

TARARUA DISTRICT  
2020/21

# Annual Plan

YEAR THREE OF THE 2018–2028 LONG TERM PLAN



# North Island

## NEW ZEALAND

Wellington



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

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

### *In the beginning...*

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

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

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

European settlement within the district started in 1854 when the first

sheep were driven up the coast from Wellington to establish coastal stations, but access to this area remained almost entirely by sea until well into last century.

There are some great communities waiting to be discovered in Tararua. Each has a unique identity, story to tell and experience to share. From the hardship tales of the Scandinavian settlers who felled the Seventy Mile Bush, to the pioneers who established farming on the 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***

# **ANNUAL PLAN 2020/21**

**TARARUA DISTRICT COUNCIL**

This document is the Annual Plan of the Tararua District Council, for the period 1 July 2020 to 30 June 2021.

The Annual Plan 2020/21 was adopted by Council on 24 June 2020.

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



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**OVERVIEW**



# Guide to the Annual Plan

There are five sections to this Annual Plan. Here is a brief guide to the information contained in each section.

The information presented meets the requirements of the Local Government Act 2002.

## Part 1: Overview

This section discloses the areas of focus, challenges, and opportunities for the year ahead.

## Part 2: Activities

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

## Part 3: Rates

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

## Part 4: Financials

This section contains the prospective financial statements together with the accompanying notes.

## Part 5: General information

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

## Associated documents

A comprehensive list of fees and charges will be found in 'Fees and Charges 2020/21'.

Other associated policies include:

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

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



# Mayor's message

This message to you has changed significantly since first written some weeks ago. Our people and district have experienced some of the most challenging events in recent memory.

The last few months have seen severe water shortages in Woodville and Dannevirke, an unprecedented drought throughout Tararua, and the rapid escalation of a global pandemic the likes of which has not been seen for over 100 years. Any one of these events creates significant challenges, coming back to back as they have, and still not yet resolved, places immense pressure on us all.

Prior to Covid-19, your councillors and I planned for district-wide growth and increasing government compliance requirements through a relatively high 5.97% rates increase. The legislative and growth pressures still exist but what has changed markedly is ratepayers ability to meet these costs at this point in time.

It is for this reason we have reduced the rates increase to 2.5%. We are aware that some councils are opting for zero rates increases, and this can be tempting during crises, however, a zero increase would mean costs would need to be met through alternative means, such as debt. We must remember, any debt incurred now still needs to be repaid from future rates. Council will be increasing debt to enable the reduced rates increase, striking what we believe is a sound balance.

Council is proposing a significantly leaner budget that still delivers on the priorities of the original Draft Annual Plan and allows room to provide stimulus to our economy through the various roading, water, and other projects we undertake. We have reviewed our project pipeline to bring forward those that can help create jobs and provide the stimulus our economy needs. By reviewing our approach to some capital projects and asking the Chief Executive to minimize operational costs where feasible, we have reduced the rates increase to 2.5%. We are aware that some councils are opting for zero rates increases and this can be tempting during crises, however, our funding rules do not allow operating costs to be met from debt. Council will be increasing overall debt to enable the projects to continue within the reduced rates increase, striking what we believe is a sound balance.



**Encouraging everyone to invest their spending locally is one of the best ways to support local businesses**



Council has also sought to support our economy through our Love Local Tararua campaign launched in response to Covid-19. Encouraging everyone to invest their spending locally is one of the best ways to support local businesses, many of which have been hard hit. Council is also collaborating with the New Zealand Motor Caravan Association to promote our Motorhome Friendly Towns to this key domestic market that we have built a strong presence in. Our past work with this market will certainly pay dividends now.

Council has also sought to attract external funding, wherever possible, as Central Government opens the cheque book to keep the national economy afloat. We have already been successful in attracting \$500,000 to support 27 new jobs to fell roadside trees. Our roading Alliance is also offering local businesses contracts for \$2 million worth of work that would otherwise be carried out internally to support the economy. We are also hopeful that applications for an extensive upgrade to Route 52, which is long overdue, and funding to replace old water pipes will be successful.

Council is also planning to add to its pensioner housing stock by building new units in Dannevirke, which will not only add to the economy but free up larger properties for families in need of accommodation.

While times are challenging now, we must continue to move forward as a district and take advantage of the opportunities that have and will continue to present themselves. We must trust in our future as we regain stability in our economy and continue to show compassion to one another and maintain our hope for a brighter future for all those that call Tararua home.

Much of New Zealand has seen a strong population growth over a number of years and the housing shortages our neighbours are facing has well and truly arrived in Tararua. We anticipate Tararua's housing shortages will continue as we head towards the opening of the new Manawatu-Tararua Highway in a few years' time.

While housing shortages have advantages such as lifting house prices, they also have consequences. One such consequence is that as houses are purchased by owner occupiers, the number of properties available to rent reduces.

It can also mean that families that want to live in Tararua may move elsewhere. And this can mean that businesses find it hard to keep or attract staff. The solution is to build more accommodation and, while we are seeing this happening now, it is not at the rate that will reduce current and likely future demand.

As a district we need to make some choices regarding growth. One option is to do nothing and simply let growth happen organically. Such an approach would likely see growth happen slowly but would save Council money in the short term. We do not believe this is the best approach.

Growth in districts such as Tararua doesn't happen often and we believe we must take full advantage of the opportunities it presents now. It means additional investment now to extend things like wastewater and stormwater networks or the rezoning of land for future housing. These investments will need to be met by current ratepayers but offer the opportunity to increase the total ratepayer base. Increasing the ratepayer base means we can either spread future costs across more people and/or choose to increase the services available to the community.

It is your Council's view that we should take full advantage of the growth opportunities in front of us as we don't know when they will present themselves again.

Your Councillors and I recognize the hardship many of our people are facing during this unprecedented period and we encourage anyone facing difficulties in meeting their financial commitments to Council to contact our team as soon as possible so we can explore payment arrangements.

While recent events have created hardships, they have also brought out the best in people. We have seen relationships between people and organisations develop and grow stronger as our communities come together to work through adversity. Council has strengthened its relationships with our Iwi partners and created new alliances that will continue to serve the best interests of our people.

We must maintain and continue to build on these positives as we seek to create a new vision for Tararua District in a post-Covid world and embrace in reintroduction of the community well-beings reintroduced to Local Government. Crises are an opportunity to bring people together, remember what's important to us, prove our resilience and embark on a new journey toward a brighter future.

"Whakahoutia Tararua." We will flourish again.



Tracey Collis  
Mayor



# Chief Executive's message

As the Mayor has said, Tararua District faces pressures due to growth that we have not experienced in our history.

We also face significant legislative pressures from Central Government that Council has no option but to meet. These two matters were the key drivers behind our original proposed rates increase of 5.97% pre-Covid-19.

The Mayor has discussed the context for growth, so I'd like to focus on what that means for Council in a bit more detail before discussing our response to the water crisis and legislative issues we are facing and the resulting impact on ratepayers.

Growth in the district means adding to our various infrastructure networks to meet increased demand. This doesn't happen without Council ensuring it has the staff resources to process the myriad of requests we receive connected to it.

Two key areas where we are experiencing unprecedented demand are our planning and building teams. We are having to increase our planning resources to cope with the increased demand for subdivisions and to undertake the planning research required for growth. Our building team is also experiencing a significant increase in demand with existing houses being renovated and plans for new houses requiring consents. We are having to invest in additional resources, such as introducing a building officer cadetship, to keep up with demand.

The recent water crisis has highlighted issues the district faces with this vital resource. Council responded well to this unprecedented drought event, opening our Emergency Operations Centre (EOC) to manage its impact. The actions taken ensured all properties connected to the water network remained supplied with drinking water. The EOC team also worked closely with rural support organisations and communities to arrange water deliveries as tanks ran low.

In response to the water crises, Council will be revisiting our water bylaw and we will be consulting with our communities



**Growth in the district means adding to our various infrastructure networks to meet increased demand**

in the year ahead. In the meantime, we have included projects in this Annual Plan that will further improve the resilience of our water treatment plants and network. Projects include investment in real time usage information to help inform and monitor demand and district-wide leak detection work. Despite this work, we anticipate the need for water conservation this summer given low water tables as we enter winter.

The other major area of cost increase Council is facing comes from legislation imposed by Central Government that we have no choice but to meet. Regulations connected to water have, and continue to be, a significant contributor in this area.

Council has had to meet increasing costs for water monitoring ever since the Havelock North water crisis. The cost of water monitoring will continue to increase as Central Government enacts a bill to establish a water regulator. Council expects to have to invest in additional staff to conduct water monitoring as well as investing in new technology to monitor, analyse and report on water quality.

As the Mayor has mentioned, we have applied to Crown Infrastructure Partners for funding to renew key sections of our aging pipe network. These pipes pose one of the greatest risks to our water network, and success in attracting funding would allow replacement over the next three years instead of the likely 10–20 years based on funding currently allocated for this purpose.

Sourcing water will remain a key focus for Council as we better understand the impact climate change is having and we accommodate forecast population growth in the district.

The effects of climate change are also being felt on our roading network. Council had previously budgeted \$1 million per annum for emergency road works following adverse weather events. Having spent \$5 million each year over the last three years, we have now increased the annual budget to \$1.6 million. Council continues efforts to attract funding to upgrade Route 52. Applications have been submitted to Central Government following the request for "shovel ready" projects. Success with these applications will not only secure the future of Route 52 but provide important job opportunities in the current economic climate.

Another contributor to the rates increase is the work required to renew our wastewater consents in Eketahuna, Pahiatua, and Woodville.

Council has continued reviewing our fees and charges to ensure a fair balance is maintained between the users of services and ratepayers. However, in response to Covid-19, we have put previously planned increases for Animal Control on hold and proposed increases in pensioner housing rents will not take effect until 1 January 2021.



**Sourcing water will remain a key focus for Council as we better understand the impact climate change is having**



Blair King  
Chief Executive

# The 2020/21 Annual Plan at a glance

This is Year 3 of the 2018-2028 Long Term Plan. Council's strategies of Core Infrastructure, Economic Development, and Affordability continue to underpin this Annual Plan.

We have not deviated significantly from what we said we will do but had to revisit our programme of works in light of Covid-19 and the drought.

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

## Covid-19

### Response

During the Covid-19 alert levels, Council staff have been working hard to ensure essential services continue.

So much of what Council does is essential – water, wastewater, rubbish, roads, consents, compliance, licensing, and all those essential services that make up significant portions our day-to-day operations.

Some staff were redeployed into civil defence roles and Covid-19 specific activities, and others are backfilling the roles they left.

### Recovery

Each civil defence event is broken down into two phases, the response outlined above, and the recovery.

The recovery from Covid-19 will be lengthy, and will cover the period of the Annual Plan and beyond. This Annual Plan has been prepared to meet the recovery outcomes, by providing economic stimulus through the capital programme, and providing relief to ratepayers by setting a lower rates increase than previously planned. Regular users of Council facilities have been granted three months fees relief, recognising the importance sport and recreation groups will play in the social recovery from Covid-19.

Other activities underway through the recovery programme include the launch of #LoveLocalTararua led by our Economic Development Team. This campaign is designed to encourage locals to support one another and highlight the many things this district has to offer.

## External debt

Council's external debt is projected to increase to \$43 million versus \$30 million as provided for in the Long Term Plan. This is mainly due to significant projects incurring additional requirements after the detailed design phase, and significant unplanned expenditure from emergency works due to climate events.

Council is taking advantage of extremely low interest rates to fund projects and increased costs through borrowing. Despite the debt increase Council maintains a strong balance sheet and is within its self-imposed debt benchmarks, which are significantly lower than many other councils across New Zealand.

## Rates increase and affordability

Of the three strategies, Affordability remains at the centre of Council's focus, not only for the current ratepayers but also for future generations in the Tararua District.

Prior to Covid-19, Council planned for district-wide growth and increasing government compliance requirements through a relatively high 5.97% rates increase. These requirements were consistent with Council's vision and strategic objectives in the Long Term Plan. The legislative and growth pressures still exist post Covid-19, but what has changed markedly is ratepayers ability to meet these costs at this point in time.

The final Annual Plan has a significantly leaner budget that still delivers on the priorities of the original Draft Annual Plan and allows room to provide economic stimulus to the district's economy through the various roading, water and other projects to be undertaken.

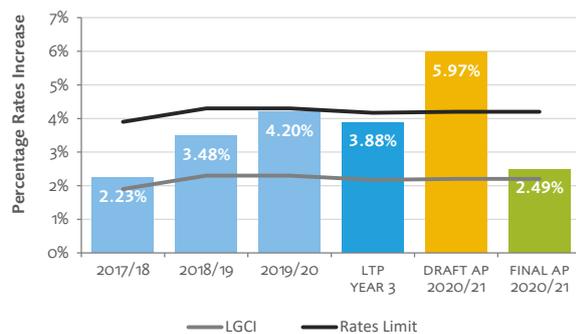
Recognising the financial impact of Covid-19 on our community, Council is proposing a total increase in our rate take of 2.5%, which is a significant reduction on what is detailed in our Long Term Plan. This has been mainly achieved by reviewing Council's approach to some capital projects, such as extensions to the reticulation network by:

- spending the upcoming year planning and developing a strategic approach before construction, minimising operational costs where feasible.

- reducing our depreciation funding in roading and water in anticipation of the Crown Infrastructure funding for Route 52 and asbestos cement (AC) pipes.
- loan funding specific operational projects like the Long Term Plan, District Plan review, and the Water Bylaw review.

The charts below show the rates increases and the rate in a dollar impact.

### RATES INCREASES



ALL PROPERTIES



90%

of all properties have increases less than \$100

URBAN PROPERTIES



100%

of urban properties have increases less than \$100

RURAL PROPERTIES



81%

of rural properties have increases less than \$100

IND/COM PROPERTIES



95%

of industrial/commercial properties have increases less than \$100

## SAMPLE OF PROPERTY RATE INCREASES

These infographics are sample properties in our district showing the impact of the proposed rates increase for the year ahead.



### Residential urban

INCREASE

**+1.85%**

2017 Land Vaulation: \$77,000  
Actual rates 2019/20: \$2,534.00  
Rates increase 2020/21: \$47.00

AN EXTRA  
**\$1.81** = A LOAF OF WHEATMEAL BREAD  
PER FORTNIGHT



### Residential lifestyle

INCREASE

**+1.65%**

2017 Land Vaulation: \$170,000  
Actual rates 2019/20: \$1,694.97  
Rates increase 2020/21: \$27.88

AN EXTRA  
**\$1.07** = 1 HEAD OF BROCCOLI  
PER FORTNIGHT



### Rural

INCREASE

**+2.35%**

2017 Land Vaulation: \$1,890,000  
Actual rates 2019/20: \$6,562.00  
Rates increase 2020/21: \$154.00

AN EXTRA  
**\$5.92** = 1KG YOGHURT TUB  
PER FORTNIGHT



### Industrial/ Commercial

INCREASE

**+1.98%**

2017 Land Vaulation: \$185,000  
Actual rates 2019/20: \$4,338.00  
Rates increase 2020/21: \$86.00

AN EXTRA  
**\$3.31** = CAN OF SOUP  
PER FORTNIGHT

## Growth

The district is experiencing growth in population significantly beyond the high growth assumption in the Long Term Plan. To ensure Council continues to meet its current levels of service and to enable growth the Annual Plan has included the following:

- District plan review will commence and will consider the need for further urban residential rezoning.
- Resourcing the building team by way of two cadetships due to an increasing trend in consents for building activity and a national shortage of building officers. Building fees have been increased to reflect the actual inputs required in the consenting process.
- Invest in extending our pensioner housing portfolio beyond what has been budgeted, by building six new units in Dannevirke. Pensioner housing is a self-funding activity for Council and surpluses built up over time form a reserve that can be applied to maintenance or new builds.

## Long Term Plan

This year, councillors and management will commence discussion to review, update and develop a new Vision, Mission, Outcomes, and Strategies for the next 10 years – the Long Term Plan 2021–2031.

The 10 year plan will be our primary vehicle for shaping the Tararua District.

Since our last Long-Term Plan (2018–2028), the Local Government (Community Well-being) Amendment Act has resulted in a change in the purpose of local government, prompting councils to more actively focus on promoting community well-being – that is, improving the social, economic, environmental, and cultural well-being of our communities.

Much of what we do as a council already contributes to these outcomes. But as we look to develop our Long Term Plan, we will be talking more with our communities about things like what well-being means to you and what our priorities should be in ensuring our work programme, services, and facilities help to improve well-being for our people.

## Emergency roading works

We continue to experience significant changes in weather patterns resulting in increased frequency and intensity of these weather events. As a consequence, we are having to undertake increasing amounts of emergency works to keep roads operating following each storm event. Not only does this divert staff from other planned road works, it also adds

additional cost to the total roading budget. Where possible, we are undertaking work to minimise the impact of these storm events, such as removing roadside trees that become hazards during severe events. We are also constantly working to improve the design of our roads to lessen the impact of these events. While we can mitigate the impact of these events to some extent, we are forecasting ever increasing capital and operating costs in this area.

## Wastewater consent renewals

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

- Pahiatua – moving through a mediation process.
- Eketahuna – consent currently under mediation with the Environment Court.
- Woodville – being publicly notified.
- Norsewood – application is with Horizons.
- Pongaroa – application is with Horizons.

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

## Pahiatua town centre upgrade

Since 2006, Tararua District Council has been strategically reinvesting in the central business districts (CBDs) – or “town centres” – of the district’s townships to maintain attractiveness and encourage commerce. Town centre upgrades for Dannevirke, Woodville, and Eketahuna have been completed and Pahiatua’s upgrade is the fourth phase of Council’s plan to refurbish and improve the CBDs.

The town centre upgrade aims to create a safer, more accessible, attractive and vibrant street environment while future-proofing Pahiatua’s Main Street for growth, development and investment.

This project started in 2018/19. The Pahiatua community showed a great deal of enthusiasm during the public consultation, and there were several features that the community wanted to see included in the upgrade.

However, with the Covid interruption, we lost the time we had gained earlier in the year. This delayed both the underground work and the starting of the above ground work. Even when we got back to site, we had slow progress whilst social distancing was adhered to.

As a result we had to extend the completion of this project into the 2020/21 year.

## Capital programme

The capital programme for the 2020/21 Annual Plan is \$31.6 million, compared to the Long Term Plan budget of \$20.2 million. Most of the programmes in the Annual Plan 2020/21 are consistent with what was indicated in the 2018–2028 Long Term Plan.

The significant changes are:

- Shovel-ready projects – Council has applied for the two projects under the Crown Infrastructure, namely the Route 52 and asbestos cement (AC) pipes renewals totalling \$9.2 million (these are a three-year project totalling \$27.6 million).
- Completing the wastewater projects resulting from new consent over two years (2020/21 and 2021/22) where planning/scoping/design and where possible procurement occurs in 2020/21 with construction the following year.
- Focus on developing a strategic approach to stormwater, wastewater, and water reticulation projects – namely inflow and infiltration, network extensions, leak detection, and stormwater development projects.
- Carry forward \$4.6 million of current year budgets due to Covid-19 impact on project completion.
- Increase in budgets for Woodville water (address the water crisis issue).
- Earthquake strengthening of Council buildings, namely Pahiatua Service Centre and Dannevirke Administration Building.

A key focus for this Annual Plan is on planning and scoping a number of major projects, with a construction budget being pushed out to 2021/22 financial year.

## CAPITAL EXPENDITURE

Amounts are in millions

	Annual Plan 2019/20	Annual Plan 2020/21*
ROADING AND FOOTPATHS	\$9.9	\$1.8
WASTEWATER	\$2.5	\$1.9
WATER SUPPLY	\$5.3	\$5.7
COMMUNITY AND RECREATION	\$0.9	\$2.5
OTHER ACTIVITIES	\$2.7	\$3.5
<b>Total</b>	<b>\$21.3</b>	<b>\$31.6</b>

\* Includes \$4.6 million of project budgets carried forward from 2019/20 mainly due to project delays caused by Covid-19.

Amounts are in millions

## BIG TICKET ITEMS

CROWN INFRASTRUCTURE FUNDED PROJECT – ROUTE 52



PAHIATUA TOWN CENTRE UPGRADE



CROWN INFRASTRUCTURE FUNDED PROJECT – ASBESTOS CEMENT PIPES



SEALED ROAD RESURFACING



## Pahiatua water upgrade

The Pahiatua water treatment plant is a new plant that takes water from the existing Pahiatua bore and the Mangatainoka river and treats it to produce water to meet or better the New Zealand Drinking Water Standards. It does this with ultra fine (UF) membranes and advanced oxidising ultraviolet (UV) technology that can remove impurities and deal to taste and odour issues that are present in the water.

This new plant will be able to treat water to high levels of turbidity (cloudiness or haziness) from the river. Having two water sources improves security of safe drinking water, as the river can be shut off during periods of very high turbidity or bad algae bloom utilising more water from the bore. The new plant, coupled with the new 6,000 cubic metre reservoir, will provide Pahiatua with a reliable source of drinking water well into the future.

This project aims to deliver quality water to the Pahiatua community and visitors that meets New Zealand Drinking Water Standards and that manages the aesthetics of water for taste, odour and discolouration. It is expected that this treatment plant will be operational by October 2020, with the teams having to work through all levels of the Covid-19 pandemic to minimise delays.

The plant is located next to the existing water treatment plant and adjacent from the wastewater treatment plant. It has been designed to limit the noise produced by the plant and minimise noise for any neighbouring properties. The plant has allowed space for future with room for more UF membranes should the population grow increasing demand.

The plant will be operated remotely and only requires staff to visit for schedule maintenance. A delivery of chemicals for chlorination and cleaning will occur every 4–6 weeks.

## External funding

Council continues to explore opportunities to attract external funding from a range of sources to either ease the burden on ratepayers or undertake projects that would not otherwise be funded from rates.

Central Government is a key source of funding and, in its response to the Covid-19 pandemic, is providing subsidy funding opportunities to create jobs and stimulate the economy throughout New Zealand.

Projects where funding has been approved and will be undertaken during the year ahead include:

- \$500,000 from the Provincial Growth Fund for the removal of dangerous roadside trees on Route 52.
- \$400,000 over five years from the Provincial Growth Fund to establish a digital hub in Woodville.
- \$165,000 from Te Uru Rakau (part of the Provincial Growth Fund) to study the right trees to be planted where in Tararua District.
- \$165,000 from Central Energy Trust for under veranda lighting and central block lighting as part of the Pahiatua Town Upgrade project.

Projects where funding has been or will be applied for include:

- \$3.8 million from the Provincial Growth Fund for renewal of asbestos cement pipes. This is part of a wider three-year project totalling \$11.5 million.
- Funding from the Provincial Growth Fund for improvements to Route 52 split into three separate applications:
  - Safety improvements from Central Hawkes Bay boundary, Wimbledon.

MINOR SAFETY IMPROVEMENTS (ROADS)



RETICULATION RENEWALS (WATER AND WASTEWATER)



PENSIONER HOUSING NEW FLATS



PAVEMENT REHABILITATION (ROADS)



EARTHQUAKE STRENGTHENING



WOOVILLE WATER TREATMENT PLANT UPGRADE



- Safety improvements from Wimbledon to Pongaroa.
- Bridge and safety improvements from Weber to Dannevirke.
- Funding from the Provincial Growth Fund for a range of districtwide projects to improve community assets such as town halls and war memorials.
- Funding from NZ Transport Agency for a Lindauer Walkway from Woodville to Ferry Reserve.

A number of other project ideas are being considered to align with anticipated future funding opportunities. Any projects that are unsuccessful in attracting external funding are unlikely to proceed in the short to medium term.

## Solid waste services

We need to continue to innovate in our solid waste services. There are multi-faceted issues facing solid waste service delivery in our district, nationally, and globally. Plastics once taken by Chinese markets are now going to landfill across the country.

In efforts to curb this, Central Government will be multiplying landfill tariffs over the next five years. The intention is to use this revenue to fund national waste solutions. In the interim, however, waste authorities are faced with additional costs.

Costs will inevitably escalate over coming years but there is opportunity to gain value. During the year, Council will carry out community research and survey, waste and recycling audits, and review the service levels for waste management in the district. These options will be consulted with the community as part of our Long Term Plan.

# Annual Plan disclosure statement

for the year ending  
30 June 2021

## What is the purpose of this statement?

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

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

Benchmark	Quantified Maximum Limit	Planned Limit	Met
<b>Rates affordability benchmark</b>			
Income	\$24,257,000	\$23,859,000	Yes
Increases	4.20%	2.49%	Yes
<b>Debt Affordability</b>			
Net debt as a percentage of total revenue	< 100%	79%	Yes
Net interest as a percentage of total revenue	< 7%	2.08%	Yes
Net interest as a percentage of annual rates income (debt secured under debenture)	< 10%	4.25%	Yes
Liquidity (external, term debt + committed loan facilities + available liquid investments to existing external debt)	> 110%	119%	Yes
Balanced budget benchmark	> 100%	125%	Yes
Essential services benchmark	> 100%	190.50%	Yes
Debt servicing benchmark	< 10%	2.13%	Yes

## Notes

### 1. Rates affordability benchmark

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

### 2. Debt affordability benchmark

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

### 3. Balanced budget benchmark

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

### 4. Essential services benchmark

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

### 5. Debt servicing benchmark

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

02

**ACTIVITIES**

# Groups of activities

## What the Council does

### Introduction

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

We have nine groups of activities and 21 activities. The rest of this section of the plan explains what we are doing in each activity, and the overall cost to ratepayers.

### Explanation of activity pages

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

### Activities index

<b>24</b>	Building Communities and Leadership
<b>29</b>	Community and Recreation Facilities
<b>41</b>	District Promotion and Economic Development
<b>46</b>	Regulatory Services
<b>54</b>	Roading and Footpaths
<b>60</b>	Solid Waste Management
<b>64</b>	Stormwater
<b>68</b>	Wastewater
<b>73</b>	Water Supplies

## How the Council Outcomes relate to Council services

### Key

-  Strongly Related
-  Related
-  Partially Related

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

# Building Communities and Leadership

## Activities in this group

Community Support

Representation

## Council Outcomes

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



## Significant changes from the long term plan

Description	Type	Long Term Plan	Annual Plan	Reasons
<b>Community Support</b>				
No significant variances				
<b>Representation</b>				
Reallocation of public relations cost	Operating	Nil	\$25,000	Cost for various items now allocated to this activity, namely Council page in Bush Telegraph (and associated cost), and press releases.
Remuneration pool for elected members	Operating	\$331,000	\$430,000	The Remuneration Authority mandates the remuneration pool to be made available to elected members. In 2019/20 it significantly increased the pool to apply to elected members.

## Group level funding impact statement

### Building Communities and Leadership

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	2,116	2,297	2,292	(5)
Targeted rates	-	-	-	-
Grants and subsidies operating	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	78	28	23	(5)
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,194</b>	<b>2,325</b>	<b>2,315</b>	<b>(10)</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,533	1,414	1,599	185
Finance costs	-	-	2	2
Internal charges and overheads applied	653	817	798	(19)
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,186</b>	<b>2,231</b>	<b>2,399</b>	<b>168</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>7</b>	<b>94</b>	<b>(85)</b>	<b>(179)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	20	(31)	114	145
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>20</b>	<b>(31)</b>	<b>114</b>	<b>145</b>
<b>Application of capital funding</b>				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	30	52	50	(2)
Increase (decrease) in reserves	(3)	10	(21)	(31)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>27</b>	<b>62</b>	<b>29</b>	<b>(33)</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(7)</b>	<b>(94)</b>	<b>85</b>	<b>179</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Community Support

**AIM**

To support communities to support themselves.

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Collaborative Council • Great lifestyle</b>			
Public money is spent appropriately	Council funds and supports key community organisations in order to build district community capability	Percentage of residents rating Council's involvement in community support as "fairly satisfactory" or "very satisfactory" in the community survey	75%
		All organisations receiving grants meet accountability requirements of Council	100%

# Representation Performance measures

**AIM**

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

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Collaborative Council • Great lifestyle • Efficient infrastructure • Prosperous economy • Sustainable environment</b>			
Good governance	Providing leadership to represent and make decisions in the best interests of the district and its communities	Percentage of residents rating the overall performance of the Mayor and Councillors as "fairly satisfactory" or "very satisfactory" in the community survey	75%
		Percentage of residents rating the overall performance of the community boards and community committees as "fairly satisfactory" or "very satisfactory" in the community survey	75%
Ensuring correct public processes are followed	Provide processes and community boards/committees through which the community can have its views heard	Percentage of Council committee meetings that meet the requirements of the Local Government Official Information and Meetings Act	100%

# Community and Recreation Facilities

## Activities in this group

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

## Council Outcomes

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



## Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Annual Plan	Reasons
<b>Cemeteries</b>				
No significant variances				
<b>Community Buildings</b>				
Increase in insurance premiums	Operating	\$76,000	\$127,000	The insurance premiums have increased due to hardening of the reinsurance market and increase in risk associated with earthquake and material damage.
Increase in cleaning costs	Operating	\$31,000	\$46,000	Costs for cleaning have increased.
Deferral of exterior painting	Operating	\$189,000	\$68,000	Buildings due for painting were condition assessed and only those requiring repainting have been included in the plan.
<b>Housing</b>				
Increase in rent income	Operating	\$429,000	\$479,000	Rent increases are proposed to maintain the housing reserve whilst funding for new units, and to reflect the significant increase in market rents.
Increase in insurance premiums	Operating	\$39,000	\$50,000	The insurance premiums has increased due to hardening of the reinsurance market and increase in risk associated with Earthquake and material damage.
Decrease in maintenance costs	Operating	\$130,000	\$92,000	Council continues to proactively maintain and upgrade its housing stock, reducing the reactive maintenance costs.
Build six new pensioner housing units	Capital	Nil	\$900,000	Council currently has a waiting list for pensioner units. The housing reserve has sufficient funds to build 6 units once a site is found.
Annual renewal of two units	Capital	\$100,000	Nil	Council has prioritised the building of six new units due to a high demand for pensioner units.
Aluminium windows	Capital	\$4,000	Nil	Council has prioritised the building of six new units due to a high demand for pensioner units.  Windows will be replaced when the condition determines.
Pensioner flats insulation	Capital	Nil	\$60,000	To meet new requirements for rental properties.
Pensioner flats ventilation	Capital	Nil	\$138,000	To meet new requirements for rental properties.

### Libraries

Description	Type	Long Term Plan	Annual Plan	Reasons
No significant variances				
<b>Parks and Reserves</b>				
Increase in insurances	Operating	\$26,000	\$61,000	The insurance premiums have increased due to hardening of the reinsurance market and increase in risk associated with earthquake and material damage.
<b>Public Conveniences</b>				
Increase in maintenance	Operating	\$165,000	\$184,000	Cost for maintenance contracts for cleaning of public toilets has increased mainly due to the change in frequency of cleaning.
<b>Service Centres</b>				
No significant variances				
<b>Swimming Pools</b>				
Increase in insurance premiums	Operating	\$8,000	\$19,000	The insurance premiums have increased due to hardening of the reinsurance market and increase in risk associated with earthquake and material damage.
Increase in management fee	Operating	\$368,000	\$435,000	Increase in management fee for Wai Splash. This relates to increase in cost to meet the pool safety requirements.

## Group level funding impact statement

### Community and Recreation Facilities

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	3,418	3,667	3,362	(305)
Targeted rates	1,922	1,893	2,052	159
Grants and subsidies operating	4	5	6	1
Fees and charges	758	790	840	50
Local authorities fuel tax, fines, infringement fees, and other receipts	308	426	338	(88)
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>6,411</b>	<b>6,781</b>	<b>6,598</b>	<b>(183)</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	3,826	4,038	4,007	(31)
Finance costs	55	69	37	(32)
Internal charges and overheads applied	1,427	1,432	1,566	134
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>5,308</b>	<b>5,539</b>	<b>5,610</b>	<b>71</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>1,103</b>	<b>1,242</b>	<b>988</b>	<b>(253)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	99	99
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	16	(77)	210	287
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>16</b>	<b>(77)</b>	<b>309</b>	<b>386</b>
<b>Application of capital funding</b>				
Capital Expenditure:				
- to meet additional demand	100	119	944	825
- to improve the level of service	125	26	307	281
- to replace existing assets	705	1,120	1,213	93
Increase (decrease) in reserves	187	(101)	(1,166)	(1,065)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,117</b>	<b>1,164</b>	<b>1,298</b>	<b>134</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(1,103)</b>	<b>(1,241)</b>	<b>(988)</b>	<b>253</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Cemeteries

## Performance measures

**AIM**

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

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Efficient infrastructure</b>			
Well presented cemetery grounds and facilities	The cemetery grounds are presented to a high standard	Percentage of residents rating cemeteries as "fairly satisfactory" or "very satisfactory" in the community survey	90%
Access to cemetery plots	Plots are available in all local cemeteries	Percentage of cemeteries in district with plots available for next 12 months – based on historical burial data	100%

# Community Buildings

**AIM**

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
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**Community Outcome(s): Efficient infrastructure • Great lifestyle**

Buildings support a range of activities that enhance residents' lifestyle	Council provides community buildings that are fit for purpose	Percentage of residents rating community buildings as "fairly satisfactory" or "very satisfactory" in the community survey	90%
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Facilities are well-utilised		The increase from previous year in the total number of hours per annum facilities are booked through Council	> 1%
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# Housing

## AIM

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Efficient infrastructure • Great lifestyle</b>			
Council housing stock is fit for purpose	Housing units are maintained to a suitable standard	Percentage of housing units which, when inspected, are found to have maintenance issues which are more than minor	< 10%
Council acts as a good landlord and provides a professional tenancy service	Council acts as a good caring landlord	Tenants' satisfaction with the landlord service received from Council	90%

# Libraries

**AIM**

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Prosperous Economy • Great lifestyle</b>			
Quality community space	Access to information	Library facilities are clean, welcoming, and open at times suited to the community based on an annual survey	90%
		Percentage of residents rating libraries as "fairly satisfactory" or "very satisfactory" in the community survey	90%
Supporting the education of children	Improve literacy and knowledge among the district's children	Percentage of customers satisfied with children's programmes (annual survey)	90%

# Parks and Reserves

## AIM

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Great lifestyle</b>			
People are proud of the district's parks and reserves	Our parks and park facilities are well presented	Percentage of residents rating parks and reserves as "fairly satisfactory" or "very satisfactory" in the community survey	90%
<b>Community Outcome(s): Efficient infrastructure</b>			
Facilities meet user needs	Our parks and reserves are in good condition	Number of recorded incidences where parks and reserves are found to be below the agreed maintenance standard	< 5
Playgrounds meet user needs	Playground equipment is safe to use and fit for purpose	Percentage of playgrounds in the district that had no faults under the AUS/NZ playground safety standard	100%

# Public Conveniences

**AIM**

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Efficient infrastructure</b>			
Public conveniences meet user needs	Public conveniences provided are fit for purpose	Percentage of residents rating public conveniences as "fairly satisfactory" or "very satisfactory" in the community survey	90%
		The number of complaints received per annum about the maintenance and cleanliness of public toilets (excluding graffiti and vandalism)	< 90
		Percentage of customer request responded to within 48 hours	85%

# Service Centres

## Performance measures

### AIM

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

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Collaborative Council</b>			
Customer Service staff are professional, knowledgeable, and courteous	Customers experience friendly, efficient and reliable service from Council	Percentage of customers who lodge faults/requests are satisfied with the service provided	85%
Customer Service staff respond to customer requests and enquiries promptly.	Customer requests are handled effectively and accurately	Average wait time for incoming calls	20 seconds
		Percentage of abandoned calls	< 5%
Council provide access to afterhours services	Responsive 24/7 phone service	Percentage of customers who lodge faults/requests are satisfied with the afterhours service received	90%

# Swimming Pools

**AIM**

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Efficient infrastructure</b>			
Public pools provided meet community expectations	Public swimming pools provide a quality visitor experience	Percentage of residents rating pools as "fairly satisfactory" or "very satisfactory" in the community survey	80%
	Outdoor pools open during summer months, and Wai Splash all year around	The number of weeks each year Wai Splash is open for public use	50 weeks
		The number of weeks each year outdoor pools are open for public use	> 10 weeks
Public swimming pools provide a safe swimming environment for the public	Pools meet the 'PoolSafe' safety standards		100%

# District Promotion and Economic Development

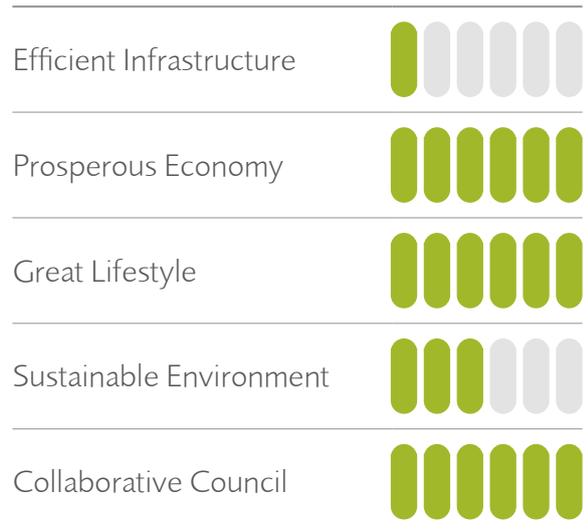
## Activities in this group

Commercial Investments

District Promotion and Development

## Council Outcomes

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



## Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Annual Plan	Reasons
<b>Commercial Investments</b>				
No significant variances				
<b>District Promotion and Development</b>				
Reallocation of public relations cost	Operating	\$25,000	Nil	Cost now allocated to representation, namely cost relating to Council page in Bush Telegraph (and associated cost), and press releases.
Increased operating costs	Operating	\$678,000	\$725,000	The increase in operating costs allows Council to apply for funding from external sources such as the Provincial Growth Fund. This is funded from a successful grant application to the Provincial Growth Fund.
Renewal of signage	Capital	Nil	\$100,000	To enable the replacement of signage throughout the district to Council's new branding.

## Group level funding impact statement

### District Promotion and Economic Development

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	403	444	415	(29)
Targeted rates	604	666	624	(42)
Grants and subsidies operating	-	-	48	48
Fees and charges	7	7	7	-
Local authorities fuel tax, fines, infringement fees, and other receipts	33	56	23	(33)
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>1,047</b>	<b>1,173</b>	<b>1,117</b>	<b>(56)</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	756	700	747	47
Finance costs	8	38	14	(24)
Internal charges and overheads applied	312	315	357	42
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,076</b>	<b>1,053</b>	<b>1,118</b>	<b>65</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>(30)</b>	<b>120</b>	<b>(1)</b>	<b>(121)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	353	193	40	(153)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>353</b>	<b>193</b>	<b>40</b>	<b>(153)</b>
<b>Application of capital funding</b>				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	357	247	60	(187)
- to replace existing assets	-	-	100	100
Increase (decrease) in reserves	(34)	66	(122)	(188)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>323</b>	<b>313</b>	<b>38</b>	<b>(275)</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>30</b>	<b>(120)</b>	<b>1</b>	<b>121</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Commercial Investments

**AIM**

Commercial investments are managed to obtain optimal return for ratepayers.

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
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**Community Outcome(s): Efficient infrastructure**

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

## AIM

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
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### Community Outcome(s): Prosperous economy • Collaborative Council

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

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

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

### Community Outcome(s): Collaborative Council

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

## Activities in this group

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

## Council Outcomes

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



## Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Annual Plan	Reasons
<b>Animal Control</b>				
Increase in operating costs	Operating	\$344,000	\$390,000	The inclusion of a third Animal Control Officer and a full-time administration staff to enable Council to meet the level of service and to better manage the risk associated with unregistered and roaming dogs.
Increase in dog registration fee	Operating	\$260,000	\$300,000	Increase in dog registration fees. This is to align the Fees & Charges to Council's pricing strategy and to remain compliant with Council's Revenue and Financing Policy.
<b>District Planning</b>				
Increase in subdivision consent revenue	Operating	\$30,000	\$60,000	The increase in revenue is as a result of a significant increase in subdivision activity.  Council agreed to hold increases to dog registration fees for the 2020/21 year in response to Covid-19.
Increase in operating costs	Operating	\$360,000	\$450,000	The increase in operating costs is due to needing to undertake an urban zoning investigation caused by the growth pressures facing the district.
<b>Emergency Management</b>				
No significant variances				

Description	Type	Long Term Plan	Annual Plan	Reasons
<b>Health and Safety</b>				
Increase in consultant and contract cost	Operating	\$8,000	\$86,000	<p>The Quality Manager position previously held by an internal staff (Environmental Health Officer). With the resignation of the staff, the function is contracted out to an external consultant.</p> <p>In addition, arrangements are in place with MWLASS member councils (via contract cost) to provide support to new Environmental Health Officer staff (a cadetship role) as required.</p>
Increase in building operating cost (excluding consultant cost above)	Operating	\$637,000	\$762,000	The increase in building activity resulted in increased resources being required in the building team. This also includes two new cadetships to build capability and future capacity due to a national shortage of qualified building inspectors.
Increase in building consent revenue	Operating	\$421,000	\$596,000	The Building Consent revenue has increased due to increases in Fees & Charges, and also a significant increase in demand for new house builds. The fee increase is to align the Fees & Charges to Council's pricing strategy and to remain compliant with Council's Revenue and Financing Policy.
Decrease in Environmental Health Revenue	Operating	\$42,000	\$16,000	Changes to the Food Act has resulted in a reduction of revenue that can be collected.

## Group level funding impact statement

### Regulatory Services

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	1,410	1,371	1,453	82
Targeted rates	-	-	-	-
Grants and subsidies operating	-	-	-	-
Fees and charges	945	959	1,155	196
Local authorities fuel tax, fines, infringement fees, and other receipts	22	15	20	5
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,377</b>	<b>2,345</b>	<b>2,627</b>	<b>282</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,834	1,788	2,134	346
Finance costs	17	23	17	(6)
Internal charges and overheads applied	491	493	560	67
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,343</b>	<b>2,304</b>	<b>2,711</b>	<b>407</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>34</b>	<b>41</b>	<b>(84)</b>	<b>(125)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	74	(37)	87	124
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>74</b>	<b>(37)</b>	<b>87</b>	<b>124</b>
<b>Application of capital funding</b>				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	100	-	-	-
- to replace existing assets	43	16	15	(1)
Increase (decrease) in reserves	(35)	(12)	(12)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>108</b>	<b>4</b>	<b>3</b>	<b>(1)</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(34)</b>	<b>(41)</b>	<b>84</b>	<b>125</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Animal Control

**AIM**

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
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**Community Outcome(s): Collaborative Council • Great lifestyle**

Public safety	Animal control complaints and issues are resolved in a timely manner	Percentage of residents rate dog control as "fairly satisfactory" or "very satisfactory" in community survey	80%
		Percentage of calls that involve dog attacks responded to during working hours to within 2 hours	100%
	Promoting responsible animal ownership through public education	Educational publications are available to the community	Minimum of 6 articles per year

# District Planning

## AIM

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Collaborative Council</b>			
Quality customer service	The district planning service is satisfactory	Percentage of applicants satisfied with the service, based on the customer satisfaction survey	85%
Reliable customer service	District Planning service is reliable	Percentage of customers that receive a decision on their application within the statutory timeframe	100%
Responsive customer service	Council responds effectively to complaints about non-compliance	Non-compliances are resolved within three months of customer complaint	95%

# Emergency Management

**AIM**

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Collaborative Council</b>			
Support the community to prepare for an emergency	Facilitate Community Civil Defence Response Groups in all of our larger communities	The number of local training exercises performed annually to ensure community civil defence readiness	1 or more
<b>Community Outcome(s): Collaborative Council • Sustainable environment</b>			
Leadership and training	Improve our ability to manage and coordinate emergency services during civil defence emergencies	Percentage of Council staff who have completed the Civil Defence and Emergency Management Foundation Course	80%
Capability	Maintain a high level of staff and volunteer capability to manage a civil defence event	Conduct a full civil defence Emergency Operations Centre exercise and participate in Group and National exercises	2 exercises per year

# Health and Safety

## AIM

To provide a safe and healthy community environment.

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Prosperous economy • Collaborative Council</b>			
Public safety	Ensure that the district's built environment is safe and healthy	All swimming pool and/or spa fencing inspected once every three years	100%
	Protect public health by regulating the sale of food, funeral parlours, offensive trades, hairdressing salons, and camping grounds	Percentage of registered premises inspected for compliance within statutory timeframes	95%
Customer service	Building safe communities through cost effective and streamlined processes	Consents issued within statutory timeframes	100%
<b>Community Outcome(s): Prosperous economy • Collaborative Council • Great lifestyle</b>			
Public health	Protect public health by regulating the sale of alcohol	Percentage of licensed premises inspected annually for compliance	95%
<b>Community Outcome(s): Collaborative Council • Great lifestyle</b>			
Liveable communities	Excessive noise complaints will be attended to by Council to minimise disturbance to others	Percentage of noise complaints responded to within two hours of a complaint	90%
<b>Community Outcome(s): Collaborative Council • Sustainable environment • Great lifestyle</b>			
Attractive communities	Control excessive rubbish dumping, overhanging vegetation, and fire hazards through monitoring and enforcement	Percentage of complaints responded to within 48 hours	100%

# Roading and Footpaths

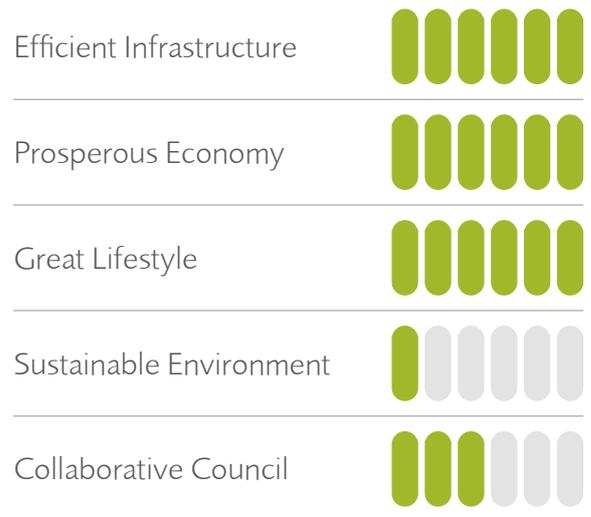
## Activities in this group

Footpaths

Roading

## Council Outcomes

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



## Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Annual Plan	Reasons
<b>Footpaths</b>				
Reduction in maintenance costs	Operating	\$450,000	\$200,000	The budget has been reallocated to footpath renewals.
Increase in footpath renewals	Capital	\$300,000	\$392,000	The increase in budget is due to the reallocation above.
Pahiatua town centre upgrade	Capital	Nil	\$390,000	Renewal funding has been reallocated from general renewals for completing town centre upgrades.
<b>Roading</b>				
Increase in operating costs	Operating	\$7,561,000	\$8,584,000	The increase mainly relates to increase in emergency works budget in response to the adverse weather events (increasing in frequency and severity) resulting in increased damage to the road network placing strain on the funding reserves.
Route 52 improvements	Capital	\$4,058,000	Nil	Funding was not approved by NZ Transport Agency and therefore did not proceed.
Provincial Growth Fund - Route 52 - boundary to Weber	Capital	Nil	\$5,367,000	Funding has been applied for as part of shovel-ready projects to upgrade this road in poor condition.

## Group level funding impact statement

### Roading and Footpaths

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	27	27	17	(10)
Targeted rates	6,328	6,478	6,207	(271)
Grants and subsidies operating	4,369	4,174	4,618	444
Fees and charges	165	172	165	(7)
Local authorities fuel tax, fines, infringement fees, and other receipts	265	395	141	(254)
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>11,154</b>	<b>11,246</b>	<b>11,148</b>	<b>(98)</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	6,910	6,644	7,237	593
Finance costs	125	227	158	(69)
Internal charges and overheads applied	1,629	1,522	1,718	196
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>8,664</b>	<b>8,393</b>	<b>9,113</b>	<b>720</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>2,490</b>	<b>2,853</b>	<b>2,035</b>	<b>(818)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	6,461	8,193	13,665	5,472
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	283	340	950	610
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>6,744</b>	<b>8,533</b>	<b>14,615</b>	<b>6,082</b>
<b>Application of capital funding</b>				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,605	3,374	4,404	1,030
- to replace existing assets	7,342	9,211	13,619	4,408
Increase (decrease) in reserves	(713)	(1,199)	(1,373)	(174)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>9,234</b>	<b>11,386</b>	<b>16,650</b>	<b>5,264</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(2,490)</b>	<b>(2,853)</b>	<b>(2,035)</b>	<b>818</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Footpaths

## AIM

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Efficient infrastructure</b>			
Footpaths are safe for pedestrians	Council maintains footpaths to an acceptable level to customers	Percentage of residents rate footpaths as "fairly satisfactory" or "very satisfactory" in the community survey	75%
		The percentage of footpaths within the district that fall within the footpath condition standards set out in the Asset Management Plan	90%
		Council ensures quality of footpaths and safety of users	Complaints regarding footpaths are responded to within 3 working days*

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

# Roading

**AIM**

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Efficient infrastructure</b>			
Safety - ensure that our roading network is safe	Our roading network is safe	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number*	< 0
		The change in level of risk measured by the total number of fatal and serious injuries per kilometre each year on the network	< 0
		The change in level of risk measured by the total number of fatal and serious injuries by traffic volume each year on the network	< 0
Resilience - the availability and restoration of each road when there is a weather or emergency event, whether there is an alternative route available and the road user information provided	Roads are maintained to the appropriate standards	The number of unplanned road closures and the number of vehicles affected by closures annually	Reducing - based on baseline determined in 2018/19
		The number of instances where road access is lost	Reducing - based on baseline determined in 2018/19
Amenity - roading network is maintained to ensure a comfortable ride quality	Council ensures quality of roads and safety of users	The 85th percentile roughness on sealed roads	110
		The 95th percentile roughness on sealed roads	130

Major aspect	Level of service	Performance measure	2020/21 Target
Accessibility - roading network is maintained to ensure availability and connectivity for users.	Ensure that all roads remain available to users	Proportion of network not available to Class 1 heavy vehicles	Reducing - based on baseline determined in 2018/19
		Proportion of network not available to 50MAX vehicles	Reducing - based on baseline determined in 2018/19
Roads are maintained to the appropriate standards	Requests from the public are responded to in a timely manner	Customer service requests relating to roads are responded to within 3 working days*	90%
		Percentage of residents rating urban roads as "fairly satisfactory" or "very satisfactory" in the community survey	75%
		Percentage of residents rating rural roads as "fairly satisfactory" or "very satisfactory" in the community survey	75%
	Council ensures quality of roads and safety of users	The average quality of the ride on the sealed road network is measured by smooth travel exposure*	95%
		The percentage of sealed road network that is resurfaced*	> 5%

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

# Solid Waste Management

## Activities in this group

Solid Waste Management

## Council Outcomes

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



## Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Annual Plan	Reasons
<b>Solid Waste Management</b>				
Increase in fees from refuse collection and disposal	Operating	\$555,000	\$904,000	Fees and charges were increased to recover cost increases for this activity and to move toward full cost recovery for the refuse disposal activity and align to the pricing strategy.
Increase in waste levy grant	Operating	\$52,000	\$128,000	The Government has significantly increased the trade waste levy on waste disposal. Council receives a portion of this levy to be used on waste minimisation activities.
Increase in operating costs	Operating	\$1,653,000	\$1,937,000	Increase in transportation and landfill charges for disposal of refuse, and a planned increase in the costs of recycling due to China no longer accepting overseas recycling.
Woodville Transfer Station purchase	Capital	\$135,000	Nil	The Woodville Transfer Station is currently owned and operated privately. There is no current need for this site to be sold to Council.

## Group level funding impact statement

### Solid Waste Management

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	435	341	404	63
Targeted rates	823	1,083	938	(145)
Grants and subsidies operating	50	52	128	76
Fees and charges	793	555	973	418
Local authorities fuel tax, fines, infringement fees, and other receipts	2	12	3	(9)
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,103</b>	<b>2,043</b>	<b>2,446</b>	<b>403</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,683	1,653	2,003	350
Finance costs	65	65	49	(16)
Internal charges and overheads applied	260	263	278	15
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,009</b>	<b>1,981</b>	<b>2,329</b>	<b>348</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>94</b>	<b>61</b>	<b>117</b>	<b>56</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(126)	143	5	(138)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(126)</b>	<b>143</b>	<b>5</b>	<b>(138)</b>
<b>Application of capital funding</b>				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	10	267	132	(135)
- to replace existing assets	10	10	10	-
Increase (decrease) in reserves	(52)	(74)	(20)	54
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(32)</b>	<b>203</b>	<b>122</b>	<b>(81)</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(94)</b>	<b>(61)</b>	<b>(117)</b>	<b>(56)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Solid Waste Management

## AIM

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

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Efficient infrastructure</b>			
Refuse and recycling services meet the needs of the district	Refuse and recycling services meet user needs	Percentage of residents rating recycling collection services as "fairly satisfactory" or "very satisfactory" in the community survey	80%
		Percentage of residents rating landfills/transfer station management as "fairly satisfactory" or "very satisfactory" in the community survey	75%
<b>Community Outcome(s): Sustainable environment</b>			
The impact of refuse on the environment is minimised	Council will promote and encourage recycling and reuse	Kilograms of waste per resident sent to landfills by the Council per annum	253kg
		Tonnage of recycled materials processed by Council	1,246 tonnes
		Council's open and closed landfills are well managed	Percentage of landfills where all Horizons resource consent conditions are met

# Stormwater

## Activities in this group

Stormwater

## Council Outcomes

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



## Significant changes from the Long Term Plan

Stormwater development	Capital	\$150,000	\$30,000	<i>A stormwater development strategy will be developed as part of the 2021–2031 Long Term Plan. This will consider the implications of urban growth on the stormwater network.</i>
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## Group level funding impact statement

### Stormwater

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	640	654	716	62
Grants and subsidies operating	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	17	27	10	(17)
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>657</b>	<b>681</b>	<b>726</b>	<b>45</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	145	149	146	(3)
Finance costs	49	54	47	(7)
Internal charges and overheads applied	214	209	240	31
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>408</b>	<b>412</b>	<b>433</b>	<b>21</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>249</b>	<b>269</b>	<b>292</b>	<b>23</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	157	168	6	(162)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>157</b>	<b>168</b>	<b>6</b>	<b>(162)</b>
<b>Application of capital funding</b>				
Capital Expenditure:				
- to meet additional demand	85	89	50	(39)
- to improve the level of service	150	158	30	(128)
- to replace existing assets	50	53	277	224
Increase (decrease) in reserves	121	136	(59)	(195)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>406</b>	<b>436</b>	<b>298</b>	<b>(138)</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(249)</b>	<b>(269)</b>	<b>(292)</b>	<b>(23)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Stormwater

## Performance measures

### AIM

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

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Efficient infrastructure</b>			
Protecting people and properties from flooding caused by stormwater runoff	An effective stormwater system that protects people and properties from flooding	The number of flooding events where an overflow of stormwater enters a habitable floor*	< 20
		For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system*	< 5
A reliable stormwater network		Percentage of residents rating stormwater management as "fairly satisfactory" or "very satisfactory" in the community survey	70%
		Number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system*	< 9
		Number of enforcement actions against Council for not meeting resource consent conditions for discharge from the stormwater system relating to*:	
		<ul style="list-style-type: none"> <li>• abatement notices 0</li> <li>• infringement notices 0</li> <li>• enforcement orders 0</li> <li>• convictions 0</li> </ul>	
Responsiveness	Council ensures quality and efficiency of the stormwater network	Median time (hours) to attend a flooding event, measured from the time that Council receives a notification until service personnel reach the site*	2 hours

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

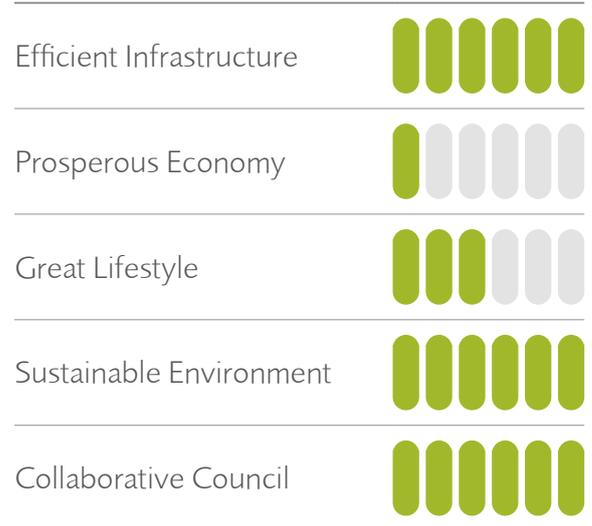
# Wastewater

## Activities in this group

Wastewater

## Council Outcomes

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



## Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Annual Plan	Reasons
<b>Wastewater</b>				
Increase in trade waste fees and charges	Operating	\$115,000	\$143,000	To align the trade fees to the increases in the targeted urban wastewater rates, to move closer to cost recovery and align to the pricing strategy.
Increase in treatment cost	Operating	\$113,000	\$168,000	The increase in treatment cost mainly relates additional treatment chemicals, testing and validation required to monitor against conditions required under the resource consents.
Increase in insurance premiums	Operating	\$25,000	\$47,000	The insurance premiums has increased due to hardening of the reinsurance market and increase in risk associated with Earthquake and material damage.
Eketahuna wastewater pipeline to Pahiatua treatment plant	Capital	\$1,900,000	Nil	Council is progressing with a consent renewal for discharge at Eketahuna as this option is currently not feasible.
Eketahuna treatment plant investigation	Capital	Nil	\$30,000	The Eketahuna treatment plant will require upgrading as a result of consent conditions. This budget allows for planning and beginning the upgrade once consent conditions are finalised.
Pahiatua DAFF plant	Capital	Nil	\$200,000	Council currently is trialling a DAFF plant in Pahiatua. Results from this trial are positive and justify purchasing the DAFF plant.
Infiltration strategy and implementation	Capital	\$276,000	\$25,000	Further investigations will be completed that also consider implications to the stormwater. These will be used to develop a programme for the 2021–2031 Long Term Plan.

## Group level funding impact statement

### Wastewater

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	133	134	135	1
Targeted rates	2,529	2,543	2,552	9
Grants and subsidies operating	-	-	-	-
Fees and charges	140	121	143	22
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,802</b>	<b>2,798</b>	<b>2,830</b>	<b>32</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,171	1,112	1,150	38
Finance costs	258	306	267	(39)
Internal charges and overheads applied	338	337	373	36
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,767</b>	<b>1,755</b>	<b>1,790</b>	<b>35</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>1,034</b>	<b>1,043</b>	<b>1,040</b>	<b>(3)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	328	1,927	262	(1,665)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>328</b>	<b>1,927</b>	<b>262</b>	<b>(1,665)</b>
<b>Application of capital funding</b>				
Capital Expenditure:				
- to meet additional demand	100	105	50	(55)
- to improve the level of service	650	2,252	646	(1,606)
- to replace existing assets	1,753	841	1,207	366
Increase (decrease) in reserves	(1,141)	(229)	(602)	(373)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,362</b>	<b>2,969</b>	<b>1,301</b>	<b>(1,668)</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(1,034)</b>	<b>(1,043)</b>	<b>(1,040)</b>	<b>3</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Wastewater

## Performance measures

### AIM

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

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Efficient infrastructure • Sustainable environment</b>			
Council systems are well managed	A reliable wastewater service	The number of dry weather sewage overflows from the wastewater system per 1,000 connections*	< 5
		Percentage of residents rating wastewater management as "fairly satisfactory" or "very satisfactory" in the community survey	80%
		Risks to public health and our natural environment are minimised	5
		Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to*:	
		• abatement notices	0
		• infringement notices	0
		• enforcement orders	0
		• convictions	0
Council provides a service which is responsive to the needs of the community	Council responds quickly to customer complaints	Median response time to attend a sewage fault, measured from the time Council receives notification to the time that service personnel reach the site*	1 hour
		Median time to resolve a sewage fault, measured from the time Council receives notification to the time that service personnel confirm resolution of the blockage or other fault*	5 hours

Major aspect	Level of service	Performance measure	2020/21 Target
	Council services meet customer expectations	Number of complaints received about wastewater per 1,000 connections for*:	
		• sewerage odour	< 4
		• sewerage system faults	< 5
		• sewerage system blockages	< 7
		• Council's response to the above issues	< 3
		• total number of recorded complaints	< 19

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

# Water Supplies

## Activities in this group

Water Supplies

## Council Outcomes

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



## Significant changes from the Long Term Plan

Description	Type	Long Term Plan	Annual Plan	Reasons
<b>Water Supplies</b>				
Woodville Treatment Plant Upgrade	Capital	Nil	\$650,000	This project is designed to improve the back-washing process and overall plant capacity.
Increase in metered water fees revenue	Operating	\$550,000	\$705,000	The increase reflects both the increase in consumption and also increase in the underlying cost to supply portable drinking water.
Increase in operating cost	Operating	\$1,605,000	\$2,128,000	The increase reflects the additional treatment cost and treatment plant operators, water sampling cost and staff resources to ensure compliance with the Drinking Water Standards, and recognises the operating impact from Council's heavy investment in new water treatment plants throughout the district.
Crown Infrastructure Partners funded AC pipe renewals	Capital	Nil	\$3,834,000	Council submitted \$11.5 million to Crown Infrastructure Partners for the pipe replacements. This project will only proceed if funding is approved from Crown Infrastructure Partners.
IoT devices - smart water meters	Capital	Nil	\$80,000	This project is to improve the availability of data on the demand of water.

## Group level funding impact statement

### Water Supplies

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,741	2,399	2,834	435
Grants and subsidies operating	-	-	-	-
Fees and charges	5	5	5	-
Local authorities fuel tax, fines, infringement fees, and other receipts	166	245	114	(131)
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,912</b>	<b>2,649</b>	<b>2,953</b>	<b>304</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,076	1,008	1,287	279
Finance costs	342	268	419	151
Internal charges and overheads applied	331	329	365	36
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,750</b>	<b>1,605</b>	<b>2,071</b>	<b>466</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>1,162</b>	<b>1,043</b>	<b>882</b>	<b>(161)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	501	-	3,834	3,834
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	3,645	(40)	282	322
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>4,146</b>	<b>(40)</b>	<b>4,116</b>	<b>4,156</b>
<b>Application of capital funding</b>				
Capital Expenditure:				
- to meet additional demand	70	74	70	(4)
- to improve the level of service	4,530	311	893	582
- to replace existing assets	695	774	4,770	3,996
Increase (decrease) in reserves	13	(157)	(735)	(578)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>5,308</b>	<b>1,002</b>	<b>4,998</b>	<b>3,996</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(1,162)</b>	<b>(1,043)</b>	<b>(882)</b>	<b>161</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Water Supplies

## AIM

To provide a reliable supply of potable water, of a quality that the community can afford and which meets the general needs of residents and businesses within the district's townships.

## Performance measures

Major aspect	Level of service	Performance measure	2020/21 Target
<b>Community Outcome(s): Efficient infrastructure • Sustainable environment</b>			
Council provides a reliable source of drinking water that meets the community's needs	Council provides a reliable water supply	Percentage of customers rating availability of water as "satisfactory" or "very satisfactory" in the community survey	75%
		Number of recorded complaints per 1,000 connections to Council's networked reticulation system for:	
	Council provides water at a consistent volume	• drinking water pressure or flow*	< 4
	Water looks and tastes good	• drinking water taste*	< 5
		• drinking water clarity*	< 5
		• drinking water odour*	< 4
	Interruptions to supply are minimised	• continuity of supply*	< 5
Council is responsive to issues relating to water supplies		• Council's response to the issues above*	< 2
		• total number of recorded complaints*	< 25
Water provided is safe to drink		Number of schemes with a Public Health Management Plan in place	7 <sup>†</sup>
		Number of schemes that comply with Part 4 (bacteria compliance criteria) of the NZ Drinking Water Standards*	7 <sup>†</sup>
Water provided is safe to drink		Number of schemes that comply with Part 5 (protozoal compliance criteria) of the NZ Drinking Water Standards*	7

Major aspect	Level of service	Performance measure	2020/21 Target
Council provides a service that is responsive to the needs of the community	Council is responsive to issues relating to water supplies	Median response time to attend an urgent call-out, measured from the time Council receives notification to the time that service personnel reach the site*	1 hour
		Median time to resolve an urgent call-out, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption*	5 hours
		Median response time to attend a non-urgent call-out, measured from the time Council receives notification to the time that service personnel reach the site*	8 hours
		Median time to resolve a non-urgent call-out, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption*	24 hours
Council manages water as a valuable community resource	Wastage of water is minimised	The percentage of real water loss from the Council's networked reticulation schemes based on the minimum night flow (MNF) analysis*	< 10%
		Average consumption of drinking water per day per resident connected to a Council scheme*	< 300 litres

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

† The target has been adjusted from the published Long Term Plan due to a typo error. Council only has seven water schemes.



03

**RATES**



# Funding impact statement

## Rating policy

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

This includes Council's high level rating philosophy, and summarises the rationale for the rating decisions taken. In making these decisions, Council has considered:

- the distribution and timing of benefits;
- rating efficiency and transparency;
- community preferences; and
- the overall impact on the economic, cultural, social and environmental well-being of the district.

This policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive. The overview of the resulting mix of general and targeted rates, user charges and other funding sources is set out in the Funding Impact Statement for activities or groups of activities. More details for each activity are set out under the significant activity pages.

## Property valuations and rates distribution

The Council sets the total amount of rates required to fund its expenditure based on the budgeted costs included in this 10-year plan. For the majority of its rates, Council uses property valuations as the basis to distribute the total rates requirement proportionally across all properties in the district. For industrial and commercial properties Council has moved partly towards capital value based rating.

Property revaluations are performed every three years and Council uses these rating valuations for the purposes of calculating the rates each property is to pay. Council contracts Quotable Value (QV) as its valuation service provider (VSP). The latest revaluation of the district was carried out as at 1 September 2017 and these values have been used for rating purposes for the Long Term Plan. The rating valuations are intended to provide relative values only and are based on the market value of a property at a particular point in time. It cannot be taken as a market valuation.

## Effect of new valuations on rates

It is important to note that an increase/decrease in values does not automatically mean that there will be an increase/decrease in rates. It depends on whether the valuation of a property changes more than the average of the group of property values. Council does not collect extra rates as

a result of valuation changes. Council calculates the total rates requirement for the year and then uses land values as the basis to distribute this total. Therefore, a change in the land value of a property will only impact the rates bill of the property to the extent that the change is higher or lower than the average change.

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

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

## Components of the rating system

The Council's rating system is utilised to fund the net cost of operations and programmes outlined in this Long Term Plan.

The following table details the various funding mechanisms Council has in place to fund its expenditure.

Legislation: Local Government (Rating) Act 2002	Rate subject to 30% cap (S21)	Types of rates
S15(1)(a)	Yes	<b>Uniform Annual General Charge</b>
S13(2)(a) & S14(a)	No	<b>General Rate Land Value</b>
		<b>Specified Services Targeted Differential Rate</b>
S16(3)(b) & S16(4)(b)	No	Land Value Rate - Rural
S16(3)(b) & S16(4)(b)	No	Land Value Rate - Urban
S16(3)(b) & S16(4)(b)	No	Capital Value Rate - Industrial Commercial Urban
S16(3)(b) & S16(4)(b)	No	Capital Value Rate - Industrial Commercial Rural
		<b>Libraries and Swimming Pools Rate</b>
S16(3)(a) & S16(4)(a)	Yes	Targeted Rate - Libraries and Swimming Pools
		<b>Refuse and Recycling Targeted Differential Rate</b>
S16(3)(b) & S16(4)(b)	No	Refuse and Recycling - Rural
S16(3)(b) & S16(4)(b)	No	Refuse and Recycling - Urban
S16(3)(b) & S16(4)(b)	No	Refuse and Recycling - Industrial Commercial
		<b>Roading Rate</b>
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
		<b>Town Centre Refurbishment Targeted Differential Rates</b>
		<b>Dannevirke</b>
S16(3)(b) & S16(4)(b)	No	Dannevirke Town Centre Refurbishment North Ward
S16(3)(b) & S16(4)(b)	No	Dannevirke Town Centre Refurbishment South Ward

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

**Legislation: Local Government (Rating) Act 2002**

**Rate subject to 30% cap (S21)**

**Types of rates**

**Woodville**

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

**Eketahuna**

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

**Pahiatua**

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

**Urban Wastewater**

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

**Educational establishments and multi-unit residential properties**

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

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

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

The rates requirement for the three sectors compared to the Annual Plan 2019/20 and Year 3 of the Long Term Plan is as follows:

Sector	Annual Plan 2019/20		
	Rates by sector	\$ change from prior year	% change from prior year
Rural	14,201,408	579,619	4.26%
Urban	10,552,688	426,476	4.21%
Industrial/Commercial	1,813,989	70,906	4.07%
Windfarms	201,982	2,379	1.19%
<b>Total Rates Requirement</b>	<b>26,770,067</b>	<b>1,079,380</b>	<b>4.20%</b>

\*All amounts are inclusive of GST.

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

Long Term Plan Year 3 - 2020/21			Annual Plan 2020/21		
Rates by sector	\$ change from prior year	% change from prior year	Rates by sector	\$ change from prior year	% change from prior year
14,829,388	675,704	4.77%	14,554,748	(353,340)	2.49%
10,790,619	284,196	2.70%	10,816,389	(263,701)	2.50%
1,875,434	64,599	3.57%	1,859,185	(45,196)	2.49%
219,744	11,297	5.42%	207,746	(5,764)	2.85%
<b>27,715,185</b>	<b>1,035,796</b>	<b>3.88%</b>	<b>27,438,068</b>	<b>(668,001)</b>	<b>2.50%</b>

### 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.

#### Property type Land value

##### Urban properties

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

##### Rural properties

Rural - settlement	50,000
Rural - settlement	315,000
Rural - lifestyle	170,000
Rural medium land value	1,890,000
Rural medium land value	1,120,000
Rural medium land value	1,350,000
Rural high land value	5,400,000
Rural high land value	7,200,000
Rural high land value	5,500,000
Rural high land value	7,400,000

##### Industrial/commercial properties

Ind/com - urban low land/capital value	8,000
Ind/com - urban low land/capital value	9,500
Ind/com rural - low - land/capital value	25,000
Ind/com rural - medium - land/capital value	20,000
Ind/com urban - medium - land/capital value	185,000
Ind/com urban - medium - land/capital value	83,000
Ind/com - urban high - land/capital value	450,000
Ind/com - urban high - land/capital value	425,000
Ind/com - urban high - land/capital value	-
Ind/com - rural high - land/capital value	600,000
Ind/com - rural high - land/capital value	850,000
Ind/com - rural high - land/capital value	355,000
Ind/com - rural (windfarm)	750,000
Ind/com - rural (windfarm)	1,300,000

Capital value	Annual Plan 2019/20	Annual Plan 2020/21	Difference (\$)	Difference (%)
126,000	2,155	2,198	43	2.00%
66,000	2,110	2,156	46	2.16%
170,000	2,362	2,419	57	2.42%
140,000	2,368	2,425	57	2.41%
245,000	2,392	2,447	55	2.28%
305,000	3,426	3,489	63	1.85%
380,000	2,534	2,581	47	1.86%
315,000	10,252	10,369	116	1.13%
550,000	2,607	2,649	42	1.61%
390,000	2,297	2,323	26	1.14%
470,000	12,528	12,674	146	1.16%
200,000	1,438	1,454	16	1.12%
325,000	2,105	2,143	38	1.83%
370,000	1,695	1,723	28	1.65%
2,440,000	6,562	6,716	154	2.34%
1,450,000	4,379	4,477	97	2.22%
1,940,000	5,024	5,139	115	2.29%
6,300,000	16,458	16,869	410	2.49%
8,100,000	21,554	22,096	542	2.51%
5,800,000	16,756	17,173	417	2.49%
8,820,000	22,132	22,688	556	2.51%
73,000	2,126	2,171	45	2.11%
52,000	2,394	2,457	63	2.63%
131,000	1,314	1,356	42	3.18%
260,000	3,701	3,754	54	1.45%
880,000	4,338	4,424	86	1.98%
720,000	3,318	3,386	69	2.07%
2,270,000	6,568	6,679	111	1.68%
3,700,000	10,444	10,576	132	1.26%
11,400,000	21,176	21,320	144	0.68%
64,500,000	72,275	74,463	2,188	3.03%
5,550,000	9,292	9,571	278	3.00%
5,800,000	8,177	8,426	250	3.06%
5,920,000	9,224	9,486	262	2.84%
7,590,000	12,521	12,878	356	2.85%

## How Council rates

### Explanation of rates

There are two types of rates – general rates and targeted rates.

These may be charged in two ways:

- on a uniform basis – to all rateable land for which the rate is set; or
- differentially – on a different basis for different categories of land.

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

### General rate

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

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

### Uniform annual general charge

Uniform annual general charge (UAGC) is a specific levy of an equal amount on each rating unit. The UAGC is applied as a fixed amount to every rating unit within the district and does not vary with the value of the rating unit.

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

Council considers a range from 27% to 29% of the rates requirement should be recovered by way of a UAGC charged to every rating unit in the district, which reflects the equal opportunity to access and use the assets and services.

### Targeted rates

Council sets targeted rates for different functions of council where the benefit of having access to particular function(s) or service(s) exist to particular groups of ratepayers.

Council has targeted rates for:

Function/service	How it operates
(Various) specific services	By sector – charged on land value or capital value
Refuse and Recycling	By sector – fixed amounts
Roading	A district-wide rate – charged on land value
Roading	By sector – fixed amounts
Town Centre Refurbishment	By wards – North or South – fixed amounts
Wastewater	Three rates by provision (100% rate) or availability (50% rate) for wastewater or for some ratepayers as a per pan charge – all as fixed amounts
Water	Four rates by provision (100% rate) or availability (50% rate) for water – fixed amounts; and on consumption basis for metered supply; Pongaroa Rural Supply – by number of units of supply as a fixed amount
Libraries and Swimming Pools	A district-wide rate based on the rating unit – a fixed amount per rating unit
Stormwater	A district-wide rate based on provision of service – a fixed amount per rating unit

### Differential targeted rates

A differential targeted rate in the dollar on the following categories of rateable land, within the meaning of Section 16 of the Local Government (Rating) Act 2002, is used when assessing and setting the differential targeted rate.

#### • Ward rates

Differential targeted rates may be collected as a fixed amount for each differential category based on where the rating unit is situated. The following are the differential targeted rate and Council's objectives for using this rating mechanism.

The categories of rateable land for setting targeted rates are:

- Category: Ward.
- Description: North and South Wards (these are the two areas defined for election purposes).

• **Sector rates**

Category	Description
Urban	All rating units in the district situated in the urban areas as defined in the District Plan other than: <ul style="list-style-type: none"> <li>(i) properties included in the Industrial/Commercial category;</li> <li>(ii) properties used for Industrial/Commercial purposes; or</li> <li>(iii) farmland (these are rated as rural).</li> </ul>
Rural	All rating units in the district situated in the rural areas as defined in the District Plan other than those not included in the Industrial/Commercial or Urban categories.
Industrial/Commercial	All rating units in the district used exclusively or principally for industrial or commercial purposes. This category may be identified as Urban or Rural, as defined in District Plan. It does not include residential flats or farms. <p>For the avoidance of doubt, it does include postal services and utility operators (being companies, public entities and/or commercial operators) that provide services for such areas as electricity generation or transmission, gas or oil, telecommunications, rail, water, wastewater, and stormwater.</p>

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

• **Refuse and recycling targeted differential uniform rate**

Funding for recycling and the public benefit costs of refuse are best funded on a uniform rating unit basis differentiated between rural, urban, and industrial/commercial.

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

All of the rates required to fund recycling and refuse disposal services will be funded through this rate. Land transfer stations and landfills continue to be principally funded from user charges and general rates.

• **Specified services targeted differential rate**

**Land value rate for urban**

Footpaths have distinctly uneven sector benefits compared to other general activities of Council and certain proportions of these costs would be charged by land value. Hence, included in the urban differential targeted rate is 71% of Footpaths cost.

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

Land value in these instances has been used because:

- it better reflects Council created wealth – e.g. access to services and is better related to the infrastructure provided by Council;
- it is more related to the land area;
- it is not proportional to owners total investment.

**Capital value rate for industrial commercial: rural and urban**

Economic Development and Footpaths have distinctly uneven sector benefits to other general activities of Council and certain proportions of these costs will be charged by capital value. Ratepayers are further defined according to two sub categories (rural and urban) and two uses of land, windfarms and utilities (excluding windfarms). In essence, rates are being set differentially as follows:

**Rural**

A share of Economic Development

**Urban**

A share of Economic Development plus Footpaths

Included in the industrial/commercial differential rates is 60% of Economic Development cost allocated based on the Industrial Commercial capital value and 14% of Footpaths cost to Industrial Commercial Urban.

The Industrial Commercial section gains specific benefits from Economic Development activities to attract and retain residents, the support for business and business development, and tourism. Retailers, tourist operators, motels, and businesses benefit from this activity. The whole district benefits as well from an increased population, wealth and larger rating base.

Occupiers of urban residential and commercial properties which are served with footpaths benefit from easier access and the added value to the properties. While the primary benefit is for the people who use the

footpaths, these users generally cannot be identified or be restricted from using footpaths from a public safety factor. Urban industrial commercial ratepayers generally benefit from access and use of footpaths or may affect the footpaths in access to underground services.

Capital value in these instances has been used because:

- Council determined that the Industrial/Commercial sector benefits generally closely reflect the total value of ratepayers investment.
- Insofar as property values indicate ability to pay, capital values more fairly reflect ability to pay.
- The spread between high and low rates are generally less extreme.
- Rating base expands as development expands.
- Industrial/commercial businesses with high capital values will pay more for this service, and those with low capital value less.

- **Roading (excluding roading targeted differential rate)**

A targeted uniform rate in the dollar on the rateable land value of every rating unit in the district ranging from 75% to 80% of the Roothing Cost, which broadly represents the variable cost of the Road network e.g. generally allowing for the use, wear and tear, and ageing of the roads.

For these costs, ratepayers of the roading network will be charged for the whole network as there is no way to separate and prevent one group of ratepayers from accessing and using a part of the network funded from another group of ratepayers.

This is a district-wide rate in the dollar because Roothing needs to be managed as a roading network and, on a district-wide basis, progressively throughout the funding year. This is consistent with the policy approach to funding taken by NZ Transport Agency (Council's primary Roothing funding source) to fund Roothing as a network.

District-wide rating spreads the cost of Roothing amongst all ratepayers. An advantage of this is that it makes larger expenditure commitments more affordable than annually uneven cost recoveries targeted to specific ratepayer categories. It therefore provides regularity to funding to appropriately manage the district asset.

- **Roothing rate – targeted differential**

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

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

targeted rate funding for Roothing as a network access charge.

The fixed component of cost ranging from 20% to 25% will be charged differentially as fixed amount targeted rates on a basis of approximately 83.3% Rural, 13.2% Urban and 3.5% Industrial/Commercial.

These proportions closely match the assessed benefits received by each sector from the Roothing activity expenditure and reflect the relative capital values by sector.

There are further targeted rates for special development loan related costs. These rates ensure that the work is completed when necessary for economic, efficiency, effectiveness and safety reasons.

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

Council is funding the Dannevirke town centre refurbishment by way of two fixed amount targeted rates per rating unit set differentially for the North and South Wards. Funding for the Dannevirke High Street refurbishment has its loan repayments and interest costs funded through these rates. The North Ward, as the main area of benefit, is allocated 10% of the total costs with the remaining cost allocated equally. Overall, the North Ward pays 55% of the costs and the South Ward 45%. This ensures that the local community (as defined by North and South Wards) pay a higher proportion of the cost than the balance of the district.

A lump sum payment option was made available. Properties on which the lump sum was paid do not pay this rate.

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

Council is funding separately the Woodville town centre refurbishment, and the Pahiatua and Eketahuna town centre refurbishments, by way of two fixed amount targeted rates per rating unit set differentially for the North and South Wards. Funding for Woodville, Pahiatua, and Eketahuna town centre refurbishments will have its loan repayments and interest costs funded through these rates. The South Ward, as the main area of benefit, is allocated 10% of the total costs with the remaining cost allocated equally. Overall, the South Ward pays 55% of the costs and the North Ward 45%. This ensures that the local communities (as defined by North and South Wards) pay a higher proportion of the cost than the balance of the district.

- **Urban water rate**

A targeted rate is charged as follows:

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

- 50% of the fixed amount for every rating unit to which an ordinary supply of water is available but is not connected. By "water is available", it means a rating unit is within 100 metres of Council's water system and could be effectively connected to the water system.

**Water metered rates**

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

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

The standardised charges for water supplied through a meter are:

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

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

Large volume users depicted as consumers using more than 2,000 cubic metres per quarter may be charged at a different rate for water supplied in excess of 80 cubic metres per quarter to other users and such rate will be set by the Council annually.

**Pongaroa water rate**

A separate targeted rate applies for each unit of water from the Pongaroa rural water supply. One unit is for a maximum of one cubic metre of water (by volume) per day through a 20mm pipe at a gravity fed pressure.

**Urban wastewater targeted rate**

A targeted rate is charged as follows:

- A targeted rate of the full charge on each separately used or inhabitable part of the rating unit connected to the wastewater system.
- Then a fixed amount, 33% of the full charge, on each water closet/urinal between 4 and 12.
- There is no charge for the 13th and subsequent water closets/urinals.
- 50% of the fixed amount on every rating unit to which wastewater is available but not connected. By "wastewater is available", it means a rating unit is within 100 metres of

Council's wastewater system and could be effectively connected to the wastewater system.

A remission policy applies to educational establishments.

**Libraries and swimming pools**

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

**Urban stormwater rate**

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

**Fees and charges**

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

**Setting of rates**

Rates are set by Council by way of resolution for each financial year, referred to as the Rating Year. These rates will remain in effect for the rating year and will not be affected by a change in the rateable value or factors of a rating unit during the financial year in which the rates are set.

**Utility charges for non-rateable properties**

Non-rateable properties are liable for targeted rates and charges for the provision of utility services, such as water, wastewater, and refuse collection.

**Instalments**

Rates and charges for the year ending on 30 June 2021 will be assessed in four instalments, which will become due and payable on the following dates:

Instalment	Due date	Instalment period
Instalment 1	31 August 2020	1 July 2020 to 30 September 2020
Instalment 2	30 November 2020	1 October 2020 to 31 December 2020
Instalment 3	28 February 2021	1 January 2021 to 31 March 2021
Instalment 4	31 May 2021	1 April 2021 to 30 June 2021

Charges for Water Metered Rates for the year ending on 30 June 2021 will be assessed in four instalments, which will become due and payable on the following dates:

Instalment	Meters read	Due date
Instalment 1	September 2020	20 October 2020
Instalment 2	December 2020	20 January 2021
Instalment 3	March 2021	20 April 2021
Instalment 4	June 2021	20 July 2021

### Penalties

In accordance with Section 57 and 58 of the Local Government (Rating) Act 2002:

A penalty of 10% will be added to instalments 3 and 4 or part thereof "current rates" which are unpaid after the due date for payment on the following dates:

Due date	Current rates penalty date
31 August 2020	Nil *
30 November 2020	Nil *
28 February 2021	1 March 2021
31 May 2021	1 June 2021

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 2020	Nil *
20 January 2021	Nil *
20 April 2021	21 April 2021
20 July 2021	21 July 2021

\* Due to the drought and Covid-19, the current rates penalty will not be applied to Instalment 1 in September 2020 and Instalment 2 in December 2020, or metered water penalty in October 2020 and January 2021.

### Rates in arrears penalty date

Due to the drought and Covid-19 a penalty will not be applied to previous years' rates "rates in arrears" that remain unpaid as assessed on 6 July 2020, and again on 6 January 2021.

### Discount

A 3% discount under the Local Government (Rating) Act 2002 Section 55(3) will be provided for full payment of the 2020/21 rates on or before 31 August 2020.

### Appendix 1 – definitions

**District valuation roll** means in relation to a territorial authority, a roll prepared for a district under Section 7 of the Rating Valuations Act 1998 and approved under Section 11 of that Act;

**Farmland** means a rating unit that is used exclusively or principally for agricultural, horticultural, or pastoral purposes, or for the keeping of bees or poultry or other livestock; and "farming purposes" has a corresponding meaning.

**General Rate** As per Local Government (Rating) Act 2002 Section 13

A local authority may set a general rate for all rateable land within its district.

(2) A general rate may be set—

- (a) at a uniform rate in the dollar of rateable value for all rateable land; or
- (b) at different rates in the dollar of rateable value for different categories of rateable land under Section 14.

**Industrial or commercial purposes** includes any industrial or commercial purposes other than farming purposes.

**Maori freehold land** means land whose beneficial ownership has been determined by the Maori Land Court by freehold order.

**Maori freehold land in multiple ownership** means Maori freehold land owned by more than two persons.

**Owner** means the person who, whether jointly or separately, is seized or possessed of, or entitled to, any estate or interest in land constituting a rating unit.

**Rates assessment** means the document that gives notice of the ratepayer's liability to pay rates on a rating unit.

**Rates invoice** means the document that notifies a ratepayer of the amount of rates that are payable for a rating unit.

**Rating information database** means the database that is required to be kept by a local authority to:

- record all information required for setting and assessing rates; and
- enable a local authority to communicate with ratepayers; and

- enable members of the public to have reasonable access to the information in the database relating to the calculation of liability for rates.

**Rates record** means the record maintained by a local authority for each rating unit in its district that clearly shows the amount of the ratepayer's liability.

**Remissions or remitted rates** means rates for which the requirement to pay is cancelled.

**Rating unit** means either:

- one rating unit; or
- part of a rating unit where Council has created divisions for the purpose of remission, application of non-rateable status, or creating separate rating categories; or
- two or more rating units where they must be treated as one unit for setting a rate if those units are:
  - (a) owned by the same person or persons; and
  - (b) used jointly as a single unit; and
  - (c) contiguous or separated only by a road, railway, drain, water race, river, or stream.

**Separately used or inhabitable part of a rating unit** being any part of a rating unit that is or is able to be used or inhabitable by the ratepayer or by any other person or body having a right to use or inhabit that part by virtue of tenancy, lease, licence or other agreement.

**Targeted Rates** As per Local Government (Rating) Act 2002 Section 16:

- (1) A local authority may set a targeted rate for a function if the function is identified in its annual plan as a function for which a targeted rate may be set.
- (2) Subsection (1) does not prevent a local authority from setting a targeted rate for several functions, or setting several targeted rates for one function.
- (3) A targeted rate may be set in relation to—
  - (a) all rateable land within the local authority's district; or
  - (b) one or more categories of rateable land under Section 17.

- (4) A targeted rate may be set—
  - (a) on a uniform basis for all rateable land in respect of which the rate is set; or
  - (b) differentially for different categories of rateable land under Section 17.

**Uniform Annual General Charge** Local Government (Rating) Act 2002 Section 15 Uniform annual general charge—

- (1) A local authority may set a uniform annual general charge for all rateable land within its district, being—
  - (a) a fixed amount per rating unit; or
  - (b) a fixed amount per separately used or inhabitable part of a rating unit.
- (2) A uniform annual general charge is a rate for the purposes of this Act.

## Forecast Council funding impact statement

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	8,290	8,958	8,599	(359)
Targeted rates	15,589	15,716	15,965	249
Grants and subsidies operating	4,424	4,231	4,800	569
Fees and charges	3,105	2,894	3,502	608
Interest and dividends from investments	80	95	23	(72)
Local authorities fuel tax, fines, infringement fees, and other receipts	231	183	261	78
<b>Total operating funding (A)</b>	<b>31,719</b>	<b>32,077</b>	<b>33,150</b>	<b>1,073</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	24,565	24,205	26,153	1,948
Finance costs	813	1,309	1,070	(239)
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>25,378</b>	<b>25,514</b>	<b>27,223</b>	<b>1,709</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>6,341</b>	<b>6,561</b>	<b>5,927</b>	<b>(634)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	6,962	8,193	17,598	(2,758)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	5,848	3,731	7,787	979
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>12,810</b>	<b>11,924</b>	<b>25,385</b>	<b>13,461</b>
<b>Application of capital funding</b>				
Capital Expenditure:				
- to meet additional demand	355	387	1,114	727
- to improve the level of service	8,898	6,746	6,806	60
- to replace existing assets	12,130	13,058	23,631	10,573
Increase (decrease) in reserves	(2,232)	(1,707)	(5,239)	(3,532)
Increase (decrease) of investments	-	-	5,000	5,000
<b>Total applications of capital funding (D)</b>	<b>19,151</b>	<b>18,485</b>	<b>31,312</b>	<b>12,827</b>
<b>Surplus/(deficit) of capital funding (C - D)</b>	<b>(6,341)</b>	<b>(6,561)</b>	<b>(5,927)</b>	<b>634</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Reconciliation funding impact statement to comprehensive revenue and expense

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
Revenue				
Statement of Comprehensive Revenue and Expense	38,175	39,760	50,243	10,483

### Summary Funding Impact Statement

#### Sources of Operating Funding

Total operating funding	31,719	32,077	33,150	1,073
Add sources of capital funding:				
- Subsidies and grants for capital expenditure	6,962	8,193	17,598	9,405
Less rates remissions and discounts	(506)	(510)	(505)	5
<b>Total Revenue</b>	<b>38,175</b>	<b>39,760</b>	<b>50,243</b>	<b>10,483</b>

#### Expenditure

Statement of Comprehensive Revenue and Expense	38,103	38,947	40,336	1,389
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### Summary Funding Impact Statement

#### Application of Operating Funding

Total applications of operating funding	25,378	25,515	27,222	1,707
Add depreciation and amortisation expense	13,231	13,928	13,619	(309)
Less internal rates eliminates	(506)	(496)	(505)	(9)
<b>Total Expenditure</b>	<b>38,103</b>	<b>38,947</b>	<b>40,336</b>	<b>1,389</b>

## Summary of rates by charges

Amounts are GST inclusive.

	Annual Plan 2019/20	Long Term Plan 2020/21	Annual Plan 2020/21
<b>Limit on uniform annual general charge: 30% cap of total rates</b>	<b>29.56%</b>	<b>29.46%</b>	<b>29.71%</b>
Uniform annual general charge - fixed amount	\$588.68	\$617.27	\$590.31
General rate land value rate in dollar	0.001278256	0.001439273	0.001383942
Libraries and swimming pools - targeted rate	\$248.88	\$244.51	\$264.10
Specified services targeted differential - land value rate in dollar			
- rural	-	-	-
- urban	0.000791739	0.000784843	0.000503322
Specified services targeted differential - capital value rate in dollar			
- industrial commercial rural	0.001043843	0.001151516	0.001076399
- industrial commercial urban	0.001776391	0.001952615	0.001787792
Refuse and recycling targeted differential rate			
- rural	\$47.03	\$62.04	\$53.12
- urban	\$159.16	\$209.91	\$180.12
- industrial commercial	\$132.30	\$159.29	\$152.72
Roading rate land value rate in dollar	0.001547503	0.001585198	0.001514837
Roading targeted differential rate			
- rural	\$274.93	\$280.18	\$267.47
- urban	\$41.26	\$41.68	\$40.28
- industrial commercial	\$87.40	\$87.60	\$85.00
Town centre refurbishment targeted differential rate			
Dannevirke			
- North Ward	\$15.32	\$15.26	\$14.59
- South Ward	\$12.50	\$12.46	\$11.90
Woodville			
- North Ward	\$9.35	\$9.47	\$7.23
- South Ward	\$11.62	\$11.77	\$8.97
Eketahuna			
- North Ward	\$6.51	\$6.53	\$6.88
- South Ward	\$8.09	\$8.12	\$8.55
Pahiatua			
- North Ward	\$23.89	\$30.88	\$26.37
- South Ward	\$29.69	\$38.40	\$32.75

	Annual Plan 2019/20	Long Term Plan 2020/21	Annual Plan 2020/21
Urban wastewater (95% of net cost including all loan costs)			
Per connected water closet/urinal			
Urban wastewater targeted differential rate			
- full charge	\$533.23	\$535.04	\$535.52
- half charge	\$266.61	\$267.52	\$267.76
- for connected multiple use	\$177.72	\$178.33	\$178.49
Urban stormwater targeted rate	\$151.77	\$154.72	\$168.67
Urban water targeted rate			
- full charge	\$470.50	\$393.65	\$477.88
- half charge	\$235.25	\$199.15	\$238.94
Pongaroa water targeted rate	\$97.52	\$98.40	93.75
Water metered rates / large industrial and intake line charges			
- quarterly minimum charge	\$132.62	\$113.41	\$134.47
- meter fee per cubic metre above 80m <sup>3</sup> over three months	\$1.72	\$1.44	\$1.75
- large industrial and line intake - per cubic metre	\$0.86	\$0.72	\$0.87

## Summary of rates by total

	Annual Plan 2019/20	Long Term Plan 2020/21	Annual Plan 2020/21
Uniform annual general charge	4,500,056	4,726,154	4,537,153
General land value rate in dollar	3,809,597	4,252,634	4,128,742
Libraries and swimming pools - targeted rate	1,902,489	1,872,084	2,029,910
Specified services targeted differential - land value rate			
- rural	-	-	-
- urban	125,586	125,593	79,962
Specified services targeted differential - capital value rate			
- industrial commercial rural	201,480	221,963	207,764
- industrial commercial urban	427,724	468,690	431,295
Refuse and recycling targeted differential rate			
- rural	164,675	216,508	187,335
- urban	601,064	795,666	682,273
- industrial commercial	57,636	70,365	67,066
Roading land value rate - district-wide	4,612,035	4,683,801	4,519,245
Roading targeted differential rate			
- rural	960,456	975,402	941,133
- urban	152,197	154,565	149,135
- industrial commercial	40,355	40,983	39,543
Town centre refurbishment targeted differential rate			
Dannevirke			
- North Ward	41,199	41,322	39,397
- South Ward	34,726	34,518	33,316
Woodville			
- North Ward	38,627	39,255	29,944
- South Ward	40,517	40,991	31,552
Pahiatua			
- North Ward	98,690	128,071	109,285
- South Ward	103,519	133,735	115,151
Eketahuna			
- North Ward	26,884	27,073	28,523
- South Ward	28,200	28,271	30,054
Urban wastewater targeted uniform rate			
- full charge	2,445,890	2,458,867	2,469,932
- half charge	34,080	35,127	32,364
- for connected multiple use	49,454	49,312	49,667
Urban stormwater targeted rate	640,122	654,335	715,531

	Annual Plan 2019/20	Long Term Plan 2020/21	Annual Plan 2020/21
Urban water targeted rate			
- full charge	2,051,778	1,739,267	2,087,694
- half charge	30,685	26,655	30,542
Pongaroa water targeted rate	58,596	58,954	55,681
<b>Total to fund (excluding GST and water metered rates)</b>	<b>23,278,319</b>	<b>24,100,161</b>	<b>23,859,189</b>
Increase in rates	4.20%	3.88%	2.50%
Water metered rates (excluding GST)	600,000	573,722	705,000
<b>Total of all rates (excluding GST)</b>	<b>22,884,728</b>	<b>23,759,729</b>	<b>24,564,189</b>
<b>Total of all rates (including GST)</b>	<b>26,317,437</b>	<b>27,323,688</b>	<b>28,248,817</b>

## Rate funding requirements

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

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>District-wide general activities</b>				
Charged through the uniform annual general charge + general differential land value rate in dollar				
District and Treasury	674,834	1,041,557	986,150	55,407
Animal Control	93,622	79,375	151,104	(71,729)
Cemeteries	249,470	279,357	253,652	25,705
Commercial Property	(12,000)	(12,497)	(12,163)	(334)
Community Buildings	813,730	1,000,576	760,350	240,226
Community Support	406,337	461,749	413,797	47,952
District Promotion & Development (40% of net cost)	402,961	443,926	415,528	28,397
Emergency Management - Civil Defence	196,689	241,375	238,745	2,630
Footpaths (15% of net cost)	26,532	26,534	16,893	9,641
Health and Safety	797,854	688,445	747,529	(59,084)
Housing (self funding)	-	-	-	-
Parks and Reserves	1,423,985	1,438,609	1,354,772	83,837
Public Conveniences	318,083	331,278	351,444	(20,166)
Representation	1,403,492	1,492,093	1,476,613	15,480
Resource Management	321,452	361,443	315,483	45,960
Service Centres	624,977	630,081	656,001	(25,920)
Wastewater (5% of total cost)	133,128	133,858	134,314	(456)
Solid Waste Management	434,508	341,029	405,682	(64,653)
<b>Subtotal (excluding GST)</b>	<b>8,309,654</b>	<b>8,978,788</b>	<b>8,665,895</b>	<b>312,893</b>
Plus GST	1,246,448	1,346,818	1,299,884	46,934
<b>Total to fund (including GST)</b>	<b>9,556,102</b>	<b>10,325,606</b>	<b>9,965,779</b>	<b>359,827</b>
<b>Uniform annual general charge - fixed amount</b>				
<b>Number of chargeable properties</b>	<b>8,797</b>	<b>8,811</b>	<b>8,845</b>	<b>(34)</b>
<b>Total to fund</b>				
District-wide general activities - uniform annual general charge - subtotal	4,500,056	4,726,154	4,537,153	189,001
Plus GST	675,008	708,923	680,573	28,350
<b>Total to fund (including GST)</b>	<b>5,175,065</b>	<b>5,435,077</b>	<b>5,217,726</b>	<b>217,351</b>

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>General rate - land value rate in dollar</b>				
Total district rateable land value	3,428,354,700	3,398,917,250	3,431,820,200	(32,902,950)

**Total to fund**

District-wide general activities - general land value rate in dollar - subtotal	3,809,597	4,252,634	4,128,742	123,892
Plus GST	571,440	637,895	619,311	18,584
<b>Total to fund (including GST)</b>	<b>4,381,037</b>	<b>4,890,529</b>	<b>4,748,053</b>	<b>142,476</b>

**Libraries and swimming pools - targeted rate**

Estimated number of rateable properties	8,797	8,811	8,845	(34)
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**Total to fund**

Libraries	1,230,773	1,252,421	1,306,456	(54,035)
Swimming Pools	671,716	619,663	723,454	(103,791)
<b>Subtotal</b>	<b>1,902,489</b>	<b>1,872,084</b>	<b>2,029,910</b>	<b>(157,826)</b>
Plus GST	285,373	280,813	304,487	(23,674)
<b>Total to fund (including GST)</b>	<b>2,187,862</b>	<b>2,152,897</b>	<b>2,334,397</b>	<b>(181,500)</b>

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

Total rural rateable land value	-	3,156,778,250	-	3,156,778,250
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**Total to fund**

Emergency Management: rural fire protection (92% of net cost)	-	-	-	-
Plus GST	-	-	-	-
<b>Total to fund (including GST)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Total urban rateable land value	182,718,900	184,333,000	183,003,900	1,329,100
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**Total to fund**

Emergency Management-: rural fire protection (7% of net cost)	-	-	-	-
Footpaths (71% of net cost)	125,586	125,593	79,962	45,632
<b>Subtotal</b>	<b>125,586</b>	<b>125,593</b>	<b>79,962</b>	<b>45,632</b>
Plus GST	18,838	18,839	11,994	6,845
<b>Total to fund (including GST)</b>	<b>144,423</b>	<b>144,432</b>	<b>91,956</b>	<b>52,476</b>

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
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### Specified services targeted differential - capital value rate in dollar - industrial commercial rural

Total industrial commercial rateable capital value for rural	221,970,600	221,670,600	221,970,600	(300,000)
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#### Total to fund

Economic Development (20% of net cost)	201,480	221,963	207,764	14,199
Emergency Management - rural fire protection (1% of net cost)	-	-	-	-
<b>Subtotal (excluding GST)</b>	<b>201,480</b>	<b>221,963</b>	<b>207,764</b>	<b>14,199</b>
Plus GST	30,222	33,294	31,165	2,130
<b>Total to fund (including GST)</b>	<b>231,702</b>	<b>255,257</b>	<b>238,929</b>	<b>16,328</b>

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

Total industrial commercial rateable capital value for urban	276,900,000	276,037,000	277,431,500	(1,394,500)
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#### Total to fund

Economic Development (40% of net cost)	402,961	443,926	415,528	28,397
Footpaths (14% of net cost)	24,763	24,765	15,767	8,998
<b>Subtotal (excluding GST)</b>	<b>427,724</b>	<b>468,690</b>	<b>431,295</b>	<b>37,395</b>
Plus GST	64,159	70,304	64,694	5,609
<b>Total to fund (including GST)</b>	<b>491,883</b>	<b>538,994</b>	<b>495,990</b>	<b>43,004</b>

### Refuse and recycling targeted differential rate - rural

Estimated number of rateable properties	4,027	4,013	4,056	(43)
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#### Total to fund

Solid Waste Management: recycling (20% of net cost)	164,682	169,913	187,335	(17,422)
Solid Waste Management: refuse (20% of net cost)	(7)	46,595	-	46,595
<b>Subtotal (excluding GST)</b>	<b>164,675</b>	<b>216,508</b>	<b>187,335</b>	<b>29,173</b>
Plus GST	24,701	32,476	28,100	4,376
<b>Total to fund (including GST)</b>	<b>189,376</b>	<b>248,984</b>	<b>215,435</b>	<b>33,549</b>

### Refuse and recycling targeted differential rate - urban

Estimated number of rateable properties	4,343	4,339	4,356	(17)
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#### Total to fund

Solid Waste Management: recycling (70-80% of net cost)	601,089	624,429	682,835	(58,407)
Solid Waste Management: refuse (70-80% of net cost)	(26)	171,237	-	171,237
<b>Subtotal (excluding GST)</b>	<b>601,064</b>	<b>795,666</b>	<b>682,835</b>	<b>112,831</b>
Plus GST	90,160	119,350	102,425	16,925
<b>Total to fund (including GST)</b>	<b>691,223</b>	<b>915,016</b>	<b>785,261</b>	<b>129,755</b>

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
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### Refuse and recycling targeted differential rate - industrial commercial

Estimated number of rateable properties	501	508	505	3
<b>Total to fund</b>				
Solid Waste Management: recycling (0-10% of net cost)	57,639	55,222	66,504	(11,282)
Solid Waste Management: refuse (0-10% of net cost)	(2)	15,143	-	15,143
<b>Subtotal (excluding GST)</b>	<b>57,636</b>	<b>70,365</b>	<b>66,504</b>	<b>3,861</b>
Plus GST	8,645	10,555	9,976	579
<b>Total to fund (including GST)</b>	<b>66,282</b>	<b>80,920</b>	<b>76,479</b>	<b>4,440</b>

### Roading rate - land value rate in dollar

Total district rateable land value	3,428,354,700	3,398,917,250	3,431,820,200	(32,902,950)
<b>Total to fund</b>				
Roading district-wide (excludes footpaths)	5,765,044	5,854,751	5,649,056	205,695
Less % charged through roading fixed amount targeted rates	20.0%	20.0%	20.0%	0.0%
Less total \$ amount charged through roading fixed amount targeted rates	(1,153,009)	(1,170,950)	(1,129,811)	-
<b>Subtotal (excluding GST)</b>	<b>4,612,035</b>	<b>4,683,801</b>	<b>4,519,245</b>	<b>205,695</b>
Plus GST	691,805	702,570	677,887	30,854
<b>Total to fund (including GST)</b>	<b>5,303,841</b>	<b>5,386,371</b>	<b>5,197,132</b>	<b>236,549</b>

### Roading targeted differential rate - rural

Estimated number of rateable properties	4,020	4,006	4,049	(43)
<b>Total to fund</b>				
Proportion of capital value for sector	83.3%	83.3%	83.3%	0.0%
<b>Subtotal (excluding GST)</b>	<b>960,456</b>	<b>975,402</b>	<b>941,133</b>	<b>-</b>
Plus GST	144,068	146,310	141,170	-
<b>Total to fund (including GST)</b>	<b>1,104,525</b>	<b>1,121,712</b>	<b>1,082,303</b>	<b>-</b>

### Roading targeted differential rate - urban

Estimated number of rateable properties	4,246	4,268	4,261	7
<b>Total to fund</b>				
Proportion of capital value for sector	13.2%	13.2%	13.2%	0.0%
<b>Subtotal (excluding GST)</b>	<b>152,197</b>	<b>154,565</b>	<b>149,135</b>	<b>-</b>
Plus GST	22,830	23,185	22,370	-
<b>Total to fund (including GST)</b>	<b>175,027</b>	<b>177,750</b>	<b>171,505</b>	<b>-</b>

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
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### Roading targeted differential rate - industrial commercial

Estimated number of rateable properties	531	538	535	3
<b>Total to fund</b>				
Proportion of capital value for sector	3.5%	3.5%	3.5%	0.0%
<b>Subtotal (excluding GST)</b>	<b>40,355</b>	<b>40,983</b>	<b>39,543</b>	-
Plus GST	6,053	6,147	5,932	-
<b>Total to fund (including GST)</b>	<b>46,409</b>	<b>47,131</b>	<b>45,475</b>	-

### Town centre refurbishment targeted differential rate - Dannevirke - North Ward

Estimated number of rateable properties	3,096	3,118	3,109	9
<b>Total to fund</b>				
Subtotal	41,199	41,322	39,397	1,925
Plus GST	6,180	6,198	5,910	289
<b>Total to fund (including GST)</b>	<b>47,379</b>	<b>47,520</b>	<b>45,307</b>	<b>2,213</b>

### Town centre refurbishment targeted differential rate - Dannevirke - South Ward

Estimated number of rateable properties	3,197	3,188	3,222	(34)
<b>Total to fund</b>				
Subtotal	34,726	34,518	33,316	1,202
Plus GST	5,209	5,178	4,997	180
<b>Total to fund (including GST)</b>	<b>39,935</b>	<b>39,696</b>	<b>38,313</b>	<b>1,383</b>

### Town centre refurbishment targeted differential rate - Woodville - North Ward

Estimated number of rateable properties	4,755	4,773	4,770	3
<b>Total to fund</b>				
Subtotal	38,627	39,255	29,944	9,311
Plus GST	5,794	5,888	4,492	1,397
<b>Total to fund (including GST)</b>	<b>44,421</b>	<b>45,143</b>	<b>34,436</b>	<b>10,707</b>

### Town centre refurbishment targeted differential rate - Woodville - South Ward

Estimated number of rateable properties	4,012	4,007	4,045	(38)
<b>Total to fund</b>				
Subtotal	40,517	40,991	31,552	9,439
Plus GST	6,078	6,149	4,733	1,416
<b>Total to fund (including GST)</b>	<b>46,594</b>	<b>47,140</b>	<b>36,284</b>	<b>10,855</b>

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
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#### Town centre refurbishment targeted differential rate - Pahiatua - North Ward

Estimated number of rateable properties	4,755	4,773	4,770	3
<b>Total to fund</b>				
Subtotal	98,690	128,071	109,285	18,786
Plus GST	14,804	19,211	16,393	2,818
<b>Total to fund (including GST)</b>	<b>113,494</b>	<b>147,282</b>	<b>125,678</b>	<b>21,604</b>

#### Town centre refurbishment targeted differential rate - Pahiatua - South Ward

Estimated number of rateable properties	4,012	4,007	4,045	(38)
<b>Total to fund</b>				
Subtotal	103,519	133,735	115,151	18,584
Plus GST	15,528	20,060	17,273	2,788
<b>Total to fund (including GST)</b>	<b>119,047</b>	<b>153,795</b>	<b>132,423</b>	<b>21,372</b>

#### Town centre refurbishment targeted differential rate - Eketahuna - North Ward

Estimated number of rateable properties	4,755	4,773	4,770	3
<b>Total to fund</b>				
Subtotal	26,884	27,073	28,523	(1,450)
Plus GST	4,033	4,061	4,278	(217)
<b>Total to fund (including GST)</b>	<b>30,917</b>	<b>31,134</b>	<b>32,802</b>	<b>(1,667)</b>

#### Town centre refurbishment targeted differential rate - Eketahuna - South Ward

Estimated number of rateable properties	4,012	4,007	4,045	(38)
<b>Total to fund</b>				
Subtotal	28,200	28,271	30,054	(1,783)
Plus GST	4,230	4,241	4,508	(267)
<b>Total to fund (including GST)</b>	<b>32,430</b>	<b>32,511</b>	<b>34,562</b>	<b>(2,051)</b>

#### Urban wastewater targeted rate - full charge

Estimated number of rateable properties	5,275	5,285	5,304	(19)
<b>Total to fund</b>				
Subtotal	2,445,890	2,458,867	2,469,932	(11,065)
Plus GST	366,884	368,830	370,490	(1,660)
<b>Total to fund (including GST)</b>	<b>2,812,774</b>	<b>2,827,697</b>	<b>2,840,422</b>	<b>(12,725)</b>

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
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### Urban wastewater targeted rate - half charge

Estimated number of rateable properties	147	151	139	12
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#### Total to fund

Subtotal	34,080	35,127	32,364	2,762
Plus GST	5,112	5,269	4,855	414
<b>Total to fund (including GST)</b>	<b>39,192</b>	<b>40,396</b>	<b>37,219</b>	<b>3,177</b>

### Urban wastewater targeted rate - for connected multiple use

Estimated number of rateable units	320	318	320	(2)
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#### Total to fund

Subtotal	49,454	49,312	49,667	(355)
Plus GST	7,418	7,397	7,450	(53)
<b>Total to fund (including GST)</b>	<b>56,872</b>	<b>56,709</b>	<b>57,117</b>	<b>(408)</b>

### Urban stormwater targeted rate

Estimated number of rateable properties to receive full charges	4,846	4,859	4,874	(15)
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#### Total to fund

Subtotal	640,122	654,335	715,531	(61,196)
Plus GST	96,018	98,150	107,330	(9,179)
<b>Total to fund (including GST)</b>	<b>736,140</b>	<b>752,485</b>	<b>822,861</b>	<b>(70,375)</b>

### Urban water targeted rate - full charge

Estimated number of rateable properties to receive full charges	5,015	5,081	5,024	57
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#### Total to fund

Subtotal	2,051,778	1,739,267	2,087,694	(348,427)
Plus GST	307,767	260,890	313,154	(52,264)
<b>Total to fund (including GST)</b>	<b>2,359,545</b>	<b>2,000,157</b>	<b>2,400,848</b>	<b>(400,691)</b>

### Urban water targeted rate - half charge

Estimated number of rateable properties to receive half charges	150	153	147	6
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#### Total to fund

Subtotal	30,685	26,655	30,542	(3,888)
Plus GST	4,603	3,998	4,581	(583)
<b>Total to fund (including GST)</b>	<b>35,287</b>	<b>30,653</b>	<b>35,124</b>	<b>(4,471)</b>

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Pongaroa water targeted rate</b>				
Estimated number of rateable properties	691	689	683	6
<b>Total to fund</b>				
Subtotal	58,596	58,954	55,681	3,273
Plus GST	8,789	8,843	8,352	491
<b>Total to fund (including GST)</b>	<b>67,385</b>	<b>67,798</b>	<b>64,033</b>	<b>3,764</b>
<b>Total rates (excluding water metered rates)</b>				
Total to fund (excluding GST and Water Metered Rates)	23,278,319	24,100,161	23,859,189	240,972
Plus GST	3,491,748	3,615,024	3,578,878	36,146
<b>Total to fund (including GST)</b>	<b>26,770,067</b>	<b>27,715,185</b>	<b>27,438,068</b>	<b>277,118</b>
<b>Water metered rate</b>				
Total to fund	600,000	573,722	705,000	(131,278)
Plus GST	90,000	86,058	105,750	(19,692)
<b>Total to fund (including GST)</b>	<b>690,000</b>	<b>659,780</b>	<b>810,750</b>	<b>(150,970)</b>
<b>Total of All Rates</b>	<b>27,460,067</b>	<b>28,374,966</b>	<b>28,248,818</b>	<b>126,148</b>
<b>Total number of rateable units</b>	<b>10,344</b>	<b>10,353</b>	<b>9,806</b>	<b>547</b>



04

**FINANCIALS**

# Prospective financial statements

## Guide to the financial statements

Within this section, you will find the financial detail of the Annual 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 setting of rates, fees, and the borrowing requirement;
- set out the revenue and financing mechanisms that will be used along with an indicative level or amount of funds to come from each mechanism; and
- show the planned application of funds.

This section of the Annual Plan specifically contains the following information:

## Financial statements

### **Prospective statement of comprehensive revenue and expense**

This provides information on the surplus or deficit arising throughout the Plan impacting on the past and future Comprehensive Revenue and Expense. This aids the reader to differentiate between components of financial performance according to frequency, potential for gain and loss and predictability.

### **Prospective statement of changes in net assets/equity**

Also known as net worth, equity is measured as the difference between the total value of assets and total liabilities. This statement presents a comprehensive measure of income. Accumulated equity represents the communities' investment in publicly owned assets resulting from past surpluses.

### **Prospective statement of financial position**

This presents information about the economic resources controlled by the Council. This information is useful in assessing the Council's ability to generate cash, provide services and for assessing future borrowing needs.

### **Prospective statement of cash flows**

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day to day cash management. It provides information about cash generation through Council activities to repay debt or to reinvest to maintain operating capacity.

### **Statement of capital expenditure**

Provides a list of all capital projects by activities.

### **Statement of reserves and special funds**

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. This statement discloses the specific reserves Council has established.

## Forecast statement of comprehensive revenue and expense

For the Year from 1 July 2020 to 30 June 2021

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Planned Revenue/Expense</b>				
<b>Operating transactions</b>				
Rates	23,373	24,164	24,059	(105)
Subsidies	11,386	12,424	22,398	9,974
Fees and charges	3,105	2,894	3,502	608
Finance revenue	80	95	23	(72)
Miscellaneous revenue	231	183	261	78
<b>Total Revenue</b>	<b>38,175</b>	<b>39,760</b>	<b>50,243</b>	<b>10,483</b>
<b>Expenditure</b>				
Operating expenses	18,133	17,922	19,549	1,627
Depreciation and amortisation	13,231	13,928	13,619	(309)
Employee benefit costs	5,926	5,788	6,098	310
Finance costs	813	1,309	1,070	(239)
<b>Total operating expenditure</b>	<b>38,103</b>	<b>38,947</b>	<b>40,336</b>	<b>1,389</b>
Other asset gains/(losses)	94	68	134	66
<b>Operating surplus/(deficit)</b>	<b>166</b>	<b>881</b>	<b>10,041</b>	<b>9,160</b>
<b>Other comprehensive revenue and expenses</b>				
Gains on assets revaluations	19,164	20,738	20,686	(52)
<b>Other comprehensive revenue and expenses subtotal</b>	<b>19,164</b>	<b>20,738</b>	<b>20,686</b>	<b>(52)</b>
<b>Total comprehensive revenue and expenses</b>	<b>19,330</b>	<b>21,619</b>	<b>30,727</b>	<b>9,108</b>

## Forecast statement of changes in net assets/equity

As at 30 June 2021

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
Net assets/equity at 1 July	900,012	915,011	925,885	10,874
Total recognised comprehensive revenue and expense for the period	19,330	21,619	30,727	9,108
<b>Net Assets/Equity at 30 June</b>	<b>919,342</b>	<b>936,630</b>	<b>956,612</b>	<b>19,982</b>

### Detailed changes

#### Accumulated funds

Balance at 1 July	325,078	343,582	333,466	(10,116)
Net surplus (deficit) after tax for the year	166	881	10,041	9,160
Transfers from equity to special reserves	2,232	1,585	5,239	3,654
<b>Balance at 30 June</b>	<b>327,476</b>	<b>346,048</b>	<b>348,746</b>	<b>2,698</b>

#### Asset revaluation reserves

Balance at 1 July	538,431	541,225	557,595	16,370
Increase in revaluation reserves	19,164	20,738	20,686	(52)
<b>Balance at 30 June</b>	<b>557,595</b>	<b>561,963</b>	<b>578,281</b>	<b>16,318</b>

#### Special funded reserves

Balance at 1 July	36,453	30,154	34,778	4,624
Increase in special reserves	(2,232)	(1,585)	(5,239)	(3,654)
<b>Balance at 30 June</b>	<b>34,221</b>	<b>28,569</b>	<b>29,539</b>	<b>970</b>

#### Trust funds

Balance at 1 July	50	50	46	(4)
Increase in trust funds	-	-	-	-
<b>Balance at 30 June</b>	<b>50</b>	<b>50</b>	<b>46</b>	<b>(4)</b>
<b>Net Assets/Equity at 30 June</b>	<b>919,342</b>	<b>936,630</b>	<b>956,612</b>	<b>19,982</b>

## Forecast statement of financial position

As at 30 June 2021

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	2,018	2,079	2,018	(61)
Debtors and other receivables	4,500	3,986	6,000	2,014
Other financial assets	1,768	1,162	1,261	99
Inventories	68	115	110	(5)
<b>Total current assets</b>	<b>8,354</b>	<b>7,342</b>	<b>9,389</b>	<b>2,047</b>
<b>Non-current assets</b>				
Investment property	1,649	1,718	1,743	25
Biological assets	2,126	1,602	3,591	1,989
Other financial assets	375	278	500	222
Property, plant and equipment	44,364	42,648	49,125	6,477
Infrastructural assets	889,438	912,376	937,577	25,201
Restricted assets	4,770	4,940	3,525	(1,415)
Intangible assets	1,254	1,203	1,215	12
<b>Total non-current assets</b>	<b>943,976</b>	<b>964,765</b>	<b>997,276</b>	<b>32,510</b>
<b>Total assets</b>	<b>952,329</b>	<b>972,108</b>	<b>1,006,665</b>	<b>34,557</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	4,500	4,260	5,500	1,240
Borrowings - current	2,000	-	-	-
Employee benefit liabilities	448	471	573	102
Provision for landfill aftercare	-	-	-	-
<b>Total current liabilities</b>	<b>6,948</b>	<b>4,731</b>	<b>6,073</b>	<b>1,342</b>
<b>Non-current liabilities</b>				
Borrowings - non-current	24,848	29,597	42,789	13,192
Employee benefit liabilities	29	35	29	(6)
Provision for landfill aftercare	686	641	686	45
Tenant contributions	475	475	475	-
<b>Total non-current liabilities</b>	<b>26,038</b>	<b>30,748</b>	<b>43,979</b>	<b>13,231</b>
<b>Total liabilities</b>	<b>32,987</b>	<b>35,479</b>	<b>50,053</b>	<b>14,573</b>

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Equity</b>				
Accumulated funds	327,476	346,048	348,746	2,698
Asset revaluation reserves	557,595	561,963	578,281	16,318
Special funded reserves	34,221	28,569	29,539	970
Trust funds	50	50	46	(4)
<b>Total equity</b>	<b>919,342</b>	<b>936,630</b>	<b>956,612</b>	<b>19,983</b>
<b>Total liabilities and equity</b>	<b>952,329</b>	<b>972,108</b>	<b>1,006,665</b>	<b>34,557</b>

## Forecast cash flow statement

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

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Cash flows from operating activities</b>				
<b>Cash is provided from:</b>				
Rates	23,878	24,617	24,564	(53)
Grants and subsidies	11,386	12,424	22,398	9,974
Fees and charges	3,105	2,894	3,502	608
Finance income	80	95	23	(72)
Other revenue	231	183	261	78
<b>Total</b>	<b>38,680</b>	<b>40,213</b>	<b>50,748</b>	<b>10,535</b>
<b>Cash is applied to:</b>				
Payments staff and suppliers	24,564	24,117	26,152	2,035
Finance costs	813	1,309	1,070	(239)
<b>Total</b>	<b>25,377</b>	<b>25,426</b>	<b>27,222</b>	<b>1,796</b>
<b>Net cash from operating activities</b>	<b>13,303</b>	<b>14,786</b>	<b>23,526</b>	<b>8,740</b>
<b>Cash flows from investing activities</b>				
Sale of fixed assets	-	-	-	-
Proceeds from investments realised	-	-	(5,000)	(5,000)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>(5,000)</b>
<b>Cash is applied to:</b>				
Purchase of fixed assets	21,383	20,192	31,551	11,359
Purchase of investments	(2,232)	(1,706)	(5,239)	(3,533)
<b>Total</b>	<b>19,151</b>	<b>18,486</b>	<b>26,312</b>	<b>7,826</b>
<b>Net cash from investing activities</b>	<b>(19,151)</b>	<b>(18,486)</b>	<b>(31,312)</b>	<b>(12,826)</b>

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
<b>Cash flows from financing activities</b>				
<b>Cash is provided from:</b>				
Loans raised	7,848	5,731	9,787	4,056
<b>Total</b>	<b>7,848</b>	<b>5,731</b>	<b>9,787</b>	<b>4,056</b>
<b>Cash is applied to:</b>				
Repayment of loans	2,000	2,000	2,000	-
Tenant Contributions repaid	-	-	-	-
<b>Total</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>5,848</b>	<b>3,731</b>	<b>7,787</b>	<b>4,056</b>
<b>Net (decrease)/increase in cash held</b>	<b>-</b>	<b>31</b>	<b>1</b>	<b>(30)</b>
Total cash and cash equivalent resources at beginning	2,018	2,048	2,018	(30)
<b>Total cash resources at year end</b>	<b>2,018</b>	<b>2,079</b>	<b>2,019</b>	<b>(60)</b>

## Note 1: statement of capital expenditure

	Funding source	Carry Forward	Annual Plan 2020/21	Total Budget - Annual Plan 2020/21	Long Term Plan 2020/21	Variance
<b>Route 52</b>		-	<b>5,367</b>	<b>5,367</b>	<b>4,000</b>	<b>1,367</b>
Route 52 development	Subsidy 83% / Loan 17%	-	-	-	2,000	(2,000)
Route 52 renewal	Subsidy 83% / Depreciation Reserve 17%	-	-	-	2,000	(2,000)
Provincial Growth Fund - Route 52 - boundary to Weber	Subsidy 100%	-	5,367	5,367	-	5,367
<b>Roading Developments</b>		<b>612</b>	<b>1,200</b>	<b>1,812</b>	<b>1,200</b>	<b>612</b>
Minor safety improvements	Subsidy 66% / Loan 34%	612	1,200	1,812	1,200	612
<b>Roading Renewals</b>		<b>380</b>	<b>6,825</b>	<b>7,205</b>	<b>6,519</b>	<b>686</b>
Bridge renewals	Subsidy 66% / Depreciation Reserve 34%	-	250	250	250	-
Carpark renewals	Depreciation Reserve	100	-	100	164	(64)
Drainage renewals	Subsidy 66% / Depreciation Reserve 34%	-	550	550	550	-
Emergency reinstatement	Subsidy 66% / Depreciation Reserve 34%	-	900	900	550	350
Level crossing renewals	Subsidy 66% / Depreciation Reserve 34%	-	30	30	30	-
Pavement rehabilitation	Subsidy 66% / Depreciation Reserve 34%	-	1,800	1,800	1,800	-
Sealed roads resurfacing	Subsidy 66% / Depreciation Reserve 34%	280	1,975	2,255	1,975	280
Structures component replacements	Subsidy 66% / Depreciation Reserve 34%	-	200	200	200	-
Traffic services renewal	Subsidy 66% / Depreciation Reserve 34%	-	120	120	120	-
Unsealed road metalling	Subsidy 66% / Depreciation Reserve 34%	-	1,000	1,000	880	120

Funding source		Carry Forward	Annual Plan 2020/21	Total Budget - Annual Plan 2020/21	Long Term Plan 2020/21	Variance
<b>Pahiatua Town Centre Upgrade</b>		<b>1,930</b>	<b>1,424</b>	<b>3,354</b>	<b>-</b>	<b>3,354</b>
Stormwater reticulation renewals	Depreciation Reserve	177	-	177	-	177
Pahiatua town centre upgrade - above ground	Loan	1,593	969	2,562	-	2,562
Pahiatua town centre upgrade - footpath renewals	Loan	-	390	390	-	390
Pahiatua town centre upgrade - funded under verandah component	Subsidy / Depreciation Reserves	160	65	225	-	225
Pahiatua town centre upgrade - wastewater development	Loan	307	-	307	-	307
Pahiatua town centre upgrade - water development	Loan	43	-	43	-	43
Pahiatua town centre upgrade - water renewal	Depreciation Reserve	71	-	71	-	71
<b>Footpaths</b>		<b>-</b>	<b>462</b>	<b>462</b>	<b>330</b>	<b>132</b>
Footpath development	Subsidy 66% / Loan 34%	-	30	30	30	-
Footpath renewals	Subsidy 66% / Depreciation Reserve 34%	-	392	392	300	92
Dannevirke town centre footpath renewal	Depreciation Reserve	-	40	40	-	40
<b>Infrastructure Growth</b>		<b>120</b>	<b>50</b>	<b>170</b>	<b>170</b>	<b>-</b>
Stormwater reticulation network extensions	Loan	-	50	50	-	50
Wastewater reticulation network extensions	Loan	50	-	50	100	(50)
Water reticulation network extensions	Loan	70	-	70	70	-
<b>Pensioner Housing New Units</b>		<b>-</b>	<b>900</b>	<b>900</b>	<b>40</b>	<b>860</b>
Pahiatua three new units	Pensioner Housing Reserve	-	-	-	40	(40)
Aften Court new units	Pensioner Housing Reserve	-	900	900	-	900

				Total Budget - Annual Plan	Long Term Plan	Variance
	Funding source	Carry Forward	Annual Plan 2020/21	2020/21	2020/21	
<b>Wastewater Treatment Developments</b>		<b>477</b>	<b>189</b>	<b>666</b>	<b>2,089</b>	<b>(1,423)</b>
Dannevirke pond three aerators	Loan	-	55	55	55	-
Eketahuna wastewater pipeline to Pahiatua treatment plant	Loan	-	-	-	1,900	(1,900)
Ormondville aerator	Loan	-	27	27	27	-
Pahiatua aerators	Loan	-	27	27	27	-
Portable dewatering plant	Loan	20	-	20	-	20
Woodville wetland design	Loan	-	30	30	80	(50)
Eketahuna treatment plant design	Loan	50	-	50	-	50
Eketahuna wetland development design and land purchase	Loan	100	-	100	-	100
Pahiatua DAFF plant	Loan	-	50	50	-	50
<b>Wastewater Treatment Renewals</b>		<b>1</b>	<b>295</b>	<b>296</b>	<b>55</b>	<b>241</b>
District telemetry	Depreciation Reserve	-	150	150	10	140
Health and safety renewals	Depreciation Reserve	-	15	15	15	-
Unplanned renewals	Depreciation Reserve	-	100	100	30	70
Eketahuna water treatment plant - investigations and design	Depreciation Reserve	-	30	30	-	30
<b>Wastewater Resource Consents</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>(50)</b>
Woodville Wetland	Loan	-	-	-	50	(50)
<b>Wastewater Reticulation Renewals</b>		<b>76</b>	<b>815</b>	<b>891</b>	<b>744</b>	<b>147</b>
Infiltration strategy	Depreciation Reserve	-	25	25	270	(245)
Pump station	Depreciation Reserve	-	165	165	49	116
Unplanned renewals	Depreciation Reserve	-	25	25	25	-
Wastewater reticulation renewals	Depreciation Reserve	76	600	676	400	276
<b>Water Treatment Developments</b>		<b>93</b>	<b>750</b>	<b>843</b>	<b>95</b>	<b>748</b>
Norsewood increase water storage	Loan	-	-	-	45	(45)
Pressure reducing valves	Loan	50	-	50	50	-
Woodville water treatment plant upgrade	Loan	-	650	650	-	650
Dannevirke impounded supply submersible pump investigation	Loan	-	20	20	-	20

Funding source		Carry Forward	Annual Plan 2020/21	Total Budget - Annual Plan 2020/21	Long Term Plan 2020/21	Variance
<b>Water Treatment Renewals</b>		<b>71</b>	<b>3,969</b>	<b>4,040</b>	<b>60</b>	<b>3,980</b>
Dannevirke intake pipeline - N <sup>o</sup> 2 reservoir	Depreciation Reserve	-	20	20	20	-
Health and safety renewals	Depreciation Reserve	-	15	15	15	-
Unplanned renewals	Depreciation Reserve	-	100	100		100
<b>Water Reticulation Developments</b>		<b>120</b>	<b>675</b>	<b>795</b>	<b>875</b>	<b>(80)</b>
IoT devices - smart water meters	Loan	-	80	80	-	80
Water leakage strategy and implementation	Loan	-	50	50	200	(150)
<b>Water Reticulation Renewals</b>		<b>120</b>	<b>675</b>	<b>795</b>	<b>875</b>	<b>(80)</b>
Reticulation water mains renewals	Depreciation Reserve	120	600	720	650	70
Unplanned renewals	Depreciation Reserve	-	25	25	25	-
Leak detection	Depreciation Reserve	-		-	25	(25)
Crown Infrastructure Projects - AC pipe renewals	Subsidy 100%	-	3,834	3,834	-	3,834
<b>Stormwater Development</b>		<b>30</b>	<b>-</b>	<b>30</b>	<b>150</b>	<b>(120)</b>
District stormwater development	Loan	30	-	30	150	(120)
<b>Stormwater Renewals</b>		<b>-</b>	<b>100</b>	<b>100</b>	<b>50</b>	<b>50</b>
Reticulation renewals	Depreciation Reserve	-	100	100	50	50
<b>Connectivity</b>		<b>-</b>	<b>10</b>	<b>10</b>	<b>210</b>	<b>(200)</b>
Fibre ducting development	Loan	-	10	10	10	-
Wireless black-spot reductions	Loan	-	-	-	200	(200)

		Carry Forward	Annual Plan 2020/21	Total Budget - Annual Plan 2020/21	Long Term Plan 2020/21	Variance
<b>Community Buildings</b>		<b>11</b>	<b>181</b>	<b>192</b>	<b>189</b>	<b>3</b>
Dannevirke Sports Centre pavilion renewals	Depreciation Reserve	-	2	2	2	-
Dannevirke Sports Centre stadium renewals	Depreciation Reserve	-	-	-	40	(40)
Dannevirke Town Hall renewals	Depreciation Reserve	-	90	90	58	32
District-wide seating renewal	Depreciation Reserve	-	3	3	3	-
Eketahuna renewals	Depreciation Reserve	-	2	2	2	-
Norsewood War Memorial Hall sealing	Depreciation Reserve	11	-	11	-	11
Pahiatua renewals	Depreciation Reserve	-	11	11	11	-
Pongoroa Town Hall renewals	Depreciation Reserve	-	8	8	8	-
Unplanned renewals	Depreciation Reserve	-	50	50	50	-
Woodville Community Centre renewals	Depreciation Reserve	-	15	15	15	-
<b>Buildings Earthquake Strengthening</b>		<b>50</b>		<b>50</b>	<b>-</b>	<b>50</b>
Community building earthquake assessments	Loan	50		50	-	50
Dannevirke admin building earthquake strengthening	Depreciation Reserve	-	300	300	-	300
Pahiatua Service Centre earthquake strengthening	Depreciation Reserve	350	550	900	-	900
<b>Administrative Buildings</b>		<b>350</b>	<b>866</b>	<b>1,216</b>	<b>59</b>	<b>1,152</b>
Dannevirke Civic Centre renewals	Depreciation Reserve	-	-	-	42	(42)
Dannevirke Civil Defence complex renewals	Depreciation Reserve	-	-	-	6	(6)
Dannevirke library renewals	Depreciation Reserve	-	5	5	-	
Eketahuna library renewals	Depreciation Reserve	-	1	1	1	-
Pahiatua Service Centre renewals	Depreciation Reserve	-	5	5	5	-
Woodville Library/Service Centre renewals	Depreciation Reserve	-	5	5	5	-
<b>Public Conveniences</b>		<b>-</b>	<b>13</b>	<b>13</b>	<b>18</b>	<b>(5)</b>
Dannevirke Exeloos renewal	Depreciation Reserve	-	4	4	4	-
District-wide renewals	Depreciation Reserve	-	5	5	10	(5)
District-wide toilet renewals	Depreciation Reserve	-	4	4	4	-

		Carry Forward	Annual Plan 2020/21	Total Budget - Annual Plan 2020/21	Long Term Plan 2020/21	Variance
<b>Pensioner Housing Developments</b>		-	10	10	-	10
Scooter sheds	Pensioner Housing Reserve	-	10	10	-	10
<b>Pensioner Housing Renewals</b>		-	210	210	196	14
Aluminium windows	Pensioner Housing Reserve	-	-	-	84	(84)
Annual renewal of two units	Pensioner Housing Reserve	-	-	-	100	(100)
Fencing and scooter sheds	Pensioner Housing Reserve	-	12	12	12	-
Pensioner flats insulation	Pensioner Housing Reserve	-	60	60	-	60
Pensioner flats ventilation	Pensioner Housing Reserve	-	138	138	-	138
<b>Library Renewals</b>		-	105	105	110	(5)
Books	Depreciation Reserve	-	100	100	100	-
Furniture and fittings	Depreciation Reserve	-	5	5	10	(5)
<b>Information Centres</b>		-	127	127	130	(3)
Computer hardware development	Loan	-	7	7	7	-
District-wide information centres development	Loan	-	80	80	82	(2)
<b>Parks and Reserves Developments</b>		-	100	100	7	93
District-wide drainage	Loan	-	-	-	7	(7)
District-wide walkway development	Loan	-	100	100	-	100
Eketahuna playground upgrade	Loan	-	10	10	-	10
<b>Parks and Reserves Renewals</b>		5	25	30	25	5
District-wide drainage	Depreciation Reserve	5	5	10	5	5
District-wide walkway development	Depreciation Reserve	-	20	20	20	-
<b>Camping Ground Renewals</b>		70	62	132	31	101
District-wide renewals	Depreciation Reserve	-	31	31	31	-
Pahiatua septic tank renewal	Depreciation Reserve	-	31	31	-	31
Dannevirke Campground toilets and power outlets	Loan	70	-	70	-	70

	Funding source	Carry Forward	Annual Plan 2020/21	Total Budget - Annual Plan 2020/21	Long Term Plan 2020/21	Variance
<b>Swimming Pools</b>		-	556	556	507	49
District wide plumbing and electrical renewals	Depreciation Reserve	-	5	5	7	(2)
Pahiatua pool replacement	Depreciation Reserve	-	500	500	500	-
Woodville swimming pool renewals	Depreciation Reserve	-	51	51	-	51
<b>Cemetery Developments</b>		30	14	44	74	(30)
District-wide new berms	Depreciation Reserve	-	14	14	4	10
Mangatera new area	Loan	30	-	30	70	(40)
<b>Solid Waste Developments</b>		-	132	132	257	(124)
Pongaroa capping	Loan	-	62	62	62	1
Pongaroa transfer station	Loan	-	70	70	70	-
Woodville transfer station	Loan	-	-	-	125	(125)
<b>Solid Waste Renewals</b>		-	10	10	10	-
Minor capital renewals	Depreciation Reserve	-	10	10	10	-
<b>Civil Defence</b>		-	15	15	15	-
Satellite communications equipment renewal	Depreciation Reserve	-	15	15	15	-
<b>Community Support</b>		-	100	100	70	30
District-wide town CCTV renewals	Depreciation Reserve	-	50	50	50	-
Ducting for electric vehicle charging stations	Loan	-	20	20	20	-
Electric vehicle EV upgrade	Loan	-	30	30	-	30
<b>Support Developments</b>		-	319	319	109	210
3D copiers development	Loan	-	-	-	10	(10)
CCTV development	Loan	-	14	14	14	-
Council fibre extensions	Loan	-	20	20	20	-
Hardware development	Loan	-	75	75	35	40
Software development	Loan	-	200	200	20	180
Unmanned aerial vehicles development	Loan	-	10	10	10	-

		Carry Forward	Annual Plan 2020/21	Total Budget - Annual Plan 2020/21	Long Term Plan 2020/21	Variance
<b>Support Renewals</b>		-	614	614	528	87
CCTV renewals	Depreciation Reserve	-	10	10	10	-
Copiers renewal	Depreciation Reserve	-	18	18	18	-
Hardware renewal	Depreciation Reserve	-	323	323	282	41
Software renewal	Depreciation Reserve	-	218	218	148	70
Telephones renewal	Depreciation Reserve	-	-	-	39	(39)
Unmanned aerial vehicles renewal	Depreciation Reserve	-	30	30	30	-
Online webservices - investigation/scope/design	Depreciation Reserve	-	10	10	-	10
Web software	Depreciation Reserve	-	5	5	-	5
<b>Vehicles</b>		-	255	255	255	-
Vehicle renewals	Depreciation Reserve	-	255	255	255	-
<b>Project Management Office</b>		-	300	300	100	200
Project Management Office	Depreciation Reserve	-	300	300	100	200
<b>Total Capital Expenditure</b>		<b>4,623</b>	<b>26,943</b>	<b>31,566</b>	<b>19,221</b>	<b>12,341</b>

## Summary of capital projects

	Carry Forward	Annual Plan 2020/21	Total Budget - Annual Plan 2020/21	Long Term Plan 2020/21	Variance
Growth	150	964	1,114	284	830
Level of Service	2,821	4,124	6,945	6,441	504
Renewal	1,652	21,855	23,507	12,496	11,007
<b>Grand Total</b>	<b>4,623</b>	<b>26,943</b>	<b>31,566</b>	<b>19,221</b>	<b>12,341</b>

## 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 2020/21 (000s)	Transfers in (000s)	Transfers out (000s)	Closing balance 2021 (000s)
<b>Council</b>	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.	27,876	19,085	(23,631)	23,331
<b>Makuri Water Scheme</b>	To establish a depreciation reserve to fund the renewal of assets for this scheme.	12	-	-	12
<b>Pongaroa Water Supply</b>	To establish a depreciation reserve to fund the renewal of assets for this scheme.	114	2	-	116
<b>Tararua Aquatic Community Trust Wai Splash</b>	To establish a depreciation reserve to fund the renewal of major assets.	204	64	-	268
<b>Bush Multisport</b>	To establish a depreciation reserve to fund the renewal of major assets.	26	21	-	47
<b>Total</b>		<b>28,267</b>	<b>19,404</b>	<b>(23,631)</b>	<b>24,040</b>

## 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 2020 (\$000s)	Transfers in (\$000s)	Transfers out (\$000s)	Closing balance 2021 (\$000s)
<b>Tararua General Purpose</b>	<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"> <li>• Proceeds from sale or disposal of assets where a particular function is discontinued, and for property sales.</li> <li>• Insurance monies received when buildings or property are damaged and not reinstated.</li> <li>• 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.</li> </ul>	1,683	27	-	1,717
<b>Tararua Emergency Roading</b>	To provide funds to re-establish the district's infrastructural assets following a disaster, together with funds received from Central Government. There is no plan to use this reserve other than if a disaster occurs.	1,762	26	-	1,797
<b>Tararua Gratuity</b>	This reserve is for staff who have qualified or qualify for gratuities.	68	-	-	68
<b>Tararua Housing</b>	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.	877	497	(1,483)	107
<b>Recreation Grant</b>	To accumulate funds to support recreational projects in the district.	60	10	(4)	66
<b>Tenant Contribution (Debt Repayment)</b>	To account for and refund tenant contributions for leasing of Council's housing properties.	485	-	-	485

Description	Purpose of Fund	Opening balance 2020 (\$000s)	Transfers in (\$000s)	Transfers out (\$000s)	Closing balance 2021 (\$000s)
<b>Heritage Reserve</b>	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	11	-	85
<b>Biodiversity Protection</b>	To support: <ul style="list-style-type: none"> <li>sustainable management of the district's natural and physical environment;</li> <li>protection and enhancement of the community's environment values.</li> </ul> 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	11	-	43
<b>Forestry</b>	Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest.	647	65	(78)	634
<b>Election</b>	To account for elections funds, rate funded each year to spread out election cost in the year of election.	30	31	-	61
<b>Waste Management Fund</b>	To account for the waste management levies received. This reserve will be solely used to fund specific projects for this activity.	203	128	(125)	206
<b>Domain Boards Bank Balances</b>	To account for the bank balances of the Domain Board in trust.	437	107	(100)	444
<b>Total</b>		<b>6,359</b>	<b>910</b>	<b>(1,786)</b>	<b>5,483</b>

## 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 2020 (\$000s)	Transfers in (\$000s)	Transfers out (\$000s)	Closing balance 2021 (\$000s)
<b>Arts Council of New Zealand</b>	To account for the annual grant that we receive from Creative New Zealand for allocation to support arts and cultural projects.	-	-	-	-
<b>Mayoral Storm Relief Fund</b>	To account for government assistance that Council receives to provide support (mainly for the welfare of farmers and businesses) following any major storm disruption in the Manawatu-Wanganui region.	8	-	-	8
<b>Ormondville Playground</b>	Funds held on behalf of the Ormondville community to purchase playground equipment in the town.	1	-	-	1
<b>Pahiatua Heritage Trust</b>	Funds left over from the old Pahiatua Arts Council that has since been wound up. Will be used towards Heritage assets in the district.	21	-	-	21
<b>Dannevirke Fairbrother Trust</b>	Funds bequest by the Trust for projects that benefit the Dannevirke community.	16	-	-	16
<b>Total</b>		<b>46</b>	<b>-</b>	<b>-</b>	<b>46</b>

## Note 3: depreciation expense by group of activity

	Annual Plan 2019/20 (\$000s)	LTP 2020/21 (\$000s)	Annual Plan 2020/21 (\$000s)	Variance (\$000s)
Building Communities and Leadership	3	34	6	(28)
Community and Recreation Facilities	2,140	2,055	2,381	326
District Promotion & Economic Development	41	76	13	(63)
Regulatory Services	53	46	46	-
Roading and Footpaths	8,460	9,049	8,481	(568)
Solid Waste Management	70	24	72	48
Stormwater Drainage	232	232	224	(8)
Wastewater	1,020	966	1,030	64
Water Supplies	1,212	1,060	1,228	168
<b>Total</b>	<b>13,231</b>	<b>13,542</b>	<b>13,481</b>	<b>(61)</b>



05

**GENERAL  
INFORMATION**

# 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**  
 25 Gregg Street, Dannevirke 4930  
 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 1:00pm.

- **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

## Eketahuna 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, Eketahuna 4994  
06 375 8503  
deaths@inspire.net.nz
- **Deputy Chairperson**  
Mr S (Steen) Mcghie  
110 Mangatainoka Valley Road, RD 2, Eketahuna  
06 375 8676  
steenautoglas@gmail.com
- Miss D F M (Denise) Clifton  
18 Bridge Street, Eketahuna 4993  
022 073 5715  
dfmclifton@gmail.com
- Mr T M (Terry) Carew  
103 Newman Road, Eketahuna 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

## 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

## 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

## 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**  
Ms Maria Brensell
- **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

# Management team

## Executive Staff

Blair King ME (Civil) CPEng  
Chief Executive

Peter Wimsett CA, BBS  
Manager Strategy and District Development

Raj Suppiah CA  
Chief Financial Officer

David Geary  
Tararua Alliance Manager

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

Dave Watson  
Group Manager – Plant and Property

Chris Whiley  
Tararua IT Alliance Manager

Jackie Hitt  
Human Resources Manager

# Directory

## Head Office and Council Chamber

PO Box 115 Dannevirke 4942	26 Gordon Street Dannevirke
Telephone:	(06) 374 4080
Fax:	(06) 374 4137
General email:	info@tararua.govt.nz
Council website:	www.tararua.govt.nz
District website:	www.tararua.com
Facebook:	TararuaDC

## Service Centre Locations

### Dannevirke

26 Gordon Street, Dannevirke  
(06) 374 4080

### Eketahuna

31 Main Street, Eketahuna  
(06) 376 0219

### Pahiatua

136 Main Street, Pahiatua  
(06) 376 0110

### Woodville

45 Vogel Street, Woodville  
(06) 376 0200

## Other

### Bankers

Westpac New Zealand Ltd  
Dannevirke

Bank of New Zealand  
Dannevirke

### Auditors

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

### Insurance Brokers

Aon New Zealand Ltd  
Wellington

# Glossary of terms

**Activity** The operation of a facility or the provision of a service.

**Asset Management Plan** A plan, which identifies the current status of an asset, future renewal programme and options to meet growth due to demand/expansion.

**Assets** Assets are things that the Council owns such as roads, parks, footpaths, buildings.

**Capital Development** Is the creation of new assets or the addition of new components to existing assets that extend any assets service potential.

**Capital Expenditure** This is spending on new Council assets or replacing existing assets.

**Capital Renewal** Is the replacement of existing assets when they have reached the end of their useful life.

**Capital Value** The probable sale price of the freehold interest of the property if offered for sale at the time of valuation.

**Community Board** Selected community members/ward councillors to represent the interests of the community to Council.

**Community Outcomes** The community's priorities for the future of the district, identified through a community consultation process.

**Cost of Service** The true cost of performing an activity. Calculated as the total of direct costs, support costs, depreciation, interest and debt servicing.

**Council-Controlled Organisation (cco)** means a council organisation that is:

- a) a company—
  - i) in which equity securities carrying 50% or more of the voting rights at the meeting of the shareholders of the company are—
    - A) held by one or more local authorities; or
    - B) controlled, directly or indirectly, by one or more local authorities; or
  - ii) in which one or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
- b) an organisation in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons,—

- i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the organisation; or
- ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the organisation.

**Council-Controlled Trading Organisation (CCTO)** A council-controlled organisation that operates a trading undertaking for the purpose of making a profit, formerly known as a Local Authority Trading Enterprise (LATE).

**Depreciation** The cost or value of the economic benefit of an asset used during a financial year.

**Groups of Activities** The Council's services are divided into nine groups of activities based on their relationship and the rationale for providing them.

**Indicator** Flag or signal that represent an issue of concern or which measure change or progress toward a desired outcome.

**Infrastructural Assets** Fixed utility systems that provide a continuing service to the community that are not generally regarded as tradeable. These assets include roads, water and sewerage services and stormwater systems.

**Internal Recoveries** Payment by one Council department to another in return for a service provided.

**Land Value** The probable price that would be paid for the bare land as at the date of valuation. The value includes development work such as drainage, excavation, filling, levelling, retaining walls, clearing, fertility build-up, flood protection.

**Long Term Plan** A plan which outlines the Council's programme for the next 10 years and how it will contribute to achieving the community outcomes. Formerly referred to as the Long Term Council Community Plan (or Community Plan).

**Measure** The actual piece of information or data used to gauge an indicator.

**Mission** This describes Council's basic purpose (its fundamental reason for being) and specifies the role Council is going to play in its environment.

**Operational Expenditure** All funding for providing services on a day to day basis, excluding renewal and capital expenditure.

**Operating Revenue** Revenue received as part of day-to-day activities. Includes user charges and rates but not capital revenue (such as new loans).

**Performance Measure** Measure by which organisational performance may be judged in relation to objectives.

**Policy** A course of action or set of parameters adopted by the Council or by management within which decisions can be made and action can be taken.

**Private Benefit** This occurs when individuals who benefit from a service can be clearly identified and therefore charged for that service. It applies to user charges, application fees, purchase price, and water by meter, though there are exceptions to the rule.

**Public Benefit** This relates to spending which benefits the community in general and for which no individual beneficiaries can be clearly identified.

**Renewal Expenditure** Funding for works that replace the existing assets over their projected lifetime. Generally funded from the depreciation reserve fund.

**Reserve Funds** Money set aside for a specific purpose. (See also Special Funds.)

**Resource Consent** This is permission to use resources such as land, water and air, granted under the Resource Management Act 1991.

**Restricted Assets** Assets that cannot be disposed of because of legal or other restrictions and that provide benefit or service to the community. They include reserves vested under the Reserves Act 1977, endowments and property held in trust for specific purposes.

**Revenue** Money received by Council.

**Revenue and Financing Policy** This is a statement about who should pay for the services provided by Council. The policy outlines who will benefit for each Activity and who should pay for it, taking into account fairness and what is practical.

**Separate Rate** A rate levied over a particular group of properties that receive or are capable of receiving a specific service or benefit additional to that provided by general rate funding.

**Service Delivery Plan** Outlines each of the Council's activities including service levels, performance measures, issues and future demand.

**Significance** This is the degree of importance of an issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impacts, and or likely consequences.

**Special Funds** Money set aside for a specific purpose. (See also Reserve Funds.)

**Strategy** Outlines how the district is going to undertake particular actions to deliver the community outcomes.

**Submission** Your opportunity to tell the Council your views on the Ten Year Plan. Submissions need to be made in writing.

**Ten Year Plan** A plan, adopted every three years, that sets the strategic direction for the Council over the next 10 years and outlines Council's contribution towards achieving the community outcomes. The Ten Year Plan is the same as the Long Term Plan. The term "Ten Year Plan" is used for ease of understanding.

**Toby** A valve situated at the property boundary for the purpose of controlling the flow of water to the property.

**User fees and charges** Fees charged to the community for use of specific services and facilities provided by the Council.

**Vision** Council's view of the future state of its community. It is used to inspire people into action, define future direction and implies that what we do now can influence and change the future for the better.