Development activity and invest in two new roles with a community development focus at an additional cost of \$140,000 per year.

25

SUBMISSIONS IN SUPPORT

Option 3

Council introduces Option 2 plus increase the investment by a further \$60,000 in community development to deliver additional community outcomes.

2

SUBMISSIONS IN SUPPORT

Council decided that with the reinstatement of the four aspects of wellbeing (social, economic, environmental and cultural wellbeing of the district's communities) into legislation, Council will introduce option 2 of a new activity called Community Development and invest in two new roles from 1 July 2021.

Debt repayment

In recent years, Council debt has increased as we have built or upgraded infrastructure across the district, particularly our water infrastructure. The 2018 Financial Strategy highlighted a need to fund debt repayment from 2025, when our district faced limited or no population growth as we could repay it over time.

With Tararua District now experiencing unprecedented growth and Council likely to experience significant costs associated with this, we need to review how we manage our debt. Debt levels are also likely to be impacted by a range of other factors in the years ahead. These include replacing

ageing infrastructure, increased compliance requirements, the impacts of climate change and increasing interest rates. While we are currently experiencing very low interest rates this is unlikely to last forever.

Council proposed that debt repayment needs to be started in 2021/22, earlier than previously planned, in order to maintain debt headroom and resilience to meet unforeseen events. Council provided three debt repayment options at a compounding rate of either 1%, 2% or 3% of rates each year for residents to consider.

33 submissions received

Option 1

Repay debt at a compounding rate of 1% of rates each year. This option complies with the debt limit set in the Financial Strategy, but does not create sufficient headroom for future unknown events. Rates impact \$239,000 in year 1.

5

SUBMISSIONS IN SUPPORT

Option 2

Repay debt at a compounding rate of 2% of rates each year. This provides a balance between the rate of repayment for debt headroom and rates affordability. Rates impact \$477,000 in year 1.

25

SUBMISSIONS IN SUPPORT

Option 3

Repay debt at a compounding rate of 3% of rates each year. While this option would achieve our debt target sooner, it negatively impacts rates affordability. Rates impact \$715,000 in year 1.

3

SUBMISSIONS IN SUPPORT

Council decided, with the financial challenges and opportunities discussed in the Financial Strategy, to introduce the dedicated debt repayment programme under Option 2 (repay debt at a compounding rate of 2% of rates each year) which ensures Council has continued financial resilience.

Right Debate topics

Road financial reserves

Tararua District has a long and often remote road network with a small rating base and it would be unaffordable to maintain without the subsidy we receive from Waka Kotahi NZ Transport Agency (Waka Kotahi) each year. In 2019, our subsidy rate to maintain the network increased to 69% and since then we have reinvested the savings back into the roading network, increasing the level of service for safety and resilience. The level of subsidy is reviewed by Waka Kotahi every three years so there is no guarantee it will be maintained at 69% in the future. In certain circumstances the subsidy rate received increases by 20% for emergency works.

In recent years, Tararua District has been experiencing an increase in adverse weather events, both in number and intensity, largely due to the effects of climate change. In 2018/19 we increased the total funding for this activity from \$1,000,000 per year to \$1,600,000 per year. Despite this increase, the cost of weather related repairs has been exceeding our increased budget for emergency work. This

means Council has had to use reserves to meet these increased, and likely ongoing, costs.

The \$14.6 million investment that is underway into Route 52 will help improve the resilience of a portion of our roading network that encounters regular failures during weather related events.

In 2021, Council received \$1.4 million from Waka Kotahi due to a historical calculation error in the subsidy rate it received for roading. Council proposed to put this lump sum contribution directly into the roading emergency reserve. Based on the current drawdown of the reserve, this would provide an average of seven years of funding for emergency events (based on the current average of \$5 million per year expenditure). This option balances current affordability concerns and financial prudence.

Council consulted on options to increase or decrease rate funding for emergency works now. This impacts on how long the roading emergency reserve will last and the risk if the financial impacts from weather events were to increase.

35 submissions received

Option 1

Decrease the investment into road financial reserves. This option is high risk as it will likely see current road reserves exhausted, which would then require increases in rates to cover annual costs of adverse weather events and a reduction in our investments in our roading programmes. Rates impact is a reduction of \$93,000 in year 1.

0 SUBMISSIONS IN SUPPORT

Option 2

Maintain current rates funding to existing road financial reserves. This option will likely mean we can meet the cost of future emergency works on our roads based on the weather data we know now. No rates impact from this option.

26 SUBMISSIONS IN SUPPORT

Option 3

Increase rates by \$100,000 per year and add these funds to existing road financial reserves. This will allow us to rebuild our existing reserves faster and provide for further increased costs if the impacts of climate change continue to worsen. Rates impact \$100,000 per year.

7 SUBMISSIONS IN SUPPORT

An additional two submissions proposed to fund the cost of sealing Ridge Road Central from the road financial reserves.

Council decided that it was critical to improve the district's resilience to the impacts of climate change on infrastructure. To support this strategic focus Council

will continue the current funding of \$1.6 million of emergency road works, with \$217,000 funded from rates being maintained to fund the roading financial reserves. In addition Council approved the development of a Climate Change Strategy.

Other issues raised

Council also received submissions that raised a number of other issues. There was no one particular issue that was a focus for these submissions.

Council has addressed a number of these submissions by confirming the development of a range of strategic policies and plans. These strategies reflect that Tararua District is now in a growth phase that will result in pressure on all Council services. The strategies are:

- District Strategy;
- Growth Strategy;
- District Plan general review;
- Urban Master Planning;
- Housing Strategy;
- Climate Change Strategy;
- Sports, Recreation and Play Strategy (and review and update the current Cycling/Walkways Strategy aligned to this); and
- Water Demand Management Strategies.

Council has signalled that as part of continuing to explore alternative funding streams the following will be developed:

- Development Contributions Policy will be prepared and adopted as part of the 2024 Long Term Plan process at the latest. A Development Contributions Policy sets charges on development that are fair and reasonable and reflect the costs to increase the capacity of infrastructure to cater for growth.
- Introducing rates that target forestry activities to offset any negative outcomes this activity has on the district's roading network and environment.
- Exploring further the user pays approach by targeted rates and fees and charges for those services that are for the benefit of users as opposed to the public good for all ratepayers

A number of more specific operational issues were also raised. Council has agreed that staff reports on the following issues will be prepared in 2021/22 and considered by the Works Liaison Committee for discussion and its direction:

- Renewal of well liners at Akitio water supply.
- Bush Multisport stadium roof in Pahiatua be insulated before they seek funding for heat pumps.
- Greater support from Council for Woodville swimming pool.
- Water tanks for homeowners be subsidised.

Council has also resolved that the following issues will be considered prior to the next Annual Plan:

- Providing car parking at Kauri Place in Pahiatua
- Enclosing the Huxley Street drain
- Developing a dog park funded from private sponsorship on Rotary Park in Pahiatua.

Council also resolved to continue its commitment to the Manawātū River Leaders Accord and that investment be continued in improving the district's wastewater and stormwater discharges.

Rates increases and the effect of new rating valuations on rates

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 as at September 2020 and these values have been used for rating purposes for the Long Term Plan effective 1 July 2021.

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

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

Council calculates the total rates requirement for the year and then uses its rating policy as the basis to distribute this total.

It is important to note that an increase in property value does not automatically mean that there will be an increase in rates. 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 for similar property sectors and the overall rates requirements or each given year.

Council consulted on an average rates increase of 9.82% for 2021/22 to maximise the growth opportunities and prepare for the impacts of climate change and regulatory challenges.

Council has worked hard to hold the increase to the consulted through the deliberation on submissions. However, due to the significant shifts in rating valuations, individual property rates increase varied depending on property rating valuations and rates applied.

For 2021/22, the variance of rates distribution was more pronounced than previous years with 10% of rate payers receiving more than a 30% increase in rates and another 10% receiving decreases in rates compared to the 2020/21 rates. These are largely due to the significant changes to the rating valuations. The shift in rating valuations saw significant number of properties in the pastoral, forestry and residential land categories receiving rates increases higher than 20%, where else significant number of properties in the dairy and pastoral land categories receiving rates decreases.

The graph below details the rates distribution by land categories.

Fees and charges

There were no submissions received regarding the proposed fees and charges for the 2021/2022 financial year other than the proposed planning applications fees, which the submitter questioned their appropriateness.

Council has a policy of setting fees and charges to reflect the user pays principal where it is both legal and efficient to do so. The details of this policy can be found in the revenue and Financing Policy. As a result of increasing costs some fees and charges have been increased to meet the funding targets set in this policy. Regulatory planning fees and charges have been increased to reflect full cost recovery.

Three waters reform

The term “three waters” refers to the management of supplying drinking water, processing wastewater, and managing stormwater. Councils are currently responsible for the management of three waters in their area.

In the wake of the Havelock North water contamination in 2016, the Government has been reviewing the way Three Waters are managed in New Zealand. The review concluded that there is evidence of significant underinvestment in three waters infrastructure across New Zealand.

Nationally, \$27 billion to \$46 billion of additional investment will be required over the next 30 years to upgrade three waters assets to meet environmental and drinking water standards. To achieve this, Government have signalled there will be changes to how these vital services will be delivered in future.

Council, along with other councils, has signed a Memorandum of Understanding with the Government to work together to identify the best way to deliver three waters services in the future. Council is operating on the assumption that we are continuing to manage three waters in this Long Term Plan but acknowledge the uncertainty in this area.

It is highly likely that three waters services will become the responsibility of yet-to-be-established regional entities that assume responsibility for services from councils. These regional entities are likely to benefit from economies of scale and access to better funding. They will remain public owned.

Government has indicated that legislation to give effect to the reforms is likely to be considered later in 2021, with any transfer of assets from councils to the new entities in 2024.

Participation in the new service delivery system will be voluntary for councils, with decisions expected to be made by the end of 2021. Council plans to consult with our communities on the reforms prior to making a final decision, supported by a national information and education campaign.

These reforms are significant for Council and we will keep the community informed as the process proceeds. In the meantime, Council will continue to manage three waters for the Tararua District and will continue with the initiatives we have started to better understand our infrastructure.

In recent years, Council has been focused on better understanding our three waters networks to better inform future investment. We have undertaken significant water treatment upgrades, leak detection programmes and installed water monitoring meters across the network to map water flows. Council will continue to implement measures anticipated to be required by any future regulator in order to meet regulatory requirements.

There is more work to do to gather the information Council needs to inform the decisions that will need to be made in the future. We want to better understand the condition and remaining life of our underground pipeline assets, the performance of our wastewater treatment plants, and the criticality of individual assets. We also want to investigate new water sources to ensure security of supply, assess how water should be charged for and whether water metering should be considered, and determine how we reduce our environmental and cultural impacts from wastewater discharge. Council will continue to keep communities informed as these decisions are considered and made.

FOR THE 10 YEARS FROM 2021 TO 2031

Financial strategy

01. Introduction

The Financial Strategy provides a financial framework for transparent decision making and outlines how we will manage the financial resources of the district in a financially sustainable way.

The challenges and opportunities ahead of us poses an element of financial uncertainty. The key theme of this strategy is to create financial resilience to enable Council to respond to unforeseen financial impacts. The Financial Strategy must align closely with our Infrastructure Strategy and enable Council to deliver upon the vision and strategic goals of this Long Term Plan as follows.



COUNCIL MISSION

In partnership with tangata whenua and our communities, we will innovate and collaborate to enable a range of opportunities for the Tararua District.



DISTRICT VISION

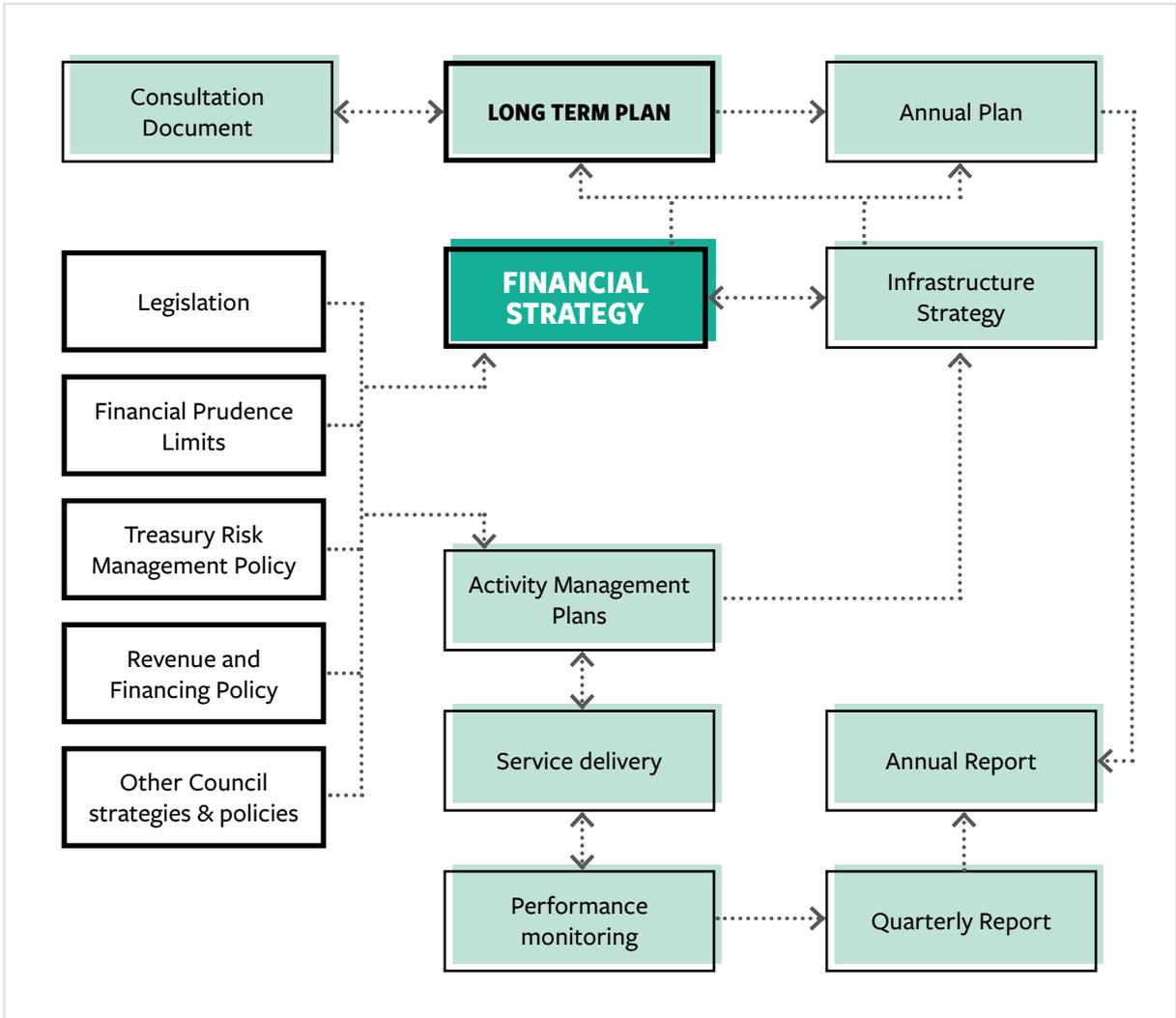
Vibrant, connected communities where our land and waters are nurtured and our people flourish.



OUR FINANCIAL OBJECTIVES

- To ensure rates are affordable, sustainable, and reflect the services expected by our communities.
- To ensure debt is maintained within prudent levels.
- To maximise the amount of external funding received to reduce the financial burden on ratepayers.

This strategy outlines Council's approach to financial management for the next 10 years, including sources of revenue to fund capital investment and service delivery, and considers the impacts on rates, debt, levels of service and investments. It guides the Council's future funding decisions and, along with the Infrastructure Strategy, informs the capital and operational spending for the 2021–2031 Long Term Plan. The diagram below shows the relationship between the Financial Strategy and other Council plans and policies.



02.

Strategic context – where are we now?

2.1 Economic overview

The primary industry in Tararua is agriculture with over a third of the district's workers employed in this sector, and most businesses.

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 and confectionary. Tourism currently makes a small contribution to the district's economy, which has meant that Tararua has been insulated from the current coronavirus pandemic. An increase in domestic tourism, as well as an injection of Government funding to aid the economic recovery from the 2020 lockdown, has positively impacted Tararua's local economy.

Over the next five years, Tararua is likely to benefit from significant investment from two major roading projects:

- The new Te Ahu a Turanga: Manawatū Tararua Highway is a significant investment (> \$600 million) and will impact positively on employment and housing over the next five years. It is likely to have a long-term impact on population growth with easier, quicker, and more reliable connection to Manawatu.
- Council has lobbied for, and received government funding for an upgrade to Route 52 from the northern boundary to Weber. The driver is the coming wave of harvested forests, and future new forests likely to be planted in this area (under the 1 Billion Trees (1BT) programme and carbon forestry).

2.2 Pandemic

The coronavirus pandemic highlighted how economic activity and social well-being can be significantly impacted by an unknown event.

New Zealand is reliant, to a significant level, on international trade. Despite dire forecasts for economic contraction earlier in the pandemic, New Zealand has shown that if trade continues then most residents can continue with almost normal lives. Tararua has “bucked the trend” and has seen economic growth during the pandemic reflecting the large weighting on food production, agricultural machinery, and domestic through traffic (retail). However, a major event that stopped trade would have a much different outcome.

It is unlikely that this event will significantly impact Council in the short term, and Council has very little that it could do to influence the pandemic or similar scale world events. However, Council may need to provide unplanned relief to residents as it did in 2020/21 where it cut its projected rates increase from 5.97% to 2.5%. This highlights the need as part of this strategy to ensure that there is financial capacity to provide support and relief if required.

2.3 Progress towards 2018 strategic objectives

In the 2012 Long Term Plan Council adopted three core strategic limbs that remained as the focus for Council for the 2015 and 2018 Long Term Plans. These have provided the platform for the 2021 Long Term Plan. The following sections briefly outline our progress against each of the three limbs.

2.3.1 Continued investment in core infrastructure

Over the last decade Council has been investing heavily in its core infrastructure. This has included major town centre upgrades, improving the quality and providing storage of drinking water throughout the district, upgrading the wastewater treatment plants including relining the oxidation ponds, construction of Solid Waste Transfer Stations and recycling centres with closure of landfills.

There is still a need to invest significantly in core infrastructure, with the primary drivers being three waters reform and growth.

2.3.2 Promoting and facilitating economic development

Economic Development was signalled as a key priority for Council back in 2012 and has continued as a focus ever since. Through this limb, Council has supported business growth and promoted the local economy through the following initiatives:

- Setup of the Tararua Business Network to advise and support businesses
- Building district identity with the creation of the “Land of Ranges” brand.
- Promoting the district at various national events, proving particularly successful with the National Motorhome and Caravan Association.
- Provided economic and recreational opportunities through projects funded through the Provincial Growth Fund and Tourism Infrastructure Fund.
- Delivered the “Love Local Tararua” campaign that encouraged locals to support local businesses following the national lockdown, as well as appealed to domestic travellers to stop in our towns.
- Setup the Digital Hub in Woodville with funding provided by the Provincial Growth Network.

The 2021 Long Term Plan continues a focus on economic development with the inclusion of community development and well-being as a significant activity. This is a much needed function supported by the introduction of the four well-beings, but adds to the financial pressures on the Council.

2.3.3 Continued financial viability through sustainable growth and investment

A challenge for Council has been balancing investment in infrastructure and maintaining and improving service levels against ratepayer affordability. Council has achieved significant investment over the past three Long Term Plans whilst maintaining rates between 2.0% and 4.5%.

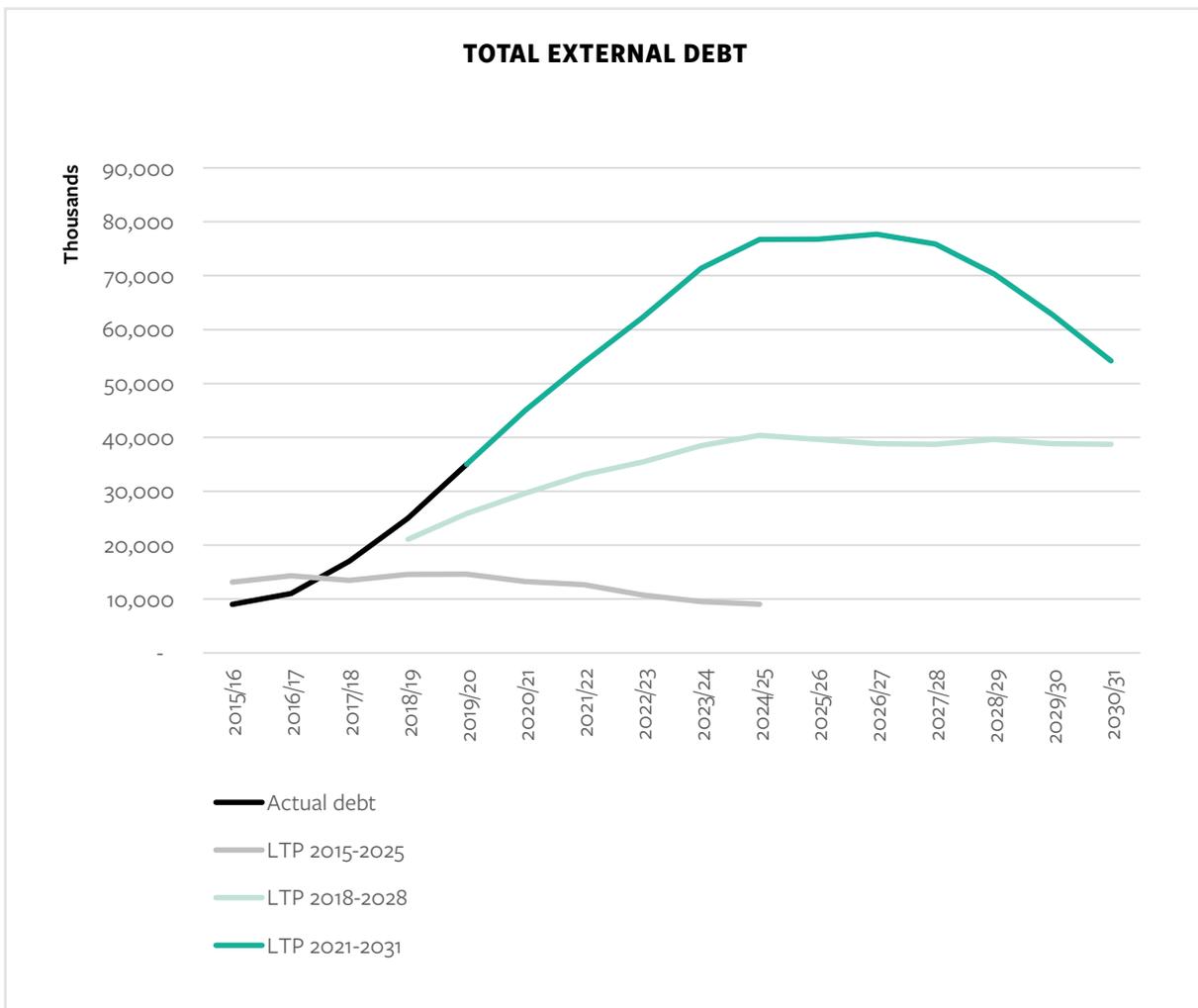
Council has kept within its debt limits set in the Treasury and Risk Management Policy. However, debt management and creating financial resilience is a key focus of this financial strategy as Council’s headroom is significantly reducing.

2.4 Current debt levels

Over the last decade Council has been investing heavily in its core infrastructure. Council began this period of capital investment well placed with very low levels of debt.

Due to this heavy capital investment, along with increasing replacement of ageing infrastructure and higher than planned emergency repairs from climate events, Council's debt has significantly increased over the previous three

years. As a result, a debt repayment programme and an increase in Council's debt borrow limits are included as key directions in this strategy.



2.5 Funding challenges

Rates affordability continues to be a key issue for ratepayers, especially for those who are on low incomes.

Despite significant investment in improving Council services, rate increases have been kept at low levels over the previous two Long Term Plans.



Council has been able to achieve the above rates increases by leveraging, where practical, on other sources of revenue, particularly beginning to increase fees and charges to reduce the burden on ratepayers.

It is probable that rates increases will need to be maintained at levels higher than what has been achieved for the past two Long Term Plans due to the following ongoing cost pressures:

- Increased compliance requirements to deliver water and wastewater services.
- Preparing for and managing the impacts of growth. This includes sufficient resources to process subdivision and building consents and reviewing urban zoning in the District Plan that considers the

impacts on the existing infrastructure network from new subdivisions.

- Responding to climate change and ensuring service levels are maintained when impacted by weather events.
- An increased focus on community development driven from the reintroduction of the four well-beings and the supporting the community from the social impacts of Covid-19 and climate change.

As a result, Council has revisited its rates limits as outlined in Key Direction 3 (see Section 4.3 of this strategy), balanced against Key Direction 4 (see Section 4.4), focusing on exploring alternative funding options and direct charging of services to the benefactor of a service where it generates a private benefit (see Revenue and Financing Policy).

03.

What is in front of us – challenges and opportunities

3.1 Growth

After over 50 years of population decline, Tararua is growing again.

As a result, Council is facing pressures to enable more urban housing, extend three waters services, and provide new community facilities. These come at a cost to current ratepayers. If growth occurs at the forecast levels, Council will need to explore additional funding tools to ensure property developers pay their fair share of the additional demands on Council infrastructure and facilities (Key Direction 4).

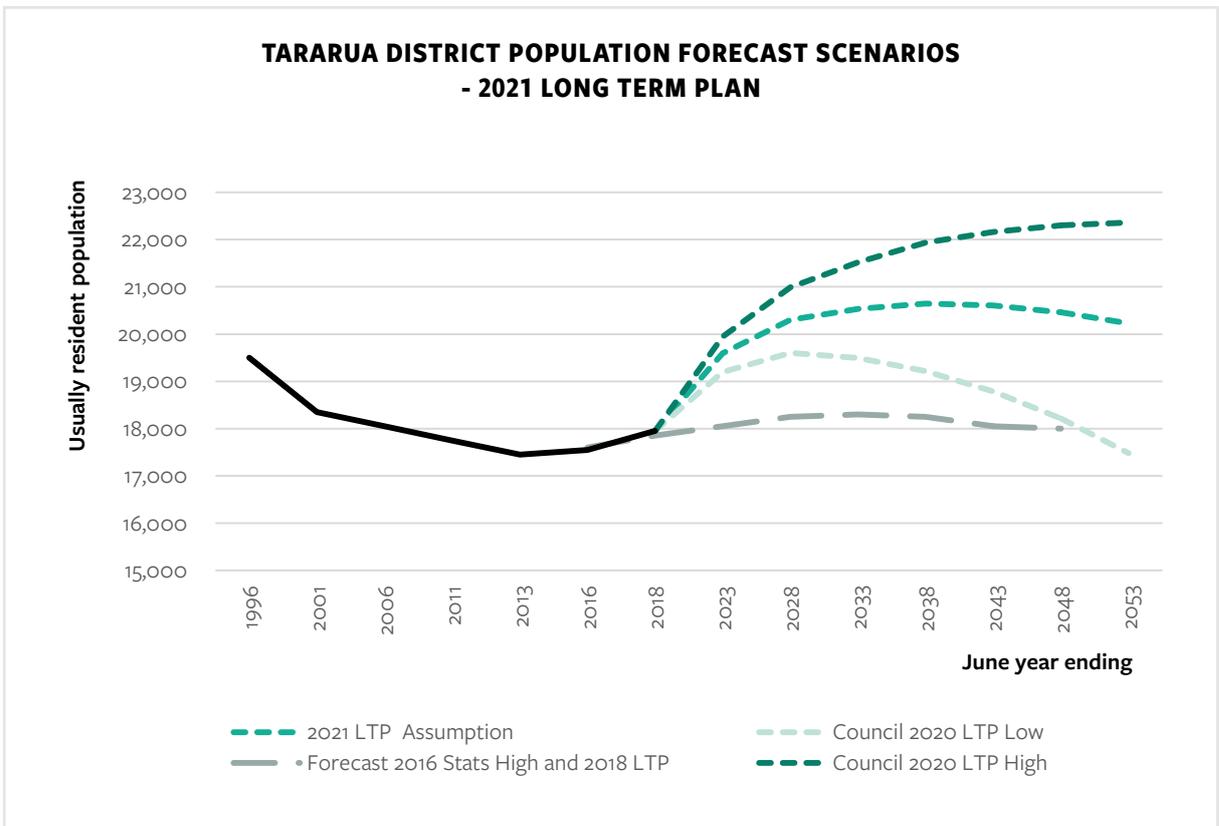
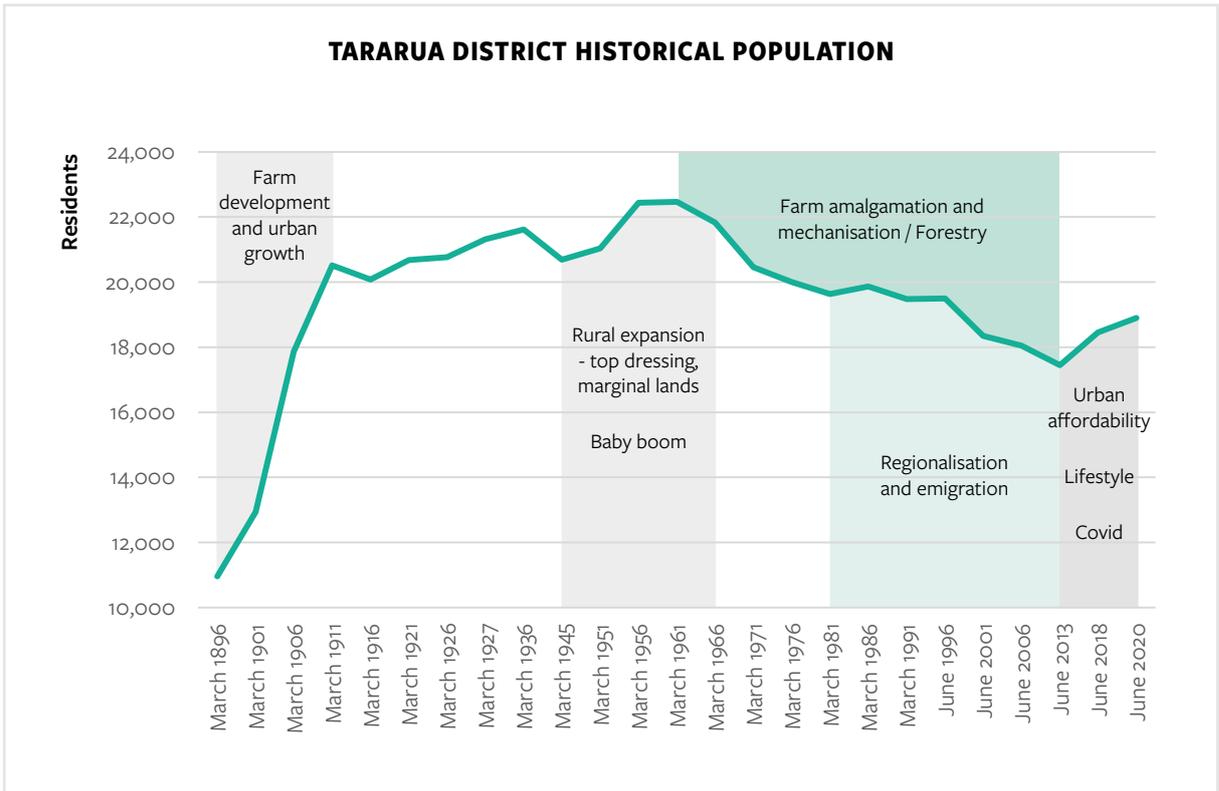
Since the 2018 Long Term Plan where Council had used the high Statistics NZ forecasts, Tararua's population has continued to increase at levels far exceeding those forecasts.

Preparing for growth is a key theme of this Long Term Plan. Council projects that, over the next 10 years, the district population will increase by 6.9% with the total population in June 2031 at 20,439, compared to 19,122 forecast for June 2021. The forecast for 2031 is 11.7% higher than the forecast contained in the previous 2018 Long Term Plan. Although our population is ageing, the rate of ageing is likely to be lower than previously expected. This is due to fewer young people leaving the district, and more families moving to Tararua due to the affordability of housing and proximity to Palmerston North.

This supports Council focusing on preparing for growth, including ensuring community facilities are fit for purpose and meet the needs of existing and future residents. A growth in rating base will help Council to further spread the cost and keep rates affordable.

Housebuilding has currently spiked to levels not seen since the mid 2000's. The number of households are forecast to increase by 7.9% over the 10 years, with an additional 598 houses expected. Significant increases in land values are likely to see further subdivisions and infill housing. The District Plan review in the early part of this Long Term Plan will explore where our towns are best to grow with consideration of our existing infrastructure networks.

With an increase in population, this is likely to create further economic development. Currently there is very little industrial/commercial zoned land available for development. It is probable that Council will need to explore suitable land for the creation of an industrial park to support employment opportunities within the district.



3.2 Climate change

Tararua, in recent years, has so far avoided the worst of the weather extremes experienced across New Zealand.

It is certain that we can expect that the chance of a significant event will increase over time. This is a difficult issue for Council as the financial implications are far from clear and it is hard to justify rates funding for the unknown.

The Council maintains an extensive roading network vulnerable to climate change, being the fourth largest network in New Zealand. The majority of these roads are in challenging terrain that is highly vulnerable to slips and drop outs, leading to unplanned repair costs. Over the last ten years the district has seen an increase in frequency and intensity of rainfall events across the district.

Council sets aside funding for emergency repairs each year with the intention of maintaining a reserve fund that fluctuates year to year. A high proportion of the costs (89% – subject to NZ Transport Agency approval for each event) is funded by NZ Transport Agency from the Land Transport Fund. Over recent years the costs have exceeded funding repeatedly. Council increased the funding for this reserve in 2018/19 from a total budget of \$1 million per year to \$1.6 million per year.

The emergency roading reserve is currently at healthy levels largely due to Council receiving \$1.4 million from NZ Transport Agency due to a calculation error on Council's FAR rate. However, funding this reserve is likely to become a growing issue in the future for Council, and it is probable

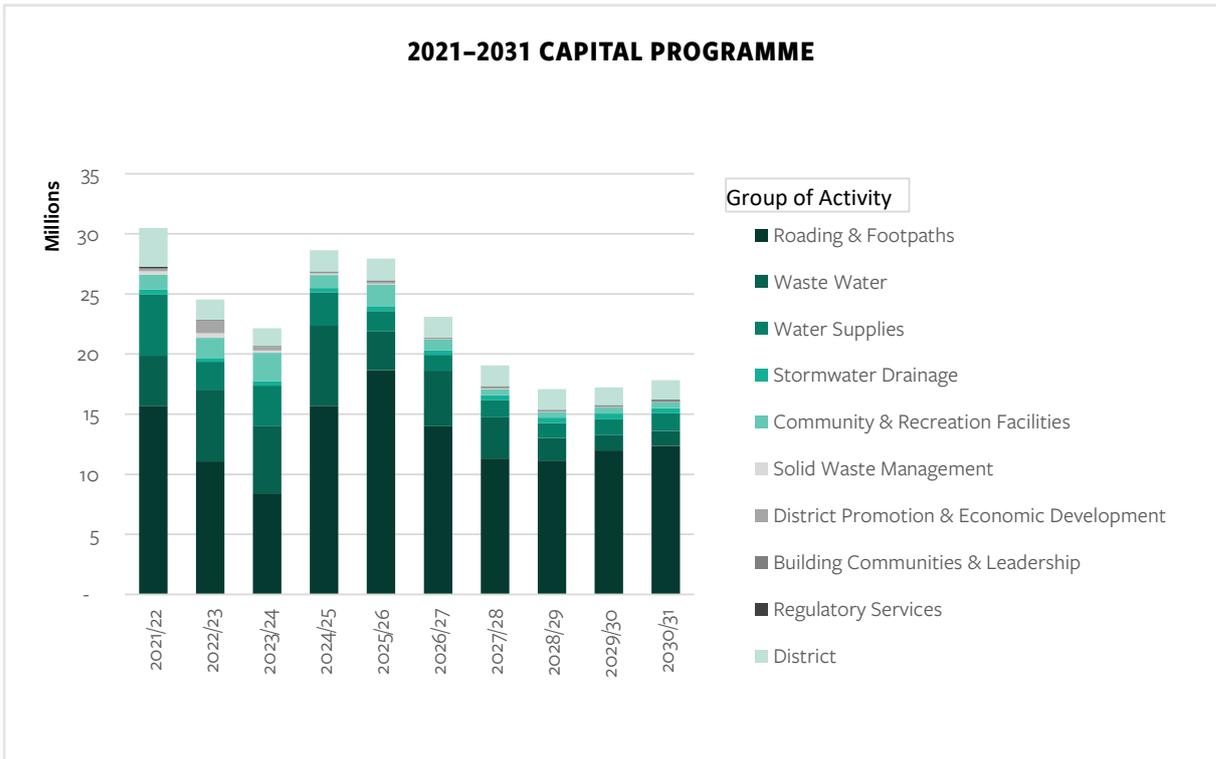
that funding will need to be increased during the Long Term Plan period. One of the outcomes of the \$14.6 million upgrade underway for the most vulnerable section of Route 52, along with significant roadside tree harvesting in recent years is intended to improve the resilience of the roading network from climate events.

In urban areas, the increasing severity and frequency of rainfall events is also likely to put increasing pressure on stormwater systems. This trend is likely to continue, and to maintain current levels of service will require the Council to respond with significant improvements to the stormwater network in the future. The Council has already begun providing for these risks within existing budgets. However, the stormwater network along with infiltration into the wastewater network is likely to require further investment than is currently provided for. The Council needs to ensure it has capacity in its borrowing limits to have the ability to fund these currently unplanned improvements as the impacts of climate change intensifies.

We are also likely to have more frequent and severe droughts. Council has significantly invested in water storage over the past decade. However, Council will need to continue to manage water demand, and will investigate alternative water sources during this Long Term Plan to ensure the needs of current and future residents are met.

3.3 Capital investment

Over the past decade Council has been investing heavily in improving core infrastructure, whilst gradually increasing planned asset replacements.



Council is planning to continue a high level of investment into infrastructure and is planning for future investments in community and recreation facilities that meet the changing needs of current and future residents. Over the 10 years of this plan, capital investment will total \$229 million. The key spending priorities are summarised below:

- Improving resilience in existing infrastructure networks
- Three waters reform
- Increased demands from growth
- Ageing infrastructure requiring replacement
- Community and recreation facilities
- Footpath, walkways, and cycleways

The Council needs to build financial resilience for future borrowing to enable projects to be added to this plan as per key direction 1 in section 4.1. This need to maintain financial flexibility is driven from the pace of growth within the district being different than assumed in this plan, three waters reform outcomes, and the changing climate impacts including giving effect to changing regulations.

3.4 Increased service levels

Council plans to significantly improve service levels during the first three years of this Long Term Plan in addition to the extraordinary investment in capital.

Improving service levels require additional funding from either increased rates, or from alternative revenue sources. Therefore, Council is increasing its rates limit in Key Direction 3 (section 4.3).

Council plans to significantly improve service levels in the following areas:

- Community Development and Well-being
- Recycling Services
- Growth related services
- Roading emergency funding
- Water and wastewater quality

3.5 Land use change

Considering the impact of land use change is a key consideration of the Finance Strategy. It signals where Council may need to consider investments and changes to service levels to meet the changing needs of ratepayers.

3.5.1 Forestry

The government Emissions Trading Scheme price for carbon is driving investment in forestry on existing sheep and beef farms. Some of these areas are very difficult land (steep and/or unproductive) that will have little impact on production in the district. Others are productive farms on good country. Where it is carbon forestry (so the income is only from carbon credits with no intention of harvesting) the loss to the district is significant.

As the carbon price is set by government and funded by taxes it bears little relationship to the productive value of the land. It is possible that large areas of the district could be planted in carbon forestry. This would reduce employment and impact the rating base, and potentially see the smaller rural townships shrink even further. Foreign investors can buy land for forestry, but not for other types of farming. If new forests are planted for harvesting there will be employment generated from pruning and logging over time. This would also have a significant adverse impact on the roading network, requiring increased investment.

3.5.2 Horticultural

With 18% of the district being class 1–3 soils (7.3% classes 1 and 2, or 32,000ha) there are big opportunities to diversify into horticulture. These soils are a valuable resource that are increasingly in short supply around the world. The district has good rainfall and transport links. Recent research completed for Council by AgFirst shows that many crops can be grown, and that gross margins per hectare can be three times that of sheep and beef or dairy farming.

The temperature increase is also creating new opportunities in land use. The number of Growing Degree Days and Frost-Free Days is increasing. This lengthens the growing season and reduces the risks to horticultural crops.

With the impacts on pastoral farming from mitigating the effects of climate change potentially significant, diversification into horticultural could become an important alternative. There could also be added benefits of the emergence of supporting industries that promote local employment and could result in Council needing to explore the development of industrial/commercial areas to maximise these opportunities.

3.5.2 Urban development

Our districts population is growing at a significant pace, with very few rentals and shortage of housing available to purchase. This is likely to see urban subdivisions creating more rateable properties. Initially, these are likely to be provided from within the current urban boundaries, but if there is a need to extend beyond the urban boundary, will see a small number of urban and rural properties converted into urban housing. If this occurs, the cost of providing infrastructure to these new areas would be significant. This furthers the case of exploring development contributions as part of Key Direction 4 (see section 4.4) for the next Long Term Plan.

04. Our strategies – how we are responding to the challenges and opportunities

There are increased uncertainties moving forward with a number of questions still to be answered.

This Financial Strategy provides key directions that allows Council to progress its objectives, but with an increased focus on creating financial resilience to manage the financial implications of the unknown.

Growth is a major opportunity for our district, and it is likely that further investment will be required as we develop strategies to enable growth. It is certain that there will be financial impacts from climate events, the timing and quantity, however, is a major financial risk that Council faces. Ongoing legal and regulatory reform in the three waters activities, resource management act reform, and implementing the four well-beings could result in further funding challenges as they become known. Council has made significant forecasting assumptions in the assumptions section of this Long Term Plan, where the financial consequences are outlined.

To achieve Council's strategy being financially sustainable and prudent, the strategy focuses on the following inter-linked key strategic directions that enable Council to achieve its strategic goals, whilst ensuring financial sustainability and prudence by leaving headroom for the unknown as mentioned above:

1. Introduce a dedicated debt repayment programme which ensures Council has continued financial resilience whilst continuing to invest in infrastructure that meets existing community needs and enables future growth.
2. Increase Council's debt limits to enable further capital investment to improve infrastructure, including community and recreation facilities that enables growth.
3. Increase Council's rates limit to service the increase debt levels, fund the operational cost increase resulting from investment in infrastructure and growth projects, and increase resources to meet service levels.
4. Continue to explore alternative funding streams in line with Council's pricing strategy and ensure opportunities for external funding is maximised.
5. Grow the rating base by enabling growth.
6. Fund an appropriate level of depreciation for future asset renewals.

4.1 Key Direction 1: Introduce a debt repayment programme

Over the past decade Council has been investing heavily in improving core infrastructure, whilst gradually increasing planned asset replacements.

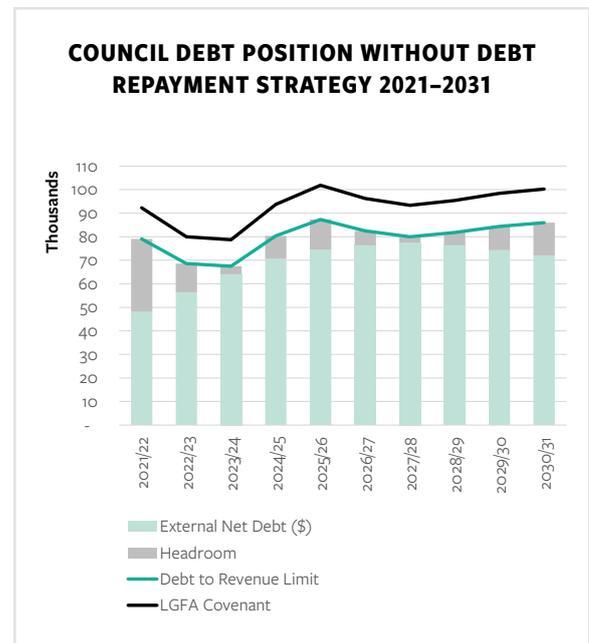
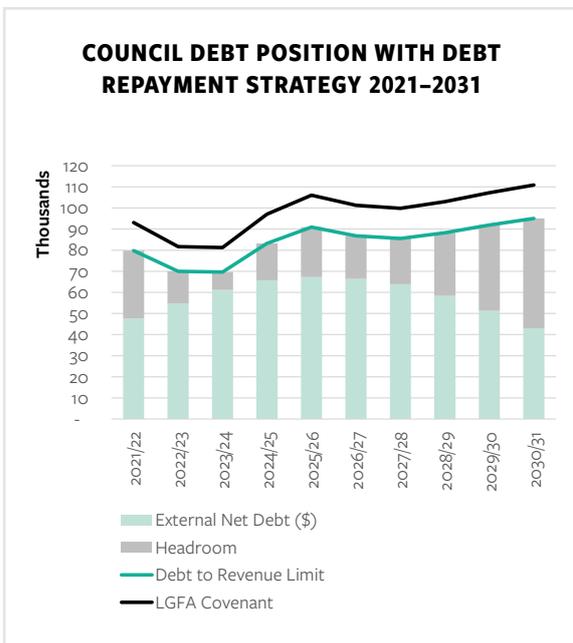
Council is planning to continue a high level of investment into infrastructure and is planning for future investments in community facilities that meet the changing needs of current and future residents. As a result, Council’s external debt has been increasing quickly over the past five years.

External debt repayment is currently provided from surplus cash from depreciation reserve funding (used to fund the replacement of long term assets). Council’s infrastructure is ageing, and planned renewals are increasing, meaning that there is no longer sufficient surplus cash to repay external debt.

The need to introduce a debt principal repayment was previously signalled in the 2018 Financial Strategy, but not beginning until 2025/26. Council is bringing this strategy

forward to 2021 enabling Council to fund its capital programme. It is also necessary to create headroom and financial resilience for unforeseen events such as those that arise from climate change, and to enable future councils to have the ability to introduce new projects to meet the future needs of our communities. It is also noted that the record low interest rates currently on offer are not likely to remain forever. Council is introducing a debt principal repayment programme of 2% of rates per year over the course of this Long Term Plan.

The graph below shows the financial headroom that is created for future borrowing from this strategy. Without this strategy, Council’s headroom will be significantly lower and, in year 2027/28, the debt headroom will be just \$2.5 million.



4.2 Key Direction 2: Treasury borrowing limits

In the 2018/28 Long Term Plan Council embarked on an ambitious capital investment programme and is continuing to invest heavily for the length of this Long Term Plan.

As a result, Council's debt is projected to increase significantly from \$45 million to a peak of \$78 million during the course of the Plan.

To enable this investment, the Council has increased one of its debt limits, Net Debt as a Percentage of Revenue, from "no greater than 100% of revenue", to "no greater than 150% of revenue". The graph above highlights the available headroom against the changed debt limit.

Council has decided to maintain the current limits of the other three borrowing limits, being:

- net interest on external debt as a percentage of total revenue will exceed 7%
- net interest on external debt as a percentage of annual rates income will not exceed 10%
- liquidity (external term debt, plus committed load facilities, plus cash and cash investments to external debt) is greater than 110%.

Council complies with all of the debt limits for the 10 years of the Long Term Plan as per the Treasury and Risk Management Policy. However, due to the increase in borrowings, the available headroom has significantly reduced.

Introducing a debt repayment programme is a key direction required to improve headroom. Council also has the ability to increase its debt to total revenue limit to the LGFA covenant of 175%, creating a further \$8 million of borrowing capacity in 2023/24 when headroom is the least in the Long Term Plan. Although unlikely to be necessary, Council could also consider becoming a shareholder of LGFA, enabling increased borrowing limits.

4.3 Key Direction 3: Annual rates limits

For the previous six years, Council has set BERL + 2% as its self imposed limit on rates, and has kept its rates increases within this limit each year.

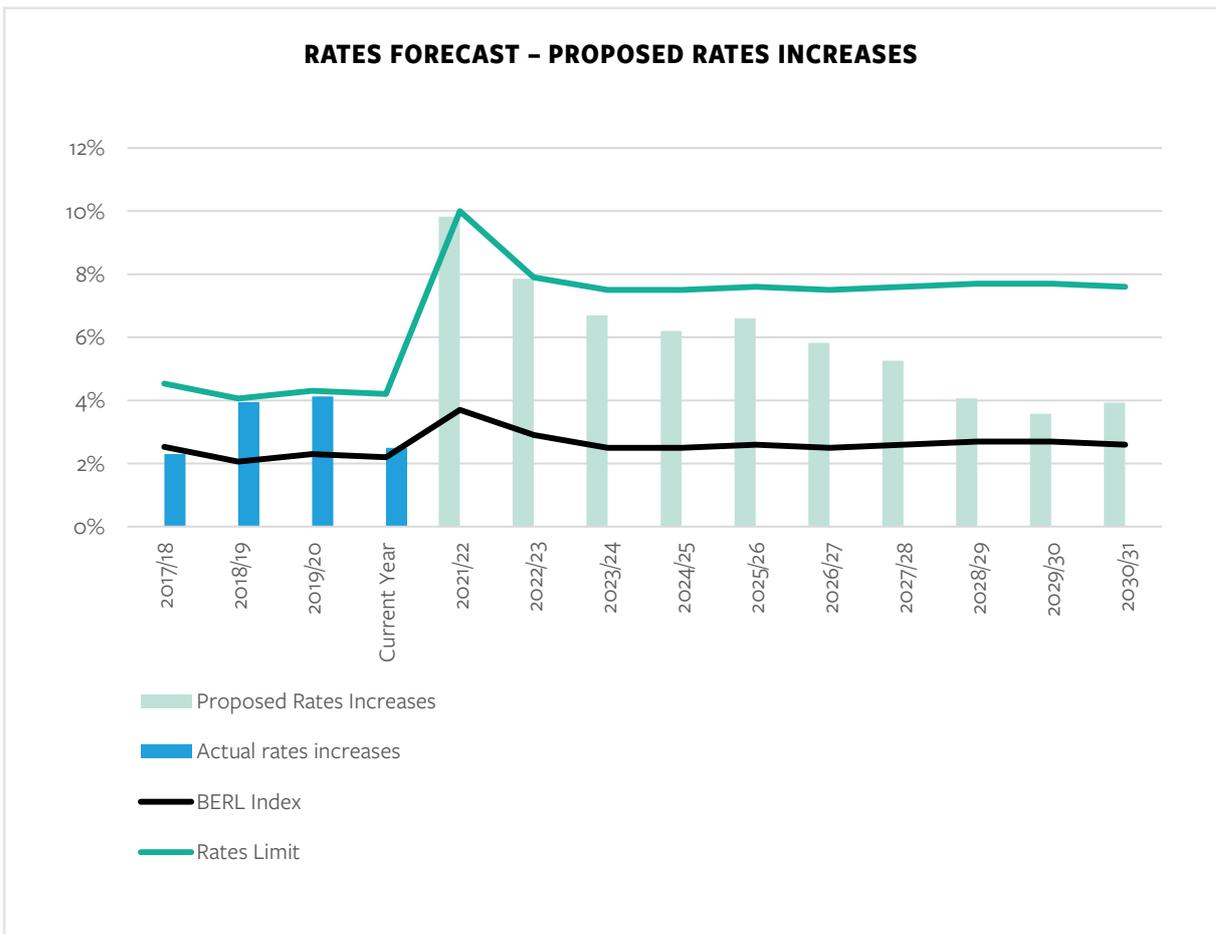
However, the rates limit Council is setting for this Long Term Plan will be increased as follows:

- Year 1 (2021/22): rates increase less than 10%.
- Years 2–10 (2022/31): rate increases in any one year will be maintained within the weighted average local government cost index, which is calculated by BERL and specifically reflects the types of costs faced by councils, *plus* three percent, *plus* two percent dedicated for additional principal debt repayment.

Council provided relief to ratepayers in response to the Covid-19 lockdown by reducing its planned rates increase in 2020/21 from 5.97% to 2.5%, maintaining the service levels,

and not deferring its capital programme. This was achieved by leverage off Council’s strong balance sheet by borrowing internally. This has impacted on the 2021/22 proposed rates increase resulting in a rates increase of 10% in Year 1.

From Year 2, Council is allowing an additional 3% per year to fund increases in service levels, growth, and funding of new infrastructure. Council is also significantly increasing funding in Community Development to enable meeting its obligations under the newly reintroduced four well-beings. BERL represents inflation in costs incurred by Council to maintain existing service levels, and is the bare minimum increase required to deliver the same levels of service year on year.



4.4 Key Direction 4: Explore alternative funding streams to reduce impact on ratepayers

Alternative sources of revenue, other than rates and loans, are critical to help fund Council’s activities.

Since 2012, funding from rates had increased from 60% to 63%. Council has put a greater focus on alternative funding sources in this Long Term Plan to reduce the financial burden on ratepayers.

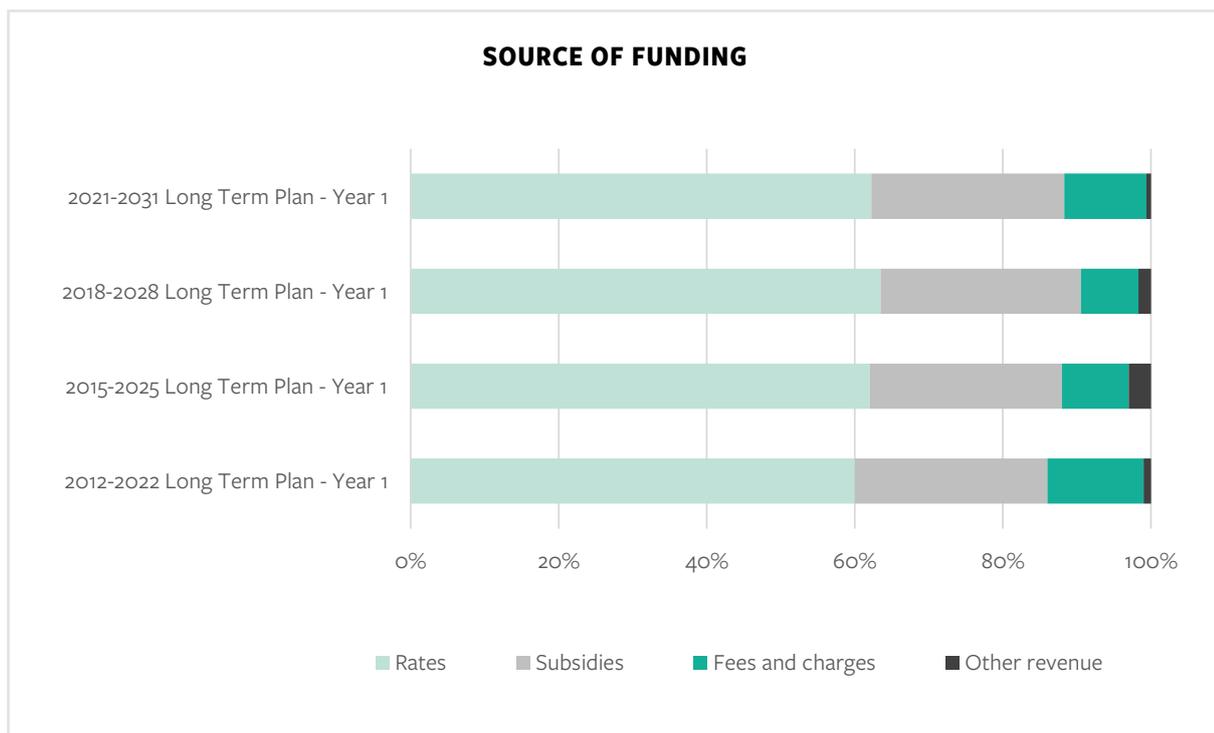
After a period that resulted in funding from fees and charges drop from 13% in 2012 to 9% of total revenue, Council adopted a pricing strategy in 2015. This provided a framework for decision making when setting fees and charges. Fees and charges for activities that provide a benefit to a direct user have been increased in year of this Long Term Plan to reflect the cost of providing the service. This is illustrated in the table below.

Over the previous decade, external funding provided by the NZ Transport Agency towards the roading network has increased significantly. Funding is provided at a Funding Assistance Rate (FAR) on approved funding categories and has increased from 59% in 2015, to 69%. In 2018, footpaths were also included in the scheme having previously been fully provided from rates funding. These changes have enabled increased expenditure in roading and footpaths without creating a significant impact on ratepayers.

Capital projects are funded by loans for new assets, and depreciation reserves for replacements. Where external grants and subsidies are available, Council will actively seek funding. For new assets, this reduce the loan interest costs, and for renewals, allows Council to reduce the level of depreciation funding required for future renewals.

The major contributor to capital subsidies is NZ Transport Agency. However, Council has secured \$5.02 million as part of the three waters reform package to fund both capital and operational projects for our three waters activities and \$14.6 million for Route 52.

Development contributions provide an alternative tool from rates to fund capital investment necessary as a direct consequence from new property subdivisions. Council has not imposed development contributions in the past to encourage development in the district. This situation has changed dramatically with significant growth now predicted. As part of planning for growth, Council will explore introducing development contributions as a funding tool in the next Long Term Plan round.



4.5 Key Direction 5: Growing the rating base

Preparing for the impacts of growth is a key theme of this Long Term Plan. Council projects that over the next 10 years, the district population will increase by 6.9% with the total population in June 2031 at 20,439, compared to 19,122 forecast for June 2021.

The forecast for 2031 is 11.7% higher than the forecast contained in the previous 2018 Long Term Plan.

The new Te Ahu a Turanga: Manawatū Tararua Highway is a significant investment and will impact positively on employment and housing in the district over the next five years. It is likely to have a long-term impact on population growth with a quicker and more reliable connection to the Manawatu.

Housebuilding has currently spiked to levels not seen since the mid 2000's. The number of households are forecast to

increase by 7.9% over the 10 years, with an additional 598 houses expected.

The addition of these properties to the rating base help spread the cost of existing services across more ratepayers and will benefit the district in the long term.

Council forecast that the rating base will increase by 70 each year of the Long Term Plan. This forecast is based on projected subdivisions and consents for new houses referencing current trends.

4.6 Key Direction 6: 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.

The objective of depreciation funding is to ensure that those who receive the benefit of Council's assets, pay a fair share towards the eventual replacement cost of the asset. The Council will review the amount of funded depreciation each Long Term Plan to ensure that we are funding for our future renewals in a sustainable and prudent manner. The assumptions that are made when undertaking the depreciation modelling are conservative and are reviewed every three years.

As a result of depreciation modelling, Council has chosen to not fund 100% of depreciation expense. When deciding to not fund 100% of depreciation, the following considerations are made:

- **Optimisation** – some assets will not be replaced with like assets. Examples of this are where a bridge will be replaced with a culvert, or a multi-story building is replaced with a single story building.
- **Compounding interest** – depreciation reserves are available for internal borrowing and earn interest. The compounded interest earned on depreciation funds over the long term life of assets need to be considered to ensure that we do not over fund for the future renewal of the asset.

The depreciation modelling completed showed that for the 10 years of the Long Term Plan we will continue to have sufficient depreciation reserves.

05. Our future state: where we expect to be at year 10

The duration of this Long Term Plan contains a magnitude of challenges and opportunities, as identified in Section 3.

Council is planning on investing heavily to upgrade assets, prepare for growth, improve levels of service, and improve the well-being of our community.

In achieving Council's vision, by 2031 we would have:

- Built a sustainable level of ongoing debt principal repayment resulting in debt levels reducing after a period of steady increase.
- Planned for growth and be maximising the benefits of growth in our district.
- Completed significant capital investments to improve infrastructure and meet the needs of a growing district.
- Invested in improving community facilities for our residents to enjoy.
- Promoted and supported a resilient, safer and cared for community.
- Significantly improved the safety and resilience of the roading network
- Made significant progress in building a connected community (digital and physical infrastructure).
- Undertaken significant renewals on our ageing reticulation networks, significantly reducing the risk of network failures.

APPENDIX TO THE FINANCIAL STRATEGY

Policies governing borrowing and investments

i. Council appetite for risk

The Council activities are largely funded from collecting rates in return for the provision of services for the benefit of the district. Therefore, the Council is risk adverse and has strict limitations on what investments it can make. These limitations are contained in the Treasury and Risk Management Policy.

ii. Borrowing

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

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

Key Strategies 1 and 2 included as part of the Financial Strategy cover key strategic decisions that have been made in relation to treasury activities.

iii. 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 moving margins between interest rate receivable and interest rates payable.

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

iv. 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).

v. Financial investments

The Council holds financial investments as part of its day to day working capital management, cash backed trust funds, and as required by the Local Government Funding Agency (Borrower Notes).

The Council may invest in approved financial instruments as set out in the Treasury Risk Management Policy. The Council only invests in approved creditworthy counterparties. These investments are held for maturity terms up to 12 months and are actively managed to ensure sufficient liquidity and to maximise interest returns for ratepayers.

For further information on the Council's investment Policy, refer to the full investment Policy (part of the Treasury Risk Management Policy).

vi. 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).

vii. Asset investments

The purpose of asset investments is to provide a return to the Council to offset the rates requirement.

The main asset in this category is the Birch North forest. The Council has created a reserve to ensure ongoing maintenance of the forest continues to be self-funding with no input from rates. Council has been utilizing this reserve to remove costly roadside trees to improve road safety and resilience of Council's roads.

Council is exploring options on the future of this investment given the long periods of no returns, and ongoing maintenance costs between harvests.

FOR THE PERIOD COMMENCING 1 JULY 2021

Long Term Plan prudence financial benchmarks disclosure statement

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.

Rates affordability benchmark

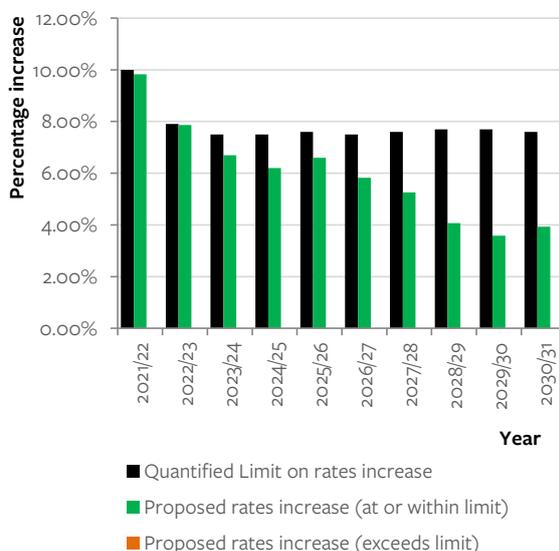
The council meets the rates affordability benchmark if:

- its planned rates increases equal or are less than each quantified limit on rates increases.

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 Year 1 being less than 10% and Years 2–10 being BERL Local Government Cost Index, plus 3%, plus 2% dedicated for additional principal debt repayment.

RATES (INCREASES) AFFORDABILITY



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

	2021/22	2022/23	2023/24	2024/25	2025/26
Quantified limit on rates increase	10.00%	7.90%	7.50%	7.50%	7.60%
Actual rates increase (at or within limit)	9.82%	7.86%	6.70%	6.20%	6.60%
Headroom*	0.18%	0.04%	0.80%	1.30%	1.00%

	2026/27	2027/28	2028/29	2029/30	2030/31
Quantified limit on rates increase	7.50%	7.60%	7.70%	7.70%	7.60%
Actual rates increase (at or within limit)	5.83%	5.26%	4.07%	3.58%	3.93%
Headroom*	1.67%	2.34%	3.63%	4.12%	3.67%

* Denotes difference between quantified limits and actual rate increases

Debt affordability benchmark

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

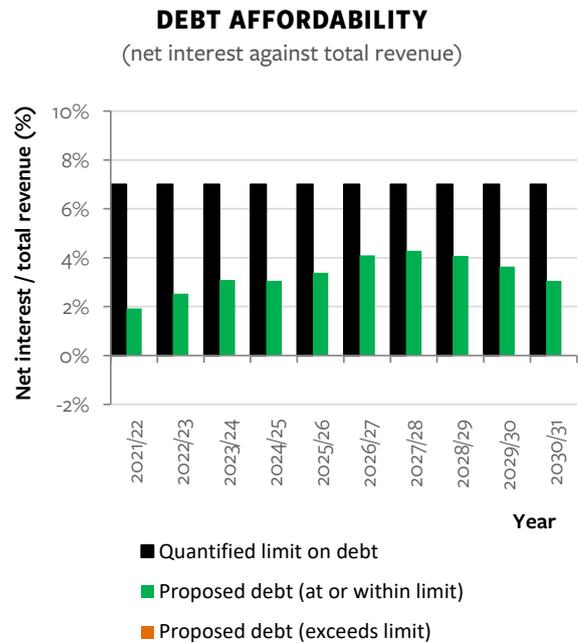
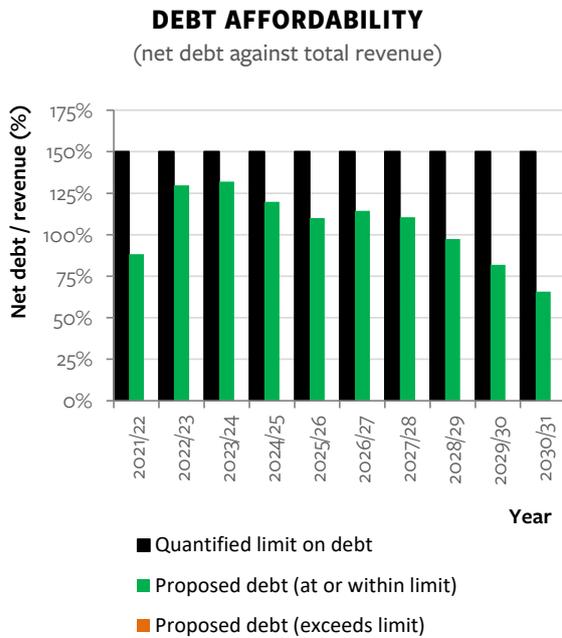
We have four limits on borrowing in the Financial Strategy included in this Long Term Plan. Council plans to meet all of its debt limits in each of the 10 years of this plan. We will reach a peak debt level of \$77.6 million in 2024/25.

The impact of Council’s debt repayment strategy shows a significant reduction to \$54 million by the end of this Long Term Plan.

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 150%.
2. Net interest on external debt as a percentage of total revenue will not exceed 7%.

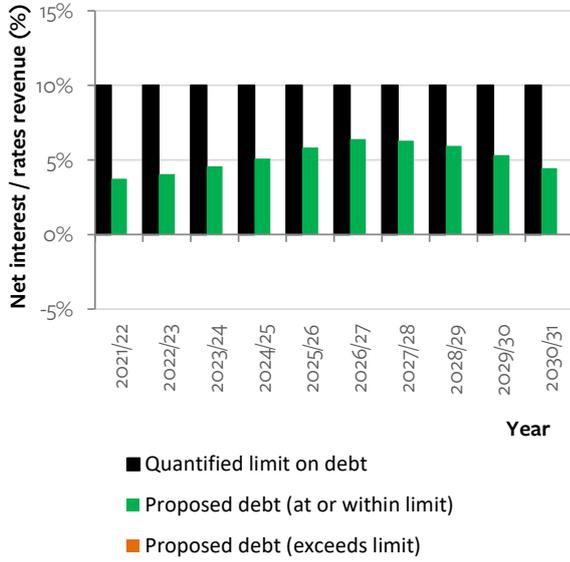


3. Net interest on external debt as a percentage of annual rates income will not exceed 10%.

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

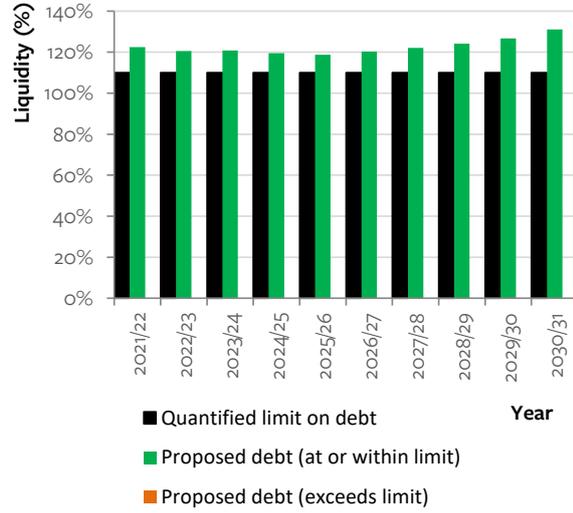
DEBT AFFORDABILITY

(net interest against rates revenue)



DEBT AFFORDABILITY

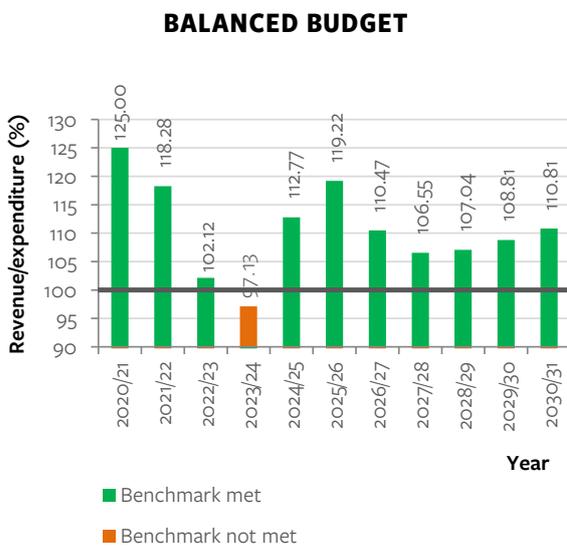
(liquidity)



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.

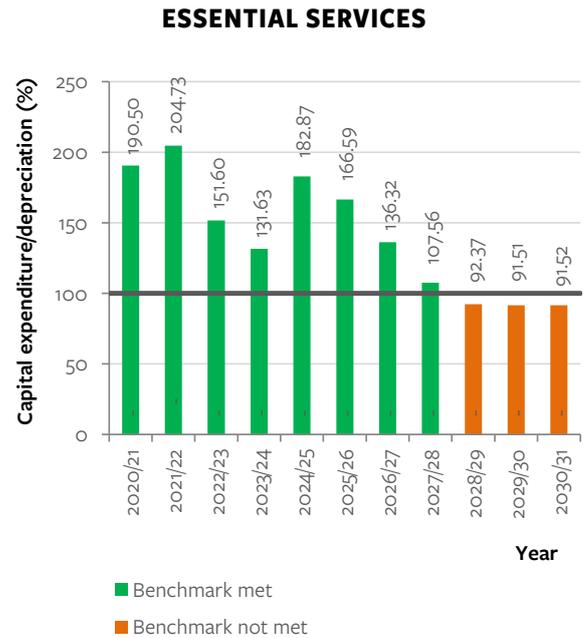
In addition to ensuring Council meets the balanced budget requirement, it has to consider the resulting financial position for future years. In particular, that it has maintained the level of borrowings and investments at a sustainable level to leave capacity for future generations.

Council meets the balanced benchmark for 9 out of 10 years of this Long Term Plan. This is driven from funding a debt repayment programme, and increased subsidies relating to the Route 52 upgrade projects. Offsetting this is Council’s decision to not fully fund depreciation where it is prudent not to do so.

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.

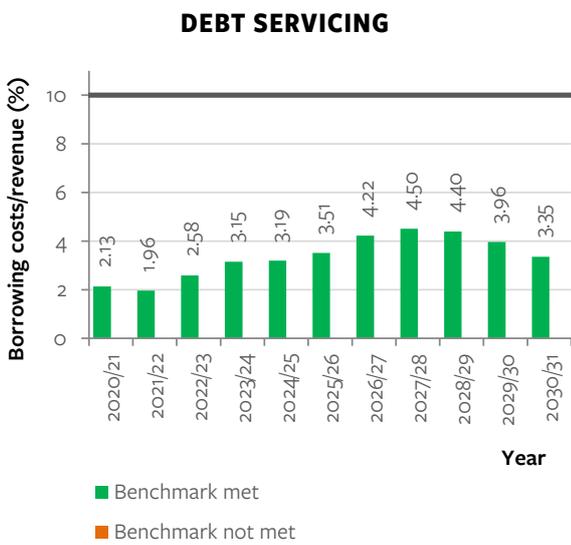
Hence, depreciation represents the charge to the current ratepayers for the use of the asset. This means that today’s generation does not pay for future generation’s use of Council’s assets.

Council’s renewal expenditure exceeds depreciation expense in the first seven years of the Long Term Plan. Depreciation expense is slightly higher than planned renewals in years 8–10.

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 NZ projects the district'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.



To the reader:

**Independent Auditor's report on Tararua District Council's
2021-31 long-term plan**

I am the Auditor General's appointed auditor for Tararua District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 30 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long term, integrated decision making and co ordination 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 40 to 45 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

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 the accuracy of the information in the plan.

Emphasis of Matter – Uncertainty over three waters reform

Without modifying our opinion, we draw attention to the disclosures on page 18, outlining the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on the three waters services provided is currently uncertain because no decisions have been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

Basis of opinion

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

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

Our 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 during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in 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 in 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.

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

Independence and quality control

We have complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.



Debbie Perera, Audit New Zealand
On behalf of the Auditor General, Palmerston North, New Zealand

Activities.

Ngohe

PART 2



GROUPS OF ACTIVITIES

What the Council does

The Council provides a wide range of services and facilities for people living in the Tararua District. These services – called "activities" – help to make the district 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

- What is the service – details the type of service Council is budgeting to deliver.
- Contribution to Council well-being outcomes – shows the level of contribution towards achieving the Council well-being outcomes.
- Assumptions – sets out the key assumptions Council in the Long Term Plan.
- Funding impact statements – detail the sources and application of Council funds.
- Key issues and risks – a detailed assessment of expected trends and changes that are likely to impact the delivery of services.
- Strategic considerations – details the key drivers for change to service levels and the options Council can explore.

- Major projects – details the significant operating and capital projects for the 10 years.
- 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 allow the community to monitor performance. In addition to showing the performance targets for future years, where available, the actual achievement for 2019/20 has been provided as a comparator. Where it is a “new measure”, the targets, where possible, are based on historical data captured in Council’s customer request system or industry good practice.

Activities index

52	Building Communities and Leadership
67	Community and Recreation Facilities
114	District Promotion and Economic Development
124	Regulatory Services
150	Solid Waste Management
162	Stormwater
172	Transportation
188	Wastewater
200	Water Supplies

Building Communities and Leadership

This is how strongly the Council well-being outcomes relate to the Building Communities and Leadership group of activities



Activities in this group

- Community Development
- Representation



Significant negative effects on the four well-beings

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



Assumptions

- The Tararua District Council continues to operate within the current structure, functions, and boundaries.

CONFIDENCE LOW

- Continuing legislation changes will not impose significant unknown additional functions and/or costs for Council. The Council will continue to work through the requirements of complying with legislation enacted by Central Government.

CONFIDENCE LOW

- There will continue to be a need for advocacy to Central Government and other agencies on issues impacting on the district and its communities.

CONFIDENCE HIGH

- Department of Internal Affairs will continue to support community-led development services.

CONFIDENCE HIGH

- Communities will support community-led development facilitated through Council leadership.

CONFIDENCE HIGH

- Staff will be successful in attracting some external funding for Council and community organisations.

CONFIDENCE MEDIUM

GROUP LEVEL FUNDING IMPACT STATEMENT

Building Communities and Leadership

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,292	2,805	2,873	2,829
Targeted rates	-	-	-	-
Grants and subsidies operating	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	23	19	51	20
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	2,315	2,824	2,924	2,849
Applications of operating funding				
Payment to staff and suppliers	1,601	1,774	1,919	1,836
Finance costs	2	2	2	2
Internal charges and overheads applied	798	921	922	1,097
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,401	2,697	2,843	2,935
Surplus/(deficit) of operating funding (A - B)	(86)	127	81	(86)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	114	(105)	(56)	111
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	114	(105)	(56)	111
Application of capital funding				
Capital expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	50	50	72	74
Increase (decrease) in reserves	(21)	(27)	(48)	(49)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	29	23	24	25
Surplus/(deficit) of capital funding (C - D)	85	(128)	(80)	86
Funding balance ((A - B) + (C - D))	-	-	-	-

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
2,965	3,072	3,184	3,094	3,279	3,391	3,296
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20	56	22	23	61	24	25
-	-	-	-	-	-	-
2,985	3,128	3,206	3,117	3,340	3,415	3,321
1,878	2,050	1,970	2,018	2,212	2,127	2,183
1	1	1	1	1	1	1
968	989	1,170	1,030	1,061	1,253	1,103
-	-	-	-	-	-	-
2,847	3,040	3,141	3,049	3,274	3,381	3,287
138	88	65	68	66	34	34
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(113)	(60)	(37)	(38)	(39)	(3)	(3)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(113)	(60)	(37)	(38)	(39)	(3)	(3)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
76	66	68	82	84	86	82
(50)	(40)	(41)	(53)	(54)	(56)	(51)
-	-	-	-	-	-	-
26	26	27	29	30	30	31
(139)	(86)	(64)	(67)	(69)	(33)	(34)
-	-	-	-	-	-	-

Community Development

AIM: To support our communities to achieve their desired outcomes.

What is the service?

Community Development is proposed to be a new/growth service for Tararua District Council and will initially be focused on the following objectives:

- 1 To better connect Council decision-making to desired community outcomes.
- 2 Provide ongoing community input into Council Long Term and Annual Plan processes through community-led planning.
- 3 Access external funding for Council projects.
- 4 Assist community groups and projects with regulatory barriers and access to external funding.

Why do we provide it?

The reintroduction of the four well-beings in the Local Government (Community Well-being) Amendment Bill has endorsed a community focus for councils.

This provides the opportunity for Tararua District Council to develop an increased focus on activities that improve community well-being across the district.

Council has had limited focus on community development for some time, generally reacting to community needs and objectives as they arise. This has meant limited resources have been allocated to this activity. A new proactive approach to community development will:

- encourage our communities to proactively set goals and take steps to achieve them;
- improve the well-being of those in each community;
- improve community cohesion and collaboration;
- increase external funding for community projects thereby reducing requests to Council;
- increased community-led planning that will support Council's long term and annual planning processes.

How do we provide it?

Community-led development

Council has recently introduced Community-Led Development (CLD) activities to Norsewood and Woodville, with support from Department of Internal Affairs (DIA) staff from both Palmerston North and Hawke's Bay offices. The DIA staff have training and experience in CLD and are willing to commit long term to supporting Tararua communities.

The DIA staff use five guiding principles developed by Inspiring Communities, a New Zealand not-for-profit organisation. The five guiding principles are:

- shared local visions or goals drive action and change
- use existing strengths and assets
- many people and groups working together
- building diverse and collaborative local leadership
- adaptable planning and action informed by outcomes.

CLD is driven by each community and can take a long period of time to become an embedded practice and may take various twists and turns as part of the journey. This is to be expected.

CLD is supported by many philanthropic trusts and it demonstrates community collaboration and can therefore help in attracting funding for the various project developed as part of the plan. It is possible for communities that advance through CLD to become 'CLD partners' with DIA, which can attract significant multi-year funding.

Community leadership

Many community organisations in Tararua District are increasingly looking to Council to provide leadership and facilitation to deliver better community collaborations, which in turn will lead to better community well-being outcomes. An example of this is the Strengthening Families Network has conveyed to the District Resilience Manager the value of Council undertaking a community leadership role as a result of recovery from Covid-19.

Community leadership will likely include activities such as:

- facilitating community workshops on a range of topics
- sourcing and/or delivering community governance training
- supporting or undertaking community research and/or feasibility studies
- supporting organisations with bureaucratic roadblocks, whether central government, local government, or other funders.

The key to this activity is listening to what our community organisations want to achieve, both individually and as a collective, and the facilitating of positive outcomes.

Fundraising support

Anecdotal evidence suggests Tararua District misses out on significant philanthropic and other funding opportunities, which is a direct loss to our community sector and economy. While exact numbers are impossible to assess, it would not be unreasonable to estimate lost funding at \$500,000+ per annum.

Fundraising support will also extend to Council projects and activities, offsetting costs that would otherwise need to be met by ratepayers. This also reduces the risk of compromising project outcomes for the community.

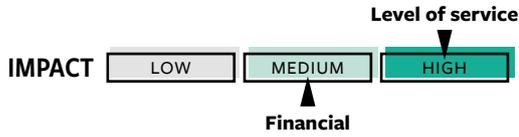
The objectives of this activity are to:

- Develop and maintain relationships with external funders
- Support communities and community organisations to identify external funding opportunities
- Facilitate fundraising training for our communities and community organisations
- Support community fundraising applications for significant community projects
- Increase external funding for Council projects and activities

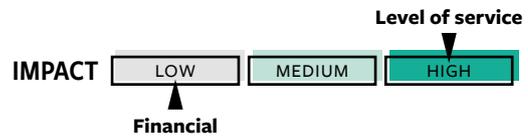
The key outcomes for this activity are to improve the capability within our communities to attract external funding as well as attracting funding directly for Council.

Key issues and risks

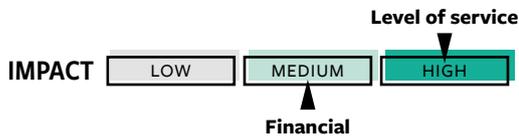
- Council does not agree to fund community development.



- Communities receive negative CLD outcomes.



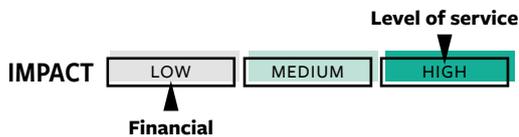
- Communities do not accept community development support.



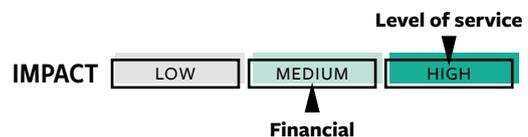
- Community organisations do not value Council leadership.



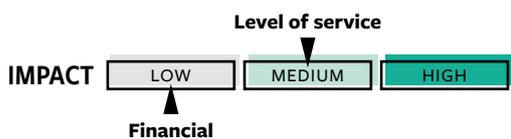
- Inability to attract skilled and/or experienced staff.



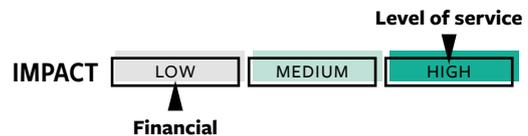
- Council external funding applications are not successful.



- Department of Internal Affairs ceases providing community-led development (CLD) services.



- Community funding applications are not successful.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Reintroduction of “well-beings”

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Expectations of Central Government for the well-beings.	Requires a proactive approach to the activity.	Recommending the establishment of new Community Development roles.

■ Community expectations for Council leadership

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Communities are seeking increased Council leadership, particularly as a result of Covid-19.	The need to resource community development effectively.	Recommending the establishment of new Community Development roles.

OPTIONS FOR CHANGES TO SERVICE

Council is expected to deliver community development in some way as a result of the reintroduction of the well-beings. It is therefore the scale of activity that Council must determine in the Long Term Plan.

The current level of activity is insufficient to meet the outcomes likely to be either expected by Council or our communities, particularly since Covid-19.

The current option being recommended is the addition of two dedicated Community Development roles alongside the Economic Development portfolio. The roles would include a senior position and an intermediate/junior position. The primary function of the senior position will be relationship and advice focused. The intermediate/junior position focus will be on support and administrative functions to ensure the senior position remains focused on relationships not paperwork.

Other than the FTE costs, it is not expected there will be significant other costs (estimated \$12,000 p.a.) associated with this activity during this Long Term Plan period.

As the community development activity becomes widely known in the district, we can anticipate increased demand and will therefore likely need to add further resources, most likely at the time of the next Long Term Plan.

Community-Led Development

Staff will engage with community boards, community committees, and other community focused groups such as Pongaroa Way to Go and Norsewood Promotions to introduce community-led development (CLD) principles. It is anticipated that the Department of Internal Affairs (DIA) will be actively engaged in the delivery of CLD with support from Council staff. Over time, and as Council staff become more skilled in CLD processes, it is possible they will assume the facilitation functions provided initially by DIA.

Community Leadership

Council staff will build relationships with relevant community organisation groups and actively foster collaboration towards common objectives. This is likely to include facilitating a wide range of community organisation meetings, workshops and working groups to set agreed objectives. Staff are likely to remain in an ongoing facilitation and leadership role with these groups as they work towards the objectives they have set for themselves.

Staff will also network, build, and maintain relationships with training providers that specialise in the community sector to up-skill our communities and organisations to improve

a range of skills such as governance, strategic planning, marketing, financial management, human resources, etc.

Fundraising Support

Council staff will often become aware of fundraising requirements through their work in community-led development and community leadership. Depending on

the needs of the organisation they may provide fundraising training, support to write funding applications or, in limited situations, write applications on behalf of organisations.

Staff will build and maintain strong relationships with external funders in order to ensure applications are given the best chance of success by knowing what specific funders are looking for.

Major projects for the next ten years



TOWN CCTV RENEWALS
Estimated cost: **740,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	-	-	-
Grants / other	\$25,740	5%	0-5%
Rates	\$406,337	95%	95-100%

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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Economic



Social



Cultural

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Growing strong communities

- To promote, support and facilitate safe, caring communities



Prudent financial management

- To optimise the amount of external funding received to reduce the financial burden on ratepayers



Building a vibrant economy

- To support and promote business growth and diversity
- To support and facilitate education and training opportunities

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Facilitate active community-led development	Percentage of residents rating Council's involvement in community-led development as "somewhat satisfied", "satisfied" or "very satisfied" in the community survey	Target 75% Achieved 82%	75%	75%	75%	75%
	Number of communities active in community-led development	New measure	2	3	4	4
Provide effective leadership to engaged community organisations	Percentage of surveyed community organisations satisfied or better with Council leadership	New measure	85%	85%	85%	85%
Council is successful in gaining external funding for projects and activities	Number of external funding applications submitted by Council	New measure	4	4	4	4
Community projects successful in gaining external funding	Number of funding applications made by community organisations and supported by Council	New measure	4	4	4	4

Representation

AIM: To play a broad role in promoting the social, economic, environmental and cultural well-being of the Tararua District's communities, taking a sustainable development approach.

What is the service?

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.

Why do 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.

How do we provide it?

The Council discusses issues and makes decisions at public meetings that are publicly advertised to meet legislative requirements.

Council staff ensure these democratic processes operate efficiently and that decisions are documented for the Council management to implement.

The Council discusses issues and makes decisions at public meetings that are advertised to the public meeting legislative requirements. Council staff ensure these democratic processes operate efficiently and that decisions are documented for the Council management to implement.

Council supports community boards and community committees that provide this at a local level. The service provides:

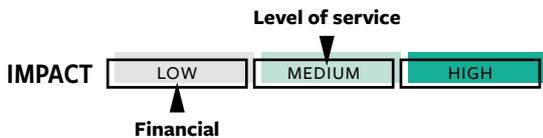
- An avenue through which the community can have its views heard.
- Strategy setting to determine the level of services and activities provided to the district’s communities

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 Eketāhuna, 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.

Key issues and risks

- Changing expectations with regard to the delivery of services to the community, noting the impact of Central Government legislation such as three waters reform and resource management act review, is likely to change the way local authorities operate and possibly the functions/services they undertake.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Climate change

How is it changing (predicted)?

Impacts particularly on type of infrastructure provided.

What impact will it have (on activity)?

Decisions made that take into account the impact of climate change and how best to try to mitigate it.

What are we doing about it?

Considering the approach to take and engaging with the community through the Long Term Plan.

■ Government statutory compliance

How is it changing (predicted)?

Staff resources required to enable compliance.

What impact will it have (on activity)?

Determining an acceptable level of funding to provide adequate resourcing for this purpose.

What are we doing about it?

Considering the approach to take and engaging with the community through the Long Term Plan.

■ Affordability of rates

How is it changing (predicted)?

Rate increases above inflation and CPI.

What impact will it have (on activity)?

Determining a politically acceptable level of rates increases through agreeing on a rates cap level that is realistic and economically affordable to ratepayers.

What are we doing about it?

Considering the approach to take and engaging with the community through the Long Term Plan.

■ Changing community expectations

How is it changing (predicted)?

Ways of delivering services and type of infrastructure provided.

What impact will it have (on activity)?

Considering new and different ways of delivering/providing services along with keeping under review current practices to ensure they are still achieving their objectives.

What are we doing about it?

Considering the approach to take and engaging with the community through the Long Term Plan.

■ Land use change

How is it changing (predicted)?

Government legislation (Emissions Trading Scheme), climate change, and market prices will shift farm activity from dairy, sheep and beef to forestry and horticulture.

What impact will it have (on activity)?

Council will need to plan for changing communities as the economic structure of the district changes. The extent of change will be dependant on government climate change and the ETS policies. Shift to horticulture will be minor as percentage of district.

What are we doing about it?

Lobbying government on the impact of pinus radiata forestry conversions. Leading research on Right Tree Right Place largely funded through government grants. Council will consider a forestry targeted rate for the 2024 Long Term Plan.

Strategic considerations

WHAT IS DRIVING DEMAND?

■ Growth

How is it changing (predicted)?

Moderate growth is occurring and is forecast to continue for the next 10 years – a significant trend change from the last 50+ years. The majority of growth is expected in the urban townships. While significant for the Tararua District, the growth is not yet forecast to be large enough to result in extensive new urban areas.

What impact will it have (on activity)?

Increased urban development activity will place increasing pressure on Council infrastructure and community facilities. An increased understanding of asset capacity and condition is required that will drive investment decisions.

What are we doing about it?

Council will develop with the community and iwi a broad Tararua District Strategy. This will provide the vision for a new Growth Strategy, including spatial planning and data on development potential in each major town. Infrastructure network data and a masterplan will be developed to inform the Growth Strategy and highlight costs of growth by location. This work will inform the review of the District Plan over the next three years. The Government’s intention to address the national housing crisis with a Housing Acceleration Fund will help Council develop a housing strategy that will target the needs for new housing.

■ Social housing supply

How is it changing (predicted)?

Some public housing investment by government (directly or through Trust House) is likely in the short to medium term. Numbers are not expected to be significant but will assist transitional housing need.

What impact will it have (on activity)?

Some easing in supply shortage is likely, but not expected to meet the increasing demand for affordable housing. Increased pressure on Council to be involved in wider housing issues will continue to increase.

What are we doing about it?

Increased lobbying and coordination with housing stakeholders is planned within existing resources.

OPTIONS FOR CHANGES TO SERVICE

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 Māori ward.

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	-	-	-
Grants / other	\$43,900	-	-
Rates	\$1,423,492	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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Environmental



Cultural



Economic

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Delivering resilient infrastructure



Growing strong communities



Prudent financial management



Building a vibrant economy

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
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 “somewhat satisfied”, “satisfied” or “very satisfied” in the community survey	Target 75% Achieved 86%	75%	75%	75%	75%
	Percentage of residents rating the overall performance of the community boards and community committees as “somewhat satisfied”, “satisfied” or “very satisfied” in the community survey	Target 75% Achieved 83%	75%	75%	75%	75%
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

This is how strongly the Council well-being outcomes relate to the Community and Recreation Facilities group of activities



Activities in this group

- Cemeteries
- Community Buildings
- Customer Services
- Libraries
- Parks and Reserves
- Pensioner Housing
- Public Conveniences
- Swimming Pools



Significant negative effects on the four well-beings

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



Assumptions

- The population of the Tararua District will moderately increase by 7% to 2031 and the demand for the majority of services will increase reflecting this.

CONFIDENCE HIGH

- Median age of residents will increase changing the mix of services demanded.

CONFIDENCE HIGH

- Future demand for burials will slowly increase, and ashes space will strongly increase.

CONFIDENCE HIGH

- Council-owned community buildings and recreation assets will be able to affordably comply with the Earthquake Prone Building and other legislative building standard requirements.

CONFIDENCE MEDIUM

- Some additional external funding is likely to be available to assist facility upgrades achieve higher service levels.

CONFIDENCE HIGH

- That there will be an increased demand for affordable low-cost housing, with rental levels continuing to increase significantly in the medium term then increase in line with inflation.

CONFIDENCE HIGH

- Volunteers will continue to support the local management of some reserves and facilities.

CONFIDENCE MEDIUM

- Biodiversity/pest and weed control regulations set by Government and the Department of Conservation will increase costs for Council.

CONFIDENCE HIGH

- Visitor numbers will grow – especially motorhomes.

CONFIDENCE HIGH

- Modest Government funding assistance for reserves and camping grounds will continue to be modest (but will continue).

CONFIDENCE MEDIUM

- Population growth will result in increasing demands for developments of reserves (walkways, cycleways, skate parks etc).

CONFIDENCE HIGH

- Visitors to the district will continue to require public conveniences but buses and campervans will increasingly have toilets on-board (and stop less).

CONFIDENCE LOW

- Management committees or trustees will be available to manage the three summer public pools, and TACT will remain financially sound.

CONFIDENCE HIGH

- Public pool space is sufficient and at a service level that meets community expectations.

CONFIDENCE LOW

- Customer service delivery will ensure that Council will retain at least one physical office in the four larger urban towns.

CONFIDENCE HIGH

- Palmerston North City Council Afterhours to provide customer service cover weekends, public holidays, and as required.

CONFIDENCE HIGH

GROUP LEVEL FUNDING IMPACT STATEMENT

Community and Recreation Facilities

	Plan 2020/21 (\$'000s)	Year 1 2021/22 (\$'000s)	Year 2 2022/23 (\$'000s)	Year 3 2023/24 (\$'000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,362	3,462	3,564	3,679
Targeted rates	2,052	2,227	2,272	2,334
Grants and subsidies operating	6	5	5	5
Fees and charges	840	985	1,030	1,075
Local authorities fuel tax, fines, infringement fees, and other receipts	338	189	195	199
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	6,598	6,868	7,066	7,292
Applications of operating funding				
Payment to staff and suppliers	4,009	4,118	4,184	4,195
Finance costs	37	38	41	55
Internal charges and overheads applied	1,566	1,575	1,575	1,628
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	5,612	5,731	5,800	5,878
Surplus/(deficit) of operating funding (A - B)	986	1,137	1,266	1,414
Sources of capital funding				
Subsidies and grants for capital expenditure	99	250	257	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	210	80	71	1,157
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	309	330	328	1,157
Application of capital funding				
Capital expenditure:				
- to meet additional demand	944	12	3	47
- to improve the level of service	307	460	509	1,279
- to replace existing assets	1,213	783	1,180	1,017
Increase (decrease) in reserves	(1,166)	213	(100)	225
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,298	1,468	1,592	2,568
Surplus/(deficit) of capital funding (C - D)	(989)	(1,138)	(1,264)	(1,411)
Funding balance ((A - B) + (C - D))	-	-	-	-

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
3,832	4,058	4,194	4,364	4,342	4,399	4,517
2,373	2,419	2,500	2,532	2,624	2,655	2,706
5	5	5	6	6	6	6
1,120	1,170	1,220	1,274	1,332	1,393	1,454
205	214	217	225	237	248	260
-	-	-	-	-	-	-
7,535	7,866	8,136	8,401	8,541	8,701	8,943
4,284	4,457	4,632	4,764	4,794	4,762	4,931
72	76	75	74	73	71	70
1,656	1,688	1,719	1,753	1,836	1,830	1,859
-	-	-	-	-	-	-
6,012	6,221	6,426	6,591	6,703	6,663	6,860
1,523	1,645	1,710	1,810	1,838	2,038	2,083
-	-	-	-	-	-	-
-	-	-	-	-	-	-
333	(62)	(131)	(119)	(157)	(122)	(144)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
333	(62)	(131)	(119)	(157)	(122)	(144)
99	1,014	34	-	14	-	15
431	149	62	104	48	92	50
529	619	794	363	406	421	406
797	(200)	688	1,222	1,215	1,404	1,467
-	-	-	-	-	-	-
1,856	1,582	1,578	1,689	1,683	1,917	1,938
(1,523)	(1,644)	(1,709)	(1,808)	(1,840)	(2,039)	(2,082)
-	-	-	-	-	-	-

Cemeteries

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

What is the service?

Council maintains 10 open cemeteries and 14 closed historic cemeteries.

Cemeteries are located in various towns within the Tararua District, to provide burial facilities that are safe and attractive memorial areas. There are also several urupa in the district. Burial / ashes plots at the cemeteries are sold by the Council.

Why do 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.

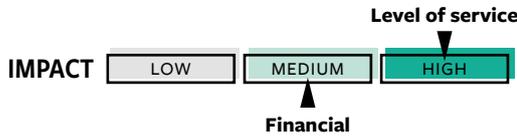
How do we provide it?

Council manages the activity and administers the cemeteries booking of plots and historical database.

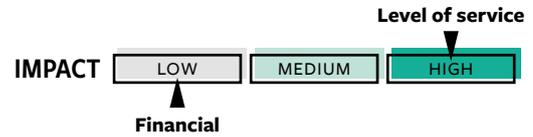
Contractors deliver all grounds and facility maintenance. Fees and charges are set to recover the costs of new burials/ashes.

Key issues and risks

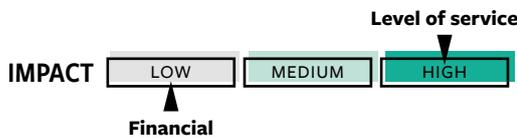
- Insufficient reserve land to meet medium to long term demand.



- Historical records are lost/unavailable to public. Standards of new memorials are not met.



- Contractors fail to meet service standards.



Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$100,265	34%	40-50%
Grants / other	-	2%	0-5%
Rates	\$249,470	64%	50-60%

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.

Maintaining a number of remote historic cemeteries, and insufficient fees in historic burials, means that current fees are a low proportion of overall funding requirements.

Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population growth

How is it changing (predicted)?

A 7% increase in district population and 8% increase in household numbers in the 10 years to 2031.

What impact will it have (on activity)?

General increase in demand for cemetery services.

What are we doing about it?

Continue to undertake long term planning and monitoring of demand.

■ Ageing population

How is it changing (predicted)?

Strong increase in numbers of residents aged 65+. Currently increasing by 4% a year and forecast to continue resulting in increases from 19.9% of population to 27% of population by 2031.

What impact will it have (on activity)?

Significant increase in demand, but this is alongside the long term trend for fewer burials (cost and changing societal trends). Net result is more ashes plots and steady demand for burial plots. People are also living longer on average.

What are we doing about it?

Monitoring
Burials
2018/19 = 63
2019/20 = 60
Ashes Interment
2018/19 = 51
2019/20 = 52

OPTIONS FOR CHANGES TO SERVICE

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.

Performance measures

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Cultural

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY

 **Delivering resilient infrastructure**

- To provide safe and functional public facilities

 **Growing strong communities**

- To promote and develop resilience in our communities

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
The cemetery grounds are presented to a high standard	Percentage of residents rating cemeteries as “somewhat satisfied”, “satisfied” or “very satisfied” in the community survey	Target 90% Achieved 92%	90%	90%	90%	90%
Plots are available in all local cemeteries	Percentage of cemeteries in district with plots available for next 12 months – based on historical burial data	Target 100% Achieved 100%	100%	100%	100%	100%

Community Buildings

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

What is the service?

Community buildings are generally provided as the base from which Council directly provides a range of services to the community.

These buildings include the civic centres, and various halls and leased buildings.

Why do we provide it?

The provision of community facilities aims to promote community well-being.

Community buildings are generally provided as the base from which Council directly provides a range of services to the community, or for formal and informal community gatherings, events, recreation, sports, educational and social activities. They enable community led development, with local people working together and bringing about changes in their environment. They help build strong community identity. These buildings include the service centres, various town halls, and leased buildings.

Some of the halls serve as a memorial to recognise past sacrifices and 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.

How do we provide it?

Council has inherited a range of community buildings from previous local authorities including town halls, community centres and sports centres.

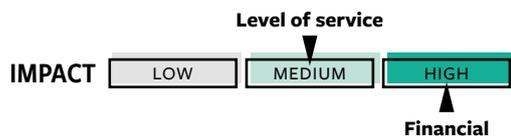
There are 19 buildings in total throughout the main centres, including one in Pongaroa. These facilities are used for social and sporting events and, to a lesser extent, meetings. Council is responsible for all the maintenance on these buildings as well as the cleaning, energy, rates, and insurance.

Council is responsible for all the maintenance on these buildings as well as the cleaning, energy, rates, and insurance. Council administers the bookings and charges a fee for bookings that recovers a small percentage of overall costs. Local community groups and community boards/committees have input into upgrade and renewal decisions.

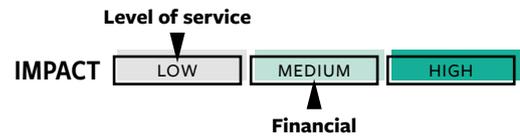
Council also has a number of key strategic partners that directly own and deliver similar services to the community. These include the Bush Multisport Trust and Tararua Aquatic Community Trust. Council funds grants and major renewals to supplement grant and charges for these organisations.

Key issues and risks

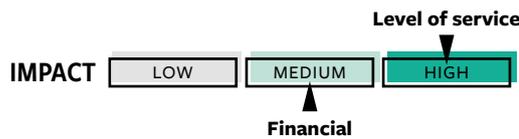
- Population growth, especially in urban areas, will create changing demands for community buildings.



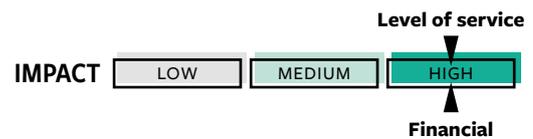
- Buildings need to be structurally upgraded to meet minimum earthquake standards.



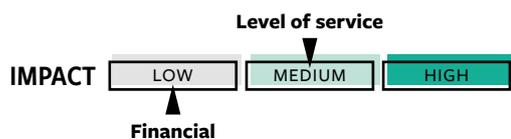
- Ageing indoor recreation facilities that may not meet future needs and specifications.



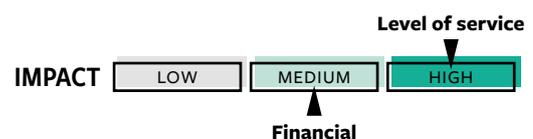
- Civil defence structural compliance for all buildings used in civil defence throughout the district.



- Falling occupancy rates for some buildings is a concern – e.g. rural halls, Eketāhuna War Memorial, and Pongaroa War Memorial Hall.

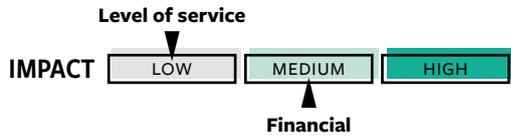


- Lack of good quality staff or contract resources for proactive management of property assets and recreation needs.

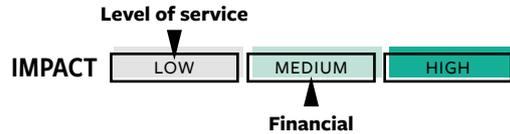


Key issues and risks

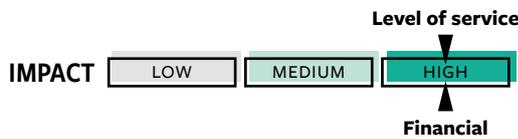
- Potentially surplus buildings.



- WorkSafe New Zealand’s expectations about how to comply with asbestos health and safety law, including the Health and Safety at Work (Asbestos) Regulations 2016.



- Major buildings need renewals.



Major projects for the next ten years



DANNEVIRKE SPORTS CENTRE REDEVELOPMENT - EXTENSION
 Estimated cost: **\$481,000.**



DANNEVIRKE SPORTS CENTRE STADIUM - EARTHQUAKE STRENGTHENING
 Estimated cost: **\$189,000.**



ALLARDICE STREET PROPERTY REDESIGN AND REDEVELOPMENT
 Estimated cost: **\$1,205,000.**



PAHIATUA TOWN HALL LIBRARY EARTHQUAKE STRENGTHENING
 Estimated cost: **\$308,000.**



WOODVILLE SERVICE CENTRE LIBRARY STRENGTHENING
 Estimated cost: **\$144,000.**



WOODVILLE COMMUNITY HALL FLOORING UPGRADE
 Estimated cost: **\$123,000.**

Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population growth

How is it changing (predicted)?

A 7% increase in district population and 8% increase in household numbers in the 10 years to 2031.

What impact will it have (on activity)?

Gradual increase in demand for existing services – assuming similar usage trends.

What are we doing about it?

Consider including increases in renewals and maintenance above inflation assumptions once full condition assessment carried out – in 2024 Long Term Plan.

■ More positive view of Tararua future from growth

How is it changing (predicted)?

More initiatives and usage from the community.

What impact will it have (on activity)?

Need for more flexible community space and learning initiatives. Requires new capex projects to create more space and flexibility and an increase in operating costs.

What are we doing about it?

Strategic Plan commenced. Need to determine community need and wishes.

■ Community/users wanting more modern facilities

How is it changing (predicted)?

Increasing pressure to renew facilities such as kitchens, lighting, heating, changing rooms etc.

What impact will it have (on activity)?

Increased renewal costs – but will likely result in increased community use and satisfaction.

What are we doing about it?

Significant increase in renewals. Full condition assessment planned.

■ Standards for indoor courts increasing

How is it changing (predicted)?

Minimum space around court size increased. Increasing expectations for modern changing rooms, ablutions, lighting and heating, ancillary spaces.

What impact will it have (on activity)?

Declining club use of indoor sports facilities. Recreation facilities not meeting community demands.

What are we doing about it?

Extension to sports facilities planned. A recreation needs assessment is also planned to inform future investments.

■ Declining rural population

How is it changing (predicted)?

Forestry conversions and farm amalgamations continue to drive a static to decline in rural populations (away from towns where lifestyle subdivision is increasing population).

What impact will it have (on activity)?

Continued decline in the use of domain board halls.

What are we doing about it?

Review the entire domain board structure and operations.

Strategic considerations

OPTIONS FOR CHANGES TO SERVICE

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.

Community trusts or other service groups could take over the service delivery of all, or some, buildings. Much more effort on raising grants and donations could reduce costs to ratepayers (but not significantly).

Review domain board structures and explore options for use of the boards' assets. Buildings not used much could be sold. This is discussed under the Parks and Reserves activity.

The old Woodville library/service centre/i-site building may be sold or demolished, depending on a community led decision as to the future use of the building.

A review of the leasehold and other properties not currently utilised could identify some with potential for disposal.

Those parcels unsuitable for sale could be categorised as follows:

- Land with future designations – e.g. potential road, parks or reserves, walkways.
- Land historically owned by Council (non-critical assets – low importance).

Funding sources and mechanisms

	2019/20 Annual Report \$	2020/21 Annual Plan %	2021/22 LTP target %
User charges	\$75,720	13%	5-15%
Grants / other	-	-	-
Rates	\$813,730	87%	85-95%

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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Economic



Cultural

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY

 **Delivering resilient infrastructure**

- To provide safe and functional public facilities

 **Growing strong communities**

- To promote and develop resilience in our communities
- To provide community and recreation facilities to our communities

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Council provides community buildings that are fit for purpose	Percentage of residents rating community buildings as “somewhat satisfied”, “satisfied” or “very satisfied” in the community survey	Target 90% Achieved 92%	90%	90%	90%	90%
Facilities are well-utilised	The increase from previous year in the total number of hours per annum facilities are booked through Council	Target > 1% Not achieved -35% (impacted by Covid-19 pandemic)	> 30%	> 1%	> 1%	> 1%

Customer Services

AIM: A friendly and efficient service that provides an effective point of contact to connect with Council.

What is the service?

This activity provides phone and front-of-office first point of contact to connect with Council.

Why do we provide it?

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

How do we provide it?

Council has four service centres: Dannevirke, Eketāhuna, Pahiatua and Woodville.

Eketāhuna and Woodville are combined centres with the library service.

Dannevirke 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, receipting payments, and general enquiries 8:00am to 4:30pm. The Woodville and Eketāhuna library and service centres provide one location that delivers service centre functions and access to modern library services.

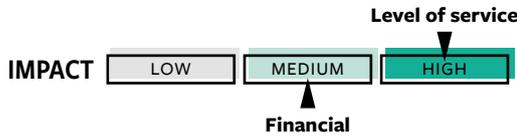
A 24-hour phone service is handled by an afterhours call centre (shared services contract with Palmerston North City Council) outside of normal office hours.

Our service centres provide the following customer services:

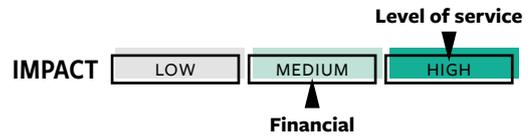
- Taking customer requests for service (CRMs).
- Supporting back office functions of Council with administration duties.
- Answering phones and associated queries (call centre function) during office hours.
- Frontline interface with customers.
- Receipting of Council service payments (community buildings and sports grounds, cemeteries, three waters, vehicle crossings, regulatory and dogs) and rates payments.
- Assistance to residents for rates rebate applications, point of contact for general enquiries, service requests and notifications.

Key issues and risks

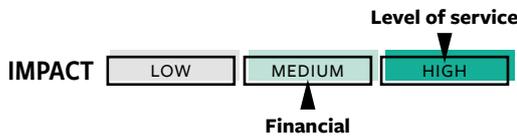
- Staff – having enough trained to cover illness, leave, or meetings.



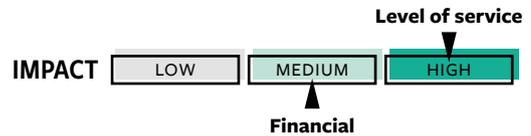
- The provision of four service centres creates duplication of maintenance and operating expenses.



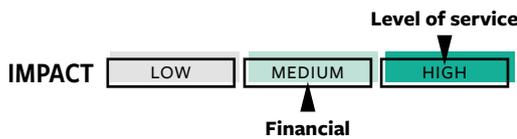
- Afterhours service, if no longer available.



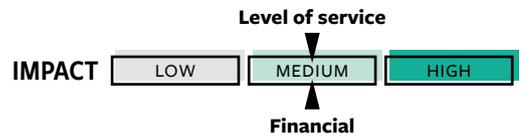
- Meeting earthquake prone building standards in the existing Council buildings.



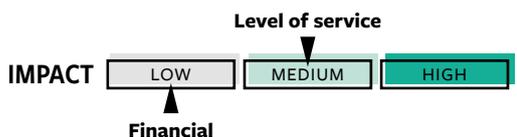
- An increasing number of transactions are handled electronically reducing the need for physical services in four towns. Due to largely fixed costs the reducing number of in-person transactions are becoming more expensive per person.



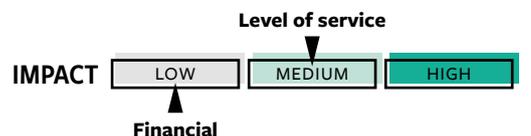
- Integrated services.



- Change in population demographics and the impact on service demand.



- Technology is evolving and with it public expectation for easy access to council services and resources.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population growth

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Increase in people and age.	More demand for information.	Upgrade to website.

■ Climate change

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Severe weather events.	Increase in requests for help or customer service requests.	Regular staff meetings/training Palmerston North City Council back-up if overflow of calls.

■ Online transactions

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Increasing.	Less face to face contact and reducing need for physical presence.	Upgrade to website.

■ Ease of reporting faults/issues

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
More people are becoming tech savvy.	Adds another form of communication.	Investigating app options.

OPTIONS FOR CHANGES TO SERVICE

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 customer services.

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.

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	-	-	-
Grants / other	-	-	-
Rates	\$624,977	100%	100%

Why is it funded this way?

Customer Service’s primary function is about providing customer support and public information. The time spent on private benefit work is of a very small duration and is therefore not directly recoverable.

Performance measures

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Delivering resilient infrastructure

- To provide safe and functional public facilities



Growing strong communities

- To promote, support and facilitate safe, caring communities

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Customers experience friendly, efficient, and reliable service from Council	Percentage of customers who lodge faults/requests are satisfied with the service provided	Target 95%	80%	80%	80%	80%
		Not achieved 75%				
Customer requests are handled effectively and accurately	Average wait time for incoming calls	Target 20 seconds	20 seconds	20 seconds	20 seconds	20 seconds
		Achieved 15.4 seconds				
	Percentage of abandoned calls	Target < 10%	< 5%	< 5%	< 5%	< 5%
		Achieved 2.6%				
Responsive 24/7 phone service	Percentage of customers who lodge faults/requests are satisfied with the afterhours service received	Target 90%	85%	85%	85%	85%
		Not Achieved 85%				

Libraries

AIM: To support the community in its life-long learning journey.

What is the service?

The Community Library service contributes to literacy for all, for life.

The Council owns and manages library buildings and services in Dannevirke, Eketāhuna, Pahiatua and Woodville. The four community libraries are run as a single district-wide service. The Eketāhuna and Woodville libraries combine with other Council services in one building.

Why do we provide it?

Libraries play a key role in improving individual and community outcomes in literacy (language, numeracy, digital) and social cohesion.

Literate communities are more cohesive, stable and high functioning, more resilient, tolerant, and better able to develop and participate in enterprise and growth opportunities.

How do we provide it?

The Council owns and manages library buildings, collections, and services in Dannevirke, Eketāhuna, Pahiatua and Woodville.

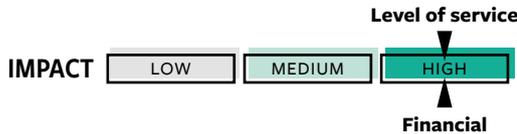
The four community libraries are run as a single district-wide service. Item loans are made quarterly to the Pongaroa and Norsewood communities. Council's principal library is Dannevirke and most functions are centralised there.

Dannevirke manages the overall collection and ensures outlying collections are refreshed regularly. The Eketāhuna and Woodville libraries also provide customer services functions. 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.

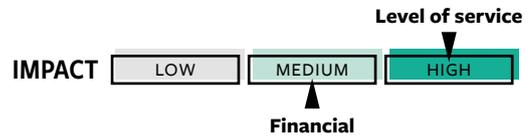
Programmes are offered to support and stimulate imagination, creativity, and learning for young people. Some of these are provided in partnership with Tararua District's schools which helps strengthen our connection to the community.

Key issues and risks

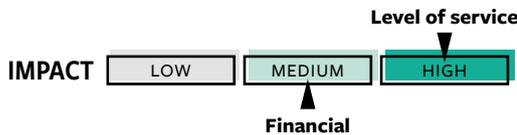
- Current trends in public libraries toward quiet spaces, meeting rooms, and creative spaces will put pressure on the current Tararua Library buildings.



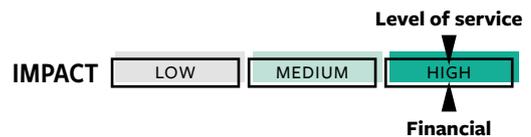
- External funding of children’s literacy programmes ceases as providers change eligibility guidelines and other parameters.



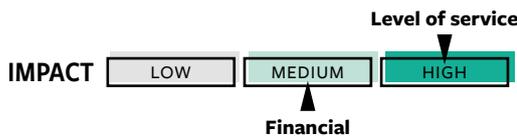
- Increasing competition for ratepayer funding could influence library services.



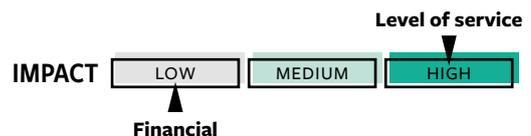
- Accessibility to the library, both in terms of operating hours and physical access, has been an issue over the past three Annual Library Satisfaction Surveys.



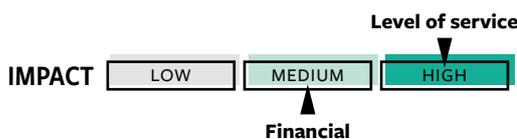
- As more information is available digitally and online, the library becomes more reliant on technology and the internet.



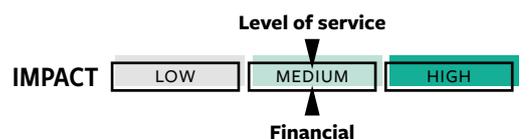
- An ageing population and the impact on service design, e.g. large print collections, audio books, digital support.



- Public expectations are rising in terms of technology and libraries are faced with meeting this challenge.



- Loss of trained and qualified team members leads to a loss of their skills/knowledge/ experience/tacit information.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Increasing population

How is it changing (predicted)?

A 7% increase in district population and 8% increase in household numbers in the 10 years to 2031.

What impact will it have (on activity)?

Increasing pressure on library space and physical access.

What are we doing about it?

Preparing a strategic plan. Need to determine community need and wishes.

■ Ageing population

How is it changing (predicted)?

Increasing at 4% a year and predicted to continue.

What impact will it have (on activity)?

Need for more flexible community space and learning initiatives. Requires new capital expenditure projects to create more space and flexibility and an increase in operating costs. More pressure on parking and access.

What are we doing about it?

Preparing a strategic plan. Need to determine community need and wishes.

■ Increase in need for digital skills education as Government agencies and business move to digital interface with users

How is it changing (predicted)?

Digital exclusion becoming more prevalent. Reliability of internet connections is becoming more important. People are having to learn how to access the internet.

What impact will it have (on activity)?

Increasing need for Stepping Up classes and one-to-one tuition in using devices to connect to the internet as well as navigating websites.

What are we doing about it?

Promotion of our services to sectors of the community needing our help. Collaboration with other services, such as REAP, to offer complementary classes/courses.

■ Increase in people relocating from bigger centres to the district

How is it changing (predicted)?

Expectations that the library service is on a par with their previous usage of a (usually) bigger library.

What impact will it have (on activity)?

There is a need for us to meet that expectation through the provision of online resources, e-books and e-audio, programmes and technology, and better spaces such as quiet zones.

What are we doing about it?

Currently, we have access to more resources through Central Government funding. This ends in two years when we will need to continue to fund this ourselves, increasing the cost to operating expenditure budget.

WHAT IS DRIVING DEMAND?

■ Economic downturn resulting from Covid-19 pandemic

How is it changing (predicted)?

History tells us that Public Libraries experience an increase in demand in times of disaster and economic hardship.

What impact will it have (on activity)?

Individuals looking to improve their lives may search out trusted information, use the library to find employment through internet and computer use, increase/begin to borrow material, and may no longer be able to afford to buy books/ internet for themselves.

What are we doing about it?

Continuing to add to the collection in all formats, ensuring Council has staff resources to provide good service, and actively promote the Tararua Library.

OPTIONS FOR CHANGES TO SERVICE

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 what is required. Reliable rural broadband will become a necessity as more and more information is available online.

An upgraded/new library would address the existing and forecast issues of access, space to meet increasing demand, and space for more meeting rooms/flexible community space.

The addition of a mobile service would see an increased level in activity as 44% of the community live outside the four main urban areas. As there is no public transport between each centre, residents are unable to move freely around the district allowing them to take advantage of the service funded by their rates. A mobile library could be used to visit schools and rest homes as well as outlying communities, alleviating one of the concerns identified

by survey respondents: that the library is not accessible to them. A mobile library could be present at events to promote the services available to the district community. Service centre payments and enquires could be part of the mobile library service. A learning centre would be possible inside the mobile also. The mobile library could be utilised for welfare purposes during a Civil Defence Emergency.

A home delivery service focussing on our vulnerable citizens in the first instance could be set up to allow another group within the community access to the library service. During the Covid-19 response at Alert Level 3, a trial of the service using inhouse resources was completed. Feedback was positive and encouraging of the service continuing. This is something that can be implemented with little impact on the budgets. It would enhance the service to the elderly who have been identified as a growing group of our community.

These options will be considered as part of and following a new Strategic Plan for libraries and will be considered in the 2024 Long Term Plan.

Major projects for the next ten years



PURCHASE NEW BOOKS AND ITEMS

Estimated cost: **\$1,122,000.**



DISTRICT MOBILE LIBRARY FEASIBILITY AND DEVELOPMENT

Estimated cost: **\$116,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$29,925	3%	0-10%
Grants / other	-	-	-
Rates	\$1,230,773	97%	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. 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.

Performance measures

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Cultural

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Delivering resilient infrastructure

- To provide safe and functional public facilities



Growing strong communities

- To promote and develop resilience in our communities
- To provide community and recreation facilities to our communities

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Library facilities are clean, welcoming, and open at times suited to the community	Percentage of customers rating library facilities as clean and welcoming with good opening hours	Not surveyed due to Covid-19	90%	90%	90%	90%
Access to information	Percentage of residents rating Libraries as “somewhat satisfied”, “satisfied” or “very satisfied” in the community survey	Target 90% Achieved 96%	90%	90%	90%	90%
Improve literacy and knowledge among the district’s children	Percentage of customers satisfied with children’s programmes (annual survey)	Target 90% Achieved 97%	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?

The primary purpose is to provide land and facilities for both active and passive recreation.

Parks and reserves enhance quality of life in communities.

Council manages 31 domains, 18 urban reserves, eight rural reserves and many other smaller urban and rural reserves. It includes the provision of sports grounds, gardens, green areas, playgrounds, and wildlife areas.

Camping grounds provide a pleasant and safe environment, and low cost holiday accommodation.

Council contributes to the Manawatū Gorge biodiversity project.

Why do 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.

How do we provide it?

Council manages the assets and all maintenance and renewals are contracted out.

A substantial mowing and gardening contract was tendered in 2020/21. Rates are the primary revenue to fund the activity.

Council provides extensive open space areas for Tararua residents. Indoor and outdoor facilities are modest and at an appropriate level for a rural district. Community trusts form a significant part of service delivery and asset management. These trusts have, and are, leading the development of higher quality facilities. These facilities are also important for attracting new residents and 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. Recreational facilities provide for social interaction and development, helping create healthy communities.

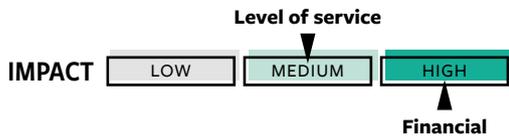
Council provides camping grounds at its four main centres to encourage tourists to holiday in the district. Camping grounds provide holiday accommodation for visitors, with downstream benefits for the camping ground

manager, the business sector and the district generally as tourism ultimately helps to ensure business survival. The facilities provide low-cost, comfortable, limited, serviced accommodation not provided by the private sector. In addition, there are a number of freedom camping sites – in particular the Ferry Reserve in the Manawatū Gorge.

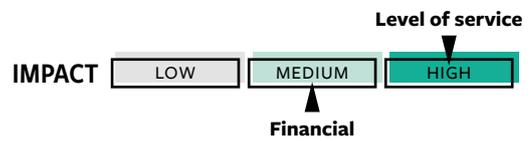
Council contributes to the Manawatū Gorge biodiversity project.

Key issues and risks

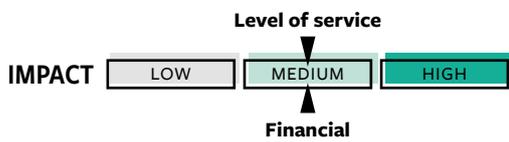
- Population growth and domestic tourism trends, especially in urban areas, will create changing demands on parks, reserves, and camping grounds.



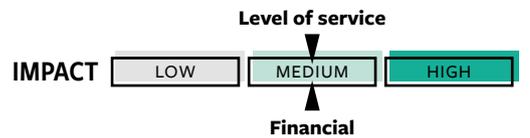
- Lack of staff or contract resources for proactive management of property assets and recreation needs.



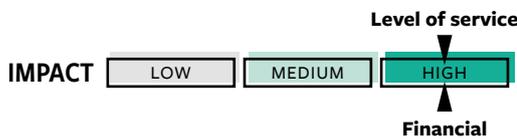
- Safety of built facilities and compliance with building regulations/processes.



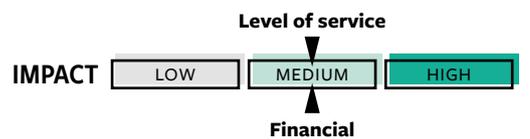
- There is considerable risk in domain boards meeting legal requirements around meetings, decisions, and procurement.



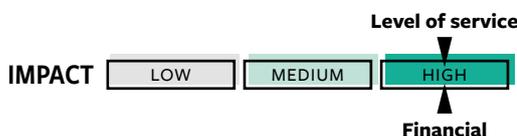
- Lack of a plan for future appropriate land and facility level of service.



- Scenic reserves are not being maintained in accordance with the legal responsibilities of Council under the Reserves Act.



- Lack of reserve management plans for recreation reserves.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population increase

How is it changing (predicted)?

A 7% increase in district population and 8% increase in household numbers in the 10 years to 2031.

What impact will it have (on activity)?

Gradual increase in demand for existing services – assuming similar usage trends.

What are we doing about it?

Consider including increases in contracts above inflation assumptions for 2025 procurement – in 2024 Long Term Plan.

■ Declining rural population

How is it changing (predicted)?

Forestry conversions and farm amalgamations continue to drive a static to decline in rural populations (away from towns where lifestyle subdivision is increasing population).

What impact will it have (on activity)?

Continued decline in the use of domain board halls.

What are we doing about it?

Review the entire domain board structure and operations.

■ Societal focus on protecting native flora and fauna

How is it changing (predicted)?

Proposed legislation mandating councils to monitor and meet minimum standards on reserves.

What impact will it have (on activity)?

Increased operating costs – staff or contract, chemicals, fencing etc.

What are we doing about it?

Maintaining a watching brief at this stage.

■ More positive view of Tararua future from growth

How is it changing (predicted)?

More initiatives from the community to develop reserves.

What impact will it have (on activity)?

New capex projects and increase in operating costs.

What are we doing about it?

Working with community groups within limited staff time. Taking a reactive approach/not anticipating increased costs.

■ Decline in organised club sports and rise in casual/informal recreation

How is it changing (predicted)?

Less usage of traditional sportsfields, higher demand for mountain biking, skate parks, basketball half courts etc. Decline in clubs threatens viability and model of clubrooms and grounds usage/management.

What impact will it have (on activity)?

Need to consider resource shifts from sports fields to more indoor facilities and cycleways etc. More local facilities for casual recreation. Shift from traditional clubs to Council for management, and rise of social media to organise.

What are we doing about it?

Need more resource to manage/plan recreation needs, and work with recreation/sporting clubs.

Strategic considerations

OPTIONS FOR CHANGES TO SERVICE

Increasing the quality and quantity of facilities on reserves would support Council strategies to increase visitor numbers and attract more residents. This is now shifting to preparing to meet the demands from increasing population. Reducing service levels would not be consistent with Council’s vision, well-being outcomes, and strategic objectives.

Council intends to at least maintain service levels while dealing with changing demand levels due to changing recreational activities and urban growth. The assets generally have considerable capacity but there are competing needs/wants.

Council is working in partnership with local groups and many of these organisations are struggling to maintain numbers and volunteers.

Council is seeing more ideas and plans coming from the community to provide built recreation assets/facilities on reserve land. The preparation of reserve management plans over the medium term could identify additional facilities that the community wants to be located on Council reserves.

A property review has the potential of improving utilisation or freeing up resources by selling unused property and investing in areas experiencing growth.

Major projects for the next ten years



LINDAUER WALKWAY FEASIBILITY STUDY AND DEVELOPMENT

Estimated cost: **\$603,000.**



DISTRICT-WIDE CYCLEWAYS

Estimated cost: **\$224,000.**



DISTRICT-WIDE WALKWAYS

Estimated cost: **\$224,000.**



PAHIATUA HARD SURFACE NETBALL COURTS – BUSH SPORTS PARK

Estimated cost: **\$283,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$94,333	5%	0-5%
Grants / other	\$177,583	13%	5-10%
Rates	\$1,423,985	82%	80-90%

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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Economic



Environmental

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY

 **Delivering resilient infrastructure**

- To provide safe and functional public facilities

 **Building a vibrant economy**

- To promote our district identity
- To promote our district as a visitor destination

 **Growing strong communities**

- To provide community and recreation facilities to our communities

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Our parks and park facilities are well presented	Percentage of residents rating Sports Fields as “fairly satisfactory”, “satisfactory” or “very satisfactory” in the community survey	Target 90% Achieved 95%	90%	90%	90%	90%
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	Target < 5 Achieved 1	< 5	< 5	< 5	< 5
Playground equipment is safe to use and fit for purpose	Percentage of playgrounds in the district that had no faults under the New Zealand Playground Equipment and Surfacing standard	Target 95% Achieved 100%	95%	95%	95%	95%

Pensioner Housing

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

What is the service?

The provision of affordable and suitable pensioner housing.

Why do we provide it?

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

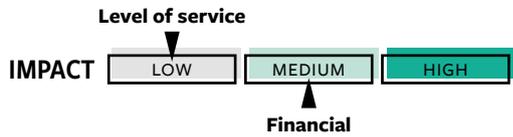
How do we provide it?

Council develop, manage, maintain and renew housing units that provide lower than market rental levels for low income pensioners.

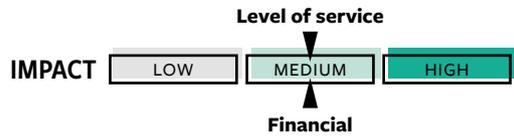
There are currently 67 one-bedroom units and 12 two-bedroom units, which are provided under a tenant contribution scheme (purchase of tenancy). The one-bedroom units are located at Dannevirke (37), Eketāhuna (3), Pahiatua (15) and Woodville (12). The 12 tenant contribution units are all located in Dannevirke. Council manages these units to be self-funding and there is no rates funding required.

Key issues and risks

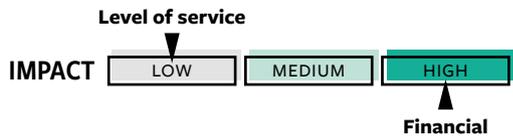
- Council fails to meet its obligations as a housing provider, resulting in legal action and/or reputational damage.



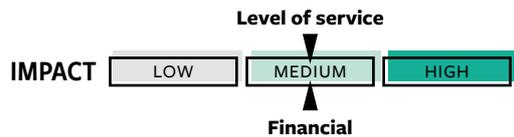
- Required investment/costs exceed revenue, resulting in the activity not being self-funding and associated financial impacts.



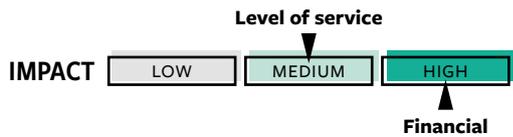
- Demand for pensioner housing significantly reduces, resulting in a surplus of units and reduced revenue.



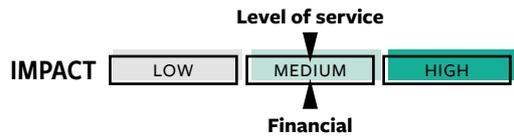
- Increasing legislative requirements for landlords and associated costs require increased rent revenue, resulting in increased financial burden for tenants.



- Demand for pensioner housing significantly increases, resulting in additional management/administration costs and increased demand for capital development investment.



- Significant damage to units, resulting in service disruption to tenants and increased management cost.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population growth

How is it changing (predicted)?

A 7% increase in district population and 8% increase in household numbers in the 10 years to 2031.

What impact will it have (on activity)?

General increase in demand for rental housing.

What are we doing about it?

Currently moving to build six units in Dannevirke. Another six unit block is planned in 2025/26.

District Plan review.

Growth strategy including housing strategy.

■ Rising house prices

How is it changing (predicted)?

25% per year increase in house prices.
Rental prices increasing at 11% a year.

What impact will it have (on activity)?

More demand for affordable housing. Will generate much more development and new house building as gap between new build and existing prices narrows.

What are we doing about it?

Currently moving to build six units in Dannevirke. Another six unit block is planned in 2025/26.

District Plan review.

Growth strategy including housing strategy.

■ Ageing population

How is it changing (predicted)?

Strong increase in numbers of residents aged 65+. Currently increasing by 4% a year and forecast to continue resulting in increasing from 19.9% of population to 27% of population by 2031.

What impact will it have (on activity)?

Significant increase in demand. Given that currently there is a waiting list, the practical difference is not great – the limiting factor is the lack of government funding.

What are we doing about it?

Currently moving to build six units in Dannevirke. Another six unit block is planned in 2025/26.

District Plan review.

Growth strategy including housing strategy.

■ Lack of more government public/social housing in Tararua

How is it changing (predicted)?

Some government investment in housing expected in medium term – but not large numbers.

What impact will it have (on activity)?

Some easing in demand but not expected to meet the increased demand let alone the existing.

What are we doing about it?

Lobbying and forming relationships with key government officials/agencies. Mayoral action to push need for action.

OPTIONS FOR CHANGES TO SERVICE

Currently demand for housing is at a very high level and Council is contracting the building of six new units in Dannevirke. Staff have also identified that there is sufficient land vacant for three more units on the site of an existing Pahiatua block of units.

Rents are increasing as Council continues to fall behind market levels. Council has discretion on the rental levels but modelling has shown that substantial increases are required to make the activity continue to be financially viable. The renewals and new build units will result in the Housing Reserve moving into a deficit balance. Increased revenue will significantly improve cashflow into the reserve as almost all costs are fixed (and rising).

Council has a policy of rents not exceeding 30% of gross single Superannuation payments. These only increase by 1–2% each year. Council may need to reconsider this policy and factor in the Accommodation Supplement or rents will not be able to be increased above \$147 week in a few years (2020 rates).

Another option could be that the activity loan fund the construction of further new units. But this would impact on the Council debt levels (options around business structures are possible). Council could consider this option after investment plans by Kainga Ora are known.

Major projects for the next ten years



SIX NEW UNITS – DISTRICT

Estimated cost: **\$995,000.**



RENEWAL OF OLDER UNITS – RUAHINE BLOCK WOODVILLE

Estimated cost: **\$393,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$461,630	100%	100%
Grants / other	-	-	-
Rates	-	-	-

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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Economic

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Growing strong communities

- To promote, support and facilitate safe, caring communities
- To promote and develop resilience in our communities



Prudent financial management

- To optimise the amount of external funding received to reduce the financial burden on ratepayers

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Housing units are maintained to a suitable standard	Percentage of housing units which, when inspected, are found to have maintenance issues that are more than minor	Target <10% Achieved 5%	< 7%	< 6%	< 5%	< 5%
Council acts as a good, caring landlord	Tenants' satisfaction with the landlord service received from Council	Target 90% Achieved 93%	90%	90%	90%	90%

Public Conveniences

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

What is the service?

Council provides a clean, safe, accessible service for local people and travellers.

Why do we provide it?

Public conveniences have two major functions: offering comfort to visitors and reasons to stop in our major towns, and convenience for local residents as they move around the district.

Economic development is therefore a major driver for some of the key public conveniences.

How do we provide it?

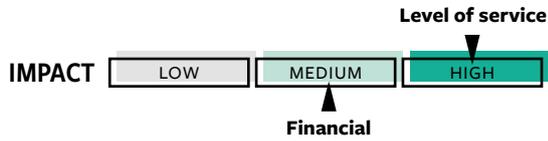
Through the development, management, maintenance and renewal of public convenience assets in areas of frequent community and visitor activity.

Council provides a clean, safe, accessible service for local people and travellers. Twelve public conveniences are maintained throughout the district, plus another six open to the public in community buildings and parks. 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 either refurbished or new within the previous 10 years.

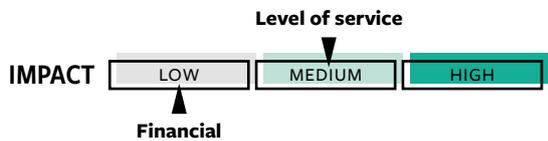
The cleaning regime is increased in times of heavy usage, such as school holidays, and during Covid/pandemic lockdown. For the toilets open 24 hours the cleaning frequencies are twice daily.

Key issues and risks

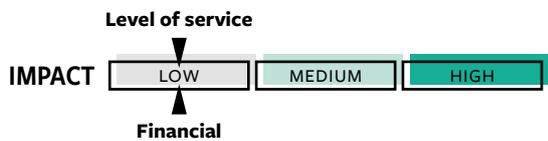
- Vandalism – high usage toilets are closed at night because of vandalism. There is also a higher incidence of vandalism to public toilets during the school holidays.



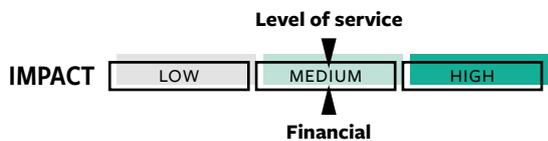
- Cleaning – keeping toilets clean in high usage times, e.g. school holidays, even with extra daily cleans, can be a problem.



- Public toilets can attract anti-social behaviour.



- Increasing demand for toilets from rising local population and to provide services to encourage visitors to stop in towns.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population growth

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
A 7% increase in district population and 8% increase in household numbers in the 10 years to 2031.	Steady but modest increase in usage may at some point require more frequent cleaning. Not expected to require additional facilities.	Contracts that specify cleaning frequency are renewed every 3–5 years. Contracts can usually be adjusted through negotiation between procurement.

■ Increasing visitor numbers

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Visitor numbers are increasing 25% per year (based on October 2020 data).	Uncertain – more domestic visitors currently from closed borders. Trend may change when borders open.	Monitoring usage.

■ Development of recreation assets and new walkways/cycleways

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Increased visitors wanting toilet facilities in more remote areas.	Demand for more or larger facilities.	Renewing Waihi Falls facilities. New toilet installed at Ferry Reserve.

OPTIONS FOR CHANGES TO SERVICE

Increasing the quality and quantity of facilities would possibly increase the number of visitors travelling on State Highway 2 stopping for a break and doing some shopping while on that break. Operating costs are high, though, and the Council already provides multiple facilities on State Highway 2. Council could reduce services and leave it to the private sector to provide facilities. The issue of bus parking would be associated with any changes. Council intends

to maintain service levels for all other public toilets while refurbishing some toilets that are old and need updating.

In recent years there has been increased demand for toilet facilities used by tourist buses and the traveling public, particularly in Dannevirke. There is also an emerging demand for public toilets in other areas of the district, for example in reserves and popular walking areas. Council has recognised this and plans to renew/upgrade toilet facilities.

Major projects for the next ten years



BARRAUD STREET, DANNEVIRKE REPLACEMENT

Estimated cost: **\$138,000.**



WAIHI FALLS TOILET REPLACEMENT

Estimated cost: **\$137,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	-	-	-
Grants / other	-	-	-
Rates	\$318,083	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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY

 **Social**
 **Economic**
 **Environmental**

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY

 **Delivering resilient infrastructure**
 **Building a vibrant economy**

- To provide safe and functional public facilities
- To promote our district as a visitor destination

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Public conveniences provided are fit for purpose	Percentage of residents rating public conveniences as “fairly satisfactory”, “satisfactory” or “very satisfactory” in the community survey	Target 90% Not achieved 81%	80%	80%	80%	80%
	The number of complaints received per annum about the maintenance and cleanliness of public toilets (excluding graffiti and vandalism)	Target < 100 Achieved 85	< 90	< 90	< 90	< 80
	Percentage of customer requests responded to within 48 hours	Target 85% Achieved 97%	85%	85%	85%	90%

Swimming Pools

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

What is the service?

The provision and/or funding of swimming pools for recreation and for residents to learn to swim.

The outdoor pools provide a basic level of facility for recreational use over summer months only. These outdoor pools are managed and operated by local community committees.

Council also provides an operating grant and renewal funding for the heated indoor facility in Dannevirke (owned and operated by the Tararua Aquatic Community Trust).

Why do we provide it?

Swimming pools provide places for community interaction, socialising and participation in organised activities. In this respect, they contribute to social well-being in the district.

Swimming pools provide an opportunity for residents (particularly children) to learn to swim, which also contributes to the district's social well-being.

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 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 an affordable travelling distance.

How do we provide it?

There are four public swimming pools in the Tararua District:

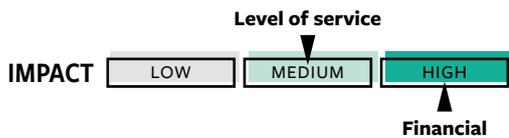


The Dannevirke pool is a heated indoor complex owned by the Tararua Aquatic Community Trust (TACT). Its operations are also run by the Trust, however, the land it is situated on is owned by Council. TACT is a key strategic partner given the scale of service and size of the asset. Council funds grants and major renewals to supplement external grants and charges.

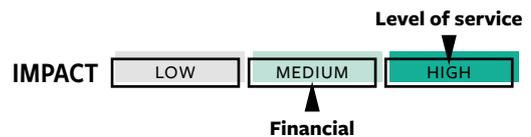
Local committees of volunteers run the other three outdoor pools that are Council-owned. Users pay an admission fee, or key fee. Fees do not cover all operational costs hence Council makes a grant to each pool to assist with operating costs, maintenance and the provision of amenities.

Key issues and risks

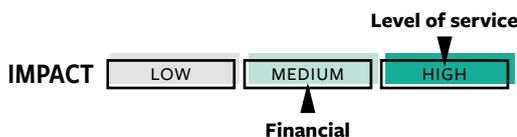
■ Operating costs continue to increase (minimum wages etc) placing pressure on Council to increase operating grants significantly.



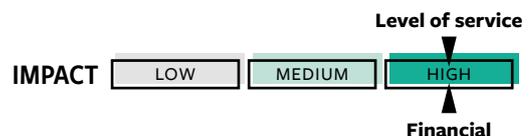
■ Pool committees do not need to meet the PoolSafe water quality and life-saving standards.



■ Lack of skilled volunteers to manage the facilities, ensure safety, and use of chemicals to maintain water quality.



■ Dannevirke Pool (TACT) may require major renewals as key assets reach end of life. This facility has an asset value greater than \$6million.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population growth

How is it changing (predicted)?

A 7% increase in district population and 8% increase in household numbers in the 10 years to 2031.

What impact will it have (on activity)?

Gradual increase in demand for services – assuming similar usage trends.

What are we doing about it?

Consider including increases in grants at 1% above inflation assumptions.

■ Ageing population

How is it changing (predicted)?

Increasing at 4% a year and predicted to continue.

What impact will it have (on activity)?

Increasing demand for additional space with warmer water for exercise classes/therapeutic.

What are we doing about it?

No plans to meet this changing demand. Additional pool space/level of service to meet these demands would be very expensive. Pahiatua community is considering a new pool.

■ Ageing facilities and basic level of service

How is it changing (predicted)?

Competitive and learn to swim are increasingly using Palmerston North facilities.

What impact will it have (on activity)?

Less people using pools – more children not learning to swim.

What are we doing about it?

Pahiatua community looking at higher level of service.

Council needs to plan for what pool space and standards should be provided, including the two pools at the high schools.

■ Regulations

How is it changing (predicted)?

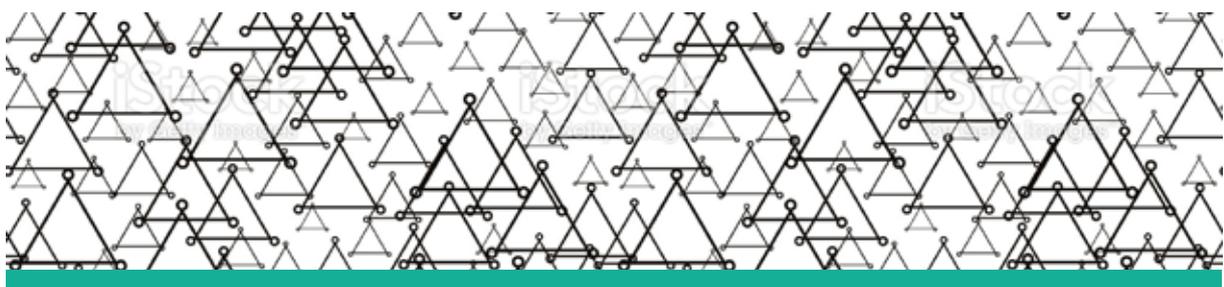
Higher costs related to pool safety and staffing levels.

What impact will it have (on activity)?

Higher costs.

What are we doing about it?

Meeting minimum standards.



Strategic considerations

OPTIONS FOR CHANGES TO SERVICE

The Pahiatua swimming pool is undergoing a significant upgrade. The Eketāhuna outdoor pool has been renewed in the last few years and is working well. 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 likely to be a demand for change when significant growth eventuates in the medium term.

While residents will always want higher service levels to meet lane swimmers, competitive swimmers, recreational use and learn to swim needs, these can be unaffordable in small urban areas.

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 fundraising) and ongoing maintenance costs, which are a continuing cost to ratepayers.

Major projects for the next ten years



PAHIATUA SWIMMING POOL DEVELOPMENT

Estimated cost: **\$100,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	-	-	-
Grants / other	-	-	-
Rates	\$671,716	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 Tararua Aquatic Community Trust and the local management committees that run the pools.

Performance measures

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Economic



Environmental

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY

 **Delivering resilient infrastructure**

- To provide safe and functional public facilities

 **Building a vibrant economy**

- To promote our district as a visitor destination

 **Growing strong communities**

- To provide community and recreation facilities to our communities

 **Prudent financial management**

- To optimise the amount of external funding received to reduce the financial burden on ratepayers

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Public swimming pools provide a quality visitor experience	Percentage of residents rating swimming pools as “fairly satisfactory”, “satisfactory” or “very satisfactory” in the community survey	Target 80% Achieved 87%	80%	80%	80%	80%
Outdoor pools open during summer months, and Wai Splash all year around (less maintenance time)	The number of weeks each year Wai Splash is open for public use	Target 50 weeks Not achieved 44 weeks	< 49 weeks	< 49 weeks	< 49 weeks	< 49 weeks
	The number of weeks each year outdoor pools are open for public use	Target >10 weeks Achieved 12 weeks average Eketāhuna 12 Pahiatua 13 Woodville 12	> 10 weeks	> 10 weeks	> 10 weeks	> 10 weeks

District Promotion and Economic Development

This is how strongly the Council well-being outcomes relate to the District Promotion and Economic Development group of activities ▼



Activities in this group

- Economic Development



Significant negative effects on the four well-beings

- There are no significant negative effects from the District Promotion and Economic Development group of activities.



Assumptions

- The community continues to see economic development as an important activity of Council.

CONFIDENCE HIGH

- The population of the Tararua district will moderately increase by 7% to 2031.

CONFIDENCE HIGH

- Housing will remain affordable in Tararua District.

CONFIDENCE MEDIUM

- Sufficient new housing will be developed to meet growth.

CONFIDENCE MEDIUM

- The Te Ahu a Turanga: Manawatū Tararua Highway will be completed on time.

CONFIDENCE MEDIUM

- The district will experience further drought conditions.

CONFIDENCE HIGH

- Staff and other resources will be available for major local projects – e.g. Route 52 upgrade.

CONFIDENCE MEDIUM

GROUP LEVEL FUNDING IMPACT STATEMENT

District Promotion and Economic Development

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	415	453	516	538
Targeted rates	624	679	774	806
Grants and subsidies operating	48	50	51	53
Fees and charges	7	5	5	5
Local authorities fuel tax, fines, infringement fees, and other receipts	23	65	67	70
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	1,117	1,252	1,413	1,472
Applications of operating funding				
Payment to staff and suppliers	749	794	911	928
Finance costs	14	16	28	40
Internal charges and overheads applied	357	366	368	381
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,120	1,176	1,307	1,349
Surplus/(deficit) of operating funding (A - B)	(3)	76	106	123
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	40	145	973	159
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	40	145	973	159
Application of capital funding				
Capital expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	60	180	1,016	250
- to replace existing assets	100	20	21	47
Increase (decrease) in reserves	(122)	20	43	(18)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	38	220	1,080	279
Surplus/(deficit) of capital funding (C - D)	2	(75)	(107)	(120)
Funding balance ((A - B) + (C - D))	-	-	-	-

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
550	562	596	609	625	636	650
824	843	894	914	938	954	975
54	55	-	-	-	-	-
5	5	5	5	5	6	6
71	73	75	77	79	81	84
-	-	-	-	-	-	-
1,504	1,538	1,570	1,605	1,647	1,677	1,715
948	968	992	1,015	1,043	1,069	1,097
41	41	40	40	39	38	38
389	396	402	410	427	427	434
-	-	-	-	-	-	-
1,378	1,405	1,434	1,465	1,509	1,534	1,569
126	133	136	140	138	143	146
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(43)	16	(55)	7	(59)	(25)	(53)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(43)	16	(55)	7	(59)	(25)	(53)
-	-	-	-	-	-	-
56	113	42	101	36	68	38
22	22	23	23	24	25	25
5	13	16	22	22	26	29
-	-	-	-	-	-	-
83	148	81	146	82	119	92
(126)	(132)	(136)	(139)	(141)	(144)	(145)
-	-	-	-	-	-	-

Economic Development

AIM: Improve the economic and social well-being of the district.

What is the service?

Economic development in Tararua District is focused on the following strategic objectives:

- 1 **Resident retention** – activities that encourage existing residents to remain within Tararua District.
- 2 **Resident attraction** – activities that encourage new residents to move to Tararua District.
- 3 **Visitor attraction** – activities that encourage new visitors to Tararua District.
- 4 **Visitor extension** – activities that encourage visitors to extend the period they stay in Tararua District.

The current Economic Development Plan, adopted by Council in September 2019, highlights the activities being undertaken, or planned, to achieve the strategic objectives above. The Economic Development Plan activities are grouped under five strategic themes, which are:

- 1 **District Identity**
- 2 **District Marketing**
- 3 **Support and Grow Business**
- 4 **Community Sector Growth**
- 5 **Education and Youth**

Each strategic theme has a range of activities categorised as existing, new or future. Existing activities are those that were ongoing at the time the plan was adopted. New activities were those expected to be undertaken during the period of the plan (the Economic Development Plan will be renewed following adoption of the 2021–2031 Long-Term Plan by Council in 2021). Future activities are those recognised as requiring further investigation but with no immediate plans to do so.

Why do we provide it?

Economic development is provided by Council as there is no other organisation within the district with the mandate to provide this activity.

If Council were not to provide this activity it would either not be undertaken or would need to be outsourced to a neighbouring economic development agency. Outsourcing is highly unlikely to provide the level of focus on Tararua District that is expected. In addition, the reintroduction of the four well-beings in the Local Government (Community Well-being) Amendment Bill has endorsed an economic focus for councils.

How do we provide it?

Council has a small existing Economic Development team consisting of:

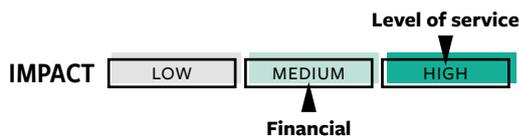
- Economic Development and Communications Manager
- Economic Development Advisor
- Economic Development Projects Manager

The team operate from the Tararua Business Network premises, which also includes the communications team.

The activities of the team are generally those included in the Economic Development Plan, however, the team will sometimes focus on new opportunities outside the plan where appropriate. The Economic Development activity updates Council on activities through the monthly Economic Development Committee meetings.

Key issues and risks

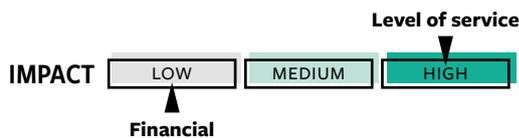
- Council reduces economic development funding.



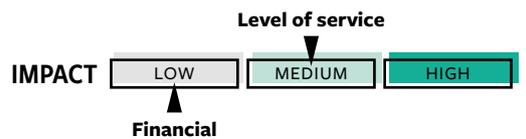
- Loss of existing staff and failure to attract replacements.



- Economic development initiatives fail to deliver desired results.



- Crises such as Covid-19, water shortages, and droughts divert economic development resources.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population growth

How is it changing (predicted)?

Growth is currently strong and exceeding forecasts.

What impact will it have (on activity)?

Shortages in commercial space may limit growth.

What are we doing about it?

Planning to undertake feasibility study for a new industrial park.

■ Population growth

How is it changing (predicted)?

Growth is currently strong and exceeding forecasts.

What impact will it have (on activity)?

The district is experiencing a housing shortage that may limit the ability for employers to attract staff.

What are we doing about it?

Supporting housing projects where appropriate.

■ Covid-19 pandemic

How is it changing (predicted)?

Significant growth in domestic tourism, including our key market of New Zealand Motor Caravan Association (NZMCA) members.

What impact will it have (on activity)?

Increased motorhome numbers may place pressure on existing infrastructure and/or cause negative public relations.

What are we doing about it?

Monitoring motorhome increases and taking advantage of external funding opportunities to offset costs where possible.

OPTIONS FOR CHANGES TO SERVICE

Council could explore outsourcing the economic development activity to a neighbouring economic development agency. This option is not favoured as it will likely see reduced focus on the district and therefore reduced outcomes. Council also has discretion to increase or reduce funding for this activity.

We will continue to complete the projects that were delayed due to the need to divert resources to assist with management of the water crises, drought, and Covid-19 this year.

Te Awa Community Foundation

We anticipate the Te Awa Community Foundation will become operational in Tararua during 2021 once the regional mandate is secured. The success of any community foundation comes from having staff in place to work with potential donors. Council provides partial operating funding, which can then be leveraged over time by the community foundation.

Tararua Business Network

Discussions have been held with business groups such as Dannevirke and Pahiatua Chambers of Commerce about establishing a districtwide business network with a paid management position within it. Feedback has been positive and there is widespread support so far. The proposal includes utilising the existing 'Tararua Business Network' brand. The resulting entity would likely take responsibility for:

- Being the "voice" of business in Tararua District.

- Delivering the workshops and training to businesses that Council currently undertakes.
- Establishing a CEO Group
- Taking responsibility for a districtwide business awards, likely two-yearly.
- Potentially assuming management of the Digital Hub in two years (the Provincial Development Unit (PDU) is comfortable with this approach).

Council would provide a new grant to establish the new entity and cover part of the operating costs. It is expected the business community will match Council funding from membership fees and sponsorships.

Research Funding

There are a number of potential new industry opportunities that will require research in the years ahead. With little prospect of another Provincial Growth Fund (PGF) of similar scale we think Council will need to provide increased funding for this work to be undertaken. Examples of industries under consideration are:

- New industrial park development
- Cider apples
- Aquaculture or aquaponics around trout farming, which is expected to become legal
- Fish food manufacturing utilising possum meat
- Project Possum social enterprise opportunities.

Council to seek every opportunity to attract external funding for this activity through a range of sources.

Major projects for the next ten years



CONNECT TARARUA (MOBILE COVERAGE)

Estimated cost: **\$823,000.**



WIRELESS BLACKSPOT EXTENSIONS

Estimated cost: **\$363,000.**



VILLAGE MAIN STREET UPGRADES

Estimated cost: **\$247,000.**



ELECTRIC VEHICLES – ELECTRICITY DUCTING

Estimated cost: **\$225,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$8,454	1%	0-5%
Grants / other	\$165,000	5%	0-5%
Rates	\$1,007,403	95%	90-100%

Why is it funded this way?

Private beneficiaries are the individuals who gain employment, and 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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Economic



Social



Cultural

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Growing strong communities

- To promote, support and facilitate safe, caring communities
- To promote and develop resilience in our communities



Building a vibrant economy

- To promote our district identity
- To promote our district as a visitor destination
- To support and promote business growth and diversity
- To support and facilitate education and training opportunities

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Undertake research and/or feasibility studies into economic development opportunities	Number of research reports and/or feasibility studies delivered	Target	2	2	2	2
		Achieved	2			
Promote Tararua District at large events in and outside the district	Number of events that Tararua District is promoted at.	Target	5	5	5	5
		Achieved	5			
Support community groups to run events in Tararua	Number of community events supported by Council	Target	10	10	10	10
		Achieved	22			
Provide engaging and informative Council information to residents	Percentage of survey respondents that consider the Bush Telegraph content useful or very useful	Target	75%	75%	75%	75%
		Achieved	87%			

Regulatory Services

This is how strongly the Council well-being outcomes relate to the Regulatory Services group of activities ▼



Activities in this group

- Animal Control
- District Planning
- Emergency Management
- Health and Safety



Significant negative effects on the four well-beings

- There are no significant negative effects. However, there are perceptions that these activities impose unreasonable rules and compliance costs on dog owners, developers, and on people and businesses.



Assumptions

- Council will continue to be required to provide the current range of regulatory services.

CONFIDENCE MEDIUM

- No major changes to legislation impacting existing levels of service or imposing additional costs on Council.

CONFIDENCE MEDIUM

- The dog pound facility complies with animal welfare regulations.

CONFIDENCE MEDIUM

- Demand for resource consents will continue to be high due to a shortage of housing and local economic conditions.

CONFIDENCE MEDIUM

- Demand for building consents will at least continue at existing levels due to a shortage of housing and local economic conditions.

CONFIDENCE MEDIUM

- Council will continue to be required to provide for civil defence emergency management and that significant emergencies and disasters will continue to occur on an irregular basis.

CONFIDENCE MODERATE

GROUP LEVEL FUNDING IMPACT STATEMENT

Regulatory Services

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,453	1,849	1,854	1,926
Targeted rates	-	-	-	-
Grants and subsidies operating	-	-	-	-
Fees and charges	1,155	1,467	1,494	1,531
Local authorities fuel tax, fines, infringement fees, and other receipts	20	16	16	16
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	2,628	3,332	3,364	3,473
Applications of operating funding				
Payment to staff and suppliers	2,136	2,864	2,474	2,574
Finance costs	17	16	22	22
Internal charges and overheads applied	560	866	873	902
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,713	3,746	3,369	3,498
Surplus/(deficit) of operating funding (A - B)	(85)	(414)	(5)	(25)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	87	559	(8)	12
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	87	559	(8)	12
Application of capital funding				
Capital expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	130	-	-
- to replace existing assets	15	3	-	34
Increase (decrease) in reserves	(12)	12	(13)	(47)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	3	145	(13)	(13)
Surplus/(deficit) of capital funding (C - D)	84	414	5	25
Funding balance ((A - B) + (C - D))	-	-	-	-

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
1,963	1,991	2,019	2,067	2,081	2,144	2,166
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,570	1,609	1,649	1,692	1,738	1,784	1,831
17	17	17	18	18	18	19
-	-	-	-	-	-	-
3,550	3,617	3,685	3,777	3,837	3,946	4,016
2,479	2,615	2,572	2,648	2,685	2,781	2,820
20	19	17	14	11	9	9
924	942	953	967	994	1,006	1,024
-	-	-	-	-	-	-
3,423	3,576	3,542	3,629	3,690	3,796	3,853
127	41	143	148	147	150	163
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(139)	2	(146)	(141)	(137)	(133)	(82)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(139)	2	(146)	(141)	(137)	(133)	(82)
-	-	-	-	-	-	-
-	44	-	-	-	-	50
16	12	-	3	36	3	19
(30)	(14)	(3)	2	(24)	15	10
-	-	-	-	-	-	-
(14)	42	(3)	5	12	18	79
(125)	(40)	(143)	(146)	(149)	(151)	(161)
-	-	-	-	-	-	-

Animal Control

AIM: To maintain animal welfare, promote responsible ownership, and protect the community from dogs and wandering stock.

What is the service?

Council has an in-house team of animal control officers who respond to public calls on dangerous, menacing, and wandering dogs.

Council owns and operates a modern dog pound in Dannevirke where impounded dogs are taken care of.

Council registers dogs and undertakes education programmes to encourage responsible dog ownership.

The Council staff also handle wandering farm stock.

Why do we provide it?

The Dog Control Act 1996 requires Council to promote responsible dog ownership, welfare of dogs, and to ensure dogs are controlled to avoid causing harm or nuisance to people, animals, and property.

Irresponsible ownership and inadequate control of dogs is a significant public safety risk, with the potential to cause serious harm to the public, especially children and older people.

The Impounding Act 1955 requires Council to ensure wandering stock are controlled to avoid causing damage or harm to property, people, and vehicles. Inadequate control of stock is a significant safety risk to vehicles travelling on public roads.

The Animal Welfare Act 1999 requires Council to ensure the physical, health and behavioural needs of dogs and stock in our care and possession (while impounded).

How do we provide it?

Providing advice and administering the Dog Control Act 1996 and Impounding Act 1955.

Promoting responsible ownership and providing dog safety education to the public.

Maintaining a register of the dogs in the district.

Investigating complaints and carrying out monitoring in relation to dogs and livestock.

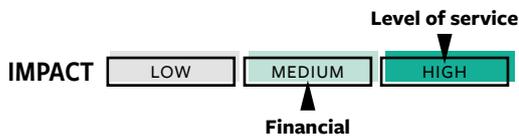
Undertaking enforcement and prosecutions, when necessary, for non-compliance with legislation and bylaws.

Providing impounding facilities for dogs and livestock.

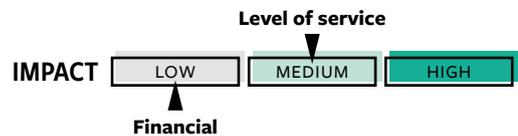
Returning, re-homing, or euthanising unclaimed animals.

Key issues and risks

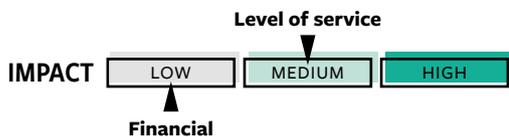
- Quality – lack of industry specific professional training qualification for animal control officers and afterhours contractors.



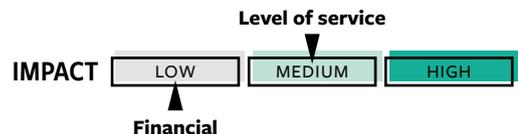
- Compliance – traffic management regulations may require changes to operations while working on local roads and state highways.



- Reputation – animal welfare regulations may require changes to the facilities and operation of the Dannevirke pound.



- Compliance – health and safety regulations may require changes to minimise security risks to staff and dog owners accessing the Dannevirke pound site.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Community expectations

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Increased demand for a professional response to animal control complaints.	Increase in staff training requirements.	Providing more training to increase staff competency.

■ Population growth

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Additional urban households likely to result in more registered dogs.	Uncertain (apart from more dogs being registered) – demand for services is more to do with behaviour and education rather than solely dog numbers.	Continued education.

■ Animal welfare requirements

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Increased demand for care of impounded dogs and comprehensive health record keeping.	Increased staff time spent at the Dannevirke Pound and reduced capacity for patrolling and responding to complaints.	Commissioned independent review of pound facility and procedures against welfare requirements. Minor improvements underway.

■ Health and safety requirements – infrastructure and equipment

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Increased demand for protective infrastructure and equipment to ensure staff safety from dangerous people and dogs.	Investment required in security features at the Dog Pound site including automated gates, barrier fences, security lighting, security cameras, and clearly identified public and staff parking areas.	Identifying a suitable professional to commission a security review of the site.

■ Health and safety requirements – traffic management

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Increased demand to ensure traffic is managed appropriately to protect staff working on roads.	Increased administrative time maintaining traffic management plans and investment in additional traffic safety equipment.	Working with the NZ Transport Agency to clarify requirements and options.

Strategic considerations

OPTIONS FOR CHANGES TO SERVICE

Council could contract another council to provide day to day service delivery. This could potentially increase the quality of the service; however, the lack of a professional qualification is an industry wide issue affecting other councils equally. Response times would need to increase, reducing the level of service, to account for staff travel time.

Council could invest in an additional staff resource (kennel attendant). This would ensure its compliance with animal

welfare regulations. However, staff are already sharing and performing those duties and the risk of non-compliance is being appropriately managed.

Council could explore the possibility of having more dog-friendly exercise areas as level of service expectation increases.

Major projects for the next ten years



There are no major projects planned for this activity over the next ten years.

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$328,518	70%	75-85%
Grants / other	\$3,568	-	-
Rates	\$93,622	30%	15-25%

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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Growing strong communities

- To promote, support and facilitate safe, caring communities



Prudent financial management

- To optimise the amount of external funding received to reduce the financial burden on ratepayers

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Residents are satisfied with the Animal Control service.	Percentage of residents rate dog control as “fairly satisfactory”, “satisfactory” or “very satisfactory” in the community survey	Target 80% Not achieved 79%	80%	80%	80%	80%
Dog owners are complying with their registration responsibilities.	The percentage of known dogs that are registered.	New measure	95%	95%	95%	95%
A responsive serious dog incident service is provided 24 hours a day, 7 days a week.	The percentage of customer service request complaints related to dogs attacking or biting are responded to within 2 hours.	New measure	95%	95%	95%	98%

District Planning

AIM: To sustainably manage the district's land resources while facilitating growth and development in both rural and urban areas.

What is the service?

This activity provides a District Plan that meets the needs of the community, a consenting system to assess development impacts, and a compliance system to ensure environmental standards are met.

Why do we provide it?

The Resource Management Act 1991 requires Council to plan and control how land is used, developed, and protected to ensure it is managed sustainably and any environmental impacts of development are minimised.

Uncontrolled growth and illegal land use have the potential to cause serious impacts on people, the environment, and infrastructure..

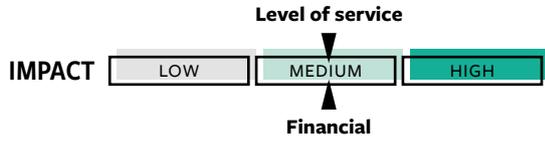
How do we provide it?

This activity focuses on the following delivering the service:

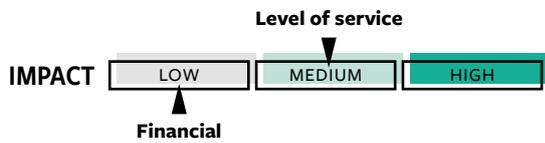
- Providing advice and administering the Resource Management Act 1991.
- Reviewing and preparing changes to the District Plan.
- Processing resource consent applications for land use and subdivision.
- Investigating complaints and carrying out compliance monitoring in relation to land use.
- Undertaking enforcement and prosecutions when necessary for non-compliance.

Key issues and risks

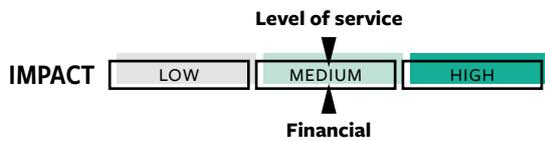
- Recruitment – shortages and competition for qualified and experienced planning officers is intense across New Zealand.



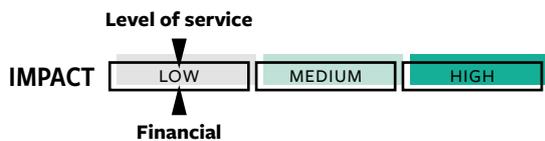
- Consents – increasing demand for resource consents for subdivision impacting legislative timeframes.



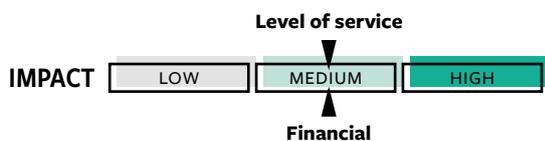
- Legislation – uncertainty about new legislation to replace the Resource Management Act 1991.



- Growth – requires increased planning coordination with infrastructure and finance to manage urban development pressure.



- Compliance – requirement to start the District Plan Review by 2022. This will shape future land use and development.



Strategic considerations

WHAT IS DRIVING DEMAND?

- Workload pressure (consenting timeframes) from increasing subdivision and development enquiries and consents lodged

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Staff are increasingly working afterhours to meet their workloads.	Dissatisfaction affecting team culture and resignations or poor health in roles will further reduce team performance.	Strategic use of contractors (that are seen to add value to the team) to process resource consents.

- Legislative change

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Reform of the Resource Management Act and 'Regionalisation' under new legislation for spatial plans and combined plans.	Replacement of simple Tararua District Plan with a more complex Combined Plan. Increase in staff time operating two plans during the transition period. Impact on District Plan Review is unknown.	Monitoring the development of new legislation to fully assess the impacts. Consideration of impacts in the District Plan Review programme.

- Legislative compliance

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Requirement to commence District Plan Review by 2022.	Additional demands on staff time to support the District Plan Review plus significant costs of the Review.	Use of planning consultant to provide capacity for the review.

OPTIONS FOR CHANGES TO SERVICE

Council could invest in an additional resource (Strategic Planner) to reduce the cost of the consultant planner performing the District Plan Review. However, this has not worked well for similar councils, where the departure of the strategic planner due to the volume of work has resulted in additional consultant costs. It would be hard to justify the costs associated with this role given the infrequent nature of work associated with Plan Reviews and Changes (twice in 10 years). Attracting senior planning staff is very difficult currently. A mix of external support and existing

Council staff is likely to provide the most flexible and useful approach.

Council could decide not to progress the District Plan Review until the new legislation has been passed and more certainty is provided. Despite the broad political agreement that the Resource Management Act needs replacing, it is not clear there is consensus on what should replace it. That may take some time to resolve, meaning Council would be in breach of its review timeframes under the Resource Management Act.

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$112,840	27%	20-30%
Grants / other	-	-	-
Rates	\$321,452	79%	80-90%

Why is it funded this way?

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

Performance measures

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Economic



Environmental

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Growing strong communities

- To promote, support and facilitate safe, caring communities



Building a vibrant economy

- To support and promote business growth and diversity



Prudent financial management

- To optimise the amount of external funding received to reduce the financial burden on ratepayers

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Applications for subdivision or land use consents are processed in a timely manner	The percentage of non-notified resource consent applications processed within statutory timeframes (20 working days)	New measure	95%	95%	95%	95%
Customer complaints about land use are responded to in a timely manner	The percentage of customer service request complaints related to land use that are responded to within five working days.	New measure	80%	85%	90%	95%

Emergency Management

AIM: To strengthen Tararua District's disaster resilience – our communities are better able to respond to, and recover from, significant emergencies and disasters.

What is the service?

Council leads collaboration between iwi, partner organisations, and the wider community to plan, coordinate, and promote practices that will provide for safety and well-being in the event of a significant emergency or disaster.

Why do we provide it?

The Civil Defence Emergency Management Act 2002 requires Council to plan and provide for emergency management within its district.

How do we provide it?

Council is a member of the Manawatū-Whanganui Civil Defence Emergency Management Group and participates in planning and providing for emergency management across the region.

Council administers the Tararua Emergency Management Committee made up of agencies and community organisations with an interest in emergency management.

Council provides facilities to establish an emergency operations centre that will coordinate the response to a significant emergency or disaster, and a radio network for communication with communities if traditional methods are unavailable.

Council provides trained staff to run an emergency operations centre and to lead coordination of the response and recovery for a significant emergency or disaster.

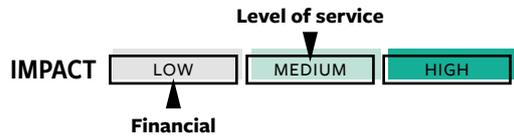
Council promotes whānau, business, and community preparedness by supporting communities to develop their own response and recovery plans, and through public awareness and education initiatives.

Key issues and risks

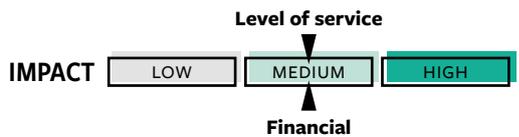
- Climate change is forecast to increase the frequency and consequences of meteorological emergencies impacting on this activity’s ability to plan and prepare while involved in response or recovery.



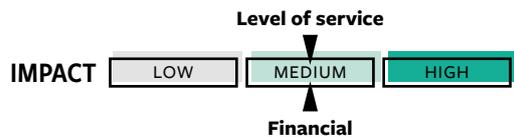
- The intermittent nature of emergencies could create a bias in Council towards more pressing ‘business as usual’ activities rather than planning and preparing for disasters.



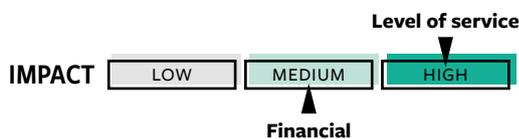
- Growing urban populations and ageing communities increases the need for training and support over time and reduces the length of time before help is required in an emergency.



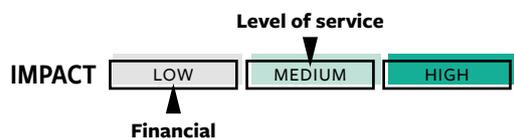
- The Tararua emergency operations centre is the Dannevirke Council Chamber. It does not meet the required standard of being in an Importance Level Four (IL4) building. The alternative emergency operation centre is not in an IL4 building either.



- During readiness emergency management uses a relatively low level of Council resource. During response and recovery it is likely to require a high level of resourcing over a long period placing significant pressure on Council’s ability to provide business as usual activities.



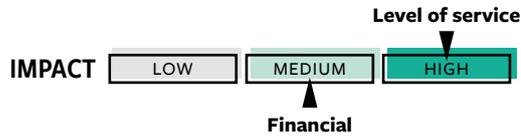
- There is uncertainty on how government emergency management sector reform will affect the delivery of services at regional and district level. The proposed regionalisation of delivery may impact on the level of service in Tararua.



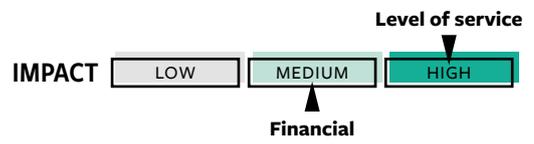
continued >>

Key issues and risks

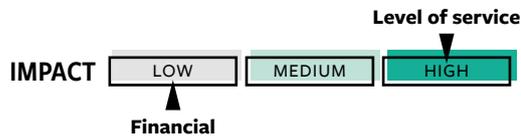
- Community Civil Defence Response Groups may not be active when an emergency occurs.



- Council does not have a dedicated community development role making it more challenging to provide an effective welfare response.



- Ongoing hazard research is improving our understanding of risk and requires action to review plans and assumptions.



Strategic considerations

WHAT IS DRIVING DEMAND?

- Recent emergencies and disasters are driving increased interest in emergency management and there are increasing expectations in capability of the response

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Increase in demand for emergency management services.	Increase in staff training requirements and level of community engagement.	Provide more training to increase capability and capacity. Engage with existing committees and support them to lead disaster resilience in their community.

- Climate change

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Increase in the frequency and consequences of meteorological emergencies, including event complexity and multiple events at once.	Reduce time for planning and preparedness. Affect other activities' while staff are involved in response and recovery.	Provide more training to increase capability and capacity.

- Emergency management sector reforms

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Increased regionalisation, increased training and skill standards.	Higher training standards are required, more training needs to be delivered. Greater need to support regional emergency management.	Provide more training to increase capability and capacity.

- Ageing and increased population

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
More older people (4% increase a year), plus increased levels of inward migration.	More people who are new to the community, and more who will need quicker assistance.	More community planning and support.

Strategic considerations

OPTIONS FOR CHANGES TO SERVICE

Council could contract Horizons Regional Council to provide day to day delivery. In this arrangement councils still provide staff to resource the emergency operations centre and recovery office.

Council could advocate for the region to employ its emergency management staff at a regional group office (for example Hawke's Bay does this, and Manawatū, Horowhenua, and Rangitikei already contract Horizons). This provides economies of scale, specialisation, and regional focus on policy, planning, and capability development. There is a risk that regional resources are directed towards population centres. Council staff still resource the emergency operation centre and recovery office.

Civil Defence Response Groups were established, and response and recovery plans written for most towns. Despite Council providing ongoing support, many groups are not active and some plans have expired or were not completed. Community disaster resilience could be led by community boards and committees, ensuring community leaders are involved, providing longevity, and making disaster resilience part of their kaupapa.

Council previously managed community civil defence volunteers. Managing volunteers involves a significant effort

in administration, training, and health and safety. We now support staff and volunteers attached to other organisations or groups, and provide training opportunities for individuals in rural communities. Council could re-start managing volunteers.

Council could invest in a dedicated emergency operations centre or consider alternatives to the Dannevirke Council Chamber.

This activity has responsibility for the staff relationship with lead social agency groups Strengthening Families Local Management Group, and Tararua Health and Well-being Governance Group. The relationship would be better led by a dedicated role. It would strengthen Council's ability to provide leadership in delivery of emergency welfare services.

Recent experience showed the value and importance of iwi involvement in emergency management. Council should continue to strengthen its emergency management relationship with Rangitāne o Tamaki Nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua.

Emergency management principles of the coordinated incident management system and an incident management team were used in recent business continuity responses to water shortages. This activity could continue to support business continuity planning and response.

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	-	-	0-10%
Grants / other	-	-	0-5%
Rates	\$196,689	100%	90-100%

Why is it funded this way?

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

Performance measures

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Economic

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Growing strong communities

- To promote, support and facilitate safe, caring communities
- To promote and develop resilience in our communities

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Support communities to develop response and recovery plans	Percentage of residents rating Emergency Management as “fairly satisfactory”, “satisfactory” or “very satisfactory” in the community survey	New measure	80%	80%	80%	80%
Ensure an adequate number of trained staff to operate an emergency operations centre and recovery office.	Management staff trained to Integrated Training Framework – Intermediate level	New measure	80%	80%	80%	80%
Lead local emergency management coordination and planning by administering the Tararua Emergency Management Committee	Annual stakeholder survey overall satisfaction	New measure	80%	80%	80%	80%

Health and Safety

AIM: To maintain building quality and protect the community from unsafe buildings.

To minimise nuisances and provide a safe and healthy environment for the community.

What is the service?

Council provides regulatory services to administer a range of government legislation.

Specialist staff provide public advice to enquiries and process consents, inspect building developments, inspect regulated premises and carry out complaint sourced general inspections. The service focuses on Council's role to ensure legislative compliance primarily focused on public safety.

Why do we provide it?

Building Control

The Building Act 2004 requires Council to control building work to ensure buildings are safe and healthy for people to use, provide for people with disabilities, enable escape from fire, and promote sustainable development. Illegal building work and unsafe buildings are a significant public safety risk, with the potential to cause serious harm to people in and around buildings and damage to other property.

Environmental Health

The Food Act 2014 requires Council to ensure food businesses minimise and manage safety risks from food production, to protect public health. Sales of unsafe food, contaminated with harmful bacteria and viruses, can cause serious illness or disease.

The Health Act 1956 requires Council to control health nuisances and ensure the sanitary conditions of homes and certain premises to protect public health. Unhygienic environmental conditions have the potential to cause serious illness or disease.

The Sale and Supply of Alcohol Act 2012 requires Council to control the sale, supply and consumption of alcohol to minimise harm to people and communities. Irresponsible alcohol sales or excessive consumption have the potential to impact safety, property, and people.

The Resource Management Act 1991 requires Council to control noise that unreasonably interferes with peace, comfort and convenience. Excessive noise from musical instruments, appliances, machinery and people has the potential to significantly disturb or annoy people.

The Litter Act 1979 requires Council to act to protect the environment from littering. Illegally dumped rubbish, litter thrown from vehicles, and material falling from trailers degrades the quality of the environment and is a potential health hazard to people.

The Local Government Act 1974 requires Council to act to protect the safety of road users from abandoned vehicles and overhanging vegetation obstructing roads and footpaths. Obstructions present a serious danger to drivers and older pedestrians with mobility impairment.

How do we provide it?

Building Control

Providing advice and administering the Building Act 2004.
 Processing building consent applications and inspecting consented building work.
 Administering building warrants of fitness and issuing compliance schedules.
 Investigating complaints and carrying out compliance monitoring in relation to building work.
 Undertaking enforcement and prosecutions when necessary for non-compliance.

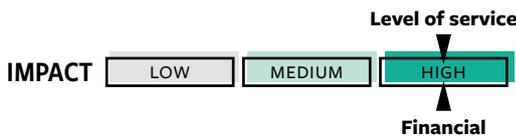
Environmental Health

Providing advice and administering the Food Act 2014, Health Act 1956, Sale and Supply of Alcohol Act 2012, Resource Management Act 1991, Litter Act 1979, and Local Government Act 1974.
 Promoting safe food, health, and alcohol harm reduction practices.

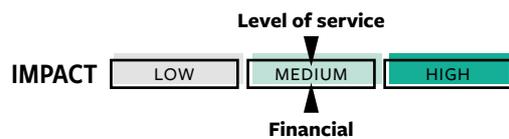
Registering and auditing food safety plans.
 Registering and inspecting regulated premises e.g. camping grounds.
 Processing applications for on, off, club and special licences, processing manager’s certificates and renewals.
 Administering relevant bylaws e.g. Public Places Bylaw.
 Investigating complaints and carrying out compliance monitoring in relation to food, health, and alcohol.
 Responding to noise complaints and taking appropriate action if noise is considered excessive or unreasonable.
 Responding to complaints about rubbish dumped illegally in public places and take appropriate action.
 Responding to complaints regarding vehicles that have been abandoned in public places and take appropriate action.
 Responding to complaints about vegetation obstructing pedestrian movements.
 Undertaking enforcement and prosecutions when necessary for non-compliance.

Key issues and risks

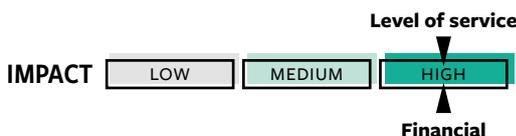
- Recruitment – shortages and competition for qualified and experienced building officers.



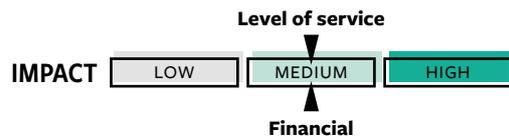
- Consents – increasing demand for building consents for housing impacting legislative timeframes.



- Accreditation – the next building consent authority assessment is scheduled for November 2021.



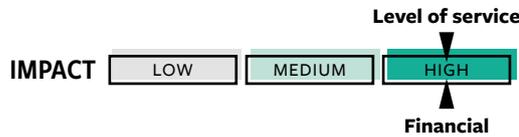
- Complaints – anticipated increase in illegal building work.



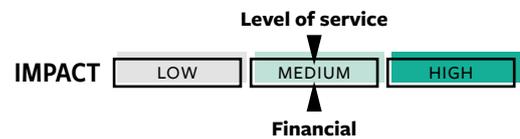
continued >>>

Key issues and risks

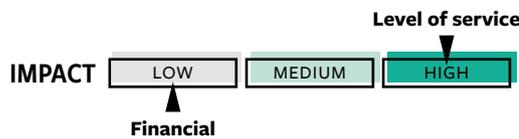
- Compliance – requirement to update building compliance schedules (safety system lists).



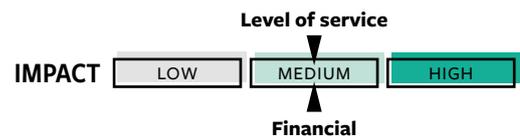
- Compliance – requirement to identify all potentially earthquake-prone buildings by 1 July 2022.



- Loss of qualified staff and contractors may lead to a significant change in customer service for local food businesses.



- Recruitment – shortages and competition for qualified and experienced environmental health officers could result in early/unexpected termination of services contract with Palmerston North City Council.



Strategic considerations

WHAT IS DRIVING DEMAND?

- Increased population

How is it changing (predicted)?

Significantly increased building activity.

What impact will it have (on activity)?

Continued and possibly increasing number of building consents lodged. Longer term additional premises selling food and liquor.

What are we doing about it?

Employing cadets and increased staff resources. Increased fees to offset costs.

- Legislative compliance

How is it changing (predicted)?

Requirement to update all building compliance schedules to ensure public safety.

What impact will it have (on activity)?

More people who are new to the community, and more who will need quicker assistance.

What are we doing about it?

More community planning and support.

Strategic considerations

WHAT IS DRIVING DEMAND?

■ Workload pressure (consenting timeframes)

How is it changing (predicted)?

Staff are increasingly working afterhours to maintain their workloads.

What impact will it have (on activity)?

Dissatisfaction affecting team culture and resignations or poor health in senior roles affecting cadetship supervision, building inspection capacity, and team performance, which can trigger statutory notification to MBIE and accreditation assessor. Reduced time for planning and preparedness. Effect on other activities while staff are involved in response and recovery.

What are we doing about it?

Strategic use of contractors (that are seen to add value to the team) to process building consents and identify earthquake-prone buildings to reduce workload pressure.

■ Accreditation requirements

How is it changing (predicted)?

Increasing government focus on quality management systems as a result of building quality failures at the 'Bella Vista' development in Tauranga.

What impact will it have (on activity)?

Higher training standards are required, more training needs to be delivered. Greater need to support regional emergency management.

What are we doing about it?

Provide more training to increase capability and capacity.

■ Legislative change

How is it changing (predicted)?

Anticipated increase in illegal building work due to expanding exemptions from consents under the Building Act.

What impact will it have (on activity)?

Increased in staff time inspecting buildings and taking enforcement action where necessary.

What are we doing about it?

Managing demand within our existing resourcing.

■ Legislative compliance

How is it changing (predicted)?

Anticipated increase in number of building consents and enquiries.

What impact will it have (on activity)?

Reduced cadet supervision (resulting in quality issues and dissatisfaction) to enable redeployment of senior roles.

What are we doing about it?

Strategic use of engineering consultant (who is used by MBIE to deliver training to councils and engineers) to ensure quality of processing and deadlines will be met.

Strategic considerations

WHAT IS DRIVING DEMAND?

■ Community expectations

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Difficulty retaining/attracting qualified staff.	Food businesses will experience a potential drop in the level of service. A backlog of verifications will increase the potential food safety risk and attract the scrutiny of the Ministry for Primary Industries.	Working with current service providers and exploring shared service options with other councils.

OPTIONS FOR CHANGES TO SERVICE

Invest in an additional building officer resource, which would ensure all compliance schedules are updated to comply with legislative requirements and ensure the safety of people using public and commercial buildings. This role would also share the supervision of the three building officer cadets and reduce the cost of contracting out building consent processing.

Contract another council to provide these additional services. However, widespread use of contractors and the loss of senior staff members who have not been replaced at larger councils means this is likely an expensive and unrealistic prospect.

Invest in an additional environmental health resource while also maintaining the existing Environmental Health Services Contract. This role would focus on the registration and verification of food businesses, inspection of health regulated premises, and complaints about health nuisances. This would ensure the service is more resilient. It is expected the costs of the contract could be progressively reduced over time. This option maintains the benefits of access to a larger experienced team and offers resilience to contractor changes.

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$619,616	48%	40-50%
Grants / other	\$7,892	1%	0-5%
Rates	\$797,854	51%	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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Environmental



Economic



Social



Cultural

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Growing strong communities

- To promote, support and facilitate safe, caring communities
- To promote and develop resilience in our communities



Building a vibrant economy

- To support and promote business growth and diversity



Prudent financial management

- To optimise the amount of external funding received to reduce the financial burden on ratepayers

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Applications for building consents are processed in a timely manner.	The percentage of building consent applications processed within statutory timeframes (20 working days).	Target 100% Not achieved 92%	95%	95%	95%	95%
Council retains authority to issue building consents.	Accreditation as a Building Consent Authority is maintained.	New measure	Achieve	Achieve	Achieve	Achieve
Protect public health by monitoring, advising and inspecting food premises, sale of liquor outlets, funeral parlours, offensive trades, hairdressing businesses, and camping grounds	The percentage of registered template food control plans verified within statutory timeframes.	New measure	95%	95%	95%	95%
	The percentage of registered health regulated premises inspected annually.	New measure	95%	95%	95%	95%
	The percentage of licensed premises selling alcohol inspected annually.	Target 95% Not achieved 94%	95%	95%	95%	95%
A responsive excessive noise control service is provided 24 hours a day, 7 days a week	The percentage of customer service request complaints related to excessive noise responded to within 2 hours.	New measure	85%	90%	90%	90%
Customer complaints about environmental nuisances are responded to in a timely manner	The percentage of customer service request complaints related to illegal rubbish dumping, abandoned vehicles, and vegetation blocking footpaths that are responded to within 3 working days.	New measure	80%	80%	85%	85%

Solid Waste Management

This is how strongly the Council well-being outcomes relate to the Solid Waste Management group of activities ▼



Activities in this group

- Solid Waste Management



Significant negative effects on the four well-beings

- Land use, contamination of land and odour associated with refuse.
- Loss of resources from materials ending in landfills.
- Costs of handling and processing waste, including recycling and recovery, and the infrastructure to enable this to take place.



Assumptions

- Future demand for solid waste will be similar to current trends. Increased waste from population growth and commercial activity will be matched by reductions in refuse due to waste minimisation initiatives.

CONFIDENCE LOW

- Council assumes that the urban areas will account for 70% of the increase in population, and 60% of new dwellings, with an overall 8% increase in urban population.

CONFIDENCE MEDIUM

- Government regulations or legislation will occur that will boost the focus on recycling, including more processing of plastics in New Zealand. Any changes to the national waste strategy will not be significant.

CONFIDENCE HIGH

- The waste minimisation grant will significantly increase.

CONFIDENCE HIGH

GROUP LEVEL FUNDING IMPACT STATEMENT

Solid Waste Management

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	404	599	679	699
Targeted rates	938	817	855	879
Grants and subsidies operating	128	128	131	135
Fees and charges	973	1,160	1,191	1,221
Local authorities fuel tax, fines, infringement fees, and other receipts	3	1	2	2
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	2,446	2,705	2,858	2,936
Applications of operating funding				
Payment to staff and suppliers	2,005	2,175	2,305	2,364
Finance costs	49	41	44	46
Internal charges and overheads applied	278	413	410	420
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,332	2,629	2,759	2,830
Surplus/(deficit) of operating funding (A - B)	114	76	99	106
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	5	108	221	7
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	5	108	221	7
Application of capital funding				
Capital expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	132	250	370	168
- to replace existing assets	10	20	11	19
Increase (decrease) in reserves	(20)	(84)	(63)	(76)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	122	186	318	111
Surplus/(deficit) of capital funding (C - D)	(117)	(78)	(97)	(104)
Funding balance ((A - B) + (C - D))	-	-	-	-

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
714	729	744	756	773	789	802
898	918	940	961	985	1,009	1,032
138	141	145	148	152	156	160
1,250	1,282	1,313	1,345	1,380	1,416	1,450
2	2	3	3	3	3	4
-	-	-	-	-	-	-
3,002	3,072	3,145	3,213	3,293	3,373	3,448
2,420	2,479	2,540	2,602	2,673	2,740	2,806
46	44	41	38	35	32	29
428	437	446	454	468	475	486
-	-	-	-	-	-	-
2,894	2,960	3,027	3,094	3,176	3,247	3,321
108	112	118	119	117	126	127
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(55)	(106)	(157)	(150)	(144)	(139)	(133)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(55)	(106)	(157)	(150)	(144)	(139)	(133)
-	-	-	-	-	-	-
108	55	-	-	-	-	-
19	53	20	56	10	10	10
(74)	(103)	(61)	(88)	(34)	(22)	(16)
-	-	-	-	-	-	-
53	5	(41)	(32)	(24)	(12)	(6)
(108)	(111)	(116)	(118)	(120)	(127)	(127)
-	-	-	-	-	-	-

Solid Waste Management

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

What is the service?

The Tararua District Council owns and manages a small network of solid waste assets that is appropriate for a rural district with several small urban areas and townships.

Most of this value is the Dannevirke transfer station and recycling centre, and the Pahiatua transfer station and recycling centre.

There are two different focus areas for this activity. Refuse (including residential and commercial), which is delivered to Council-owned transfer stations by private waste businesses and residents, and recycling collected at kerbside by Council and dropped off by residents at recycling centres. These two sides of the solid waste services have very different drivers and are often in conflict from a cost control perspective.

Council has one small open landfill, in Pongaroa, which is closing by June 2021 as the resource consent is set to expire. It only processes 21 tonnes of refuse a year. There are two larger closed landfills (Dannevirke and Pahiatua) and three small closed landfills (Woodville, Eketāhuna and Ormondville). Transfer stations have been established at all these sites except Ormondville. Each site has windblown fence assets, and the operational ones have a kiosk/office. Dannevirke is the major centre of operations. Almost all operational activities are contracted out through a series of tendered contracts. All landfill sites are subject to resource consent conditions and are monitored. This includes leachate pond operations.

Why do we provide it?

Council regards the management of solid waste as an essential public good, and is also 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 recycling 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 (WMMP).

The Council adopted the first WMMP in December 2011, and a revised WMMP in December 2017. The 2017 WMMP identified that Council will continue existing recycling services, with a new glass recycling initiative that will see recycled glass transported to Auckland for recycling into new bottles and jars. An increased emphasis on education and support for home composting is aimed at reducing the volume of green waste and food waste entering the wastestream.

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.

How do we provide it?

The Tararua District waste stream is managed through a mixture of private and Council services.

All services are delivered through contracts, while Council owns and funds the maintenance of the transfer stations, open and closed landfills, and bulk bins/containers for glass and other recyclables. Contractors provide labour, collection, transport and sorting services.

Dannevirke acts as a hub for the smaller areas such as Ormondville, Makuri, Akitio and Herbertville. Recycling and transfer station materials are picked up and transported to Dannevirke as required. Waste for disposal is consolidated before being transported to Waipukurau from Dannevirke and Pahiatua. Recycling (excluding glass and green waste) is processed by Smart Environmental the Council contractor.

Recycling materials are collected by a Council funded urban kerbside weekly collection (paper, cardboard, cans, and plastics), or increasingly by residents directly depositing these materials, plus glass, at transfer stations. Metal collected for recycling is handled by General Metal

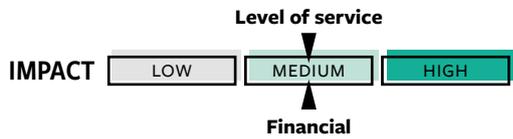
Recyclers, in Dannevirke. Metal recycling is also offered by Mega Wreckers, and Dismantling and Metal Recyclers.

Green waste is stockpiled at Pahiatua and Dannevirke. Every few months (as required) a private contractor shreds the material and transports it to Palmerston North City Awapuni Landfill to be processed and used as compost.

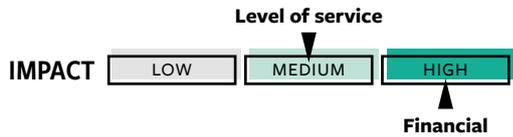
The Council closed the Eketāhuna landfill in June 2018 and constructed a small transfer station. With the closure of this landfill, Council (as stated in the 2017 Waste Management and Minimisation Plan) is consolidating glass at Dannevirke before transporting to Auckland for recycling by O-I NZ. Council is also proposing to close the Pongaroa landfill and construct a small transfer station or provide bulk bins for rubbish and recycling that will be transported to Dannevirke, as and when needed, by the end of the current resource consent in August 2021. Options are still being investigated at this stage.

Key issues and risks

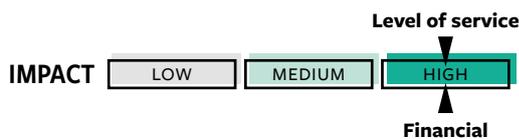
- Recycling materials cannot be reused (due to no market value) therefore significant increase to rates cost.



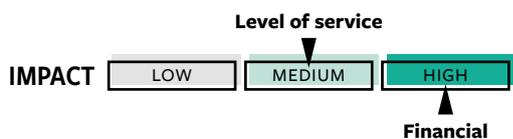
- Recycling volumes continue to climb resulting in increased costs and rates required.



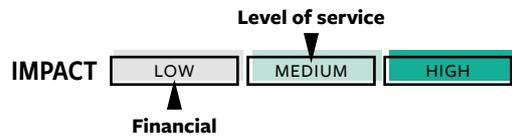
- New legislation in the next five years imposes more waste disposal/recycling requirements on Council, including impacts that bring forward closure of Pongaroa Landfill.



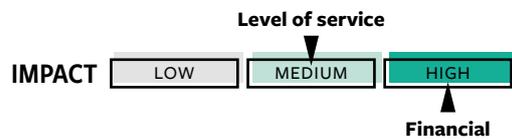
- Significant increase in costs to deliver current level of service.



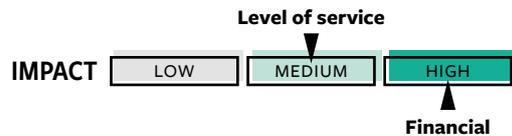
- Contractors suffer business failure.



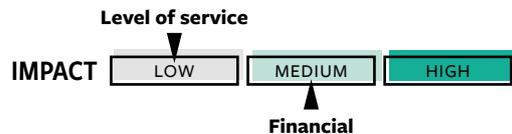
- Waterways or adjacent land contaminated from leachate.



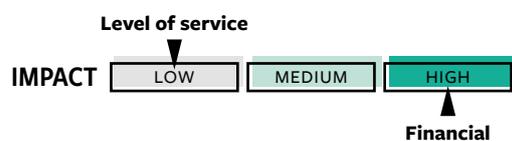
- Consent conditions are not met.



- Contract price for Council's refuse is increased significantly over the next few years.



- Legislation not met or imposes increased requirements on waste management and/or closed landfill management.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population growth

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
8% increase over 10 years.	More waste and recycling, and more traffic at transfer stations. More building waste.	Procurement process 2021. Upgrade kerbside recycling. More resource to manage activity.

■ Government regulations increase cost to dispose of waste

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Fixed price drives behaviours to “fill it up”.	More fly-tipping. More reasons to fill up wheelie bin.	Upgrade recycling service. Increase education.

■ Wheelie bin service for household waste

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Fixed price drives behaviours to “fill it up”.	More compostable and recycling in waste stream.	Increase education and provide more options for remote areas.

■ Markets for some plastics collapsed

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Cannot recycle plastic types 3, 4, 6, and 7 in an affordable way.	More plastic into landfill.	Education on buying products. Waiting for government to intervene.

Strategic considerations

OPTIONS FOR CHANGES TO SERVICE

The waste reduction targets are not being met, as Council has faced some difficult external trends and impacts over the last two years. The key drivers have been:

- changes to the world market for recyclable materials has severely reduced the revenue possible from these materials;
- Covid-19 and national lockdowns resulted in months of recyclables being sent to landfill;
- private contractors moving to wheelie bins for waste services has resulted in residents having additional volume available for 'waste' at a fixed price;
- government legislation and standards have increased the costs of disposing to landfill; and
- changes in ownership of a Council contractor has altered some operational practices.

The above has resulted in waste per resident increasing, with recyclable materials static. Residents are generally not using the kerbside recycling service and tonnages from this service have fallen significantly.

The latest waste audit (June 2020) has shown that while the proportion of recyclable material now going to landfill has decreased since 2010, there is still a significant portion in the waste stream. This is mainly in compostable and greenwaste (41%) but also in plastics, paper, cardboard and glass.

In order to achieve the goal of a 10% reduction in the tonnage of waste per capita being disposed of through transfer stations, Council will need to provide additional services.

Council is proposing a phased approach to increasing levels of service to address these issues:

- a) Education to explain to residents the reasons, techniques, products, and benefits of:
 - home composting (including greenwaste),
 - the correct materials to recycle, and
 - how to reduce household waste generated.
- b) Glass recycling at kerbside.
- c) Introduce kerbside recycling collection.

Another option is to move to a wheelie bin for refuse collection. This could be beneficial as it provides Council with a data collection method to track what is being sent to landfill. It may also prove cheaper for the community than the status quo, as our findings are that residents are paying out more money to dispose of waste via private contractors who in turn dispose of this same waste at council-owned transfer stations.

If done alongside glass recycling and co-mingled recycling at kerbside, it might prove to be beneficial to ratepayers and Council Waste Management and Minimisation Plan (WMMP) targets.

A formal review of the WMMP may be required to implement the full glass and wheelie bin urban kerbside service, as this is not a preferred option in the 2017 WMMP. A review is currently legally required in the 2023 year but may need to be done in 2021/22.

Major projects for the next ten years



RESIDENT RECYCLING WHEELIE BINS

Estimated cost: **\$359,000.**



DISTRICT FEASIBILITY ON RECOVERY AND ORGANIC PROCESSING

Estimated cost: **\$188,000.**



DISTRICT KERBSIDE REFUSE

Estimated cost: **\$158,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$896,008	40%	40-50%
Grants / other	\$47,267	5%	0-10%
Rates	\$1,257,883	55%	50-60%

Why is it funded this way?

Urban households and many commercial businesses receive a kerbside recycling service, and all properties have access to recycling bulk bins for glass and other materials. Rural residents are also using the provided

services by dropping off recycling at bulk bins and recycling centres.

Hence, 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.

Transfer stations, landfills, and recycling and refuse disposal services continue to be principally funded from rates. User charges as a pricing tool can impact on people's behaviour to achieve the reduction, reuse, and recycling of solid waste. Council receives waste levies that are used to off-set cost associate with recycling efforts to reduce waste.

Performance measures

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Environmental



Cultural



Economic

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Delivering resilient infrastructure

- To provide safe and functional public facilities



Growing strong communities

- To promote and develop resilience in our communities



Building a vibrant economy

- To support and promote business growth and diversity
- To support and facilitate education and training opportunities



Prudent financial management

- To optimise the amount of external funding received to reduce the financial burden on ratepayers

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Refuse and recycling services meet user needs	Percentage of resident's rating recycling services as "fairly satisfactory", "satisfactory" or "very satisfactory" in the community survey	Target 80%	80%	85%	85%	90%
	Achieved 81%					
	Percentage of resident's rating landfills/transfer station management as "fairly satisfactory", "satisfactory" or "very satisfactory" in the community survey	Target 75%	75%	75%	80%	80%
	Achieved 79%					
Council will promote and encourage recycling and reuse	Kg of waste per resident sent to landfills by the Council per annum	Target 256kg	270kg	250kg	240kg	235kg
	Not achieved 275kg					
	Tonnage of recycled materials processed by Council	Target 1,220 tonnes	1,100 tonnes	1,200 tonnes	1,300 tonnes	1,400 tonnes
	Not achieved 999 tonnes					
Council's open and closed landfills are well managed	Percentage of landfills where all Horizons resource consent conditions are met	Target 100%	100%	100%	100%	100%
	Achieved 100%					

Stormwater

This is how strongly the Council well-being outcomes relate to the Stormwater group of activities ▼



Activities in this group

- Solid Waste Management



Significant negative effects on the four well-beings

- Stormwater discharges can result in some contaminants from roads and other hard surfaces entering waterways.
- Increasing flood levels of waterways that stormwater discharges into.
- Safety issues from open drains, particularly when in high flow.



Assumptions

- Improvements to asset management processes and planning will improve our ability to predict, prioritise and plan the asset investment required to intervene at the right time.

CONFIDENCE MEDIUM

- Urban growth aligns with current projections (8% increase to 2031) and that the District Growth Management Strategy, currently being developed, will identify key infrastructure deficiencies, and enable prioritisation and delivery of infrastructure growth/improvement.

CONFIDENCE MEDIUM

- Planned investment will slowly improve the form of our infrastructure networks to align with modern day standards and expectations.

CONFIDENCE MEDIUM

- Urban stormwater discharges will not require resource consents.

CONFIDENCE LOW

- The Council will continue to provide stormwater services.

CONFIDENCE LOW

- The district will be affected by climate change broadly consistent with predicted changes as advised by government agencies, and that any impacts will be managed within forecast budgets.

CONFIDENCE LOW

GROUP LEVEL FUNDING IMPACT STATEMENT

Stormwater

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	716	611	597	664
Grants and subsidies operating	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	10	4	5	5
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	726	615	602	669
Applications of operating funding				
Payment to staff and suppliers	148	149	163	167
Finance costs	47	31	36	40
Internal charges and overheads applied	240	211	204	208
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	435	391	403	415
Surplus/(deficit) of operating funding (A - B)	291	224	199	254
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	6	303	166	217
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	6	303	166	217
Application of capital funding				
Capital expenditure:				
- to meet additional demand	50	70	93	127
- to improve the level of service	30	300	155	181
- to replace existing assets	277	50	52	64
Increase (decrease) in reserves	(59)	107	63	98
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	298	527	363	470
Surplus/(deficit) of capital funding (C - D)	(292)	(224)	(197)	(253)
Funding balance ((A - B) + (C - D))	-	-	-	-

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
-	-	-	-	-	-	-
748	805	831	858	890	922	954
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6	7	7	8	9	10	11
-	-	-	-	-	-	-
754	812	838	866	899	932	965
173	177	183	188	197	202	208
45	49	53	58	62	67	71
212	217	221	225	231	235	241
-	-	-	-	-	-	-
430	443	457	471	490	504	520
324	369	381	395	409	428	445
-	-	-	-	-	-	-
-	-	-	-	-	-	-
215	213	189	213	214	216	190
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
215	213	189	213	214	216	190
131	135	115	119	123	127	131
185	191	196	226	234	242	223
65	67	83	86	89	92	94
157	188	175	177	180	183	188
-	-	-	-	-	-	-
538	581	569	608	626	644	636
(323)	(368)	(380)	(395)	(412)	(428)	(446)
-	-	-	-	-	-	-

Stormwater

AIM: To provide an efficient stormwater network capacity that protects built assets and people from flood events.

What is the service?

The Stormwater activity is the provision and management of stormwater systems in and around the larger urban townships.

Stormwater runs from higher level impermeable or semi-permeable surfaces (buildings, driveways, sealed footpaths and roads) to the roadside kerb and channel then into the collection network. Flow direction is determined by contour topography across the catchment. Systems in Tararua District are gravity driven and require no pumping.

Why do we provide it?

Effective management of stormwater is critical to collect and dispose of excess stormwater in order to protect built assets and provide safe urban environments.

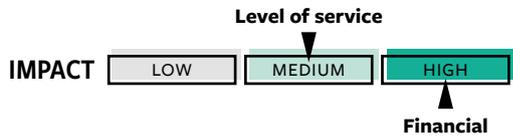
Stormwater schemes must operate within sustainable environmental boundaries. The results of our management decisions will impact on future generations and the health of various waterway systems.

How do we provide it?

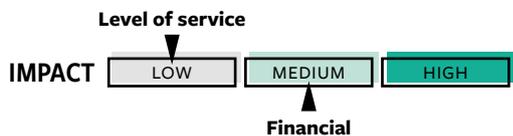
Council own, manage, and operate various stormwater schemes for the larger urban communities across the district.

Key issues and risks

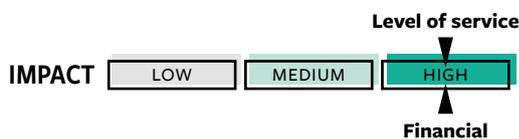
- Accuracy of asset valuation and depreciation, funding long term renewal needs.



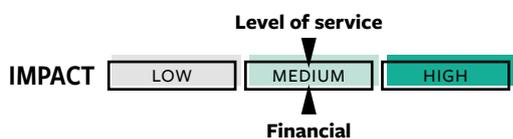
- Large district but small communities and ratepayer base creates challenges in terms of affordability.



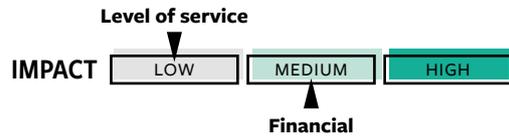
- Historic design/form of systems not meeting current and future needs of our communities.



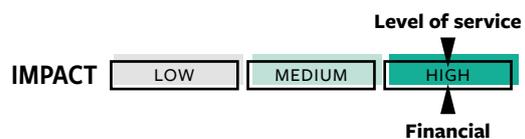
- Central Government led reform of New Zealand's three-waters service delivery.



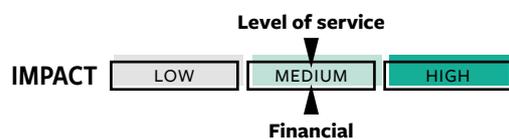
- Medium-low level of confidence in asset data, with significant gaps regarding condition, impacting ability to make optimal investment decisions.



- District and associated infrastructure is vulnerable to natural disasters, including storms and earthquakes causing significant damage to infrastructure and service disruption, placing additional pressure on resources and funding.



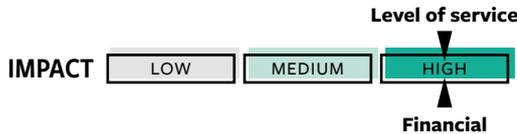
- Significant infrastructure investment in the Manawatū-Whanganui region expected to strain construction resources.



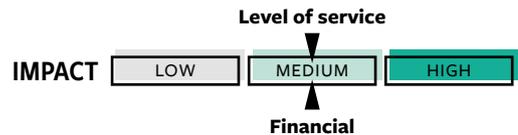
continued ►►

Key issues and risks

- Impacts of climate change causing significant damage to infrastructure and service disruption, placing additional pressure on resources and funding.



- After decades of population decline, now experiencing growth which is expected to continue/increase. This will increase demand on our existing infrastructure networks and create demand for additional infrastructure and/or improved service levels.



Strategic considerations

WHAT IS DRIVING DEMAND?

Population growth

How is it changing (predicted)?

8% increase over 10 years.

What impact will it have (on activity)?

Increasing demand on existing systems, and to extend networks.

What are we doing about it?

Improving network understanding and performance modelling.

Service standards

How is it changing (predicted)?

Community expectation due to climate change is increasing.

What impact will it have (on activity)?

More demand for investment in new stormwater drainage systems.

What are we doing about it?

Modelling to understand better the catchment and flows.

Climate change

How is it changing (predicted)?

Intensity and frequency of storm events.

What impact will it have (on activity)?

More frequent intense rainfall events.

What are we doing about it?

Modelling to understand better the catchment and flows. Discussions with Horizons Regional Council on possible future new assets.

Strategic considerations

OPTIONS FOR CHANGES TO SERVICE

A district review of our towns, villages and schemes to identify options for stormwater scheme addition/acquisition, disposal and/or amalgamation.

Extension of existing networks to accommodate increasing housing demand and development.

Review of strategy regarding climate change adaptation of our core infrastructure to improve network resilience in lieu of climate change.

Strategy to improve network form, ensuring reliable, resilient, fit for purpose and future proof systems.

Major projects for the next ten years



DEVELOPMENT AND EXTENSION OF RETICULATION NETWORK

Estimated cost: **\$1,172,000.**



DISTRICT STORMWATER DEVELOPMENT

Estimated cost: **\$1,982,000.**



RETICULATION STORMWATER RENEWALS

Estimated cost: **\$742,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	-	-	-
Grants / other	-	-	-
Rates	\$640,122	100%	100%

Why is it funded this way?

Properties within the stormwater network areas benefit from collection and disposal of 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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Environmental



Cultural



Economic

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY

 **Delivering resilient infrastructure**

- To ensure efficient stormwater network capacity

 **Growing strong communities**

- To promote, support and facilitate safe, caring communities
- To promote and develop resilience in our communities

 **Prudent financial management**

- To ensure rates reflect the services expected by our communities
- To ensure debt is maintained within prudent levels
- To optimise the amount of external funding received to reduce the financial burden on ratepayers

 **Building a vibrant economy**

- To support and promote business growth and diversity

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
The stormwater system is adequate	The number of flooding events where an overflow of stormwater enters a habitable floor*	Target < 20 Achieved 1	< 20	< 20	< 20	< 20
	For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system*	Target < 5 Achieved 0.2	< 5	< 5	< 5	< 5

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Risks to public health and our natural environment are minimised	Compliance with Council's resource consents for discharge from its stormwater system measured by the number of abatement notices*	Target 0	0	0	0	0
		Achieved 0				
	Compliance with Council's resource consents for discharge from its stormwater system measured by the number of infringement notices*	Target 0	0	0	0	0
		Achieved 0				
	Compliance with Council's resource consents for discharge from its stormwater system measured by the number of enforcement orders*	Target 0	0	0	0	0
		Achieved 0				
	Compliance with Council's resource consents for discharge from its stormwater system measured by the number of convictions*	Target 0	0	0	0	0
		Achieved 0				
Issues relating to the stormwater system are responded to	Median time (hours) to attend a flooding event, measured from the time that Council receives a notification until service personnel reach the site*	Target 2 hours	2 hours	2 hours	2 hours	2 hours
		Achieved 10 minutes				
Customers are satisfied with stormwater systems	Percentage of residents rating stormwater management as "fairly satisfactory", "satisfactory" or "very satisfactory" in the community survey	Target 70%	70%	70%	70%	70%
		Not achieved 66%				
	The number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to Council's stormwater system	Target <9	<9	<9	<9	<9
		Achieved 5.7				

* Indicates this is a Department of Internal Affairs local government non-financial performance measure.

Transportation

This is how strongly the Council well-being outcomes relate to the Transportation group of activities ▼



Activities in this group

- Footpaths
- Roothing



Significant negative effects on the four well-beings

- With a large network and limited resources, including constraints on funding from government, expectations need to be managed as there is always a trade-off between demand, affordability, and level of service.
- The roading network can adversely impact the environment including visual, earthworks, noise, freshwater and air quality.
- With roading networks there is a carbon footprint associated and current practices do not promote improvements in this area – from material usage to stormwater runoff to diesel vehicles operating on the network.



Assumptions

- Council's role in road network maintenance remains the same as the current structure.

CONFIDENCE HIGH
- The NZ Transport Agency subsidy level for roading maintenance and renewals will remain at the current rate at 69% to 2031.

CONFIDENCE HIGH
- Traffic volumes and makeup will continue at current trends. Increased heavy vehicles is expected on some roads due to forestry harvests, increasing maintenance and renewal needs.

CONFIDENCE MEDIUM
- Land use will remain at current patterns with increasing forestry.

CONFIDENCE MEDIUM
- Forestry harvests as forecasted.

CONFIDENCE LOW
- Oil prices will not significantly impact costs in the next 10 years..

CONFIDENCE MEDIUM
- No large new industrial developments outside of current industrial/commercial land.

CONFIDENCE MEDIUM
- Enhancement to the footpath network will occur with improvements to town centres in Pahiatua and post urban ultra fast broadband installation.

CONFIDENCE HIGH

GROUP LEVEL FUNDING IMPACT STATEMENT

Transportation

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	17	(2)	3	4
Targeted rates	6,162	6,592	6,947	7,264
Grants and subsidies operating	4,618	5,211	5,378	5,543
Fees and charges	165	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	141	72	66	61
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	11,103	11,873	12,394	12,872
Applications of operating funding				
Payment to staff and suppliers	7,239	7,816	8,063	8,311
Finance costs	158	151	147	144
Internal charges and overheads applied	1,718	1,867	1,813	1,856
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	9,115	9,834	10,023	10,311
Surplus/(deficit) of operating funding (A - B)	1,988	2,039	2,371	2,561
Sources of capital funding				
Subsidies and grants for capital expenditure	13,665	13,299	8,262	5,731
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	950	(825)	(520)	(679)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	14,615	12,474	7,742	5,052
Application of capital funding				
Capital expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	4,404	800	1,650	1,147
- to replace existing assets	13,619	14,857	9,413	7,265
Increase (decrease) in reserves	(1,418)	(1,143)	(950)	(798)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	16,605	14,514	10,113	7,614
Surplus/(deficit) of capital funding (C - D)	(1,990)	(2,040)	(2,371)	(2,562)
Funding balance ((A - B) + (C - D))	-	-	-	-

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
1	2	3	5	7	9	21
7,598	7,975	8,298	8,782	9,111	9,386	9,682
5,840	6,010	6,184	6,363	6,548	6,738	6,933
-	-	-	-	-	-	-
57	53	53	54	54	56	57
-	-	-	-	-	-	-
13,496	14,040	14,538	15,204	15,720	16,189	16,693
8,696	8,947	9,207	9,474	9,751	10,032	10,323
140	138	137	136	135	135	135
1,894	1,935	1,971	2,007	2,057	2,096	2,144
-	-	-	-	-	-	-
10,730	11,020	11,315	11,617	11,943	12,263	12,602
2,766	3,020	3,223	3,587	3,777	3,926	4,091
12,443	15,448	10,654	7,720	7,606	8,174	8,447
-	-	-	-	-	-	-
(555)	(543)	(523)	(511)	(500)	(488)	(395)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,888	14,905	10,131	7,209	7,106	7,686	8,052
-	-	-	-	-	-	-
1,530	1,574	1,620	1,667	1,715	1,765	1,816
14,158	17,088	12,377	9,641	9,430	10,207	10,556
(1,035)	(737)	(643)	(512)	(260)	(361)	(228)
-	-	-	-	-	-	-
14,653	17,925	13,354	10,796	10,885	11,611	12,144
(2,765)	(3,020)	(3,223)	(3,587)	(3,779)	(3,925)	(4,092)
-	-	-	-	-	-	-

Footpaths

AIM: To provide safe spaces for “non-vehicular” modes of transport to operate.

What is the service?

The Council manages approximately 111km of footpaths, 1.1km of cycleway, and 23 off-carriageway car parks.

Council has a policy to provide at least one footpath per urban road where pedestrian access is required.

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).

Why do we provide it?

The purpose of footpaths and cycleways is to provide safe spaces for “non-vehicular” modes of transport to operate.

They are a link between journey origin and destination for their respective users and are an essential component of an effective, efficient and sustainable transport system and enable customers to make smart transport choices.

How do we provide it?

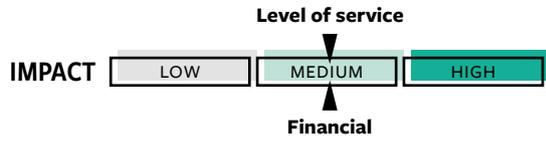
The Footpath activity is managed and delivered by the Tararua Alliance, an unincorporated joint venture between the Council and Downer NZ Ltd.

Responsibilities include management of all assets, short and long term planning for the maintenance and renewals of assets, the delivery of physical works to maintain and renew assets, and management of compliance obligations for operators on the network.

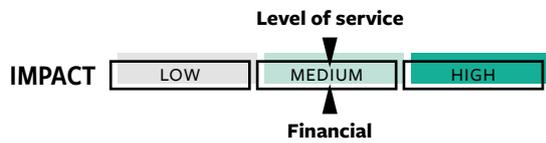
The majority of footpath assets are located within the four main urban areas in Tararua, with a small amount in the minor townships of Norsewood, Pongaroa, and Ormondville. Council has one formed cycleway running between Pahiatua and the Fonterra dairy processing plant located 1.1km from the town boundary. In addition to this, Council has wide street formations that provide ample room for vehicles, pedestrians and cyclists to mix, making cycling a relatively safe activity.

Key issues and risks

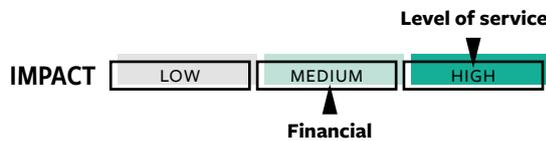
- An increasing ageing population with changing level of service expectations will increase maintenance costs or change level of service expectations.



- The roll out of the ultra-fast broadband has delayed footpath renewals, decreasing the level of service and increasing maintenance needs.



- Inconsistencies with footpath provision, type, width, and vehicle crossings causes confusion with regards to level of service expectations and safety risk.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population growth

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Growth in overall population and also ageing population.	Condition needs to be fit for purpose to ensure safe usage for all.	Investing more in footpath renewal works once the ultra-fast broadband rollout has concluded, as well as early identification of poor condition.

■ Desire for more walkway and cycleways

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Central Government policy encouraging increased walking/cycling to offset transport carbon profile.	Increased demand for connected networks to be in place to enable this mode of transport.	In conjunction with the Visitor and Walk-Cycle Strategy that focuses on a way to encourage tourism, we will be investigating recreational and commuter needs and responding where possible.

OPTIONS FOR CHANGES TO SERVICE

Growth is a major factor in the changing landscape of footpath, walkway and cycleway usage within Tararua. With the buoyant housing market in the Manawatū and other neighbouring districts, the Tararua has shown strong signs of following suit and as such the urban population is growing. Add to this a potential ageing population trend and the footpath network needs to be suitable and safe for multiple users – including foot, cycle and mobility scooter traffic. With the ultra-fast broadband rollout due to be

completed in the next few years, our footpath renewal programme can resume with gusto to ensure a smooth and safe journey for these users.

An increase in budget for the footpath category will allow some level of service issues to be addressed. In particular, it will focus on ensuring there is at least one footpath on high risk and trafficked routes as well as the upgrading of the width of some narrow footpaths.

Major projects for the next ten years



NEW FOOTPATH CONSTRUCTION

Estimated cost: **\$1,979,000.**



EXISTING FOOTPATH RENEWALS

Estimated cost: **\$3,919,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$3,652	-	-
Grants / other	\$347,078	96%	40-60%
Rates	\$589,243	4%	30-40%

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 from NZ Transport Agency as a grant reflects the private benefits that are often gained by users that have driven to a property or location. The private benefit is collected via fuel taxes and road user charges by the government and allocated by a grant through NZ Transport Agency.

Why is it funded this way?

Occupiers of urban residential and commercial properties that 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.

Performance measures

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Economic



Social



Environmental

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Delivering resilient infrastructure

- To ensure public roads and footpaths are safe, reliable and resilient



Growing strong communities

- To promote, support and facilitate safe, caring communities



Building a vibrant economy

- To support and promote business growth and diversity
- To promote our district as a visitor destination



Prudent financial management

- To optimise the amount of external funding received to reduce the financial burden on ratepayers

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Our footpaths are maintained to an appropriate standard	The percentage of footpaths within the district fall within the footpath condition standards set out in the Asset Management Plan*	Target 90%	90%	90%	90%	90%
	Percentage of resident's rating footpaths and cycleways as "fairly satisfactory", "satisfactory" or "very satisfactory" in the community survey	Target 75%	75%	75%	75%	75%
Our customers are responded to in a timely manner	Customer service requests relating to footpaths and cycleways are responded to within 3 working days	New measure	90%	90%	90%	90%

Roading

AIM: To provide a safe and efficient roading network that meets the needs of the district and is operated and enhanced in a sustainable manner at the lowest overall whole of life cost.

What is the service?

Council's road network is the fourth largest of any local authority in New Zealand, with one of the fewest number of ratepayers per kilometre of road.

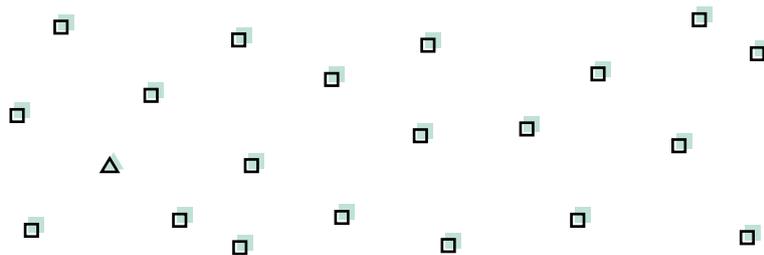
The council owns and manages:

- A vehicular network comprised of sealed roads, unsealed roads, bridges, and high capacity culverts.
- A pedestrian network.
- Enabling infrastructure, including: stormwater channels and drains (mainly shallow, unlined surface water channels and kerb and channel)
- Culverts and other drainage assets including sumps and manholes.
- Retaining walls.
- Safety infrastructure comprised of streetlights, road signs, and rails and barriers.

Why do we provide it?

Council has statutory obligations under the Land Transport Management Act 2003 to maintain a road network within the district.

The transportation activity is delivered by Council, providing a safe and efficient road network that enables the movement of people and products, both within and through the district. An effective road network is also essential to ensuring the economic and social well-being of the community through the provision of access and mobility for people, goods and services.



How do we provide it?

The Roding activity is managed and delivered by the Tararua Alliance, an unincorporated joint venture between the Council and Downer NZ Ltd.

Responsibilities include: management of all assets, short- and long-term planning for the maintenance and renewals of assets, the delivery of physical works to maintain and renew assets, and management of compliance obligations for operators on the network.

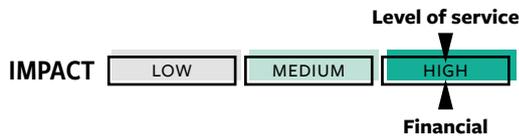
Management, maintenance, and renewal of roads and associated assets is the most costly of the Council's major activities. Due to the low ratepayer base, Council is heavily reliant upon subsidies received from the NZ Transport Agency (NZTA). Council receives a subsidy of 66% from the

NZTA (in 2020/21), which is increasing to 69% for the next three years.

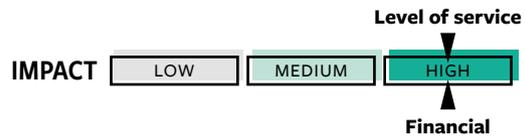
With a roading network supporting a large agricultural sector and, although our roads have low traffic volumes, maintaining our roads is critical to enable economic activity and growth. This allows for the efficient transport of goods and services to the wider New Zealand economy. Underpinning this is the need to keep the service affordable as well as safe and resilient for the community.

Key issues and risks

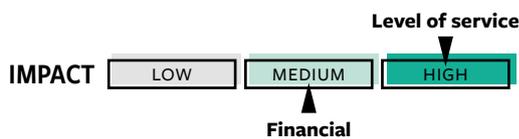
- Changing climate conditions highlight that our road network is vulnerable to significant environmental events affecting reliability and resilience.



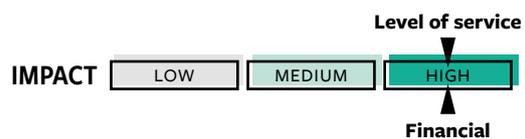
- Permanent closure of the Manawatū Gorge road has changed the function and use of some Council roads, resulting in increased deterioration and intervention costs.



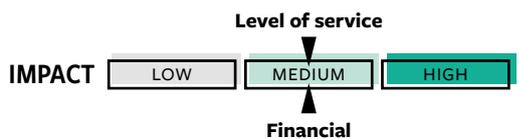
- Inconsistent road form and ad hoc safety measures are resulting in a high risk of serious crash to motorists.



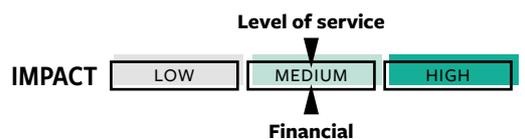
- Many bridges are likely to be under-strength, requiring capacity restrictions, unbudgeted strengthening, or replacement.



- Without a deliberate change to current practices, the impact that road activities have on the environment will continue to be negative.



- An increasingly ageing population with changing level of service expectations will increase maintenance costs or change level of service expectations.



- The current level of service does not actively support economic activity due to the lack of a specific strategy to address both this and the historic management of the network.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Logging operations

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
As new forestry harvesting operations come on board, the impact of the associated heavy traffic on the network changes putting additional stress on the condition of the network.	With increased wear on the routes taken by logging vehicles the deteriorating condition of those routes will increase.	Early identification of potentially affected roads to ensure they are fit for purpose and attended to when needed.

■ Wind farm movements

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
With the Turitea wind farm construction under way, there will be an increase in large equipment being moved through our network.	While only occurring over a short time period the weights involved have the potential to do damage to the bridges on those routes.	A very restricted route has been defined for these movements and the bridges inspected and closely monitored for the duration.

■ Gorge closure

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
With the closure of the state highway through the Manawatū Gorge, traffic volumes and the routes they take have changed.	Increased risk of crash and chance of heightened road deterioration on certain routes, such as Saddle Road and Pahiatua Track.	NZ Transport Agency are managing and maintaining the routes but ancillary roads are undergoing improvements to ensure safety.

OPTIONS FOR CHANGES TO SERVICE

As part of the business case approach the road activity has been analysed to determine options to address the identified problems. Council can reduce costs by reducing the level of maintenance across the road network. This will result in a declining level of service that Council generally considers unacceptable and contrary to the vision of Council and well-being outcomes. Consideration was made to continue as per previous years or whether to make changes to improve the delivery of the services.

Almost all of the activities have received an increase in the level of funding to enable targeted solutions that will improve Council's position with relation to our identified problems. This is, however, offset by a recent NZ Transport Agency Financial Assistance Rate review that moved the subsidy level from 66% to 69%. This has, in essence, provided an opportunity for Council to invest more with it costing less.

Major projects for the next ten years



MINOR SAFETY IMPROVEMENTS
Estimated cost: **\$13,304,000.**



ROUTE 52 UPGRADE – BOUNDARY TO WEBER
Estimated cost: **\$10,288,000.**



ROUTE 52 UPGRADE – WEBER TO PONGAROA
Estimated cost: **\$17,480,000.**



DRAINAGE RENEWALS
Estimated cost: **\$6,747,000.**



SEALED ROADS RESURFACING
Estimated cost: **\$25,306,000.**



PAVEMENT REHABILITATION
Estimated cost: **\$19,148,000.**



BRIDGE RENEWALS
Estimated cost: **\$4,247,000.**



UNSEALED ROAD METALLING
Estimated cost: **\$6,434,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$160,467	1%	0-5%
Grants / other	\$12,937,106	73%	65-75%
Rates	\$5,775,044	26%	25-35%

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

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Economic



Social



Environmental

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Infrastructure

- To optimise the amount of external funding received to reduce the financial burden on ratepayers



Economy

- To support and promote business growth and diversity
- To promote our district as a visitor destination
- To support and facilitate education and training opportunities



Community

- To promote, support and facilitate safe, caring communities
- To promote and develop resilience in our communities



Financial

- To ensure public roads and footpaths are safe, reliable, and resilient

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Our roading network is safe	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number*	Target	< 0	< 0	< 0	< 0
		Achieved				
Our roads are maintained to an appropriate standard	The average quality of ride on a sealed local road network, measured by smooth travel exposure*	Target	> 95%	> 95%	> 95%	> 95%
		Not achieved				
	85%					
Percentage of residents rating urban roads as “fairly satisfactory”, “satisfactory” or “very satisfactory” in the community survey	Target	75%	75%	75%	75%	
	Achieved	75%				
Percentage of residents rating rural roads as “fairly satisfactory”, “satisfactory” or “very satisfactory” in the community survey	Target	75%	60%	60%	60%	65%
	Not achieved	50%				

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Our transportation network is being maintained effectively	The percentage of road network that is resurfaced	Target > 5% Not achieved 3.6%	> 5%	> 5%	> 5%	> 5%
Our customers are responded to in a timely manner	Customer service requests relating to roads are responded to within 3 working days	New measure	90%	90%	90%	90%

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

Wastewater

This is how strongly the Council well-being outcomes relate to the Wastewater group of activities ▼



Activities in this group

- Wastewater



Significant negative effects on the four well-beings

- Contamination of waterways associated with wastewater.
- Leakage from system contaminates groundwater.
- Trade waste contaminants inappropriately discharged.
- Odour from poor treatment practices impacts on other landowners.
- Cultural values could be negatively impacted by low quality treated wastewater disposal, namely:
 - Wastewater discharge can lead to localised damage of river habitats
 - Discharge to waterways impacts on “mauri”, and on traditional fishing sources and recreation sites.



Assumptions

- Council will apply for additional external funding from central government, through grants and/or subsidies, if available.

CONFIDENCE MEDIUM
- Urban growth aligns with current projections (8% increase to 2031) and that the District Growth Management Strategy, currently being developed, will identify key infrastructure deficiencies, and enable prioritisation and delivery of infrastructure growth/improvement.

CONFIDENCE MEDIUM
- Contractors for large capital investments will be available at reasonable costs. Council may vary timing of projects to align procurement efficiencies.

CONFIDENCE LOW
- Planned investment will slowly improve the form of our infrastructure networks to align with modern day standards and resource consent conditions.

CONFIDENCE MEDIUM
- Council will be able to obtain insurance cover as required from private insurance companies.

CONFIDENCE LOW
- Conditions of existing resource consents held by Council will not be altered significantly from that budgeted.

CONFIDENCE LOW
- Forecast investment will be sufficient to meet more stringent service standards for resource consent requirements for wastewater consent renewals.

CONFIDENCE LOW
- That legislated minimum levels of service/ standards (such as discharge consents) will not be changed.

CONFIDENCE LOW
- That Council will continue to provide wastewater services.

CONFIDENCE LOW

GROUP LEVEL FUNDING IMPACT STATEMENT

Wastewater

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	135	149	167	186
Targeted rates	2,552	2,827	3,177	3,535
Grants and subsidies operating	-	-	-	-
Fees and charges	143	171	177	182
Local authorities fuel tax, fines, infringement fees, and other receipts	-	5	5	5
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	2,830	3,152	3,526	3,908
Applications of operating funding				
Payment to staff and suppliers	1,152	1,398	1,541	1,689
Finance costs	267	266	314	367
Internal charges and overheads applied	373	454	448	459
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,792	2,118	2,303	2,515
Surplus/(deficit) of operating funding (A - B)	1,038	1,034	1,223	1,393
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	262	2,565	1,951	3,116
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	262	2,565	1,951	3,116
Application of capital funding				
Capital expenditure:				
- to meet additional demand	50	250	259	265
- to improve the level of service	646	2,886	2,392	3,648
- to replace existing assets	1,207	1,075	3,332	1,707
Increase (decrease) in reserves	(602)	(612)	(2,808)	(1,113)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,301	3,599	3,175	4,507
Surplus/(deficit) of capital funding (C - D)	(1,039)	(1,034)	(1,224)	(1,391)
Funding balance ((A - B) + (C - D))	-	-	-	-

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
195	206	215	224	233	239	249
3,713	3,917	4,092	4,259	4,424	4,549	4,733
-	-	-	-	-	-	-
187	192	197	204	211	218	224
5	6	6	6	6	6	7
-	-	-	-	-	-	-
4,100	4,321	4,510	4,693	4,874	5,012	5,213
1,738	1,785	1,834	1,889	1,952	2,013	2,074
441	480	498	529	538	524	504
469	479	487	496	509	518	529
-	-	-	-	-	-	-
2,648	2,744	2,819	2,914	2,999	3,055	3,107
1,452	1,577	1,691	1,779	1,875	1,957	2,106
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,901	(177)	1,882	1,137	(354)	(953)	(896)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,901	(177)	1,882	1,137	(354)	(953)	(896)
273	281	288	298	307	318	328
4,581	690	2,731	2,071	627	-	-
1,811	2,234	1,600	1,051	921	947	911
(1,312)	(1,806)	(1,047)	(505)	(333)	(261)	(29)
-	-	-	-	-	-	-
5,353	1,399	3,572	2,915	1,522	1,004	1,210
(1,452)	(1,576)	(1,690)	(1,778)	(1,876)	(1,957)	(2,106)
-	-	-	-	-	-	-

Wastewater

AIM: To ensure efficient and reliable wastewater treatment that meets agreed environmental outcomes.

What is the service?

The reticulation, treatment and management of urban wastewater networks.

This activity manages seven wastewater networks covering the major urban areas in the district. Exceptions are the beach communities of Akitio and Herbertville that have very small populations for the majority of the year and operate with on-site disposal systems.

Why do we provide it?

Effective management of wastewater is critical to supporting human and environmental health, and to support industrial and economic needs.

Communities need a safe, reliable and sufficient systems to collect and dispose of wastewater.

How do we provide it?

Council own, manage and operate various wastewater networks for urban communities across the district.

All schemes consist of three main categories of assets:

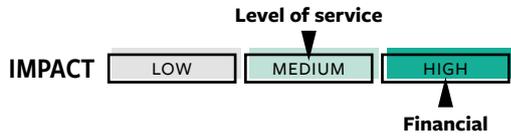
Wastewater reticulation: Untreated wastewater is discharged by the consumer through a network of pipes. The flow of wastewater is controlled through a series of valves and may include some pumping.

Wastewater treatment: Wastewater moves into the wastewater treatment facilities which vary from scheme to scheme, but typically consist of a filtering process and a chemical treatment process.

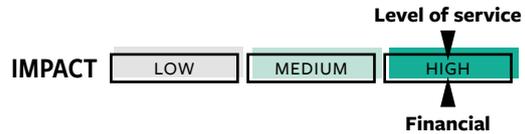
Treated wastewater discharges: Treated wastewater is discharged into open water courses under the provisions of a resource consent.

Key issues and risks

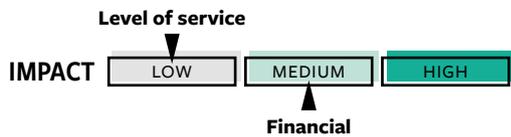
- Accuracy of asset valuation and depreciation, funding long term renewal needs.



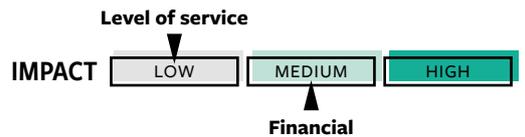
- Our underground reticulation infrastructure is ageing and significant investment in renewal is required in the medium term to prevent impacts on service levels.



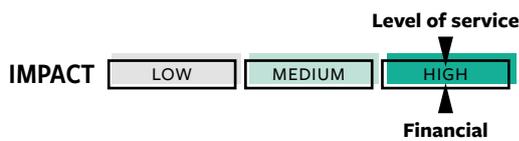
- Large district but small communities and ratepayer base creates challenges in terms of affordability.



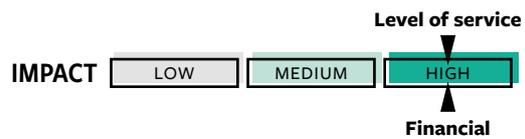
- Medium-low level of confidence in asset data, with significant gaps regarding condition, impacting ability to make optimal investment decisions.



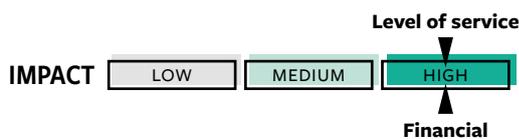
- District and associated infrastructure is vulnerable to natural disasters, including storms and earthquakes, causing significant damage to infrastructure and service disruption, placing additional pressure on resources and funding.



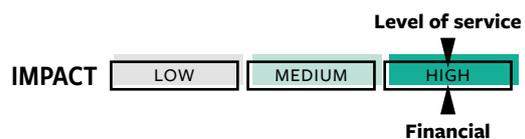
- Impacts of climate change causing significant damage to infrastructure and service disruption, placing additional pressure on resources and funding.



- Historic design/form of systems not meeting current and future needs of our communities.



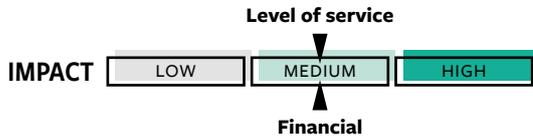
- Legislative changes increasing consent compliance requirements.



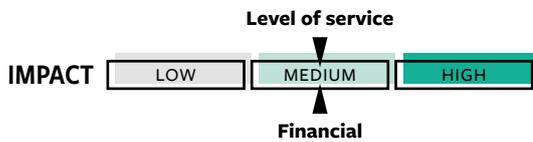
continued >>>

Key issues and risks

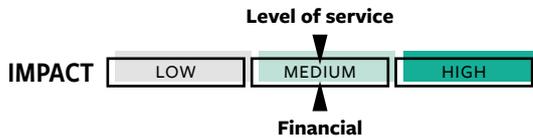
- Central Government led reform of New Zealand’s three-waters service delivery.



- Significant infrastructure investment in the Manawatū-Whanganui region expected to strain construction resources.



- After decades of population decline, we are now experiencing growth that is expected to continue/ increase. This will increase demand on our existing infrastructure networks and create demand for additional infrastructure and/or improved service levels.



Strategic considerations

WHAT IS DRIVING DEMAND?

■ Population growth

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
8% increase over 10 years.	Increasing demand on existing systems, and to extend networks.	Improving network understanding and performance modelling.

■ Increasing treatment and discharge standards (consents to discharge) driven by societal expectations and Freshwater reforms

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
Community expectations and legislation requirements are increasing.	Likely to increase the costs of treatment and disposal upgrades required to renew discharge consents. Increased pressure to move to land based discharges that are more costly.	Partnerships with iwi to build understanding – engaging at beginning of process in order to avoid conflict.

OPTIONS FOR CHANGES TO SERVICE

A district review of our towns, villages and schemes to identify options for wastewater scheme addition/acquisition, disposal and/or amalgamation.

Review of strategy regarding climate change adaptation of our core infrastructure to improve network resilience in lieu of climate change.

Strategy for optimising wastewater treatment and disposal.

Extension of existing networks to accommodate increasing housing demand and development.

Strategy to improve network form, ensuring reliable, resilient, fit for purpose and future proof systems.

Major projects for the next ten years



DEVELOPMENT AND EXTENSION OF WASTEWATER NETWORK

Estimated cost: **\$2,867,000.**



DANNEVIRKE LAND PURCHASE

Estimated cost: **\$3,359,000.**



DANNEVIRKE WASTEWATER DISCHARGE CONSENT

Estimated cost: **\$1,135,000.**



DANNEVIRKE DISPOSAL TO LAND

Estimated cost: **\$1,848,000.**



DANNEVIRKE WASTEWATER TREATMENT PLANT UPGRADE

Estimated cost: **\$1,258,000.**



EKETĀHUNA WASTEWATER TREATMENT PLANT UPGRADE

Estimated cost: **\$1,530,000.**



NORSEWOOD WASTEWATER TREATMENT PLANT UPGRADE

Estimated cost: **\$1,162,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$148,343	5%	0-10%
Grants / other	\$7,656	-	0-5%
Rates	\$2,662,552	95%	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.



**WETLAND DEVELOPMENTS – PAHIATUA, WOODVILLE, EKETĀHUNA,
PONGAROA, ORMONDVILLE, NORSEWOOD**

Estimated cost: **\$4,788,000.**



INFILTRATION AND INFLOW STRATEGY IMPLEMENTATION

Estimated cost: **\$3,375,000.**



DANNEVIRKE INVERTED SYPHON REPLACEMENT

Estimated cost: **\$1,342,000.**



WASTEWATER NETWORK RENEWALS

Estimated cost: **\$7,060,000.**



PAHIATUA WASTEWATER TREATMENT PLANT RENEWAL

Estimated cost: **\$1,285,000.**



WOODVILLE WASTEWATER TREATMENT PLANT RENEWAL

Estimated cost: **\$1,310,000.**

Performance measures

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY


Social

Economic

Cultural

Environmental

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY


Delivering resilient infrastructure

- To ensure efficient and reliable wastewater treatment that meets environmental outcomes


Building a vibrant economy

- To support and promote business growth and diversity


Growing strong communities

- To promote, support and facilitate safe, caring communities
- To promote and develop resilience in our communities


Prudent financial management

- To ensure rates reflect the services expected by our communities
- To ensure debt is maintained within prudent levels
- To optimise the amount of external funding received to reduce the financial burden on ratepayers

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
The wastewater system is adequate	The number of dry weather sewage overflows from the wastewater system per 1000 connections*	Target	< 5	< 5	< 5	< 5
		Achieved				
Risks to public health and our natural environment are minimised	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of abatement notices*	Target	0	0	0	0
		Achieved	0			
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of infringement notices*	Target	0	0	0	0
		Achieved	0			
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of enforcement orders*	Target	0	0	0	0
		Achieved	0			

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of convictions*	Target 0 Achieved 0	0	0	0	0
Issues relating to the wastewater system are responded to	Median response time to attend a sewage fault, measured from the time Council receives notification to the time that service personnel reach the site*	Target 1 hour Achieved 40 minutes	1 hour	1 hour	1 hour	1 hour
	Median response 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*	Target 5 hours Achieved 1 hour 42 minutes	5 hours	5 hours	5 hours	5 hours
Customers are satisfied with wastewater systems	Percentage of residents rating Wastewater management as "fairly satisfactory", "satisfactory" or "very satisfactory" in the community survey	Target 80% Achieved 91%	80%	80%	80%	85%
	Number of complaints received about wastewater per 1,000 connections for sewage odour*	Target < 5 Achieved 1.7	<4	<4	<4	<4
	Number of complaints received about wastewater per 1,000 connections for sewerage system faults*	Target < 5 Achieved 3.8	<5	<5	<5	<5
	Number of complaints received about wastewater per 1,000 connections for sewerage system blockages*	Target < 7 Not achieved 7	<7	<7	<7	<7
	Number of complaints received about wastewater per 1,000 connections for the territorial authority's response to issues with its sewerage system*	Target < 10 Achieved 0.2	<3	<3	<3	<3
	Number of complaints received about Council's response to the above issues per 1,000 connections for wastewater*:	Target < 27 Achieved 12.8	< 19	< 19	< 19	< 19

* Indicates this is a Department of Internal Affairs local government non-financial performance measure.

Water Supplies

This is how strongly the Council well-being outcomes relate to the Water Supplies group of activities ▼



Activities in this group

- Wastewater



Significant negative effects on the four well-beings

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



Assumptions

- Council will apply for additional external funding from central government, through grants and/or subsidies, if available.

CONFIDENCE MEDIUM

- Urban growth aligns with current projections (8% increase to 2031) and that the District Growth Management Strategy, currently being developed, will identify key infrastructure deficiencies, and enable prioritisation and delivery of infrastructure growth/improvement.

CONFIDENCE MEDIUM

- Contractors for large capital investments will be available at reasonable costs as budgeted for. Council may vary timing of projects to align procurement efficiencies.

CONFIDENCE LOW

- Council will be able to obtain insurance cover, as required, from private insurance companies.

CONFIDENCE LOW

- The district will be affected by climate change broadly consistent with predicted changes as advised by government agencies, and that any impacts will be managed within forecast budgets.

CONFIDENCE MEDIUM

- Conditions of existing resource consents held by Council will not be altered significantly from that budgeted.

CONFIDENCE LOW

- Resource consents issued for new / upgraded infrastructure will not contain significantly different conditions / standards to those anticipated in the project.

CONFIDENCE LOW

- That legislated minimum levels of service/ standards (such as drinking water quality) will not be changed, and that forecast investment will be sufficient to meet more stringent service/monitoring standards for drinking water.

CONFIDENCE LOW

- That Council will retain the current boundaries and will continue to provide water services.

CONFIDENCE LOW

- No new large wet industries will connect to Council water supplies without their own independent water source.

CONFIDENCE MEDIUM

- Users will continue to be responsible for the management and funding of their connection to the Council main.

CONFIDENCE MEDIUM

GROUP LEVEL FUNDING IMPACT STATEMENT

Water Supplies

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,879	3,164	3,451	3,662
Grants and subsidies operating	-	-	-	-
Fees and charges	5	5	5	5
Local authorities fuel tax, fines, infringement fees, and other receipts	114	57	53	46
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	2,998	3,226	3,509	3,713
Applications of operating funding				
Payment to staff and suppliers	1,289	1,511	1,668	1,731
Finance costs	419	342	342	349
Internal charges and overheads applied	365	497	493	506
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,073	2,350	2,503	2,586
Surplus/(deficit) of operating funding (A - B)	925	876	1,006	1,127
Sources of capital funding				
Subsidies and grants for capital expenditure	3,834	3,150	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	282	169	(110)	793
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	4,116	3,319	(110)	793
Application of capital funding				
Capital expenditure:				
- to meet additional demand	70	200	207	212
- to improve the level of service	893	3,929	503	1,396
- to replace existing assets	4,770	940	1,614	1,742
Increase (decrease) in reserves	(690)	(873)	(1,429)	(1,432)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	5,043	4,196	895	1,918
Surplus/(deficit) of capital funding (C - D)	(927)	(877)	(1,005)	(1,125)
Funding balance ((A - B) + (C - D))	-	-	-	-

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
-	-	-	-	-	-	-
3,879	4,074	4,265	4,366	4,482	4,601	4,715
-	-	-	-	-	-	-
5	5	5	6	6	6	6
40	33	28	28	26	27	26
-	-	-	-	-	-	-
3,924	4,112	4,298	4,400	4,514	4,634	4,747
1,782	1,830	1,880	1,936	2,001	2,064	2,127
359	353	341	330	319	308	298
517	528	536	546	560	569	581
-	-	-	-	-	-	-
2,658	2,711	2,757	2,812	2,880	2,941	3,006
1,266	1,401	1,541	1,588	1,634	1,693	1,741
-	-	-	-	-	-	-
-	-	-	-	-	-	-
103	(633)	(538)	(503)	(531)	(497)	(466)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
103	(633)	(538)	(503)	(531)	(497)	(466)
218	224	231	238	246	254	262
742	6	63	65	6	6	7
1,814	1,487	1,015	1,119	1,008	1,081	1,180
(1,404)	(949)	(306)	(339)	(154)	(147)	(174)
-	-	-	-	-	-	-
1,370	768	1,003	1,083	1,106	1,194	1,275
(1,267)	(1,401)	(1,541)	(1,586)	(1,637)	(1,691)	(1,741)
-	-	-	-	-	-	-

Water Supplies

AIM: To ensure a reliable supply of safe drinking water to our communities.

What is the service?

This activity ensures the provision and management of water supply to urban townships.

Why do we provide it?

Effective management of water is critical to supporting human, animal, and plant life, and to supply industrial and economic needs.

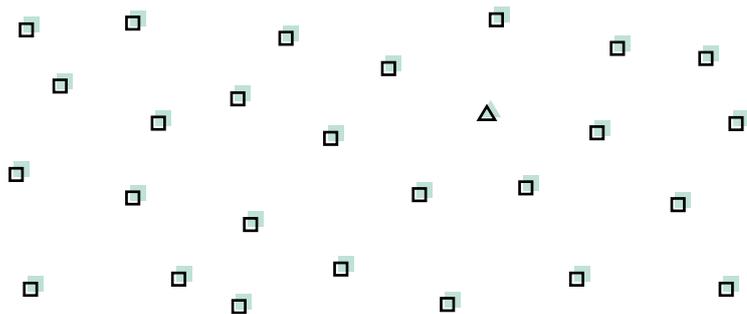
Communities need a safe, reliable, and sufficient system to supply water for drinking and cleaning.

How do we provide it?

Council owns, manages, and operates various water supply schemes for communities across the district.

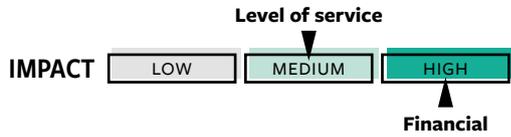
Council provides water supplies to eight communities. The eight schemes managed by Council supply have an intake controlled under a Regional Council Resource Consent, some form of treatment, storage and reticulation.

In managing the eight schemes, the Council maintains the water supply intake areas, reservoirs, pipe reticulation, fire hydrant valves, property laterals and tobies.

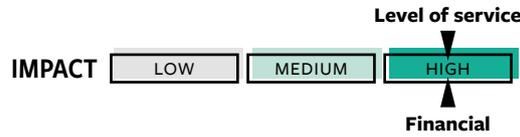


Key issues and risks

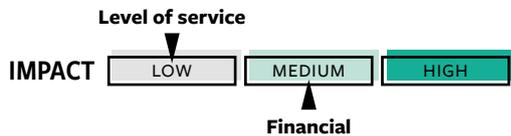
- Accuracy of asset valuation and depreciation, funding long term renewal needs.



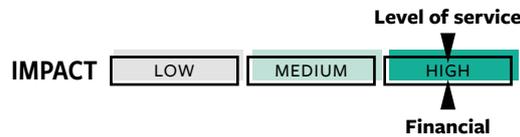
- Historic design/form of systems not meeting current and future needs of our communities.



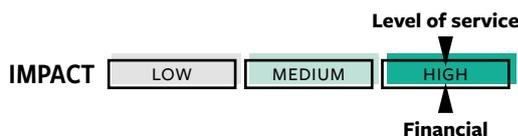
- Large district but small communities and ratepayer base creates challenges in terms of affordability.



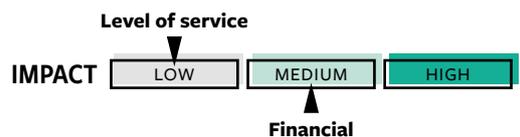
- Our underground reticulation infrastructure is ageing and significant investment in renewal is required in the medium term to prevent impacts on service levels.



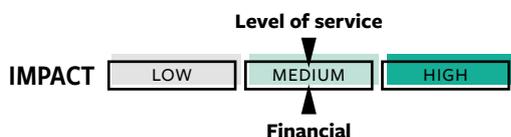
- District and associated infrastructure is vulnerable to natural disasters, including storms and earthquakes, causing significant damage to infrastructure and service disruption, placing additional pressure on resources and funding.



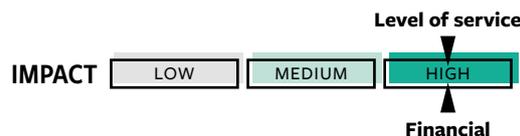
- Medium-low level of confidence in asset data, with significant gaps regarding condition, impacting ability to make optimal investment decisions.



- After decades of population decline, we are now experiencing growth that is expected to continue/increase. This will increase demand on our existing infrastructure networks and create demand for additional infrastructure and/or improved service levels.



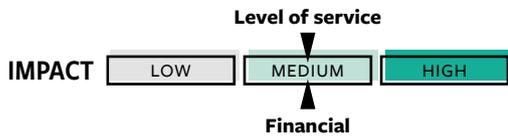
- Legislative changes increasing consent compliance requirements.



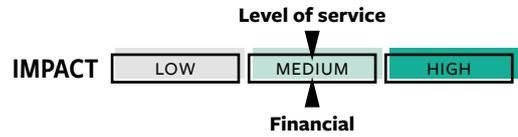
continued 

Key issues and risks

- Significant infrastructure investment in the Manawatū-Whanganui region expected to strain construction resources.



- Central Government led reform of New Zealand’s three-waters service delivery.



Strategic considerations

WHAT IS DRIVING DEMAND?

- Population growth

How is it changing (predicted)?	What impact will it have (on activity)?	What are we doing about it?
8% increase over 10 years.	Increasing demand on existing systems, and to extend networks.	Improving network understanding and performance modelling.

OPTIONS FOR CHANGES TO SERVICE

Review of strategy regarding climate change adaptation of our core infrastructure to improve network resilience in lieu of climate change.

Extension of existing networks to accommodate increasing housing demand and development.

Review of strategy regarding management of water supply and demand, with a focus on improving supply reliability.

Replacement of reticulation infrastructure where minimal formal condition/expected life information exists.

Strategy to improve network form, ensuring reliable, resilient, fit for purpose and future proof systems.

Explore alternate water source to improve resilience.

Major projects for the next ten years



DEVELOPMENT AND EXTENSION OF WATER NETWORK

Estimated cost: **\$2,293,000.**



EKETĀHUNA WATER TREATMENT PLAN – INVESTIGATIONS AND DESIGN

Estimated cost: **\$630,000.**



NORSEWOOD NEW WATER TREATMENT PLANT

Estimated cost: **\$1,277,000.**



DANNEVIRKE WATER TREATMENT PLANT UPGRADE

Estimated cost: **\$1,550,000.**



WOODVILLE WATER TREATMENT PLANT UPGRADE

Estimated cost: **\$970,000.**



DANNEVIRKE INTAKE PIPELINE BETWEEN NO.2 RESERVOIR AND ADELAIDE ROAD

Estimated cost: **\$628,000.**



DANNEVIRKE INTAKE PIPELINE BETWEEN IMPOUNDED SUPPLY AND NO.2 RESERVOIR

Estimated cost: **\$2,649,000.**



RETICULATION WATER MAIN RENEWALS

Estimated cost: **\$8,144,000.**

Funding sources and mechanisms

	2019/20 Annual Report	2020/21 Annual Plan	2021/22 LTP target
	\$	%	%
User charges	\$733,528	23%	20-30%
Grants / other	\$404,513		0-20%
Rates	\$2,141,059	77%	70-80%

Why is it funded this way?

The benefits are potable water, fire protection, farming and agriculture. These accrue to urban residents and properties within or can be cost effectively connected to the reticulation schemes. The public benefit is mainly through the possibility of firefighting, street cleaning, and use in public swimming pools.

Farmers and agricultural businesses connected to the schemes contribute greatly to costs. Large industrial users are also metered, with about 35% of the costs being met by metering large users.

Performance measures

COUNCIL WELL-BEING OUTCOMES THAT RELATE TO THIS ACTIVITY



Social



Economic



Cultural



Environmental

STRATEGIC OBJECTIVES RELATING TO THIS ACTIVITY



Delivering resilient infrastructure

- To ensure reliable supply of safe drinking water to our communities



Growing strong communities

- To promote, support and facilitate safe, caring communities
- To promote and develop resilience in our communities



Building a vibrant economy

- To support and promote business growth and diversity



Prudent financial management

- To ensure rates reflect the services expected by our communities
- To ensure debt is maintained within prudent levels
- To optimise the amount of external funding received to reduce the financial burden on ratepayers

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Water provided is safe to drink	Number of schemes which comply with Part 4 (bacteria compliance criteria) of the NZ Drinking Water Standards*	Target 7	8	8	8	8
	Achieved 7					
	Number of schemes which comply with Part 5 (protozoal compliance criteria) of the NZ Drinking Water Standards*	Target 7	7	7	7	8
	Achieved 0					
Maintenance of the reticulation network is effective	The percentage of real water loss from the Council's networked reticulation schemes based on the minimum night flow (MNF) analysis*	Target 20%	10%	10%	10%	10%
		Achieved 4%				
Issues relating to water supplies are responded to	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*	Target 1 hour	1 hour	1 hour	1 hour	1 hour
		Achieved 31 minutes				

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Issues relating to water supplies are responded to	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*	Target 5 hours Achieved 1 hour 28 minutes	5 hours	5 hours	5 hours	5 hours
	Median response time to attend a non-urgent call-out, measured from the time Council receives notification to the time that service personnel reach the site*	Target 8 hours Achieved 3 hours 24 minutes	8 hours	8 hours	8 hours	8 hours
	Median time to resolve a non-urgent call-out, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption*	Target 24 hours Achieved 7 hours 2 minutes	24 hours	24 hours	24 hours	24 hours
Customers are satisfied with supplied water	Percentage of residents rating water management as “fairly satisfactory”, “satisfactory” or “very satisfactory” in the community survey	Target 75% Achieved 86%	80%	80%	80%	80%
	Number of recorded complaints per 1,000 connections to Council’s networked reticulation system for drinking water clarity*	Target <5 Achieved 2.7	< 5	< 5	< 5	< 5
	Number of recorded complaints per 1,000 connections to Council’s networked reticulation system for drinking water taste*	Target < 5 Achieved 0.8	< 5	< 5	< 5	< 5
	Number of recorded complaints per 1,000 connections to Council’s networked reticulation system for drinking water odour*	Target < 4 Achieved 0.4	< 4	< 4	< 4	< 4
	Number of recorded complaints per 1,000 connections to Council’s networked reticulation system for drinking water pressure or flow*	Target < 4 Achieved 2.3	< 4	< 4	< 4	< 4

Level of service	Performance measure	2019/20 Results	Targets			
			Year 1	Year 2	Year 3	Years 4+
Customers are satisfied with supplied water	Number of recorded complaints per 1,000 connections to Council's networked reticulation system for continuity of supply*	Target < 5 Achieved 0.4	< 5	< 5	< 5	< 5
	Number of recorded complaints per 1,000 connections to Council's networked reticulation system for Council's response to the issues above*	Target < 2 Achieved 0	< 2	< 2	< 2	< 2
Water demand is managed effectively	Average consumption of drinking water per day per resident connected to a Council scheme*	Target 300 litres Achieved 257 litres	300 litres	300 litres	300 litres	300 litres

* Indicates this is a Department of Internal Affairs local government non-financial performance measure.

Rates.

Reiti

PART 3

Revenue and Financing Policy

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

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. 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.

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

The Council has two types of expenses: operating expenditure and capital expenditure.

Operating expenditure is used to fund the ongoing 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

Council it will use a mix of revenue sources to meet operating expenses, with major sources being rates, dividends, subsidies and fees and charges. Reserve funds including savings from previous years are also used as a revenue source occasionally. Operating costs do not normally utilise loans nor 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.

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, operational surpluses, 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 and for internal loans. 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

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

Interest and dividends from investments

Income from an investment including interest, dividends and subvention. This would be generally public good.

Development contributions under Section 106 Local Government Act

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

Financial contributions under the Resource Management Act 1991

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

Grants and subsidies

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

Council created reserves

Reserves are sometimes available to fund operating costs subject to Council approval.

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 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. 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, bequest or legislation.

Council created reserves

The use of reserves will require a specific resolution of Council before expenditure is committed.

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 and 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	1st	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

* Rare exceptions for accounting write down of "assets"

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.

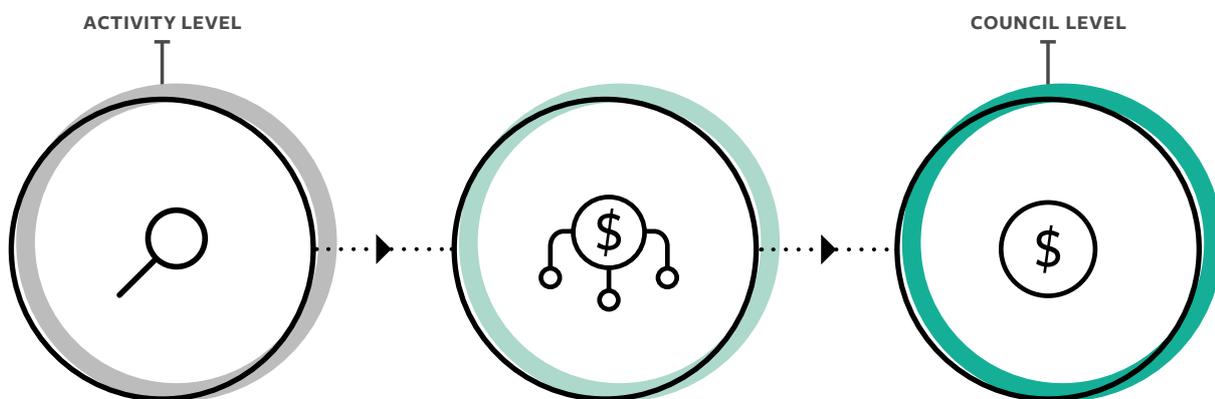
Process for determining funding sources

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.



Identifying activities

What services and levels of service should be provided?

Funding sources for each activity

Consideration of:

- Community outcomes
- Beneficiary pays
- Exacerbator pays
- Intergenerational equity
- Costs/benefits of separate funding of the activity

Funding required

- Rates
- Fees and charges
- Debt
- Reserves
- Grants

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;
 - 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, targeted rates (e.g. water and wastewater) 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. 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 a rate. 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.

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 Development	Great Lifestyle; Collaborative Council	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
Customer Services	Collaborative Council; Efficient Infrastructure	Medium	Low	Low	Low	Medium
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
Pensioner Housing	Efficient Infrastructure	High	High	Low	Low	Low

Benefits			Funding Sources	
Private	Public	Rationale	Operational	Capital
0-5%	95-100%	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; reserves	-
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; reserves	Loans; general rate; reserves
40-50%	50-60%	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 and charges	Loans; general rates; reserves
5-15%	85-95%	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 and charges; general rate	Fees and charges; general rates; reserves
0%	100%	Customer Service's 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 rate; 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 and charges; targeted rate	Loans; targeted rate; 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 and charges	Loans; general rates; reserves
100%	0%	The main beneficiaries are the pensioner flat tenants, who receive housing at rentals well below market rates.	Fees and charges	Asset sales, 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
Community and Recreation Facilities (continued)						
Public Conveniences	Sustainable Environment	Medium	Medium	Medium	Low	Medium
Swimming Pools	Efficient Infrastructure	High	Medium	Low	Medium	Medium
District Promotion and Economic Development						
Economic Development	Strong Prosperous Economy	Medium	Low	Low	Low	Medium
Regulatory Services						
Animal Control	Collaborative Council; Great Lifestyle	Low-Medium	Low	High	Low	Low
District Planning	Sustainable Environment; Prosperous economy	Medium-High	Low	Low-Medium	Medium-High	Medium
Emergency Management	Collaborative Council; Prosperous Economy	Low	Low	Low	Low	Low

Benefits			Funding Sources	
Private	Public	Rationale	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 rate; 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.	Targeted rate; fees and charges	Loans; targeted rate; 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 and charges	General rate; targeted rate; reserves
75-85%	15-25%	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. The increase in resources (additional animal control officer, higher maintenance/cleanliness of pounds) has increased costs significantly.	Fees and charges; general rate	Loans; reserves; general rate
20-30%	70-80%	There are two distinct beneficiaries of this activity, the first being the applicant and the second being the whole district through the monitoring and development of the District Plan.	Fees and charges; general rate	Loans; general rate; reserves
0-10%	90-100%	The primary purpose of civil defence is emergency preparedness with an initial response capability. This activity cannot be attributed to any individuals and therefore it is the community as a whole that benefits from this activity.	General rate; subsidies	Loans; general rate; 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
--------------------------------	--------------------	----------------------------------	------------------------------------	------------------	--------------------	---------------------------------------

Regulatory Services (continued)

Health and Safety	Prosperous Economy; Collaborative Council	High	Low	Medium	Medium	Medium
--------------------------	--	------	-----	--------	--------	--------

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
--	--------------------------	------	-------------	--------	--------	------

Benefits**Funding Sources****Private****Public****Rationale****Operational****Capital**

50-60%

40-50%

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

For health and liquor licensing there is a moderate level of public good in the general health monitoring and advisory service provided to the community. Direct inspections of premises are 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.

Fees and charges;
general rate

Loans; general rate;
reserves

40-50%

50-60%

Urban households and many commercial properties receive a kerbside recycling service and all properties have access to recycling bulk bins for glass and other materials.

Rural residents that drop off recycling at bulk bins and recycling centres, and refuse at disposal points also use the services.

The whole district benefits from the promotion of the clean image and the environmental benefits.

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

Targeted rate; fees and
charges; grants

Loans; targeted rate;
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 rate

Loans; targeted rate;
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
Footpaths	Efficient Infrastructure	Low	Medium-High	Low-Medium	Low	Low

Roading	Efficient Infrastructure	Medium-High	High	Medium	Medium-High	Low
----------------	--------------------------	-------------	------	--------	-------------	-----

Wastewater

	Efficient Infrastructure	Medium	High	Low-Medium	Low	Medium
--	--------------------------	--------	------	------------	-----	--------

Water Supplies

	Efficient Infrastructure	High	High	Low	Low-Medium	Medium
--	--------------------------	------	------	-----	------------	--------

Benefits**Private Public Rationale**

60-70% 30-40%

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 individually identified or be restricted from using footpaths from a public safety factor.

Funding from NZ Transport Agency as a grant reflects the private benefits that are often gained by users that have driven to a property or location. The private benefit is collected via fuel taxes and road user charges by the government and allocated by a grant through NZ Transport Agency.

65-75% 25-35%

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.

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.

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.

Funding Sources**Operational Capital**

General rate; targeted rate; subsidies

General rate; targeted rate; subsidies; reserves

Targeted rate; subsidies; fees and charges; reserves

Targeted rate; subsidies; reserves

Targeted rate; general rate; fees and charges; reserves

Targeted rate; loans; reserves; subsidies

Targeted rate; fees and charges; reserves

Targeted rate; loans; reserves; subsidies

Summary of funding targets

	Rates	Fees and charges	Grants and other revenue
Building Communities and Leadership			
Community Development	95-100%	-	0-5%
Representation	100%	-	-
Community and Recreation Facilities			
Cemeteries	50-60%	40-50%	0-5%
Community Buildings	85-95%	5-15%	-
Customer Services	100%	-	-
Libraries	90-100%	0-10%	-
Parks and Reserves	85-95%	0-5%	5-10%
Pensioner Housing	-	100%	-
Public Conveniences	100%	-	-
Swimming Pools	100%	-	-
District Promotion and Economic Development			
Economic Development	95-100%	0-5%	0-5%
Regulatory Services			
Animal Control	15-25%	75-85%	-
District Planning	70-80%	20-30%	-
Emergency Management	90-100%	0-10%	0-5%
Health and Safety	50-60%	40-50%	0-5%
Solid Waste Management			
	50-60%	40-50%	0-10%
Stormwater			
	100%	-	-
Transportation			
Footpaths	45-55%	-	45-55%
Roading	25-35%	0-5%	65-75%
Wastewater			
	90-100%	0-10%	0-10%
Water Supplies			
	70-80%	20-30%*	0-20%

* Water fees and charges are largely from metered water supplies that are technically a rate.

The funding proportions outlined in this table represent the Council's desired intentions – i.e. the share of the gross operating costs borne by each group of ratepayers/users.

Funding impact statement

Rating policy

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

This includes Council's high level rating philosophy, and summarises the rationale for the rating decisions taken. In making these decisions, Council has considered:

- the distribution and timing of benefits;
- rating efficiency and transparency;
- community preferences; and
- the overall impact on the economic, cultural, social and environmental well-being of the district.

This policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive. The overview of the resulting mix of general and targeted rates, user charges and other funding sources is set out in the Funding Impact Statement for activities or groups of activities. More details for each activity are set out under the significant activity pages.

Property valuations and rates distribution

The Council sets the total amount of rates required to fund its expenditure based on the budgeted costs included in this 10-year plan. For the majority of its rates, Council uses land value as the basis to distribute the total rates requirement proportionally across all properties in the district. For industrial and commercial properties Council has moved partly towards capital value based rating.

Property revaluations are performed every three years and Council uses these rating valuations for the purposes

of calculating the rates each rating unit is to pay. Council contracts Quotable Value (QV) as its valuation service provider (VSP). The latest revaluation of the district was carried out as at 1 September 2020 and these values have been used for rating purposes for the Long Term Plan. The rating valuations are intended to provide relative values only and are based on the market value of a property at a particular point in time. It cannot be taken as a market valuation.

Effect of new valuations on rates

It is important to note that an increase/decrease in values does not automatically mean that there will be an increase/decrease in rates. It depends on whether the valuation of a rating unit changes more than the average of the group of rating unit values. Council does not collect extra rates as a result of valuation changes. Council calculates the total rates requirement for the year and then uses land values as the basis to distribute this total. Therefore, a change in the land value of a property will only impact the rates bill of the property to the extent that the change is higher or lower than the average change.

Council rate assessments contain different rates that make up the total amount:

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

Components of the rating system

The Council's rating system is utilised to fund the net cost of operations and programmes outlined in this Long Term Plan.

The following table details the various funding mechanisms Council has in place to fund its expenditure.

Legislation: Local Government (Rating) Act 2002	Rate subject to 30% cap (s21)	Types of rates
S15(1)(a)	Yes	Uniform Annual General Charge
S13(2)(a) & S14(a)	No	General Rate Land Value
S16(3)(b) & S16(4)(b)	No	Specified Services Targeted Differential Rate 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
S16(3)(a) & S16(4)(a)	Yes	Libraries and Swimming Pools Rate Targeted Rate - Libraries and Swimming Pools
S16(3)(b) & S16(4)(b)	No	Refuse Targeted Differential Rate Refuse - Rural
S16(3)(b) & S16(4)(b)	No	Refuse - Urban
S16(3)(b) & S16(4)(b)	No	Refuse - Industrial Commercial
S16(3)(b) & S16(4)(b)	No	Recycling Targeted Differential Rate Recycling - Rural
S16(3)(b) & S16(4)(b)	No	Recycling - Urban
S16(3)(b) & S16(4)(b)	No	Recycling - Industrial Commercial
S16(3)(b) & S16(4)(b)	No	Kerbside Recycling Targeted Differential Uniform Rate Kerbside Recycling - Rural
S16(3)(b) & S16(4)(b)	No	Kerbside Recycling - Urban
S16(3)(b) & S16(4)(b)	No	Kerbside Recycling - Industrial Commercial

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	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	Situation, use of land, and provision of service	Per rating unit
Rateable properties	Situation, use of land, and provision of service	Per rating unit
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	Separately used or inhabitable parts of a rating unit
Rateable & non-rateable properties	Situation, use of land, and provision of service	Separately used or inhabitable parts of a rating unit
Rateable & non-rateable properties	Situation, use of land, and provision of service	Separately used or inhabitable parts of a rating unit

Legislation: Local Government (Rating) Act 2002	Rate subject to 30% cap (s21)	Types of rates
		Roading Rate
S16(3)(a) & S16(4)(a)	No	Roading Land Value Rate - District-wide
		Roading Targeted Differential Rate
S16(3)(b) & S16(4)(b)	No	Rural
S16(3)(b) & S16(4)(b)	No	Urban
S16(3)(b) & S16(4)(b)	No	Industrial Commercial
		Town Centre Refurbishment Targeted Differential Rates
		Dannevirke
S16(3)(b) & S16(4)(b)	No	Dannevirke Town Centre Refurbishment North Ward
S16(3)(b) & S16(4)(b)	No	Dannevirke Town Centre Refurbishment South Ward
		Woodville
S16(3)(b) & S16(4)(b)	No	Woodville Town Centre Refurbishment North Ward
S16(3)(b) & S16(4)(b)	No	Woodville Town Centre Refurbishment South Ward
		Eketāhuna
S16(3)(b) & S16(4)(b)	No	Eketāhuna Town Centre Refurbishment North Ward
S16(3)(b) & S16(4)(b)	No	Eketāhuna Town Centre Refurbishment South Ward
		Pahiatua
S16(3)(b) & S16(4)(b)	No	Pahiatua Town Centre Refurbishment North Ward
S16(3)(b) & S16(4)(b)	No	Pahiatua Town Centre Refurbishment South Ward
		Urban Wastewater
S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Rate - Full Charge
S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Rate - Half Charge
S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Rate - For Connected Multiple Use
		Educational establishments and multi-unit residential properties
S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Rate - Full Charge
		Stormwater
S16(3)(b) & S16(4)(b)	Yes	Urban Stormwater Targeted 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 Metered Rates

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

The rates requirement for the sectors in the first three years of the Long Term Plan compared to the 2020/21 Annual Plan is as follows:

Sector	Annual Plan 2020/21	Long Term Plan Year 1 - 2021/22		
		Rates by sector	\$ change from prior year	% change from prior year
Rural	14,554,748	15,741,800	1,187,052	8.16%
Urban	10,816,389	12,098,593	1,282,204	11.85%
Industrial/Commercial	2,066,931	2,290,772	223,841	10.83%
Total rates requirement	27,438,068	30,131,164	2,693,096	9.82%

All amounts are inclusive of GST.

Long Term Plan Year 2 - 2022/23			Long Term Plan Year 3 - 2023/24		
Rates by sector	\$ change from prior year	% change from prior year	Rates by sector	\$ change from prior year	% change from prior year
16,905,247	1,163,447	7.39%	17,888,390	983,144	5.82%
13,104,977	1,006,385	8.32%	14,159,010	1,054,033	8.04%
2,490,576	199,804	8.72%	2,629,975	139,400	5.60%
32,500,799	2,369,635	7.86%	34,677,376	2,176,576	6.70%

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
Urban properties		
Urban - settlement	16,000	126,000
Urban - settlement	8,000	66,000
Urban low land value	18,000	137,000
Urban low land value	28,000	145,000
Urban medium land value	44,000	245,000
Urban medium land value	46,000	305,000
Urban medium land value	77,000	380,000
Urban medium land value	39,000	315,000
Urban high land value	99,000	550,000
Urban high land value	165,000	390,000
Urban high land value	67,000	470,000
Rural properties		
Rural - settlement	50,000	200,000
Rural - settlement	315,000	325,000
Rural - lifestyle	170,000	370,000
Rural medium land value	1,690,000	2,000,000
Rural medium land value	1,790,000	2,280,000
Rural medium land value	1,550,000	1,870,000
Rural high land value	4,890,000	5,920,000
Rural high land value	6,550,000	7,300,000
Rural high land value	8,820,000	10,940,000
Rural high land value	4,170,000	4,940,000
Industrial/commercial properties		
Ind/com - urban low land/capital value	8,000	73,000
Ind/com - urban low land/capital value	9,500	52,000
Ind/com rural - low - land/capital value	25,000	131,000
Ind/com rural - medium - land/capital value	20,000	260,000
Ind/com urban - medium - land/capital value	185,000	880,000
Ind/com urban - medium - land/capital value	88,000	340,000
Ind/com - urban high - land/capital value	450,000	2,270,000
Ind/com - urban high - land/capital value	425,000	3,700,000
Ind/com - urban high - land/capital value	142,000	350,000
Ind/com - rural high - land/capital value	600,000	64,500,000
Ind/com - rural high - land/capital value	850,000	5,550,000
Ind/com - rural high - land/capital value	355,000	5,800,000
Ind/com - rural (windfarm)	750,000	5,920,000
Ind/com - rural (windfarm)	1,300,000	7,590,000

Land value	Capital value	Annual Plan 2020/21	Long Term Plan 2021/22 Year 1	Difference (\$)	Percentage (%)
67,000	265,000	2,198	2,426	229	10.40%
32,000	125,000	2,156	2,310	155	7.17%
70,000	280,000	3,218	3,535	317	9.86%
75,000	280,000	4,429	4,791	362	8.17%
102,000	380,000	2,447	2,660	213	8.70%
198,000	470,000	3,489	4,065	576	16.51%
165,000	550,000	2,581	2,867	286	11.10%
102,000	525,000	10,369	11,317	948	9.14%
250,000	700,000	2,649	3,110	461	17.41%
250,000	580,000	2,323	2,509	186	8.00%
206,000	770,000	12,674	13,979	1,305	10.29%
95,000	355,000	1,454	1,590	136	9.33%
405,000	415,000	2,143	2,314	171	7.97%
225,000	465,000	1,723	1,845	122	7.11%
2,030,000	2,370,000	6,136	6,555	418	6.82%
2,150,000	2,730,000	6,414	6,857	443	6.91%
1,890,000	2,240,000	5,718	6,180	462	8.07%
6,060,000	7,530,000	15,412	17,049	1,637	10.62%
7,820,000	8,610,000	20,202	21,611	1,408	6.97%
10,600,000	12,950,000	26,804	28,871	2,067	7.71%
5,350,000	6,180,000	13,325	15,200	1,875	14.07%
32,000	205,000	2,171	2,323	152	7.02%
28,000	68,000	2,457	2,650	193	7.84%
75,000	250,000	1,356	1,691	335	24.74%
75,000	320,000	3,754	4,213	459	12.22%
320,000	1,160,000	4,424	5,191	767	17.33%
175,000	490,000	2,721	3,217	496	18.22%
750,000	3,240,000	6,679	8,656	1,978	29.61%
500,000	5,280,000	10,576	12,929	2,353	22.25%
300,000	530,000	3,724	4,504	780	20.95%
630,000	68,750,000	74,463	83,309	8,845	11.88%
850,000	7,330,000	9,571	11,740	2,170	22.67%
400,000	7,300,000	8,426	10,556	2,129	25.27%
850,000	5,230,000	9,486	9,122	(363)	(3.83%)
1,500,000	6,720,000	12,878	12,508	(370)	(2.87%)

How Council rates

Explanation of rates

There are two types of rates – general rates and targeted rates.

These may be charged in two ways:

- on a uniform basis – to all rateable land for which the rate is set; or
- differentially – on a different basis for different categories of land.

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

General rate

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

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

Uniform annual general charge

Uniform annual general charge (UAGC) is a specific levy of an equal amount on each rating unit. The UAGC is applied as a fixed amount to every rating unit within the district and does not vary with the value of the rating unit.

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

Council considers a range from 25% to 29.5% of the rates requirement should be recovered by way of a UAGC charged to every rating unit in the district, which reflects the equal opportunity to access and use the assets and services.

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
Economic Development and Footpaths	By sector – charged on land value or capital value
Refuse and Recycling	By sector – fixed amounts
Roading	A district-wide rate – charged on land value
Roading	By sector – fixed amounts
Town Centre Refurbishment	By wards – North or South – fixed amounts
Wastewater	Three rates by provision (100% rate) or availability (50% rate) for wastewater or for some ratepayers as a per pan charge – all as fixed amounts
Water	Four rates by provision (100% rate) or availability (50% rate) for water – fixed amounts; and on consumption basis for metered supply; Pongaroa Rural Supply – by number of units of supply per volume of water supplied
Libraries and Swimming Pools	A district-wide rate based on the rating unit – a fixed amount per rating unit
Stormwater	A district-wide rate based on location of rating unit to stormwater zone – a fixed amount per rating unit

Differential targeted rates

A differential targeted rate in the dollar on the following categories of rateable land, within the meaning of Section 16 of the Local Government (Rating) Act 2002, is used when assessing and setting the differential targeted rate.

Ward rates

Differential targeted rates may be collected as a fixed amount for each differential category based on where the

rating unit is situated. The following are the differential targeted rate and Council’s objectives for using this rating mechanism.

The categories of rateable land for setting targeted rates are:

Category	Description
Ward	North Ward (area defined for election purposes).
Ward	South Ward (area defined for election purposes).

Sector rates

Category	Description
Urban	<p>All rating units in the district situated in the urban areas as defined in the District Plan other than:</p> <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 in the Industrial/Commercial or Urban categories.
Industrial/Commercial	<p>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> <p>For the avoidance of doubt, it does include postal services and utility operators (being companies, public entities and/or commercial operators) that provide services for such areas as electricity generation or transmission, gas or oil, telecommunications, rail, water, wastewater, and stormwater.</p>

What are the rates

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

Refuse and recycling rates

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 fixed component of refuse will be charged differentially as a fixed amount targeted rate on a basis of approximately 20% rural, 70% urban, and 10% 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.

Land transfer stations and landfills continue to be principally funded from user charges and general rates.

The following are the targeted rates for these activities:

- **Refuse targeted differential uniform rate**

All the rates required to fund the refuse services are funded from this rate on a differential basis to all rating units.
- **Recycling targeted differential uniform rate**

All the rates required to fund the recycling services are funded from this rate on a differential basis to all rating units.
- **Kerbside recycling targeted differential uniform rate**

This rate is assessed on all rating units that have the kerbside recycling service available (excluding vacant land).

The targeted rate for kerbside recycling will be set on the basis of:

 - a fixed amount per separately used or inhabited part of a rating unit for residential properties receiving the Council’s kerbside collection service.
 - a fixed amount per separately used or inhabited part of a rating unit for rural properties

receiving the Council's kerbside collection service.

- a fixed amount per separately used or inhabited part of a rating unit for industrial commercial properties receiving the Council's kerbside collection service.

Where ratepayers elect, and the Council agrees, additional levels of service may be provided. These additional services could be providing more recycling bins or more frequent service.

Specified services targeted differential rates

Land value rate for urban

Footpaths have distinctly uneven sector benefits compared to other general activities of Council and certain proportions of these costs would be charged by land value. Hence, included in the urban differential targeted rate is 71% of Footpaths cost.

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

Land value in these instances has been used because:

- it better reflects Council created wealth – e.g. access to services and is better related to the infrastructure provided by Council;
- it is more related to the land area;
- it is not proportional to owners total investment.

Capital value rate for industrial commercial: rural and urban

Economic Development and Footpaths have distinctly uneven sector benefits to other general activities of Council and certain proportions of these costs will be charged by capital value. Ratepayers are further defined according to two subcategories (rural and urban) and two uses of land, wind farms and utilities (excluding wind farms). In essence, rates are being set differentially as follows:

Rural

A share of Economic Development

Urban

A share of Economic Development plus Footpaths

Included in the industrial/commercial differential rates is 60% of Economic Development cost allocated based on the Industrial Commercial capital value and 14% of Footpaths cost to Industrial Commercial Urban.

The Industrial Commercial section gains specific benefits from Economic Development activities to attract and retain residents, the support for business and business development, and tourism. Retailers, tourist operators, motels, and businesses benefit from this activity. The whole district benefits as well from an increased population, wealth and larger rating base.

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

Capital value in these instances has been used because:

- Council determined that the Industrial/Commercial sector benefits generally closely reflect the total value of ratepayers investment.
- Insofar as property values indicate ability to pay, capital values more fairly reflect ability to pay.
- The spread between high and low rates are generally less extreme.
- Rating base expands as development expands.
- Industrial/commercial businesses with high capital values will pay more for this service, and those with low capital value less.

Roading rates

Roading – district-wide

A targeted uniform rate in the dollar on the rateable land value of every rating unit in the district ranging from 75% to 80% of the Roothing cost, which broadly represents the variable cost of the road network e.g. generally allowing for the use, wear and tear, and ageing of the roads.

For these costs, ratepayers of the roading network will be charged for the whole network as there is no way to separate and prevent one group of ratepayers from accessing and using a part of the network funded from another group of ratepayers.

This is a district-wide rate in the dollar because Roothing needs to be managed as a roading network and, on a district-wide basis, progressively throughout the funding

year. This is consistent with the policy approach to funding taken by NZ Transport Agency (Council's primary Roading funding source) to fund Roading as a network.

District-wide rating spreads the cost of Roading amongst all ratepayers. An advantage of this is that it makes larger expenditure commitments more affordable than annually uneven cost recoveries targeted to specific ratepayer categories. It therefore provides regularity to funding to appropriately manage the district asset.

Roading rate – targeted differential

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

This cost broadly represents the fixed cost of providing Roading, a cost that may be shared by all ratepayers. This essentially treats the differentiated fixed amount targeted rate funding for Roading 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% Rural, 13% Urban and 4% Industrial/Commercial.

These proportions closely match the assessed benefits received by each sector from the Roading activity expenditure and reflect the relative land values by sector.

There are further targeted rates for special development loan related costs. These rates ensure that the work is completed when necessary for economic, efficiency, effectiveness and safety reasons.

Town centre refurbishment rates

Town Centre Refurbishment – Dannevirke targeted differential rate

Council is funding the Dannevirke town centre refurbishment by way of two fixed amount targeted rates per rating unit set differentially for the North and South Wards. Funding for the Dannevirke High Street refurbishment has its loan repayments and interest costs funded through these rates. The North Ward, as the main area of benefit, is allocated 10% of the total costs with the remaining cost allocated equally. Overall, the North Ward pays 55% of the costs and the South Ward 45%. This ensures that the local community (as defined by North and South Wards) pay a higher proportion of the cost than the balance of the district.

A lump sum payment option was made available in 2008. Rating units on which the lump sum was paid in full in 2008/09 do not pay this rate. This option is no longer available for current and new ratepayers.

Town Centre Refurbishment – Woodville, Pahiatua, and Eketāhuna targeted differential rate

Council is funding separately the Woodville town centre refurbishment, and the Pahiatua and Eketāhuna town centre refurbishments, by way of two fixed amount targeted rates per rating unit set differentially for the North and South Wards. Funding for Woodville, Pahiatua, and Eketāhuna town centre refurbishments will have its loan repayments and interest costs funded through these rates. The South Ward, as the main area of benefit, is allocated 10% of the total costs with the remaining cost allocated equally. Overall, the South Ward pays 55% of the costs and the North Ward 45%. This ensures that the local communities (as defined by North and South Wards) pay a higher proportion of the cost than the balance of the district.

Water rates

Urban water rate

A targeted rate is charged as follows:

- full charge for separately used or inhabitable part of the rating unit which receives an ordinary supply of water from an urban water supply;
- 50% of the fixed amount for every rating unit to which an ordinary supply of water is available but is not connected. By "water is available", it means a rating unit is within 100 metres of Council's water system and could be effectively connected to the water system.

Water metered rates

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

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

The standardised charges for water supplied through a meter are:

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

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

Large volume users depicted as consumers using more than 2,000 cubic metres per quarter may be charged at a different rate for water supplied in excess of 80 cubic metres per quarter to other users and such rate will be set by the Council annually.

Pongaroa water rate

A separate targeted rate applies for each unit of water from the Pongaroa rural water supply. One unit is for a maximum of one cubic metre of water (by volume) per day through a 20mm pipe at a gravity fed pressure.

Urban wastewater targeted rate

A targeted rate is charged as follows:

- A targeted rate of the full charge on each separately used or inhabitable part of the rating unit connected to the wastewater system.
- Then a fixed amount, 33% of the full charge, on each water closet/urinal between 4 and 12.
- There is no charge for the 13th and subsequent water closets/urinals.
- 50% of the fixed amount on every rating unit to which wastewater is available but not connected. By “wastewater is available”, it means a rating unit is within 100 metres of Council’s wastewater system and could be effectively connected to the wastewater system.

A remission policy applies to educational establishments.

Note: a rating unit used primarily as a residence for one household will be treated as having only one water closet/urinal.

Educational establishments will be charged a targeted rate on each water closet/urinal connected to the urban wastewater system.

Educational establishments are as defined under Schedule 1, Clause 6 of the Local Government (Rating) Act 2002.

Libraries and swimming pools

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

Urban stormwater rate

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

Fees and charges

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

Setting of rates

Rates are set by Council by way of resolution for each financial year, referred to as the Rating Year. These rates will remain in effect for the rating year and will not be affected by a change in the rateable value or factors of a rating unit during the financial year in which the rates are set.

Utility charges for non-rateable properties

Non-rateable properties are liable for targeted rates and charges for the provision of utility services, such as water, wastewater, and refuse collection.

Instalments

Rates and charges for the year ending on 30 June 2022 will be assessed in four instalments, which will become due and payable on the following dates:

	Due date	Instalment period
Instalment 1	31 August 2021	1 July 2021 to 30 September 2021
Instalment 2	30 November 2021	1 October 2021 to 31 December 2021
Instalment 3	28 February 2022	1 January 2022 to 31 March 2022
Instalment 4	31 May 2022	1 April 2022 to 30 June 2022

Charges for Water Metered Rates for the year ending on 30 June 2022 will be assessed in four instalments, which will become due and payable on the following dates:

	Meters read	Due date
Instalment 1	1 September 2021	20 October 2021
Instalment 2	1 December 2021	20 January 2022
Instalment 3	1 March 2022	20 April 2022
Instalment 4	1 June 2022	20 July 2022

Penalties

In accordance with Section 57 and 58 of the Local Government (Rating) Act 2002:

A penalty of 10% will be added to each instalment or part thereof “current rates” that are unpaid after the due date for payment on the following dates:

Due date	Current rates penalty date
31 August 2021	1 September 2021
30 November 2021	1 December 2021
28 February 2022	1 March 2022
31 May 2022	1 June 2022

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

Due date	Water metered rates penalty date
20 October 2021	21 October 2021
20 January 2022	21 January 2022
20 April 2022	21 April 2022
20 July 2022	21 July 2022

Rates in arrears penalty date

A penalty of 10% will be applied to previous years’ rates assessed before 1 July 2021 that remain unpaid on 8 July 2021, and again on 8 January 2022.

Summary of rates by charges

Amounts are GST inclusive.

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
Limit on uniform annual general charge: 30% cap of total rates	29.71%	27.12%	25.66%	25.63%
Uniform annual general charge - fixed amount	590.31	595.57	606.96	648.17
General rate land value rate in dollar	0.001384	0.00140386	0.00160624	0.00172594
Libraries and swimming pools - targeted rate	264.10	283.64	287.04	292.63
Specified services targeted differential - land value rate in dollar				
- rural	-	-	-	-
- urban	0.000503	0.00035334	0.00039631	0.00041399
Specified services targeted differential - capital value rate in dollar				
- industrial commercial rural	0.001076	0.00113589	0.00129555	0.00134951
- industrial commercial urban	0.001788	0.00165049	0.00188050	0.00195917
Recycling targeted differential rate				
- rural	53.12	45.69	32.14	33.11
- urban	180.12	149.00	103.18	104.66
- industrial commercial	152.72	186.42	131.14	135.09
Kerbside recycling targeted differential rate				
- rural				
- urban	-	-	65.83	66.52
- industrial commercial				
Refuse targeted differential rate				
- rural	-	-	-	-
- urban	-	-	-	-
- industrial commercial	-	-	-	-
Roading rate land value rate in dollar	0.001515	0.00120021	0.00126815	0.00132743
Roading targeted differential rate				
- rural	267.47	276.06	292.14	306.27
- urban	40.28	41.61	43.33	44.71
- industrial commercial	85.00	89.11	94.30	98.86
Town centre refurbishment targeted differential rate				
Dannevirke				
- North Ward	14.59	12.37	12.33	12.28
- South Ward	11.90	10.09	10.08	10.05

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
25.81%	25.75%	25.92%	25.93%	26.03%	26.10%	26.17%
697.25	746.71	801.18	851.27	885.99	921.97	961.92
0.00186805	0.00206593	0.00222661	0.00237995	0.00249174	0.00260817	0.00273701
295.27	298.72	306.36	307.87	316.70	318.14	321.86
-	-	-	-	-	-	-
0.00037716	0.00039408	0.00041171	0.00043139	0.00045455	0.00047752	0.00055703
0.00137935	0.00141068	0.00149613	0.00152827	0.00156949	0.00159576	0.00163045
0.00198885	0.00203650	0.00215801	0.00220758	0.00227055	0.00231311	0.00238389
33.76	34.48	35.27	36.01	36.93	37.80	38.61
105.11	105.73	106.57	107.25	108.42	109.39	110.20
137.76	140.67	143.91	146.95	150.70	154.23	157.55
67.18	67.92	68.60	69.38	70.25	71.14	71.91
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
0.00139583	0.00146725	0.00152727	0.00161939	0.00167981	0.00172930	0.00179111
322.55	339.57	354.01	375.94	390.56	402.68	417.71
46.36	48.06	49.35	51.63	52.86	53.72	54.93
104.12	109.61	114.27	121.35	126.07	129.98	134.83
12.21	12.14	12.07	11.99	11.91	11.83	-
10.02	9.98	9.94	9.89	9.84	9.78	-

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
Woodville				
- North Ward	7.23	7.89	7.89	7.88
- South Ward	8.97	9.80	9.82	9.82
Eketāhuna				
- North Ward	6.88	6.33	6.35	6.37
- South Ward	8.55	7.86	7.91	7.94
Pahiatua				
- North Ward	26.37	31.88	30.18	30.31
- South Ward	32.75	39.61	37.57	37.77
Urban wastewater (95% of net cost including all loan costs)				
Per connected water closet/urinal				
Urban wastewater targeted differential rate				
- full charge	535.52	588.42	653.00	717.47
- half charge	267.76	294.21	326.50	358.73
- for connected multiple use	178.49	196.12	217.65	239.13
Urban stormwater targeted rate	168.67	142.40	137.21	150.48
Urban water targeted rate				
- full charge	477.88	511.47	561.52	587.75
- half charge	238.94	255.73	280.67	297.37
Pongaroa water targeted rate	93.75	95.40	97.90	99.74
Water metered rates / large industrial and intake line charges				
- quarterly minimum charge	134.47	147.87	160.38	166.94
- meter fee per cubic metre above 80m ³ over three months	1.75	1.87	2.06	2.15
- large industrial and line intake - per cubic metre	0.87	0.94	1.03	1.08

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
7.85	7.82	7.79	7.76	7.71	7.67	7.62
9.80	9.78	9.76	9.73	9.69	9.65	9.60
6.38	6.39	6.39	6.40	6.40	6.39	6.39
7.97	7.99	8.01	8.02	8.03	8.04	8.05
30.39	30.47	30.54	30.60	30.65	30.69	30.72
37.94	38.09	38.24	38.37	38.49	38.60	38.70
744.47	775.89	800.84	823.80	845.74	859.63	884.18
372.23	387.95	400.42	411.90	422.87	429.82	442.09
248.13	258.60	266.92	274.57	281.89	286.52	294.70
167.36	177.54	180.83	184.37	188.79	192.97	197.30
621.09	648.28	674.02	679.86	688.25	696.52	703.88
314.20	327.91	340.89	343.77	347.93	352.03	355.67
101.52	103.49	105.48	107.78	110.38	112.96	115.50
175.27	182.07	188.51	189.97	192.06	194.13	195.97
2.27	2.37	2.47	2.49	2.52	2.55	2.58
1.14	1.19	1.23	1.24	1.26	1.28	1.29

Summary of rates by total

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
Uniform annual general charge	4,537,153	4,635,050	4,760,677	5,123,323
General land value rate in dollar	4,128,742	5,529,534	6,336,472	6,819,155
Libraries and swimming pools - targeted rate	2,029,910	2,207,462	2,251,414	2,313,085
Specified services targeted differential - land value rate				
- rural	-	-	-	-
- urban	79,962	155,609	174,534	182,319
Specified services targeted differential - capital value rate				
- industrial commercial rural	207,764	226,321	258,133	268,884
- industrial commercial urban	431,295	483,326	550,681	573,719
Recycling targeted differential rate				
- rural	187,335	163,399	114,947	118,412
- urban	682,835	571,895	402,315	414,441
- industrial commercial	66,504	81,699	57,474	59,206
Kerbside recycling targeted differential rate				
- rural				
- urban			280,371	287,387
- industrial commercial				
Refuse targeted differential rate				
- rural	-	-	-	-
- urban	-	-	-	-
- industrial commercial	-	-	-	-
Roading land value rate - district-wide	4,519,245	4,729,072	5,004,502	5,246,525
Roading targeted differential rate				
- rural	941,133	984,829	1,042,188	1,092,589
- urban	149,135	156,059	165,149	173,135
- industrial commercial	39,543	41,379	43,789	45,907
Town centre refurbishment targeted differential rate				
Dannevirke				
- North Ward	39,397	33,914	34,564	35,166
- South Ward	33,316	28,625	28,598	28,534
Woodville				
- North Ward	29,944	33,174	33,651	34,077
- South Ward	31,552	34,806	34,856	34,855

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
5,553,720	5,993,144	6,479,137	6,935,962	7,272,850	7,624,329	8,013,171
7,392,014	8,175,045	8,837,972	9,461,111	9,920,649	10,400,090	10,930,496
2,351,919	2,397,579	2,477,515	2,508,443	2,599,682	2,630,841	2,681,246
-	-	-	-	-	-	-
166,098	173,550	181,313	189,981	200,179	210,298	245,312
274,829	281,071	298,098	304,501	312,715	317,949	324,861
582,411	596,364	631,947	646,463	664,901	677,365	698,094
120,753	123,305	126,137	128,808	132,092	135,185	138,097
422,637	431,566	441,480	450,828	462,321	473,148	483,340
60,377	61,652	63,069	64,404	66,046	67,593	69,049
294,294	301,665	308,900	316,625	324,870	333,306	341,305
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,525,365	5,817,004	6,064,230	6,439,895	6,690,384	6,898,030	7,155,457
1,150,657	1,211,391	1,262,876	1,341,108	1,393,272	1,436,515	1,490,124
182,337	191,961	200,120	212,517	220,783	227,635	236,130
48,347	50,899	53,062	56,349	58,541	60,358	62,610
35,720	36,256	36,773	37,271	37,745	38,196	-
28,433	28,323	28,202	28,071	27,927	27,770	-
34,453	34,808	35,139	35,448	35,729	35,982	36,207
34,803	34,733	34,644	34,536	34,404	34,250	34,075

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
Pahiatua				
- North Ward	109,285	134,048	128,767	131,130
- South Ward	115,151	140,707	133,439	134,182
Eketāhuna				
- North Ward	28,523	26,612	27,105	27,567
- South Ward	30,054	27,927	28,083	28,202
Urban wastewater targeted uniform rate				
- full charge	2,469,932	2,726,670	3,065,707	3,412,036
- half charge	32,364	45,794	50,821	55,838
- for connected multiple use	49,667	54,743	60,752	66,749
Urban stormwater targeted rate	715,531	610,780	596,842	663,737
Urban water targeted rate				
- full charge	2,087,694	2,241,565	2,494,259	2,678,872
- half charge	30,542	42,029	46,127	48,871
Pongaroa water targeted rate	55,681	55,663	57,125	58,194
Total to fund (excluding GST and water metered rates)	23,859,189	26,202,693	28,263,340	30,156,097
Increase in rates	2.23%	9.82%	7.86%	6.70%
Water metered rates (excluding GST)	705,000	825,000	874,500	905,108
Total of all rates (excluding GST)	24,564,189	27,027,693	29,137,840	31,061,205
Total of all rates (including GST)	28,248,817	31,081,847	33,508,516	35,720,386

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
133,351	135,547	137,711	139,848	141,940	143,991	146,003
134,767	135,317	135,829	136,307	136,735	137,118	137,462
27,996	28,417	28,829	29,232	29,622	30,001	30,368
28,287	28,363	28,428	28,485	28,530	28,563	28,586
3,585,739	3,784,327	3,954,739	4,118,303	4,279,452	4,402,073	4,581,565
57,939	60,385	62,326	64,113	65,821	66,902	68,812
69,261	72,184	74,505	76,642	78,683	79,975	82,259
748,392	804,710	830,643	858,143	890,163	921,631	954,316
2,868,821	3,033,898	3,195,438	3,264,328	3,346,177	3,428,452	3,507,244
51,639	53,892	56,024	56,498	57,181	57,855	58,454
59,233	60,382	61,545	62,887	64,402	65,910	67,393
32,024,592	34,137,738	36,126,631	38,027,106	39,573,795	40,991,310	42,602,036
6.20%	6.60%	5.83%	5.26%	4.07%	3.58%	3.93%
928,620	953,700	981,338	1,008,810	1,041,068	1,075,388	1,111,935
32,953,212	35,091,438	37,107,969	39,035,916	40,614,863	42,066,698	43,713,971
37,896,194	40,355,154	42,674,164	44,891,303	46,707,092	48,376,703	50,271,067

Rate funding requirements

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

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
District-wide general activities				
Charged through the uniform annual general charge + general differential land value rate in dollar				
District and Treasury	986,150	1,416,335	2,000,737	2,655,370
Animal Control	151,104	121,804	133,974	134,132
Cemeteries	253,652	213,128	200,932	206,521
Commercial Property	(12,163)	(11,995)	(12,319)	(12,627)
Community Buildings	760,350	872,050	949,306	995,885
Community Support	413,797	571,386	589,605	600,071
District Promotion & Development (40% of net cost)	415,528	452,643	516,266	537,769
Emergency Management - Civil Defence	238,745	263,673	267,837	273,469
Footpaths (15% of net cost)	16,893	32,875	36,873	38,518
Health and Safety	747,529	990,592	931,928	975,513
Housing (self funding)	-	-	-	-
Parks and Reserves	1,354,772	1,352,786	1,360,506	1,399,747
Public Conveniences	351,444	361,506	383,357	389,385
Representation	1,476,613	1,632,719	1,689,876	1,622,335
Resource Management	315,483	472,758	520,740	542,569
Service Centres	656,001	674,107	681,626	699,230
Wastewater (5% of total cost)	134,314	148,800	167,225	186,033
Solid Waste Management	405,682	599,417	678,679	698,558
Subtotal (excluding GST)	8,665,895	10,164,584	11,097,148	11,942,478
Plus GST	1,299,884	1,524,688	1,664,572	1,791,372
Total to fund (including GST)	9,965,779	11,689,272	12,761,720	13,733,849

Uniform annual general charge - fixed amount

Number of chargeable properties	8,845	8,956	9,026	9,096
Total to fund				
District-wide general activities - uniform annual general charge - subtotal	4,537,153	4,635,050	4,760,677	5,123,323
Plus GST	680,573	695,258	714,101	768,498
Total to fund (including GST)	5,217,726	5,330,308	5,474,778	5,891,821

	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
	3,311,532	4,145,868	4,970,466	5,899,256	6,490,184	7,070,258	7,917,273
	134,120	139,121	140,097	140,887	149,490	143,886	154,722
	211,343	216,143	223,100	227,200	232,217	240,483	245,539
	(12,930)	(13,254)	(13,578)	(13,918)	(14,280)	(14,651)	(15,002)
	1,039,600	1,221,987	1,259,428	1,344,687	1,289,978	1,249,680	1,306,182
	614,842	630,888	645,699	661,650	679,076	696,698	714,361
	549,659	562,143	596,196	609,002	625,430	635,898	649,722
	278,750	284,225	289,470	295,298	302,673	308,701	315,663
	35,091	36,666	38,306	40,137	42,291	44,429	51,827
	960,533	1,008,135	990,265	1,038,890	1,030,512	1,082,505	1,071,760
	-	-	-	-	-	-	-
	1,491,397	1,521,784	1,580,499	1,649,014	1,644,865	1,711,066	1,741,151
	388,808	383,960	404,460	402,689	412,023	423,964	433,005
	1,731,351	1,809,033	1,894,192	1,775,304	1,927,576	2,005,504	1,876,668
	589,185	559,063	599,470	591,859	598,325	608,900	623,627
	713,174	727,337	739,954	754,488	777,599	788,824	805,997
	195,418	206,152	215,346	224,161	232,840	239,418	249,086
	713,861	728,938	743,740	756,469	772,701	788,856	802,086
	12,945,734	14,168,189	15,317,109	16,397,072	17,193,500	18,024,419	18,943,667
	1,941,860	2,125,228	2,297,566	2,459,561	2,579,025	2,703,663	2,841,550
	14,887,594	16,293,417	17,614,675	18,856,633	19,772,525	20,728,082	21,785,217
	9,166	9,236	9,306	9,376	9,446	9,516	9,586
	5,553,720	5,993,144	6,479,137	6,935,962	7,272,850	7,624,329	8,013,171
	833,058	898,972	971,871	1,040,394	1,090,928	1,143,649	1,201,976
	6,386,778	6,892,115	7,451,008	7,976,356	8,363,778	8,767,979	9,215,147

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
--	-----------------	-------------------	-------------------	-------------------

General rate - land value rate in dollar

Total district rateable land value	3,431,820,200	4,531,606,000	4,538,606,000	4,545,606,000	4,552,606,000
------------------------------------	---------------	---------------	---------------	---------------	---------------

Total to fund

District-wide general activities - general land value rate in dollar - subtotal	4,128,742	5,529,534	6,336,472	6,819,155
---	-----------	-----------	-----------	-----------

Plus GST	619,311	829,430	950,471	1,022,873
----------	---------	---------	---------	-----------

Total to fund (including GST)	4,748,053	6,358,964	7,286,943	7,842,028
--------------------------------------	------------------	------------------	------------------	------------------

Libraries and swimming pools - targeted rate

Estimated number of rateable properties	8,845	8,956	9,026	9,096
---	-------	-------	-------	-------

Total to fund

Libraries	1,306,456	1,424,425	1,437,025	1,481,448
-----------	-----------	-----------	-----------	-----------

Swimming Pools	723,454	783,037	814,389	831,637
----------------	---------	---------	---------	---------

Subtotal	2,029,910	2,207,462	2,251,414	2,313,085
-----------------	------------------	------------------	------------------	------------------

Plus GST	304,487	331,119	337,712	346,963
----------	---------	---------	---------	---------

Total to fund (including GST)	2,334,397	2,538,581	2,589,126	2,660,048
--------------------------------------	------------------	------------------	------------------	------------------

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

Total urban rateable land value	183,003,900	507,182,400	507,182,400	507,182,400
---------------------------------	-------------	-------------	-------------	-------------

Total to fund

Footpaths (71% of net cost)	79,962	155,609	174,534	182,319
-----------------------------	--------	---------	---------	---------

Subtotal	79,962	155,609	174,534	182,319
-----------------	---------------	----------------	----------------	----------------

Plus GST	11,994	23,341	26,180	27,348
----------	--------	--------	--------	--------

Total to fund (including GST)	91,956	178,950	200,714	209,667
--------------------------------------	---------------	----------------	----------------	----------------

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

Total industrial commercial rateable capital value for rural	221,970,600	229,132,600	229,132,600	229,132,600
--	-------------	-------------	-------------	-------------

Total to fund

Economic Development (20% of net cost)	207,764	226,321	258,133	268,884
--	---------	---------	---------	---------

Subtotal (excluding GST)	207,764	226,321	258,133	268,884
---------------------------------	----------------	----------------	----------------	----------------

Plus GST	31,165	33,948	38,720	40,333
----------	--------	--------	--------	--------

Total to fund (including GST)	238,929	260,269	296,853	309,217
--------------------------------------	----------------	----------------	----------------	----------------

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
	4,552,606,000	4,566,606,000	4,573,606,000	4,580,606,000	4,587,606,000	4,594,606,000
7,392,014	8,175,045	8,837,972	9,461,111	9,920,649	10,400,090	10,930,496
1,108,802	1,226,257	1,325,696	1,419,167	1,488,097	1,560,013	1,639,574
8,500,816	9,401,302	10,163,668	10,880,278	11,408,746	11,960,103	12,570,070
9,166	9,236	9,306	9,376	9,446	9,516	9,586
1,502,946	1,530,692	1,569,779	1,604,078	1,673,833	1,684,132	1,713,283
848,973	866,887	907,736	904,365	925,849	946,709	967,963
2,351,919	2,397,579	2,477,515	2,508,443	2,599,682	2,630,841	2,681,246
352,788	359,637	371,627	376,266	389,952	394,626	402,187
2,704,707	2,757,216	2,849,142	2,884,709	2,989,634	3,025,467	3,083,433
507,182,400	507,182,400	507,182,400	507,182,400	507,182,400	507,182,400	507,182,400
166,098	173,550	181,313	189,981	200,179	210,298	245,312
166,098	173,550	181,313	189,981	200,179	210,298	245,312
24,915	26,033	27,197	28,497	30,027	31,545	36,797
191,013	199,583	208,510	218,478	230,206	241,843	282,109
229,132,600	229,132,600	229,132,600	229,132,600	229,132,600	229,132,600	229,132,600
274,829	281,071	298,098	304,501	312,715	317,949	324,861
274,829	281,071	298,098	304,501	312,715	317,949	324,861
41,224	42,161	44,715	45,675	46,907	47,692	48,729
316,053	323,232	342,813	350,176	359,622	365,641	373,590

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
--	-----------------	-------------------	-------------------	-------------------

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

Total industrial commercial rateable capital value for urban	277,431,500	336,763,500	336,763,500	336,763,500
--	-------------	-------------	-------------	-------------

Total to fund

Economic Development (40% of net cost)	415,528	452,643	516,266	537,769
--	---------	---------	---------	---------

Footpaths (14% of net cost)	15,767	30,684	34,415	35,950
-----------------------------	--------	--------	--------	--------

Subtotal (excluding GST)	431,295	483,326	550,681	573,719
---------------------------------	----------------	----------------	----------------	----------------

Plus GST	64,694	72,499	82,602	86,058
----------	--------	--------	--------	--------

Total to fund (including GST)	495,989	555,825	633,283	659,777
--------------------------------------	----------------	----------------	----------------	----------------

Recycling targeted differential rate - rural

Estimated number of rateable properties	4,056	4,113	4,113	4,113
---	-------	-------	-------	-------

Total to fund

Solid Waste Management: recycling	187,335	163,399	114,947	118,412
-----------------------------------	---------	---------	---------	---------

Plus GST	28,100	24,510	17,242	17,762
----------	--------	--------	--------	--------

Total to fund (including GST)	215,435	187,909	132,189	136,174
--------------------------------------	----------------	----------------	----------------	----------------

Recycling targeted differential rate - urban

Estimated number of rateable properties	4,356	4,394	4,464	4,534
---	-------	-------	-------	-------

Total to fund

Solid Waste Management: recycling	682,835	571,895	402,315	414,441
-----------------------------------	---------	---------	---------	---------

Plus GST	102,425	85,784	60,347	62,166
----------	---------	--------	--------	--------

Total to fund (including GST)	785,260	657,679	462,662	476,607
--------------------------------------	----------------	----------------	----------------	----------------

Recycling targeted differential rate - industrial commercial

Estimated number of rateable properties	505	505	505	505
---	-----	-----	-----	-----

Total to fund

Solid Waste Management: recycling	66,504	81,699	57,474	59,206
-----------------------------------	--------	--------	--------	--------

Plus GST	9,976	12,255	8,621	8,881
----------	-------	--------	-------	-------

Total to fund (including GST)	76,480	93,954	66,095	68,087
--------------------------------------	---------------	---------------	---------------	---------------

Kerbside recycling targeted differential rate - urban

Estimated number of rateable properties	-	-	4,898	4,968
---	---	---	-------	-------

Total to fund

Solid Waste Management: kerbside recycling	-	-	280,371	287,387
--	---	---	---------	---------

Plus GST	-	-	42,056	43,108
----------	---	---	--------	--------

Total to fund (including GST)	-	-	322,427	330,495
--------------------------------------	----------	----------	----------------	----------------

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
336,763,500	336,763,500	336,763,500	336,763,500	336,763,500	336,763,500	336,763,500
549,659	562,143	596,196	609,002	625,430	635,898	649,722
32,752	34,221	35,752	37,461	39,472	41,467	48,371
582,411	596,364	631,947	646,463	664,901	677,365	698,094
87,362	89,455	94,792	96,969	99,735	101,605	104,714
669,773	685,819	726,739	743,432	764,636	778,970	802,808
4,113	4,113	4,113	4,113	4,113	4,113	4,113
120,753	123,305	126,137	128,808	132,092	135,185	138,097
18,113	18,496	18,921	19,321	19,814	20,278	20,715
138,866	141,801	145,058	148,129	151,906	155,463	158,812
4,604	4,674	4,744	4,814	4,884	4,954	5,024
422,637	431,566	441,480	450,828	462,321	473,148	483,340
63,396	64,735	66,222	67,624	69,348	70,972	72,501
486,033	496,301	507,702	518,452	531,669	544,120	555,841
505	505	505	505	505	505	505
60,377	61,652	63,069	64,404	66,046	67,593	69,049
9,957	9,248	9,460	9,661	9,907	10,139	10,357
69,434	70,900	72,529	74,065	75,953	77,732	79,406
5,038	5,108	5,178	5,248	5,318	5,388	5,458
294,294	301,665	308,900	316,625	324,870	333,306	341,305
44,144	45,250	46,335	47,494	48,731	49,996	51,196
338,438	346,915	355,235	364,119	373,601	383,302	392,501

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
--	-----------------	-------------------	-------------------	-------------------

Kerbside recycling targeted differential rate - industrial commercial

Estimated number of rateable properties

Total to fund

Solid Waste Management: kerbside recycling

Subtotal (excluding GST)	-	-	-	-
Plus GST	-	-	-	-
Total to fund (including GST)	-	-	-	-

Refuse targeted differential rate - urban

Estimated number of rateable properties

Total to fund

Solid Waste Management: refuse

Subtotal (excluding GST)	-	-	-	-
Plus GST	-	-	-	-
Total to fund (including GST)	-	-	-	-

Refuse targeted differential rate - industrial commercial

Estimated number of rateable properties

Total to fund

Solid Waste Management: refuse

Subtotal (excluding GST)	-	-	-	-
Plus GST	-	-	-	-
Total to fund (including GST)	-	-	-	-

Roading rate - land value rate in dollar

Total district rateable land value 3,431,820,200 4,533,216,000 4,540,216,000 4,547,216,000

Total to fund

Roading district-wide (excludes footpaths)	5,649,056	5,911,340	6,255,628	6,558,156
Less % charged through roading fixed amount targeted rates	20.0%	20.0%	20.0%	20.0%
Less total \$ amount charged through roading fixed amount targeted rates	(1,129,811)	(1,182,268)	(1,251,126)	(1,311,631)
Subtotal (excluding GST)	4,519,245	4,729,072	5,004,503	5,246,525
Plus GST	677,887	709,361	750,675	786,979
Total to fund (including GST)	5,197,132	5,438,433	5,755,178	6,033,504

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
--	-----------------	-------------------	-------------------	-------------------

Roading targeted differential rate - rural

Estimated number of rateable properties	4,049	4,105	4,105	4,105
---	-------	-------	-------	-------

Total to fund

Proportion of capital value for sector	83.3%	83.3%	83.3%	83.3%
--	-------	-------	-------	-------

Subtotal (excluding GST)	941,133	984,829	1,042,188	1,092,589
---------------------------------	----------------	----------------	------------------	------------------

Plus GST	141,170	147,724	156,328	163,888
----------	---------	---------	---------	---------

Total to fund (including GST)	1,082,303	1,132,553	1,198,516	1,256,477
--------------------------------------	------------------	------------------	------------------	------------------

Roading targeted differential rate - urban

Estimated number of rateable properties	4,261	4,317	4,387	4,457
---	-------	-------	-------	-------

Total to fund

Proportion of capital value for sector	13.2%	13.2%	13.2%	13.2%
--	-------	-------	-------	-------

Subtotal (excluding GST)	149,135	156,059	165,149	173,135
---------------------------------	----------------	----------------	----------------	----------------

Plus GST	22,370	23,409	24,772	25,970
----------	--------	--------	--------	--------

Total to fund (including GST)	171,505	179,468	189,921	199,106
--------------------------------------	----------------	----------------	----------------	----------------

Roading targeted differential rate - industrial commercial

Estimated number of rateable properties	535	534	534	534
---	-----	-----	-----	-----

Total to fund

Proportion of capital value for sector	3.5%	3.5%	3.5%	3.5%
--	------	------	------	------

Subtotal (excluding GST)	39,543	41,379	43,789	45,907
---------------------------------	---------------	---------------	---------------	---------------

Plus GST	5,932	6,207	6,568	6,886
----------	-------	-------	-------	-------

Total to fund (including GST)	45,475	47,586	50,358	52,793
--------------------------------------	---------------	---------------	---------------	---------------

Town centre refurbishment targeted differential rate - Dannevirke - North Ward

Estimated number of rateable properties	3,109	3,158	3,228	3,298
---	-------	-------	-------	-------

Total to fund

Subtotal	39,397	33,914	34,564	35,166
-----------------	---------------	---------------	---------------	---------------

Plus GST	5,910	5,087	5,185	5,275
----------	-------	-------	-------	-------

Total to fund (including GST)	45,307	39,001	39,748	40,441
--------------------------------------	---------------	---------------	---------------	---------------

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
4,105	4,105	4,105	4,105	4,105	4,105	4,105
83.3%	83.3%	83.3%	83.3%	83.3%	83.3%	83.3%
1,150,657	1,211,391	1,262,876	1,341,108	1,393,272	1,436,515	1,490,124
172,599	181,709	189,431	201,166	208,991	215,477	223,519
1,323,256	1,393,100	1,452,307	1,542,274	1,602,263	1,651,992	1,713,643
4,527	4,597	4,667	4,737	4,807	4,877	4,947
13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%
182,337	191,961	200,120	212,517	220,783	227,635	236,130
27,351	28,794	30,018	31,877	33,117	34,145	35,420
209,688	220,755	230,138	244,394	253,900	261,780	271,550
534	534	534	534	534	534	534
3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
48,347	50,899	53,062	56,349	58,541	60,358	62,610
7,252	7,635	7,959	8,452	8,781	9,054	9,392
55,599	58,534	61,021	64,801	67,322	69,411	72,002
3,368	3,438	3,508	3,578	3,648	3,718	-
35,720	36,256	36,773	37,271	37,745	38,196	-
5,358	5,438	5,516	5,591	5,662	5,729	-
41,078	41,694	42,289	42,862	43,407	43,925	-

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
--	-----------------	-------------------	-------------------	-------------------

Town centre refurbishment targeted differential rate - Dannevirke - South Ward

Estimated number of rateable properties	3,222	3,266	3,266	3,266
---	-------	-------	-------	-------

Total to fund

Subtotal	33,316	28,625	28,598	28,534
----------	--------	--------	--------	--------

Plus GST	4,997	4,294	4,290	4,280
----------	-------	-------	-------	-------

Total to fund (including GST)	38,313	32,919	32,888	32,814
--------------------------------------	---------------	---------------	---------------	---------------

Town centre refurbishment targeted differential rate - Woodville - North Ward

Estimated number of rateable properties	4,770	4,840	4,910	4,980
---	-------	-------	-------	-------

Total to fund

Subtotal	29,944	33,174	33,651	34,077
----------	--------	--------	--------	--------

Plus GST	4,492	4,976	5,048	5,112
----------	-------	-------	-------	-------

Total to fund (including GST)	34,436	38,150	38,698	39,189
--------------------------------------	---------------	---------------	---------------	---------------

Town centre refurbishment targeted differential rate - Woodville - South Ward

Estimated number of rateable properties	4,045	4,085	4,085	4,085
---	-------	-------	-------	-------

Total to fund

Subtotal	31,552	34,806	34,856	34,855
----------	--------	--------	--------	--------

Plus GST	4,733	5,221	5,228	5,228
----------	-------	-------	-------	-------

Total to fund (including GST)	36,284	40,027	40,085	40,083
--------------------------------------	---------------	---------------	---------------	---------------

Town centre refurbishment targeted differential rate - Pahiatua - North Ward

Estimated number of rateable properties	4,770	4,840	4,910	4,980
---	-------	-------	-------	-------

Total to fund

Subtotal	109,285	134,048	128,767	131,130
----------	---------	---------	---------	---------

Plus GST	16,393	20,107	19,315	19,670
----------	--------	--------	--------	--------

Total to fund (including GST)	125,678	154,155	148,082	150,800
--------------------------------------	----------------	----------------	----------------	----------------

Town centre refurbishment targeted differential rate - Pahiatua - South Ward

Estimated number of rateable properties	4,045	4,087	4,087	4,087
---	-------	-------	-------	-------

Total to fund

Subtotal	115,151	140,707	133,439	134,182
----------	---------	---------	---------	---------

Plus GST	17,273	21,106	20,016	20,127
----------	--------	--------	--------	--------

Total to fund (including GST)	132,423	161,813	153,455	154,309
--------------------------------------	----------------	----------------	----------------	----------------

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
3,266	3,266	3,266	3,266	3,266	3,266	
28,433	28,323	28,202	28,071	27,927	27,770	
4,265	4,248	4,230	4,211	4,189	4,166	-
32,698	32,571	32,432	32,282	32,116	31,936	-
5,050	5,120	5,190	5,260	5,330	5,400	5,470
34,453	34,808	35,139	35,448	35,729	35,982	36,207
5,168	5,221	5,271	5,317	5,359	5,397	5,431
39,621	40,029	40,410	40,766	41,089	41,379	41,639
4,085	4,085	4,085	4,085	4,085	4,085	4,085
34,803	34,733	34,644	34,536	34,404	34,250	34,075
5,220	5,210	5,197	5,180	5,161	5,137	5,111
40,024	39,943	39,840	39,716	39,564	39,387	39,186
5,050	5,120	5,190	5,260	5,330	5,400	5,470
133,351	135,547	137,711	139,848	141,940	143,991	146,003
20,003	20,332	20,657	20,977	21,291	21,599	21,900
153,354	155,879	158,368	160,826	163,231	165,590	167,904
4,087	4,087	4,087	4,087	4,087	4,087	4,087
134,767	135,317	135,829	136,307	136,735	137,118	137,462
20,215	20,298	20,374	20,446	20,510	20,568	20,619
154,982	155,615	156,203	156,753	157,245	157,686	158,081

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
--	-----------------	-------------------	-------------------	-------------------

Town centre refurbishment targeted differential rate - Eketahuna - North Ward

Estimated number of rateable properties	4,770	4,840	4,910	4,980
---	-------	-------	-------	-------

Total to fund

Subtotal	28,523	26,612	27,105	27,567
----------	--------	--------	--------	--------

Plus GST	4,278	3,992	4,066	4,135
----------	-------	-------	-------	-------

Total to fund (including GST)	32,802	30,603	31,171	31,702
--------------------------------------	---------------	---------------	---------------	---------------

Town centre refurbishment targeted differential rate - Eketahuna - South Ward

Estimated number of rateable properties	4,045	4,086	4,086	4,086
---	-------	-------	-------	-------

Total to fund

Subtotal	30,054	27,927	28,083	28,202
----------	--------	--------	--------	--------

Plus GST	4,508	4,189	4,212	4,230
----------	-------	-------	-------	-------

Total to fund (including GST)	34,562	32,117	32,295	32,432
--------------------------------------	---------------	---------------	---------------	---------------

Urban wastewater targeted rate - full charge

Estimated number of rateable properties	5,304	5,329	5,399	5,469
---	-------	-------	-------	-------

Total to fund

Subtotal	2,469,932	2,726,670	3,065,707	3,412,036
----------	-----------	-----------	-----------	-----------

Plus GST	370,490	409,000	459,856	511,805
----------	---------	---------	---------	---------

Total to fund (including GST)	2,840,422	3,135,670	3,525,564	3,923,842
--------------------------------------	------------------	------------------	------------------	------------------

Urban wastewater targeted rate - half charge

Estimated number of rateable properties	139	179	179	179
---	-----	-----	-----	-----

Total to fund

Subtotal	32,364	45,794	50,821	55,838
----------	--------	--------	--------	--------

Plus GST	4,855	6,869	7,623	8,376
----------	-------	-------	-------	-------

Total to fund (including GST)	37,219	52,663	58,444	64,214
--------------------------------------	---------------	---------------	---------------	---------------

Urban wastewater targeted rate - for connected multiple use

Estimated number of rateable units	320	321	321	321
------------------------------------	-----	-----	-----	-----

Total to fund

Subtotal	49,667	54,743	60,752	66,749
----------	--------	--------	--------	--------

Plus GST	7,450	8,211	9,113	10,012
----------	-------	-------	-------	--------

Total to fund (including GST)	57,117	62,954	69,864	76,762
--------------------------------------	---------------	---------------	---------------	---------------

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
5,050	5,120	5,190	5,260	5,330	5,400	5,470
27,996	28,417	28,829	29,232	29,622	30,001	30,368
4,199	4,263	4,324	4,385	4,443	4,500	4,555
32,195	32,680	33,153	33,617	34,066	34,501	34,924
4,086	4,086	4,086	4,086	4,086	4,086	4,086
28,287	28,363	28,428	28,485	28,530	28,563	28,586
4,243	4,254	4,264	4,273	4,279	4,284	4,288
32,530	32,617	32,693	32,758	32,809	32,847	32,873
5,539	5,609	5,679	5,749	5,819	5,889	5,959
3,585,739	3,784,327	3,954,739	4,118,303	4,279,452	4,402,073	4,581,565
537,861	567,649	593,211	617,745	641,918	660,311	687,235
4,123,600	4,351,976	4,547,950	4,736,048	4,921,369	5,062,384	5,268,800
179	179	179	179	179	179	179
57,939	60,385	62,326	64,113	65,821	66,902	68,812
8,691	9,058	9,349	9,617	9,873	10,035	10,322
66,630	69,442	71,675	73,730	75,694	76,937	79,134
321	321	321	321	321	321	321
69,261	72,184	74,505	76,642	78,683	79,975	82,259
10,389	10,828	11,176	11,496	11,802	11,996	12,339
79,650	83,012	85,681	88,138	90,485	91,972	94,597

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
--	-----------------	-------------------	-------------------	-------------------

Urban stormwater targeted rate

Estimated number of rateable properties to receive full charges	4,874	4,928	4,998	5,068
---	-------	-------	-------	-------

Total to fund

Subtotal	715,531	610,780	596,842	663,737
Plus GST	107,330	91,617	89,526	99,561
Total to fund (including GST)	822,861	702,397	686,368	763,298

Urban water targeted rate - full charge

Estimated number of rateable properties to receive full charges	5,024	5,040	5,110	5,243
---	-------	-------	-------	-------

Total to fund

Subtotal	2,087,694	2,241,565	2,494,259	2,678,872
Plus GST	313,154	336,235	374,139	401,831
Total to fund (including GST)	2,400,848	2,577,799	2,868,398	3,080,702

Urban water targeted rate - half charge

Estimated number of rateable properties to receive half charges	147	189	189	189
---	-----	-----	-----	-----

Total to fund

Subtotal	30,542	42,029	46,127	48,871
Plus GST	4,581	6,304	6,919	7,331
Total to fund (including GST)	35,124	48,334	53,046	56,202

Pongaroa water targeted rate

Estimated number of rateable properties	683	671	671	671
---	-----	-----	-----	-----

Total to fund

Subtotal	55,681	55,663	57,125	58,194
Plus GST	8,352	8,349	8,569	8,729
Total to fund (including GST)	64,033	64,012	65,694	66,923

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
5,138	5,208	5,278	5,348	5,418	5,488	5,558
748,392	804,710	830,643	858,143	890,163	921,631	954,316
112,259	120,707	124,596	128,721	133,524	138,245	143,147
860,651	925,417	955,239	986,864	1,023,687	1,059,876	1,097,463
5,313	5,383	5,453	5,523	5,593	5,663	5,733
2,868,821	3,033,898	3,195,438	3,264,328	3,346,177	3,428,452	3,507,244
430,323	455,085	479,316	489,649	501,926	514,268	526,087
3,299,144	3,488,983	3,674,754	3,753,977	3,848,103	3,942,720	4,033,331
189	189	189	189	189	189	189
51,639	53,892	56,024	56,498	57,181	57,855	58,454
7,746	8,084	8,404	8,475	8,577	8,678	8,768
59,385	61,975	64,428	64,973	65,759	66,533	67,222
671	671	671	671	671	671	671
59,233	60,382	61,545	62,887	64,402	65,910	67,393
8,885	9,057	9,232	9,433	9,660	9,887	10,109
68,118	69,439	70,777	72,320	74,062	75,797	77,502

	Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24
Total rates (excluding water metered rates)				
Total to fund (excluding GST and Water Metered Rates)	23,859,189	26,202,693	28,263,340	30,156,097
Plus GST	3,578,878	3,930,404	4,239,501	4,523,415
Total to fund (including GST)	27,438,067	30,133,097	32,502,841	34,679,512
Water metered rate				
Total to fund	705,000	825,000	874,500	905,108
Plus GST	105,750	123,750	131,175	135,766
Total to fund (including GST)	810,750	948,750	1,005,675	1,040,874
Total of All Rates	28,248,817	31,081,847	33,508,516	35,720,386
Total number of rateable units	9,806	10,822	10,892	10,823

Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
32,024,592	34,137,738	36,126,631	38,027,106	39,573,795	40,991,310	42,602,036
4,803,689	5,120,661	5,418,995	5,704,066	5,936,069	6,148,697	6,390,305
36,828,281	39,258,399	41,545,626	43,731,172	45,509,864	47,140,007	48,992,341
928,620	953,700	981,338	1,008,810	1,041,068	1,075,388	1,111,935
139,293	143,055	147,201	151,322	156,160	161,308	166,790
1,067,913	1,096,755	1,128,539	1,160,132	1,197,228	1,236,696	1,278,725
37,896,194	40,355,154	42,674,165	44,891,304	46,707,092	48,376,703	50,271,066
10,893	10,824	10,894	10,825	10,895	10,826	10,896

APPENDIX 1

Definitions

District valuation roll means in relation to a territorial authority, a roll prepared for a district under Section 7 of the Rating Valuations Act 1998 and approved under Section 11 of that Act;

Farmland means a rating unit that is used exclusively or principally for agricultural, horticultural, or pastoral purposes, or for the keeping of bees or poultry or other livestock; and “farming purposes” has a corresponding meaning.

General Rate As per Local Government (Rating) Act 2002 Section 13

A local authority may set a general rate for all rateable land within its district.

(2) A general rate may be set—

- (a) at a uniform rate in the dollar of rateable value for all rateable land; or
- (b) at different rates in the dollar of rateable value for different categories of rateable land under Section 14.

Industrial or commercial purposes includes any industrial or commercial purposes other than farming purposes.

Māori freehold land means land whose beneficial ownership has been determined by the Māori Land Court by freehold order.

Māori freehold land in multiple ownership means Māori freehold land owned by more than two persons.

Owner means the person who, whether jointly or separately, is seized or possessed of, or entitled to, any estate or interest in land constituting a rating unit.

Rates assessment means the document that gives notice of the ratepayer’s liability to pay rates on a rating unit.

Rates invoice means the document that notifies a ratepayer of the amount of rates that are payable for a rating unit.

Rating information database means the database that is required to be kept by a local authority to:

- record all information required for setting and assessing rates; and
- enable a local authority to communicate with ratepayers; and
- enable members of the public to have reasonable access to the information in the database relating to the calculation of liability for rates.

Rates record means the record maintained by a local authority for each rating unit in its district that clearly shows the amount of the ratepayer's liability.

Remissions or remitted rates means rates for which the requirement to pay is cancelled.

Rating unit means either:

- one rating unit; or
- part of a rating unit where Council has created divisions for the purpose of remission, application of non-rateable status, or creating separate rating categories; or
- two or more rating units where they must be treated as one unit for setting a rate if those units are:
 - (a) owned by the same person or persons; and
 - (b) used jointly as a single unit; and
 - (c) contiguous or separated only by a road, railway, drain, water race, river, or stream.

Separately used or inhabitable part of a rating unit being any part of a rating unit that is or is able to be used or inhabitable by the ratepayer or by any other person or body having a right to use or inhabit that part by virtue of tenancy, lease, licence or other agreement.

Targeted Rates As per Local Government (Rating) Act 2002 Section 16:

- (1) A local authority may set a targeted rate for a function if the function is identified in its annual plan as a function for which a targeted rate may be set.
- (2) Subsection (1) does not prevent a local authority from setting a targeted rate for several functions, or setting several targeted rates for one function.
- (3) A targeted rate may be set in relation to—
 - (a) all rateable land within the local authority's district; or
 - (b) one or more categories of rateable land under Section 17.
- (4) A targeted rate may be set—
 - (a) on a uniform basis for all rateable land in respect of which the rate is set; or
 - (b) differentially for different categories of rateable land under Section 17.

Uniform Annual General Charge Local Government (Rating) Act 2002 Section 15 Uniform annual general charge—

- (1) A local authority may set a uniform annual general charge for all rateable land within its district, being—
 - (a) a fixed amount per rating unit; or
 - (b) a fixed amount per separately used or inhabitable part of a rating unit.
- (2) A uniform annual general charge is a rate for the purposes of this Act.

Rating Remission Policy

1. Delegated authority

Authority to consider and approve remissions under this Rating Remission Policy is delegated to the General Manager Corporate, Revenue Manager, and Finance 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 General Manager Corporate, Revenue Manager, and Finance 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 the ratepayer has entered into a direct debit arrangement with the Council.
 - 2.2.3 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.
 - 2.2.4 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.
 - 2.2.5 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).
 - 2.2.6 Rate account not received where it can be proved a genuine cause exists.
 - 2.2.7 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.

2.2.8 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.

2.2.9 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.

2.2.10 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 are 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 been 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 wastewater 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 wastewater services based on their staff and student 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 wastewater 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 wastewater 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 Wastewater.

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 extent of any remission to any qualifying organisation shall be 100% of the amount of the uniform charges (UAGC, swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, and targeted differential roading rate) component of its rates.
- 5.6 The policy will apply to land owned by the Council or owned or leased and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes, where the charitable organisation is liable for rates.
- 5.7 The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
- 5.8 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.

- 5.9 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.
- 5.10 Annual re-application is required.
- 5.11 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. Remission for non-contiguous rating units owned by the same owner

Objectives

- 6.1 To provide relief from uniform charges (UAGC, swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, and targeted differential roading rate) for rural land which is non-contiguous, farmed as a single entity and owned by the same owner.

Conditions and criteria

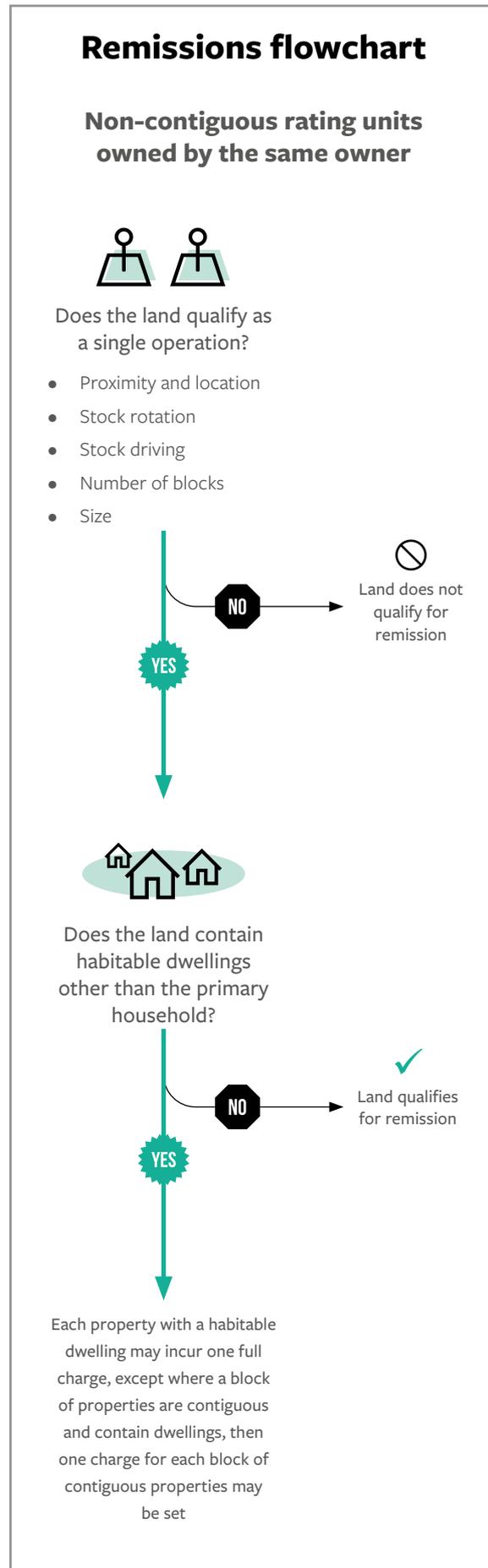
- 6.2 Rate remission to the extent of the uniform charges (UAGC, swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, and targeted differential roading rate) will be given on non-contiguous rating units. The ratepayer will remain liable for at least one uniform charges (UAGC, swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, and targeted differential roading 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.
- 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, swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, and targeted differential roading 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 policy 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.

7. Rates remission for leases

Objectives

- 7.1 To apply a remission of the uniform charges (UAGC, swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, and targeted differential roading rate) 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 Māori Trustees where the term of the lease is more than three 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, swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, and targeted differential roading rate) and will be given on contiguous and non-contiguous rating units. The ratepayer will remain liable for at least one uniform charges (UAGC, swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, and targeted differential roading rate) 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 the leased rating units.

8. Rates remission for subdivisions

Objectives

- 8.1 To support the development and holding of subdivision land for residential and rural lots by remitting uniform charges (UAGC, swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, targeted differential roading rate) on unsold development land where each separate lot or title is treated as a separate Rating Unit.

Conditions and criteria

- 8.2 This remission applies to unsold subdivided land, where as a result of the High Court decision of 20 November 2000 “Neil Construction and others verses North Shore City Council and others”, each separate lot or title is treated as a separate Rating Unit, and such land is implied to be not used as a single unit.
- 8.3 The rating units must have been created in accordance with Council’s subdivision development requirements.
- 8.4 The rating units on which remission is applied must be owned by the same ratepayer.
- 8.5 The rating units must be vacant land.
- 8.6 Rate remission to the extent of uniform charges (UAGC, swimming pools and libraries rate, town centre refurbishment

rate, stormwater rate, solid waste refuse and recycling targeted differential rate, targeted differential roading rate) for unsold subdivided land.

- 8.7 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 occurs.
- 8.8 Application must be submitted on the required form and submitted to Council before 30 June.
- 8.9 The ratepayer will remain liable for at least one UAGC, swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, targeted differential roading rate.
- 8.10 Remissions will not apply to water and wastewater targeted rates.
- 8.11 Each application will be considered in line with the general guidelines, however, individual circumstances may vary and could reflect on the final decision.

9. Remission of rates on land affected by natural calamity

Objectives of the policy

- 9.1 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:

- 9.2 Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit; and
- 9.3 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

- 9.4 Where the Government has established a reimbursement scheme for rates relief in respect of such properties; or
- 9.5 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.

10. Remission of rates for abandoned land

Objectives of the policy

- 10.1 To enable the Council to avoid administration costs where it is unlikely that rates assessed on an abandoned rating unit will ever be collected.

Conditions and criteria

- 10.2 Where any rating unit meets the definition of abandoned land as prescribed in section 77(1) of the Local Government (Rating) Act 2002 and that land has not been sold using the authority provided in sections 77–83. That all rates owing and future annual rates applied will be remitted on an annual basis until sold or leased.

11. Remission of excess water charges

Property owners are liable for water supplied through the water meter and are responsible for the maintenance of the supply system on their property. However, they may experience a leak or damage to the supply of which they are unaware. Council considers it is reasonable to allow a reduction in charges in these circumstances.

Objectives of the policy

- 11.1 To standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit, having acted promptly in remedying the fault.

Conditions and criteria

Council may remit the excess water rates where the application meets the following criteria:

- 11.2 A remission application must be submitted on the required form; and
- 11.3 Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- 11.4 The property owner has taken proactive measures to identify leaks on the property.
- 11.5 The leak has been repaired within two weeks of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- 11.6 Proof of the leak being repaired has been provided to Council promptly after repair of the leak.
- 11.7 Remission of up to 100% of the difference between the estimated consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above that estimate.
- 11.8 Remission is limited to the period where the leak was identified and fixed.
- 11.9 Each request for remission will be looked at on a case-by-case basis along with any previous request.

12. Remission for rating units merged during the rating year that meets Section 20 of the Local Government (Rating) Act 2002

Objectives

- 12.1 To provide rates relief to ratepayers of rating units that meet the conditions in (a), (b) and (c) of section 20 of the Local Government (Rating) Act 2002 partway through the financial year.

Conditions and criteria

- 12.2 The Council will remit all except one of each of the Uniform Annual General Charge (UAGC) and other rates set on a “per rating

unit” basis (being the swimming pools and libraries rate, town centre refurbishment rate, stormwater rate, solid waste refuse and recycling targeted differential rate, targeted differential roading rate) in respect of the relevant contiguous rating units so that the relevant contiguous rating units are effectively treated as one rating unit for the purposes of those rates.

- 12.3 The rating units must meet the conditions specified under section 20 of the Local Government (Rating) Act 2002.
- 12.4 Application must be submitted on the required form.
- 12.5 The remission amount will be only of that portion of the relevant remitted rates that has yet to have been invoiced. The remission shall begin to apply from the Instalment period following that in which the application is received (and will not be back-dated to the beginning of the financial year).
- 12.6 If the application is received in the Instalment 4 period (between 1 April to 30 June in any year), the remission will not be available (but the Council will take the information contained in it into account in respect of the following year).

13. Policy on rates postponements

Council does not provide rates postponements.

14. Policy on remission of rates on Māori freehold land

Māori freehold land is defined in the Local Government (Rating) Act 2002 Sec 5 as land whose beneficial ownership has been determined by Māori Land Court by freehold order. Only land that is subject to such an order may qualify for remission under this policy.

This policy aims to ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Māori owned lands have particular conditions, features, ownership structures, or other circumstances which make it appropriate to provide relief from rates.

Objectives of the policy – refer section 108 (1) (3) (4) (4A) (5) Local Government Act 2002 (LGA 2002)

Schedule 11 LGA 2002 102(4)

- 14.1 The objectives of this policy is to provide rates relief to Māori Freehold land to recognise, support and take account of:
- The use of the land by the owners for traditional purposes;
 - The relationship of Māori and their culture and traditions with their ancestral lands;
 - Avoiding further alienation of Māori freehold land;
 - Facilitating any wish of the owners to develop the land for economic use;
 - The presence of Wāhi Tapu (sacred place, sacred site – a place subject to long-term ritual restrictions on access or use, e.g. a burial ground, a battle site or a place where tapu objects were placed) that may affect the use of the land for other purposes;
 - The importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
 - The importance of the land for community goals relating to:
 - The preservation of the natural character of the coastal environment;
 - The protection of outstanding natural features; and
 - The protection of significant indigenous vegetation and significant habitats of indigenous fauna.
 - Matters related to the legal, physical and practical accessibility of the land;
 - Land that is in and will continue to be in a natural and undeveloped state.

Conditions and Criteria

- 14.2 Māori freehold land which is unoccupied qualifies for a 100% rates remission if at least one of the following criteria is met:

- 14.2.1 Wāhi Tapu is present that may affect the use of the land for other purposes. (A rates remission will be considered on a property, or part of a property, where the use of that property is affected by the presence of Wāhi Tapu).
- 14.2.2 The site is used for preservation/ protection of character or coastline, has outstanding natural features, significant indigenous vegetation, and habitats of indigenous fauna. Applications under this criterion need to be supported by an existing Department of Conservation or Regional Council Management Plan, or other supporting evidence (e.g. in the Department of Conservation Coastal Management Plan for the area).
- 14.2.3 The site has accessibility issues – if it is difficult to legally, physically, or practically access a property. Examples of accessibility issues are:
- The property is landlocked by properties owned by other people/entities.
 - Access is legally available by paper road or easement but the road does not exist.
 - A road ends or passes a property but a river, ravine, cliff or other impediment prevents practical access.
- 14.2.4 The site is in a natural and undeveloped state and will continue to remain in such state.
- 14.2.5 The land is placed under Ngā Whenua Rāhui (conservation covenant).
- 14.2.6 Where land is in multiple ownership (defined as two or more owners) and the owners cannot be located after reasonable effort, the land has no dwelling and is unoccupied, the rates and penalties may be remitted, if it is considered reasonable in the circumstances to do so.
- 14.2.7 In some circumstances, i.e. where a deal can be brokered with a third party to bring into production land which was previously unused, the delegated authority may approve a full or partial remission for a specified

period (this may be a remission of past rates and penalties to secure the payment of future rates).

- 14.2.8 Application must be submitted on the required form and submitted to Council before 30 June.
- 14.2.9 Each application will be considered in line with the general guidelines, however, individual circumstances may vary and could reflect on the final decision.
- 14.2.10 Where a rating unit for which Council has granted a rates remission is sold, leased, occupied or otherwise disposed of, the rates remission shall be terminated at the 30 June following disposal. If the new ratepayer qualifies for a rates remission under this policy, it will be up to that ratepayer to apply for a rates remission.
- 14.2.11 Application of this policy can be delegated to Council officers to complete in instances where the owner cannot be found.

14.3 Exclusions

- 14.3.1 As a general principle, rates will be payable on Māori freehold land where:
 - a) the land contains a habitable dwelling and is occupied as a permanent residence;
 - b) the land is leased to an external party;
 - c) the land is used for the personal use of one of the owners;
 - d) the land does not have a formal lease, however, the land is occupied.

15. Policy on postponement of rates on Māori freehold land

Council does not provide postponement of rates on Māori freehold land.

Financials.

Pūtea

PART 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:



Forecast 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.



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 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.



Forecast 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.



Forecast 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.

Forecast statement of comprehensive revenue and expense

FOR THE 10 YEARS FROM 1 JULY 2021 TO 30 JUNE 2031

After allowance for inflation

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Planned Revenue/Expense				
Operating transactions				
Rates	24,059	26,608	28,685	30,589
Subsidies	22,398	22,093	14,084	11,467
Fees and charges	3,502	3,977	4,092	4,213
Finance revenue	23	18	25	28
Miscellaneous revenue	261	299	339	315
Total Revenue	50,243	52,995	47,225	46,612
Expenditure				
Operating expenses	19,549	21,626	22,080	22,832
Depreciation and amortisation	13,619	15,109	15,813	16,449
Employee benefit costs	6,098	7,129	7,227	7,330
Finance costs	1,070	1,038	1,219	1,470
Total operating expenditure	40,336	44,902	46,339	48,081
Other asset gains/(losses)	134	116	98	89
Operating surplus/(deficit)	10,041	8,209	984	(1,380)
Other comprehensive revenue and expenses				
Gains on assets revaluations	20,686	32,594	31,049	28,900
Other comprehensive revenue and expenses subtotal	20,686	32,594	31,049	28,900
Total comprehensive revenue and expenses	30,727	40,803	32,033	27,520

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
32,470	34,598	36,601	38,520	40,086	41,524	43,154
18,481	21,660	16,988	14,237	14,311	15,074	15,546
4,337	4,467	4,599	4,741	4,893	5,050	5,204
76	76	70	125	191	198	195
323	366	339	348	394	367	376
55,687	61,167	58,597	57,971	59,875	62,213	64,475
23,265	24,163	24,793	25,364	26,182	26,724	27,283
16,966	17,465	18,083	18,572	19,078	19,727	20,251
7,453	7,605	7,779	7,954	8,146	8,365	8,587
1,777	2,149	2,472	2,610	2,632	2,462	2,163
49,461	51,382	53,127	54,500	56,038	57,278	58,284
90	93	94	100	107	110	107
6,316	9,878	5,564	3,571	3,944	5,045	6,298
29,125	34,414	31,594	33,323	38,658	35,681	36,151
29,125	34,414	31,594	33,323	38,658	35,681	36,151
35,441	44,292	37,158	36,894	42,602	40,726	42,449

Forecast statement of changes in net assets/equity

AS AT 30 JUNE FOR THE 10 YEARS FROM 2021 TO 2031

After allowance for inflation

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Net assets/equity at 1 July	925,885	940,318	981,121	1,013,156
Total recognised comprehensive revenue and expense for the period	30,727	40,803	32,033	27,520
Net Assets/Equity at 30 June	956,612	981,121	1,013,156	1,040,677

Detailed changes

Accumulated funds

Balance at 1 July	338,705	362,874	368,331	374,674
Net surplus (deficit) after tax for the year	10,041	8,209	984	(1,380)
Transfers from equity to special reserves	-	(2,752)	5,357	2,861
Balance at 30 June	348,746	368,331	374,674	376,155

Asset revaluation reserves

Balance at 1 July	557,595	543,515	576,109	607,158
Increase in revaluation reserves	20,686	32,594	31,049	28,900
Balance at 30 June	578,281	576,109	607,158	636,059

Special funded reserves

Balance at 1 July	29,539	33,883	36,635	31,278
Increase in special reserves	-	2,752	(5,357)	(2,861)
Balance at 30 June	29,539	36,635	31,278	28,417

Trust funds

Balance at 1 July	46	46	46	46
Increase in trust funds	-	-	-	-
Balance at 30 June	46	46	46	46

Net Assets/Equity at 30 June	956,612	981,121	1,013,156	1,040,677
-------------------------------------	----------------	----------------	------------------	------------------

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
1,040,677	1,076,117	1,120,409	1,157,571	1,194,465	1,237,067	1,277,792
35,441	44,292	37,158	36,894	42,602	40,726	42,449
1,076,117	1,120,409	1,157,571	1,194,465	1,237,067	1,277,792	1,320,241
376,155	385,381	399,039	405,798	409,515	412,970	417,055
6,316	9,878	5,564	3,571	3,944	5,045	6,298
2,911	3,780	1,192	145	(489)	(959)	(1,236)
385,381	399,039	405,798	409,515	412,970	417,055	422,117
636,059	665,184	699,598	731,193	764,515	803,173	838,854
29,125	34,414	31,594	33,323	38,658	35,681	36,151
665,184	699,598	731,193	764,515	803,173	838,854	875,005
28,417	25,506	21,726	20,534	20,389	20,878	21,837
(2,911)	(3,780)	(1,192)	(145)	489	959	1,236
25,506	21,726	20,534	20,389	20,878	21,837	23,073
46	46	46	46	46	46	46
-	-	-	-	-	-	-
46						
1,076,117	1,120,409	1,157,571	1,194,465	1,237,067	1,277,792	1,320,241

Forecast statement of financial position

AS AT 30 JUNE FOR THE 10 YEARS FROM 2021 TO 2031

After allowance for inflation

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Assets				
Current Assets				
Cash and cash equivalents	2,018	2,018	2,151	2,213
Debtors and other receivables	6,000	6,500	6,716	6,927
Other financial assets	1,261	5,082	5,647	7,628
Inventories	110	110	110	110
Total current assets	9,389	13,710	14,624	16,878
Non-current assets				
Investment property	1,743	1,135	1,166	1,195
Biological assets	3,591	2,318	2,385	2,444
Other financial assets	500	650	650	650
Property, plant and equipment	49,125	49,915	53,123	54,555
Infrastructural assets	937,577	969,605	1,006,067	1,039,234
Restricted assets	3,525	3,998	4,106	4,106
Intangible assets	1,215	1,627	1,627	1,627
Total non-current assets	997,276	1,029,248	1,069,124	1,103,811
Total assets	1,006,665	1,042,958	1,083,748	1,120,689
Liabilities				
Current liabilities				
Trade and other payables	5,500	6,500	6,850	7,123
Borrowings - current	-	3,000	9,000	7,000
Employee benefit liabilities	573	573	593	607
Provision for landfill aftercare	-	-	-	-
Total current liabilities	6,073	10,073	16,443	14,730
Non-current liabilities				
Borrowings - non-current	42,789	50,853	53,233	64,365
Employee benefit liabilities	29	29	34	37
Provision for landfill aftercare	686	528	528	528
Tenant contributions	475	354	354	354
Total non-current liabilities	43,979	51,764	54,149	65,284
Total liabilities	50,052	61,837	70,592	80,014

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
2,406	2,466	2,361	2,197	2,078	2,034	1,983
7,159	7,424	7,702	8,018	8,346	8,682	9,040
7,560	6,952	8,351	9,548	9,910	9,741	9,848
110	110	110	110	110	110	110
17,235	16,952	18,524	19,873	20,444	20,567	20,981
1,224	1,254	1,284	1,317	1,351	1,386	1,419
2,505	2,568	2,632	2,701	2,774	2,848	2,923
650	650	650	650	650	650	650
54,656	59,051	58,654	57,953	60,926	59,828	58,847
1,079,921	1,120,094	1,157,104	1,191,595	1,224,899	1,259,188	1,293,906
4,106	4,426	4,426	4,426	4,802	4,802	4,802
1,627	1,627	1,627	1,627	1,627	1,627	1,627
1,144,689	1,189,670	1,226,377	1,260,269	1,297,029	1,330,329	1,364,174
1,161,924	1,206,622	1,244,901	1,280,142	1,317,473	1,350,896	1,385,155
7,547	7,872	8,045	8,197	8,407	8,698	9,006
4,000	2,000	4,000	2,000	3,000	-	-
622	640	660	681	704	730	757
-	-	-	-	-	-	-
12,169	10,512	12,705	10,878	12,111	9,428	9,763
72,714	74,774	73,695	73,861	67,352	62,728	54,197
41	45	50	55	61	67	73
528	528	528	528	528	528	528
354	354	354	354	354	354	354
73,637	75,701	74,627	74,798	68,295	63,677	55,152
85,806	86,213	87,332	85,676	80,406	73,105	64,915

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Equity				
Accumulated funds	348,746	368,331	374,674	376,155
Asset revaluation reserves	578,281	576,109	607,158	636,059
Special funded reserves	29,539	36,635	31,278	28,417
Trust funds	46	46	46	46
Total equity	956,612	981,121	1,013,156	1,040,677
Total liabilities and equity	1,006,665	1,042,958	1,083,748	1,120,689

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
385,381	399,039	405,798	409,515	412,970	417,055	422,117
665,184	699,598	731,193	764,515	803,173	838,854	875,005
25,506	21,726	20,534	20,389	20,878	21,837	23,073
46	46	46	46	46	46	46
1,076,116	1,120,409	1,157,571	1,194,465	1,237,067	1,277,792	1,320,241
1,161,924	1,206,622	1,244,901	1,280,142	1,317,473	1,350,896	1,385,155

Forecast cash flow statement

FOR THE 10 YEARS FROM 1 JULY 2021 TO 30 JUNE 2031

After allowance for inflation

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Cash flows from operating activities				
Cash is provided from:				
Rates	24,564	27,028	28,901	30,821
Grants and subsidies	22,398	22,093	14,084	11,467
Fees and charges	3,502	3,977	4,092	4,213
Finance income	23	18	25	28
Other revenue	261	299	339	315
Total	50,748	53,415	47,441	46,844
Cash is applied to:				
Payments staff and suppliers	26,153	29,175	29,363	30,314
Finance costs	1,070	1,038	1,219	1,470
Total	27,223	30,213	30,582	31,784
Net cash from operating activities	23,525	23,202	16,859	15,060
Cash flows from investing activities				
Sale of fixed assets	-	-	-	-
Proceeds from investments realised	(5,000)	(5,500)	(6,000)	(5,000)
Total	(5,000)	(5,500)	(6,000)	(5,000)
Cash is applied to:				
Purchase of fixed assets	31,551	30,472	24,542	22,148
Purchase of investments	(5,239)	(3,918)	(5,435)	(3,019)
Total	26,312	26,554	19,107	19,129
Net cash from investing activities	(31,312)	(32,054)	(25,107)	(24,129)

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
32,693	34,798	36,801	38,693	40,260	41,705	43,325
18,481	21,660	16,988	14,237	14,311	15,074	15,546
4,337	4,467	4,599	4,741	4,893	5,050	5,204
76	76	70	125	191	198	195
323	366	339	348	394	367	376
55,910	61,367	58,797	58,144	60,049	62,394	64,646
30,728	31,886	32,849	33,631	34,592	35,284	36,059
1,777	2,149	2,472	2,610	2,632	2,462	2,163
32,505	34,035	35,321	36,241	37,224	37,746	38,222
23,405	27,332	23,476	21,903	22,825	24,648	26,424
-	-	-	-	-	-	-
(3,000)	(3,250)	(2,750)	(1,500)	-	1,000	1,000
(3,000)	(3,250)	(2,750)	(1,500)	-	1,000	1,000
28,628	27,940	23,101	19,039	17,073	17,238	17,837
(3,069)	(3,858)	(1,351)	(303)	362	831	1,108
25,559	24,082	21,750	18,736	17,435	18,069	18,945
(28,559)	(27,332)	(24,500)	(20,236)	(17,435)	(17,069)	(17,945)

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Cash flows from financing activities				
Cash is provided from:				
Loans raised	7,787	8,853	11,381	18,132
Total	7,787	8,853	11,381	18,132
Cash is applied to:				
Repayment of loans	-	-	3,000	9,000
Tenant Contributions repaid	-	-	-	-
Total	-	-	3,000	9,000
Net cash from financing activities	7,787	8,853	8,381	9,132
Net (decrease)/increase in cash held	-	1	133	63
Total cash and cash equivalent resources at beginning	2,018	2,018	2,018	2,151
Total cash resources at year end	2,018	2,018	2,151	2,213

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
12,348	4,060	2,921	2,166	-	-	-
12,348	4,060	2,921	2,166	-	-	-
7,000	4,000	2,000	4,000	5,509	7,624	8,530
-	-	-	-	-	-	-
7,000	4,000	2,000	4,000	5,509	7,624	8,530
5,348	60	921	(1,834)	(5,509)	(7,624)	(8,530)
194	60	(103)	(167)	(119)	(45)	(51)
2,213	2,406	2,466	2,361	2,197	2,078	2,034
2,406	2,466	2,361	2,197	2,078	2,034	1,983

Forecast Council funding impact statement

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	8,642	10,111	11,043	11,888
Targeted rates	15,922	16,917	18,074	19,144
Grants and subsidies operating	4,800	5,394	5,565	5,736
Fees and charges	3,502	3,977	4,092	4,213
Interest and dividends from investments	23	18	25	28
Local authorities fuel tax, fines, infringement fees, and other receipts	261	299	339	315
Total operating funding (A)	33,150	36,716	39,138	41,324
Applications of operating funding				
Payment to staff and suppliers	26,153	29,176	29,712	30,588
Finance costs	1,070	1,038	1,219	1,470
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	27,223	30,214	30,931	32,058
Surplus/(deficit) of operating funding (A - B)	5,927	6,502	8,207	9,266
Sources of capital funding				
Subsidies and grants for capital expenditure	17,598	16,699	8,519	5,731
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	7,787	8,853	8,381	9,132
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	25,385	25,552	16,900	14,863
Application of capital funding				
Capital expenditure:				
- to meet additional demand	1,114	532	562	653
- to improve the level of service	6,806	9,465	6,973	8,418
- to replace existing assets	23,631	20,475	17,007	13,078
Increase (decrease) in reserves	(5,239)	(3,918)	(5,435)	(3,019)
Increase (decrease) of investments	5,000	5,500	6,000	5,000
Total applications of capital funding (D)	31,312	32,054	25,107	24,130
Surplus/(deficit) of capital funding (C - D)	(5,927)	(6,502)	(8,207)	(9,266)
Funding balance ((A - B) + (C - D))	-	-	-	-

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
12,890	14,112	15,259	16,339	17,134	17,964	18,887
20,034	20,952	21,819	22,671	23,454	24,076	24,796
6,037	6,212	6,334	6,517	6,706	6,900	7,099
4,337	4,467	4,599	4,741	4,893	5,050	5,204
76	76	70	125	191	198	195
323	366	339	348	394	367	376
43,697	46,185	48,420	50,741	52,772	54,555	56,557
31,152	32,212	33,022	33,780	34,804	35,574	36,366
1,777	2,149	2,472	2,610	2,632	2,462	2,163
-	-	-	-	-	-	-
-	-	-	-	-	-	-
32,929	34,361	35,494	36,390	37,436	38,036	38,529
10,768	11,824	12,926	14,351	15,336	16,519	18,028
12,443	15,448	10,654	7,720	7,606	8,174	8,447
-	-	-	-	-	-	-
5,348	60	921	(1,834)	(5,509)	(7,624)	(8,530)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
17,791	15,508	11,575	5,886	2,097	550	(83)
721	1,654	668	655	691	699	736
7,941	3,078	4,987	4,430	2,880	2,399	2,417
19,966	23,207	17,446	13,954	13,502	14,140	14,684
(3,069)	(3,858)	(1,351)	(303)	362	831	1,108
3,000	3,250	2,750	1,500	-	(1,000)	(1,000)
28,559	27,331	24,500	20,236	17,435	17,069	17,945
(10,768)	(11,824)	(12,926)	(14,351)	(15,336)	(16,519)	(18,028)
-	-	-	-	-	-	-

Reconciliation funding impact statement to comprehensive revenue and expense

	Plan 2020/21 (\$000s)	Year 1 2021/22 (\$000s)	Year 2 2022/23 (\$000s)	Year 3 2023/24 (\$000s)
--	-----------------------------	-------------------------------	-------------------------------	-------------------------------

Revenue

Statement of Comprehensive Revenue and Expense	50,243	52,995	47,225	46,612
--	--------	--------	--------	--------

Summary Funding Impact Statement

Sources of Operating Funding

Total operating funding	33,150	36,716	39,138	41,324
Add sources of capital funding:				
- Subsidies and grants for capital expenditure	17,598	16,699	8,519	5,731
Less rates remissions and discounts	(505)	(420)	(432)	(443)
Total Revenue	50,243	52,995	47,225	46,612
		-	-	-

Expenditure

Statement of Comprehensive Revenue and Expense	40,336	44,902	46,339	48,081
--	--------	--------	--------	--------

Summary Funding Impact Statement

Application of Operating Funding

Total applications of operating funding	27,223	30,214	30,931	32,058
Add depreciation and amortisation expense	13,619	15,109	15,813	16,449
Less internal rates eliminates	(506)	(420)	(407)	(428)
Total Expenditure	40,336	44,902	46,339	48,081

Year 4 2024/25 (\$000s)	Year 5 2025/26 (\$000s)	Year 6 2026/27 (\$000s)	Year 7 2027/28 (\$000s)	Year 8 2028/29 (\$000s)	Year 9 2029/30 (\$000s)	Year 10 2030/31 (\$000s)
55,687	61,167	58,597	57,971	59,875	62,213	64,475
43,697	46,185	48,420	50,741	52,772	54,555	56,557
12,443	15,448	10,654	7,720	7,606	8,174	8,447
(454)	(466)	(477)	(490)	(502)	(516)	(529)
55,687	61,167	58,597	57,971	59,875	62,213	64,475
-	-	-	-	-	-	-
49,461	51,382	53,127	54,500	56,038	57,278	58,284
32,929	34,361	35,494	36,390	37,436	38,036	38,529
16,966	17,465	18,083	18,572	19,078	19,727	20,251
(435)	(445)	(454)	(464)	(474)	(487)	(496)
49,461	51,382	53,127	54,500	56,038	57,278	58,284

NOTE 1

Statement of capital expenditure

	Funding source	Year 1 (\$000's)	Year 2 (\$000's)	Year 3 (\$000's)
Roading		6,783	7,824	7,513
District minor safety improvements	Subsidy 69% / Loan 31%	700	1,547	1,041
District car park renewal	Depreciation Reserve	100	103	106
District streetlights	Subsidy 69% / Depreciation Reserve 31%	-	-	-
District level crossings	Subsidy 69% / Depreciation Reserve 31%	32	33	34
District sealed roads resurfacing	Subsidy 69% / Depreciation Reserve 31%	1,992	2,061	2,129
District emergency reinstatement	Subsidy 69% / Depreciation Reserve 31%	900	928	956
District unsealed road metalling	Subsidy 69% / Depreciation Reserve 31%	579	597	615
District drainage renewals	Subsidy 69% / Depreciation Reserve 31%	599	618	636
Environmental renewals	Subsidy 69% / Depreciation Reserve 31%	-	-	-
District traffic services renewal	Subsidy 69% / Depreciation Reserve 31%	180	186	191
District pavement rehabilitation	Subsidy 69% / Depreciation Reserve 31%	1,700	1,753	1,806
Route 52		8,030	2,258	-
Route 52 boundary to Weber	Subsidy 69% / Depreciation Reserve 31%	8,030	2,258	-
Route 52 Weber to Pongaroa	Subsidy 69% / Depreciation Reserve 31%	-	-	-
Route 52 Weber to Dannevirke	Subsidy 69% / Depreciation Reserve 31%	-	-	-
Roading - Capacity and Compliance		490	615	522
District bridge strengthening	Subsidy 69% / Depreciation Reserve 31%	-	-	-
District bridge renewals	Subsidy 69% / Depreciation Reserve 31%	213	306	210
District structures component replacements	Subsidy 69% / Depreciation Reserve 31%	277	309	312
Footpaths		355	366	377
District footpath development	Subsidy 69% / Loan 31%	100	103	106
District footpath renewal	Subsidy 69% / Depreciation Reserve 31%	255	263	271
Dannevirke town centre paver renewal	Subsidy 69% / Depreciation Reserve 31%	-	-	-
Eketāhuna Water		630	52	64
Eketāhuna water treatment plant upgrade	Subsidy 100%	630	-	-
Eketāhuna investigation	Loan	-	52	-
Eketāhuna alternate water source resource consent	Loan	-	-	64

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
8,325	8,567	8,746	9,000	9,261	9,529	9,806	85,354
1,311	1,349	1,388	1,429	1,470	1,513	1,557	13,304
109	112	116	119	123	126	130	1,144
55	56	58	60	61	63	65	417
35	36	37	38	39	40	41	365
2,503	2,576	2,651	2,728	2,807	2,888	2,972	25,306
983	1,012	1,041	1,072	1,103	1,135	1,167	10,296
608	625	644	662	681	701	722	6,434
641	659	678	698	718	739	760	6,747
66	67	69	71	74	76	78	501
197	202	139	143	147	151	156	1,691
1,818	1,871	1,925	1,981	2,038	2,097	2,158	19,148
5,464	8,545	3,702	238	245	756	259	29,498
-	-	-	-	-	-	-	10,288
5,464	8,545	3,471	-	-	-	-	17,480
-	-	231	238	245	756	259	1,730
1,271	858	883	1,385	935	962	1,509	9,428
219	225	231	238	245	252	259	1,670
710	281	289	774	306	315	843	4,247
342	352	362	373	384	395	406	3,511
628	692	665	685	704	725	798	5,995
219	225	231	238	245	252	259	1,979
410	422	434	446	459	473	486	3,919
-	45	-	-	-	-	52	97
-	-	-	-	-	-	-	745
-	-	-	-	-	-	-	630
-	-	-	-	-	-	-	52
-	-	-	-	-	-	-	64

		Year 1 (\$'000's)	Year 2 (\$'000's)	Year 3 (\$'000's)
Woodville Water		1,228	-	-
Woodville water treatment plant upgrade	Subsidy 100%	970	-	-
Woodville investigation	Loan	100	-	-
Woodville alternate water source resource consent	Loan	60	-	-
Woodville water take resource consent	Depreciation Reserve	70	-	-
Woodville treated water reservoir	Loan	-	-	-
Woodville pipe bridge	Loan	28	-	-
Dannevirke Water		1,600	1,003	892
Dannevirke water treatment plant upgrade	Subsidy 100%	1,550	-	-
Dannevirke investigation	Loan	-	104	-
Dannevirke alternate water source resource consent	Loan	-	62	-
Dannevirke water take resource consent	Depreciation Reserve	-	-	-
Dannevirke Gregg Street booster pump station	Depreciation Reserve	-	-	11
Dannevirke intake pipeline between No.2 Reservoir and Adelaide Road	Depreciation Reserve	25	-	-
Dannevirke impound supply to Taradale Road pipeline viability investigation	Depreciation Reserve	25	-	-
Dannevirke intake pipeline between impounded supply and No.2 Reservoir	Depreciation Reserve	-	837	881
Dannevirke treated water reservoir	Loan	-	-	-
Norsewood Water		100	62	1,168
Norsewood water treatment plant development	Subsidy 100%	-	-	1,168
Norsewood 100mm pipeline from new plant to school development	Loan	-	-	-
Norsewood investigation	Loan	100	-	-
Norsewood alternate water source resource consent	Loan	-	62	-
Pahiatua Water		120	-	159
Pahiatua water take bore resource consent	Depreciation Reserve	-	-	-
Pahiatua water take resource consent	Depreciation Reserve	70	-	-
Pahiatua river pumps	Depreciation Reserve	-	-	-
Pahiatua old reservoir assessment	Loan	50	-	159
Akitio Water		10	57	-
Akitio pipeline tanks to fire hydrant	Loan	-	16	-
Akitio pipeline from intake source to storage tanks	Depreciation Reserve	-	-	-
Akitio 3 day treated storage feasibility	Loan	10	-	-
Akitio 3 day treated water storage	Loan	-	41	-

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
109	-	-	-	-	-	-	1,337
-	-	-	-	-	-	-	970
-	-	-	-	-	-	-	100
-	-	-	-	-	-	-	60
-	-	-	-	-	-	-	70
109	-	-	-	-	-	-	109
-	-	-	-	-	-	-	28
1,039	589	92	-	-	-	-	5,216
-	-	-	-	-	-	-	1,550
-	-	-	-	-	-	-	104
-	-	-	-	-	-	-	62
-	79	-	-	-	-	-	79
-	-	-	-	-	-	-	11
-	511	92	-	-	-	-	628
-	-	-	-	-	-	-	25
930	-	-	-	-	-	-	2,649
109	-	-	-	-	-	-	109
436	-	-	-	-	-	-	1,766
109	-	-	-	-	-	-	1,277
327	-	-	-	-	-	-	327
-	-	-	-	-	-	-	100
-	-	-	-	-	-	-	62
-	-	-	95	-	-	-	375
-	-	-	83	-	-	-	83
-	-	-	-	-	-	-	70
-	-	-	12	-	-	-	12
-	-	-	-	-	-	-	209
11	-	-	-	-	-	-	78
-	-	-	-	-	-	-	16
11	-	-	-	-	-	-	11
-	-	-	-	-	-	-	10
-	-	-	-	-	-	-	41

		Year 1 (\$'000's)	Year 2 (\$'000's)	Year 3 (\$'000's)
Pongaroa Water		90	-	-
Pongaroa water take resource consent	Depreciation Reserve	-	-	-
Pongaroa 3 day treated storage feasibility	Loan	10	-	-
Pongaroa 3 day treated water storage	Loan	80	-	-
District Water		65	67	69
District water renewals health and safety	Depreciation Reserve	15	16	16
District unplanned water renewals	Depreciation Reserve	50	52	53
Woodville Wastewater		-	248	1,938
Woodville wastewater treatment plant design	Loan	-	114	-
Woodville wastewater treatment plant upgrade	Loan	-	-	945
Woodville wetland resource consent	Loan	-	52	-
Woodville wetland design	Loan	-	83	-
Woodville wetland development	Loan	-	-	945
Woodville biodiversity wetland	Loan	-	-	48
Woodville wastewater aerators (blowers)	Depreciation Reserve	-	-	-
Woodville pipeline to wetland	Loan	-	-	-
Dannevirke Wastewater		130	1,149	593
Dannevirke wastewater treatment plant design	Loan	100	-	-
Dannevirke wastewater treatment plant upgrade	Loan	-	518	531
Dannevirke land irrigation consent	Loan	-	-	-
Dannevirke wastewater discharge consent	Depreciation Reserve	-	-	-
Dannevirke disposal to land	Loan	-	-	-
Dannevirke land irrigation investigation	Loan	-	-	53
Dannevirke land purchase	Loan	-	-	-
Dannevirke sewerage treatment discharge pipeline to the Manawatu River	Loan	-	-	-
Dannevirke dewatering/sludge press process	Loan	-	311	-
Dannevirke wastewater groundworks	Depreciation Reserve	20	-	-
Dannevirke wastewater replace existing fences	Depreciation Reserve	10	10	-
Dannevirke wastewater replacement inflow screen, roofing, mobile septic tank	Depreciation Reserve	-	311	-
Dannevirke wastewater aerator (replacement blowers)	Depreciation Reserve	-	-	-
Dannevirke wastewater dose pumps for tephra	Depreciation Reserve	-	-	9

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
-	-	-	83	-	-	-	173
-	-	-	83	-	-	-	83
-	-	-	-	-	-	-	10
-	-	-	-	-	-	-	80
71	73	75	77	80	83	85	745
16	17	17	18	18	19	20	172
55	56	58	60	61	64	66	573
833	-	5	5	-	-	-	3,029
-	-	-	-	-	-	-	114
251	-	-	-	-	-	-	1,196
-	-	-	-	-	-	-	52
-	-	-	-	-	-	-	83
523	-	-	-	-	-	-	1,469
-	-	-	-	-	-	-	48
4	-	5	5	-	-	-	14
55	-	-	-	-	-	-	55
3,640	626	1,593	1,433	128	-	-	9,292
-	-	-	-	-	-	-	100
109	-	-	-	-	-	-	1,158
-	168	115	-	-	-	-	284
109	449	577	-	-	-	-	1,135
-	-	535	1,191	123	-	-	1,848
55	-	-	-	-	-	-	108
3,359	-	-	-	-	-	-	3,359
-	-	356	238	-	-	-	595
-	-	-	-	-	-	-	311
-	-	-	-	-	-	-	20
-	-	-	-	-	-	-	20
-	-	-	-	-	-	-	311
9	9	9	5	5	-	-	37
-	-	-	-	-	-	-	9

		Year 1 (\$'000's)	Year 2 (\$'000's)	Year 3 (\$'000's)
Pahiatua Wastewater		115	682	1,077
Pahiatua wastewater treatment plant design	Loan	-	114	-
Pahiatua wastewater treatment plant upgrade	Loan	-	-	1,062
Pahiatua wetland design	Loan	45	-	-
Pahiatua wetland development	Loan	-	564	11
Pahiatua wastewater pipeline from plant to wetland	Loan	70	-	-
Pahiatua wastewater aerators (replacement blowers)	Depreciation Reserve	-	4	4
Eketāhuna Wastewater		2,115	580	-
Eketāhuna wastewater treatment plant design	Loan	110	-	-
Eketāhuna wastewater treatment plant upgrade	Loan	840	580	-
Eketāhuna wetland design	Loan	45	-	-
Eketāhuna wetland purchase	Loan	50	-	-
Eketāhuna wetland development	Loan	1,050	-	-
Eketāhuna pond level sensor alarm	Loan	5	-	-
Eketāhuna flow meters inflow and outflow lines	Loan	15	-	-
Eketāhuna wastewater aerator (replacement blowers)	Depreciation Reserve	-	-	-
Norsewood Wastewater		-	-	-
Norsewood wastewater treatment plant design	Loan	-	-	-
Norsewood wastewater treatment plant upgrade	Loan	-	-	-
Norsewood wetland land purchase	Loan	-	-	-
Norsewood wetland resource consent	Loan	-	-	-
Norsewood wetland design	Loan	-	-	-
Norsewood wetland development	Loan	-	-	-
Norsewood wastewater aerator (replacement blowers)	Depreciation Reserve	-	-	-
Ormondville Wastewater		-	-	-
Ormondville wastewater treatment plant design	Loan	-	-	-
Ormondville wastewater treatment plant upgrade	Loan	-	-	-
Ormondville wastewater discharge resource consent	Loan	-	-	-
Ormondville wetland investigation	Loan	-	-	-
Ormondville wetland land purchase	Loan	-	-	-
Ormondville wetland resource consent	Loan	-	-	-
Ormondville wetland design	Loan	-	-	-
Ormondville wetland development	Loan	-	-	-

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
109	4	-	12	-	-	-	1,999
-	-	-	-	-	-	-	114
109	-	-	-	-	-	-	1,171
-	-	-	-	-	-	-	45
-	-	-	12	-	-	-	587
-	-	-	-	-	-	-	70
-	4	-	-	-	-	-	13
4	-	-	-	-	-	-	2,699
-	-	-	-	-	-	-	110
-	-	-	-	-	-	-	1,420
-	-	-	-	-	-	-	45
-	-	-	-	-	-	-	50
-	-	-	-	-	-	-	1,050
-	-	-	-	-	-	-	5
-	-	-	-	-	-	-	15
4	-	-	-	-	-	-	4
-	184	1,125	238	-	-	-	1,547
-	123	-	-	-	-	-	123
-	-	1,038	-	-	-	-	1,038
-	-	58	-	-	-	-	58
-	56	-	-	-	-	-	56
-	-	29	-	-	-	-	29
-	-	-	238	-	-	-	238
-	4	-	-	-	-	-	4
38	180	386	238	258	-	-	1,101
-	-	127	-	-	-	-	127
-	-	-	119	184	-	-	304
11	112	173	-	-	-	-	296
27	-	-	-	-	-	-	27
-	67	-	-	-	-	-	67
-	-	58	-	-	-	-	58
-	-	29	-	-	-	-	29
-	-	-	119	74	-	-	193

		Year 1 (\$'000's)	Year 2 (\$'000's)	Year 3 (\$'000's)
Pongaroa Wastewater		-	-	-
Pongaroa wastewater treatment plant design	Loan	-	-	-
Pongaroa wastewater treatment plant upgrade	Loan	-	-	-
Pongaroa wetland resource consent	Loan	-	-	-
Pongaroa wetland investigation	Loan	-	-	-
Pongaroa wetland land purchase	Loan	-	-	-
Pongaroa wetland design	Loan	-	-	-
Pongaroa wetland development	Loan	-	-	-
District Wastewater		735	254	175
District wastewater treatment plant performance assessments and options analysis	Loan	400	-	-
District pond desludging investigation	Depreciation Reserve	-	31	-
District sludge disposal facility/cells	Loan	120	-	-
District unplanned wastewater renewals	Depreciation Reserve	50	52	53
District wastewater renewals health and safety	Depreciation Reserve	15	16	16
District wastewater shower and toilet development	Loan	50	52	53
District wastewater perimeter safety fencing around ponds	Loan	100	104	53
Stormwater		420	300	372
District stormwater network renewals	Depreciation Reserve	50	52	64
District stormwater network development and extension	Loan	70	93	127
District stormwater development	Loan	150	155	181
Eketāhuna stormwater upgrade	Subsidy 100%	150	-	-
Reticulation Network		2,125	3,959	2,809
District water reticulation network development and extension	Loan	200	207	212
District water reticulation mains renewals	Depreciation Reserve	650	673	743
District water reticulation leakage strategy	Depreciation Reserve	100	-	-
District wastewater pump station renewals	Depreciation Reserve	50	52	53
Wastewater network renewals	Depreciation Reserve	600	673	743
District wastewater network development and extension	Loan	250	259	265
District unplanned reticulation renewals	Depreciation Reserve	25	26	27
District pressure management reducing valves	Loan	50	-	-
District infiltration and inflow strategy implementation	Depreciation Reserve	50	725	743
District manhole replacements	Depreciation Reserve	50	104	21
Dannevirke wastewater upgrade (siphon, pipes, alt route)	Depreciation Reserve	100	1,242	-

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
82	163	213	155	246	-	-	859
-	-	-	131	-	-	-	131
-	-	-	-	246	-	-	246
55	-	-	-	-	-	-	55
27	-	-	-	-	-	-	27
-	135	-	-	-	-	-	135
-	28	-	-	-	-	-	28
-	-	213	24	-	-	-	237
71	73	75	77	80	83	85	1,708
-	-	-	-	-	-	-	400
-	-	-	-	-	-	-	31
-	-	-	-	-	-	-	120
55	56	58	60	61	64	66	573
16	17	17	18	18	19	20	172
-	-	-	-	-	-	-	155
-	-	-	-	-	-	-	257
382	393	395	431	445	460	448	4,046
65	67	83	86	89	92	94	742
131	135	115	119	123	127	131	1,172
185	191	196	226	234	242	223	1,982
-	-	-	-	-	-	-	150
2,885	3,002	2,278	2,351	2,294	2,410	2,484	26,596
218	224	231	238	246	254	262	2,293
763	786	808	833	885	954	1,049	8,144
-	-	-	-	-	-	-	100
55	56	58	60	61	64	66	573
763	786	750	714	676	699	656	7,060
273	281	288	298	307	318	328	2,867
27	28	29	30	31	32	33	287
-	-	-	-	-	-	-	50
763	786	58	60	61	64	66	3,375
22	56	58	119	25	25	26	506
-	-	-	-	-	-	-	1,342

		Year 1 (\$000's)	Year 2 (\$000's)	Year 3 (\$000's)
Data and Reporting		200	176	21
District water telemetry renewal	Depreciation Reserve	10	10	11
District wastewater telemetry renewal	Depreciation Reserve	10	10	11
District water and wastewater telemetry development	Loan	150	155	-
District digital measurement, alarm, and reporting system investigation	Loan	30	-	-
Solid Waste		270	381	187
District resident recycling wheelie bins	Subsidy 30% / Loan 70%	-	359	-
District resident recycling wheelie bins renewals	Depreciation Reserve	-	-	7
District kerbside glass recycling bins	Subsidy 50% / Loan 50%	80	-	-
District kerbside glass recycling bins renewals	Depreciation Reserve	-	1	1
District recycling centres minor capital	Depreciation Reserve	10	10	11
District access road renewals	Depreciation Reserve	10	-	-
Woodville transfer station minor capital	Loan	25	10	11
Woodville transfer station land purchase	Loan	70	-	-
District feasibility for recovery and organic processing	Subsidy 100%	25	-	-
District investigation recycling, composting, and reuse	Subsidy 100%	50	-	-
District kerbside refuse	Subsidy 50% / Loan 50%	-	-	158

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
104	22	81	83	25	25	26	764
11	11	12	12	12	13	13	115
11	11	12	12	12	13	13	115
82	-	58	60	-	-	-	504
-	-	-	-	-	-	-	30
127	108	20	56	10	10	10	1,179
-	-	-	-	-	-	-	359
8	8	8	8	8	9	9	64
-	-	-	-	-	-	-	80
1	1	1	1	1	1	1	10
11	11	11	12	-	-	-	76
-	33	-	35	-	-	-	78
-	-	-	-	-	-	-	46
-	-	-	-	-	-	-	70
108	55	-	-	-	-	-	188
-	-	-	-	-	-	-	50
-	-	-	-	-	-	-	158

		Year 1 (\$'000's)	Year 2 (\$'000's)	Year 3 (\$'000's)
Community and Administration Buildings		2,261	907	1,509
Dannevirke service centre earthquake strengthening	Depreciation Reserve	750	-	-
Eketāhuna Medical Centre airconditioning	Depreciation Reserve	-	10	-
Eketāhuna Medical Centre carpet	Depreciation Reserve	25	-	-
Eketāhuna community buildings programmed renewals	Depreciation Reserve	40	-	11
Eketāhuna community centre heating upgrade	Depreciation Reserve	30	-	-
Pahiatua service centre earthquake strengthening	Depreciation Reserve	900	-	-
Pahiatua Town Hall roof renewal	Depreciation Reserve	65	-	-
Pahiatua community buildings programmed renewals	Depreciation Reserve	24	7	15
Woodville old service centre library earthquake strengthening	Depreciation Reserve	-	144	-
Woodville community centre programmed renewals	Depreciation Reserve	2	-	11
Woodville community centre flooring upgrade	Depreciation Reserve	-	123	-
Pongaroa hall programmed renewals	Depreciation Reserve	18	-	2
Pongaroa community hall heating upgrade	Depreciation Reserve	24	-	-
District unplanned renewals	Depreciation Reserve	50	51	53
District community buildings furniture	Depreciation Reserve	3	3	3
District admin buildings solar power	Loan	-	-	13
Dannevirke service centre programmed renewals	Depreciation Reserve	10	28	7
Pahiatua service centre programmed renewals	Depreciation Reserve	-	1	-
Pahiatua Town Hall kitchen refurbishment	Depreciation Reserve	-	-	16
Dannevirke IT complex programmed renewals	Depreciation Reserve	10	-	-
Woodville library/service centre programmed renewals	Depreciation Reserve	10	-	-
Dannevirke library programmed renewals	Depreciation Reserve	5	-	84
District library books	Depreciation Reserve	100	103	105
District library furniture and fittings	Depreciation Reserve	20	10	11
District mobile library feasibility and development	Loan	-	10	105
Eketāhuna library programmed renewals	Depreciation Reserve	10	5	21
Allardice Street property options assessment	Depreciation Reserve	50	-	-
Allardice Street property redesign and redevelopment	Depreciation Reserve	-	103	1,053
Pahiatua Town Hall library earthquake strengthening assessment	Depreciation Reserve	25	-	-
Pahiatua Town Hall library earthquake strengthening	Depreciation Reserve	-	308	-
Dannevirke dog pound improvements	Loan	90	-	-

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
307	354	301	262	207	248	284	6,640
-	-	-	-	-	-	-	750
-	-	-	-	-	-	-	10
-	-	-	-	-	-	-	25
-	39	2	15	-	24	-	131
-	-	-	-	-	-	-	30
-	-	-	-	-	-	-	900
-	-	-	-	-	-	-	65
26	6	27	2	-	2	-	109
-	-	-	-	-	-	-	144
2	-	11	2	-	-	3	31
-	-	-	-	-	-	-	123
11	2	40	14	2	2	-	91
-	-	-	-	-	-	-	24
54	55	57	58	60	61	63	561
3	3	3	3	4	4	4	34
-	22	-	12	-	-	-	46
85	17	14	10	8	11	15	205
-	18	2	-	-	-	6	27
-	-	-	-	-	-	-	16
-	2	-	-	-	-	-	12
5	-	7	6	-	-	6	34
-	6	8	6	-	9	-	117
108	111	113	116	119	122	125	1,122
11	11	11	12	12	12	13	122
-	-	-	-	-	-	-	116
2	19	6	6	2	-	-	71
-	-	-	-	-	-	-	50
-	-	-	-	-	-	-	1,155
-	-	-	-	-	-	-	25
-	-	-	-	-	-	-	308
-	44	-	-	-	-	50	185

		Year 1 (\$'000's)	Year 2 (\$'000's)	Year 3 (\$'000's)
Dannevirke Sports Centre		82	5	349
Dannevirke sports centre earthquake strengthening	Depreciation Reserve	-	-	189
Dannevirke sports centre extension	Loan	-	-	26
Dannevirke sports centre heating upgrade	Depreciation Reserve	-	-	56
Dannevirke sports centre curtains/blinds	Depreciation Reserve	-	-	11
Dannevirke sports centre programmed renewals	Depreciation Reserve	20	-	-
Dannevirke netball tennis court green plexi pave surface	Depreciation Reserve	-	5	65
Dannevirke sports centre pavilion programmed renewals	Depreciation Reserve	2	-	2
Dannevirke recreational facility business case	Loan	60	-	-
Dannevirke Town Hall		86	-	21
Dannevirke Town Hall floor refurbishment	Depreciation Reserve	6	-	-
Dannevirke Town Hall changing room refurbishment	Depreciation Reserve	80	-	-
Dannevirke Town Hall external doors	Depreciation Reserve	-	-	21
Dannevirke Town Hall renewals	Depreciation Reserve	-	-	-
Parks and Recreation		49	36	95
Dannevirke Domain playground equipment	Depreciation Reserve	-	-	-
Pahiatua hard surface netball courts Bush Sports Park	Depreciation Reserve	-	-	-
District playground equipment	Depreciation Reserve	10	-	-
Pahiatua Harvard Park renewals	Depreciation Reserve	-	10	-
Dannevirke Domain programmed renewals	Depreciation Reserve	4	-	32
District playground matting	Depreciation Reserve	-	-	-
Pahiatua grandstand	Depreciation Reserve	-	-	-
District parks/playground minor renewals	Depreciation Reserve	10	10	11
District parks/playground fencing	Depreciation Reserve	10	10	11
District parks/playground drainage	Depreciation Reserve	5	5	5
District parks/playground facilities investigation and development	Depreciation Reserve	10	-	37
Swimming Pools		114	17	7
District swimming pools plumbing and electrical	Depreciation Reserve	7	7	7
Woodville swimming pool replace skylight fence	Depreciation Reserve	7	-	-
Woodville swimming pool renew paddling pool fence and outdoor seating	Depreciation Reserve	-	10	-
Pahiatua swimming pool development	Depreciation Reserve	100	-	-

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
412	73	16	2	-	101	4	1,044
-	-	-	-	-	-	-	189
388	66	-	-	-	-	-	481
-	-	-	-	-	-	-	56
-	-	-	-	-	-	-	11
-	3	14	-	-	98	-	135
-	-	-	-	-	-	-	70
24	3	2	2	-	2	4	42
-	-	-	-	-	-	-	60
16	11	3	12	2	-	13	164
8	-	-	9	-	-	-	23
-	-	-	-	-	-	-	80
-	-	-	-	-	-	-	21
9	11	3	2	2	-	13	40
28	296	339	72	33	74	35	1,058
-	111	-	-	-	-	-	111
-	-	283	-	-	-	-	283
-	-	-	-	-	-	-	10
-	-	23	-	-	-	-	33
1	3	3	1	-	-	-	45
-	111	-	-	-	-	-	111
-	4	1	-	2	-	3	10
11	11	11	12	12	12	13	112
11	11	11	12	12	12	13	112
5	7	7	7	7	7	8	63
-	39	-	41	-	43	-	169
8	12	14	12	12	12	13	221
8	12	14	12	12	12	13	103
-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	10
-	-	-	-	-	-	-	100

		Year 1 (\$'000's)	Year 2 (\$'000's)	Year 3 (\$'000's)
District-wide Walkway		340	298	47
Lindauer walkway	Loan	250	257	-
Lindauer walkway feasibility study	Loan	50	-	-
Lindauer walkway renewals	Depreciation Reserve	-	-	5
District walkway development	Loan	20	21	21
District cycleway development	Loan	20	21	21
Camping		44	104	35
Dannevirke camping ground install power outlets	Loan	-	-	-
Dannevirke new cabins	Loan	-	-	-
Dannevirke camping ground house carpet	Depreciation Reserve	-	-	-
Dannevirke camping ground cabin roofs	Depreciation Reserve	-	15	-
Dannevirke camping ground holding tank and pump	Depreciation Reserve	30	-	-
Dannevirke camping ground hardstand	Depreciation Reserve	-	21	-
Woodville development of buildings	Loan	-	-	-
Eketāhuna camping ground renewals	Depreciation Reserve	7	2	2
Eketāhuna camping ground install power outlets	Loan	-	-	-
Eketāhuna camping ground hardstands/power	Loan	-	-	16
Eketāhuna camping ground day room	Loan	-	62	-
Pahiatua camping ground house/amenities	Depreciation Reserve	-	-	-
Pahiatua camping ground driveway reseal	Depreciation Reserve	-	-	-
Pahiatua camping ground house carpet	Depreciation Reserve	-	-	-
District camping grounds programmed renewals	Depreciation Reserve	7	4	17
Pensioner Housing		27	131	81
Dannevirke Aften Court new parking pads	Pensioner Housing Reserve	-	-	16
Woodville renewal of older units Ruahine	Pensioner Housing Reserve	-	67	-
Dannevirke Aften Court aluminium windows	Pensioner Housing Reserve	-	-	37
District fencing and scooter sheds	Pensioner Housing Reserve	12	12	13
District pensioner flats minor refurbishment	Pensioner Housing Reserve	15	15	16
Dannevirke Elsinore Court concrete for parking	Pensioner Housing Reserve	-	37	-
District new units	Pensioner Housing Reserve	-	-	-

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
49	50	51	52	54	55	56	1,051
-	-	-	-	-	-	-	507
-	-	-	-	-	-	-	50
5	6	6	6	6	6	6	46
22	22	23	23	24	24	25	224
22	22	23	23	24	24	25	224
107	17	89	51	36	7	3	492
-	-	-	17	-	-	-	17
54	-	-	-	-	-	-	54
-	-	-	-	24	-	-	24
-	-	-	-	-	-	-	15
-	-	-	-	-	-	-	30
-	-	-	23	-	-	-	44
-	-	34	-	-	-	-	34
2	10	1	1	2	2	3	33
-	-	17	-	-	-	-	17
-	-	-	-	-	-	-	16
-	-	-	-	-	-	-	62
3	-	-	-	-	-	-	3
32	-	-	-	-	-	-	32
-	-	23	-	-	-	-	23
15	7	15	9	10	5	-	88
99	1,024	96	17	101	18	113	1,709
-	-	-	-	-	-	-	16
70	-	79	-	83	-	94	393
-	-	-	-	-	-	-	37
13	13	-	-	-	-	-	63
16	17	17	17	18	18	19	168
-	-	-	-	-	-	-	37
-	995	-	-	-	-	-	995

		Year 1 (\$'000's)	Year 2 (\$'000's)	Year 3 (\$'000's)
Conveniences		15	154	147
Pahiatua main toilets	Depreciation Reserve	2	-	-
Dannevirke Barraud Street toilets	Depreciation Reserve	-	134	-
District toilets unplanned renewals	Depreciation Reserve	10	10	11
Dannevirke Exeloos	Depreciation Reserve	3	3	-
District toilets programmed renewals	Depreciation Reserve	-	7	-
Waihi Falls toilet replacement	Depreciation Reserve	-	-	137
Cemeteries		12	3	32
Mangatera Cemetery development (new area)	Loan	-	3	-
District new berms	Loan	12	-	-
Mangatainoka Cemetery extension	Loan	-	-	32
Lighting Upgrades		37	78	124
Dannevirke Library LED lighting upgrade	Depreciation Reserve	5	-	-
Dannevirke Service Centre LED lighting upgrade	Depreciation Reserve	20	-	-
Eketāhuna Service Centre LED lighting upgrade	Depreciation Reserve	-	10	-
Pahiatua Service Centre LED lighting upgrade	Depreciation Reserve	-	10	-
Dannevirke Sports Centre LED lighting upgrade	Depreciation Reserve	-	-	40
Dannevirke Town Hall LED lighting upgrade	Depreciation Reserve	-	45	-
Eketāhuna Community Centre LED lighting upgrade	Depreciation Reserve	-	-	25
Pongaroa Community Hall LED lighting upgrade	Depreciation Reserve	-	-	8
Woodville Community Hall LED lighting upgrade	Depreciation Reserve	-	-	38
District three waters LED security lighting	Depreciation Reserve	12	12	-
District parks LED lighting upgrade	Depreciation Reserve	-	-	13

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
67	21	11	21	17	17	15	485
2	2	-	-	2	-	3	11
-	2	-	-	2	-	-	138
11	11	11	12	12	12	13	112
54	3	-	5	-	-	-	68
-	2	-	5	-	5	-	19
-	-	-	-	-	-	-	137
45	20	-	-	14	-	15	141
32	-	-	-	-	-	-	35
13	20	-	-	14	-	15	74
-	-	-	-	-	-	-	32
13	13	-	-	-	-	-	266
-	-	-	-	-	-	-	5
-	-	-	-	-	-	-	20
-	-	-	-	-	-	-	10
-	-	-	-	-	-	-	10
-	-	-	-	-	-	-	40
-	-	-	-	-	-	-	45
-	-	-	-	-	-	-	25
-	-	-	-	-	-	-	8
-	-	-	-	-	-	-	38
-	-	-	-	-	-	-	24
13	13	-	-	-	-	-	39

		Year 1 (\$000's)	Year 2 (\$000's)	Year 3 (\$000's)
District Support		615	644	622
District Council CCTV renewals	Loan	15	15	16
District community support town CCTV renewals	Depreciation Reserve	50	72	74
District Council CCTV developments	Loan	14	14	-
District plant UAV renewal	Depreciation Reserve	20	20	21
District plant UAV development	Depreciation Reserve	10	10	-
District vehicle renewals	Depreciation Reserve	315	365	363
District vehicle new staff	Loan	40	-	-
District i-SITE hardware development	Loan	20	21	21
District 3D copiers development	Loan	-	-	10
District working alone solutions	Loan	10	-	-
District IoT devices smart city systems	Loan	100	102	104
District IoT devices renewals	Depreciation Reserve	-	10	-
District business continuity generators/battery stores	Depreciation Reserve	13	13	14
Dannevirke point of presence park and parking finishing	Loan	8	-	-
District Promotion		80	38	118
Electric vehicles electricity ducting	Loan	20	21	21
District fibre ducting extensions	Loan	10	10	11
District entry signs refresh	Depreciation Reserve	-	-	26
District computer wifi hardware	Depreciation Reserve	-	7	7
District culturally significant site information signage	Loan	-	-	-
District village main street upgrades	Loan	50	-	53
Connectivity		163	978	161
District digital radio handsets	Loan	40	-	-
District radio renewals	Depreciation Reserve	3	-	3
Pahiataua/Eketāhuna electric vehicle upgrade Powerco transformer	Loan	50	-	-
District satellite communications equipment replacement	Depreciation Reserve	-	-	-
District Council fibre extensions development	Loan	20	-	-
District wireless hotspot extensions	Loan	50	154	158
District Connect Tararua	Loan	-	823	-

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
669	512	540	608	593	561	639	6,002
16	16	17	17	17	18	-	146
76	66	68	82	84	86	82	740
-	-	-	-	-	-	-	28
32	22	22	23	35	24	24	242
-	-	-	-	-	-	-	20
395	327	317	450	395	393	479	3,798
-	44	45	-	-	-	-	130
22	22	23	23	24	25	25	225
-	-	-	-	12	-	-	22
-	-	22	-	-	-	-	32
106	-	-	-	-	-	-	412
11	-	11	-	12	-	12	56
14	14	14	15	15	15	16	143
-	-	-	-	-	-	-	8
56	113	42	101	36	68	38	690
22	22	23	23	24	25	25	225
11	11	11	12	12	12	13	113
-	-	-	-	-	-	-	26
8	8	8	8	-	-	-	46
16	17	-	-	-	-	-	33
-	55	-	58	-	31	-	247
16	12	-	3	-	3	19	1,354
-	-	-	-	-	-	-	40
-	3	-	3	-	3	-	14
-	-	-	-	-	-	-	50
16	9	-	-	-	-	19	44
-	-	-	-	-	-	-	20
-	-	-	-	-	-	-	363
-	-	-	-	-	-	-	823

	Funding source	Year 1 (\$'000's)	Year 2 (\$'000's)	Year 3 (\$'000's)
Information Technology		932	1,111	858
District cabling and power renewal	Depreciation Reserve	-	20	-
District hardware renewal	Depreciation Reserve	453	524	426
District software renewal	Depreciation Reserve	24	184	47
District BI project	Depreciation Reserve	120	123	125
District software development	Loan	185	133	135
District hardware development	Loan	29	44	53
District computer network renewals	Depreciation Reserve	20	22	21
District computer network developments	Loan	21	20	21
Dannevirke council chamber civil defence equipment replacement	Depreciation Reserve	-	-	32
District eServices and web platform	Loan	80	41	-
Regulatory Compliance		5	5	5
HAZNO compliance	Loan	5	5	5
Total Capital Expenditure		30,472	24,542	22,148

Summary of capital projects

	Year 1 (\$'000's)	Year 2 (\$'000's)	Year 3 (\$'000's)	Year 4 (\$'000's)	Year 5 (\$'000's)	Year 6 (\$'000's)
Growth	532	562	653	721	1,654	668
Level of Service	9,465	6,973	8,418	7,941	3,078	4,987
Renewal	20,475	17,007	13,078	19,966	23,207	17,446
Grand Total	30,472	24,542	22,148	28,628	27,940	23,101

Year 4 (\$000's)	Year 5 (\$000's)	Year 6 (\$000's)	Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
1,100	1,328	1,258	1,188	1,252	1,025	1,075	11,128
-	-	22	-	-	-	-	43
557	699	552	518	561	452	535	5,278
206	302	336	344	306	195	152	2,096
127	129	132	135	139	142	146	1,318
137	108	110	113	115	154	158	1,349
30	46	58	32	49	34	35	411
21	22	25	23	23	24	24	224
21	22	22	23	23	24	24	221
-	-	-	-	36	-	-	68
-	-	-	-	-	-	-	121
5	6	6	6	6	6	7	57
5	6	6	6	6	6	7	57
28,628	27,940	23,101	19,050	17,073	17,239	17,837	228,030

Year 7 (\$000's)	Year 8 (\$000's)	Year 9 (\$000's)	Year 10 (\$000's)	Total (\$000's)
655	691	699	736	7,571
4,430	2,880	2,399	2,417	52,988
13,965	13,502	14,140	14,684	167,469
19,050	17,073	17,238	17,837	228,030

NOTE 2**Statement of reserves and special funds****Reserves**

The Council has an obligation to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community; and to act in the best interest of its ratepayers.

The management of reserves forms an integral component of meeting these obligations.

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest.

Council has 24 reserves of which 23 are Council created discretionary reserves which the council has established for the fair and transparent use of monies. Reserves are not separately held in cash and the funds are managed as part of the council's treasury management.

These discretionary reserves are disaggregated into the following categories:

- Depreciation reserves.
 - Special reserves (which is broken down into other special reserves).
 - Trust Funds.
-

Depreciation reserves

The Council's assets are depreciated as they are consumed. As such, the cost of this depreciation is passed on to the consumer through either rates or fees and charges. There will normally be a timing difference between the collection of this depreciation charge and the utilisation of it to fund renewal capital works. This will create movements in these reserves.

Description	Purpose of Fund	Opening balance 2021 (\$000's)	Transfers in (\$000's)	Transfers out (\$000's)	Closing balance 2021 (\$000's)
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 reserve can be used to fund internal borrowing.	32,963	145,352	(167,458)	10,857
Makuri Water Scheme	To establish a depreciation reserve to fund the renewal of assets for this scheme.	12	-	-	12
Pongaroa Water Supply	To establish a depreciation reserve to fund the renewal of assets for this scheme.	223	11	-	235
Tararua Aquatic Community Trust Wai Splash	To establish a depreciation reserve to fund the renewal of major assets.	145	621	-	766
Bush Multisport	To establish a depreciation reserve to fund the renewal of major assets.	120	112	-	232
Total		33,463	146,097	(167,458)	12,102

Special funded reserves

The value of these reserves funds is that they allow projects to precede without distortion in the revenue patterns particularly rates. The reserves also provide a useful source of funds for an unforeseen requirement.

Council authorises the establishment of special funds and process for accumulating and utilising special funds. Approvals of specific uses are set out in the Long Term Plan, or in Council decisions.

Description	Purpose of Fund	Opening balance 2021 (\$000's)	Transfers in (\$000's)	Transfers out (\$000's)	Closing balance 2021 (\$000's)
Tararua General Purpose	<p>Created for financing specific projects which shall be determined at Council's discretion.</p> <p>This reserve is also to receive:</p> <ul style="list-style-type: none"> • Proceeds from sale or disposal of assets where a particular function is discontinued, and for property sales. • Insurance monies received when buildings or property are damaged and not reinstated. • Residual of all existing reserves which have outlived their original purpose and could therefore be usefully merged as a general purpose fund and so classified. 	1,715	90	-	1,805
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.	2,944	151	-	3,095
Tararua Gratuity	This reserve is for staff who have qualified or qualify for gratuities.	69	-	-	69
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.	82	7,594	(5,390)	2,286
Recreation Grant	To accumulate funds to support recreational projects in the district.	60	208	-	268
Tenant Contribution (Debt Repayment)	To account for and refund tenant contributions for leasing of Council's housing properties.	354	-	-	354

Description	Purpose of Fund	Opening balance 2021 (\$000's)	Transfers in (\$000's)	Transfers out (\$000's)	Closing balance 2031 (\$000's)
Heritage Reserve	To accumulate funds to be used to further the district land use outcomes. The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 2: Schedule of Heritage Resources.	74	120	-	194
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).	32	118	-	150
Forestry	Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest.	798	629	-	1,427
Election	To account for elections funds, rate funded each year to spread out election cost in the year of election.	30	203	(150)	83
Waste Management Fund	To account for the waste management levies received. This reserve will be solely used to fund specific projects for this activity.	280	1,305	(800)	785
Domain Boards Bank Balances	To account for the bank balances of the Domain Board in trust.	437	22	-	459
Total		6,875	10,436	(6,340)	10,971

Trust funds

These special reserves are set up to receive bequests received from communities in the district for specific purpose. These funds are held in trust for these specific purposes.

Description	Purpose of Fund	Opening balance 2021 (\$000's)	Transfers in (\$000's)	Transfers out (\$000's)	Closing balance 2021 (\$000's)
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.	2	-	-	2
Mayoral Storm Relief Fund	To account for government assistance that Council receives to provide support (mainly for the welfare of farmers and businesses) following any major storm disruption in the Manawatū-Whanganui region.	9	-	-	9
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.	26	-	-	26
Dannevirke Fairbrother Trust	Funds bequest by the Trust for projects that benefit the Dannevirke community.	8	-	-	8
Total		46	-	-	46

NOTE 3

Depreciation expense by group of activity

	Plan 2021	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Building Communities and Leadership	6	6	6	6	6	6
Community and Recreation Facilities	2,388	2,617	2,686	2,790	2,841	2,884
District Promotion & Economic Development	13	20	48	62	65	70
Regulatory Services	45	48	48	48	48	52
Roading and Footpaths	8,572	9,695	10,046	10,379	10,719	11,058
Solid Waste Management	71	31	49	54	57	58
Stormwater Drainage	286	302	322	336	348	360
Wastewater	1,004	1,033	1,160	1,244	1,302	1,350
Water Supplies	1,234	1,357	1,446	1,528	1,580	1,625
Total	13,619	15,109	15,813	16,449	16,966	17,465

	Year 6 2027	Year 7 2028	Year 8 2029	Year 9 2030	Year 10 2031
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Building Communities and Leadership	6	6	6	6	6
Community and Recreation Facilities	2,983	2,961	2,961	3,093	3,099
District Promotion & Economic Development	73	74	74	74	74
Regulatory Services	52	52	52	52	60
Roading and Footpaths	11,406	11,765	12,134	12,514	12,905
Solid Waste Management	62	62	62	67	66
Stormwater Drainage	373	387	402	418	435
Wastewater	1,451	1,538	1,602	1,658	1,705
Water Supplies	1,676	1,726	1,783	1,844	1,899
Total	18,083	18,572	19,078	19,727	20,251

Statement of accounting policies

Reporting entity

Tararua 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 (PBE) for financial reporting purposes.

Tararua District Council has an associate, Manawatū-Wanganui LASS Limited, a 14% owned associate – Public Benefit Entity. They are domiciled and incorporated in New Zealand.

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, forestry assets, financial instruments (including derivative instruments) and carbon credits.

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 (\$000s).

Authorisation for issue

The Council authorised the prospective financial statements on 30 June 2021. 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.

Associates

An associate is an entity over which the institute has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

Investments in associates are measured at cost in the institute's parent financial statements.

Equity method of accounting in group financial statements

Investments in associates and joint ventures are accounted for in the parent financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the change in net assets of the entity after the date of acquisition. The group's share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Significant accounting policies

Revenue

Revenue is measured at fair value. 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. General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

Rates arising from late payment penalties are recognised on as revenue when rates become overdue.

Revenue from water-by-meter rates is recognised on an accrual basis based on usage.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

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, unless there is a return condition attached to the asset. Assets vested in Council are recognised as revenue when control over the asset is obtained.

The fair value of vested assets is determined by reference to the cost of constructing the asset.

Dividends

Dividends are recognised when the right to receive payment has been established.

Interest revenue

Interest revenue is recognised using the effective interest method.

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.

Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

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 90 days or less, and bank overdrafts.

Bank overdrafts where applicable are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

Debtors and other receivables are initially measured at face value 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 adjusted for any loss on service potential.

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 first in/first out method.

The write down from loss of service potential or net realisable value is recognised in the Surplus or Deficit in the year of the write down.

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.

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, rather than 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

Operational assets

These include land, buildings, library books, plant and equipment, motor vehicles, fibre cabling and conduits, furniture and fittings, and swimming pools.

Infrastructure assets

Infrastructure assets includes the roading corridor network, footpaths and 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.

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 accumulated funds.

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 and biological 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 and restricted assets		
Buildings	9–100	(1.0%–11%)
Computer equipment	2–4.5	(22%–50%)
Furniture and fittings	20–30	(3%–5%)
Landfill post closure	2–45	(2.2%–50%)
Leasehold Development	1–10	(10%–100%)
Library Books	5–20	(5%–20%)
Motor vehicles	2–33	(3%–50%)
Plant and equipment	15–50	(2%–6.7%)
Swimming pools	15–50	(2%–6.7%)
Infrastructural assets		
Roading		
Top surface (seal)	12–18	(5.6%–8.3%)
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	12	(8.3%)
Streetlights	20–60	(1.7%–5%)
Bridges	50–140	(0.7%–2%)
Stormwater		
Pipes	50–140	(0.7%–2%)
Manholes	90–140	(0.7%–1.1%)
Wastewater Network		
Pipes & manholes	50–120	(0.8%–2%)
Treatment ponds	55–60	(1.6%–1.8%)
Pumps	10–40	(2.5%–10%)
Flow monitoring equipment	20	(5%)

Asset Category	Useful Life	Depreciation Rate
Water Network		
Monitoring equipment (hardware)	5-30	(3.3%-20%)
Pipes, hydrants, valves	40-150	(0.7%-2.5%)
Treatment plants	10-100	(1%-10%)
Pumps	15-30	(3.3%-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.

Revaluation frequency of asset classes

Annually

Infrastructural Assets
 Roads (except land under roads)
 Bridges
 Sewerage
 Stormwater
 Water
 Land
 Restricted Assets
 Buildings

Every 3 years

Land
 Restricted Assets
 Buildings

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 other comprehensive revenue and expense and held in 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 other comprehensive revenue and expense and held in 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.

Carbon credits

Carbon credits are initially recognised at cost, or fair value on free carbon credits. After initial recognition, all carbon credits are revalued annually at fair value.

The net revaluation result is credited or debited to other comprehensive revenue and expense and is accumulated through revaluation reserve. Where this results in a debit balance in the reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase in revaluation that reverses 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 recognised in other comprehensive revenue and expense.

Carbon credits are not amortised.

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. 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.

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.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

Livestock

A small number of deer are kept for recreational purposes, hence are not revalued but recognised at cost. These are held as inventory.

Payables and deferred revenue

Payables and deferred revenue are initially measured at face value.

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 entitlements

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 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 even if payment under guarantee is not considered probable. 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.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

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

Asset revaluation reserve

This reserve relates to the revaluation of infrastructure assets, carbon credits, land, and buildings to fair value.

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.

Goods and services 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 drivers, like expenditure, floor area, employees and assets.

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 long-term assets and other investments not included in cash equivalents.

Financing activities comprise activities that change the equity and debt capital structure of the Council.

Rounding

There will be rounding of numbers in the Long Term Plan as the financial reporting model used calculates to the dollar but the Annual Report is rounded to the nearest thousand.

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 that 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 New Zealand 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.

Property, plant and equipment useful lives and residual values

At each balance date the Council reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires Council to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by Council, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of revenue and expense, and carrying amount of the asset in the statement of financial position. Council minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

Council has made changes to past assumptions concerning useful lives and residual values, and will continue to update these assumptions as new information comes to light.

Accounting standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the prospective financial statements are as follow:

Financial Instruments

In January 2017, the XRB issued PBE IPSAS 41 Financial instruments. This replaces PBE IPSAS 29 Recognition and Measurement, and introduces into PBE Standards the reforms introduced by NZ IFRS 9 in the for-profit sector. PBE IPSAS 41 is effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The main changes under this standard relevant to Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in earlier recognition of impairment losses.

The Council plans to apply this standard in preparing the 30 June 2023 financial statements and anticipates that the standard will not have a material effect on Council's financial statements.

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 2019–2028.

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.

FOR THE 10 YEARS FROM 2021 TO 2031

Long Term Plan significant forecasting assumptions and risks

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 people and 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 issues/risks chosen for the assumptions reflect the key issues that will impact on the cost and levels of service delivered by Council. These have been identified from:

- 2018 Census results and Statistics NZ estimated and projected population;
- growth trends to date;
- pandemic impacts and Recovery Plan;
- previous Long Term Plan processes; and
- assessing the context, trends, and legislative programme over 2020 and early 2021.

Risks and uncertainty are based on the past trends and volatility of each issue, whether the issue can be seen to be impacting already, and the weight of expert opinion on the future likelihood of occurring. Council takes a conservative approach as the pace of change is increasing, resulting in many possible futures.

Council is aiming for resilience in infrastructure and finances in order to meet the challenges of rapid change in the future. This approach has been important as the district faces the impacts from the Covid-19 pandemic, and a significant upturn in housing development. Both of these events are outside of the previous forecasts in the 2018 Long Term Plan, although Council had assumed growth would be at the upper end of forecast scenarios.

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 May 2021. These assumptions apply for the ten-year period of the Plan, while also forming the basis for the assumptions made in the 30 year Infrastructure Strategy.

01.

Population growth

Assumption

The district population is expected to grow from 19,122 forecast for 2021 to 20,439 by 2031.

Description

Council has projected that over the 10 years, the district population will increase by 6.9% with the total population in June 2031 at 20,439, compared to 19,122 forecast for June 2021 (based on Infometrics forecasts March 2020). The forecast for 2031 is 11.7% higher than the forecast contained in the 2018 Long Term Plan.

Households (excluding unoccupied) are forecast to increase by 7.9% over the 10 years, with the total 8,202 households in June 2031 compared to 7,603 forecast for June 2021 (based on Infometrics forecasts March 2020). An additional 598 households are expected with the number of unoccupied dwellings remaining roughly the same. These forecast growth rates are higher than the assumptions made for the 2018 Long Term Plan.

Risk

Population and household growth are significantly different (growth or decline) to that assumed, or population/businesses in a particular locality may change significantly. This could result from:

- Significant changes to migration from international events or national legislation and trends.
- Significantly lower or higher birth and death rates.
- Major trend changes in the occupancy rate of households.
- Major changes in the economic returns for farming.

Level of uncertainty

M Medium

Impact

M-H Medium to high

Financial effect of uncertainty

Significantly higher population growth will put pressure on existing infrastructure and services. Council will need to find ways of raising additional revenue required to meet the demand for services due to growth, or consider lower levels of service.

Regional investments will put pressure on contracting sector and its ability to resource and participate in the procurement processes. This may result in higher contract cost or delay in completing projects.

Demand for housing will require Council to consider District Plan review (rezoning urban boundaries), additional pensioner housing and expanding network services.

Changes to government policy can adversely impact on the district economic activity.

Mitigation

Council is developing an overarching Growth Strategy so that a holistic, considered, integrated and strategic approach is taken to growth.

As part of the Growth Strategy, Council will be completing a Master Plan and Housing Strategy in Year 1 of the Long Term Plan to provide a conceptual urban layout to better plan for the forecast growth and development. The master planning will ensure an integrated approach for the three-waters (drinking water, wastewater, and stormwater) infrastructure.

Housing is a key component of social outcomes and plays a major role in creating healthy, strong and cohesive communities. Council will develop a Housing Strategy to help define Council's direction, its role and desired outcomes.

Council has forecast a moderate increase in population and has incorporated this in the Long Term Plan. Council network reticulation infrastructure has existing capacity to meet moderate additional urban growth.

Higher than expected population growth will mean Council's rating base will increase allowing Council to collect more rates.

Council's balance sheet also has sufficient capacity to meet increase levels of service due to growth.

Council is a member of Local Government New Zealand (LGNZ) and is an active member of the rural sector group that proactively lobbies government.

Council will introduce development contribution charges as another funding tool in the 2024–2034 Long Term Plan.

02. Ageing population

Assumption

That the number of older residents in the district will increase from 19% in 2018 to 27% of the population by 2031.

Description

That the number of older residents in the district will increase significantly over the long term leading to changes in the way Council delivers services. The number of residents aged 65+ increased by 34% from 2006 to 2018.

Older people now make up 19% of the resident population (March 2018 census). This is forecast to increase to 27% of the population in 2031.

This is an expected increase of 1,624 people aged 65+ over the 10 years, against a total population forecast increase of 1,317 people.

Risk

The main risks are that population will continue to age significantly faster than forecast, and/or Council services do not sufficiently meet the needs of older people.

The increase in older people has happened at a similar rate as forecast in the 2018 Long Term Plan. Given the uncertainties over international migration flows due to Covid-19 the proportion of older people may not increase as quickly as forecast. This will be due to more younger people living in the district (not being able to travel overseas) as well as the still increasing number of older people.

Affordability will increasingly become an issue for ratepayers and could threaten the ability of Council to fund the forecast levels of service.

Level of uncertainty

M Medium

The long-term trend to an older population is reasonably certain. The actual outcomes are highly dependent on the migration trends which are uncertain due to Covid-19 border controls and shifting internal migration patterns. Higher inward net migration tends to slow down the ageing population trend.

Impact

L Low

Financial 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 significantly higher costs. This would include recreation assets and services, footpaths design and supporting the wider elderly care sector.

Council might come under increasing pressure to manage costs and certain types of services in order to deliver rate increases close to the increases in the superannuation benefit. However, the growth forecast is likely to result in an increase in the numbers of working people with families over the short to medium term (from positive migration).

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. Council is placing more emphasis on recreational activities such as walkways and cycleways, and the upgrading of reserve amenities. While the need for organised active team sports as traditionally catered for may decline there will still be a demand for these services.

Council has included in the Long Term Plan projects to meet the increased demand where required.

03. Natural disasters

Assumption

There will be no significant natural disasters such as storms, floods, earthquakes, and volcanic eruptions that damage Council's infrastructure.

Description

Adverse weather events and earthquakes are an ongoing and normal part of living in Tararua. However, natural disasters that significantly impact substantial proportions of Council infrastructure occur infrequently. It is assumed also that Council will be able to obtain insurance cover as required from private insurance companies.

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 network assets from natural disasters (leaving Council to cover 40% through external insurance cover or self-insurance) may not continue. LGNZ is currently working on options with government. Any reduction in government cover from 60% will result in increased insurance costs or higher risks.

Level of uncertainty

L Low

Impact

H High

Financial 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 \$132 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. Council would come under pressure to provide rates relief or financial support to properties that do not have roading access or water and wastewater services (urban).

Mitigation

The Council has prepared a detailed 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 Manawatū-Whanganui 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 (cover is in place) and/or government assistance (through various funding arrangements).

Council provides funding for major disaster or civil emergency response through Council's civil defence role, a funded provision for annual flood damage on roads, insurance of operational assets and utility assets, cash reserves and an emergency loan facility for infrastructure replacement.

Council has cover for 40% of its underground waters infrastructure assets costs from commercial insurance and the remaining 60% is covered by central government to manage this additional unexpected cost in the event of a natural disaster. However, Council have insured 100% of it above ground infrastructure asset from commercial insurance.

Council has created a reserve to pay for any shortfall in insurance, central government and NZ Transport Agency funding.

04. Infrastructural capacity

Assumption

Forecast population, household, and business growth could be largely catered for by current and planned capacity of assets.

Description

Current capacity is generally sufficient to cater for expected population changes. However, some minor extensions to reticulated networks will be required to cover the existing residential zoned land.

Risk

A major surge in household and/or industrial growth in a number of urban centres would place pressure on three-waters (drinking water, wastewater, and stormwater) infrastructure in those networks. Growth has increased since the 2018–2028 Long Term Plan. However, a higher growth rate again would be required before capacity issues arose during the next 10 years. There is still considerable existing capacity (both in infrastructure and undeveloped land) in the urban areas. Growth flattens after 2033. If this does not occur, then major investment in three-waters capacity may be required.

Level of uncertainty

M Medium

Increased growth has reduced the spare capacity available and is making capacity issues more of an issue. The Covid-19 impact on growth patterns is very uncertain.

Impact

L-M Low to medium

Financial 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 at the current levels of service.

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.

Mitigation

The reducing household occupancy rate in the longer term 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, and active maintenance processes focused on locating infiltration and leakages.

Additional properties result 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.

Council is also undertaking urban master planning for the three waters infrastructure assets in the early years of the Long Term Plan.

05. Climate change

Assumption

The most significant impacts from climate change will not have occurred by 2031.

Description

It is assumed that the district will be affected by long-term climate change in parallel with predicted changes as advised by government agencies.

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

L-M Low to 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. The 2020 drought is an example of this.

Current NIWA analysis is that the climate is changing consistent to their model forecasts.

Impact

M Medium

Financial 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 services.

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 has invested, and is continuing to invest, in bigger water storage facilities and upgrades to treatment

plants to reduce these risks. Additional water sources may be required for resilience. 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 this include leak detection, CCTV inspections and new stormwater upgrades.

- **Stormwater**

Increased frequency and intensity of rainfall events results in service levels falling. Increasing size and redesign of networks may be required.

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 impact on both revenue and cost for Council.

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. Stormwater modelling has been carried out as a basis to identify optimal investments.

06. Inflation

Assumption

The annual cost to Council services will continue to increase between 2.2% to 3.4%.

Description

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. These forecasts are prepared by BERL (commissioned by the Society of Local Government Managers). Appendix one contains the BERL inflation adjusters used in producing this plan. These forecasts were issued in October 2020.

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

Financial 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 any price increases. However, the reverse can occur as New Zealand is subject to imported inflation with limited options to avoid sudden price increases caused by overseas trends or a major devaluation of the New Zealand dollar.

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.

07. Asset lives

Assumption

The actual lives of significant assets are in line with expected useful lives.

Description

Useful lives of assets reflect those recorded in asset management plans evidence by condition assessments or are based upon correct 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 11–30 (as shown in Infrastructure Strategy): medium.

Impact



Medium

Financial effect of uncertainty

The financial effect of the uncertainty is likely to be immaterial unless asset lives for significant assets such as bridges and/or pipe networks 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 and systems have been integrated into operational services for Water, Wastewater, Stormwater, Property and Roading (including bridges) to continue to improve the quality of asset data.

08. Revaluation of Property, Plant and Equipment

Assumption

The fair value of assets that are revalued will increase in line with BERL.

Description

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 forecast asset renewal cost not consistent with the respective Asset Management Plans. This will result in changes to the depreciation charged and hence the rates levied.

Level of uncertainty

 Medium

Impact

 Medium

Financial 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 \$60,000 a year.

Mitigation

The 10 Year Plan for each subsequent year is reviewed in each Annual Plan round and a new 10 Year Plan is produced every three years.

Council revalues its infrastructure assets annual operational assets in the year prior to the each Long Term Plan.

09. Contracts

Assumption

Contract cost inflation is expected to increase between 2.2% to 3.4%.

Description

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



Impact



Financial 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.

With significant capital investment forecast in the region, the availability of physical works contractor will be a challenge which may mean higher contract rates..

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 will explore options to better coordinate procurement for projects on a regional basis, where possible, to alleviate the constraints on the contracting sector.

Council is also able to review levels of service and budgets on an annual basis, through either the Annual Plan or Long Term Plan processes.

10. Sources of funds for the replacement of significant assets

Assumption

Council will fund the replacement of significant assets in line with the Revenue and Financing Policy and the Financial Strategy.

Description

Council maintains depreciation reserves and expects that these reserves will adequately fund the renewals of assets over the 10 year period and the longer term (to 2051).

Risk

That there will be a shortfall in funds available to replace assets if asset lives are shorter than forecast.

Level of uncertainty

M Medium

Impact

M Medium

Financial 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 (2021/22 opening balance \$25.2 million). This balance is forecast to be \$5.2 million at the end of the 10 year period (June 2031). The assumptions on inflation, asset lives, and revaluation of property, plant and equipment will have an 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. Council has a conscious policy of keeping external debt at relatively modest levels in order to provide resilience and capability to borrow for unexpected financial requirements.

Depreciation Reserves modelling is completed at every planning cycle and funding requirements adjusted as required.

11.

NZ Transport Agency funding

Assumption

Waka Kotahi (NZ Transport Agency) financial assistance rate (FAR) to maintain and renew transportation assets will remain at current levels (69%). Waka Kotahi funding in each of the three year work programmes for the core maintenance and renewal levels for local road maintenance will continue.

Description

Waka Kotahi requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs. Council is forecasting that the current subsidy level of 70% (2019/20 for maintenance and renewal costs within the approved NZ Transport Agency Roding Programme) will reduce to 69% for the period of the Long Term Plan.

Risk

The level of subsidy and/or the criteria for inclusion in the subsidised works programme could change as part of annual updates and medium term revisions.

This may reduce or increase the roading programme eligible for subsidy (the financial assistance rate may be applied to a reduced approved roading programme budget).

New emergency works criteria may reduce the level of subsidy to repair flood damages (this depends on the size of the event).

Level of uncertainty

M Medium (due to pressure on overall funding)

Impact

M Medium

Financial effect of uncertainty

Variations in subsidy rates will increase/decrease Council's subsidy revenue by \$102,000 for every 1% change in subsidy. Council is assuming that overall funding from the Land Transport Fund for Waka Kotahi share of the core Tararua local road maintenance requirement will continue to be approved and provided.

Mitigation

Waka Kotahi completed a major review of the financial assistance rate (FAR) in 2014 and established criteria to determine the FAR rates. 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.

Working with Waka Kotahi as funding partners will ensure early identification of any major issues with funding for the roading programme.

12. Subsidies for water and wastewater upgrades

Assumption

Health and environment subsidies will not be available for wastewater and water network improvement projects on an ongoing basis.

Description

Council is not expecting any further government funding for water and wastewater in the Long Term Plan on top of the three-waters (drinking water, wastewater, and stormwater) reform funding already provided.

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

M Medium

Impact

L Low

Financial 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.

Council continues to actively lobby government on the need for government investment in three-waters upgrades. This is done through regional (including Manawatū River Accord) and national (LGNZ) initiatives.

13. Wind farm developments

Assumption

Wind farm resource consent conditions on the power generators at the time of development are expected to cover the full cost of the development.

Description

Development of wind farms will not have significant impact of Council funded 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



Impact



Financial effect of uncertainty

There could be potential for new consents for wind farms in response to growth. National demand and supply trends, plus government policy on renewables, will drive the investment in new generation capacity.

Mitigation

Council, through the resource consent application process, will ensure that conditions of development include adverse impacts on existing infrastructure and the environment.

14. Forestry harvest impacts

Assumption

The transportation programme and funding arrangements adequately addresses the forestry harvesting impact on our road network.

Description

Harvesting of forests in the north-east of the district are creating issues with the standard of roads and road maintenance impacts. These impacts are reflected in forecast Transport budgets.

Risk

Forestry harvests that grow significantly over the 10 years cause major damage to some arterial roads resulting in costly renewals and increasing operational costs.

Level of uncertainty



Impact



Financial effect of uncertainty

Forestry harvesting volumes are almost a certainty, and more forestry is currently being planted. Depreciation reserves will fund the renewals required.

Council will also consider bringing forward some renewals expenditure to take advantage of the required upgrades due to any wind farm developments and forestry harvests.

Mitigation

Council through the Alliance is working with the major forest owners to identify likely tonnages per year and the roading route the trucks will take. Targeted capability upgrades of key roads will be planned in order to maintain levels of service, while basic renewals will be programmed after harvest traffic where possible.

Council has secured grant funding from government to upgrade Route 52 from Wimbledon to Weber. A further upgrade from Weber to Pongaroa has been budgeted by Council in the Long Term Plan, with the Weber to Dannevirke link a possible future upgrade. These upgrades will lower the ongoing maintenance costs as the upgrades will be designed to cater for logging truck volumes.

Council is considering a targeted forestry rates to fund any additional cost incurred due to forestry activity.

15. Legislative changes

Assumption

Legislative changes are not expected to have any significant effect on Council.

Description

The forecasts assume:

- legislative changes are expected to have a modest but continuing effect on Council's finances and/or levels of service, but no change to the current governance arrangements;
- existing shared services and collaboration will continue, with some additional collaboration likely;
- assumed to retain the current boundaries and it is assumed that there will be no forced amalgamations;
- no additional expenditure above that budgeted to assess all commercial and some multi-unit multi-story residential buildings (earthquake prone building regulations);
- additional costs to meet more stringent service standards and monitoring for drinking water, and resource consent requirements for wastewater consent renewals factored in are adequate;
- that urban stormwater discharges will not require resource consents;
- 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;
- Council is cognisant of the three-waters (drinking water, wastewater, and stormwater) review programme but assumes that Council will continue to manage the three-waters service on behalf of the community.

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, climate change adaptation and mitigation, and further freshwater standards.

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 government review of possible efficiencies in the three waters activities that could impact on the way these services are delivered. Regional service delivery models are being favoured by government but no final decisions have been made.

The government has stated that forced amalgamations will not occur. This may change over time. Over time, if amalgamations proceed in other regions, it is likely that the issue of amalgamation with one or more neighbours will arise and be the subject of a Local Government Commission review.

Level of uncertainty

M Medium

Impact

M-H Medium to high

Financial effect of uncertainty

Resources are required to assess the structural rating of all the buildings required under changes to the Building Act 2004 regulations. Formal identification of earthquake prone buildings on a public register could reduce the viability of commercial premises in the town centres.

Changes to the Resource Management Act could impact operating budgets or shift delivery to a more regional model. The District Plan review timing could change and the scope of the review could be bigger than budgeted for.

Ongoing increases in standards for freshwater management are resulting in likely significant increased costs to renew urban wastewater discharge consents, and may result in new treatment requirements for urban stormwater discharges.

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 and Horizons at the governance and officer levels.

Opportunities exist at the governance level to ensure that Horizons and Tararua Councils have a clear understanding of the impacts on ratepayers of policy decisions. Council has the right to appeal resource consent conditions through the legal system as a last resort. Council also makes submissions to Horizons as part of the Annual Plan and Long Term Plan processes.

Regular meetings with Horizons officials have been established around stormwater and wastewater issues resulting from urban growth. Continued dialogue encourages a collaborative and no surprises approach.

Specific requirements from new legislation can be partially addressed through changes to fees and charges, or through additional targeted rates.

Council considers it unlikely that any recommendations could take effect before 1 July 2024 - particularly for changes to roles or functions. Any changes that are made will be incorporated in the 2024-2034 Long Term Plan.

Council will make submissions on government Bills where the impacts are substantial to ensure government policy makers are aware of the potential impacts.

16. 'One Plan' changes

Assumption

Changes to the implementation of the One Plan for farming practices has no immediate financial impact on Council.

Description

The Horizons One Plan will likely adversely impact on some farms' profitability, with impacts particularly felt by dairy farmers. At a district level impacts from consent requirements and 2020 Freshwater government regulations are also substantial. Overall there will be reduced profitability on some farm types and locations as consent requirements result in restrictions on stocking rates. Almost all farms will see higher costs to comply with the Freshwater Regulations.

Risk

Reviews of the Horizons One Plan and compliance with government Freshwater regulations could result in some forms of intensive farming becoming unprofitable in Tararua, and a general reduction in farming income. This would have a major impact on the district economy, and the ability to pay rates over time.

Level of uncertainty

M Medium

Impact

M-H Medium to high

Financial effect of uncertainty

Changes to the implementation of the One Plan for farming practices has no immediate financial impact on Council. Reduced profitability of farming will impact on rates affordability and become a significant governance issue. Council would be under pressure to reduce rates for rural properties and levels of service might have to be reduced.

Mitigation

Council continues to enjoy close working relationships with neighbouring councils at the governance and officer levels. This is particularly important with Horizons with a need to work closely together in order to meet the requirements under the One Plan.

Opportunities exist at the governance level to ensure that Horizons and Tararua Councils have a clear understanding of the impacts on ratepayers of policy decisions. Council has the right to appeal resource consent conditions through the legal system as a last resort. Council also makes submissions to Horizons as part of the Annual Plan and Long Term Plan processes.

17. Resource consent renewals

Assumption

Conditions of existing resource consents held by Council will not be altered significantly from that budgeted.

Description

Any resource consents due for renewal during the 10-year period will be renewed accordingly as budgeted. 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 resulting in major investments to meet conditions. The length of consent renewals could be reduced to 10 years or less. This would result in the need to budget for many more renewal processes.

Council may be forced to consider alternative systems such as piping wastewater to another treatment plant, or land-based disposal systems (at much higher capital costs).

The government has signalled that major changes will occur to the current Resource Management Act. Replacement legislation could change the processes required, and the costs of these processes.

Level of uncertainty

M Medium

Impact

M-H Medium to high

Financial effect of uncertainty

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.

Council is working more closely with local iwi to build relationships and design treatment systems that better reflect local iwi views on the impact on the Manawatū and tributary rivers. Informed debate and joint solutions are more likely to reduce legal costs and the long term costs to the community.

The government has in the past recognised the financial impacts on smaller communities and contestable funding has been available for both water and wastewater upgrades. Council will continue to lobby for more funding, and will actively apply for funding where available.

Mitigation

The Council will monitor and work with Horizons to ensure Council has sufficient notice of and is well placed to manage any change required.

Council will work more closely with local iwi to build relationships and design treatment systems that better reflect local iwi views on the impact on the Manawatū and tributary rivers. Informed debate and joint solutions is more likely to reduce legal costs and the costs to the community.

The government has recognised the financial impacts on smaller communities and contestable funding has been available for both water and wastewater upgrades. The Council has recently been successful in obtaining some of this funding. Council will continue to lobby for more funding and will actively apply for funding where available.

18. Interest rates

Assumption

Interest rates in loans raised will be 2.1% in year one increasing to 3.1% by year ten.

Returns on term investments will be 0.5% in year one rising to 1.5% in year ten.

Description

Council has budgeted for this long-term plan that interest on loans raised will be 2.1% in year one and increasing to 3.1% by 2031. The average is 2.7% over 10 years. It is assumed that return on investments made by Council will be 0.5% in year 1 rising to 1.5% by 2031. The average is 1.0% over 10 years.

Risk

Prevailing interest rates will differ significantly from those estimated.

Level of uncertainty

 Medium

Impact

 Low

Financial effect of uncertainty

Based on Council projected borrowings levels, interest costs will increase/decrease by between \$540,000 and \$780,000 respectively per annum for every 1% movement in interest rates.

Council investments will increase/decrease by between \$19,000 and \$56,000 respectively 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 predicting a significant increase in borrowings over the 10-year period. Council has in place an interest rate strategies (swaps) to deliver greater certainty over the interest rate cost for the duration of the Long Term Plan. Council receives professional advice on the strategies to manage future interest rates and funding risk.

19. Access to external funding

Assumption

Council will be able to borrow at the required level.

Description

Council will be able to borrow at the required level and assume no significant changes to covenants and lending criteria.

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 Local Government Funding Agency (LGFA) funding market. While it is likely Council will be able to secure loans, it cannot be guaranteed.

Level of uncertainty



Impact



Financial effect of uncertainty

If rates, instead of external loans, 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. With the establishment of the LGFA, there will be very minimal risk to the Council to access funds it requires.

The Council enjoys a strong relationship and loan facilities with its bankers, which could be drawn down if the need arose. The financial strategy reflects a prudent approach to debt levels and is reviewed every three years.

20. Earthquake- prone buildings

Assumption

The Council will not need to incur significant expenditure to address any shortcomings in the standard of its buildings in relation to earthquakes.

Description

Council will need to assess its buildings against the New Building Standard (NBS), upgrade each of its buildings to a minimum of 34% of the NBS and that this will be done progressively over a 10-year period.

Risk

That when the upgrade work starts, the actual cost will be significantly more than is currently contemplated.

Level of uncertainty



Impact



Financial effect of uncertainty

If additional costs are incurred, more rates funding will be required to meet the New Building Standard (NBS).

Mitigation

Council's properties have been assessed, beginning with those that are the most significant (in terms of size and public exposure) and those considered to be the most likely to be at risk.

Preliminary assessments have been made of the forecast cost of upgrading the buildings to meet a minimum of 34% of the NBS. Council has progressively upgraded buildings that have been assessed to not meet the minimum 34% of the NBS.

As more information becomes available, the Council will reassess budget priorities. Council has sufficient depreciation reserves to fund the forecast upgrades.

At all times the Council will have regard for the safety of occupiers and public users of the properties..

21. Effects of Covid-19 and global pandemic

Assumption

The impact on Council's operations and revenue because of Covid-19 and global pandemic will not be significant.

Description

The Covid-19 pandemic impacted New Zealand in 2020 and is still causing major restrictions to border movements. While all New Zealand experienced the same restrictions and lockdowns in March/April 2020, there was, and still is, significant variation in the specific economic and social impacts across the country.

Risk

Loss of rating revenue, which is Council's main source of revenue, due to unaffordability or hardship created by the re-emergence of community transmission of Covid-19 and a sustained or long-term period of lockdown because of community transmission.

Delays in project delivery (both capital and operational) due to unavailability of resources and expertise, goods and services that are reliant on overseas suppliers, and re-prioritisation of projects.

A further risk is that potential population growth could be higher than projected, as residents in larger centres and overseas residents continue to return home.

Level of uncertainty

H High

Impact

M Medium

Financial effect of uncertainty

Tararua is a large rural district with an economy that is concentrated on pastoral agriculture, food, transport, manufacturing, retail, and community support organisations. This economic structure reflects the resources, climate, and location of the district. Because of this, the district has had a very modest impact from Covid-19.

Mitigation

Council continues to actively participate in, monitor, and prepare for any resurgence planning.

Council has developed a Recovery Strategy, Recovery Plan, and Business Continuity Plan and will continue to take an integrated approach to aid recovery from Covid-19.

Council already has key interventions to measure any tangible impact from any re-emergence of or ongoing effect of Covid-19.

Additional resources are included in the Long Term Plan to support community organisations and community development.

Taking Central Government's lead in using procurement as the Covid-19 recovery lever. The local government sector is also exploring the broader social outcomes and moving from value for money to public value as principles in their procurement. Council is exploring the same. This builds on the "Love Local" initiative Council drove during the recovery phase of Covid-19.

22.

Capital projects do-ability

Assumption

Council will be able to deliver on its capital programme as outlined in proposed work programmes associated with the Long Term Plan.

Description

This Long Term Plan sees a major increase in capital expenditure over the ten years. These increases are significantly above the level of capital funding this Council has been able to successfully deliver historically.

Risk

Council is unable to deliver the work programmes as outlined.

This creates a backload of work, resulting in continued delays to the delivery of the planned capital programme. This could impact on the achievement of proposed levels of service, potential increased costs from delays, and increases the risk of assets failing before they can be replaced leading to a service disruption.

Level of uncertainty

M Medium

Impact

M Medium

Financial effect of uncertainty

Cost increases due to delay/deferring capital projects, and borrowing forecasts, along with debt servicing costs being different than planned.

Mitigation

Council has been purposely raising the level of project management sophistication and rigor in the organisation over the last three years to prepare for the anticipated major increases in capital expenditure this Long Term Plan includes. These are mainly:

- Established a project management office (PMO) and introduced standardised project processes and framework. Using a standardised framework has provided much needed guidance for those projects that are not directly led by the PMO, but by other departments within the organisation.
- Robust scoping and cost estimation are being completed for capital projects in Years 1–3 of the Long Term Plan, resulting in full and complete project concepts and briefs.
- Procurement strategy is being reviewed and processes are being embedded across the organization.
- We are working collaboratively with our supply partners, have longer term contracts, building capacity and capability with our local contractors and providing certainty of contracts so our supply partners can commit to investments in training, development, and equipment.

If the projects do fall behind the schedule contained in the Long Term Plan, Council has the ability to revise the speed of delivery in future Annual Plans/ Long Term Plans and alter rating, development contributions, and borrowing assumptions at that time. Any money already collected can be carried forward to a later year to be used at the point of construction.

Appendix 01

SOLGM / BERL price adjustors

AS AT SEPTEMBER 2020

The following tables are extracted from the ‘Local Government Cost Adjustor Forecasts – Three Scenarios’. BERL – September 2020. Council has chosen the BERL mid-scenario – considered by BERL to be a likely outcome relevant to most regions of New Zealand.

Local government cost adjustors, BERL mid-scenario

Year ending	% change on year earlier				
	Planning and regulation	Roading	Transport	Community	Water and environment
2019	3.2	2.3	2.8	2.0	3.8
2020	1.7	1.9	1.8	1.7	2.5
2021	0.5	0.8	0.7	-0.2	-3.8
2022	2.7	3.3	2.9	3.2	6.0
2023	2.5	3.1	2.6	2.7	3.5
2024	2.3	3.0	2.4	2.5	2.6
2025	2.2	2.9	2.4	2.4	2.7
2026	2.2	2.9	2.4	2.5	2.9
2027	2.2	2.9	2.4	2.4	2.8
2028	2.2	2.9	2.4	2.5	3.2
2029	2.2	2.9	2.4	2.6	3.3
2030	2.2	2.9	2.4	2.6	3.4
2031	2.2	2.9	2.4	2.4	3.1
20 year average %pa	2.0	2.5	2.2	2.1	2.5

Local government cost index LGCI, BERL mid-scenario

Year ending	% change on year earlier		
	Operating expenditure	Capital expenditure	Total
2019	4.1	4.3	4.2
2020	4.9	4.7	4.9
2021	5.5	5.7	5.6
2022	1.7	1.8	1.8
2023	2.3	2.3	2.3
2024	3.1	3.3	3.1
2025	1.9	1.8	1.9
2026	1.6	1.7	1.7
2027	2.0	2.3	2.1
2028	1.3	1.5	1.4
2029	1.5	1.5	1.5
2030	1.8	1.8	1.8
2031	2.0	2.0	2.0
20 year average %pa	2.2	2.2	2.2

Policies.

Kaupapa here

PART 5

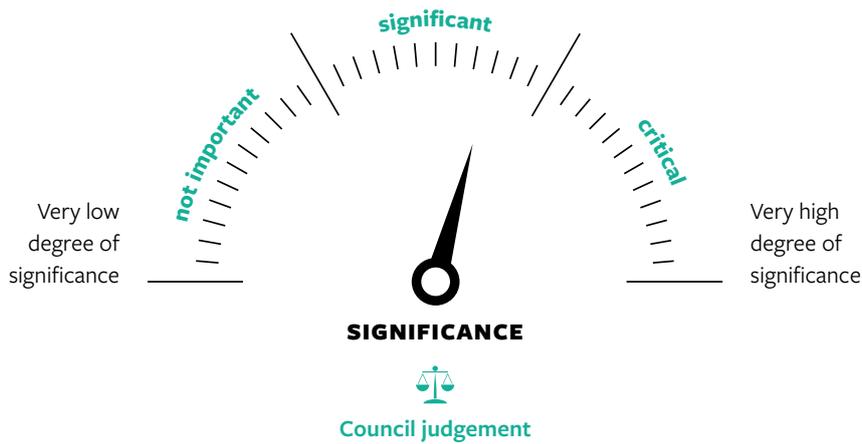
Summary of the Significance and Engagement Policy

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 years) 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
- Stormwater 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 Māori 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 or other languages 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.

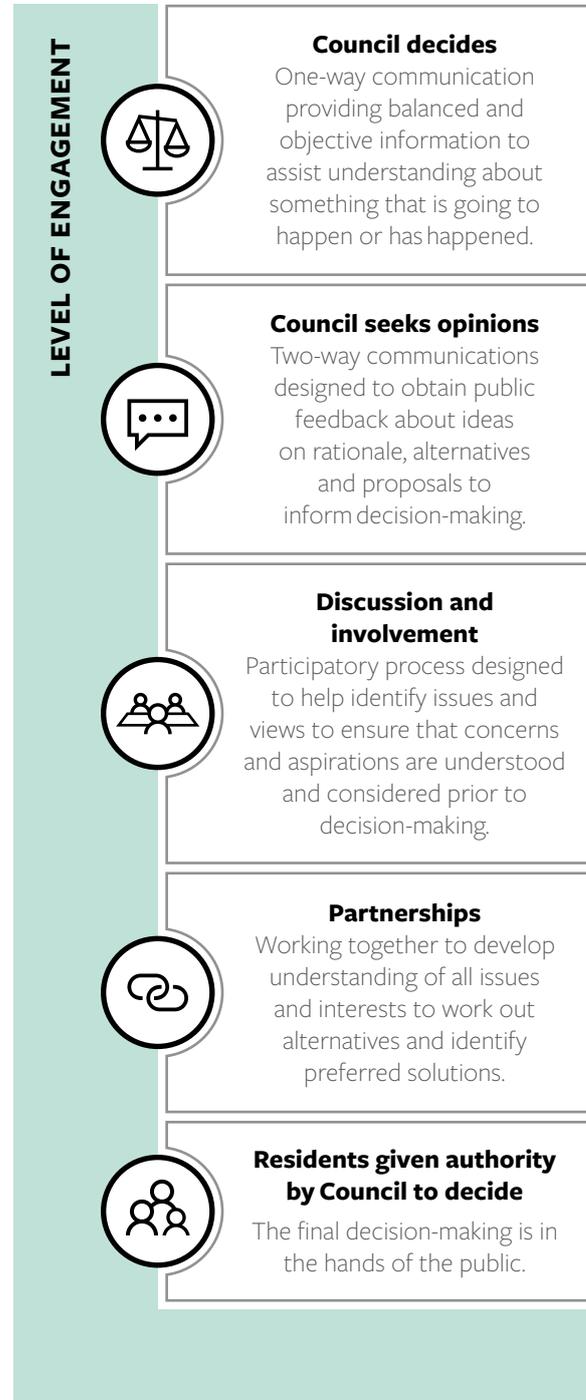
Community engagement occurs across a spectrum at differing levels. As you move from providing information to full community engagement, Council must balance the benefits of community input against the time and cost of achieving this.

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 cover a wide range (see diagram).

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 development contributions or financial contributions

Introduction

Section 102(2) of the Local Government Act 2002 requires the Council to adopt a policy on development contributions (money or land required from developers under the provisions of the Local Government Act 2002) or financial contributions (money or land required from developers under the provisions of the Resource Management Act 1991 and the Tararua District Plan).

Development Contributions can only be charged to fund the growth-related costs of identified projects. Council cannot charge development for the costs associated with increases in service levels or renewal of existing assets. Council must be able to show that the existing infrastructure does not have the capacity to service additional households and businesses. A Development Contributions Policy (DCP) must also set out the rationale for the charges, the specific locations they apply to, and the growth forecasts that underpin the assumptions of the number of households that infrastructure will be required to service.

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 districts 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.

Council policy settings

The district experienced low growth prior to the 2018 Long Term Plan (LTP) and had previously forecast minimal growth.

Because of this, Council adopted a policy of not charging development or financial contributions on subdivisions. Demand for additional public infrastructure generated by growth was very low and there were limited projects in the 2018–2028 Long Term Plan related directly to growth.

Developing a Development Contributions Policy (DCP) is a complex exercise, and staff would require training and additional time to administer it. Council is now forecasting moderate growth but has not yet identified significant investments required to specifically respond to growth. There are network extension projects proposed in the 2021–2031 Long Term Plan but these on their own do not justify the expense and time required to put in place a DCP. For these reasons Council has decided not to introduce a DCP or Financial Contributions in this Long Term Plan.

Council is embarking on a two year Growth Management Strategy that includes significant data gathering and assessment of network capability and future costs required to cater for growth. This new Strategy will be completed in time to feed into the 2024–2034 Long Term Plan. Council expects to identify significant investment in network infrastructure and community facilities that will be required to service growth. Council is signalling in the 2021–2031 Long Term Plan that a DCP containing new charges to fund

growth related costs is expected to be considered in the 2024–2034 Long Term Plan process.

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.

Government, in 2020, repealed the expected phasing out of financial contributions under the Resource Management Act 1991, and this option for meeting additional costs related to growth is again an option. However, the government has (February 2021) announced that the Resource Management Act 1991 will be repealed and replaced by new legislation. The future ability to charge Financial Contributions is therefore uncertain but will be considered as part of the 2024–2034 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 Recreation and Reserves Strategy).

(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 accessstrip.

Maximum amount is actual cost of vesting 20 metre wide area adjacent to watercourse/waterbody.

(Note: priority areas are 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.)

Building community with tangata whenua

As a council, we recognise the value and role of tangata whenua within our district and we are committed to ensuring that we work with iwi to build our community together.

Local Iwi have an important role to play in Council's decision-making process, and we will continue to strengthen relationships and increase opportunities for meaningful partnerships and collaboration.

Te Tiriti o Waitangi – the Treaty of Waitangi – is the founding document between Māori and the Crown. The Council has delegated responsibilities from the Crown to ensure that it observes the principles of the Treaty. The Treaty is incorporated in the statutory framework administered by Council – this includes the Local Government Act 2002 and the Resource Management Act 1991.

Council appreciates the various and interlocking aspects of Māori identity in order to facilitate all parties to contribute to the community as a whole, and Māori in particular.

Schedule 10 of the Local Government Act (LGA) 2002 requires Council to include in its Long Term Plan any steps that it intends to take, having considered ways in which it might foster the development of Māori capacity, to contribute to the decision-making processes of the Council over the next 10 years.

Part 2 (Purpose and Role of Local Government) and Part 6 (Planning, Decision-Making and Accountability – specifically section 82) of the LGA provide principles and detailed requirements for local authorities that are intended to facilitate participation by Māori in their decision-making processes. In accordance with section 81 of the LGA, the Council must:

1. establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and
2. consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and

3. provide relevant information to Māori for the purposes of (1) and (2) above.

Procedures and guidelines 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 Māori 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 Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga” (Section 77).

Council is aware that Māori organisational forms and the iwi-hapu-whānau linkages are complex.

The Council has Memorandum of Partnerships with Rangitāne o Tamaki Nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua. Council has resolved to work closely with both iwi to foster and strengthen these relationships and facilitate an understanding of issues affecting Māori in the district.

Improving the future

We intend to continue building on the processes we currently have to enable continuous improvement, education, and collaboration. These initiatives include:

- identifying ways in which we can better involve and engage with iwi in our decision-making processes, including exploring forums to enable feedback into Council;
- building cultural capacity and understanding of te ao Māori of elected members and staff;
- opportunities for collaboration on social, cultural, environmental, and economic development related projects.

Assessment of water and sanitary services

Assessment of water and sanitary services

The Assessment of Water and Sanitary Services was a mandatory requirement under the original Local Government Act 2002 (LGA) that had to be updated regularly and assess health risks and service quality.

This requirement was removed as part of the 2010 and 2014 amendments to the LGA and has been largely replaced with various other requirements for public water supplies, wastewater discharge consents, and Waste Management and Minimisation Plans. Council is now expected to carry out an assessment “from time to time” to assess the provision within its district of:

- a) water services; and
- b) other sanitary services.

The LGA requires that the Council identify and explain any significant differences between the Assessment of Water and Sanitary Services and the Long Term Plan.

A full assessment of water and sanitary services was completed in 2005. Council has been continuing to make progress addressing all the major issues identified in the assessment. These included:

- the need to meet the New Zealand Drinking Water Standards (NZDWS 2005 revised 2018);
- renew wastewater consents and undertake any required upgrades; and
- the closure of the two major landfills.

Water Safety Plans have been prepared for all public water supplies since 2005. Council has included in the 2021 Long Term Plan the final projects required to upgrade all public water systems to meet the 2005 (Revised 2018) Drinking Water Standards. A series of wastewater upgrades that are linked to Horizons One Plan requirements for discharge consents and the Manawatū River Accord are also underway or planned. These upgrades include building wetlands as part of the treatment of wastewater discharge.

As signatory to the Manawatū River Accord the Council has been part of a successful joint funding approach, with

Horizons and central government, for grants to upgrade a number of wastewater treatment plants.

Stormwater management is focusing on network modelling to fully understand our networks. Council has allocated \$2.7 million over the next 10 years to carry out incremental network upgrades and network extensions that generate the greatest benefits.

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.

The two major landfills (Dannevirke and Pahiatua) were closed in 2010 and 2011. Eketāhuna was closed in 2018. The last operating landfill (Pongaroa) is planned for closure in 2022/23. New transfer stations have been built to replace these assets.

Overall, Council considers that this Long Term Plan continues with the strategies identified in the 2005 Assessment of Water and Sanitary Services. The three year rolling reviews of all Council Asset Management Plans has provided updated costs and confirmation of the strategies.

Government regulations and mandatory standards have removed much of the discretion from Council decisions. This results in little benefit for Council and the community in undertaking a comprehensive new assessment of sanitary services. The current government review of three waters structures and service delivery, with a preferred model of transferring three waters to four large regional organisations, further reduces any benefits from a new assessment. If this occurs the requirement for councils to carry out an assessment of sanitary services is likely to be removed from the Local Government Act.

Waste management and minimisation plan

Council adopted a reviewed Waste Management and Minimisation Plan (WMMP), as required by the Waste Management Act 2008, in December 2017.

This WMMP signalled a shift in focus from setting up transfer stations with recycling facilities, now largely in place, to one of reducing waste to landfill. A new glass recycling facility was built in Dannevirke to enable consolidation and transporting of sorted glass to Auckland for reuse.

The 2021–2031 Long Term Plan includes proposed increases in urban kerbside recycling services, as waste reduction targets are not being met. Growth in the district and a lack of urban kerbside recycling services (particularly glass) have seen waste volumes increase. A new waste audit carried out in 2020 showed significant volumes of plastic, glass, food, and green waste still in the waste stream. The Covid-19 lockdowns in 2020, and a lack of markets for some plastic types, have adversely impacted the ability to increase recycling volumes.

Full kerbside recycling is to be trialled. If successful, Council will review the WMMP in 2021/22 to reflect the roll-out of additional kerbside services, and to add a series of projects focused on educating and encouraging reduction of waste in households and businesses.

Council operates a landfill at Pongaroa and has proposed in this Long Term Plan to close it by August 2022 when the consent expires. In its place, Council will have a transfer station similar to Eketāhuna.

Overall, Council considers that this Long Term Plan is consistent with the strategies and major issues contained in the WMMP 2017.

¹ Local Government Act 2002, section 125, Requirement to assess water and other sanitary services

Infrastructure strategy

Refer to Volume 2 of the
2021–2031 Long Term
Plan for the Infrastructure
Strategy.

General information.

Korero whanui

PART 6

Council

HER WORSHIP THE MAYOR



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

SOUTH WARD COUNCILLORS



Cr A K (Alison) Franklin
615 Ridge Road North, RD 3, Pahiatua 4983
06 376 6487 • 027 447 9244
alison.franklin@tararua.govt.nz



Cr S A (Shirley) Hull
102 Pukemiku Road, RD 3, Pahiatua 4983
06 376 7283 • 201 417 044
shirley.hull@tararua.govt.nz

NORTH WARD COUNCILLORS



Deputy Mayor

Cr E L (Erana) Peeti-Webber
34 Hospital Street, Dannevirke 4930
06 374 7404 • 021 216 2421
erana.peeti-webber@tararua.govt.nz



Cr C J (Carole) Isaacson
63 Umutaoroa Road, RD 8, Dannevirke 4978
06 374 5577 • 027 307 5013
carole.isaacson@tararua.govt.nz



Cr K A (Kerry) Sutherland
33 McPhee Street, Dannevirke 4930
06 374 7940 • 027 626 3311
kerry.sutherland@tararua.govt.nz



Cr S M (Sharon) Wards
206 Armstrong Road, RD 8, Dannevirke 4978
06 374 8111 • 021 062 5762
sharon.wards@tararua.govt.nz



Cr P A (Peter) Johns
44 McLean Street, Woodville 4920
06 376 5048 • 027 442 7115
peter.johns@tararua.govt.nz



Cr R A (Raylene) Treder
3 Davidson Crescent, Pahiatua 4910
06 376 6488 • 027 379 0612
raylene.treder@tararua.govt.nz

Community Boards

Dannevirke Community Board

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

- **Chairperson**
Mr P (Pat) Walshe
2 Cuba Street, Dannevirke 4930
06 374 5702 ■ 027 450 0187
patrickw11@hotmail.com
- **Deputy Chairperson**
Mr T (Terry) Hynes
281 Top Grass Road, Rua Roa, RD 8, Dannevirke 4978
06 374 5761 ■ 027 241 5113
kinvara281@gmail.com
- Mr W R (Ross) MacDonald
91 Piri Piri Road, RD 7, Dannevirke 4977
06 374 7996 ■ 021 191 6635
gloriarossmacdonald@gmail.com
- Ms K (Kim) Spooner-Taylor
2 Lower Domain Road, Dannevirke 4930
06 374 9090 ■ 027 692 3507
kimspooner@xtra.co.nz
- **Councillor**
Ms E L (Erana) Peeti-Webber
34 Hospital Street, Dannevirke 4930
06 374 7404 ■ 021 216 2421
erana.peeti-webber@tararua.govt.nz

Eketāhuna Community Board

Generally meets on the first Friday of the month at 10:00am.

- **Chairperson**
Mr C C (Charlie) Death
756 Nireaha Road, RD 2, Eketāhuna 4994
06 375 8503
deaths@inspire.net.nz
- **Deputy Chairperson**
Mr S (Steen) Mcghie
110 Mangatainoka Valley Road, RD 2, Eketāhuna
06 375 8676
steenautoglas@gmail.com
- Miss D F M (Denise) Clifton
18 Bridge Street, Eketāhuna 4993
022 073 5715
dfmclifton@gmail.com
- Mr T M (Terry) Carew
103 Newman Road, Eketāhuna 4900
06 375 8686
newmancarew@outlook.com
- **Councillor**
Ms R A (Raylene) Treder
3 Davidson Crescent, Pahiatua 4910
06 376 6488 ■ 027 379 0612
raylene.treder@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

Audit and Risk Committee

- **Chairperson**
Mr K (Kevin) Ross
- **Members**
Her Worship the Mayor, Mrs T H (Tracey) Collis
Cr A K (Alison) Franklin
Cr S A (Shirley) Hull
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr K A (Kerry) Sutherland
Cr R A (Raylene) Treder
Cr S M (Sharon) Wards

Economic Development and Marketing Committee

- **Chairperson**
Cr S A (Shirley) Hull
- **Members**
Her Worship the Mayor, Mrs T H (Tracey) Collis
Cr A K (Alison) Franklin
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr K A (Kerry) Sutherland
Cr R A (Raylene) Treder
Cr S M (Sharon) Wards

Chief Executive's Performance Appraisal Committee

- **Chairperson**
Her Worship the Mayor, Mrs T H (Tracey) Collis
- **Members**
Cr A K (Alison) Franklin
Cr S A (Shirley) Hull
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr K A (Kerry) Sutherland
Cr R A (Raylene) Treder
Cr S M (Sharon) Wards

Finance Committee

- **Chairperson**
Her Worship the Mayor, Mrs T H (Tracey) Collis
- **Members**
Cr A K (Alison) Franklin
Cr S A (Shirley) Hull
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr K A (Kerry) Sutherland
Cr R A (Raylene) Treder
Cr S M (Sharon) Wards

Strategy and Policy Committee

- **Chairperson**
Cr S M (Sharon) Wards
- **Members**
Her Worship the Mayor, Mrs T H (Tracey) Collis
Cr A K (Alison) Franklin
Cr S A (Shirley) Hull
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr K A (Kerry) Sutherland
Cr R A (Raylene) Treder

Tararua District Licensing Committee

- **Chairperson**
Mr David Lea
- **Secretary**
Mrs Lizz Jenkins
- **Members**
Mr Nick Perry
Mrs Maureen Reynolds
Mr Kerry Sutherland

Tribunal and Hearings Committee

- **Members**
Her Worship the Mayor, Mrs T H (Tracey) Collis
Cr S A (Shirley) Hull
Cr K A (Kerry) Sutherland

Works Liaison Committee

- **Chairperson**
Cr K A (Kerry) Sutherland
- **Members**
Her Worship the Mayor, Mrs T H (Tracey) Collis
Cr A K (Alison) Franklin
Cr S A (Shirley) Hull
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr R A (Raylene) Treder
Cr S M (Sharon) Wards

Executive leadership team



Bryan Nicholson
Chief Executive

Chris Chapman
Group Manager – Infrastructure

Tina Love
Group Manager – Operations

Mark Maxwell
Group Manager – Economic
and Community Development

Sandy Lowe
Group Manager – People
and Capability

Raj Suppiah CA
Group Manager – Corporate

Directory

Head Office AND COUNCIL CHAMBER



Physical address:
26 Gordon Street
Dannevirke 4930



Postal address:
PO Box 115
Dannevirke 4942



Telephone: (06) 374 4080



Fax: (06) 374 4137



General email: info@tararuaDC.govt.nz



Council website: www.tararuaDC.govt.nz
District website: www.tararua.com



Facebook: TararuaDC

Service Centre Locations



Dannevirke

26 Gordon Street, Dannevirke
(06) 374 4080



Woodville

45 Vogel Street, Woodville
(06) 376 0200



Pahiatua

136 Main Street, Pahiatua
(06) 376 0110



Eketāhuna

31 Main Street, Eketāhuna
(06) 376 0219

Bankers

Westpac New Zealand Ltd
Dannevirke

Bank of New Zealand
Dannevirke

Auditors

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

Insurance Brokers

Aon New Zealand Ltd
Wellington

Glossary of terms

Activity The operation of a facility or the provision of a service.

Asset Management Plan A plan, which identifies the current status of an asset, future renewal programme and options to meet growth due to demand/expansion.

Assets Assets are things that the Council owns such as roads, parks, footpaths, buildings.

Capital Development Is the creation of new assets or the addition of new components to existing assets that extend any assets service potential.

Capital Expenditure This is spending on new Council assets or replacing existing assets.

Capital Renewal Is the replacement of existing assets when they have reached the end of their useful life.

Capital Value The probable sale price of the freehold interest of the property if offered for sale at the time of valuation.

Community Board Selected community members/ward councillors to represent the interests of the community to Council.

Community Outcomes The community's priorities for the future of the district, identified through a community consultation process.

Cost of Service The true cost of performing an activity. Calculated as the total of direct costs, support costs, depreciation, interest and debt servicing.

Council-Controlled Organisation (CCO) means a council organisation that is:

- a) a company—
 - i) in which equity securities carrying 50% or more of the voting rights at the meeting of the shareholders of the company are—
 - A) held by one or more local authorities; or
 - B) controlled, directly or indirectly, by one or more local authorities; or
 - ii) in which one or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
- b) an organisation in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons,—
 - i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the organisation; or
 - ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the organisation.

Council-Controlled Trading Organisation (CCTO) A council-controlled organisation that operates a trading undertaking for the purpose of making a profit, formerly known as a Local Authority Trading Enterprise (LATE).

Depreciation The cost or value of the economic benefit of an asset used during a financial year.

Groups of Activities The Council's services are divided into nine groups of activities based on their relationship and the rationale for providing them.

Indicator Flag or signal that represent an issue of concern or which measure change or progress toward a desired outcome.

Infrastructural Assets Fixed utility systems that provide a continuing service to the community that are not generally regarded as tradeable. These assets include roads, water and sewerage services and stormwater systems.

Internal Recoveries Payment by one Council department to another in return for a service provided.

Land Value The probable price that would be paid for the bare land as at the date of valuation. The value includes development work such as drainage, excavation, filling, levelling, retaining walls, clearing, fertility build-up, flood protection.

Long Term Plan A plan which outlines the Council's programme for the next 10 years and how it will contribute to achieving the community outcomes. Formerly referred to as the Long Term Council Community Plan (or Community Plan).

Measure The actual piece of information or data used to gauge an indicator.

Mission This describes Council's basic purpose (its fundamental reason for being) and specifies the role Council is going to play in its environment.

Operational Expenditure All funding for providing services on a day to day basis, excluding renewal and capital expenditure.

Operating Revenue Revenue received as part of day-to-day activities. Includes user charges and rates but not capital revenue (such as new loans).

Performance Measure Measure by which organisational performance may be judged in relation to objectives.

Policy A course of action or set of parameters adopted by the Council or by management within which decisions can be made and action can be taken.

Private Benefit This occurs when individuals who benefit from a service can be clearly identified and therefore charged for that service. It applies to user charges, application fees, purchase price, and water by meter, though there are exceptions to the rule.

Public Benefit This relates to spending which benefits the community in general and for which no individual beneficiaries can be clearly identified.

Renewal Expenditure Funding for works that replace the existing assets over their projected lifetime. Generally funded from the depreciation reserve fund.

Reserve Funds Money set aside for a specific purpose. (See also Special Funds.)

Resource Consent This is permission to use resources such as land, water and air, granted under the Resource Management Act 1991.

Restricted Assets Assets that cannot be disposed of because of legal or other restrictions and that provide benefit or service to the community. They include reserves vested under the Reserves Act 1977, endowments and property held in trust for specific purposes.

Revenue Money received by Council.

Revenue and Financing Policy This is a statement about who should pay for the services provided by Council. The policy outlines who will benefit for each Activity and who should pay for it, taking into account fairness and what is practical.

Separate Rate A rate levied over a particular group of properties that receive or are capable of receiving a specific service or benefit additional to that provided by general rate funding.

Service Delivery Plan Outlines each of the Council's activities including service levels, performance measures, issues and future demand.

Significance This is the degree of importance of an issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impacts, and or likely consequences.

Special Funds Money set aside for a specific purpose. (See also Reserve Funds.)

Strategy Outlines how the district is going to undertake particular actions to deliver the community outcomes.

Submission Your opportunity to tell the Council your views on the Ten Year Plan. Submissions need to be made in writing.

Ten Year Plan A plan, adopted every three years, that sets the strategic direction for the Council over the next 10 years and outlines Council's contribution towards achieving the community outcomes. The Ten Year Plan is the same as the Long Term Plan. The term "Ten Year Plan" is used for ease of understanding.

Three waters Refers to drinking water, wastewater, and stormwater.

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.