

ANNUAL PLAN 2011/2012

TARARUA DISTRICT COUNCIL

This document is the Annual Plan of the Tararua District Council, for the period 1 July 2011 to 30 June 2012. It is also a statement of proposal in terms of Section 85 of the Local Government Act 2002.

The Annual Plan 2011/12 is actually year three of the Long Term Council Community Plan 2009-19 (Community Plan). This was adopted by Council on 24 June 2009. This Annual Plan incorporates all of the features of the amended Community Plan, adopted by Council on 30 June 2010, and further amendments adopted on 29 June 2011.

The Annual Plan 2011/12 was adopted by Council on 29 June 2011.

Contents

Part 1: Introduction 5

| | |
|---|----|
| A Guide to the Annual Plan | 5 |
| Message from the Mayor and Chief Executive | 7 |
| Audit Report | 10 |
| Financial Overview | 13 |
| Linkages between Council Policies and Plans | 21 |
| Community Outcomes | 22 |

Part 2: Activities 23

| | |
|--|-----|
| Community Outcomes – How They Relate to Council Services | 24 |
| Animal Control | 25 |
| Cemeteries | 30 |
| Commercial Property | 35 |
| Community Buildings | 40 |
| Community Support | 45 |
| District Promotion & Development | 50 |
| Emergency Management | 55 |
| Footpaths | 61 |
| Health and Safety | 66 |
| Housing | 71 |
| Libraries | 76 |
| Parks & Reserves | 81 |
| Public Conveniences | 87 |
| Representation | 92 |
| Resource Management | 96 |
| Roading | 101 |
| Service Centres | 108 |
| Sewerage | 113 |
| Solid Waste Management | 119 |

| | |
|---------------------------|-----|
| Stormwater Drainage | 125 |
| Swimming Pools | 130 |
| Water Supplies | 135 |

Part 3: Rates 143

| | |
|---|-----|
| Funding Impact Statement | 143 |
| Schedule of General Rates & Targeted Rates | 151 |
| Significant Forecasting Assumptions and Risks | 162 |

Part 4: Financials 167

| | |
|--|-----|
| Prospective Statement of Financial Performance | 167 |
| Prospective Statement of Movements in Equity | 169 |
| Prospective Statement of Financial Position | 170 |
| Prospective Statement of Cash Flow | 172 |
| Statement of Accounting Policies | 174 |

Part 5: Policies 187

| | |
|------------------------------------|-----|
| Revenue and Financing Policy | 187 |
| Rating Remission Policy | 196 |
| Solid Waste Plan | 200 |

Part 6: General Information 201

| | |
|---|-----|
| Council-Controlled Organisations | 201 |
| Tararua District Council Statistics | 204 |
| Council | 205 |
| Community Boards & Council Committees | 206 |
| Management Team | 207 |
| Directory | 207 |
| Submissions | 208 |
| Glossary of Terms | 211 |

A Guide to the Annual Plan

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

Part 1: Introduction

This section contains an introductory message from the Mayor and Chief Executive together with a list of contents, the submission process, financial overview, and the linkages between the Community Plan and other Council documents.

Part 2: Activities

Information is provided here for 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. There is information on how the activity is to be funded, any maintenance and operating issues, assumptions and risks, and any likely changes in demand for the activity in the future. Where relevant, readers are guided to further information about the activity that may be obtained from Council or elsewhere.

Part 3: Rates

This section contains the Funding Impact Statement, together with schedules of General and Targeted Rates with significant forecasting assumptions and risks.

Part 4: Financials

This section contains the financial statements together with the accompanying notes and accounting policies.

Part 5: Policies

A summary of our Revenue and Financing Policy is within this section.

Council's full policies can be found in the Community Plan. The Community Plan also contains summaries of the Water Services Assessment, and the Waste Management Plan.

Part 6: General Information

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

Associated Documents

This publication contains summaries of relevant policies.

Full policies will be found in 'Tararua District Council Policies for the Community Plan'.

A comprehensive list of fees and charges will be found in 'Fees & Charges 2011/12'.

These documents will be available at each Service Centre and Library, or may be accessed by:

- phone 06 374 4080
- email info@tararuadc.govt.nz
- website www.tararuadc.govt.nz

Message from the Mayor and Chief Executive

We are pleased to release Council's Annual Plan for 2011/12. This is year 3 of our Long Term Council Community Plan 2009-19 (Community Plan), which outlines Council's services and projects for the 2011/12 financial year (1 July 2011 through to 30 June 2012) and how much will be spent on them.

Although this Plan follows Year 3 of the Community Plan the rates increase has been trimmed. The increase is 4.26% rather than that shown in the Community Plan of 6.48%, to reflect the balance between delivering services and economic constraints. This figure of 4.26% includes an allowance for inflation of 2.5%, and improvements to community water supplies over and above that forecast in the Community Plan. The rates have been pegged back from that forecast due to staffing changes, better shared services between this and neighbouring Councils, and favourable tender prices for key work programmes. The total rates requirement for the 2011/12 year is \$17.998 million.

Community Feedback

The Council received 221 submissions with the Council hearing 29 of these submissions in Pahiatua and Dannevirke on 24 May 2011. The following paragraphs briefly outline the key issues raised in submissions and the Council's response, although Council resolved that the changes made do not further increase rates over the 4.26% consulted on. The key decisions were:

Rating Review

Following consultation, Council has confirmed its proposal to introduced uniform targeted rates for roading. Many properties derive their value by the fact that you can drive to them.

These rates are essentially an access charge for the 20% of roading costs that are fixed.

The land value roading rate will continue on 80% of the roading costs, better reflecting the use and wear and tear of the roads.

The Council received 46 submissions in respect of the rating review statement of proposal, with these expressing the following views:

- 32 submissions oppose the rating review proposal, including comments on the hardship that it will cause to those on fixed incomes, the justification for the increase to rates, the transparency and sustainability of the proposal, and the value for money received.
- 13 submissions support the rating review proposal being adopted as a more equitable option than the status quo.

Included in these submissions are 3 requests to consider capital value as the basis of all or part of the rating system.

Our Draft Statement of Proposal reviewed how rates were allocated across the community. This aligns with the assurance Council gave the community that this review would be concluded during the 2010/11 year.

Roading forms the largest single component of the rates allocated annually and is currently funded, after subsidies, 100% from a District Wide Roothing rate based on land value. It was proposed that 80% of the cost of roading continues being charged on land value with the remaining 20% funded through three different uniform rates to the rural, urban, and industrial commercial sectors in our Draft Statement of Proposal.

The Council's recommended option was to adopt a differentiated uniform targeted rate for part of the roading activity, based on a split of 83% rural, 13% urban and 4% commercial/industrial.

Remissions and charging will apply to the roading targeted rates as do for Uniform Annual General Charges (UAGC). In particular, properties that have the same owner, are used for the same purpose and are contiguous will be treated as one property for rating of the roading targeted rate. Properties that have the same owner, are used for the same purpose and are not contiguous but meet the UAGC criteria for remission will also receive a remission for rating of the roading targeted rate. Council will monitor the proportions by sector capital value, land value and actual roading expenditure over time. As these proportions change (from valuation changes, roading projects and administration costs) Council may alter the amounts charged to each sector having regard to affordability issues.

Council will be reviewing its remission policies during the coming year as it develops the next Long Term Plan. The Revenue and Financing Policy now includes provision for charging the uniform targeted rates (see Roothing, page 188). The Funding Impact Statement now includes the new Differential Uniform Targeted Roothing Rate (item 9, page 144) and explains this in item 12 on page 145.

Dannevirke Alternative Heavy Traffic Route

119 submissions were received of which 95 submissions opposed the alternative heavy traffic route and the trial proceeding. The submissions included a petition containing 587 signatures supporting removal of the trial.

Council resolved to revoke the Dannevirke Alternative Heavy Traffic Route trial, and to remove this project from the 2009/2019 Long Term Council Community Plan.

Pahiatua Harvard Playground Upgrade

37 submissions were received in respect of the proposal to include \$100,000 for the upgrading of the Pahiatua Harvard Playground. 26 submissions supported the proposal and funding to upgrade the playground. This project will proceed in 2011/12.

Water Quality

27 submissions were received in respect of water quality of which 26 submissions support the Council's intentions to continue upgrading the water treatment plants throughout the district. Council acknowledges this support and resolved that upgrading water security and quality will continue to be a focus in this and future plans.

Solid Waste

23 submissions were received in respect of solid waste, with 11 submissions supporting the current arrangements for recycling and the level and positioning of the bins and 11 submissions supporting more recycling and better positioning of the bins.

As the two new transfer stations are expected to be fully operational for Pahiatua and Dannevirke in 2011/12, Council will relook at what recycling options are cost-effective and meet the needs of users in the community as part of the 2012-22 Long Term Plan.

Pahiatua Track

Three submissions were received in respect of the Pahiatua Track. The Council has deferred major upgrading of the Pahiatua Track, in favour of continued minor improvements, recognising that the "route" project remains unlikely to gain funding from the NZ Transport Agency.

Pukaha Mount Bruce

Two submissions requesting a grant of \$25,000 for the Pukaha Mount Bruce stage 3 upgrade of toilet facilities, wastewater plant and potable water collection and storage. Council resolved to fund the grant of \$25,000 from Biodiversity Protection Special Funds. It will also explore whether an annual funding provision is feasible through the 2012-22 Long Term Plan, which requires Pukaha Mount Bruce to supply a 10 year funding needs plan.

Insurances

Council is one of 56 around the country who has insurance for loss of underground reticulation infrastructure with the Local Authority Protection Programme (LAPP). Our yearly contribution is \$35,000 (which is after the 50% discount). LAPP had advised that due to the two Christchurch earthquakes, floods in 2010, and other severe weather events the cost of reinsurance has increased significantly. Hence Council's insurance premium has increased from \$35,000 to

\$140,000. Council has resolved to fund the increase in insurance cost part from the insurance budget and the remaining from prior year surplus as allowed in Council's Revenue and Financing Policy.

Area of focus for 2011/12

Asset Management Plans

During 2009/10, Council upgraded its Asset Management Plans for Stormwater Drainage, Water Supplies, Sewerage and Solid Waste and Reserves, such that Audit New Zealand concluded that the quality of the data within the performance framework contained in the Community Plan provided an appropriate basis for the meaningful assessment of the Council's performance in the areas of Water and Waste. Given the value of assets managed though, constant work is required to keep these Asset Management Plans current, with robust forecasts of future replacements or upgrades.

As the Asset values increase, so does the level of rates funding for depreciation. Council has been through a rigorous review of Council's depreciation reserves to see what is actually required and still ensure there is enough funding available in reserves to meet Council's ongoing renewal requirements. Council's total reserves including depreciation reserves will increase this year by \$1.26 million compared to \$2.23 million in the Community Plan. This increases Council's reserves to over \$13.4 million as Council endeavours to balance the need to have healthy reserves whilst also restricting the need to increase rates. These reserves will be needed for the renewal of assets in future years.

For the wastewater and stormwater Assets, knowledge of the buried pipe condition is crucial. Rather than using contractors and consultants to determine why pipes are blocked, Council intends to purchase a specialist remote operated camera (CCTV). This will enable a proactive inspection of the inside of these piped networks as part of our maintenance programme. The improvements to our asset knowledge will assist in further improving the accuracy of our capital works and renewals programme as shown in the Community Plan. With the improved Asset Management Plans, Council is more confident of its future requirements.

Council, under contract is implementing a new Asset Management data system (aim) to record asset information, which will form part of the upgraded Financial package (Civica) which went live on 1 July 2010. When combined with network models on flow, we can optimise which assets are replaced, and what work can be combined to reduce the overall total costs.

In line with the Manawatu River Accord, Council continues to work with Horizons Regional Council and other stakeholders on renewal of discharge consents for the Eketahuna, Pahiatua and Woodville Wastewater treatment Plants.

Roading

The constant insecurity of slips and other events requiring closure of SH2 through the Manawatu Gorge makes the Pahiatua-Palmerston North Route Alignment a critical alternative route. With the economy being very constrained, and national reprioritisation of budgets after the tragedy in Christchurch, Council recognises it is unlikely to gain funding from NZ Transport Agency to subsidise a significant upgrade. There was \$1.794 million of work to be loan funded shown in the Community Plan which has now been deferred. The total budget for this project was \$8.897 million.

Council is putting in a lot more effort in inspections and ratings of bridges and is happy with the assumptions that have been made but will continue to monitor them. Council has also identified that in the future when certain bridges need to be replaced there will be alternative and more economical methods of replacement. For example there are new large culverts that for a number of bridge replacements would be suitable and a cheaper alternative to replacing the bridge with a similar structure.

Council has been working with the boards of TDC Holdings and Infracon to develop Statements of Intent that reflect Council's expectations and guidelines for the running of these companies. This is to improve Infracon's service on the major Roothing and other contracts it has with Council.

Water

Council has approved capital expenditure of \$1.6 million to improve the water supply at Dannevirke in the current year, and \$513,000 at Woodville is also included in 2011/12. Council has also budgeted on receiving subsidy for the work to upgrade the Eketahuna supply of \$316,000, if the subsidy does not become available Council will explore other options and opportunities to fund this work.

These funds are working towards achieving grade 'C' status water supplies. The construction of Dannevirke new 1.3 million litre impounded supply is underway and it is anticipated it will be completed by the end of 2011 and operational in 2012.

Solid Waste

Work is underway on the construction of the Dannevirke transfer station with the landfill now closed and capped. We have also closed the Pahiatua landfill and capped the site. Council is currently operating temporary transfer stations until the new sites and permanent stations are constructed. The philosophy of the transfer stations is to minimise the amount of waste transferred out to landfill. Council has reduced the number of red bins to six as per the contract and set up our own small recycle sites at Weber, Akitio and Herbertville. The level of service would still be maintained but there is a change in the way it is conducted. Substantial savings have been made as a result of these changes.

Civil Defence

Tsunami warning sirens are to be installed at Akitio and Herbertville. This is subject to Ministry of Civil Defence and Emergency Management subsidy approval. The Dannevirke Emergency Operations Centre capability is to be upgraded to include portable computers and satellite communications technology. Funding of a major civil defence awareness and resilience programme throughout the Tararua District has been included.

Rural Fire

A budget has been approved for the purchase of a new rural fire tanker subject to National Rural Fire Authority subsidy approval, and review of the District Fire Plan showing this as required. Depending on final quotes, it is intended to complete the new Herbertville Rural Fire and Civil Defence Centre. We also intend to renew components of the three existing fire attack trailers at Dannevirke, Weber and Te Uri, along with continuation of the National Rural Fire Authority subsidised fire equipment programme.

Pahiatua Main Street Playground

Council has budgeted \$100,000 for upgrading the Harvard playground to encourage visitors to stop and shop in Pahiatua. The community have raised \$14,000 with Pahiatua Ontrack providing an additional \$40,000 over the next two years. Additional community fundraising will be required and applications will be made to a number of other funding organisations to raise the approximate \$500,000 required.

Environmental Services

The five yearly review of the earthquake-prone building policy is underway. Council has budgeted \$10,000 towards making a start on assessing earthquake-prone buildings in the district. It is anticipated that further investment will be required in future years.

With the drop in the level of building activity, a retiring building officer will not be replaced this year. The future of the activity is uncertain, as the Government has proposed centralising or regionalising the building consenting process.

Proposed new wind farms and wind farms under construction, as well as monitoring existing wind farms is placing an increasing load on Environmental Staff. This is being managed with contracted planners, other advisors and combining with adjoining affected local authorities.



Roly Ellis
MAYOR



Blair King
CHIEF EXECUTIVE

Audit Report

Statement to the readers of Tararua District Council adopted amendment to the long-term council community plan on 29 June 2011, for the ten years commencing 1 July 2009

Purpose of Statement

The primary purpose of this statement is to inform readers that we have no role to report, and do not give an opinion, on Tararua District Council's (the District Council's) adopted amendment, as described on, pages 7 of the Annual Plan.

This statement informs readers about the District Council's process of amending its LTCCP for the ten years commencing 1 July 2009 and the extent, and limit, of our involvement in that process.

The District Council's process of amending its LTCCP commencing 1 July 2009 and our involvement

LTCCP adopted on 24 June 2009

The District Council adopted its LTCCP for the ten years commencing 1 July 2009 on 24 June 2009. The Auditor General appointed my predecessor, Mark Maloney, using the staff and resources of Audit New Zealand, to report on her behalf on the LTCCP adopted on that date.

We expressed a qualified opinion on the District Council's LTCCP for the ten years commencing 1 July 2009 in our report dated 24 June 2009. We considered that the LTCCP adopted on 24 June 2009 did not provide a reasonable basis for long term integrated decision making by the District Council and for participation in decision making by the public and subsequent accountability to the community about the activities of the District Council.

The District Council did not have adequate information to support the forecast expenditure and levels of service for water and waste infrastructure.

In forming our overall opinion, we reported on specific matters required by section 94(1) of the Local Government Act 2002 (the Act).

Improvement of asset management plans

Since then, the District Council has improved its information by enhancing its water and waste infrastructure asset management plans, including developing a stormwater asset management plan. The improved information in the asset management plans supports the forecast information in the 2009-19 LTCCP. We noted this in our audit report, dated 27 October 2010, on the Tararua District Council and group's financial statements and statement of service performance for the year ended 30 June 2010.

Accordingly, we are now satisfied that the 2009-19 LTCCP does provide a reasonable basis for long term integrated decision making by the District Council and for participation in decision-making by the public. Further, the forecasts and the performance framework contained in the 2009-19 LTCCP provide an appropriate basis for the meaningful assessment of the District Council's performance in the areas of water and waste.

Amendment proposed on 31 March 2010

In a Statement of Proposal dated 31 March 2010 the District Council proposed an amendment to its LTCCP for the ten years commencing 1 July 2009 to:

- sell a parcel of endowment land at Thyra Street, Dannevirke; and
- sell pensioner housing units in Norsewood, and Ormondville.

We expressed an unqualified opinion on this Statement of Proposal in our audit report dated 31 March 2010.

We considered that the information within the Statement of Proposal, about the proposed amendment to the LTCCP and any consequential amendments to the LTCCP that would be required if it was amended in the manner proposed, was fairly presented, and that the District Council had complied with the applicable requirements of the Act in preparing the Statement of Proposal.

In forming our overall opinion, we reported on specific matters required by section 84(4) of the Act.

The District Council adopted the amendment as described in the Statement of Proposal dated 31 March 2010 on 30 June 2010.

Further amendment proposed on 7 April 2011

In the Statement of Proposal dated 7 April 2011 the District Council proposed a further amendment to its LTCCP for the ten years commencing 1 July 2009 to change the allocation of roading rates as set out in its Revenue and Financing Policy.

We expressed an unqualified opinion on this Statement of Proposal in our audit report dated 19 April 2011.

We considered that the information within the Statement of Proposal, about the proposed amendment to the LTCCP and any consequential amendments to the LTCCP that would be required if it was amended in the manner proposed, was fairly presented, and that the District Council had complied with the applicable requirements of the Act in preparing the Statement of Proposal.

In forming our overall opinion, we reported on specific matters required by section 84(4) of the Act.

On 29 June 2011, the District Council adopted the proposed amendment to its LTCCP for the ten years commencing 1 July 2009 as described in the Statement of Proposal dated 7 April 2011.

Summary

The District Council has prepared the adopted amendment to reflect the amendments to the LTCCP adopted by the District Council on 24 June 2009, and any consequential amendments.

The District Council has not prepared an amended LTCCP that incorporates the amendment adopted on 29 June 2011 and the amendment adopted on 30 June 2010. Consequently, to form a view of the LTCCP of the District Council for the ten years commencing 1 July 2009, the content of the adopted amendment should be considered in conjunction with the LTCCP of the District Council adopted on 24 June 2009, and with the content of the amendment adopted on 30 June 2010.

We do not give an opinion on the District Council's adopted amendment. There is no legislative requirement for us to report on the adopted amendment by the District Council and we have not performed an audit of the adopted amendment. Consequently we have not updated our audit report that was attached to the LTCCP adopted on 24 June 2009.



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

Matters relating to the electronic presentation of the report to the readers of the Long-Term Council Community Plan

This report relates to the LTCCP of Tararua District Council for the ten years commencing 1 July 2009 which was approved by the District Council on 24 June 2009 included on Tararua District Council's web site. The Council is responsible for the maintenance and integrity of the Tararua District Council's web site. We have not been engaged to report on the integrity of the Tararua District Council's web site. We accept no responsibility for any changes that may have occurred to the LTCCP since it was initially presented on the web site.

The report refers only to the LTCCP named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the LTCCP, including the adopted amendment to the LTCCP published by the District Council and which has not been incorporated with the content of the LTCCP to which this report relates. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the LTCCP approved on 24 June 2009 and the related audit report dated 19 April 2011 to confirm the information included in the LTCCP presented on this web site.

The preparation and dissemination of the LTCCP is governed by New Zealand legislation.

Financial Overview

In this Annual Plan, or year three of the 10-year Community Plan 2009/19, the Council has tried very hard to minimise the impact of the average projected rates increases on the Community without compromising on the Council's levels of service. In order to do this the Council has had to make some changes to the timing of some of its projects, which are dependent on Government subsidy whilst others have been reviewed and re-priced. This has allowed the Council to keep the increase at 4.26% compared to a forecast increase of 6.48% in the Community Plan.

The net operating surplus is forecast at \$510,000 compared to a forecast of \$3.679 million in the Community Plan. The Annual Plan includes an increase in rates funding of 4.26%, or \$735,360, for the 2011/12 year this is 4.21%, or \$790,804, under what was budgeted in year three of the Community Plan. The main drivers for the decrease in rates from the Community Plan and the decrease in net operating surplus are:

- Increased depreciation costs of \$525,000 due to the prior year revaluations increasing the value of our assets significantly,
- Reduced operating costs (\$333,000) due to changes made in our Solid Waste operations – by closing the landfills and building the transfer stations and trucking the waste out after diverting all recyclable materials has given Council a big saving in this activity,
- Reduced personnel costs (\$124,000) as Council has found savings in this area,
- Reduced finance costs (\$52,000) as major projects have been deferred,
- Substantially reduced grants and subsidies (\$1.757 million) primarily due to the deferral of Roding projects (\$2.136 million) and in particular the Pahiatua-Palmerston North Route Alignment (\$1.524 million). Additional subsidies are expected for Water Supplies and the Emergency Management fire appliances,
- Increased fees and charges of \$218,000 from additional refuse and solid waste revenue.
- Reduced Dividend income forecast from our subsidiaries (\$211,000) and finance income (\$364,000) due to less special fund and operating revenue than forecast.

Where your rates are spent

Operating expenditure includes the day-to-day costs necessary to run the Council. The total operating expenditure for the 2011/12 financial year is expected to be \$29.373 million. This includes \$13.348 million in direct costs and overheads, \$10.688 million of depreciation, \$4.284 million in personnel costs and \$1.053 million in interest costs. Currently almost three quarters of Council operating expenditure is on the core infrastructure of Roding, Footpaths, Water Supplies, Sewerage, Solid Waste Management and Stormwater Drainage. This concentration of expenditure on Council's core infrastructure is being maintained as Council responds to legislative

and resource consent requirements to upgrade water supplies, sewerage and solid waste management infrastructure, as well as facing increasing costs to maintain the roading network.

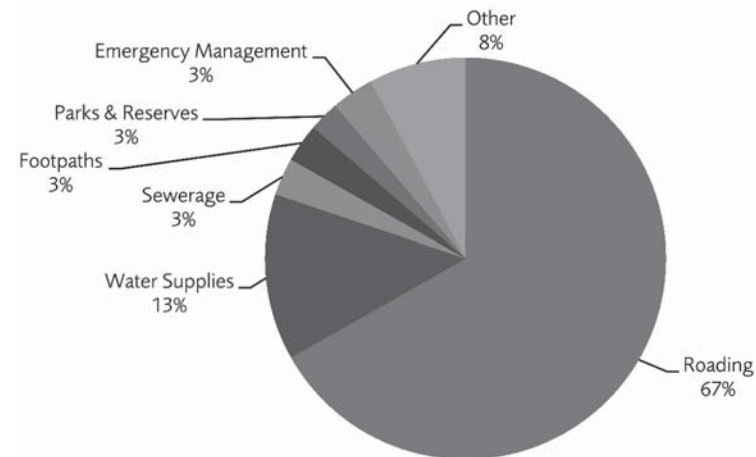
Capital Expenditure

Capital expenditure of \$2.943 million is proposed for 2011/12, compared to \$4.248 million in the Community Plan. The decrease is primarily due to the deferral of Pahiatua Track upgrade of \$1.974 million, which was forecast to receive an 85% subsidy from the government. To date we have been unable to obtain the subsidy.

Work undertaken on Solid Waste has indicated that by bringing forward the \$428,000 capital budget and building the transfer stations in 2010/2011 instead of waiting until 2011/2012 has allowed savings in annual recycling costs.

In addition, \$100,000 is proposed for the renovation of the Harvard playground and \$578,000 has been included for improving the district's water supply, including Dannevirke storage. Total budget for Water Supplies is now \$945,000.

Proportion of Capital Expenditure by Activity (\$2.94 million)

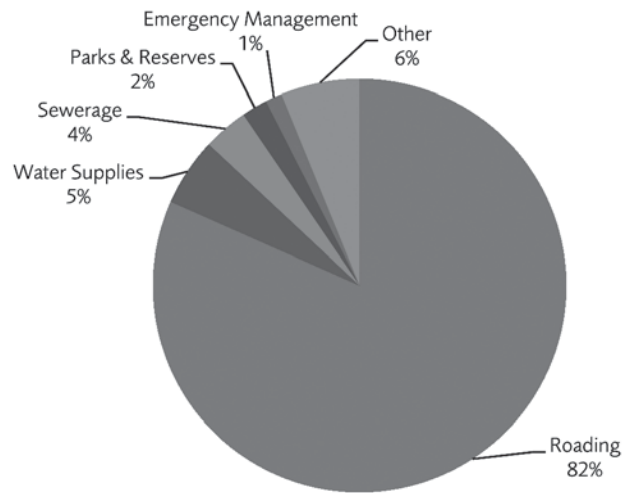


The total capital expenditure of \$2.943 million in 2011/12 will be funded from a variety of sources. These include Land Transport Subsidies (\$647,300) and loans of (\$1.226 million) with the balance coming from depreciation, rates and other available reserves.

Renewals

The total renewal programme is \$6.907 million. This is \$308,000 below the Community Plan (\$7.215 million). The main changes include reduced footpaths (\$175,000), roading (\$148,500), computer equipment (\$60,172), and \$52,000 for stormwater equipment. This is offset by increased building maintenance of \$133,000 and \$30,000 for painting the swimming pools.

Proportion of Renewal Expenditure by Activity (\$6.91 million)



The total renewal expenditure of \$6.907 million in 2011/12 will be funded from Land Transport subsidies and depreciation reserves.

Depreciation

Depreciation is an expense that reflects the ageing of an asset during that financial year, or the decline in the service that it can provide and therefore spreads the costs of the assets over their useful lives. The Council's assets are valued at over \$873 million. Council must regularly review the value of its assets and therefore revalues them on a class of asset basis to reflect the cost of replacing the assets in the future. The depreciation expense is a significant expense for Council in 2011/12 making up \$10.688 million, or 36% of the total operating expenditure. This increase was as a result of the 2009/10 asset revaluation, there was a 4% (\$434,000) increase in depreciation from the current year and an increase of \$525,000 from the Community Plan.

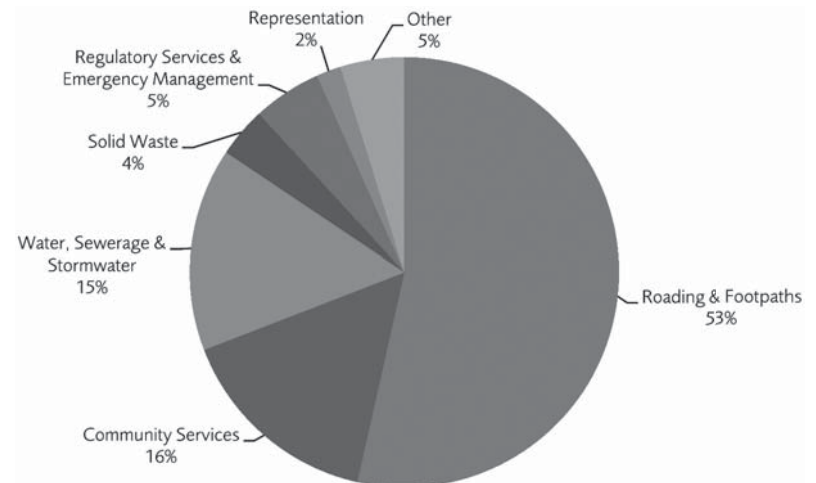
The Council funds all depreciation with the following exceptions:

- \$406,586 of roading depreciation. This exception is able to be exercised because Land Transport New Zealand subsidies are expected to help fund the road renewal works when they are undertaken.
- Depreciation that is unfunded due to the high level of funding required for the Pongaroa Water Supplies \$212,823,
- Assets which are not going to be replaced due to their temporary nature or changing circumstances to smooth the effect of the increases to building depreciation totals \$318,304.
- Depreciation that is unfunded due to the high level of funding already available to meet the renewal programme \$596,870, and
- The total amount of unfunded depreciation is \$1.534 million.

Interest and Debt Levels

Interest charges are the cost of servicing debt, with debt being raised to fund the development works programme. The Council will raise loans to fund capital expenditure when no other appropriate revenue or funding sources are available. The Council is required to fund \$2.943 million of capital development works with \$1.226 million loan funding. Council's total closing external debt is expected to be \$9.967 million at 30 June 2012. The Council has forecast its interest charges for 2011/12 to be \$1.053 million. For the purposes of forecasting external borrowing costs Council has used an interest rate of 6.55% and internal interest at 5.0%.

Operational Spending by Activity Groups (\$29.40 million)



Operating Expenditure Funding

Operating expenditure must generally be met by operating revenue in each year, to ensure that the Council's operations are sustainable and that each year's ratepayers are paying their share towards these costs. Council's net operating surplus is \$510,000. Operating revenues include such things as user charges, rates, grants and subsidies and interest received and totals \$29.883 million.

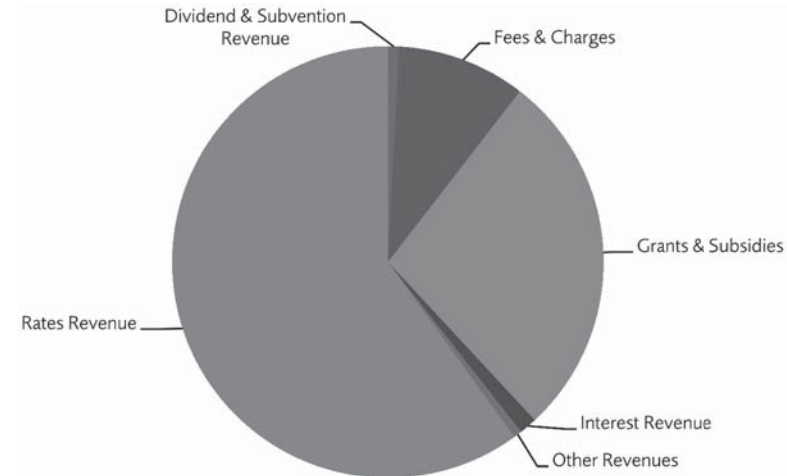
Total operational expenditure on roading activities is \$14.3 million, and Land Transport New Zealand provides significant subsidies to fund Council's roading programme. Subsidies received both on our roading operating and capital works programme attracts \$7.69 million funding from Land Transport New Zealand, and thereby reducing the amount of rates which must be levied for roading expenditure. It is for this reason that the Pahiatua-Palmerston North Alignment has been deferred pending subsidy funding, this has reduced our subsidy funding compared to what was forecast in the Community Plan by \$1.52 million. Operating surpluses are created from subsidies for capital developments, interest savings and for loan repayments. Subsidies on capital developments must be shown as revenue and then they appear within the operating surplus. The subsidies are then spent on assets in the same year as they are received, so they generate no actual cash surplus.

Council also has a policy to save the interest it earns on its special funds. This is a real cash surplus, that is then set aside for specific purposes. This is necessary to help build up funds for the replacement of assets. Revenue is needed to repay loans and result in an operating surplus.

This reflects the need for funds to pay for fixed assets, the cost of which has been spread by borrowing.

However, Council will have a deficit of funding from not funding all the depreciation expense. Council believes the current level of depreciation remains prudent.

Revenue by type (\$29.88 million)



The impact on the Rates in the Annual Plan

The Annual Plan 2011/12 overall rate requirement will impact on individual properties and groups of properties in different ways. This is as a result of a number of factors, not least being the impact of the three yearly rating valuations, which were carried out in 2008 and increased the value of rural properties substantially, the impact of this has meant that the rural ratepayers are paying overall a higher percentage 6.7% of the total rates increase of 4.26%.

The Council has decreased the Uniform Annual General Charge (UAGC), a flat rating charge paid by every property in the District, from \$627.00 in the Community Plan to \$497.73 (GST inclusive), as the Swimming Pool and Library Rate of \$142.27 has been separated out as a Uniform Targeted Rate in the Annual Plan 2011/2012. The UAGC has increased from \$425.42 in the Annual Plan 2010/2011 to \$497.73 (GST inclusive), and the Swimming Pool and Library Rate has increased from \$141.58 to \$142.27 in 2011/2012.

Because of the pending rates review the 2% reduction of the Industrial/Commercial loading has been put on hold for the 2011/2012 year.

The Council is funding the Woodville Town Centre upgrades by way of a uniform targeted rate per rating unit set differentially for the North and South Wards. Capital expenditure of \$400,000 in 2010/11 and an additional \$309,000 for the Woodville footpath is to be loan funded and will have its loan repayments and interest costs funded through these rates.

The proposed overall result sees the following average impacts on the three rating groups:

| Change in Rates by Sector (excl GST) | 2010/11 | 2011/12 | % Change |
|--------------------------------------|-------------------|-------------------|--------------|
| Rural | 9,524,572 | 10,162,344 | 6.7% |
| Urban | 6,660,405 | 6,766,629 | 1.6% |
| Industrial / Commercial | 1,078,028 | 1,069,392 | -0.8% |
| Total District Rates | 17,263,005 | 17,998,365 | 4.26% |

Rural ratepayers are faced with higher rates increases as a proportion of total rates due to the impact of property values on the general rural rate. More detail on overall rates impacts and information on each type of rate over the 10 years can be found in part 3.

| Change in Rate Charges | 2010/11 | 2011/12 | % Change |
|------------------------|-------------------|-------------------|--------------|
| General Rates | 7,296,637 | 7,360,410 | 0.9% |
| Roading | 5,911,026 | 6,699,865 | 13.3% |
| Special Loan Rates | 171,678 | 143,415 | -16.5% |
| Public Utilities | 3,883,664 | 3,794,675 | -2.3% |
| Total Rates | 17,263,005 | 17,998,365 | 4.26% |

The main drivers of the rate increase are due to the increase in the roading rate, which is a uniform targeted rate in the dollar on the rateable land value of every rating unit in the district. This is a district wide rate in the dollar because roading needs to be managed as a roading network and spreads the cost of roading amongst all ratepayers. Because this rate is based on the rateable land value and roading rates make up 37% of total rate requirement the rural ratepayers have received a larger portion of the total increase.

Prospective Capital Developments by Activities

| Activity & Description | Plan \$000's | LTCCP \$000's | Variation \$000's |
|--|-----------------|------------------|----------------------|
| Emergency Management | | | |
| Herbertville fire station | 50 | - | (50) |
| Weber fire tanker appliance | 120 | - | (120) |
| Civil defence - sirens for Akitio and Herbertville | 40 | - | (40) |
| Civil defence - Dannevirke EOC upgrade | 21 | - | (21) |
| Civil defence - New radios | 5 | - | (5) |
| Civil defence - Operations room Herbertville rural fire and civil defence centre | 10 | - | (10) |
| Total | 246 | - | (246) |

Footpaths

| | | | |
|---------------------------|------------|------------|-----------|
| New footpaths | - | 28 | 28 |
| Woodville Business Centre | 309 | 309 | - |
| Total | 309 | 337 | 28 |

Parks & Reserves

| | | | |
|---------------------------------------|------------|-----------|-------------|
| Pahiatua - Harvard playground upgrade | 100 | - | (100) |
| Develop reserve management plan | - | 21 | 21 |
| Total | 100 | 21 | (79) |

| Activity & Description | Plan \$000's | LTCCP \$000's | Variation \$000's |
|-------------------------------|-----------------|------------------|----------------------|
| Roading | | | |
| Associated improvements | 128 | 148 | 20 |
| Minor safety improvements | 813 | 906 | 93 |
| Pahiatua Track - improvements | - | 1,794 | 1,794 |
| Bridge structures | - | 105 | 105 |
| Total | 941 | 2,953 | 2,012 |

Sewerage

| | | | |
|--------------|-----------|----------|-------------|
| Telemetry | 55 | - | (55) |
| Total | 55 | - | (55) |

Solid Waste Management

| | | | |
|-----------------------------|-----------|------------|------------|
| Pahiatua Transfer Station | 10 | 108 | 98 |
| Dannevirke Transfer Station | 10 | 320 | 310 |
| Total | 20 | 428 | 408 |

Stormwater

| | | | |
|---|-----------|----------|-------------|
| Dannevirke - Mangapurupuru Stream diversion | 20 | - | (20) |
| Total | 20 | - | (20) |

Swimming Pools

| | | | |
|------------------------|-----------|----------|-------------|
| Eketahuna outdoor pool | 10 | - | (10) |
| Total | 10 | - | (10) |

Water Supplies

| | | | |
|--|-----|-----|-------|
| Eketahuna treatment plant upgrade | 316 | 316 | - |
| Telemetry | 10 | - | (10) |
| Treatment plant upgrades - Pahiatua, Akitio, Woodville, Eketahuna, and Norsewood | 518 | 51 | (467) |

| Activity & Description | Plan \$000's | LTCCP \$000's | Variation \$000's |
|--|-----------------|------------------|----------------------|
| Groundwater investigation, chlorinator, analyser, lime feeder, and zone metering | 50 | - | (50) |
| Dannevirke infiltration and water storage | 51 | - | (51) |
| Total | 945 | 367 | (578) |

Other

| | | | |
|---|-----|-----|------|
| Computer Software | 214 | 142 | (72) |
| Asset management plans - drain camera and associated software | 83 | - | (83) |

| | | | |
|-----------------------------------|--------------|--------------|--------------|
| Total | 297 | 142 | (155) |
| Total Capital Developments | 2,943 | 4,248 | 1,305 |

Prospective Capital Renewals by Activities

| Activity & Description | Plan \$000's | LTCCP \$000's | Variation \$000's |
|------------------------|-----------------|------------------|----------------------|
|------------------------|-----------------|------------------|----------------------|

Animal Control

| | | | |
|----------------|---|-----------|-----------|
| Motor vehicles | - | 24 | 24 |
| Total | | 24 | 24 |

Commercial Property

| | | | |
|--------------|-----------|-----------|---|
| Woodville | 11 | 11 | - |
| Total | 11 | 11 | |

| Activity & Description | Plan \$000's | LTCCP \$000's | Variation \$000's |
|-----------------------------|-----------------|------------------|----------------------|
| Community Buildings | | | |
| General maintenance | 4 | - | (4) |
| Dannevirke Sports Centre | 12 | 12 | - |
| Dannevirke Town Hall | - | 2 | 2 |
| Pahiatua Centennial Stadium | - | 2 | 2 |
| Total | 16 | 16 | - |

Emergency Management

| | | | |
|--|-----------|-----------|----------|
| Rural fire - Council contribution to upgrading existing rural fire response vehicles | 42 | 55 | 13 |
| Rural fire - upgrade of buildings in Herbertville | - | 3 | 3 |
| Rural fire - upgrade of buildings in Akitio | - | 3 | 3 |
| Rural fire other - mainly hoses and pumps | 43 | 12 | (31) |
| Civil defence - radio/telephones | - | 19 | 19 |
| Civil defence other | 6 | - | (6) |
| Total | 91 | 92 | 1 |

Footpaths

| | | | |
|---|----------|------------|------------|
| District - footpath renewal | - | 166 | 166 |
| District non-subsidised professional services | - | 9 | 9 |
| Total | - | 175 | 175 |

Health

| | | | |
|--|----------|-----------|-----------|
| Motor vehicle replacement - Building Control | - | 17 | 17 |
| Total | - | 17 | 17 |

Housing

| | | | |
|--------------|-----------|----------|-------------|
| Pahiatua | 10 | - | (10) |
| Total | 10 | - | (10) |

| Activity & Description | Plan \$000's | LTCCP \$000's | Variation \$000's |
|------------------------|-----------------|------------------|----------------------|
| Libraries | | | |
| Library books | 100 | 121 | 21 |
| Building and furniture | 10 | 12 | 2 |
| Total | 110 | 133 | 23 |

Parks & Reserves

| | | | |
|----------------------|------------|----------|--------------|
| Dannevirke Domain | 57 | - | (57) |
| Building maintenance | 83 | 7 | (76) |
| Total | 140 | 7 | (133) |

Public Conveniences

| | | | |
|--|-----------|-----------|----------|
| Resurface three toilet floors | 9 | 4 | (5) |
| Replace hand dryers and other renewals | 4 | 9 | 5 |
| Total | 13 | 13 | - |

Roading

| | | | |
|---|--------------|--------------|------------|
| Pavement rehabilitation | 1,755 | 1,740 | (15) |
| Sealing road resurfacing | 2,390 | 2,426 | 36 |
| Traffic services | 88 | 127 | 39 |
| Drainage renewal and structures maintenance | 480 | 475 | (5) |
| Unsealed road metalling - heavy metal overlay | 583 | 791 | 208 |
| Bridge renewals | 250 | 53 | (197) |
| Motor vehicles replacement | - | 85 | 85 |
| Other | 93 | 90 | (3) |
| Total | 5,639 | 5,787 | 148 |

Sewerage

| | | | |
|------------------------------|------------|------------|----------|
| Ormondville pump replacement | - | 5 | 5 |
| Manhole replacements | 5 | 5 | - |
| Sewer pump replacement | 2 | 2 | - |
| Mains replacement | 235 | 235 | - |
| Total | 242 | 247 | 5 |

| Activity & Description | Plan \$000's | LTCCP \$000's | Variation \$000's |
|--|-----------------|------------------|----------------------|
| Stormwater | | | |
| Dannevirke - High Street refurbishment | 55 | 36 | (19) |
| Total | 55 | 36 | (19) |
| Swimming Pools | | | |
| Pahiatua outdoor pool | 12 | 3 | (9) |
| Woodville outdoor pool | 13 | 2 | (11) |
| Eketahuna outdoor pool | 13 | 3 | (10) |
| Total | 38 | 8 | (30) |
| Water Supplies | | | |
| Mains replacement | 268 | 268 | - |
| Chlorinator | 32 | 32 | - |
| Chlorinator analyser | 70 | 38 | (32) |
| Lime feeder | | 32 | 32 |
| Pumps | | 3 | 3 |
| Total | 370 | 373 | 3 |
| Other | | | |
| Computer Hardware | 116 | 116 | - |
| Computer Software | 22 | 82 | 60 |
| Fibre | 3 | 3 | - |
| Administration Buildings | 1 | 23 | 22 |
| Plant, equipment & furniture | 30 | 52 | 22 |
| Total | 172 | 276 | 104 |
| Total Capital Renewals | 6,907 | 6,926 | 191 |

Oil Prices

Tararua District has a comparably large roading network to low population. It is the single biggest activity of Council, and is particularly susceptible to oil and energy price shocks, being a consumer of diesel for materials (e.g. plastic pipes), construction and transport, and bitumen for roads and footpaths.

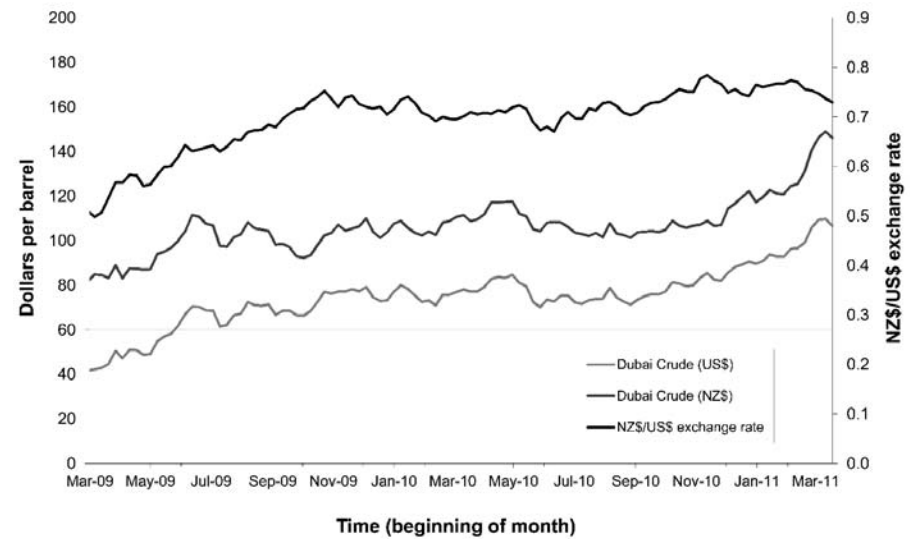
The International Energy Agency has forecast international demand to exceed supply increases. According to Shell Global, this is already underway. However, political unrest, natural disasters, volatility in western economies and exchange rate fluctuations can have a short-term masking effect. In part oil prices are behind the BERL New Zealand October 2010 report that is forecasting council average inflation to exceed the CPI by close to 50% per annum for the next 10 years.

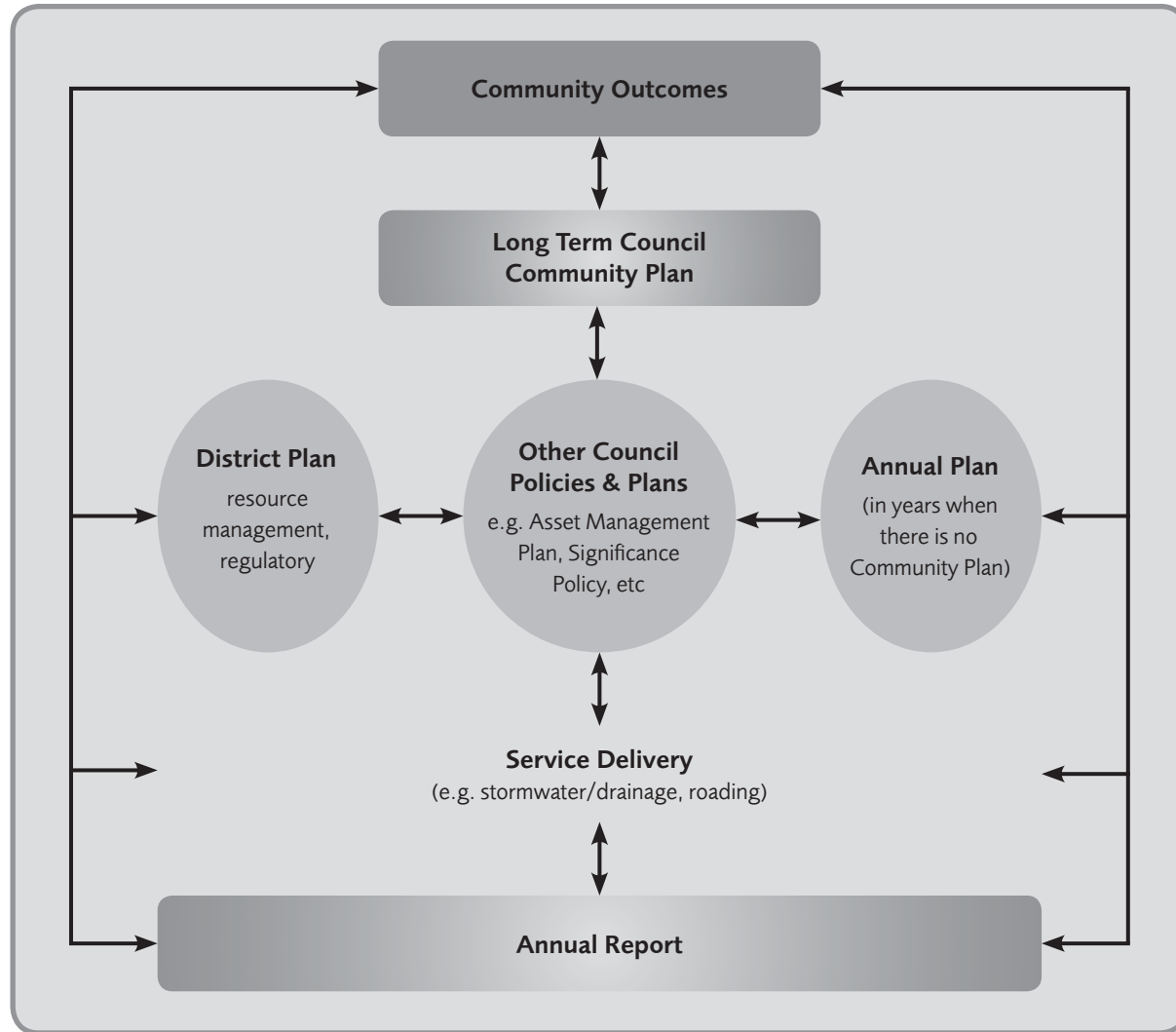
This all means further fuel price rises for New Zealand are likely over the coming year.

Considering the volatility in the market with the crippling natural disasters, and an unpredictable exchange rate, one can only hope that any future fuel price increases are only modest.

The following graph from the Ministry of Economic Development indicates the variability that has been experienced over the past few years in oil and exchange rates.

Weekly Average Dubai Crude and NZ Exchange Rate





Linkages between Council Policies and Plans

The Community Plan is for a period of ten years and is reviewed and published every three years,

A Community Plan is also the Annual Plan in any year in which it is published. An Annual Plan will be published in the alternate two years of the three-year cycle.

This document is the Annual Plan 2011/12, and is year three of the Community Plan.

This diagram shows the linkages between Council's plans and policies.

Community Outcomes

What are Community Outcomes?

Community outcomes are high level statements that describe the kind of society, community, environment and economy that the people of Tararua want to live in. They are the things the community think are important for its wellbeing. Community outcomes are identified by the community and belong to the community.

Under the Local Government Act 2002, local authorities are required to assist their communities in identifying community outcomes at least once every six years.

Identifying community outcomes helps to:

- Clarify what the community really wants
- Stimulate debate about local needs and priorities in terms of present and future wellbeing
- Inform and guide the setting of priorities for the activities of Council, central government agencies and community organisations
- Get organisations working together and forming partnerships
- Provide the basis for monitoring the community's progress towards achieving desired outcomes

Community Outcomes Belonging to the People of Tararua

These are the community outcomes identified and belonging to the people of Tararua.

Social Wellbeing



1. A safe community

- A community free from crime, violence, abuse or harm.



2. Access to local services

- Access to local hospital and health services, education and training programmes, telecommunication, public transport, childcare, retail and banking services that meet the needs of the community.



Economic Wellbeing

3. A high standard of infrastructure

- A transport network that provides for the safe and convenient movement of people and goods.
- Attractive, well maintained towns and public amenities that our community is proud of.



4. A strong, prosperous economy

- A vibrant, prosperous economy that creates employment opportunities, and supports business development, productive land use, tourism and community initiatives.
- A district that attracts visitors, and attracts and retains residents.



Environmental Wellbeing

5. A sustainable natural environment

- Effective and efficient waste management for sustainability of our natural environment.
- A natural environment that is protected, preserved and enhanced for present and future generations.



Cultural Wellbeing

6. A connected community

- A community that has access to and participates in sport, recreation and social activities.
- Our community has a greater say in the issues that affect them, and their wishes and needs are listened to.
- Our community's culture and heritage is celebrated and preserved for future generations.
- Arts and culture are supported by the community.

Statements 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, civil defence, city marketing, regulatory (bylaws), parks and reserves, libraries, swimming pools and customer services.

We have 22 Activities. The rest of this section of the plan explains what we are doing in each activity, and on average, what it will cost ratepayers. The information covers our plans for the next year, and is compared to year two of the Community Plan.

Explanation of Activity Pages

- Service level provided – indicates whether Council is considering changing the current level of service.
- Percentage paid by rates – shows the current proportion of operating expenditure for an activity that is funded by rates. The balance comes from fees and charges, grants or other sources.
- Key Issues - highlights issues that may be of concern to the community.
- Contribution to Community Outcomes – shows the level of contribution towards achieving the community outcomes.

The symbols are explained on the following page.

List of Activities

| | |
|--|-----|
| Animal Control | 25 |
| Cemeteries | 30 |
| Commercial Property | 35 |
| Community Buildings | 40 |
| Community Support | 45 |
| District Promotion & Development | 50 |
| Emergency Management | 55 |
| Footpaths..... | 61 |
| Health and Safety..... | 66 |
| Housing..... | 71 |
| Libraries..... | 76 |
| Parks & Reserves..... | 81 |
| Public Conveniences | 87 |
| Representation | 92 |
| Resource Management..... | 96 |
| Roading..... | 101 |
| Service Centres | 108 |
| Sewerage..... | 113 |
| Solid Waste Management | 119 |
| Stormwater Drainage..... | 125 |
| Swimming Pools..... | 130 |
| Water Supplies | 135 |

Community Outcomes – How They Relate to Council Services

Operational Funding

| Services | Outcome A Safe Community | Outcome A High Standard of Infrastructure | Outcome Access to Local Services | Outcome Sustainable Natural Environment | Outcome Strong Prosperous Economy | Outcome A Connected Community |
|----------------------------------|-----------------------------|---|-------------------------------------|---|---|----------------------------------|
| Animal Control | ● | | ■ | | | △ |
| Cemeteries | ● | ■ | ■ | | | △ |
| Commercial Property | | ■ | | | ● | |
| Community Buildings | | | ■ | | | ■ |
| Community Support | ■ | | ■ | △ | △ | ● |
| District Promotion & Development | | | △ | ■ | ● | △ |
| Emergency Management | ● | | | ■ | | |
| Footpaths - Urban | ● | ● | △ | | △ | ■ |
| Health Control & Safety | ● | | △ | ■ | ■ | ■ |
| Housing | ■ | | ● | | △ | △ |
| Libraries | | | ● | | | ■ |
| Parks and Reserves | ■ | ■ | ● | △ | ■ | ● |
| Public Conveniences | ● | | ● | ■ | △ | △ |
| Representation | ■ | ● | ■ | ● | ■ | ● |
| Resource Management | ■ | | ■ | ● | ■ | △ |
| Roading | ■ | ● | ● | △ | ■ | ● |
| Service Centres | | | ■ | | △ | ■ |
| Sewerage | ● | ● | △ | ● | ■ | △ |
| Solid Waste Management | ● | △ | ● | ● | ■ | △ |
| Stormwater | ■ | ● | | △ | △ | |
| Swimming Pools | ■ | △ | ● | | △ | ■ |
| Water Supplies | ● | ● | ● | ● | ■ | △ |




Key: Strongly Related ● Related ■ Partially Related △

Animal Control

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

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 7% | | |

- Key Issues**
1. 10% increase in fees anticipated
 2. Providing dog exercise areas in urban areas
 3. Further legislative changes

| | Contribution to Community Outcomes | | |
|--------------------------|---|---|---|
| |  |  |  |
| | Safer Community | Local Services | Connected Community |
| Strongly Related | ✓ | | |
| Related | | ✓ | |
| Partially Related | | | ✓ |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 15 | 10 | 8 | 16 | (8) |
| Fees & Charges | 176 | 193 | 193 | 195 | (2) |
| Miscellaneous Revenue | 2 | 3 | 1 | 2 | (1) |
| | 193 | 206 | 202 | 213 | (11) |
| Expenses | | | | | |
| After hours dog control - providing a district-wide capability to respond 24/7 | 11 | 11 | 48 | 12 | 36 |
| Maintain database of all registered dogs | 9 | 10 | 41 | 10 | 31 |
| Monitor and enforce capability to respond to all incidents so as to prevent harm | 133 | 149 | 93 | 151 | (58) |
| Education in schools to encourage child safety around dogs | 6 | 6 | - | 6 | (6) |
| 24 hour stock control to prevent incidents from wandering stock | 11 | 12 | - | 12 | (12) |
| Depreciation | 18 | 18 | 18 | 22 | (4) |
| Interest | - | - | 1 | - | 1 |
| | 188 | 206 | 202 | 213 | (11) |
| Operating Surplus/(Deficit) | 5 | - | - | - | - |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| Pahiatua - new dog pound | - | 62 | - | - | - |
| Capital Renewals | | | | | |
| Motor vehicles | - | - | - | 24 | (24) |
| | - | 62 | - | 24 | (24) |
| Debt (Increase)/Decrease | | | | | |
| Debt Raised | | (62) | | | |
| Debt Repayments | | | 4 | | 4 |
| | | (62) | 4 | | 4 |
| Net Transfer to/(from) Reserves | | 18 | (4) | (2) | (2) |

Animal Control

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

Animal control activities provide the capacity to respond to instances of dogs or wandering stock causing nuisance, the facilities to impound animals and the capacity to enforce statutory requirements and bylaws to increase safety in our community.

The activity also maintains a database of all registered dogs and collects licence fees. In addition, Council works with schools to educate children in responsible dog ownership and safety around dogs to prevent future incidents.

Council provides this because...

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

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

Under the Impounding Act the Council is required to maintain a stock pound and appoint a pound keeper. It is obliged to accept stock tendered for impounding, so that residents have access to local services.

Key Issues and Risks

- Safety issues relating to dogs have led to new rules such as micro-chipping and may lead to further legislative change in the future.
- Meeting the needs of dog owners for dog exercise areas in urban areas will continue to be an issue that needs addressing.

What is the service?

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

Significant Negative Effects

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

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (for the financial year) | | | |
|--|--|----------|--|---------|---------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. Council maintains a database of registered dogs within the district | | | | | | |
| A safe community – protecting public and animal health and safety by keeping a register of dogs and their owners. | Percentage of known dogs registered each year. | 97% | 99% | 99% | 99% | 99% |
| 2. Council maintains stock ranging service | | | | | | |
| A safe community – protecting public health and safety and preventing nuisance by prompt response to incidents, including impounding animals causing threat or nuisance. | Maintaining a 24/7 dog and stock ranging service to ensure a response time of less than 2 hours for serious dog attacks. | 95% | 99% | 99% | 99% | 99% |
| | At least 65% of residents rate dog control as "quite satisfactory" or "very satisfactory" in community surveys to be conducted in 2011, 2014 and 2017. | 65% | | | 70% | 70% |
| 3. Dog owner education programme | | | | | | |
| A safe community – by promoting responsible dog ownership through public education. | Education programmes at schools completed. | 6 | 6 | 6 | 6 | 6 |
| | Media items on dog ownership published. | 3 | 3 | 3 | 3 | 3 |
| | Reducing the number of dog-related complaints. | 572 | 539 | 528 | 528 | 528 |

Maintenance and Operating Issues

There is a gradual decline in the number of dogs in the district, while the public continue to expect a high level of service. This has an effect on the level of the dog registration fee and rate contribution to the activity.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Future Demand

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

In response to public pressure, the Government can amend existing legislation, or introduce new legislation or policies that affect how we go about our business.

Assumptions

That the services will continue to be provided at the existing level and within the provisions of the existing legislation.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reasons for Selection

User fees and charges 93%

Rates 7%

Why is it funded this way?

The Council feels that the majority of the costs for this activity should be borne by dog owners, as it is the existence of dogs in the community that gives rise to the need to carry out this activity.

Capital expenditure

Reserves 100%

Cemeteries



Aim – to provide burial facilities that are safe and attractive memorial areas.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 75% | | |

Key Issues

1. Ensuring sufficient development to meet capacity needs
2. Meeting changing expectations e.g. columbarium wall for ashes, natural burials

Contribution to Community Outcomes

| |  |  |  |  |
|--------------------------|---|---|---|---|
| | Safer Community | Infrastructure | Local Services | Connected Community |
| Strongly Related | ✓ | | | |
| Related | | ✓ | ✓ | ✓ |
| Partially Related | | | | |

| Costs of Council (\$'000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 198 | 208 | 228 | 216 | 12 |
| Subsidies | 5 | 5 | 5 | 6 | (1) |
| Fees & Charges | 60 | 67 | 67 | 68 | (1) |
| Interest Revenue | 3 | 1 | 1 | | 1 |
| | 266 | 281 | 300 | 290 | 10 |
| Expenses | | | | | |
| Dannevirke Rural | 30 | 37 | 37 | 37 | |
| Dannevirke Urban | 80 | 96 | 101 | 97 | 4 |
| Eketahuna | 34 | 42 | 42 | 41 | 1 |
| Pahiatua | 43 | 51 | 51 | 52 | (1) |
| Woodville | 33 | 39 | 40 | 40 | () |
| Depreciation | 27 | 26 | 27 | 22 | 5 |
| Interest | 2 | 2 | 2 | 2 | |
| | 249 | 293 | 300 | 291 | 9 |
| Operating Surplus/(Deficit) | 17 | (12) | - | (1) | 1 |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| Memorial restoration | 7 | - | - | - | - |
| Eketahuna - new berms | 2 | 3 | - | - | - |
| Pahiatua - develop new area | - | 31 | - | - | - |
| Pahiatua - new berms | 5 | - | - | - | - |
| Woodville - new berms | 3 | - | - | - | - |
| Dannevirke urban - new berms | - | 3 | - | - | - |
| | 16 | 37 | - | - | - |
| Debt (Increase)/Decrease | | | | | |
| Debt Raised | (7) | - | - | - | - |
| Debt Repayments | 6 | 6 | 6 | 6 | - |
| | (1) | 6 | 6 | 6 | - |
| Net Transfer to/(from) Reserves | (7) | (29) | (6) | 15 | (21) |

Cemeteries

Aim – to provide burial facilities that are safe and attractive memorial areas.

A number of cemeteries are located in various towns within the Tararua district. Most of the cemeteries are in Council ownership with a few owned by the Crown and vested in the Council. All of the cemeteries are managed by the Asset Management division of the Council and maintenance is contracted out.

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

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

Council provides this because...

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

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

There is a link to heritage activity due to some historically significant cemeteries forming an important part of our identity as a community.

Key Issues and Risks

- Dannevirke and Pahiatua Cemeteries will reach full capacity in the near future. Both cemeteries have land available for extensions.
- Dannevirke – drainage work has been programmed for the 2012/13 year and further development of the area in 2013/14 and 2014/15.
- Pahiatua – development has been programmed for 2011/12.

What is the service?

1. People can be buried in a cemetery in each community area.
2. The cemetery is well maintained.
3. Accurate records are maintained.

Significant Negative Effects

An unfortunate but real impact of burials is damage to the environment. In planning for cemeteries, the soil type and nature of land needs to be carefully assessed to ensure any run-off will not cause public health problems.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|-------------------------------|----------------|------------|
| Dannevirke – develop new area | \$40,000 | 2012/13 |
| | \$30,000 | 2013/14 |
| | \$31,000 | 2014/15 |
| Berms district wide | \$41,000 | 2009-19 |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|---|--|----------------|--|---------|---------|---------------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15– 2018/19 |
| 1. Council maintains cemeteries within the district | | | | | | |
| A high standard of infrastructure – cemetery grounds are maintained to a high standard. | At least 70% (with a higher baseline of 76%) of the residents rate cemeteries as “fairly satisfactory” or “very satisfactory” in the community surveys in 2011, 2014 and 2017. | 76% | | 76% | 76% | 76% |
| Access to local services. | Plots are available for next 12 months based on historical (previous 2 years) user data. | 100% | 100% | 100% | 100% | 100% |
| 2. Council provides accurate burial records | | | | | | |
| An accurate register of names and locations of deceased people interred in burial plots, which can be obtained by contacting any Council service centres. | 100% accuracy of burial records based on number of complaints received each year. | 1 complaint | 0 | 0 | 0 | 0 |

Maintenance and Operating Issues

Regular monitoring will be undertaken to ensure there is a sufficient number of cemetery plots available to meet future demand. The assessment will be based on the Council's data on current and past consumption rates.

Managing changes in demand and consumption of services will be achieved through developing cemetery land reserves as required.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Future Demand

The district mortality rate is predicted to continue at the present rate. Dannevirke has sufficient land in reserve for burials for the next 50-100 years and Pahiatua for the next 30 years at least. Capacity in the smaller cemeteries is even greater. However, it will be necessary to develop the Dannevirke cemetery for burials in approximately 5-10 years and sooner in Pahiatua.

Generally, burial numbers are fairly static due to the growing demand for cremation, but there is a growing demand for natural burials which will need investigation.

Future demand is calculated by the Council's Community Assets Manager. The life span of each cemetery is estimated by comparing the number of plots that can be used and dividing this total by the average sales figure over the last three years.

Assumptions

Future demand for burials will be similar to current trends.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reasons for Selection

| | |
|-----------------------|-----|
| User fees and charges | 25% |
| Rates | 75% |

Why is it funded this way?

There is a large element of private benefit to the families of the deceased, and to people researching family history who require much effort from Council staff in searching records.



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

Commercial Property

Aim – this involves managing property assets to obtain the best return for ratepayers. To divest properties as the opportunities arise.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 0% | | |

- Key Issues**
1. Obtain market rental
 2. Divest surplus properties
 3. Vacancies

| Contribution to Community Outcomes | |
|------------------------------------|--|
| |  Prosperous Economy  Infrastructure |
| Strongly Related | ✓ |
| Related | ✓ |
| Partially Related | |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | (67) | (30) | (13) | (64) | 51 |
| Fees & Charges | 134 | 122 | 122 | 131 | (9) |
| Miscellaneous Revenue | - | - | - | - | - |
| | 67 | 92 | 109 | 67 | 42 |
| Expenses | | | | | |
| Building maintenance management and upkeep | 79 | 75 | 108 | 69 | 39 |
| Depreciation | 39 | 39 | 25 | 28 | (3) |
| Interest | - | - | - | - | - |
| | 118 | 114 | 132 | 97 | 35 |
| Operating Surplus/(Deficit) | (51) | (22) | (23) | (30) | 7 |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Renewals | | | | | |
| Woodville depot new entranceway | - | - | 11 | 11 | - |
| Dannevirke aerodrome drive resealed | - | - | - | - | - |
| | - | - | 11 | 11 | - |
| Net Transfer to/(from) Reserves | (1) | 17 | (34) | (13) | (21) |

Commercial Property

Aim – this involves managing property assets to obtain the best return for ratepayers. To divest properties as the opportunities arise.

Council has a number of commercial buildings throughout the district. They include the depots at Dannevirke, Tahoraiti and Woodville, the aerodrome at Dannevirke and leased lands district wide.

Council provides this because...

These properties were acquired at the time of amalgamation when Tararua District Council was first formed and make a financial return to Council.

Council continues to own the depots in Dannevirke, Tahoraiti and Woodville to support Infracon Tararua – a Council Controlled Trading Organisation (CCTO).

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

The aerodrome is maintained for use by commercial and private operators to ensure a lower cost to patrons compared to flying from Feilding aerodrome or similar.

Key Issues and Risks

- The tenants may vacate the premises, without an alternative tenant needing the site.
- Need to obtain market rentals.
- The low rent on the rural bus depot in Dannevirke means this will be considered for sale over the next 10 years.

What is the service?

1. Maintain depots for our CCTO and rural bus service.
2. Maintain aerodrome for commercial/private uses.
3. Lease or sell any surplus reserve land, depending on Local Government Act 2002, and potential future uses for that land.

Significant Negative Effects

None.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|---|----------------|------------|
| Woodville – install new entranceway | \$11,000 | 2011/12 |
| Woodville – replace roof on office building | \$12,000 | 2014/15 |
| Woodville – replace shed roof | \$18,000 | 2018/19 |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|---|--|----------|--|---------|---------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. Council leases property assets to receive a financial return on capital | | | | | | |
| <ul style="list-style-type: none"> A high standard of infrastructure – maintaining commercial properties to an acceptable standard. | Achieving 95% occupancy of commercial buildings each year. | 95% | 95% | 95% | 95% | 95% |
| <ul style="list-style-type: none"> A strong prosperous economy – leasing surplus property to other organisations for which a return in investment is received. | Achieving 5% net operating surplus each year. | 5% | 5% | 5% | 5% | 5% |

Maintenance and Operating Issues

The majority of commercially viable properties have been sold. Older buildings such as the Tararua Rooding Depots, and Rural Bus Depot are likely to require costly maintenance to be carried out in the future.

How Changes in Demand and Consumption of Services will be Assessed and Managed

By community and commercial feedback.

Future Demand

Status quo but the intention is to sell surplus properties, with proceeds used to offset debt incurred in providing capital infrastructure around the district.

Assumptions

Status quo for budgeting purposes, but the intention is to sell properties when the opportunity arises.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reason for Selection

User fees and charges 105% (profit making)

Why is it funded this way?

The main beneficiaries are the lessees. The community expects that these buildings will be self-funding and there is a Council policy that they should be. Rents are, therefore, set on a market basis. Although there is a benefit to the district as a whole, this is in the value of the buildings as a capital asset i.e. the value will be realised if and when any commercial buildings are sold.

The main beneficiaries of the Aerodrome are users of the runways and facilities (private pilots, commercial users, Dannevirke Flying Club, army), and the farmers who lease the adjacent land. There is some prestige benefit to the Dannevirke community and to a lesser extent the whole district by having this facility.

Commercial Properties will be required to make a small net operating surplus of 5% per annum and this will be used to offset the general rates.

A number of building costs have been reallocated to community buildings that previously had a high cost. With their removal the policy will be reviewed with a likely increase in expected return. Rentals are set on a commercial basis for the remaining properties.

Community Buildings



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

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 90% | | |

Key Issues

1. Safe buildings (earthquake)
2. Accessibility to the public (wheel chair)
3. Occupancy rates
4. Provision of alternative venues

Contribution to Community Outcomes

| |  Connected Community |  Local Services |
|--------------------------|--|---|
| Strongly Related | | |
| Related | ✓ | ✓ |
| Partially Related | | |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 482 | 557 | 756 | 605 | 151 |
| Fees & Charges | 49 | 37 | 37 | 38 | (1) |
| Miscellaneous Revenue | | 1 | 1 | 1 | |
| | 531 | 595 | 795 | 644 | 151 |
| Expenses | | | | | |
| Facility Management - upkeep of grounds and buildings to encourage use | 305 | 316 | 390 | 334 | 56 |
| Facility repainting | | 60 | 76 | 65 | 11 |
| Depreciation | 331 | 328 | 333 | 312 | 21 |
| Interest | 20 | 25 | 18 | 18 | |
| | 656 | 729 | 817 | 729 | 88 |
| Operating Surplus/(Deficit) | (125) | (134) | (23) | (85) | 62 |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Renewals | | | | | |
| General maintenance | - | - | 4 | - | 4 |
| Dannevirke Sports Centre | - | - | 12 | 12 | - |
| Dannevirke Town Hall | - | - | - | 2 | (2) |
| Pahiatua Centennial Stadium | - | - | - | 2 | (2) |
| Economic Community Centre | - | 5 | - | - | - |
| | - | 5 | 16 | 16 | - |
| Debt (Increase)/Decrease | | | | | |
| Debt raised | - | - | - | - | - |
| Debt repayments | 26 | 26 | 26 | 26 | - |
| | 26 | 26 | 26 | 26 | - |
| Net Transfer to/(from) Reserves | (52) | 162 | (65) | 185 | (250) |

Community Buildings

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

Council has inherited a range of community buildings from previous local authorities including town halls, community centres and sports centres. There are 12 buildings in total throughout the main centres plus one in Pongaroa.

These facilities are used for social and sporting events and, to a lesser extent, meetings.

The Carnegie Centre is awaiting further earthquake assessment before a decision can be made on its future as required under the Building Act 2004.

Council is responsible for all the maintenance on these buildings as well as the cleaning, energy, rates and insurance.

Council provides this because...

Halls in the past have provided a venue for social, cultural, recreational and educational users. Some of the halls serve as a memorial to recognise our communities' achievements. There is a strong sense of community ownership in each facility and, as the community needs have changed, the halls have become multi-functional to widen their usage.

Key Issues and Risks

- Usage has been impacted by the provision of alternative venues.
- Falling occupancy rates for some buildings is a concern.
- The Carnegie Centre has been defined as earthquake prone under the Building Act 2004.

- The Dannevirke Town Hall Concert Chamber has no wheel chair access.
- Pongaroa Community Hall has no accessible toilet.

What is the service?

1. People have access to a hall either in the local community or one in the main centres in the District.
2. The halls are available when people want to book them.
3. The halls are well maintained.

Significant Negative Effects

None have been identified.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|--|----------------|------------|
| Dannevirke Town Hall – install lift to concert chamber | \$20,000 | 2014/15 |
| Pongaroa Community Hall – install accessible toilet | \$12,000 | 2012/13 |
| Renewals | | |
| Renewals all halls | \$105,000 | 2009-19 |
| Dannevirke Sports Centre – floor refurbishment | \$12,000 | 2011/12 |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|--|---|------------|--|------------|------------|---------------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15– 2018/19 |
| 1. People have access to a hall either in a local community or in one of the main centres in the district | | | | | | |
| Access to local services – public having access to hall facilities helps achieve healthy, cohesive and supportive communities. | Occupancy rates are monitored to ensure maximum use of facilities are maintained. Aim to encourage usage of facilities. | 2122 hours | 2122 hours | 2122 hours | 2122 hours | 2122 hours |
| 2. The halls are well maintained | | | | | | |
| A connected community – well maintained hall facilities that are available to book for public usage and cater for the District's communal needs. | At least 90% (with a higher baseline of 91%) of residents rate community buildings as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014 and 2017. | 91% | | 91% | 91% | 91% |

How Changes in Demand and Consumption of Services will be Assessed and Managed

Monthly statistics are gathered to monitor the hireage rates of the facilities and usage by the groups.

Future Demand

Demand may decrease in some areas especially rural. Alternatively if a community trust group comes up with a sound proposal to encourage more sports groups in any area then usage of a particular facility may increase e.g. Pahiatua sports complex.

Assumptions

That the current level of service and usage will remain at the present level.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|-----------------------|-----|
| User fees and charges | 10% |
| Rates | 90% |

Why is it funded this way?

Local communities are provided with facilities for social and recreational use. Much of the benefit is to private users, i.e. the people and organisations who hire the halls, and the people who attend functions in the halls. There is also a public benefit in having halls available, particularly for those communities within the district which already have one. People prefer to use halls in their own areas, so there is a localised benefit. However it is noted that the halls are used by people from the outlying areas as well as those in the towns and it is considered that the whole district benefits from these halls.

Community Support






Aim – supporting communities to support themselves.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 100% | | |

Key Issues

1. Meeting increasing needs for community groups.

Contribution to Community Outcomes

| |  Connected Community |  Safer Community |  Local Services |  Sustainable Environment |  Prosperous Economy |
|--------------------------|---|---|--|---|--|
| Strongly Related | ✓ | | | | |
| Related | | ✓ | ✓ | | |
| Partially Related | | | | ✓ | ✓ |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 314 | 354 | 287 | 345 | (58) |
| Fees & Charges | 3 | 2 | 1 | 1 | - |
| Interest Revenue | 9 | - | - | - | - |
| Miscellaneous Revenue | 11 | 1 | 1 | 1 | () |
| | 337 | 357 | 289 | 347 | (58) |
| Expenses | | | | | |
| Sports & recreation | 88 | 96 | 73 | 78 | (5) |
| Eketahuna Money Exchange | 5 | 6 | 5 | 5 | - |
| Main street amenity lighting non- subsidised | 21 | 23 | 19 | 20 | (1) |
| Rapid numbering project | 4 | 4 | 4 | 4 | - |
| Community grants | 14 | 14 | 36 | 12 | (24) |
| Information centres (5) | 96 | 106 | 85 | 90 | (5) |
| Community board & committees discretionary | 68 | 75 | 64 | 63 | (1) |
| Main street committees (3) | 20 | 22 | 19 | 25 | (6) |
| Depreciation | 11 | 10 | 9 | 10 | (1) |
| Interest | - | - | - | - | - |
| | 327 | 356 | 314 | 307 | (7) |
| Operating Surplus/(Deficit) | 10 | 1 | (25) | 40 | (40) |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|

Additional Information

| | | | | | |
|---------------------------------|---|----|------|----|------|
| Net Transfer to/(from) Reserves | 6 | 10 | (25) | 50 | (75) |
|---------------------------------|---|----|------|----|------|

Community Support

Aim – supporting communities to support themselves.

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

Youth advocacy is a key support role that Council acknowledges is important for the future of Tararua communities. Council supports the organisation of Tararua Community Youth Services Incorporated by providing leadership and advocacy at central government levels to ensure Tararua gets its share of social development funding.

Council supports the goal of the Mayor's taskforce that all young people under the age of 25 should be engaged in appropriate education, training, work or other options, which will lead to long term economic independence and well-being.

Sport & Recreation is part of our social design and Tararua provides a wonderful playground for such activity. Council provides a coordinator through a contract with Sport Manawatu.

Information Centres provide visitors and locals with a wealth of knowledge and information about the district.

The Dannevirke and Eketahuna Community Boards, and the Woodville and Pahiatua Community Committees provide local community leadership on issues directly related to their areas. The discretionary funds help assist the communities to support local initiatives.

Local Mainstreet organisations are funded to identify and implement projects that will help promote their central business area to the public.

Council provides this because...

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

Key Issues and Risks

- Local government may be expected to fill large gaps in community funding.
- The trend of diminishing numbers of volunteers will continue.

What is the service?

- Coordinating Sports & Recreation activity.
- Community organisation support.
- Local community funding assistance.
- Provision of Information Centres.

Significant Negative Effects

There are no significant negative effects.

Major Projects Planned

Stage 3 of the development of Pukaha Mount Bruce was supported with a grant of \$25,000.

Pahiatua On Track is seeking funding from Council for Harvard Park in Pahiatua. The proposal is to provide \$100,000 in the Parks and Reserves activity.

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|---|--|----------|--|---------|---------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. Providing assistance to organisations, facilities and services that support the community | | | | | | |
| A connected community – providing assistance where identified by the community for the community. | At least 70% of residents rate Council's involvement in community support as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014 and 2017. | 70% | 70% | | 75% | 75% |

Maintenance and Operating Issues

There are no fixed assets employed, therefore no maintenance issues arise.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Demand for community support is expected to continue and increase due to a decreasing pool of volunteers.

Assessments will be made three yearly, at Community Plan review time, based on current trends and on the level of demand.

Individual requests for grants are able to be assessed in the intervening periods as required.

The level of benefit to the community will be assessed as part of the review, and if the benefit is seen to be decreasing then the level of support will be reviewed (downwards).

Council is actively seeking alternative funding for parts of this activity from various external sources, including central government. Organisations are encouraged to seek alternative sources of funding, rather than relying on Council grants.

Future Demand

There will always be a demand for Council support, both financially and physically.

More and more organisations are turning to Council to fill gaps in their finances as alternative sources dry up or are not renewed.

Volunteers are becoming scarce, forcing organisations to pay for people to perform work that was previously done by enthusiastic volunteers.

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

There is increasing demand for Council to provide administrative support (accounting, secretarial, legal, compliance) in order that organisations can concentrate their efforts on the tasks that they are tasked to do, rather than be burdened with compliance issues.

Assumptions

All recipients of support are legally constituted organisations such as a Charitable Trust or an Incorporated Society.

The recipients will comply with the Council's Policy on Accountability for Council Grants.

Council will continue to support particular groups at current levels.

Recipients will be honest and reliable, with no inclination to misappropriate funds.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|-------|------|
| Rates | 100% |
|-------|------|

Why is it funded this way?

Although the benefits will accrue to groups who are recipients of funding and the individuals who benefit from the work of the groups concerned, there are many more people expected to benefit overall.

User pays is inconsistent with the idea of strengthening community initiatives, and therefore the identified private benefit cost allocation is not feasible.

District Promotion & Development




Aim – promoting the district as a great place to live, visit, work, play and invest.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | | | ✓ |
| Percentage paid by rates (Policy) | 100% | | |

Key Issues

1. Budget significantly reduced to reflect economic constraints
2. Working with existing industries and operators to leverage Council's contribution
3. Assessing value of Economic Development initiatives, to improve on future programmes
4. Ensuring features of Tararua District are marketed to the right audiences

Contribution to Community Outcomes

| |  Prosperous Economy |  Sustainable Environment |  Local Services |  Connected Community |
|--------------------------|--|---|--|---|
| Strongly Related | ✓ | | | |
| Related | | ✓ | | |
| Partially Related | | | ✓ | ✓ |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 224 | 260 | 341 | 423 | (82) |
| Subsidies | 12 | 12 | 11 | 12 | (1) |
| Fees & Charges | - | 608 | - | - | - |
| Miscellaneous Revenue | 15 | 4 | 3 | 5 | (2) |
| | 251 | 884 | 356 | 440 | (84) |
| Expenses | | | | | |
| Business development including advice and support to new and existing businesses | 35 | 34 | 54 | 106 | (52) |
| District marketing, destination marketing, brand management and resident attraction. | 95 | 91 | 144 | 189 | (45) |
| Tararua i-site Information and tourism support & booking portal | 144 | 137 | 145 | 133 | 12 |
| Depreciation | 12 | 12 | 12 | 12 | - |
| Interest | - | - | - | - | - |
| | 286 | 274 | 356 | 440 | (84) |
| Operating Surplus/(Deficit) | (35) | 610 | - | - | - |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| Broadband (subsidy based on the value of work completed) | - | 608 | - | - | - |
| | - | 608 | - | - | - |
| Net Transfer to/(from) Reserves | - | 12 | - | 11 | (11) |

District Promotion & Development

Aim – promoting the district as a great place to live, visit, work, play and invest.

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

Council fosters relations and alliances with neighbouring and comparable regions; local and independent agencies and businesses to identify potential opportunities for working co-operatively on initiatives. Council is currently working with organisations such as New Zealand Trade and Enterprise, Vision Manawatu, Rangitane O Tamaki Nui a Rua and Wairarapa Inc.

Council provides this because...

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

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

Key Issues and Risks

- Council significantly reduced funding in 2009/10 and kept it low in 2010/11 due to the tight economic conditions. The Community Plan allowed a return to full funding but this is proposed to be staged over time.
- Getting the right programmes to improve future economic development initiatives.
- A reduction in marketing activities may reduce our ability to attract new businesses and residents.
- Ensuring features of Tararua District are marketed to the right audiences.

What is the service?

1. Council provides business development advisory services.
2. Promoting the "Tararua" brand, for economic development and tourism outcomes.
3. An information and booking centre for visitors to Tararua.

Significant Negative Effects

There are no significant negative effects.

Major Projects Planned

The government has determined that councils will not be directly involved in broadband. As a result, Council will not be involved in the capital purchases and subsidies set out in the Community Plan.

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|---|---|--------------|--|--------------|--------------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. Council provides expert business development advice to new and existing businesses | | | | | | |
| A strong, prosperous economy – supporting and encouraging new and existing businesses towards increased economic benefits. | Impacts of district promotion and development assessed against: | | | | | |
| | 1. Increasing guest bed nights at accommodation venues, excluding bed & breakfast (source: Statistics New Zealand). | 33,620 | 5% increase | 5% increase | 5% increase | 5% increase |
| | 2. Positive feedback received from potential businesses in writing on advice received from Council. | 2 | 4 | 5 | 5 | 5 |
| 2. District Promotion & Development | | | | | | |
| A strong, prosperous economy – by promoting the district as a great place to live, work, play and invest through the promotion of the district the individual towns/areas will have their profiles and identities lifted. | 1. Number of customised welcome packs sent out or uplifted. | 30 per month | 34 per month | 35 per month | 35 per month | 35 per month |
| | 2. "Tararua" directly involved with at least 4 major community events, that involve significant out-of-district visitors. | 0 | 4 | 4 | 4 | 4 |
| Access to local services. | | | | | | |

Maintenance and Operating Issues

Council is not going to spend or receive funding for broadband.

How Changes in Demand and Consumption of Services will be Assessed and Managed

It is the community who will ultimately seek changes. These changes will be assessed by reviewing the community outcomes discussions, usage and feedback obtained from the i-Site, information from tourism operators and businesses and other community consultation.

Future Demand

Demand will be driven by the community.

Assumptions

That the community continues to see district promotion and development as an important activity for the Council to be involved with.

Contingencies

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

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|-------|------|
| Rates | 100% |
|-------|------|

Why is it funded this way?

District Promotion and Development should lead to an increase in employment and business activity and a heightened profile, with downstream financial flow-on effects. Private beneficiaries are the individuals who gain employment, retailers, tourist operators, motels, and other businesses, but the whole district benefits from an increased population and larger rate base.

At this stage it is not possible to accurately assign the private benefits with any accuracy to the organisations/individuals benefiting. As well, most of the benefits will accrue in the future and will benefit the whole district as well as some specific people and groups.

For residents and businesses, it is critical that Council continues to investigate opportunities to gain funding support from Central Government for further developments of the extended broadband network.

Emergency Management



Aim – promoting individual and community resilience in emergencies to enhance the community's capability to respond to and recover from rural fire events or natural disasters.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 89% | | |

Key Issues

- The risks posed by the geography of the district and climate change may increase with more extremity.

Contribution to Community Outcomes

| |  Safer Community |  Sustainable Environment |
|--------------------------|--|--|
| Strongly Related | ✓ | |
| Related | | ✓ |
| Partially Related | | |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 271 | 309 | 446 | 310 | 136 |
| Fees & Charges | 4 | 6 | 7 | 19 | (12) |
| Subsidies | 144 | 51 | 126 | 20 | 106 |
| Miscellaneous Revenue | 1 | 1 | 1 | | 1 |
| | 420 | 367 | 580 | 349 | 231 |
| Expenses | | | | | |
| Civil Defence | 73 | 77 | 178 | 78 | 100 |
| Rural Fire | 200 | 189 | 194 | 191 | 3 |
| Depreciation | 57 | 45 | 51 | 73 | (22) |
| Interest | 10 | 10 | 1 | 10 | (9) |
| | 340 | 321 | 424 | 352 | 72 |
| Operating Surplus/(Deficit) | 80 | 46 | 156 | (3) | 159 |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| Rural fire weather station | 5 | - | - | - | - |
| Herbertville fire station | - | 82 | 50 | - | 50 |
| Weber fire tanker | - | - | 120 | - | 120 |
| Civil Defence - sirens for Akitio and Herbetville | - | - | 40 | - | 40 |
| Civil Defence - Dannevirke Emergency Operations Centre upgrade | - | - | 21 | - | 21 |
| Civil Defence - new radios | - | - | 5 | - | 5 |
| Civil Defence - operations room Herbertville rural fire and civil defence centre | - | - | 10 | - | 10 |
| | 5 | 82 | 246 | - | 246 |
| Capital Renewals | | | | | |
| Motor vehicle replacement - 4wd vehicle purchased | 159 | - | - | - | - |
| Rural fire - Council contribution to upgrading existing rural fire response vehicles | - | - | 42 | 55 | (13) |
| Rural fire - upgrade of buildings in Herbertville | 7 | - | - | 3 | 40 |
| Rural fire - upgrade of buildings in Akitio | - | 3 | - | 3 | (3) |
| Rural fire other - mainly hoses and pumps | 61 | 42 | 43 | 12 | (12) |
| Civil defence - radio/telephones | 16 | 10 | - | 19 | (19) |
| Civil defence other | 1 | 16 | 6 | - | 6 |
| | 243 | 71 | 90 | 92 | (2) |
| | 247 | 153 | 336 | 92 | 244 |
| Debt (Increase)/Decrease | | | | | |
| Debt raised | - | - | - | - | - |
| Debt repayments | 6 | 3 | 2 | 5 | (3) |
| | 6 | 3 | 2 | 5 | (3) |
| Net Transfer to/(from) Reserves | (145) | (65) | (183) | (27) | (156) |

Emergency Management

Aim – promoting individual and community resilience in emergencies to enhance the community's capability to respond to and recover from rural fire events or natural disasters.

Welfare Centres

Civil Defence has a number of designated Council buildings which act as a Welfare Centre in the event of an emergency. These buildings are as follows:

| | |
|---------------------------|-----------------|
| Dannevirke Sports Centre | Anderson Street |
| Woodville Sports Stadium | Ross Street |
| Pahiatua Town Hall | Huxley Street |
| Eketahuna Community Hall | Haswell Street |
| Pongaroa Community Centre | Route 52 |

The other Welfare Centres are made up of local primary schools, rural fire depots, and New Zealand Fire Service stations within the Tararua district and are as follows:

| | |
|--------------------------------|---|
| Akitio School | Coast Road, Akitio |
| Alfredton School | Albert Street, Alfredton |
| Ballance School | Post Office Road, Ballance |
| Herbertville Fire Depot | Seaview Road, Herbertville |
| Kumeroa/Hopelands | Township Road, Kumeroa |
| Makuri School | Titoki Road, Makuri |
| Mangamaire School | Tutaekara Street, Mangamaire |
| Mangatainoka School | State Highway 2, Pahiatua |
| Norsewood School | Coronation Street, Norsewood |
| NZFS Fire Station, Ormondville | Norsewood-Ormondville Road, Ormondville |
| Old Wimbledon School | Route 52, Wimbledon |
| Ruahine School | Maharahara Road, Maharahara |
| Te Uri Fire Depot | Te Uri Road, Te Uri |
| Tiraumea School | Route 52, Tiraumea |
| Weber School | Weber Road, Weber |

The centres are operated by Civil Defence volunteers in the event of an emergency and are activated at the request of the Civil Defence Controller.

Rural Fire

The Tararua district has five rural fire forces within the district which are Te Uri, Weber, Herbertville, Akitio, and Tiraumea.

They have designated Rural Fire Depots at each location housing rural fire engine and equipment for each fire force.

The turnout system for each fire force varies as to the geographical location. The Tararua district has three automated systems for alerting the volunteer fire forces of a fire; these systems are at Te Uri, Weber and the other at Herbertville. The other fire force is alerted by a phone call to the Rural Fire Officer, and then a phone tree system is put into action.

Council provides this because...

Civil Defence

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

Rural Fire

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

Key Issues and Risks

The risks that are present within the community will always remain as long as the geological faults and weather conditions that dictate change over time continue to threaten the safety and rural environment within the Tararua district. Climate change is likely to impact as more extreme events occur (floods/drought).

What is the service?

Tararua District Council is part of the Manawatu-Wanganui Civil Defence Emergency Management Group.

The group functions through a coordinating executive group (or CEG) which Tararua District Council has a representative.

The Manawatu-Wanganui Civil Defence Emergency Management Group exists to provide centrally co-ordinated services to its members.

- **Civil Defence** Providing civil defence education programmes to local schools and the community through at least three features in the local newspaper encouraging residents to obtain and maintain personal preparedness kits. Providing a linked radio network across the district to enable a coordinated response by Council's Incident Management Team to any event.
- **Rural Fire** Ensuring that all notified rural fires have a rural fire officer response immediately upon notification, and trained crews attend as needed within 30 minutes of notification.
- Ensuring Council has a trained and equipped "Incident Management Team", required to coordinate response and recovery to large scale, often multiple-agency incidents, as required.
- Training rural fire fighters.

Significant Negative Effects

There are no significant negative effects.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|---|----------------|------------|
| New Herbertville Fire Station | \$132,000 | 2010-12 |
| Upgrade of Dannevirke Emergency Operations Centre | \$26,000 | 2011/12 |
| Tsunami sirens in Akitio and Herbertville, subject to full Ministry of Civil Defence subsidy | \$40,000 | 2011/12 |
| Rural Fire tanker purchased – to be based at Weber. 50% subsidy from National Rural Fire Authority | \$120,000 | 2011/12 |
| Civil Defence awareness programme to be run around the Tararua district (operational cost) | \$26,000 | 2011/12 |
| Contribution towards one replacement appliances, 66% subsidy is receivable if purchasing the \$132,000 National Rural Fire specific appliance. This funding is from reserves, and previously agreed to. | \$44,000 | 2016/17 |

The balance of projects are listed in the Renewals section.

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (for the financial year) | | | |
|--|--|-------------|--|---------|---------|---------------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15– 2018/19 |
| 1. Civil Defence capability | | | | | | |
| A safe community – enhancing the levels of preparation for an event. | Annual percentage of households that have a maintained “preparedness” kit per community survey. | New measure | 40% | 45% | 45% | 45% |
| | The number of school education programmes offered annually. | 5 | 6 | 6 | 6 | 6 |
| | Staff internally assessed as having appropriate training and skills to perform Incident Management Team Role – annually per training records. | New measure | 80% | 85% | 85% | 85% |
| | All volunteer rural fire forces meet required competency standards assessed annually as part of their agreement with Council, per training records. | New measure | 90% | 95% | 95% | 95% |
| 2. Rural Fire capability | | | | | | |
| A sustainable natural environment. | Rural fire officers successfully enable fire as a rural land management tool, helping reduce fuel loadings in high risk areas, measured by area permitted annually compared to wildfire threat analysis. | New measure | 80% | 85% | 85% | 85% |
| | Rural fire officers and volunteer rural fire forces respond within required times to notified incidents, as assessed by logs from pager turnout systems, measured annually. | New measure | 90% | 95% | 95% | 95% |

Maintenance and Operating Issues

Council is continuing to rebuild a skilled incident management team in-house that has the skills and experience to benefit our district and neighbouring authorities.

Aging and ex-New Zealand Fire Service vehicles are no longer seen as the most appropriate "least cost long term" option for supplying to our five volunteer rural forces. Part of this is the high annual maintenance costs, and part is their inability to get to the location of smaller rural fires rapidly, if crews are needed to prevent these fires from gaining intensity and size. Council is moving to the national "yellow" rural fire engine, as subsidy is gained, to ensure all vehicles are consistently equipped, and meet or exceed minimum levels of performance.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Changes in demand and consumption will be assessed by the Council from reports submitted by the rural fire forces at the end of the season and the results of community surveys and in consultation with the community at large and rural fire forces about the practicality of any proposed changes. These will also take into account the various Acts which the Tararua Emergency Services works within.

Any changes will also consider the agreed impacts of climate changes in terms of intensity or frequency of storms and droughts, along with lessons from past incidents. An example of this is the proposed installation of Civil Defence and Rural Fire communications into the current Council fleet. This recognises the difficulty in 2004 in gaining an accurate picture of the flooding impacts. Similarly, at rural fires, the earlier an accurate situation report can be gained, the better the incident can be managed.

Consultation with the community at large along with rural fire forces about the practicality of any proposed changes at National Level will also occur, for example if the proposed merging of rural and urban fire legislation is requested.

Recommendations from the regular meeting with other service providers as part of the regional Co-ordinating Executive Group (CEG under the Civil Defence and Emergency Management Act), and Regional Rural Fire Committees are also actioned as appropriate. These take into account the various Acts which the Tararua Emergency Services works within.

Future Demand

The future demand for these services will be ongoing as long as there is legislation imposed on the local authorities to provide this service.

Assumptions

There will always be a need for both Civil Defence and Emergency Management and Rural Fire as long as legislation requires local authorities to provide these.

Contingencies

None.

Funding Sources, Funding Mechanisms and Reason for Selection

| | Civil Defence | Rural Fire |
|--------------------|---------------|------------|
| Government subsidy | 11% | 0% |
| Rates | 89% | 100% |

Why is it funded this way?

Civil Defence

It has been shown that the better prepared a community is and the faster the organised response to an emergency situation, the quicker and better is the recovery of the community. The beneficiaries are all residents, businesses and those present in the district at the time of an emergency.

While acknowledging that there are private benefits from Civil Defence work, the Council recognises that these only become apparent after the event, and that costs cannot be allocated retrospectively. It also recognises that once an emergency occurs, central government picks up most of the costs.

Rural Fire

The benefits are the protection of life and property, and the protection of the environment and the rural industry generally. The major part of the benefit accrues to rural residents and property owners, including forestry companies and the Department of Conservation. They benefit from the knowledge that there is preparedness for emergencies as much as from the actual fire fighting itself. Neighbouring properties to those which may have a fire also benefit from the protection offered. The district as a whole benefits from protection of the environment and in particular reserve lands.

The cost of exacerbators has the potential to be a large one if people do not control fires properly, or light fires in a closed fire season, or do not notify authorities before lighting fires. The exacerbator costs are currently collected over and above the budgeted cost of the activity. Sometimes fault is hard to prove and cost recovery not cost effective.

For details please refer to the Revenue and Financing Policy, and Notes to Financial Statements within this document.

Footpaths






Aim – to provide safe access for pedestrians.

| | Current | Enhanced | Reduced |
|--|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) (including urban differential rate) | 100% | | |

Key Issues

1. Providing funding to upgrade urban centres while maintaining existing footpaths

Contribution to Community Outcomes

| |  Connected Community |  Prosperous Economy |  Safer Community |  Infrastructure |  Local Services |
|--------------------------|---|--|---|--|--|
| Strongly Related | | | ✓ | ✓ | |
| Related | ✓ | | | | |
| Partially Related | | ✓ | | | ✓ |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 679 | 720 | 545 | 798 | (253) |
| Fees & Charges | 2 | 2 | 1 | 2 | (1) |
| Miscellaneous Revenue | 15 | 1 | 1 | 1 | (1) |
| | 696 | 723 | 547 | 801 | (254) |
| Expenses | | | | | |
| Footpath Maintenance Rural | 2 | 3 | 2 | 4 | (2) |
| Footpath Maintenance Urban | 54 | 78 | 41 | 76 | (35) |
| Non Sub Professional Services | 34 | 46 | 3 | 46 | (43) |
| Non Sub Admin Rural/Urban | 20 | 26 | 25 | 26 | (1) |
| Depreciation | 378 | 395 | 501 | 329 | 172 |
| Interest | 106 | 155 | 125 | 139 | (14) |
| | 594 | 703 | 696 | 620 | 76 |
| Operating Surplus/(Deficit) | 102 | 20 | (149) | 181 | (330) |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| New footpaths | 12 | - | - | 28 | (28) |
| Dannevirke High Street refurbishment | 66 | - | - | - | - |
| Woodville business centre | 35 | 400 | 309 | 309 | - |
| | 113 | 400 | 309 | 337 | (28) |
| Capital Renewals | | | | | |
| Resealing of urban footpaths | 49 | - | - | - | - |
| District - footpath renewal | - | 52 | - | 166 | (166) |
| District non-subsidised professional services | - | - | - | 9 | (9) |
| Woodville non-subsidised professional services | - | 9 | - | - | - |
| | 49 | 61 | - | 175 | (175) |
| | 162 | 461 | 309 | 512 | (203) |
| Debt (Increase)/Decrease | | | | | |
| Debt Raised | (35) | (400) | (309) | (308) | (1) |
| Debt Repayments | 136 | 142 | 160 | 165 | (5) |
| | 101 | (258) | (149) | (143) | (6) |
| Net Transfer to/(from) Reserves | (69) | 212 | (309) | 141 | (450) |

Footpaths

Aim – to provide safe access for pedestrians.

The Council manages approximately 114km of footpaths. The replacement value is in the order of \$4.28 million. The type of surface used is dependent on life cycle cost considerations, pedestrian volumes and the amenity value of the location (i.e. shopping precincts). The main types of footpath surfaces in the district townships are:

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

Special surfaces such as concrete cobblestones/pavers and pressed concrete are currently not used in Tararua although these options are being considered for the main shopping area.

Council provides this because...

Pedestrians need safety and convenient routes to their destinations. There is no legislative requirement to provide footpaths.

Key Issues and Risks

The major issues facing footpaths over the next ten years are:

- To maintain the existing footpaths to allow the community a safe alternative to commuting.
- To provide at least one footpath per urban road where pedestrian access is required.
- Affordability and extent of principal upgrades to urban central business districts, to enhance environment and social outcomes.

What is the service?

1. To maintain the existing footpaths in an effective and efficient manner, appropriate to community needs, in accordance with funds available.
2. To continue with planned footpath renewals and developments as funding is determined.
3. To upgrade and enhance the central business districts of Woodville, Eketahuna and Pahiatua.

Significant Negative Effects

- The physical upgrade of any town centre can cause temporary inconvenience to property owners and the general public.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|--|----------------|---------------------------|
| Upgrade the central business district of Woodville | \$709,000 | 2009-12 |
| Upgrade the central business district of Eketahuna | \$400,000 | 2014-17 |
| Upgrade the central business district of Pahiatua | \$70,000 | 2018/19 |
| To continue footpath renewals of existing footpaths within the urban area as forecast | See renewals | Annually |
| To continue construction of new footpaths within the urban areas as discussed with Community Boards/Committees | \$27,000 | Annually (except 2011-13) |

The central business districts projects exclude the cost of the kerb and channel which is a NZ Transport Agency cost for state highways. In addition, project amounts exclude renewal of underground services which will be quantified when the project designs are finalised.

Each central business district has a separate budget shown in the preceding year for consultation and detailed designs.

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|--|---|----------|--|---------|---------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. To maintain the existing footpaths in an effective and efficient manner, appropriate to community needs, in accordance with funds available | | | | | | |
| A safe community – to ensure that our footpaths are safe for pedestrians. | At least 70% of residents rate footpaths as “fairly satisfactory” or “very satisfactory” in the community surveys in 2011, 2014 and 2017. | 70% | | 75% | 75% | 75% |
| | Complaints regarding unsafe footpaths are actioned and rectified where appropriate within seven days. | 100% | 100% | 100% | 100% | 100% |
| 2. To continue with planned footpath renewals and developments as funding is determined | | | | | | |
| A high standard of infrastructure – to ensure existing footpaths remain free from depressions and cracking. | Reducing the defects e.g. bumps, depressions, settlement, cracking, deterioration, per 100 metres of footpath, measured by annual footpath condition surveys as well as prioritising from community boards. | 90% | 95% | 95% | 95% | 95% |
| 3. To upgrade and enhance the central business districts of Woodville, Eketahuna and Pahiatua | | | | | | |
| A strong prosperous community – the needs of both locals and visitors will be considered for town upgrades. Town centre upgrades can reflect the diversity, character and heritage of communities. | Percentage of resident and non-resident ratepayers satisfaction with the closest town. | 80% | 80% | 80% | 80% | 80% |

Maintenance and Operating Issues

An issue in Dannevirke is the extreme width of the footpaths. This arose from the by-product of the gas works being used for sealing. The footpath width increases the cost of maintenance, however, the cost of narrowing the footpaths and replacing some of the area with grass is more than the simple maintenance cost.

Removal of moss and lichen is an issue of concern.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Changes in demand normally come to Council's attention from citizens either by direct approach, through public consultation, or submissions to the annual plan or Community Plan processes.

Inspections are also carried out by Council staff who assess any changes to demand and make appropriate recommendations to Council.

Future Demand

Any requested construction of new footpaths will be considered via community boards. Work will then be prioritised against budgets.

Assumptions

Enhancement to services will occur with improvements to town centres in Woodville, Pahiatua and Eketahuna.

Risks

Costs may outstrip inflation as maintenance relies heavily on petroleum products.

Current risks include safety issues relating to:

- Pedestrian crossings.
- Tree roots emerging on footpaths.
- Overhanging branches from adjoining properties.

Contingencies

Council maintains a supplementary list of engineers and contractors who can react to an emergency situation, if usual resources are insufficient.

Council has access to sufficient funding to deal with any eventuality.

Funding Sources, Funding Mechanisms and Reason for Selection

Rates 100%

(including the urban differential rate)

Why is it funded this way?

Occupiers of urban residential and commercial properties which are served with footpaths benefit from easier access and the added value to the properties. Although it is true that nobody can be prevented from using footpaths it was considered that these people gain more benefit than people who do not live or own property which are served by footpaths. There is also a public safety factor, particularly for people living in the urban areas. There is a very significant proportion of cost attributable to vehicles damaging footpaths, light vehicle damage at driveways where there is no crossing, utilities such as power and phone companies, and services such as water and sewerage.

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

Health and Safety

Aim – to help provide a safe and healthy community, buildings and avoid behaviour causing a nuisance in the community.

| | Current | Enhanced | Reduced |
|---|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | | | |
| Building | 10% | | |
| Health | 54% | | |
| General inspection and liquor licensing | 70% | | |

- Key Issues**
1. Effects of economic conditions
 2. Changes in legislation

| | Contribution to Community Outcomes | | | | |
|--------------------------|---|---|---|---|---|
| |  |  |  |  |  |
| Strongly Related | | ✓ | | | |
| Related | ✓ | | ✓ | ✓ | |
| Partially Related | | | | | ✓ |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 265 | 314 | 356 | 294 | 62 |
| Fees & Charges | 392 | 468 | 409 | 476 | (67) |
| Miscellaneous Revenue | 5 | 4 | 2 | 7 | (5) |
| | 662 | 786 | 767 | 777 | (10) |
| Expenses | | | | | |
| Building consent processing | 517 | 488 | 413 | 476 | (63) |
| Environmental health | 97 | 91 | 83 | 89 | (6) |
| Liquor licensing | 70 | 61 | 108 | 59 | 49 |
| Noise callouts and other nuisances | 135 | 117 | 137 | 114 | 23 |
| Depreciation | 34 | 25 | 25 | 37 | (12) |
| Interest | 1 | 1 | 1 | 1 | () |
| | 854 | 783 | 767 | 775 | (8) |
| Operating Surplus/(Deficit)* | (192) | 3 | | 2 | (2) |

Additional Information

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|---|-----------------------------|----------------------------------|----------------------------------|----------------------------|-------------------------------|
| Capital Expenditure | | | | | |
| Capital Developments | - | - | - | - | - |
| | - | - | - | - | - |
| Capital Renewals | | | | | |
| Motor vehicle replacement - Building Control | - | 24 | - | 17 | (17) |
| Motor vehicle replacement - General Inspection and Liquor Licensing | - | - | - | - | - |
| Motor vehicle replacement - Health Control | - | - | - | - | - |
| | - | 24 | - | 17 | (17) |
| | - | 24 | - | 17 | (17) |
| Debt (Increase)/Decrease | | | | | |
| Debt raised | - | - | - | - | - |
| Debt repayments | 3 | 3 | 1 | 2 | (1) |
| | 3 | 3 | 1 | 2 | (1) |
| Net Transfer to/(from) Reserves | | 1 | (1) | 20 | (21) |

Health and Safety

Aim – to help provide a safe and healthy community, buildings and avoid behaviour causing a nuisance in the community.

Health and safety consists of three separate activities; building control, environmental health, liquor licensing, and general inspection.

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

Council provides this because...

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

Key Issues and Risks

Changes in economic conditions affect the demand for services, particularly in the building control activity. This has revenue implications and can also affect staffing levels if a long term downturn is experienced.

Currently the activity is at a lower level than in recent years but the signs are that things are returning to previous levels. However, community dynamics change and over time new issues will arise that may require a change in the manner of delivery or level of the activity.

In response to public pressure, the Government can amend existing legislation, or introduce new legislation or policies that affect how we go about our business. At the current time, this is particularly relevant in the building control and environmental health areas.

In general, a cost recovery approach is used for the services provided, but with some activities this is not always practical.

What is the service?

Building Control

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

Environmental Health

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

Liquor Licensing

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

General Inspection

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

Significant Negative Effects

- The greater detail required for building consent applications may be regarded by some applicants as unnecessary, but contributes to more certainty of compliance with the building code.
- Significant downturns in the building industry can result in reduction of fee income and possible down sizing of the staff resource, which can be difficult to replace when the economy improves.
- People's personal freedoms can be affected through regulation for the benefit of the wider community.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|--|----------------|------------|
| Maintaining registration as a Building Consent Authority | | Ongoing |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|--|---|----------|--|---------|---------|---------------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15– 2018/19 |
| 1. Safe buildings | | | | | | |
| A safe community – new buildings will comply with the building code and consents will be issued without undue delay. | Percentage of building consents issued within the statutory time frame (20 working days) | 100% | 100% | 100% | 100% | 100% |
| 2. Safe food | | | | | | |
| A safe community – food sold to the public will be safe. | Percentage of registered premises that comply with food hygiene regulations within three months of annual inspection. Urgent public health issues will be dealt with immediately. | 100% | 100% | 100% | 100% | 100% |
| 3. Working towards the reduction of liquor abuse | | | | | | |
| A safe community – good management practices being followed by licensees. | Percentage of licensed premises visited during the year. | 100% | 100% | 100% | 100% | 100% |
| 4. Safe community | | | | | | |
| A safe community – respond to complaints of excessive noise. | Percentage of noise callouts attended to by contractor within 30 minutes in Dannevirke and Pahiatua, and 60 minutes in Woodville and Eketahuna. | 100% | 100% | 100% | 100% | 100% |

Maintenance and Operating Issues

The economic climate affects the level of activity and hence revenue.

To continue to operate as a Building Consent Authority the Council will need to maintain its accreditation and maintain an appropriate staffing level. There is a shortage of experienced building officers, which may affect this council as senior staff retire.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Changes in the demand for the building control service will be evident through the level of building consent applications lodged. The construction period for some "self-build" applications is long and the follow up work can be carried out in quieter periods. As a Building Consent Authority we can also carry out plan checking for other local authorities who may need assistance.

No significant changes are expected in the other activities.

Future Demand

We expect the future demand for the building control service to decline a little over the next year or two, but expect the demand for the other services to remain at the current level.

Assumptions

That the service will continue to be provided at the existing levels, but it is acknowledged that over time the economic situation may affect the building control activity.

Council will continue to recover costs for chargeable activities at the level determined by the Funding Policy.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reason for Selection

Building Control

| | |
|-----------------------|-----|
| User fees and charges | 90% |
| General rates | 10% |

Environmental Health

| | |
|-----------------------|-----|
| User fees and charges | 46% |
| General rates | 54% |

Liquor control and general inspection

| | |
|-----------------------|-----|
| User fees and charges | 30% |
| General rates | 70% |

Why is it funded this way?

The building control activity is mainly funded by the beneficiaries of the service, as they can be easily identified. There is some general community benefit because the public can be assured that buildings being erected are safe and there is also a minor amount of monitoring undertaken which is not associated with new construction.

Health and liquor licensing provides a certain level of revenue, but the level of activity is insufficient to fully fund these functions. The reduction in the number of premises, the move away from the Council licensing food premises and fee setting by regulation limits the ability of Council to fully fund these services by user charges. There is an amount of public good in the general health monitoring and advisory service provided to the community. In the general inspection area it is often impossible to identify offenders or impractical to recover enforcement costs. The whole community benefits from these activities, which are funded in part from general rates.

Housing

Aim – to provide low cost housing to superannuitants who may not be able to obtain affordable accommodation within the private sector.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 0% | | |

Key Issues

1. Location of units/occupancy rates
2. Replacement of older housing

| | Contribution to Community Outcomes | | | |
|--------------------------|---|---|---|---|
| |  |  |  |  |
| | Local Services | Safer Community | Connected Community | Prosperous Economy |
| Strongly Related | ✓ | | | |
| Related | | ✓ | | |
| Partially Related | | | ✓ | ✓ |

| Costs of Council (\$'000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|---------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | - | - | - | - | - |
| Fees & Charges | 342 | 348 | 348 | 368 | (20) |
| Interest Revenue | 34 | | | | |
| Miscellaneous Revenue | | 1 | 1 | 1 | () |
| | 376 | 349 | 349 | 369 | (20) |
| Expenses | | | | | |
| Maintenance - to appropriate standard | 299 | 299 | 326 | 313 | 13 |
| Depreciation | 366 | 365 | 370 | 272 | 98 |
| Interest | | | | | |
| | 665 | 664 | 696 | 585 | 111 |
| Operating Surplus/(Deficit)* | (289) | (315) | (347) | (216) | (131) |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Renewals | | | | | |
| Dannevirke tenancy contribution flats | 4 | 6 | - | - | - |
| Dannevirke urban | 7 | 8 | - | - | - |
| Eketahuna | - | 10 | - | - | - |
| Pahiatua | - | 3 | 10 | - | 10 |
| Woodville | 9 | 5 | - | - | - |
| | 20 | 32 | 10 | - | 10 |
| Net Transfer to/(from) Reserves | (158) | 17 | (357) | 56 | (413) |

Housing

Aim – to provide low cost housing to superannuitants who may not be able to obtain affordable accommodation within the private sector.

Council owns and manages 95 one bedroom units and 12 two bedroom units which are provided under a tenant contribution scheme (purchase of tenancy).

The one bedroom units are located at Dannevirke (50), Eketahuna (3), Norsewood (9), Ormondville (6), Pahiatua (15) and Woodville (12).

The 12 tenant contribution units are all located in Dannevirke.

Council provides this because...

It recognises the social need in the community for superannuitants to be able to afford accommodation that enables them to stay close to family and friends. By providing well maintained and safe accommodation superannuitants can participate as active members of the community.

Key Issues and Risks

- Within three years, returning rent, to 80% of market but not exceeding 25% of applicable New Zealand superannuation.
- The Norsewood and Ormondville units are difficult to keep fully occupied. These complexes have been put on the market to sell.
- The Hovding Court complex has 10 units that are dated and unsuitable for elderly tenants.
- Ruahine complex has six older units.

- More tenants now have cars which require carports, and mobility scooters which require sheds with electricity.
- Council would require funding from Central Government to fully replace any units (options are currently being investigated).

What is the service?

1. Council maintains the flats and grounds to an agreed standard.
2. Tenants are assisted in minor maintenance e.g. changing light bulbs
3. Council provides a social service to ensure tenants are well looked after.

Significant Negative Effects

None have been identified.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|--|----------------|----------------|
| Hovding Court – possible replacement of 10 units | \$1,370,000* | not programmed |
| Ruahine Flats – possible replacement of 6 units | \$822,000* | at this stage |
| Operating | | |
| Repainting | \$216,000 | 2009-19 |

*The replacement of Hovding Court and Ruahine flats would be subject to the availability of government funding. Without this, the projects could not be undertaken.

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | | |
|--|---|------------------------|--|------------------------|------------------------|------------------------|--|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15– 2018/19 | |
| <p>1. Council provides adequate housing</p> <p>A safe community – housing stock is maintained to an appropriate standard, thus catering for the needs of our elderly.</p> | No complaints received about maintenance needs per service request system. | No complaints received | No complaints received | No complaints received | No complaints received | No complaints received | |
| <p>2. Council provides access to housing for superannuitants</p> <p>Access to local services – providing low cost housing to superannuitants.</p> | A minimum of 90% of tenants will be superannuitants and well looked after in their opinion. | 90% | 90% | 90% | 90% | 90% | |

How Changes in Demand and Consumption of Services will be Assessed and Managed

Monthly statistics are gathered to monitor the occupancy rates as well as the number of non pensioners renting and in which areas. Information is being kept regarding the number of tenants waiting for flats and the type of flat they require.

Future Demand

Demand is inconsistent in some locations, but currently the overall occupancy rate is 96%.

Demand is predicted to increase within the next 5-10 years in urban areas but to decrease in smaller centres.

There is currently a waiting list for urban flats in Dannevirke especially the later built units. This will increase as the "baby boomer" population ages.

Major Projects Planned

Possible replacement of 10 units at Hovding Court and 6 units at Ruahine Court.

Assumptions

That there will be an increased demand for affordable low cost housing due to three major factors affecting eligible persons:

1. Loss of value on current properties.
2. The effects of failures in the financial sector incomes.
3. The current low interest rates affecting the returns on savings.

Contingencies

The only issue is a possible vacancy. Occupancy rates are monitored to ensure units are operating at peak capacity. Any down turn in occupancy rates can be quickly identified.

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|----------------|------|
| Fees & Charges | 100% |
|----------------|------|

Why is it funded this way?

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

Libraries

Aim – providing reading and related resources to meet the communities' recreational and informational need.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 85% | | |

Key Issues

1. Woodville Service Centre / Library combination
2. Maintaining a relevant, up to date and engaging library stock collection

Contribution to Community Outcomes

Strongly Related
Related
Partially Related



Local Services



Connected Community

✓

✓

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 694 | 747 | 750 | 748 | 2 |
| Fees & charges | 53 | 33 | 43 | 50 | (7) |
| Interest revenue | - | - | - | - | - |
| Miscellaneous revenue | 20 | 6 | 2 | 7 | (5) |
| | 767 | 786 | 795 | 805 | (10) |
| Expenses | | | | | |
| Dannevirke Library | 299 | 306 | 382 | 309 | 73 |
| Woodville Library | 85 | 87 | 93 | 88 | 5 |
| Pahiatua Library | 171 | 175 | 137 | 175 | (38) |
| Eketahuna Library / service centre | 85 | 87 | 74 | 88 | (14) |
| Depreciation | 88 | 107 | 108 | 95 | 13 |
| Interest | 3 | 2 | 1 | 1 | - |
| | 731 | 764 | 795 | 756 | 39 |
| Operating Surplus/(Deficit) | 36 | 22 | - | 49 | (49) |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| Microform reader | 13 | - | - | - | - |
| | 13 | - | - | - | - |
| Capital Renewals | | | | | |
| Library books | 105 | 100 | 100 | 121 | (21) |
| Building and furniture | 6 | 11 | 10 | 12 | (2) |
| | 112 | 111 | 110 | 133 | (23) |
| | 125 | 111 | 110 | 133 | (23) |
| Debt (Increase)/Decrease | | | | | |
| Debt raised | | | | | |
| Debt repayments | 23 | 23 | 5 | 5 | - |
| | 23 | 23 | 5 | 5 | - |
| Net Transfer to/(from) Reserves | - | (4) | (115) | 6 | (121) |

Libraries

Aim – providing reading and related resources to meet the communities' recreational and informational need.

Council has four libraries located in each of the four main townships of the Tararua district, namely;

- **Dannevirke** 1 Station Street
Providing library services Monday to Friday from 9:00am to 5:30pm
Saturday 10:00am to 1:00pm
- **Woodville** 42 Vogel Street
Providing library services Monday, Wednesday, Thursday & Friday from 2:00pm to 5:00pm
Tuesday 10am to 1:00pm & 2:00pm to 5:00pm
Wednesday evening 5:30pm to 7:30pm
- **Pahiatua** 167 Main Street
Providing library services Monday to Friday from 9:00am to 5:00pm
Saturday 10:00am to 12:00pm
- **Eketahuna** 31 Main Street
Providing customer services/library services and a money exchange facility Monday to Friday from 10:30am to 12:30pm and 1:00pm to 4:30pm

Council's principal library is located in Dannevirke and many functions are centralised there. Dannevirke manages the overall collection and ensures outlying collections are refreshed regularly. In order to provide support to schools, appropriate surplus books are offered after weeding.

The Eketahuna library combines with the service centre and money exchange facility in one building.

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

Council provides this because...

Libraries foster community growth, allowing communities to become self-sustaining by meeting recreational needs and providing access to information through a range of technologies.

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

Key Issues and Risks

Public expectations are rising in terms of technology and libraries are faced with meeting this challenge. It is no longer just about the physical collections. The public expect easy to use other information resources.

Tararua libraries meet these demands by providing up to date technology such as that supplied through the Aotearoa Peoples Network, (free high speed internet access at no charge).

Council is investigating combining the library and service centre in Woodville to gain efficiencies.

However there are some other factors that affect libraries, namely:

- A declining population of time-starved people effecting usage.
- Other demands on Council funding and affordability for communities.
- An aging population and the impact on service design, e.g. large print collections, audio tapes.

What is the service?

1. A wide range of library stock including up to date material.
2. Providing activities to engage young people

Significant Negative Effects

There are no significant negative effects.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|--|-----------------------|------------|
| Continued purchase of new books for Tararua libraries | \$1.15m over 10 years | Ongoing |
| Investigate opportunities for providing a mobile library service | n/a | Ongoing |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|---|--|----------|--|---------|---------|---------------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15– 2018/19 |
| 1. There is a wide range of library stock including up to date material | | | | | | |
| Access to local services – healthy, cohesive, and informed communities have access to a wide range of up to date library materials. | Percentage of library collection meeting three items per local resident – Tararua. | 90% | 95% | 100% | 100% | 100% |
| | Percentage of ratepayers satisfied with council libraries in community surveys to be conducted in 2011, 2014 and 2017. | 86% | | 92% | 92% | 92% |
| 2. Providing activities to engage young people | | | | | | |
| A connected community – by providing relevant, fun and engaging programmes for young people. | Each library runs at least one holiday programme per term each year. | 93% | 100% | 100% | 100% | 100% |
| | Books are loaned to schools, and the community in Akitio and Pongaroa, at least monthly. | 90% | 93% | 93% | 93% | 93% |

Maintenance and Operating Issues

The Council target is to have three items per capita (52,893) and as at 30 June 2008 total book stock was 46,270 (87% of the target figure). In five years, the collection has been taken from being tired and out-of-date to a point where 62.5% of the stock is 0-8 years old, and a further 26.5% are 9-20 years old. The remaining books are most likely classics such as Dickens or local history books, which are kept indefinitely due to their local content.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Regular monitoring is undertaken to ensure that services are meeting demand.

Managing changes in demand and level of service will be achieved through analysis of statistics; and by public consultation.

Future Demand

Public libraries in New Zealand are continually expanding and adapting their services and resources to meet increasing or changing needs not only for traditional lending services but also for education and information requirements and community awareness.

Assumptions

- Council will continue to support the library at current levels.
- Opportunities to increase revenue through added value services are explored and implemented.

- Current buildings are sufficient for future demand.
- The population of the Tararua district will remain at the present level, or greater.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reasons for Selection

| | |
|--------------|-----|
| User charges | 15% |
| Rates | 85% |

Why is it funded this way?

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

Community expectations are seen to be divided, with some people expecting library use to be free and with a high level of public funding, and others wanting some level of user pays. There are many people in the community who do not use the libraries and currently contribute through their rates. A recent survey in Tararua also suggests that rural people use the libraries as much as the urban people who are closer to the libraries.

Parks & Reserves







Aim – to provide a mix of parks and reserves facilities in keeping with the natural character of the district.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | | ✓ | |
| Percentage paid by rates (Policy) | | | |
| Parks & Reserves | 95% | | |
| Sports Grounds | 85% | | |
| Camping Grounds | 100% | | |

Key Issues

1. Meeting changing expectations and standards for facilities
2. In-house proposal

Contribution to Community Outcomes

| |  Sustainable Environment |  Connected Community |  Local Services |  Safer Community |  Prosperous Economy |  Infrastructure |
|--------------------------|---|---|--|---|--|--|
| Strongly Related | | ✓ | ✓ | | | |
| Related | | | | ✓ | ✓ | ✓ |
| Partially Related | ✓ | | | | | |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 663 | 705 | 961 | 788 | 173 |
| Fees & Charges | 23 | 14 | 9 | 14 | (5) |
| Miscellaneous Revenue | 147 | 161 | 173 | 165 | 8 |
| | 833 | 880 | 1,142 | 967 | 175 |
| Expenses | | | | | |
| Coronation Park | 27 | 31 | 37 | 27 | 10 |
| Dannevirke Domain | 94 | 111 | 129 | 89 | 40 |
| Dannevirke Rural | 34 | 40 | 57 | 32 | 25 |
| Dannevirke Urban | 49 | 55 | 50 | 45 | 5 |
| Dannevirke Wildlife | 29 | 34 | 56 | 27 | 29 |
| Eketahuna Rural | 25 | 30 | 33 | 24 | 9 |
| Eketahuna Urban | 19 | 21 | 13 | 17 | (4) |
| Pahiatua Recreation | 65 | 76 | 75 | 62 | 13 |
| Pahiatua Rural | 2 | 2 | 4 | 2 | 2 |

| Costs of Council (\$000's Forecast) | 2009/2010 | 2010/2011 | 2011/2012 | 2011/2012 | 2011/2012 |
|--|--------------|--------------|--------------|-------------|------------|
| | Actual | Annual Plan | Annual Plan | LTCCP | Variance |
| Pahiatua Town Square | 63 | 74 | 84 | 60 | 24 |
| Pahiatua Urban | 19 | 21 | 12 | 17 | (5) |
| Woodville Rural | 2 | 2 | 6 | 2 | 4 |
| Woodville Urban | 40 | 46 | 45 | 37 | 8 |
| Domain Boards | 212 | 212 | 175 | 173 | 2 |
| Camping Ground Dannevirke | 33 | 39 | 49 | 31 | 18 |
| Camping Ground Eketahuna | 13 | 14 | 15 | 12 | 3 |
| Camping Ground Pahiatua | 18 | 19 | 23 | 16 | 7 |
| Camping Ground Woodville | 2 | 2 | 4 | 2 | 2 |
| Depreciation | 228 | 221 | 222 | 278 | (56) |
| Interest | 12 | 15 | 12 | 35 | (23) |
| | 986 | 1,065 | 1,102 | 988 | 114 |
| Operating Surplus/(Deficit) | (153) | (185) | 41 | (21) | 62 |
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | - | - | - | - | - |
| Akitio foreshore erosion | - | - | - | - | - |
| Develop reserve management plan | 10 | 21 | - | 21 | (21) |
| Eketahuna Camping Ground - accessible toilet | - | - | - | - | - |
| Pahiatua Playground upgrade | - | - | 100 | - | 100 |
| Plant & machinery for in-house services | - | - | - | - | - |
| | 10 | 21 | 100 | 21 | 79 |
| Capital Renewals | | | | | |
| Pahiatua Camping Ground house | 21 | - | - | - | - |
| Dannevirke Domain | 9 | - | 57 | - | 57 |
| Building maintenance | - | 7 | 83 | 7 | 76 |
| | 30 | 7 | 140 | 7 | 133 |
| | 41 | 28 | 240 | 28 | 212 |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Debt (Increase)/Decrease | | | | | |
| Debt raised | - | - | (100) | - | (100) |
| Debt repayments | 17 | 17 | 20 | 100 | (80) |
| | 17 | 17 | (80) | 100 | (180) |
| Net Transfer to/(from) Reserves | (76) | (8) | (119) | 129 | (248) |

Parks & Reserves

Aim – to provide a mix of parks and reserves facilities in keeping with the natural character of the district.

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

Council provides this because...

A range of attractive opportunities for recreational activities is important for Tararua residents. These facilities are also important for attracting visitors to the district. Furthermore, communities value reserves for the open space they offer, making settlements more pleasant to live in and enabling access to coastal areas. Recreational facilities provide for social interaction and development, helping create healthy communities.

For camping grounds the benefit is in low-cost holiday accommodation for visitors, with downstream benefits for camping ground managers, the business sector and the district generally as tourism ultimately helps to ensure business survival. Vandals are responsible for about 2.5% of the annual costs.

Key Issues and Risks

- Ensure play equipment meets New Zealand Safety Standards (NZS 5828:2004).
- Ensure camping grounds continue to meet required standards.
- Vandalism.

What is the service?

1. Council provides adequate access to multiple sports codes, and attracts visitors
2. Parks and reserve enhance communities' quality of life

3. Camping grounds provide a pleasant and safe environment and low cost holiday accommodation.
4. Council contributes to the Manawatu Gorge biodiversity project.

Significant Negative Effects

None have been identified.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|--|----------------|------------|
| Dannevirke Domain play equipment | \$10,000 | 2014/15 |
| Pahiatua playground development | \$100,000 | 2011/12 |
| Develop reserve management plans | \$21,000 | 2011/12 |
| Renewals | | |
| Renewals | \$60,000 | 2009-19 |
| Pahiatua playground – upgrade toilets | \$20,000 | 2011/12 |
| Eketahuna Domain – install new carpark | \$35,000 | 2011/12 |
| Dannevirke Domain: | | |
| Signage | \$6,000 | 2011/12 |
| Picnic tables | \$6,000 | 2011/12 |
| Shade sails – playground | \$17,000 | 2011/12 |
| Removal of lawsonianas | \$10,000 | 2011/12 |
| Seal boating lake road | \$13,000 | 2011/12 |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|---|--|----------|--|---------|---------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. Council provides attractive and well maintained parks and reserves | | | | | | |
| A high standard of infrastructure – parks and reserves and camping grounds are maintained to a high standard. | Monthly Council audit results showing maintenance contractor achieving 80% or higher of agreed performance. | 80% | 85% | 90% | 90% | 90% |
| A sustainable natural environment – parks and reserves contribute to the protection, preservation and enhancement of our natural environment. | At least 90% of the residents rate parks and reserves as fairly satisfactory" or "very satisfactory" in Community surveys to be conducted in 2011, 2014 and 2017. | 86% | 90% | 90% | 90% | 90% |
| A safe community – all equipment is maintained to a safe standard. | Weekly playground safety inspections carried out. All minor faults fixed within one week, otherwise, dependant on work required. The weekly playground inspections carried out has changed to include "minor faults fixed within one week, otherwise dependant on work required" only to reflect a more realistic performance measure. | 95% | 100% | 100% | 100% | 100% |
| 2. Council provides sporting recreational and social opportunities | | | | | | |
| A connected community – community has access to and participates in sport, recreation and social activities. | Sports fields meet the standards set by the New Zealand Sports Turf Institute on their annual inspection. | 95% | 95% | 95% | 95% | 95% |

How Changes in Demand and Consumption of Services will be Assessed and Managed

By community feedback.

Use of facilities will be monitored to ensure maximum utilisation.

Future Demand

As tourism in the area increases there may be more demand for development of existing areas with higher maintenance input e.g. reserves, freedom camp sites and for walking tracks to be established in bush areas.

Due to the dwindling availability of volunteers to administer and maintain specialist needs for some sports, these sports are starting to move out of the northern part of the district e.g. cricket and hockey.

Assumptions

That the Council's expectation of the current level of service will be provided.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reason for Selection

Sports grounds

| | |
|-------|-----|
| Rates | 85% |
|-------|-----|

| | |
|--------------|-----|
| User charges | 15% |
|--------------|-----|

Parks and Reserves

| | |
|-------|-----|
| Rates | 95% |
|-------|-----|

| | |
|--------------|----|
| User charges | 5% |
|--------------|----|

Camping Grounds

| | |
|-------|------|
| Rates | 100% |
|-------|------|

Why is it funded this way?

Parks and Reserves give opportunities for active and passive recreation, education, appreciation of aesthetic values, and environmental improvement. The beneficiaries are the users, both local and visitors to the district, and in particular user groups such as sports clubs. Damage to turf by some sports is an exacerbator cost. Passive reserves do not exclude anyone, but usage of some sports grounds is high.

For camping grounds the benefit is in low-cost holiday accommodation for visitors, with downstream benefits for camping ground managers, the business sector and the district generally as tourism ultimately helps to ensure business survival. Vandals are responsible for about 2.5% of the annual costs.

Good sports grounds are one of the best assets for a district but recovering more of the costs of running them would be difficult. Sports clubs would be loaded with high charges as it is impossible to retrieve charges from casual users. It is not easy to determine the ability of clubs to pay fees however some of the fees are low.

The Domain Board is a self-funding function of Council, other than for depreciation and support costs, and is not included in the requirement for rates. Its funding comes from miscellaneous income.

Public Conveniences

Aim – to provide clean, safe and convenient public conveniences in areas of frequent community activity.

| | Current | Enhanced | Reduced |
|--|---------|----------|---------|
|--|---------|----------|---------|

| | | | |
|-----------------------------------|------|--|--|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 100% | | |

Key Issues

1. Cleaning standards in periods of high usage
2. Vandalism

Contribution to Community Outcomes

| |  Safer Community |  Sustainable Environment |  Local Services |  Prosperous Economy |  Connected Community |
|--------------------------|---|---|--|--|---|
| Strongly Related | ✓ | | ✓ | | |
| Related | | ✓ | | | |
| Partially Related | | | | ✓ | ✓ |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|---|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 163 | 176 | 197 | 184 | 13 |
| Fees & Charges | 1 | 1 | 1 | 1 | (0) |
| Miscellaneous Revenue | - | - | - | - | - |
| | 164 | 177 | 198 | 185 | 13 |
| Expenses | | | | | |
| Provision of clean safe facilities cleaning | 93 | 105 | 104 | 108 | (4) |
| Building Maintenance | 39 | 44 | 51 | 53 | (2) |
| Depreciation | 34 | 34 | 35 | 28 | 7 |
| Interest | 8 | 10 | 8 | 8 | (0) |
| | 174 | 193 | 198 | 197 | 1 |
| Operating Surplus/(Deficit) | (10) | (16) | - | (12) | 12 |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Renewals | | | | | |
| General | - | 6 | - | - | - |
| Resurface three toilet floors | - | - | 9 | 9 | - |
| Replace hand dryers | - | - | 4 | 4 | - |
| | - | 6 | 13 | 13 | - |
| Debt (Increase)/Decrease | | | | | |
| Debt raised | | | | | |
| Debt repayments | 10 | 10 | 10 | 10 | |
| | 10 | 10 | 10 | 10 | |
| Net Transfer to/(from) Reserves | (4) | (4) | (23) | (7) | (16) |

Public Conveniences

Aim – to provide clean, safe and convenient public conveniences in areas of frequent community activity.

Council provides and maintains 17 public conveniences throughout the district. At least one convenience is open 24 hours in each urban centre (11 throughout the district).

Most facilities were refurbished within the previous 10 years.

Council provides this because...

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

Key Issues and Risks

- Vandalism – high usage toilets are closed at night because of vandalism. There is also a higher incidence of vandalism to public toilets during the school holidays with some facilities having to be closed due to repair.
- Cleaning – keeping toilets clean in the high usage times i.e. school holidays even with extra daily cleans can be a problem.

What is the service?

1. Council provides a clean, safe, accessible service for local people and travellers. Some facilities are open only in daylight hours but each town has one facility open for 24 hours a day.

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

Significant Negative Effects

As long as standards are maintained in keeping with New Zealand standards, there should be no significant negative effects. However, where issues have been identified and the standards have not been met then there are potential negative effects. Cosmetically, there is the threat of graffiti, loss of view and anti-social behaviour generally. Environmentally these could be wastewater discharges and public health risks.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|---------------------------------|----------------|----------------|
| Renewals | | |
| Resurfacing three toilet floors | \$9,000 | 2011/12, 12/13 |
| Akitio Beach toilet block | \$100,000 | 2012/13 |
| Other Renewals | \$16,000 | 2011/12, 14/15 |
| Operational | | |
| Repainting | \$47,000 | 2009-19 |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|--|---|----------------------------|--|----------------------------|----------------------------|----------------------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| A safe community and access to local services – clean, safe and accessible public conveniences are provided for local people and visitors. | At least 80% of the residents rate public conveniences as “fairly satisfactory” or “very satisfactory” in the Community surveys to be conducted in 2011, 2014 and 2017. | 69% | | 80% | 80% | 80% |
| | At least 70% of public conveniences will be inspected weekly. | 80% | 80% | 80% | 80% | 80% |
| | | Pass mark on random audits | Pass mark on random audits | Pass mark on random audits | Pass mark on random audits | Pass mark on random audits |

How Changes in Demand and Consumption of Services will be Assessed and Managed

The council manages and controls assets using consultation with the community and management assessment.

Future Demand

As tourism in the area increases there is more demand for public conveniences in other areas of the district for example in reserves and popular walking areas.

Assumptions

That demand will continue at existing levels.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|-------|------|
| Rates | 100% |
|-------|------|

Why is it funded this way?

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

Although 10% of the costs of providing public toilets are caused by vandals there is no way to recover these costs.

Charging is not considered practical in the district where the number of tourists is lower than in major tourist towns where charging does exist.

Representation

Aim – to enable democratic local decision making on behalf of the community to promote the wellbeing of the Tararua District in the present and for the future.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 100% | | |

Key Issues

- Gaining the participation and view points of Tararua communities.

| | Contribution to Community Outcomes | | | | | |
|--------------------------|---|---|---|---|---|---|
| |  |  |  |  |  |  |
| Strongly Related | ✓ | ✓ | | | | ✓ |
| Related | | | ✓ | ✓ | ✓ | |
| Partially Related | | | | | | |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 1,103 | 1,163 | 1,097 | 1,122 | (25) |
| Fees & Charges | 20 | 19 | 15 | 18 | (3) |
| Miscellaneous Revenue | | 23 | 6 | 8 | (2) |
| | 1,123 | 1,205 | 1,118 | 1,148 | (30) |
| Expenses | | | | | |
| Council | 874 | 998 | 972 | 937 | 35 |
| Community Boards/Local Committees | 124 | 141 | 77 | 132 | (55) |
| Depreciation | 66 | 67 | 54 | 65 | (11) |
| Interest | 1 | 3 | 2 | 2 | |
| | 1,065 | 1,209 | 1,106 | 1,136 | (30) |
| Operating Surplus/(Deficit) | 58 | (4) | 12 | 12 | |
| Additional Information | | | | | |
| Net Transfer to/(from) Reserves | 5 | 62 | 12 | 77 | (65) |

Representation

Aim – to enable democratic local decision making on behalf of the community to promote the wellbeing of the Tararua District in the present and for the future.

The Tararua District Mayor and Councillors achieve this by fulfilling a governance role which involves representing the community, setting direction, and monitoring and reviewing Council performance. It also involves keeping people informed of decisions made.

Community Boards and Community Committees provide this at a local level.

Council provides this because...

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

The Local Electoral Act 2001 provides for the electoral processes which enable our communities to select the leaders they would like to represent them and their interests throughout the democratic decision making process.

Electoral processes provide for the triennial local authority elections, polls and referenda, representation reviews and the determination of the terms of reference and delegations for community boards, committees, council organisations, other decision-making bodies and the appointment of the Chief Executive.

Community committees are appointed by their respective communities to serve a three year term of office that coincides with the period of the local authority elections.

Key Issues and Risks

In consulting with the community the Council makes decisions in the interests of the whole community including future generations. To do this the Council wants input from residents and ratepayers; the challenge is how to consult with all people in the most effective and efficient

manner. This requires effective decision making and coordination, trained staff and appropriate facilities, systems and processes. Litigation is a potential risk.

What is the service?

1. An avenue is provided through which the community can have its views heard.
2. Direction is set to determine the level of services and activities provided to the district's communities and the financial cost to ratepayers and the users of these facilities.
3. A Mayor elected at large by the district and eight district councillors comprising four members each from the North and South Tararua Wards.
4. Two Community Boards being Dannevirke and Eketahuna and two Community Committees being Woodville Districts' Vision and Pahiatua On Track.
5. Elections held every three years and by-elections as required and Annual General Meetings of Community Committees to elect their executive committee members.
6. Advocacy on district and community issues.

Significant Negative Effects

There are no significant negative effects.

Major Projects Planned

These are in 2011 dollars.

| Projects | Timeframes |
|----------------------------------|------------------------------|
| Long Term Council Community Plan | In 2012, 2015 and 2018 |
| Annual Plan | In 2013, 2014, 2016 and 2017 |
| Annual Report | Each year |
| Community Outcomes | In 2011 |
| Representation reviews | In 2015 |
| Local Government Elections | In 2013, 2016 |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|---|---|----------|--|---------|---------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| Our communities are supported through providing leadership to contribute towards maintaining and improving their social, cultural, economic and environmental wellbeing. This activity related to all community outcomes by providing the governance and accountability to the people of Tararua. | At least 75% of residents will rate the overall performance of the Mayor, Councillors, Community Boards and Community Committees as "fairly satisfactory" or "very satisfactory" in the community surveys to be conducted in 2011, 2014 and 2017. | 75% | | | 75% | 75% |

Maintenance and Operating Issues

Maintenance Issues

There are no maintenance issues for this activity.

Operating Issues

The next review of representation will take place in 2015, and at least every six years thereafter. Electors (at least 5% of eligible voters) may at any time demand a poll on the electoral system for local elections and the establishment of Maori wards or constituencies.

Triennial elections will be held in 2010, 2013 and 2016.

How Changes in Demand and Consumption of Services will be Assessed and Managed

The Council, Community Boards and Community Committees will engage with the communities to seek their views on the activities and services delivered by the Council, and issues which may impact on the district or a specific individual community.

Decisions will be made on the communities behalf that contribute towards maintaining and improving the social, cultural, economic and environmental wellbeing of the District's communities to facilitate their sustainable development.

Future Demand

Communities and/or Central Government may demand a change in focus to the Council's policies and services, and these expectations may cause increased pressure on funding and rates.

Further new statutory requirements may create additional workloads on elected representatives and staff, and future amalgamations of local authorities may be proposed.

There will inevitably be an increased demand for advocacy services (with central government and other agencies) arising from the identification of the community outcomes.

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

Assumptions

The higher level of public consultation required under the Local Government Act 2002 will impose additional costs for Council, and the Council will need to continue to work through the requirements of complying with this and other legislation enacted by Central Government. There will be an increased need for advocacy.

Contingencies

There are no contingencies for this activity.

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|-------|------|
| Rates | 100% |
|-------|------|

Why it is funded this way?

This acknowledges that the Mayor and Councillors, the Community Boards and Community Committees members represent the interests of the District or their respective communities and make decisions affecting them, and the benefit of representation is available to all residents and ratepayers of the District.

Resource Management

Aim – to help achieve a sustainable natural and built environment and a strong prosperous economy.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 75% | | |

Key Issues
 1. New national and regional policy statements (One Plan)

| | Contribution to Community Outcomes | | | | |
|--------------------------|---|---|---|---|---|
| |  |  |  |  |  |
| | Prosperous Economy | Safer Community | Connected Community | Sustainable Environment | Local Services |
| Strongly Related | | | | ✓ | |
| Related | ✓ | ✓ | | | ✓ |
| Partially Related | | | ✓ | | |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|---|------------------|-----------------------|-----------------------|-----------------|--------------------|
| Revenue | | | | | |
| Rates | 255 | 243 | 265 | 242 | 23 |
| Fees & Charges | 43 | 49 | 49 | 53 | (4) |
| Miscellaneous Revenue | - | 1 | 1 | 1 | - |
| | 298 | 293 | 315 | 296 | 19 |
| Expenses | | | | | |
| Process resource consent applications | 92 | 81 | 9 | 83 | (74) |
| General Resource Management Act advice and activities | 66 | 68 | 11 | 68 | (57) |
| Prepare an environmental monitoring report | 17 | 14 | 24 | 14 | 10 |
| District plan review | 63 | 29 | 153 | 29 | 124 |
| Legal costs associated with hearings | 115 | 94 | - | 96 | (96) |
| Coastal Hazard Assessment | 32 | - | 111 | - | 111 |
| Depreciation | 9 | 6 | 6 | 6 | - |
| Interest | - | - | - | - | - |
| | 394 | 292 | 315 | 296 | 19 |
| Operating Surplus/(Deficit) | (96) | 1 | - | - | - |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | - | - | - | - | - |
| Capital Renewals | - | - | - | - | - |
| | - | - | - | - | - |
| Debt (Increase)/Decrease | | | | | |
| Debt Raised | - | - | - | - | - |
| Debt Repayments | 1 | 1 | - | - | - |
| | 1 | 1 | - | - | - |
| Net Transfer to/(from) Reserves | - | 6 | - | 6 | (6) |

Resource Management

Aim – to help achieve a sustainable natural and built environment and a strong prosperous economy.

There are two aspects to this activity: the sustainable management of the district's natural and physical resources, and the protection and enhancement of the community's environmental values. These are achieved mainly through the preparation and maintenance of the district plan and through the resource consent process.

The district plan identifies the resource management issues facing the district and sets out the objectives, policies and rules for managing the effects of land use and subdivision activities on the environment. The effectiveness of the district plan is monitored and reported on annually.

Council provides this because...

While there are development pressures in some areas, there is also a desire to protect the special character of certain parts of the district, particularly coastal areas and landscapes. As a statutory requirement under the Resource Management Act 1991, the district plan provides a strong element of control and certainty for land use activity in the district. The district plan and the associated resource consent process are important regulatory tools to help ensure appropriate land use.

Key Issues and Risks

The district plan objectives and policies are influenced by national and regional policy statements and the district plan needs to give effect to these statements. The development of new national and regional policy statements in the future may require changes in the future to the district plan.

The effectiveness of the district plan needs to be continually monitored to ensure that the rules are effective and contributing to the plan's objectives.

What is the service?

1. Provision of a district plan that provides certainty of land use and environmental outcomes, reviewing it 10 yearly and making changes annually to keep it current.
2. Monitoring of Resource Management Act activities in the district and the provision of advice, ensuring Council's obligations are met.
3. A monitoring programme that reports on the effectiveness of the district plan.
4. Efficient processing of resource consent applications.

Significant Negative Effects

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

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated cost | Timeframes |
|-----------------------------|----------------|------------|
| Reviewing the district plan | \$72,000 | 2018 |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|---|--|------------------|--|------------------|------------------|---------------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15– 2018/19 |
| 1. Provision of a district plan that provides certainty of land use and environmental outcomes | | | | | | |
| A sustainable natural environment – applicants will know the environmental standards applications must meet. | Hearings Commissioners be surveyed on the effectiveness of the district plan. | new | 85% | 85% | 85% | 85% |
| 2. Monitoring of RMA activities in the district and the provision of advice | | | | | | |
| A sustainable natural environment – any residents will have inquiries answered and community environmental values will be sustained. | At least 75% of residents will rate resource management as "quite satisfactory" or "very satisfactory" in community surveys to be conducted in 2011, 2014 and 2017 (NBR survey). | new | | | 75% | 75% |
| 3. A monitoring programme that reports on the effectiveness of the district plan | | | | | | |
| A sustainable natural environment – the programme will review the effectiveness of the district plan policies and rules to ensure the objectives of the plan are being met. | By the annual production of a monitoring report. | report published | report published | report published | report published | report published |
| 4. Efficient processing of resource consent applications | | | | | | |
| A strong prosperous economy – applicants will not be unduly delayed in receiving decisions on their applications. | By processing all resource consents within the statutory time frame. | 95% | 95% | 95% | 95% | 95% |

Maintenance and Operating Issues

The level of activity is dependent on the level of economic activity and hence user charges and fees can fluctuate. This can be managed to a certain extent by limiting the use of outside resources.

Monitoring activities in a large district like Tararua is difficult and community input is often relied upon.

How Changes in Demand and Consumption of Services will be Assessed and Managed

We are resourced to provide a base level of service. In times of increased activity or complexity of applications outside resources are used, the costs of which can often be recovered from the applicants.

Future Demand

A change in the current pattern of demand is not anticipated.

Assumptions

That the services will continue to be provided at the existing level and within the provisions of the existing legislation.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reason for Selection

User fees and charges 25%

General rate 75%

Why is it funded this way?

Application fees are set at a level to recover the cost of processing the applications. However, the costs of providing advice, general monitoring and of developing and monitoring the effectiveness of the district plan are community costs that benefit the district as a whole.

Capital expenditure

Reserves 100%

Roading







Aim – to provide an effective and efficient roading network ensuring the safety of all road users.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 33% | | |

Key Issues

1. Maintaining existing levels of service within financial constraints.
2. Managing renewal and development of the roading network including ongoing bridge inventory.
3. Road closures and blockages minimised and cleared in a timely manner from extreme weather conditions.
4. The potential for rising costs and reducing subsidies.

Contribution to Community Outcomes

| |  Sustainable Environment |  Connected Community |  Local Services |  Safer Community |  Prosperous Economy |  Infrastructure |
|--------------------------|---|---|--|---|--|--|
| Strongly Related | | ✓ | ✓ | | | ✓ |
| Related | | | | ✓ | ✓ | |
| Partially Related | ✓ | | | | | |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 5,998 | 5,911 | 6,700 | 6,417 | 283 |
| Fees & Charges | 210 | 190 | 150 | 199 | (49) |
| Interest Revenue | 83 | | | | |
| Subsidies | 7,251 | 7,627 | 7,690 | 9,827 | (2,137) |
| Trees | 62 | | | | |
| Miscellaneous Revenue | 5 | 19 | | 23 | (23) |
| | 13,609 | 13,747 | 14,540 | 16,466 | (1,926) |
| Expenses | | | | | |
| Sealed pavement maintenance | 851 | 1,212 | 1,100 | 1,140 | (40) |
| Unsealed pavement maintenance | 682 | 633 | 608 | 685 | (77) |
| Routine drainage maintenance | 1,021 | 720 | 876 | 776 | 100 |
| Structures maintenance | 681 | 844 | 969 | 913 | 56 |

| Costs of Council (\$000's Forecast) | 2009/2010 | 2010/2011 | 2011/2012 | 2011/2012 | 2011/2012 |
|---|---------------|---------------|---------------|---------------|----------------|
| | Actual | Annual Plan | Annual Plan | LTCCP | Variance |
| Environmental maintenance | 696 | 526 | 545 | 570 | (25) |
| Traffic services maintenance | 627 | 507 | 590 | 548 | 42 |
| Level crossings | 36 | 43 | 49 | 46 | 3 |
| Unsealed road metalling – maintenance metal | 622 | 578 | 656 | 627 | 29 |
| NZTA and Administration support | 191 | 187 | 210 | 202 | 8 |
| Network Asset Management subsidised | 560 | 541 | 499 | 585 | (86) |
| Emergency reinstatement | 667 | 1,267 | 1,396 | 1,369 | 27 |
| Non-subsidised verge rural maintenance | 54 | 81 | 68 | 89 | (21) |
| Non-subsidised verge urban maintenance | 4 | 44 | 10 | 48 | (38) |
| Non-subsidised tree removal | 1 | 6 | 1 | 6 | (5) |
| Depreciation | 6,559 | 6,437 | 6,683 | 6,600 | 83 |
| Interest | 45 | 56 | 41 | 99 | (58) |
| | 13,297 | 13,682 | 14,302 | 14,303 | (1) |
| Operating Surplus/(Deficit) | 312 | 65 | 238 | 2,163 | (1,925) |

Additional Information

Capital Expenditure

Capital Developments

| | | | | | |
|---|--------------|------------|------------|--------------|----------------|
| Associated improvements | 87 | 130 | 128 | 148 | (20) |
| Minor safety improvements | 805 | 815 | 813 | 906 | (93) |
| Dannevirke High Street refurbishment – minor safety | - | - | - | - | - |
| Pahiatua Track – improvements | - | - | - | 1,794 | (1,794) |
| Coast Road – seal extension | 201 | - | - | - | - |
| Ormondville – Tower Street seal extension | - | - | - | - | - |
| Bridge structures | 104 | - | - | 105 | (105) |
| | 1,197 | 945 | 941 | 2,953 | (2,012) |

Capital Renewals

| | | | | | |
|---|-------|-------|-------|-------|------|
| Pavement rehabilitation | 1,586 | 1,700 | 1,755 | 1,740 | 15 |
| Sealing road resurfacing | 2,278 | 2,250 | 2,390 | 2,426 | (36) |
| Traffic services | 53 | 125 | 88 | 127 | (39) |
| Drainage renewal and structures maintenance | 549 | 540 | 480 | 475 | 5 |
| Dannevirke High Street refurbishment | | | | | |

| Costs of Council (\$000's Forecast) | 2009/2010 | 2010/2011 | 2011/2012 | 2011/2012 | 2011/2012 |
|---|----------------|--------------|----------------|--------------|----------------|
| | Actual | Annual Plan | Annual Plan | LTCCP | Variance |
| Unsealed road metalling – heavy metal overlay | 561 | 690 | 583 | 791 | (208) |
| Pahiatua Stadium carpark | | | | | |
| Bridge renewals | 47 | | 250 | 53 | 197 |
| Motor vehicles replacement | | 6 | | 85 | (85) |
| Buildings | | | | | |
| Other | 95 | | 93 | 90 | 3 |
| | 5,169 | 5,311 | 5,639 | 5,787 | (149) |
| | 6,367 | 6,256 | 6,580 | 8,740 | (2,160) |
| Debt (Increase)/Decrease | | | | | |
| Debt raised | | | | (163) | 163 |
| Debt repayments | 84 | 76 | 76 | 123 | (47) |
| | 84 | 76 | 76 | (40) | 116 |
| Net Transfer to/(from) Reserves | (5,147) | 168 | (6,417) | 63 | (6,480) |

Roading

Aim – to provide an effective and efficient roading network ensuring the safety of all road users.

The roading network of Tararua District Council is listed as the fourth-largest of any authority in New Zealand. The network consists of a total of 1,958km of roads, with 1,172km sealed, and 785km of unsealed roads. Additionally, there are 479 bridges, and all associated infrastructure assets, such as signs, lighting and culverts, both large and small.

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

The network is managed by the Council's in-house engineering business unit, Engineering Services, based in Woodville. This non-profit consultancy provides engineering resources under a contract at a lower total cost than usually obtained from external consultants. Contracts are let for general maintenance, ranging from three to five year contracts, with annual contracts being let for pavement rehabilitation, sealed road resurfacing and seal extensions. Due to the low population base, the Tararua District Council is heavily reliant upon subsidies received from NZ Transport Agency. Subsidies range from 60% for general maintenance, including reseal and rehabilitation, through to 70% for development work such as seal extensions and minor improvements.

Council provides this because...

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

Key Issues and Risks

The major issues facing roading over the next ten years are:

- Maintaining the existing levels of services in accordance with financial implications/constraints.
- Managing the levels of roading renewals for existing pavement surfaces, as well as an aging bridging inventory.
- With changing weather patterns and extreme weather events causing significant damage to the roading infrastructure. In some cases, communities can be isolated until it is repaired.
- Gaining NZ Transport Agency funding for the upgrade of Pahiatua-Palmerston North Route.
- Managing potential rises in material costs and drops in subsidy.

What is the service?

1. To maintain the roading network in an effective and efficient manner, appropriate to community needs, in accordance with funds available.
2. To continue with planned roading renewals as funding is determined.
3. Road closures or blockages are minimised and cleared in a timely manner.

Significant Negative Effects

- The physical placement and construction of roads can adversely affect the natural attributes of the environment, for example, cutting hillsides, bridging streams or rivers etc.
- Excessive noise from vehicular traffic affects residents' quality of life.
- Motor vehicles affect the environment by producing fumes affecting air quality and causing contaminants in road stormwater runoff.
- Road construction works may lead to accidents, inconvenience and delays to the travelling public and extra expense to the ratepayer.
- Roading can increase the speed of water runoff onto adjacent properties.
- Roading assets consume a large quantity of non-renewable petroleum products.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|---|------------------|-----------------------|
| Pahiatua to boundary route upgrade (NZTA funding) | \$8,700,000 | *Deferred |
| Drainage renewal upgrade Woodville main street subject to funding from NZ Transport Agency for state highway and national funding programme | \$150,000 | 2011/12 |
| Drainage renewal upgrade Eketahuna main street subject to funding from NZ Transport Agency for state highway and national funding programme (balance of funding for rest of district) | \$50,000 | 2012-15 |
| Seal extension programme of 3km per year: subject to funding NZ Transport Agency | \$380,000/year | Annually from 2012/13 |
| Annual reseal programme of 90km per year | \$2,390,000/year | Annually |
| Annual pavement rehabilitation of 12.5km per year | \$1,755,000/year | Annually |

| Projects | Estimated Cost | Timeframes |
|---|----------------|------------|
| To complete Minor Improvements as subsidised by NZ Transport Agency | \$815,000/year | Annually |

* The Pahiatua to boundary upgrade has been deferred due to funding not being made available from the NZ Transport Agency.

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|--|--|---------------|--|----------------------------|---------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. To maintain the roading network in an effective and efficient manner, appropriate to community needs, in accordance with funds available | | | | | | |
| A safe community – to ensure that our roading network is safe. | Number of fatal accidents due to road factors. | 0 | 0 | 0 | 0 | 0 |
| A strong prosperous economy – roads are maintained to the appropriate standard. | Percentage reduction in the number of customer requests related to road surface defects both sealed and unsealed. | 2008/09 Total | Reduce by 5% on prior year | Reduce by 5% on prior year | 10% | 10% |
| A sustainable environment – the roading network is managed appropriately. | Percentage of requests to fix road surface faults are completed within the time frame specified in contracts. | 100% | 100% | 100% | 100% | 100% |
| Access to local services - roads are available to all. | 70% rating for Urban and Rural roading as "quite satisfactory" or "very" satisfactory in community surveys to be conducted in 2011, 2014 and 2017. | 70% | - | - | 70% | 70% |
| 2. To continue with planned roading renewals as funding is determined | | | | | | |
| A safe community – roading network provides a safe and comfortable ride quality. | Percentage of sealed roads providing a smooth and comfortable ride as tested by Council staff. | 95% | 95% | 95% | 95% | 95% |
| A connected community – roads are wide enough to allow appropriate traffic for community needs. | | | | | | |
| 3. Road closures or blockages are minimised and cleared in a timely manner | | | | | | |
| A high standard of infrastructure. | Percentage of time that roads remain fully available for use. Measured on a monthly basis. | 99% | 99% | 99% | 99% | 99% |

Maintenance and Operating Issues

Tararua has varying geography and geology. There is a shortage of suitable metal supplies particularly in the eastern area. The land east of the Puketoi ranges is inherently unstable and susceptible to flood damage.

Council operates contracts for road maintenance district wide. Maintenance of the network can be difficult due to a shortage of available resources.

- Contracting costs tend to be rising; in part due to the higher compliance duties on contractors, and raw material prices.
- NZ Transport Agency review their subsidy levels annually; the subsidy dropped to 60% on 1 July 2004.
- Weather can affect maintenance requirements; a wetter than average winter can increase costs substantially.
- Weather also can affect the timing of maintenance work.

For more detailed information refer to the 2008-18 Rooding Asset Management Plan available on CD from Service Centres.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Changes in demand normally come to Council's attention from road users and/or landowners either by direct approach or by way of submissions to the annual plan and Community Plan process.

Changes in demand are also identified by Council staff from:

- visual observations and audits.
- traffic counts.
- increased maintenance requirements.
- responding to requests from the public.

Future Demand

The district is predicted to be static or with a slight decline in rural population. Forestry is, however, becoming an increasingly popular land use and the harvesting of forests and commercial plantations of trees will place significant demands on some areas of the roading network.

The harvesting of forests and increased dairying is already placing some increased demands on the network. Both these operations generate significant heavy vehicle traffic by way of logging trucks, milk tankers and service vehicles. Not all bridges in the network are capable of carrying Class I loads.

Road maintenance is based on the current level of demand. If land use changes on properties accessed by a certain road, the levels of maintenance change.

An initial assessment shows there is likely to be a 10+ year period beginning around 2020 when nearly 16,000 return trips per year will be made to the Weber area forests by trucks with full axle loads. To a lesser extent the growth of dairying will affect road usage.

Council is committed to ensuring there is a secure east-west roading link. The February 2004 flood (and the 1995 flood) underlined the vulnerability of the Manawatu Gorge highway. Council is currently in discussions with NZ Transport Agency about regional prioritisation for upgrading the section of road from Pahiatua to the top of Pahiatua-Palmerston North Route .

Assumptions

The NZ Transport Agency subsidy levels will remain at 60% for Road Maintenance and 70% for development work such as Seal Extensions and Minor Improvements.

The level of usage will remain relatively consistent and current land use patterns will not change significantly.

Meeting the requirements for forestry logging will be a significant issue.

Risks

- That the subsidy levels for capital developments will change. In particular that the Regional Rooding funding will not be made available for the identified projects such as the route upgrade from Pahiatua to the summit of Pahiatua-Palmerston North Route.
- NZ Transport Agency subsidy levels for maintenance work may continue to drop as roading growth focuses funding on the cities. (There is the potential to fall to 43%.)
- Material costs may increase at a level beyond inflation as petroleum products are dependent on international economies and politics.
- Contracting costs may be unpredictable due to the economic situation.
- With the reduction in budget to Sealed Maintenance in the first three years of the Plan, there is risk that the budget will be insufficient for the impact of significant floods, and reserves will be used to fund any shortfall.

Contingencies

A list of Consultancy engineers and contractors is kept at Engineering Services for use in emergencies.

Council has access to limited reserve funds to cope with emergency situations.

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|-----------|-----|
| Subsidies | 33% |
| Rates | 67% |

Why is it funded this way?

The beneficiaries are the users of the roads, the owners of properties served by roads, the community and people of New Zealand as a whole. It is almost impossible to define the areas of local benefit because the boundaries of benefit vary from person to person.

Roading receives fees and charges from petrol tax which is not considered a significant source of funding.

Service Centres

Aim – excellent customer and stake holder access to services locally.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 100% | | |

Key Issues

1. Woodville Service Centre / Library combination
2. Electronic transactions increasing
3. Costs of maintaining a physical presence

Contribution to Community Outcomes

| |  Prosperous Economy |  Local Services |  Connected Community |
|--------------------------|--|--|---|
| Strongly Related | | | |
| Related | | ✓ | ✓ |
| Partially Related | ✓ | | |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 375 | 411 | 390 | 397 | (7) |
| Fees & Charges | 3 | 3 | 3 | 3 | () |
| Miscellaneous Revenue | | 1 | 1 | 1 | () |
| | 378 | 415 | 393 | 401 | (8) |
| Expenses | | | | | |
| Dannevirke service centre | 154 | 171 | 140 | 168 | (28) |
| Woodville service centre | 61 | 68 | 65 | 68 | (3) |
| Pahiatua service centre | 94 | 104 | 108 | 102 | 6 |
| Eketahuna service centre | 52 | 57 | 73 | 56 | 17 |
| Depreciation | 8 | 7 | 7 | 7 | () |
| Interest | 1 | 1 | - | - | - |
| | 370 | 408 | 393 | 401 | (8) |
| Operating Surplus/(Deficit) | 8 | 7 | - | - | () |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Debt (Increase)/Decrease | | | | | |
| Debt repayments | 7 | 7 | - | - | - |
| | 7 | 7 | - | - | - |
| Net Transfer to/(from) Reserves | - | 7 | - | 7 | (7) |

Service Centres

Aim – excellent customer and stake holder access to services locally.

Council has four services centres located in each of the four main townships of the Tararua district, namely:

- **Dannevirke** 26 Gordon Street
Providing customer services Monday to Friday from 8:00am to 5:00pm
- **Woodville** 45 Vogel Street
Providing customer services Monday to Friday from 8:00am to 4:30pm
- **Pahiatua** 136 Main Street
Providing customer services Monday to Friday from 8:00am to 4:30pm
- **Eketahuna** 31 Main Street
Providing customer services/library services and a money exchange facility Monday to Friday from 10:30am to 12:30pm and 1:00pm to 4:30pm

Council's principal office is located in Dannevirke and acts as the main point of contact for managing the districtwide phone service.

The Woodville office currently also services the Engineering Services department of the Council.

Eketahuna provides a library and money exchange service.

Pahiatua provides liquor licensing and general inspection support services.

Each of the service centres support the Dannevirke service centre with phone operations and are points of contact for their respective cemeteries and pensioner housing enquiries.

Council provides this because...

Council recognises many in the community desire to have local access to council staff and services.

The Service Centres provide a local presence for ratepayers to obtain advice, assistance, information and to make rate payments.

Key Issues and Risks

- An increasing number of transactions can and will be handled electronically.
- The costs associated with maintaining a front counter presence to assist those preferring a face to face relationship.
- Woodville Service Centre/Library combination. Council is investigating the combining of these two services to gain efficiencies.
- Council is investigating the combining of service centres/information centres and libraries in Pahiatua, Dannevirke and Eketahuna also.

What is the service?

1. Council maintains an effective service centre in each main town
2. A responsive 24 hour service request system via telephone
3. Provision of a money exchange in Eketahuna.

Significant Negative Effects

There are no significant negative effects.

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|--|--|----------|--|---------|---------|---------------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15– 2018/19 |
| 1. Council provides four service centres in each main township | | | | | | |
| A connected community – by providing a place where public can conduct their council related business activity. | Percentage of resident population within 25km's of Council service centres. | new | 60% | 60% | 60% | 60% |
| 2. Response to service requests | | | | | | |
| Access to local services – by providing a "one-stop-shop" approach to resolving issues raised by the public and entered into its service request system. | A survey of 10 contract action service requests per month meeting customer satisfaction standards. | new | 90% | 90% | 90% | 90% |

Maintenance and Operating Issues

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

How Changes in Demand and Consumption of Services will be Assessed and Managed

Usage trends across the four service centres will be regularly monitored and reviewed.

Future Demand

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

The number of service requests is generally static, and the cash handling workload is decreasing as more people use electronic banking facilities and pay their rates in advance to take advantage of discounts.

Staffing levels have decreased over the years to reflect these trends. Demand is predicted to continue at present levels.

Assumptions

That Council will continue to operate four service centres, and that current service levels continue.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|-------|------|
| Rates | 100% |
|-------|------|

Why is it funded this way?


Service centres provide a multitude of customer related services that directly benefit the customers. Dealing with ratepayer and dog owner enquiries, and receipting is a public good service. Much of the time spent on private benefit work is of a very small duration and is therefore not directly chargeable.

Sewerage

Aim – providing the collection, treatment and disposal of wastewater to protect public and environmental health.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 94% | | |
| User charges | 6% | | |

- Key Issues**
1. Upgrading sewerage treatment plants throughout the district to meet consent discharge requirements.
 2. Reduction of stormwater infiltration into sewerage system.

| | Contribution to Community Outcomes | | | | | |
|--------------------------|---|---|--|---|--|--|
| |  Sustainable Environment |  Connected Community |  Local Services |  Safer Community |  Prosperous Economy |  Infrastructure |
| Strongly Related | ✓ | | | ✓ | | ✓ |
| Related | | | | | ✓ | |
| Partially Related | | ✓ | ✓ | | | |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|------------------|-----------------------|-----------------------|-----------------|--------------------|
| Revenue | | | | | |
| Rates | 2,312 | 2,104 | 2,036 | 2,637 | (601) |
| Fees & Charges | 122 | 82 | 108 | 103 | 5 |
| Subsidies | - | - | - | - | - |
| Miscellaneous Revenue | - | 3 | 3 | 3 | - |
| | 2,434 | 2,189 | 2,147 | 2,743 | (596) |
| Expenses | | | | | |
| To provide effective treatment of wastewater | 303 | 363 | 596 | 474 | 122 |
| Reticulation sewage disposal for all connected properties | 37 | 43 | 267 | 57 | 210 |
| Maintenance to minimise failures & blockages, infiltration of stormwater into sewerage system. | 101 | 121 | | 158 | (158) |
| Planning & development renewals to ensure future capacity | 305 | 436 | 113 | 409 | (296) |
| Telemetry system monitoring to prevent system failures | 9 | 10 | 38 | 13 | 25 |
| Depreciation | 739 | 764 | 769 | 762 | 7 |
| Interest | 289 | 368 | 362 | 426 | (64) |
| | 1,783 | 2,105 | 2,146 | 2,299 | (153) |
| Operating Surplus/(Deficit)* | 651 | 84 | 1 | 444 | (443) |

| Costs of Council (\$000's Forecast) | 2009/2010 | 2010/2011 | 2011/2012 | 2011/2012 | 2011/2012 |
|--|--------------|-------------|--------------|------------|----------------|
| | Actual | Annual Plan | Annual Plan | LTCCP | Variance |
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| Eketahuna effluent quality improvement | 2 | - | - | - | - |
| Disolved phosphorous removal investigation | 28 | - | - | - | - |
| Woodville effluent quality improvement | 47 | - | - | - | - |
| Norsewood resource consent | 6 | - | - | - | - |
| Pahiatua effluent quality improvement | 13 | - | - | - | - |
| Pongaroa treatment plant upgrade | 21 | - | - | - | - |
| Aerator | 12 | - | - | - | - |
| Telemetry | 33 | - | 55 | - | 55 |
| | 162 | - | 55 | - | 55 |
| Capital Renewals | | | | | |
| Dannevirke mains replacement | 38 | - | - | - | - |
| Pahiatua mains replacement | 166 | - | - | - | - |
| Woodville ponds waveband/desludging | 11 | - | - | - | - |
| Ormondville pump replacement | - | - | - | 5 | (5) |
| Resource consents | - | 155 | - | - | - |
| Manhole replacements | - | 5 | 5 | 5 | - |
| Sewer pump replacement | - | 2 | 2 | 2 | - |
| Mains replacement | 102 | 227 | 235 | 235 | - |
| | 317 | 389 | 242 | 247 | (5) |
| | 479 | 389 | 297 | 247 | 50 |
| Debt (Increase)/Decrease | | | | | |
| Debt Raised | (114) | | (55) | | (55) |
| Debt Repayments | 443 | 370 | 451 | 495 | (44) |
| | 329 | 370 | 396 | 495 | (99) |
| Net Transfer to/(from) Reserves | (329) | 89 | (691) | 464 | (1,155) |

Sewerage

Aim – providing the collection, treatment and disposal of wastewater to protect public and environmental health.

Council provides sewerage disposal to seven communities. The sewerage system consists of wastewater pipes, pump stations, and some form of treatment and disposal. Council systems are mainly directed to urban areas.

Council provides this because...

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

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

Key Issues and Risks

- Infiltration of stormwater in to the sewerage system. Analysis and redirection.
- The high capital costs of upgrades and associated affordability impacts to meet consent requirements from Regional Council.
- The Asset Management Plan for this activity has been updated. Council is satisfied that the Community Plan adequately provides for the maintenance, renewal and development of this activity due to the asset knowledge gained by the Asset Management Plan review. Council can verify required expenditure matches predicted future works.

What is the service?

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

Significant Negative Effects

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

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|--|----------------|----------------|
| Infiltration (part of operating costs) | \$600,000 | 10 year period |
| Renewals | | |
| Sewer Mains | \$2,200,000 | 10 year period |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|--|--|-----------------|--|-----------------|-----------------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. Council provides a reliable wastewater disposal | | | | | | |
| A safe community – the health of the community is maintained through the safe disposal of human waste. | The sewerage scheme will comply with the environmental effects monitoring conditions as defined in the resource consents. | 95% | 95% | 95% | 95% | 95% |
| A strong prosperous economy – industrial and commercial development needs met. | Less than 20 blockages annually in the sewer mains. | 80% | 80% | 80% | 80% | 80% |
| A sustainable environment – sewerage resources managed appropriately. | No property will be affected by overflowing sewer mains more than twice in 5 years. | 90% | 90% | 90% | 90% | 90% |
| A high standard of infrastructure. | 70% rating of supplies as "quite satisfactory" or "very" satisfactory in community surveys to be conducted in 2011, 2014 and 2017. | 70% | | | 70% | 70% |
| 2. Council provides safe wastewater disposal | | | | | | |
| A safe community – by providing a safe wastewater system. | Wastewater treatment upgrades will lead to achievement of compliance with our resource consents. | 95% | 95% | 95% | 95% | 95% |
| A strong prosperous economy – by providing safe systems for economic activities, including tourism. | | | | | | |
| Access to local services. | Septic tank emptying service for Pongaroa, Ormondville and Norsewood. | on request | 100% | 100% | 100% | 100% |
| 3. Future wastewater scheme capacity is planned for | | | | | | |
| A safe community. | Public Health Risk Management Plans will be implemented and monitored for each sewerage supply. | Plans monitored | Plans monitored | Plans monitored | Plans monitored | Plans monitored |
| A strong prosperous economy. | | | | | | |
| A sustainable environment. | | | | | | |

Maintenance and Operating Issues

Maintenance Issues

Council maintains the sewerage disposal systems, oxidation ponds, pump stations, pipe reticulation, manholes and the Dannevirke sewerage treatment plant.

Maintenance work is currently contracted out.

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

The renewal of resource consents is a major issue for all of the sewerage systems Council owns.

Monitoring activity should include:

- Flow testing
- Analysis of customer complaint and service failure records
- Proactive inspection of critical assets
- Testing pipe material to determine conditions and decay rates
- Effluent quality testing

Installation of telemetry equipment to monitor asset status and performance has been completed. New technology that may improve operational and management efficiency will be identified, evaluated and introduced as appropriate.

Operating Issues

Dannevirke and Pahiatua schemes have significant problems with ground infiltration of water due to the poor condition of the pipe mains.

All schemes except Dannevirke plant struggle to meet the water quality requirement of the Manawatu catchment water quality regional plan. Upgrading to meet these requirements has been programmed, and options are being considered based on level of treatment and cost.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Regular monitoring and testing is undertaken to ensure our discharges meet the resource consent requirements.

Managing changes would need to be discussed with the Horizons Regional Council.

Future Demand

Demand is predicted to continue at present levels from the current industrial users, urban housing and local businesses. However, expectations for improved treatment to achieve better environmental outcomes have increased and planned improvements are included in the capital development programme.

Assumptions

The systems will be able to cope with industry development and any change in quality of trade waste.

Requirements of the Manawatu catchment water quality regional plan remain consistent.

Contingencies

Reduction in Trade Waste

There are a number of industries within the district that produce significant trade waste, such as the meat processors and wool spinners in Dannevirke. Council plans to review current trade waste bylaws, so they are more appropriate to current environmental practices. Trade waste bylaws should control the volume and quality of trade waste that enters reticulated systems, to ensure that the reticulation network is not adversely affected.

Council continues to review the trade waste disposal systems of all industries within the district and monitors future requirements to ensure environmental policies regarding ongoing disposal of waste are met.

On-site Disposal Versus Reticulated System

Due to the rural nature of the district there are a number of properties served by on-site septic tanks. Where sections are large and permeability rates are good, septic tanks are an acceptable disposal option. However, if water supply aquifers are affected by the septic tanks, alternative solutions may be required.

On-site disposal greatly reduces the demand and cost of providing public systems. However the cost to individual residents in operating on-site systems may be greater. Currently the only community faced with the requirement to upgrade septic tanks is Akitio beach.

Water Demand Management

A reduction in water consumption will indirectly reduce sewage flows. Council may wish to implement water conservation policies in the future if demands increase, and reticulation systems are inadequate. Water conservation may prevent the need for costly system upgrades, to meet increased demands.

Infiltration Control

As reticulated systems age the need to control the quantity of infiltration becomes more important, to reduce the need to increase the capacity of the sewerage system. The Council currently undertakes infiltration surveys and video inspections. These techniques highlight badly deteriorated pipes that require renewing. A renewals programme can then be developed that fixes infiltration problems, and spreads the cost evenly over several years.

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|--------------|-----|
| Rates | 94% |
| User charges | 6% |

Why is it funded this way?

The benefits are mainly to private users in the removal of sewerage from individual households, businesses and public facilities. There is a public health benefit particularly to people who live in urban areas, and also with the downstream effects of clean rivers benefiting the whole district. Developments are viewed as benefiting the private users.

Exacerbators are those who contaminate the system with dangerous substances or exceed permitted levels of biological waste. Bypassing the main commercial dumping points is not permitted. The infiltration of stormwater into the sewerage system also adds to the cost of the activity by increasing treatment volumes and contributing to surcharging back up the pipes during periods of high rainfall. It is not practicable to retrieve all costs from exacerbators, but costs can be kept down by the Council being vigilant about people who deliberately tap their stormwater into the sewers.

Rates will be calculated as 6% funded from general rates (excluding loan interest and principal costs) representing the district wide benefit. The remaining 94% (including loan interest and principal costs, amounting to an effective rate of 89%) will be funded through uniform targeted rates to those who directly benefit, with a cap for all but rental properties and educational establishments. Rental properties are considered to be separate users. Educational establishments receive a remission which better reflects the benefit and use.

Multiple sewerage connections will be charged each except residential households will be deemed as having only one connection, a reduced rate will apply (excluding multi residential and educational establishments properties). In those cases another targeted rate will apply on water closets and urinals numbering between 4 and 12 inclusive with 12 being the maximum. Multi residential and educational establishments properties will be charged for each connection.

Solid Waste Management







Aim – to provide refuse disposal facilities throughout the district to ensure that residents are easily able to dispose of waste material.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | | | |
| Refuse | 50% | | |
| Waste | 30% | | |

Key Issues

1. The district's two largest landfills are now closed as their consents have expired and they did not have sufficient capacity left to justify seeking a new consent. Temporary transfer stations have been constructed while the recovery parks are built.
2. Cost of recycling.
3. Government Levy \$10 per tonne.

Contribution to Community Outcomes

| |  Sustainable Environment |  Connected Community |  Local Services |  Safer Community |  Prosperous Economy |  Infrastructure |
|--------------------------|---|---|--|---|--|--|
| Strongly Related | ✓ | | ✓ | ✓ | | |
| Related | | | | | ✓ | |
| Partially Related | | ✓ | | | | ✓ |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 601 | 992 | 442 | 1,008 | (566) |
| Subsidies | 1,131 | 801 | 772 | 534 | 238 |
| Fees & Charges | 25 | 53 | 68 | 70 | (2) |
| Miscellaneous revenue | 42 | 2 | 3 | 4 | (1) |
| | 1,799 | 1,848 | 1,285 | 1,616 | (331) |
| Expenses | | | | | |
| Landfills/transfer stations - normal operation | 534 | 862 | 414 | 877 | (463) |
| Landfills/transfer stations - claims operation | 319 | 107 | 63 | - | 63 |
| Refuse collection | 149 | 117 | 281 | 121 | 160 |
| Recycling collection | 83 | 66 | 96 | 68 | 28 |
| Recycling bins | 308 | 241 | 278 | 250 | 28 |
| Street bins | 49 | 38 | 1 | 40 | (39) |

| Costs of Council (\$000's Forecast) | 2009/2010 | 2010/2011 | 2011/2012 | 2011/2012 | 2011/2012 |
|--|--------------|--------------|--------------|--------------|--------------|
| | Actual | Annual Plan | Annual Plan | LTCCP | Variance |
| Waste levy | 239 | 120 | 5 | 74 | (70) |
| Other costs (District, Support costs) | 63 | 29 | - | 31 | (31) |
| Depreciation | 71 | 73 | 64 | 70 | (6) |
| Interest | 57 | 90 | 85 | 44 | 41 |
| | 1,872 | 1,743 | 1,287 | 1,575 | (288) |
| Operating Surplus/(Deficit) | (73) | 105 | (2) | 41 | (43) |
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| Pahiatua transfer station | 16 | 265 | 10 | 108 | (98) |
| District recycling - Herberville, Akitio, Weber, & trailer | - | 38 | - | - | - |
| Dannevirke transfer station | 9 | 320 | 10 | 320 | (310) |
| Dannevirke landfill - closure costs | - | 50 | - | - | - |
| Pahiatua landfill - closure costs | - | 50 | - | - | - |
| | 24 | 723 | 20 | 428 | (408) |
| Capital Renewals | | | | | |
| Pahiatua leachate pond | 18 | - | - | - | - |
| | 18 | - | - | - | - |
| | 43 | 723 | 20 | 428 | (408) |
| Debt (Increase)/Decrease | | | | | |
| Debt Raised | (16) | (670) | - | (428) | 428 |
| Debt Repayments | 26 | 68 | 84 | 50 | 34 |
| | 10 | (602) | 84 | (378) | 462 |
| Net Transfer to/(from) Reserves | (39) | 58 | (104) | 61 | (165) |

Solid Waste Management

Aim – to provide refuse disposal facilities throughout the district to ensure that residents are easily able to dispose of waste material.

This activity is about providing refuse disposal facilities in various communities in the district and to help keep the community free from litter by having adequate disposal facilities. Council commenced a full review of how this service is provided in 2010/11.

Council provides this because...

The Council has a statutory duty under the Local Government Act 1974 Section 539 to prepare and adopt a Waste Management Plan and may under section 540 of the same Act collect and dispose of any waste from any premises.

The Council adopted a Waste Management Plan (Solid Waste Plan) in March 2003. This Plan outlines the activities the Council will undertake in terms of waste collection and disposal. This Plan also identified that Council will promote waste reduction by promoting recycling. To enhance the recycling initiatives Council introduced recycling bins throughout the District in February 2007.

The 2006-16 Community Plan identified construction of a transfer station at Eketahuna. A new consent was obtained for the landfill therefore a transfer station is now not required.

Key Issues and Risks

The major issues facing this activity over the next ten years are:

- Development of an Asset Management Plan for the activity; final version 2.1 completed.
- The cost of recycling and the decreasing value for recycled material will be a significant issue for consideration

- From July 2009 new legislation will impose a levy of \$10.00 per tonne for waste. This will have a significant impact on the cost of disposal (and charges). A portion of the levy will be applied to waste minimisation activities.

What is the service?

1. Operating landfills and transfer stations in Ormondville, Dannevirke, Woodville, Pahiatua, Eketahuna and Pongaroa.
2. Providing a kerbside refuse collection in Norsewood, Dannevirke, Woodville, Pahiatua, Eketahuna, Pongaroa, Akitio and Herbertville and a "bagged refuse" transfer facility in Makuri and Alfredton.
3. Providing kerbside recycling collections in Dannevirke, Woodville, Pahiatua and Eketahuna.
4. Providing recycling "drop off" containers in Norsewood, Dannevirke, Woodville, Pahiatua, Eketahuna, Pongaroa, Akitio, Herbertville (summer only), and Weber (remainder of year).
5. Providing street refuse bins for the travelling public and local residents.

Significant Negative Effects

None have been identified.

Major Projects Planned

Since completion of the transfer stations, there have been no major projects for Solid Waste considered.

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|---|---|----------|--|---------|------------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. Council provides suitable refuse disposal facilities. | | | | | | |
| A sustainable natural environment – refuse is disposed of appropriately. | At least 60% of residents rate landfills/transfer stations as "fairly satisfactory" or "very satisfactory" in community surveys to be conducted in 2011, 2014 and 2017. | 58% | | | 60% | 60% |
| A safe community – refuse collections remove health hazards. | At least 60% of residents rate refuse collection as "fairly satisfactory" or "very satisfactory" in community surveys to be conducted in 2011, 2014 and 2017. | 60% | | | 60% | 60% |
| Access to local services – all residents have access to recycling services. | At least 70% of residents rate recycling as "fairly satisfactory" or "very satisfactory" in community surveys to be conducted in 2011, 2014 and 2017. | 75% | | | 70% | 70% |
| A safe community – landfill closure is managed. | Aftercare plans for Dannevirke and Pahiatua landfills completed. Transfer stations constructed and landfills closed. | | | | | |
| | | | | | 2010-2012* | |

* The date for transfer stations constructed and landfills closed has been updated from November 2010 to 2010-2012.

Maintenance and Operating Issues

Once the existing Dannevirke and Pahiatua landfills are closed, the significant operating issue is going to be the cost of transporting refuse to a disposal facility at Waipukurau.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Changes in demand and consumption of services will be from community feedback and consultation.

Future Demand

The increasing cost of refuse disposal with the closing of the landfills is likely to increase the demand (and therefore cost) of the recycling service.

Assumptions

The charges for access to the district landfills/transfer stations will increase steeply for the next few years.

The fees proposed are:

| | Car | Trailer/other vehicle (per m ³) approx | Approx percentage increase |
|---------|---------|---|-------------------------------|
| Current | \$13.00 | \$30.00 | 20% |
| 2011/12 | \$16.00 | \$36.00 | 20% |
| 2012/13 | \$19.00 | \$43.00 | 20% |
| 2013/14 | \$23.00 | \$50.00 | 20% |

Risks

The significant risk for the future operation of refuse disposal is the cost of transporting and disposing of refuse.

As charges for refuse disposal increase there is a significant risk that 'fly tipping' will increase.

Contingencies

There is no allowance for contingencies.

Funding Sources, Funding Mechanisms and Reason for Selection

| | Refuse | Waste |
|--------------|--------|-------|
| Rates | 50% | 30% |
| User charges | 50% | 70% |

Why is it funded this way?

Refuse Collection

The main beneficiaries are the users of the system; the householders in particular who participate in the kerbside collections, and owners of businesses in commercial areas of Dannevirke and Eketahuna. Urban householders who do not participate also have the option of using the service on payment of the label fees, so can be said to benefit also. The whole district benefits from the promotion of the clean image, the environmental benefit (that may be offset by transportation issues) and reduced use of the landfills.

Refuse collection involves the kerbside collection of refuse and recycling and also disposal of the collected bags at the landfill. The fair way is to charge the actual heavy vehicle landfill fee for each delivery of kerbside bags to the landfill. Council has determined not to separate out public benefits to urban and district as a whole because some rural people are using the refuse collection, and all are able to use it if they can bring their refuse to town on the appointed day.

Landfills and Transfer Stations

The benefits are that the environmental impact from waste material is minimised. The main beneficiaries are the people who use the services to dispose of their rubbish, whether they take their own rubbish to the landfills or use the kerbside collections. There is also a benefit to the district as a whole in maintaining a clean green image and a tidy environment.

The monitoring component is inherited and ongoing and should be part of the public benefit. To achieve this allocation the user charges will continue to increase but will still be in line with charges of most other local authorities who are facing the same issues.

The most transparent method of charging for disposal would be the use of weighbridges but the costs of this outweigh the benefits (many landfills and short opening hours).

Pricing is a tool that can impact on people's behaviour to achieve the reduction, reuse and recycling of solid waste. Recycling should be encouraged and has a substantial portion of public good. To assist with the transition to the predicted changes to the service, a surcharge above amounts required for Solid Waste Management expenditure will be applied to fund future upgrading costs to meet Council's Solid Waste Plan. This will be funded partly from fees charged and rates. It will be introduced as soon as practical.

Stormwater Drainage





Aim – to provide protection of the community's assets from flooding by providing systems that enable stormwater to dissipate as quickly as practicable.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | | ✓ | |
| Percentage paid by rates (Policy) | 100% | | |

Key Issues

1. Frequency of extreme weather events and climate change.
2. Obstruction by debris and rubbish of stormwater pathways and open drains

Contribution to Community Outcomes

| |  Infrastructure |  Safer Community |  Sustainable Environment |  Prosperous Economy |
|--------------------------|--|---|---|--|
| Strongly Related | ✓ | | | |
| Related | | ✓ | | |
| Partially Related | | | ✓ | ✓ |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|---|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 499 | 590 | 484 | 557 | (73) |
| Fees & Charges | 2 | 1 | 1 | 1 | |
| Miscellaneous Revenue | | 1 | 1 | 1 | () |
| | 501 | 592 | 486 | 559 | (73) |
| Expenses | | | | | |
| Reticulation - for the transportation of stormwater | 32 | 38 | 54 | 39 | 15 |
| Maintenance - to minimise blockages or surface flooding | 46 | 57 | 80 | 57 | 23 |
| Drain maintenance – maintain clear open waterways | 34 | 40 | - | 41 | (41) |
| Depreciation | 194 | 195 | 224 | 118 | 106 |
| Interest | 122 | 159 | 132 | 147 | (15) |
| | 428 | 489 | 489 | 402 | 87 |
| Operating Surplus/(Deficit) | 73 | 103 | (3) | 157 | (160) |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|---|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| Pahiatua - Huxley Street | 1 | - | - | - | - |
| Dannevirke - Mangapurupuru Stream diversion | - | 20 | 20 | - | 20 |
| Woodville - Atkinson Street / McLean Street | - | - | - | - | - |
| | 1 | 20 | 20 | - | 20 |
| Capital Renewals | | | | | |
| Dannevirke High Street refurbishment | 30 | 35 | 55 | 36 | 19 |
| | 30 | 35 | 55 | 36 | 19 |
| | 31 | 55 | 75 | 36 | 39 |
| Debt (Increase)/Decrease | | | | | |
| Debt Raised | (1) | (20) | (20) | - | (20) |
| Debt Repayments | 111 | 134 | 145 | 156 | (11) |
| | 110 | 114 | 125 | 156 | (31) |
| Net Transfer to/(from) Reserves | (30) | 130 | (203) | 83 | (286) |

Stormwater Drainage

Aim – to provide protection of the community's assets from flooding by providing systems that enable stormwater to dissipate as quickly as practicable.

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

| | |
|-----------------------|--|
| Dannevirke | Drainage to Mangapurupuru stream & McCallum St drain |
| Pahiatua | Drainage to Huxley Street drain. |
| Woodville & Eketahuna | Drainage to a number of unnamed drains. |

Council provides this because...

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

Key Issues and Risks

The Activity Management Plan is now up-to-date. Council is now confident that this Plan adequately provides for the maintenance, renewal and development of this activity due to the new level of staff knowledge of the asset and its condition. The priority project over the next 12 months for this activity will be to develop a maintenance and operating program based on the newly approved Stormwater Asset Management Plans. Council can verify required expenditure matches predicted future works.

- Frequency of extreme weather events and climate change.
- Obstruction of debris, plastic bottles, leaves etc. in the channels and vehicle crossings can also cause havoc with the stormwater pathways.
- Rubbish being thrown into open drains can cause blockages.

What is the service?

1. Outlet for property stormwater discharge.
2. Kerb and channels infrastructure for disposal of stormwater in to open drainage systems.

Significant Negative Effects

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

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|--|----------------|------------|
| Dannevirke Mangapurupuru diversion – design plan | \$20,000 | 2011/12 |
| Dannevirke Mangapurupuru diversion | \$800,000 | 2015/16 |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|--|--|-------------------------|--|-----------------|-----------------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. Council provides a reliable stormwater drainage system | | | | | | |
| A safe community – the health and safety of the community is preserved through prevention of flooding that may cause risks to health through contaminated flood waters, accidents, drowning and land subsidence. | Compliance with Horizons resource consent requirements. | | 100% compliance | 100% compliance | 100% compliance | 100% compliance |
| | Response times meet service levels system. | Not previously measured | 90% | 95% | 95% | 95% |
| A high standard of infrastructure – property is protected from flood damage. | System failures, breakages/blockages effecting continuity of disposal are responded to 24/7 within two hours. | | 95% | 95% | 95% | 95% |
| Service requests to have response time and action time/ dates so information can be recorded. | At least 70% of residents rate supplies as “fairly satisfactory” or “very satisfactory” in community surveys to be in 2011, 2014 and 2017. | 70% | | | 70% | 70% |

Maintenance and Operating Issues

Open waterways tend to become defacto dumps for organic garden waste, which has to be cleared, along with weed growth.

Household items, tyres, timber and bags of rubbish are thrown into these open water ways which need to be removed in case any blockages cause flooding.

Erosion of open waterway banks become an issue, repairs with sandbags are needed from time to time.

Spraying of open waterways is carried out by a contractor twice a year.

Pahiatua Huxley Street drain has sewer and water laterals dissecting the open drain which can cause obstruction in high flows.

Local ponding – caused by lack of capacity, low points unserved by the system, overflow from roads.

Flooding from system capacity – due to high river levels, heavy rain events, etc.

Scour/erosion – usually caused by unexpected high velocities in unprotected drains.

Contamination – potentially caused by chemical discharge, contaminated impervious surface run off, sewage or litter contamination.

How Changes in Demand and Consumption of Services will be Assessed and Managed

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

Changes will be monitored and managed by constantly looking at how improvements can be made and adding to or changing systems to meet any new requirements or problem areas that may occur.

Future Demand

The ongoing development of residential sections accelerates runoff, making the peak flows more concentrated and putting pressure on the system. This will be exacerbated by isolated heavy rain events and by the expected results of climate change.

Assumptions

The current systems will have the capacity to cope with most events.

Contingencies

Ensuring the waterways are clear at all times from rubbish, debris and weed growth so system runs at full capacity with no obstruction during heavy rainfall.

Funding Sources

| | |
|-------|------|
| Rates | 100% |
|-------|------|

Why is it funded this way?

Private benefits of protection from stormwater damage and maintenance of property values accrue to those property owners who live in catchment areas where stormwater is disposed of. Property owners downstream from these areas also benefit. There is also a public benefit of health and safety to the urban populations generally when stormwater is controlled, and a lesser benefit to people outside the urban areas who may visit the urban areas. There is a significant cost caused by people using open drains for dumping rubbish, and by utility services e.g. gas pipes through drains.

It is considered unfair for rural people to have to pay anything towards this urban activity. Properties are identified for rating on the basis of boundaries set around urban areas in 1989 which made reference to where open road speed limits occurred.

Swimming Pools






Aim – funding support for community pools to promote community wellbeing.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | ✓ | | |
| Percentage paid by rates (Policy) | 100% | | |

Key Issues

1. Funding for replacement pools at Eketahuna and Pahiatua

Contribution to Community Outcomes

| |  Prosperous Economy |  Safer Community |  Connected Community |  Infrastructure |  Local Services |
|--------------------------|--|---|---|--|--|
| Strongly Related | | | | | ✓ |
| Related | | ✓ | ✓ | | |
| Partially Related | ✓ | | | ✓ | |

| Costs of Council (\$'000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--------------------------------------|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 409 | 357 | 364 | 412 | (48) |
| Interest Revenue | 3 | 2 | 2 | 2 | () |
| Fees & Charges | 2 | - | - | - | - |
| Miscellaneous Revenue | - | 1 | 1 | - | 1 |
| | 414 | 360 | 366 | 414 | (48) |
| Expenses | | | | | |
| Dannevirke Indoor Pool | 208 | 194 | 220 | 199 | 21 |
| Woodville Pool | 37 | 28 | 33 | 35 | (2) |
| Pahiatua Pool | 68 | 43 | 44 | 43 | 1 |
| Eketahuna Pool | 49 | 35 | 28 | 36 | (8) |
| Depreciation | 37 | 36 | 37 | 57 | (20) |
| Interest | 3 | 3 | 2 | 2 | - |
| | 402 | 339 | 366 | 372 | (6) |
| Operating Surplus/(Deficit) | 12 | 21 | - | 42 | (42) |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| Eketahuna outdoor pool development | - | - | 10 | - | 10 |
| | - | - | 10 | - | 10 |
| Capital Renewals | | | | | |
| Pahiatua outdoor pool | 15 | 22 | 12 | 3 | 9 |
| Woodville outdoor pool | - | 3 | 13 | 2 | 11 |
| Eketahuna outdoor pool | 3 | 3 | 13 | 3 | 10 |
| | 18 | 28 | 38 | 8 | 30 |
| | 18 | 28 | 48 | 8 | 40 |
| Debt (Increase)/Decrease | | | | | |
| Debt raised | - | - | - | - | - |
| Debt repayments | 4 | 4 | 4 | 4 | - |
| | 4 | 4 | 4 | 4 | - |
| Net Transfer to/(from) Reserves | (6) | 24 | (52) | 87 | (139) |

Swimming Pools

Aim – funding support for community pools to promote community wellbeing.

There are four public swimming pools in the Tararua district:

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

Users pay an admission fee, or key fee. This fee does not cover all operational costs hence Council makes a grant to each pool to assist with operating costs, maintenance and the provision of amenities.

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

Local committees of volunteers run the three outdoor pools that are owned by Council.

Council provides this because...

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

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

Key Issues and Risks

The key issues are the two outdoor pools in Eketahuna and Pahiatua for which Council has received structural pool engineering advice. These pools are at the end of their useful life structurally and require replacing. Extraordinary maintenance was carried out in 2009/10 on both pools to extend their lives.

Council does not have adequate reserves to fund the replacement of these pools. Should the communities choose to have a new pool then the costs associated with providing it need to be considered.

Other key risks associated with the pools are:

- Skilled volunteers do not come forward to manage the facilities.
- Increasing prices of key operational items make operating costs unsustainable.
- Loss of water in unsealed pools puts pressure on local water supplies.

What is the service?

1. One indoor heated pool complex.
2. Three outdoor pools operating during the summer months.

Significant Negative Effects

- The effects of water leakage from unsealed pools.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Year |
|-------------------------------------|----------------|---------|
| Replace Eketahuna pool | \$200,000 | 2012/13 |
| Replace Pahiatua pool | \$280,000 | 2013/14 |
| Feasibility study – Bush Multisport | \$20,000 | 2011/12 |
| Paint Eketahuna pool | \$13,000 | 2011/12 |
| Paint Pahiatua pool | \$12,000 | 2011/12 |
| Paint Woodville pool | \$13,000 | 2011/12 |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | | |
|---|---|----------|--|---------|---------|---------------------|--|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15– 2018/19 | |
| 1. Providing clean safe swimming pools in the district | | | | | | | |
| Access to local services – access to public swimming pools which are in good condition and are attractive to users. | Community pools comply with New Zealand swimming pool water standards as measured weekly while operational. | 100% | 100% | 100% | 100% | 100% | |
| A safe community. | No reported health and safety incidents per year at community pools. | None | None | None | None | None | |

Maintenance and Operating Issues

Maintenance Issues

Outdoor Pools

Minor maintenance is the responsibility of the pool management.

Major maintenance matters must be referred to Council promptly, for attention.

Depreciation reserves will be used as the funding source for replacement of operational equipment but not the structures.

Indoor Heated Pool

All maintenance matters are the responsibility of the Tararua Aquatic Community Trust who owns all of the assets (except the land).

How Changes in Demand and Consumption of Services will be Assessed and Managed

The biggest change is likely to be initiated by Pahiatua residents seeking a pool complex as part of the Bush Multisports facilities.

If so, this will be part of the consideration given when addressing the need to replace or redevelop the Pahiatua outdoor pool itself.

In Eketahuna the demand is unlikely to change, however this will be assessed at length when consideration is given to replace or re-develop the Eketahuna outdoor pool itself.

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

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

All requests for changes will be assessed on a district-wide basis having regard to the initial capital cost (often covered by external sponsorship and fund raising) and on-going maintenance costs which are a continuing cost to ratepayers.

Future Demand

Operating costs are likely to continue to increase, particularly in the areas of energy costs, labour costs and water treatment.

A reduction in the number of volunteers coming forward to assist in the management and operation of the facilities is likely.

Assumptions

That the status quo will continue during the period 2011/12.

That Management Committees or Trustees will be available to manage the particular complexes.

That the grants will be used for the purpose intended.

That there will be no major breakdowns of plant or equipment or of the pools themselves.

That Council will continue to support the concept of public swimming pools being available to the public at reasonable admission fees.

Contingencies

None have been identified.

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|-------|------|
| Rates | 100% |
|-------|------|

Why are they funded this way?

Swimming pools are recreational facilities, and provide social benefits such as swimming coaching, and leisure opportunities for children and parents. The users of the pools are the main beneficiaries; individuals, clubs, schools, parents of young swimmers.

There is also a public benefit in that although not everybody uses the pools they do all have the option of using them. People living closer to urban centres are likely to be higher users of the facilities.

Council's contribution to the activity will be funded 100% through general rates.

Water Supplies

Aim – to provide a reliable and cost-effective supply of safe, potable water in reticulated communities.

| | Current | Enhanced | Reduced |
|-----------------------------------|---------|----------|---------|
| Service level provided | | ✓ | |
| Percentage paid by rates (Policy) | 65% | | |

Key Issues

1. Mandatory government drinking water standards.
2. Supply constraints from lack of storage facilities.

| | Contribution to Community Outcomes | | | | | |
|--------------------------|---|---|---|---|---|---|
| |  |  |  |  |  |  |
| | Sustainable Environment | Connected Community | Local Services | Safer Community | Prosperous Economy | Infrastructure |
| Strongly Related | ✓ | | ✓ | ✓ | | ✓ |
| Related | | | | | ✓ | |
| Partially Related | | ✓ | | | | |

| Costs of Council (\$000's Forecast) | 2009/2010 Actual | 2010/2011 Annual Plan | 2011/2012 Annual Plan | 2011/2012 LTCCP | 2011/2012 Variance |
|--|---------------------|--------------------------|--------------------------|--------------------|-----------------------|
| Revenue | | | | | |
| Rates | 1,200 | 1,270 | 1,357 | 1,466 | (109) |
| Fees & Charges | 493 | 473 | 511 | 583 | (72) |
| Interest Revenue | - | 191 | 275 | | 275 |
| Subsidies | 5 | - | - | - | - |
| Miscellaneous Revenue | - | 3 | 3 | 2 | 1 |
| | 1,698 | 1,937 | 2,086 | 2,051 | 95 |
| Expenses | | | | | |
| Treatment to provide safe, potable water | 275 | 320 | 395 | 303 | 92 |
| Reticulation water to all connected properties | 99 | 117 | 237 | 109 | 128 |
| Maintenance to minimise failures in quality and supply | 232 | 275 | 250 | 258 | (8) |
| Planning and development to ensure future capacity | 144 | 168 | 5 | 158 | (153) |
| Telemetry system monitoring to prevent system failures | 30 | 35 | 44 | 33 | 11 |
| Depreciation | 948 | 1,016 | 1,068 | 958 | 110 |
| Interest | 78 | 251 | 233 | 170 | 63 |
| | 1,806 | 2,182 | 2,233 | 1,989 | 244 |
| Operating Surplus/(Deficit) | (108) | (245) | (87) | 62 | (149) |

| Costs of Council (\$000's Forecast) | 2009/2010 | 2010/2011 | 2011/2012 | 2011/2012 | 2011/2012 |
|--|--------------|--------------|--------------|-------------|----------------|
| | Actual | Annual Plan | Annual Plan | LTCCP | Variance |
| Additional Information | | | | | |
| Capital Expenditure | | | | | |
| Capital Developments | | | | | |
| Eketahuna treatment plant upgrade | 18 | - | 316 | 316 | - |
| Pahiatua new well | 19 | - | - | - | - |
| Dannevirke | 30 | - | - | - | - |
| Woodville | 2 | - | - | - | - |
| Telemetry | - | - | 10 | - | 10 |
| Treatment plant upgrades - Pahiatua, Akitio, Woodville, Eketahuna, and Norsewood | - | 202 | 518 | 51 | 467 |
| Groundwater investigation, chlorinator, analyser, lime feeder, and zone metering | 22 | - | 50 | - | 50 |
| Water and sanitary services | - | 196 | - | - | - |
| Dannevirke infiltration and water storage | - | 509 | 51 | - | 51 |
| | 91 | 907 | 945 | 367 | 578 |
| Capital Renewals | | | | | |
| Woodville dam wall | 6 | - | - | - | - |
| Pahiatua | 14 | - | - | - | - |
| Mains replacement | 225 | 262 | 268 | 268 | - |
| Chlorinator | - | 18 | 32 | 32 | - |
| Chlorinator analyser | - | 15 | 70 | 38 | 32 |
| Lime feeder | - | 15 | - | 32 | (32) |
| Pumps | - | 3 | - | 3 | (3) |
| | 245 | 313 | 370 | 373 | (3) |
| | 335 | 1,220 | 1,315 | 740 | 575 |
| Debt (Increase)/Decrease | | | | | |
| Debt raised | (87) | (706) | (670) | (317) | (353) |
| Debt repayments | 135 | 205 | 255 | 222 | 33 |
| | 48 | (501) | (415) | (95) | (320) |
| Net Transfer to/(from) Reserves | (413) | 51 | (987) | 375 | (1,362) |

Water Supplies

Aim – to provide a reliable and cost-effective supply of safe, potable water in reticulated communities.

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

Council provides this because...

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

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

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

Key Issues and Risks

- The Asset Management Plan for this activity has now been updated. Council is confident that this Plan adequately provides for the maintenance, renewal and development of this activity due to the new level of staff knowledge of the asset and its condition. Council can verify required expenditure matches predicted future works. Although potable, the Ministry of Health has attached an (E) grade to the majority of Councils supplies. To obtain a higher grade would involve adding further barriers to possible health risks that may occur, if not detected and correctly treated and could cause a public health risk.
- The Health (Drinking Water) Amendment Act (2008) requires all water suppliers to take practicable steps to meet the 2005 Drinking Water Standards by various dates – depending on the size of the community supplied. These dates are;

| | |
|---------------------|------|
| Dannevirke | 2013 |
| Woodville/Pahiatua | 2014 |
| Norsewood/Eketahuna | 2015 |
| Akitio | 2016 |

- This does not necessarily mean the water quality must meet the Drinking Water Standards by that time but a Public Health Risk Management Plan must be approved outlining how and when it will meet the standard.
- At this stage the Community Plan budgets allow for improvements to the treatment of all schemes. However, if government subsidy is obtained the extensive upgrades will occur at Pahiatua, Woodville and Akitio to obtain these standards.
- Dannevirke and Eketahuna have some allowance for treatment improvements and increased storage but additional funding will be required if these supplies are to meet the standard. This is a significant issue for further consideration.
- In heavy rain events turbidity (discoloration) can become a problem. Turbidity meters have been being installed at the Dannevirke intake and main reservoir to ensure the Alliance meat processing plant is able to plan their operations if turbidity occurs.
- All supplies (except Woodville) have very limited bulk storage, which results in water restrictions to meet continuation flows in the rivers .
- Some supplies historically allowed for farmer extraction before town use to recognise the use of their land for pipelines. As water is now seen as scarce resource, the priority needs to be ensuring the people requirements are met before stock.

What is the service?

1. Council provides reliable water supplies.
2. The water provided is safe to drink.
3. Future water supply capacity is planned for.

Significant Negative Effects

Potential depletion of the natural water resource by over-extraction of water.

Major Projects Planned

These are in 2011 dollars.

| Projects | Estimated Cost | Timeframes |
|---|----------------|------------|
| Water and sanitary services team (operating cost) | \$194,370 | 2011/12 |
| Water treatment plant upgrades: | | |
| • Woodville | \$513,000 | 2010/11 |
| • Dannevirke water storage (impounded supply) | \$1,600,000 | 2010-12 |
| • Eketahuna | \$316,000 | 2011/12 |
| Mains replacement – district | \$268,000 | 2011/12 |

How We Measure Success

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|--|--|----------|--|---------|---------|-----------------|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 1. Council provides a reliable water supply | | | | | | |
| A safe community – protecting public and animal health by providing sufficient water for living and fire-fighting. | 1. 10% of hydrants tested meet code of practice requirements. | 75% | 90% | 95% | 95% | 95% |
| | 2. Response times meet service levels: | | | | | |
| A strong prosperous economy – industrial and commercial development needs met. | • Emergencies – 1 hour | 95% | 95% | 95% | 95% | 95% |
| A sustainable environment – water resources managed appropriately. | • Non-urgent faults – 24 hours | 90% | 90% | 90% | 90% | 90% |
| A high standard of infrastructure. | • Leaking tobies – 3 days | 80% | 80% | 80% | 80% | 80% |
| | • New connections – 10 days | 90% | 90% | 90% | 90% | 90% |
| Access to local services. | 3. At least 70% of residents rating of supplies as “fairly satisfactory” or “very satisfactory” in community surveys to be conducted in 2011, 2014 and 2017. | 70% | | 70% | 70% | 70% |

| How it contributes to community outcomes | How we measure our performance | Baseline | Performance Targets (For the financial year) | | | |
|---|--|-----------------|---|---|--|--|
| | | 2007/08 | 2011/12 | 2012/13 | 2013/14 | 2014/15–2018/19 |
| 2. Council provides safe, potable water | | | | | | |
| A safe community – by providing a safe water supply. | Public Health Risk Management Plans will be implemented for each water supply. | 50% | 100% | 100% | 100% | 100% |
| A strong prosperous economy – by providing safe supplies for economic activities, including tourism. | Improve the current gradings of public supplies until funding is secured for upgrades to the New Zealand Drinking Water Standards. | E Grade | C grade water standard achievement for Eketahuna, Pahiatua, Woodville | C grade drinking water standard achievement for small (<500 people) water schemes | Rural supplies comply with 2005 Drinking Water Standards Grade C | Rural supplies comply with 2005 Drinking Water Standards Grade C |
| | Water treatment upgrades for supplies that gain Government subsidy achieve a minimum of B grade by mandatory timeline as per New Zealand Drinking Water Standards. | 100% compliance | 100% compliance | 100% compliance Dannevirke | 100% compliance by 2016/17 all water supplies | 100% compliance by 2016/17 all water supplies |
| 3. Future Water Supply Capacity is Planned for | | | | | | |
| A safe community – protecting public and animal health by providing sufficient water for living and fire-fighting now and for the future. | New water source for Dannevirke (ground water or storage) identified and programmed for connection to the supply. | - | Developed | Implemented | Implemented | Implemented |
| A strong prosperous economy – future industrial and commercial development needs met. | Number of days production lost through turbidity. | 3 | 2 | 1 | 1 | 1 |
| A sustainable environment – water resources managed appropriately to ensure future supplies are sustainable. | Number of days with full water restrictions. | New | 14 | 14 | 10 | 10 |

Maintenance and Operating Issues

Maintenance and Operating Issues

Maintenance Issues

The Council maintains the water supply intake areas, reservoirs, pipe reticulation, fire hydrant valves, property laterals and tobies in a safe and good working condition.

Maintenance work is contracted out.

Monitoring activity includes:

- flow testing and flushing
- analysis of customer complaint and service failure records.
- proactive inspection of critical assets.
- testing pipe material to determine condition and decay rates.
- water quality testing.

Installation of telemetry equipment to monitor asset status and performance.

New technology that may improve operational and management efficiency will be identified, evaluated and introduced as appropriate.

The costs for new water connections in the rural area which can be connected to the urban water supply are liable for a capital contribution and connection fees.

These connections have to be approved by Council.

The renewal of resource consents to take water from the supply source is one of the most significant issues for the four large water supplies.

Management plans are being developed for all the supplies to ensure water is being used efficiently.

Operating Issues

In heavy rain events, turbidity (discoloration) can become a problem.

There will be ongoing management and development to control bed degradation and preserve the instream habitat.

How Changes in Demand and Consumption of Services will be Assessed and Managed

Regular monitoring is undertaken to ensure water usage meets the resource consent.

Managing changes in demand and consumption of water supply would need to be discussed in conjunction with Horizons Regional Council, Department of Conservation and Fish & Game NZ.

Future Demand

The compliance with the 2005 Water Standard will improve the quality of water with enhanced water clarity, taste, and odour.

There is the potential for an increase in demand for water for new industry, particularly in Dannevirke.

Assumptions

Future demand for water will be similar to current trends.

No major infrastructure failures occur.

Council is not immediately required to implement improved 2005 drinking water standards. Compliance will be phased in over the 10 year Plan.

Pongaroa assets are undergoing a review of future renewal requirements and funding. This may result in a significant increase in the depreciation expense with initial estimates of depreciation increasing from approximately \$10,000 funded to over \$100,000 per annum.

Contingencies

Demand management involves implementing non asset related solutions to manage the demand for a service. There are a number of non asset solutions that can be implemented to control demand including:

- Water restrictions and rationing
- Water conservation and public education
- Water metering and pricing
- Water leakage detection and repairs
- Private supplies

These solutions are generally implemented when demand exceeds supply, which are currently not an issue for Tararua district. The following demand management strategies are being implemented:

• Water Restrictions and Rationing

Water restrictions and rationing is an appropriate means of restricting usage when water demand increases above average. It may be appropriate to implement water restrictions in summer when demand increases. If the Council is unable to fund improvements to systems, water restrictions and rationing may be required.

- **Water Conservation and Public Education**

As environmental policies are developed by the Council, consideration should be given to develop water conservation policies. By educating the population about the benefits of conserving water and restricting wastage the Council may reduce demand and avoid the costly expense of upgrading infrastructure assets.

- **Water Metering and Pricing**

The Council is currently implementing a water metering strategy which will include the installation of water meters at industrial sites. By metering water users the Council is able to more accurately assess demand and apply more realistic charges for the service provided. Water meters also make users more aware of how much water they consume and aid water conservation programmes.

- **Water Leakage, Control Detection and Repairs**

The older water supply networks are the more relevant leakage control, detection and repairs become. Councils can save a significant amount of money by implementing leak detection programmes, through reduced demand and restricting lost income. The Council currently does not have a leak detection strategy but may need to develop one in the future as water supply networks age and deteriorate. Leak detection and control is important even if the Council can meet current demand.

- **Private Supplies**

Due to the rural nature of the district a number of private supplies exist. This restricts the need for Council to serve the whole district. When more 'lifestyle' blocks develop in the district near urban centres there may be an increased demand for Council to extend public systems to serve increased development. The Council needs to consider these issues when approving subdivisional plans, including industrial development.

- **Restricted Supplies**

In rural or rural-residential areas where the cost per user of installing a reticulated supply is high, a restricted supply with on-site tanks can reduce the system's capital and operational costs. If demand for public reticulated supplies increases in the district, more restricted supplies may be necessary.

Funding Sources, Funding Mechanisms and Reason for Selection

| | |
|--------------|-----|
| Rates | 65% |
| User charges | 35% |

Why is it funded this way?

The benefits are potable water, fire protection and street cleaning and accrue to urban residents and properties with reticulation to the schemes, and also to some properties on the urban perimeters. The public benefit is mainly through the possibility of fire fighting, street cleaning and use in public swimming pools. Farmers tapping into schemes contribute greatly to costs and a number remain unmetered. Large industrial users are metered, with about 25% of the costs being met by metering large users.

There is a community expectation that the water supply will be funded by users. Rural people have to provide their own water supply systems and should not have to contribute to the urban water supply as well.

The Pongaroa water supply costs will be 100% funded by a uniform targeted rate to each property serviced by that system. This system provides both a service for agricultural purposes and residential supply. For this reason it has not been rated for on a district wide basis.

Funding Impact Statement

The Local Government Act 2002 (LGA), section 95(6)(c), requires that a Funding Impact Statement be adopted in accordance with Schedule 10 clause 13. The funding impact statement sets out how revenue will be collected.

The information below is complemented with the actual amounts required to be funded and actual funding set out in this Draft Annual Plan in the 'Schedule of Rates & Uniform Annual Charges' and the 'Fees & Charges' which altogether can be read as the Funding Impact Statement:

1. The revenue and financing mechanisms to be used to cover the estimated expenses of the Council are covered in the revenue and financing policy within Part 5.
2. This is consistent with the sources of funding or the allocation of costs and benefits to groups or individuals within the community. The method and impact of both general and targeted rates is covered in "The Rating System" section that follows.
4. A uniform annual general charge is included as a funding source.
5. A general rate is to be set differentially.
6. Land Value is derived from the valuation system on which the general rate is to be assessed.
7. The following categories of rateable land, within the meaning of section 14 of the Local Government (Rating) Act 2002, is to be used when assessing and setting the general rate:

| Category | Description |
|------------------------|---|
| Urban | All rating units in the district situated in the urban areas of Norsewood, Dannevirke, Woodville, Pahiatua and Eketahuna (as more particularly defined in Plan 95 sheets 1 to 7 held in the Council offices), other than: <ol style="list-style-type: none"> properties included in the Industrial/ Commercial category; or farmland. |
| Rural | All rating units in the district 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. For the avoidance of doubt, this does not include residential flats or farms. |

8. General Rate

The uniform annual general charge is calculated as follows for 2011/12. The objectives of the differential rate, in terms of the total revenue sought from each category of rateable land or of the relationship between the rates set on rateable land in each category is set out below:

Rate Charges 1 July 2011 to 30 June 2012

Explanation of Funding of General Rates Total Rate Requirement

General Activities (inc GST) 8,464,472

Funded in three ways:

1. Uniform Annual General Charge

\$497.73 x 8,999 properties (before remissions) **4,479,106**

2. General Uniform Targeted Rate

Uniform targeted rate Swimming Pools and Library **1,280,254**

3. Three General Differentials (Rural, Urban, Industrial/Commercial Rate in Dollar)

3.1 Calculated in three steps:

3.1.1: Sector specific activities (refuse & rural fire net costs)

| | |
|-------------------------------|---------|
| Rural General | 333,992 |
| Urban General | 771,697 |
| Industrial Commercial General | 63,770 |

3.1.2: Loading on Industrial Commercial

Industrial Commercial General **356,502**

3.1.3: Remaining General requirement of \$1,179,137

Allocated by Land Value Split:

| | Land Value | % Split | |
|-------------------------------|----------------------|---------------|------------------|
| Rural General | 3,393,046,710 | 93.6% | 1,103,431 |
| Urban General | 194,997,750 | 5.4% | 63,414 |
| Industrial Commercial General | 37,839,300 | 1.0% | 12,306 |
| | 3,625,883,760 | 100.0% | 1,179,151 |

3.2 Giving the subtotal of General Differentials (Rate in the Dollar):

| | Relationship % Split | |
|---|----------------------|------------------|
| Rural General | 53.14% | 1,437,423 |
| Urban General | 30.87% | 835,111 |
| Industrial Commercial General | 15.99% | 432,579 |
| Total of the Three General Differentials | | 2,705,112 |

Total Rate Requirement for General Activities

8,464,472

9. Targeted Rates

The activities or groups of activities for which the targeted rate is to be set:

| Activity | Category (what's rated) | Factor (how it is rated) | Notes |
|--|-------------------------|--|--|
| Roading (excluding special developments) | Land Value | Land Value | |
| Roading | Situation of land | Number of rating units or separately used or inhabited parts of rating units | Differential Uniform Targeted Rate, Rural, Urban & Industrial Commercial (some remissions apply) |
| Footpath special development | Situation of land | Number of rating units or separately used or inhabited parts of rating units | North & South Ward loan development |

Sewerage Uniform Rate (for multi unit residential properties and educational establishments)

| | | | |
|---|----------------------|---|--|
| Sewerage (95% of net cost including all loan costs) | Provision of service | Number of water closets and urinals per rating unit | |
|---|----------------------|---|--|

This applies to all multi unit residential properties and educational establishments. Each household within a multi unit residential property will be treated as having only one water closet/urinal.

A rating unit used primarily as a residence for one household will be treated as having only one water closet/urinal. A remission policy applies to educational establishments.

| Activity | Category (what's rated) | Factor (how it is rated) | Notes |
|--|-------------------------|--|-------|
| Sewerage Differential Rate (for residential and other ratepayers not included in the sewerage uniform rate above) | | | |
| Sewerage (95% of net cost including all loan costs) | Provision of service | Number of water closets and urinals per rating unit and the extent of provision of any service | |

This applies to all other connected properties (excluding multi unit residential properties and educational establishments) and is a differential targeted rate on all other connected properties as follows:

- all connected properties - a fixed amount per rating unit (a full charge), and
- on every rating unit a fixed amount* with 4 or more water closets/urinals for each water closet/urinal excluding the first 3 and any over 12 (*calculated at 33% of a full charge per rating unit).

A rating unit used primarily as a residence for one household will be treated as having only one water closet/urinal. Other ratepayers will pay a full charge on the first water closet/urinal and 33% of the full charge for each water closet/urinal between 4 and 12 (inclusive) in number.

| Activity | Category (what's rated) | Factor (how it is rated) | Notes |
|--------------------------------|--------------------------------------|--------------------------------|-------|
| Stormwater | Situation of land | Per rating unit | |
| Water excluding water by meter | Availability or provision of service | Number of connections | |
| Pongaroa Rural Water | Provision of service | Extent of provision of service | |

General Rate Differentials

Generally the incidence of rates as between each of the differential categories reflects the Council's intention to gradually reduce the higher rate paid by the industrial/commercial properties.

Two or more rating units must be treated as 1 unit for setting a rate if those units are—

- owned by the same person or persons; and
- used jointly as a single unit; and
- contiguous or separated only by a road, railway, drain, water race, river, or stream.

Uniform Annual General Charge

A local authority may set a uniform annual general charge for all rateable land within its district, being—

- a fixed amount per rating unit; or
- a fixed amount per separately used or inhabited part of a rating unit.

For Tararua District Council a fixed amount per rating unit will be used.

10. Fees and Charges

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

10.1 Water by Metered Supplies Fees

Rural properties supplied from town water supplies in Dannevirke and Pahiatua are charged a minimum fee plus a charge for all water consumed above a certain quantity.

Several farming properties in Woodville are connected to the town supply and are charged with the Uniform Targeted Rate plus a charge for water consumed through the meter in excess of the standard allowance.

There are standardised charges for water supplied through a meter:

A minimum charge per quarter and this charge will be one fourth of the Urban Water Uniform Targeted Rate.

The minimum quantity of water for which the minimum charge allows is 100 cubic meters per separately inhabited portion of a property or building.

The unit, rate per cubic metre in excess of 100 cubic meters per quarter will be set by the Council annually.

Large volume users depicted as consumers using more than 2,000 cubic metres per quarter may be charged at a different rate for water supplied in excess of 100 cubic metres per quarter to other users and such rate will be set by the Council annually.

A finance charge of 10% will be added to overdue accounts that will be assessed following each quarterly invoice.

11. Sales of Assets and Investments

Sales of assets and investments are covered in the Council's Investment Policy.

12. Tararua District Council 2011/2012 Rates

Council intends to set and assess for the year commencing 1 July 2011 and ending on 30 June 2012 the rates as follows.

Please note:- all references to sections and parts are to sections and parts of the Local Government (Rating) Act 2002;

General Rate

Pursuant to section 13 and 14, a differential general rate in the dollar on the different categories of rateable land as set out below. The rate will be set and assessed on the rateable land value on every rating unit in the district.

Rural properties

Urban properties

Industrial/Commercial properties

For the individual ratepayers there may be variations in the incidence of the general rate arising from factors other than the differential system, for example any changes in valuation that may have occurred.

Uniform Annual General Charge

Pursuant to section 15, a uniform annual general charge on every rating unit in the district.

Roading Rate – Land Value

Pursuant to section 16(3)(a) and (4)(a), a uniform targeted rate in the dollar on the rateable land value of every rating unit in the district for 80% of the Roothing Cost. 80% of the cost broadly represents the variable cost of the Road network e.g. generally allowing for the use, wear and tear, and aging of the roads.

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

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

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

Roothing Rate – Differential Uniform Targeted

Pursuant to sections 16(3)(b) and 16(4)(b), a differential uniform targeted rate in the dollar on every rating unit in the district for different rate categories.

20% of the Rooding cost broadly represents the fixed cost of providing Rooding, a cost that may be shared by all Ratepayers.

This essentially treats the differentiated uniform targeted rate funding for Rooding as a network access charge.

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

These proportions closely match the recent benefits received by each sector from the Rooding activity expenditure and also 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.

Categories of Rateable Land for Setting Targeted Rates

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

Dannevirke Footpaths Special Development Loan Rate

The Council is to fund the Dannevirke High Street footpath upgrade by way of two uniform targeted rates. Funding for the Dannevirke High Street upgrade will have its loan repayments and interest costs funded through these rates. They will be charged with 10% of the costs allocated to the North Ward that is directly benefiting the area and the remaining cost allocated equally. This ensures that the local community (as defined by North and South Wards) pay a higher proportion of the cost than the rest of the district. A lump sum payment option was made available for ratepayers.

Pursuant to Sections 16(4)(b) and 17(b) and 18(3) a differential rate on every rating unit.

Woodville, Pahiatua and Eketahuna Footpaths Special Development Loan Rate

The Council is funding separately the Woodville, Pahiatua and Eketahuna Town Centre upgrades by way of two uniform targeted rates per rating unit set differentially for the North and South Wards. Funding for Woodville, Pahiatua and Eketahuna Town Centre upgrades will have its loan repayments and interest costs funded through these rates. They will be charged with 10% of the costs allocated to the South Ward that is directly benefiting the area and the remaining cost allocated equally. The rate will be set so that 10% of the costs are first allocated to the South Ward and the remainder of the costs are allocated equally per rating unit across the North and South Wards.

Pursuant to Sections 16(4)(b) and 17(b) and 18(3) a differential rate on every rating unit.

Urban Water Rate

Pursuant to section 16,17 and 18 a uniform targeted rate per separate connection on every rating unit which receives an ordinary supply of water from an urban water supply and 50% of the uniform targeted rate on every rating unit to which an ordinary supply of water is available but is not connected, being a rating unit situated within 100 metres from any part of the water works except for:

Those rating units on metered supply that are charged a fee under section 150(6) of the Local Government Act 2002 according to the scale of fees and penalties set in the Annual Plan.

Pongaroa Water Rate

Pursuant to Section 19 a separate uniform targeted rate applies for each unit of water from the Pongaroa rural water supply.

Sewerage Rate

Pursuant to Sections 16(3), 16(4)(b) and 18(3) a differential targeted rate for wastewater will be charged as follows:

- a fixed amount of \$424.43 per rating unit connected to the sewerage system, and
- on every connected rating unit with four or more water closets/urinals, a fixed amount of \$140.06 for each water closet or urinal excluding the first three and any over 12.

Education establishments, multiple residential properties and properties charged trade waste fees are excluded from this rate.

Note: A rating unit used primarily as a residence for one household will be treated as having only one water closet/urinal.

Sewerage Rate - Educational Establishments and Multi Unit Residential Properties

A fixed targeted rate of \$424.43 will be charged on each water closet/urinal connected to the sewerage system. A remission policy applies to educational establishments.

Multi Unit Residential means all rating units used solely or principally for residential purposes as the home or residence of two or more households.

Educational establishments are defined under Schedule 1 Part 1 Section 6 of the Local Government (Rating) Act 2002.

Urban Stormwater Rate

Pursuant to section 16,17 and 18 a uniform targeted rate on every rating unit in the Tararua District urban stormwater drainage area.

Instalments

Rates and charges for the year ending on 30 June 2012 will be levied in four instalments, which will become due and payable on or before the following dates:

| | |
|--------------|------------------|
| Instalment 1 | 31 August 2011 |
| Instalment 2 | 30 November 2011 |
| Instalment 3 | 28 February 2012 |
| Instalment 4 | 31 May 2012 |

Penalties

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

Current Rates Penalty

A penalty of 10 percent is added to each instalment or part thereof "current rates" which are unpaid after the due date for payment.

| Due Date | Current Rates Penalty Date |
|------------------|----------------------------|
| 31 August 2011 | 1 September 2011 |
| 30 November 2011 | 1 December 2011 |
| 28 February 2012 | 1 March 2012 |
| 31 May 2012 | 1 June 2012 |

Rates in Arrears Penalty Date

A penalty of 10 percent is added to previous years rates "rates in arrears" that remain unpaid as assessed on:

7 July 2011, and again on 8 January 2012.

Discount

A 3% discount by way of remission will be provided for full payment of the 2011/2012 rates on or before 31 August 2011.

13. Definitions

"district valuation roll" means,—

- (a) 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; and

"Division" where a rating unit is split into one or more parts and the parts are rated separately for the purpose of setting rates over the whole rating unit. Examples are where there are different differential categories such as provision of services, different remission/postponement categories or if part of the property is non-rateable.

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

"General Rate" 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 2 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 or application of non-rateable status (for clarity the remaining part may receive a full charge for rates) or;

two or more rating units where they must be treated as 1 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 inhabited part of a rating unit" refers to actual use or capable of being used for habitation.

"Targeted Rates" Local Government (Rating)Act 2002 Section 16

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

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

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

Major Variances in the Funding Impact Statement

During the current Annual Plan 2010/11 year, the government increased the GST rate from 12.5% to 15%. For comparative purposes the Annual Plan 2010/11 and the Community Plan have been amended to reflect the new GST rate of 15%,

The following rates have changed from the 2011/12 Community Plan to the 2011/12 Annual Plan:

| Rate | Annual Plan 2011/12 (GST incl) | LTCCP 2011/12 (GST incl) | Variance | | Main Reason(s) for Major Variances |
|---|--------------------------------------|--------------------------------|------------|--------|--|
| Uniform Annual General Charge | \$497.73 | \$627.00 | -\$129.27 | -21% | Total rates are lower (6.48% increase reduced to 4.26%) reducing the amount that can be charged by UAGC within the 30% legal cap. In addition, the swimming pool and library rates are rated separately as a uniform targeted rate in 2011/2012. |
| Uniform Targeted Rate Swimming Pool and Library | \$142.27 | - | \$142.27 | New | The rates for swimming pools and libraries is now separately rated as a uniform targeted rate instead of as part of the Uniform Annual General Charge. |
| General Rural Rate in the Dollar | 0.00042363 | 0.0005589 | -0.0001353 | -24.2% | The general rural rate has decreased as the Solid Waste activity costs are being recovered from the Refuse activity have reduced since closing the landfills and building new transfer stations. |
| Roading (excluding Special Development Loan) | 0.00170046 | 0.00199919 | 0.00012576 | 6% | Overall Roothing has an increase in the roading rate due to the increase in depreciation and support costs. However, the introduction of three new differential targetted rates has shifted this cost. |
| Roothing Uniform Targetted Rates | | | | | A new targetted rate – essentially an access charge for the fixed cost of providing roading (20% of total cost). |
| • Rural | \$302.00 | - | \$302.00 | New | |
| • Industrial/Commercial | \$103.00 | - | \$103.00 | New | |
| • Urban | \$48.00 | - | \$48.00 | New | |
| Roothing (Pahiatua Track) Special Development Loan Rate | - | \$28.39 | -\$28.39 | -100% | Loan funding has been deferred as negotiations continue with Transit NZ & Land Transport NZ |
| Urban Stormwater | \$116.66 | \$134.38 | -\$17.72 | -13% | Increase in depreciation being met by depreciation funding. |
| Pongaroa Water | \$85.82 | \$100.37 | -\$14.55 | -14% | The Pongaroa Rural Water Supply Inc have kept their rates within affordable limits by reducing their depreciation funding. |

Schedule of General Rates & Targeted Rates

General Activity Rates

Funded by Uniform Annual General Charges & Land Value/Sector based Rate In Dollar Levies (Differential)

| 2010/2011 \$ | | 2011/2012 \$ Plan | 2011/2012 \$ LTCCP |
|---|--|----------------------|-----------------------|
| District Wide General Activities | | | |
| (Charged through a Uniform Charge & a Rate in the Dollar Differential Charge by Sector) | | | |
| (109,409) | District Treasury | 3,345 | (135,536) |
| 9,808 | Animal Control | 7,800 | 16,013 |
| 208,004 | Cemeteries | 227,720 | 216,660 |
| (30,116) | Commercial Property | (13,003) | (63,474) |
| 556,827 | Community Buildings | 756,316 | 604,518 |
| 353,781 | Community Support | 287,125 | 344,949 |
| 259,796 | District Promotion & Development | 340,611 | 424,278 |
| 124,791 | Emergency Management - Civil Defence | 224,254 | 109,888 |
| 82,294 | Footpaths (15% of net cost) | 60,214 | 88,541 |
| 80,471 | Health & Safety - Building Control | 101,015 | 59,156 |
| 66,766 | Health & Safety - Health Control | 74,598 | 71,857 |
| 166,810 | Health & Safety - Inspection & Licensing | 180,827 | 162,481 |
| - | Housing (Self Funding) | - | - |
| - | Libraries | - | 749,173 |
| 704,998 | Parks and Reserves | 883,045 | 788,404 |
| 175,589 | Public Conveniences | 196,597 | 184,657 |
| 1,162,936 | Representation | 1,174,385 | 1,121,924 |
| 243,411 | Resource Management | 264,673 | 241,811 |
| 411,482 | Service Centres | 389,745 | 397,183 |
| 81,638 | Sewerage (5% of total cost excluding loan costs) | 82,366 | 89,338 |
| 611,274 | Solid Waste Management: Solid Waste Disposal | (11,407) | 826,315 |
| - | Swimming Pools | | 411,472 |

General Activity Rates (continued)

| 2010/2011 \$ | | 2011/2012 \$ Plan | 2011/2012 \$ LTCCP |
|------------------|--|----------------------|-----------------------|
| - | Tararua i-SITE | - | - |
| (310,003) | Less Funding from Industrial/Commercial General Rate in Dollar | (310,003) | (297,727) |
| 4,851,148 | Subtotal (excluding GST) | 4,920,223 | 6,411,881 |
| 727,672 | Plus GST | 738,033 | 961,782 |
| 5,578,820 | Total to Fund (including GST) | 5,658,256 | 7,373,663 |
| | Funded by: | | |
| \$425.42 | Uniform Annual General Charge (including GST) | \$497.73 | \$627.00 |
| 8,969 | Number of Chargeable Properties before remissions | 8,999 | 8,951 |
| 3,815,382 | Total Uniform Annual General Charge | 4,479,106 | 5,612,308 |
| 0.00048635 | General Rate in the Dollar Charges to each Sector(including GST) | 0.00032520 | 0.00048518 |
| 3,625,883,760 | Total District Rateable Land Value | 3,625,883,760 | 3,630,394,660 |
| 1,763,449 | Total District Wide General Activities Through Sector Rate In Dollar | 1,179,137 | 1,761,395 |
| 5,578,820 | Total to Fund (including GST) | 5,658.256 | 7,373,663 |
| | General Uniform Targeted Rates (UTR): | | |
| 141.58 | Per Rating Unit | 142.27 | |
| 1,104,137 | Uniform Targeted Rates - Swimming Pools and Libraries | 1,113,264 | |
| 165,621 | Plus GST | 166,990 | |
| 1,269,758 | Total to Fund (including GST) | 1,280,254 | |
| | Rural General Activities | | |
| 169,142 | Emergency Management-Rural Fire Protection (92% of net cost) | 204,219 | 183,305 |
| 72,421 | Solid Waste Management: Refuse (19% of net cost) | 86,209 | 34,655 |
| 241,563 | Subtotal (excluding GST) | 290,428 | 217,960 |
| 36,234 | Plus GST | 43,564 | 32,694 |
| 277,797 | Total to Fund (including GST) | 333,992 | 250,654 |
| 0.00008187 | Contribution to General Rate in Dollar | 0.00009843 | 0.00007376 |

| 2010/2011 \$ | | 2011/2012 \$ Plan | 2011/2012 \$ LTCCP |
|--|---|----------------------|-----------------------|
| Urban General Activities | | | |
| (Charged through the Urban Rate in the Dollar) | | | |
| 14,708 | Emergency Management-Rural Fire Protection (8% of net cost) | 17,758 | 15,940 |
| 390,549 | Footpaths (71.19% of net cost) | 285,762 | 417,199 |
| 308,744 | Solid Waste Management: Refuse (81% of net cost) | 367,521 | 147,740 |
| 714,001 | Subtotal (excluding GST) | 671,041 | 580,879 |
| 107,100 | Plus GST | 100,656 | 87,132 |
| 821,101 | Total to Fund (including GST) | 771,697 | 668,011 |
| 0.00421082 | Contribution to General Rate in Dollar | 0.00395747 | 0.00346017 |
| Industrial/Commercial General Activities | | | |
| (Charged through the Industrial/Commercial Rate in the Dollar) | | | |
| 310,003 | Funding of District Wide General Activities | 310,003 | 297,727 |
| 75,786 | Footpaths (13.81% of net cost) | 55,452 | 84,531 |
| 385,789 | Subtotal (excluding GST) | 365,455 | 382,258 |
| 57,868 | Plus GST | 54,818 | 57,339 |
| 443,657 | Total to Fund (including GST) | 420,273 | 439,597 |
| 0.01172477 | Contribution to General Rate in Dollar | 0.01110679 | 0.01123821 |
| 8,391,133 | Total of all General Rates (including GST) | 8,464,472 | 8,731,925 |

General Activity Rates (continued)

| 2010/2011 \$ | | 2011/2012 \$ Plan | 2011/2012 \$ LTCCP |
|--|--|----------------------|-----------------------|
| Summary of General Rate Charges | | | |
| \$425.42 | Uniform Annual General Charge (including GST) | \$497.73 | \$627.00 |
| 8,969 | Number of Chargeable Properties before remissions | 8,999 | 8,951 |
| 3,815,382 | Total Uniform Annual General Charge | 4,479,106 | 5,612,277 |
| 0.00056822 | General Rural Rate in the Dollar (including GST) | 0.00042363 | 0.00055894 |
| 3,393,046,710 | Rural Land Value | 3,393,046,710 | 3,398,221,110 |
| 1,927,995 | Total From General Rural Rate in the Dollar | 1,437,423 | 1,899,394 |
| 0.00469717 | General Urban Rate in the Dollar (including GST) | 0.00428267 | 0.00394535 |
| 194,997,750 | Urban Land Value | 194,997,750 | 193,057,250 |
| 915,938 | Total from General Urban Rate in the Dollar | 835,111 | 761,678 |
| 0.0122111 | General Industrial/Commercial Rate in Dollar (including GST) | 0.01143199 | 0.01172339 |
| 37,839,300 | Industrial/Commercial Land Value | 37,839,300 | 39,116,300 |
| 462,060 | Total from General Industrial/Commercial Rate in Dollar | 432,578 | 458,576 |
| 3,305,993 | Total of General Rate in Dollar (including GST) | 2,705,112 | 3,119,648 |
| 1,269,757.55 | Uniform Targeted Rates - Swimming Pools and Libraries | 1,280,254 | |
| 8,391,133 | Total of all General Rates (including GST) | 8,464,472 | 8,731,925 |

Roading (excluding Special Development Loan Rate)

Funded by a Targeted Rate – Land Value based Rate in Dollar Levy

| | | | |
|------------------|---|------------------|------------------|
| 5,911,026 | District Wide Roding (excluding Footpaths) | 5,361,462 | 6,311,180 |
| 886,654 | Plus GST | 804,219 | 946,677 |
| 6,797,680 | Roding Funded (including GST) | 6,165,681 | 7,257,857 |
| 0.00187477 | District Wide Roding Rate in the Dollar (including GST) | 0.00170046 | 0.00199919 |
| 3,625,883,760 | District Wide Roding Value | 3,625,883,760 | 3,630,394,660 |
| 6,797,680 | District Wide Roding Total from Rate in the Dollar | 6,165,681 | 7,257,856 |

| 2010/2011 \$ | | 2011/2012 \$ Plan | 2011/2012 \$ LTCCP |
|---|---|----------------------|-----------------------|
| Funded by a Uniform Targeted Rate – 20% of Land Value based Rate in Dollar Levy | | | |
| - | Roading Rural Rate per Unit in Dollar (including GST) | 302 | - |
| - | Roading Rural Rate Total in Dollar (including GST) | 1,283,651 | - |
| - | Roading Urban Rate per Unit in Dollar (including GST) | 48 | - |
| - | Roading Urban Rate Total in Dollar (including GST) | 203,064 | - |
| - | Roading Industrial/Commercial Rate per Unit in Dollar (including GST) | 103 | - |
| - | Roading Industrial/Commercial Rate Total in Dollar (including GST) | 53,354 | - |
| Roading Pahiatua Track Special Development Loan Rate | | | |
| - | Roading Pahiatua Track North | - | 50,396 |
| - | Roading Pahiatua Track South | - | 55,604 |
| - | Subtotal (excluding GST) | - | 106,000 |
| - | Plus GST | - | 15,900 |
| - | Roading Funded (including GST) | - | 121,900 |
| Targetted Differential Uniform Rate with 10% of cost targetted to South Ward (including GST) | | | |
| - | North Ward | - | 12.70 |
| - | South Ward | - | 15.69 |

General Activity Rates (continued)

| 2010/2011 \$ | | 2011/2012 \$ Plan | 2011/2012 \$ LTCCP |
|--|---|----------------------|-----------------------|
| Footpaths Special Development Loan Rates Funding Requirements | | | |
| | Targetted Differential Uniform Rate with targetting of Wards (including GST) | | |
| 81,652 | Footpath Dannevirke North Ward | 65,852 | 75,613 |
| 65,398 | Footpath Dannevirke South Ward | 51,960 | 64,041 |
| 9,206 | Footpath Woodville North Ward | 9,532 | 32,590 |
| 15,274 | Footpath Woodville South Ward | 16,071 | 35,935 |
| 171,530 | Footpath Special Development Loan Rates Funding Requirement | 143,415 | 208,179 |
| 25,729 | Plus GST | 21,512 | 31,227 |
| 197,259 | Roading Funded (including GST) | 164,927 | 239,406 |
| | Targetted Differential Uniform Rate with 10% of cost targetted to North Ward (including GST) | | |
| \$29.23 | Footpath Dannevirke North Ward | 23.12 | 28.68 |
| \$23.83 | Footpath Dannevirke South Ward | 18.85 | 23.38 |
| | Targetted Differential Uniform Rate with 10% of cost targetted to South Ward (including GST) | | |
| \$3.49 | Footpath Woodville North Ward | \$3.60 | \$8.21 |
| \$4.31 | Footpath Woodville South Ward | \$4.43 | \$10.14 |
| | Combined Town Centre Refurbishment Rate | | |
| \$32.72 | Footpath North Ward | \$26.72 | \$36.89 |
| \$28.14 | Footpath South Ward | \$23.28 | \$33.52 |

Public Utilities Rates

Funded by Uniform Targeted Rates

| 2010/2011 | | 2011/12 | 2011/12 |
|--|---|------------------|------------------|
| \$ | | \$ Plan | \$ LTCCP |
| Urban Sewerage (95% of net cost including all loan costs) | | | |
| 2,022,764 | Total to Fund (excluding GST) | 1,953,466 | 2,546,788 |
| 303,415 | Plus GST | 293,020 | 382,018 |
| 2,326,179 | Urban Sewerage Total Funded (including GST) | 2,246,486 | 2,928,806 |
| \$440.90 | Connected* | \$424.43 | \$556.10 |
| \$145.50 | Multiple Use: per water closet/urinal between 4 and 12 (inclusive) in number | \$140.06 | \$183.51 |
| 1,953,707 | Total Funded (including GST) | 1,887,928 | 2,455,676 |
| | (*Residential households deemed as only one) | | |
| \$440.90 | Sewerage Uniform Targeted Rate (including GST) for Educational establishments and multi unit residential properties per connected water closet/urinal | \$424.43 | \$556.10 |
| 372,472 | Total Funded (including GST) (Includes rating units used for separate purposes e.g. rental properties) | 358,558 | 473,130 |
| Urban Stormwater | | | |
| 590,448 | Total to Fund (excluding GST) | 484,397 | 557,095 |
| 88,567 | Plus GST | 72,660 | 83,564 |
| 679,015 | Urban Stormwater Total Funded (including GST) | 557,057 | 640,659 |
| \$142.22 | Urban Stormwater Uniform Targeted Rate (incl. GST) | \$116.66 | \$134.38 |

| 2010/2011 | | 2011/12 | 2011/12 |
|---------------------------|--|-------------------|-------------------|
| \$ | | \$ Plan | \$ LTCCP |
| Urban Water | | | |
| 1,214,246 | Total to Fund (excluding GST) | 1,296,811 | 1,397,301 |
| 182,137 | Plus GST | 194,522 | 209,595 |
| 1,396,383 | Urban Water Total Funded (including GST) | 1,491,333 | 1,606,896 |
| \$283.98 | Urban Water Full Uniform Targeted Rate (including GST) | \$302.13 | \$327.92 |
| \$141.99 | Urban Water Half Uniform Targeted Rate (including GST) | \$151.06 | \$163.96 |
| Pongaroa Water | | | |
| 56,205 | Total to Fund (excluding GST) | 60,000 | 69,649 |
| 8,431 | Plus GST | 9,000 | 10,447 |
| 64,636 | Pongaroa Water Total Funded (including GST) | 69,000 | 80,096 |
| \$80.39 | Pongaroa Water Uniform Targeted Rate (including GST) | \$85.82 | \$100.37 |
| Total of all Rates | | | |
| 17,263,005 | Total to Fund (excluding GST) | 17,998,365 | 18,789,170 |
| 2,589,451 | Plus GST | 2,699,755 | 2,818,375 |
| 19,852,455 | Total of all Rates (including GST) | 20,698,120 | 21,607,545 |
| 4.56% | Percentage Increase/(Decrease) in Rates | 4.26% | 6.48% |

Funding Requirements – by Activity

For the Year Ended 30 June 2012

| Activity | Revenue Excluding Rates | Operating Expenses excl Depn incl Support* | Depreciation Expenditure to Reserve incl Support* | Total Costs | Support Costs (in Op Exp & Depn Exp) | Net Cost | Development Capital Expenditure | Renewals Capital Expenditure |
|----------------------------------|----------------------------|---|--|-------------|--|-------------|---------------------------------------|------------------------------------|
| District | - | 351,560 | - | 351,560 | - | 351,560 | 296,496 | 173,076 |
| District Treasury | (647,009) | (395,297) | - | (395,297) | - | (1,042,306) | - | - |
| Animal Control | (194,319) | 184,078 | 18,041 | 202,119 | 31,659 | 7,800 | - | - |
| Cemeteries | (72,583) | 273,453 | 26,845 | 300,298 | 47,536 | 227,715 | - | - |
| Commercial Property | (122,351) | 112,516 | 19,687 | 132,203 | 20,570 | 9,852 | - | 11,000 |
| Community Buildings | (38,199) | 484,066 | 333,107 | 817,173 | 83,631 | 778,974 | - | 16,000 |
| Community Support | (2,070) | 304,778 | 9,417 | 314,195 | 49,684 | 312,125 | - | - |
| District Promotion & Development | (14,906) | 343,450 | 12,067 | 355,517 | 59,269 | 340,611 | - | - |
| Emergency Management | (134,175) | 373,711 | 50,692 | 424,403 | 76,197 | 290,228 | 246,000 | 90,400 |
| Footpaths | (1,898) | 195,043 | 501,179 | 696,222 | 45,551 | 694,324 | 309,000 | - |
| Health & Safety | (410,715) | 741,856 | 25,299 | 767,155 | 129,916 | 356,440 | - | - |
| Housing | (348,686) | 326,170 | 369,793 | 695,963 | 58,841 | 347,277 | - | 10,000 |
| Library | (44,981) | 686,779 | 107,961 | 794,740 | 118,896 | 749,759 | - | 110,000 |
| Parks and Reserves | (181,596) | 880,577 | 221,680 | 1,102,257 | 130,618 | 920,661 | 100,000 | 140,000 |
| Public Conveniences | (1,238) | 163,008 | 34,802 | 197,810 | 29,693 | 196,572 | - | 13,000 |
| Representation | (21,439) | 1,051,869 | 54,269 | 1,106,138 | 514,484 | 1,084,699 | - | - |
| Resource Management | (50,434) | 308,712 | 6,395 | 315,107 | 53,593 | 264,673 | - | - |
| Roading | (7,840,144) | 7,618,574 | 6,683,436 | 14,302,010 | 1,537,558 | 6,461,866 | 941,350 | 5,638,500 |
| Roading - Engineering Services | (1,132,151) | 1,087,823 | 44,328 | 1,132,151 | - | - | - | - |
| Service Centres | (3,545) | 386,294 | 6,996 | 393,290 | 64,669 | 389,745 | - | - |
| Sewerage | (111,336) | 1,376,411 | 769,491 | 2,145,902 | 248,036 | 2,034,566 | 55,000 | 242,000 |
| Stormwater | (1,900) | 265,362 | 223,613 | 488,975 | 45,602 | 487,075 | 20,000 | 55,087 |
| Solid Waste Management | (844,899) | 1,223,301 | 63,623 | 1,286,924 | 261,812 | 442,025 | 20,000 | - |

| Transfer to Reserves | Loan Repayments | Loans Raised | Transfer from Reserves | Transfer Loan Repayments from Depn Reserves | Reverse Portion of Building Depn | NZTA share of Depn & Future Interest Revenue | Rates Required 2011/2012 | Rates Required Annual Plan 2010/2011 | Rates Difference 2010/2011 to 2011/12 |
|----------------------|-----------------|--------------|------------------------|---|----------------------------------|--|--------------------------|--------------------------------------|---------------------------------------|
| - | 61,978 | (72,265) | (555,788) | - | - | - | (255,057) | (388,303) | 133,246 |
| 790,594 | - | - | - | - | - | - | 251,712 | 497,712 | (246,000) |
| - | 4,377 | - | (4,377) | - | - | - | (7,800) | (9,808) | 2,008 |
| - | 6,116 | - | (6,111) | - | - | - | (227,720) | (208,004) | (19,716) |
| - | - | - | (22,855) | - | (11,000) | - | 13,003 | 30,116 | (17,113) |
| - | 26,170 | - | (38,718) | (26,110) | - | - | (756,316) | (556,827) | (199,489) |
| - | - | - | (25,000) | - | - | - | (287,125) | (353,781) | 66,656 |
| - | - | - | - | - | - | - | (340,611) | (259,796) | (80,815) |
| - | 2,150 | - | (182,547) | - | - | - | (446,231) | (308,641) | (137,590) |
| - | 159,846 | (309,000) | - | (159,327) | (150,000) | - | (544,843) | (720,308) | 175,465 |
| - | 1,066 | - | (1,066) | - | - | - | (356,440) | (314,047) | (42,393) |
| - | - | - | (49,973) | - | (307,304) | - | - | - | - |
| - | 5,287 | - | (115,287) | - | - | - | (749,759) | (746,977) | (2,782) |
| 40,000 | 19,538 | (100,000) | (140,000) | (19,468) | - | - | (960,731) | (704,998) | (255,733) |
| - | 10,374 | - | (23,349) | - | - | - | (196,597) | (175,589) | (21,008) |
| 12,000 | - | - | - | - | - | - | (1,096,699) | (1,162,936) | 66,237 |
| - | 115 | - | - | (115) | - | - | (264,673) | (243,411) | (21,262) |
| - | 75,613 | - | (5,638,500) | (75,508) | (296,870) | (406,586) | (6,699,865) | (5,911,026) | (788,839) |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | (389,745) | (411,482) | 21,737 |
| - | 450,680 | (55,000) | (242,000) | (449,414) | - | - | (2,035,832) | (2,104,402) | 68,570 |
| - | 144,893 | (20,000) | (55,087) | (147,571) | - | - | (484,397) | (590,448) | 106,051 |
| - | 83,820 | - | (20,000) | (83,522) | - | - | (442,323) | (992,439) | 550,116 |

Funding Requirements – by Activity (continued)

| Activity | Revenue Excluding Rates | Operating Expenses excl Depn incl Support* | Depreciation Expenditure to Reserve incl Support* | Total Costs | Support Costs (in Op Exp & Depn Exp) | Net Cost | Development Capital Expenditure | Renewals Capital Expenditure |
|--|----------------------------|---|--|-------------------|--|-------------------|---------------------------------------|------------------------------------|
| Swimming Pools | (2,528) | 328,778 | 37,252 | 366,030 | 60,671 | 363,502 | 10,000 | 38,000 |
| Water Supplies | (789,627) | 1,113,930 | 846,239 | 1,960,169 | 236,028 | 1,170,542 | 945,000 | 370,000 |
| Water Supplies - Pongaroa | - | 50,796 | 222,027 | 272,823 | - | 272,823 | - | - |
| Subtotal | (13,012,729) | 19,812,623 | 10,688,239 | 30,525,837 | 3,904,514 | 17,513,108 | 2,942,846 | 6,907,063 |
| Reverse Roading – Engineering Services internal charges | 1,128,066 | (1,128,066) | - | (1,128,066) | - | - | - | - |
| Total | (11,884,663) | 18,709,532 | 10,688,239 | 29,397,771 | 3,904,514 | 17,513,108 | 2,942,846 | 6,907,063 |
| Roading / Engineering Services | (7,844,229) | 7,578,331 | 6,727,764 | 14,306,095 | 1,537,558 | 6,461,866 | 941,350 | 5,638,500 |
| 2011/12 Community Plan | (14,246,859) | 19,193,783 | 10,163,243 | 29,357,026 | 3,679,704 | 15,110,167 | 4,248,319 | 7,215,091 |
| Variance | (1,234,130) | (643,815) | (524,996) | (1,168,811) | (224,810) | (2,402,941) | 1,305,473 | 308,028 |

| Transfer to Reserves | Loan Repayments | Loans Raised | Transfer from Reserves | Transfer Loan Repayments from Depn Reserves | Reverse Portion of Building Depn | NZTA share of Depn & Future Interest Revenue | Rates Required 2011/2012 | Rates Required Annual Plan 2010/2011 | Rates Difference 2010/2011 to 2011/12 |
|----------------------|------------------|--------------------|------------------------|---|----------------------------------|--|--------------------------|--------------------------------------|---------------------------------------|
| - | 4,138 | - | (52,135) | - | - | - | (363,505) | (357,160) | (6,345) |
| - | 255,037 | (669,750) | (370,000) | (254,018) | (150,000) | - | (1,296,811) | (1,214,246) | (82,565) |
| - | - | - | - | - | (212,823) | - | (60,000) | (56,205) | (3,795) |
| 842,594 | 1,311,198 | (1,226,015) | (7,542,818) | (1,215,053) | (1,127,997) | (406,586) | (17,998,365) | (17,263,005) | (735,360) |
| - | - | - | - | - | - | - | - | - | - |
| 842,594 | 1,311,198 | (1,226,015) | (7,542,818) | (1,215,053) | (1,127,997) | (406,586) | (17,998,365) | | |

| | | | | | | | | | |
|---------|-----------|-------------|-------------|-----------|-----------|-----------|--------------|--|--|
| - | 75,613 | - | (5,638,500) | (75,508) | (296,870) | (406,586) | (6,699,865) | | |
| 961,342 | 1,400,368 | (1,288,945) | (7,230,713) | (317,700) | (223,223) | (391,612) | (18,789,169) | | |
| 118,748 | 89,170 | (62,930) | 312,080 | 897,353 | 904,774 | 14,974 | (790,804) | | |

| | |
|--|--------|
| Annual Plan increase over Community Plan 2011/12 | -4.21% |
| Annual Plan Increase over prior year | 4.26% |
| Expected Community Plan increase over prior year | 6.48% |
| Reduction in the increase | 2.22% |

Significant Forecasting Assumptions and Risks

Schedule 10 (section 11) of the Local Government Act 2002 contains provisions relating to 'significant forecasting assumptions'. The Act requires that Council identifies the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

The Council has made a number of assumptions in preparing this Draft Annual Plan. These assumptions are necessary as the planning term for the Community Plan is 10 years and the assumptions ensure that all estimates and forecasts are made on the same basis. The assumptions underlying the prospective financial information are as at 12 April 2009. These assumptions apply for the ten year period. The risks and likelihood change beyond the ten year timeframe for example as time increases so does the likelihood of a natural disaster.

| Assumption Area | Risk | Likelihood | Financial Risk | Expected \$ effect |
|---|---|--|---|---|
| Population growth – The population of the District will remain relatively static or decline slightly during the period of the plan. | That population growth is higher than projected, putting increased pressure on Council to provide additional infrastructure and services. | Rise - Low | Low | Because of expected low growth there has been no allowance for income to come from financial or development contributions although Council does have a policy allowing financial contributions. |
| | That population growth is lower than projected, putting pressure on Council to maintain existing infrastructure and services. | Decrease - Medium | Low | Not estimated. Despite a trend of a reducing population, the number of rateable properties has not varied significantly over the past 15 years with the rating base being maintained. This is expected to continue. |
| Natural disasters – There will be no natural disaster requiring emergency work that cannot be funded out of the budgetary provisions. | That the response and/or recovery natural disaster event(s) will exceed Council's planned funding. | 1-3 years: Low | Low-High (depending on extent of event) | Council incurred \$14m in flood related damages in 2004 (about 50% of turnover). An earthquake may cause 10% destruction of Council's assets costing \$60m - \$70m |
| | | 4-10 years Low (Except Medium for climate change –refer following) | | The Council provides funding for major disaster or civil emergency through Council's civil defence role, a funded provision for annual flood damage on roads, insurance of operational assets, cash reserves and an emergency loan facility for infrastructure replacement. |

| Assumption Area | Risk | Likelihood | Financial Risk | Expected \$ effect |
|--|--|--|---|---|
| Climate Change – the effects of climatic change on the East Coast is likely to mean more intense periods of rain, and also more severe droughts; both of which may impact on ratepayers ability to afford the costs of Council. Current NIWA analysis is that the climate is changing consistent to their model forecasts. | That there will be increasing intensity of climate related event(s) requiring emergency work that cannot be funded out of normal budgetary provisions. Unexpected pressures may come on infrastructure requiring new capital developments. Pressure will increase to fund these works. | Medium | Low-High (depending on extent of event) | Council is already providing for many climate related risks within existing budgets such as prevention of infiltration of stormwater into sewerage from heavy rainfall, installation of larger roading culverts and development of new stormwater systems (etc). Research funding for extra water storage or new sources of water is also being undertaken in the Plan, and this may result in a multi million dollar development (less than \$10m) being identified over the next 3 years. |
| The change in World climate may impact on the cost of many goods and services, and also affect movements of people. | The effect of climate change on the World may continue to make NZ an attractive place to immigrate to with possible increasing demand on Council Services. | Low | Low | Not estimated. |
| Pandemic - the possibility of an influenza pandemic has not been considered in this Plan other than as part of existing Civil Defence functions and business continuity plans. | A pandemic will affect the ability to fund and conduct Council services to varying degrees. | Low (in the short term it is "possible" – over a century it is "likely") | Low | The economic effect may impact over a 2- 3 year timeframe depending on the severity of a pandemic. |
| Cost Indices (Inflation) – the financial information is based on the adjustments for inflation. Council has used the Business & Economic Research Ltd (BERL) forecasts of price level changes to calculate a weighted average inflation rate for the plan. See table of inflation rates that follow. | That actual inflation will be significantly different from the assumed inflation. This will lead to misstatement in all financial statements as well as the cost of service statements. For example there is assumed to be no major fluctuations in oil prices and foreign exchange rates. | Low - Medium | Medium | Council is particularly susceptible to imported oil price changes with close to 60% of Council business being roading related and reliant on bitumen and diesel. Otherwise the BERL figures are consistent with the Reserve Bank target inflation range of 1.5% to 3%. |
| Asset life – useful lives of assets are as recorded in asset management plans or based upon professional advice. Refer to Accounting Policies for Depreciation Rates. | That more detailed analysis of planned capital works once complete may alter the depreciation expense. | Years 1- 3 Low; Years 4-10 Medium | Low-Medium | Depreciation may increase by 10%. Roading surface ages are well understood but in contrast bridge lives are not yet proven. |
| Revaluation of Property, Plant & Equipment – these are noted in the accounting policy. It is assumed that the revaluations will reflect the changes predicted by BERL | That the BERL Forecasts will be materially incorrect, leading to misstatements, in particular in the depreciation charged and hence the rates levied. | Low-Medium | Medium | A 10% increase in imported oil may increase construction prices by up to 4% resulting in an increase in depreciation cost of \$200,000. |
| Contracts – there will be no significant variations in terms of price from the re-tendering of operation and maintenance contracts and renewal of service level agreements, other than those variations recognised in this plan. | There is a significant variation in price from re-tendering contracts and renewal of service level agreements. | Low - Medium | Medium | Not Estimated, except that contractors may pass on oil price changes as noted under Revaluations above. |

| Assumption Area | Risk | Likelihood | Financial Risk | Expected \$ effect |
|--|--|------------|----------------|--|
| Asset Disposals – that the depreciation reserves will adequately fund the renewals of these assets. Funding of Depreciation of assets began in 1997 part way through the life of many assets. | That there will be a shortfall in funds available to replace assets | Medium | Medium | Not estimated. |
| Subsidies | That the subsidy levels will change. | Low | Medium | In the absence or reduction in funding, the project(s) may not proceed or any shortfall may be funded from other sources. |
| <ul style="list-style-type: none"> New Zealand Transport Authority (NZTA) and Transit NZ requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs. <p>The NZTA subsidy Council has used in the Plan is 75% for the Woodville Treatment Plant, 70% for seal extensions and minor improvements, and 60% for all other work qualifying for road subsidies. Funding in the event of a disaster is expected to increase to cover the additional costs incurred.</p> | That the Regional Roothing funding will not be made available. | Medium | Medium | A 1% increase in subsidy for the Woodville Treatment Plant will decrease Council's cost by \$20,000. |
| <ul style="list-style-type: none"> Health and Environment subsidies will be available for Herbertville & Akitio Sewerage and Herbertville Water treatment Developments of 40% | That the subsidy levels will not occur | Medium | Medium | \$12 million of projects may not proceed with \$4.8 million less subsidies and \$7.2 million less debt. Operational and depreciation costs would also reduce. |
| External factors – there will be no unexpected changes to legislation or other external factors that alter the nature of services provided by Council. | There are unexpected changes that alter the services provided by Council. | Low | Medium | Not estimated. |
| There may be a change in the GST rate from 12.5% to 15% part way through the year. | That an increase in the GST rate will impact on the Council and ratepayers. | High | High | Dependant on when the GST increase is to take affect the maximum impact is an extra \$433,331 for the District ratepayer. This does not increase the Council's income, only IRD. |
| Resource consents – conditions of resource consents held by Council will not be altered significantly. | <p>Conditions of resource consent are altered significantly and without sufficient warning.</p> <p>Work is not performed in accordance with the conditions of the consent.</p> | Low | Medium | Not estimated. |

| Assumption Area | Risk | Likelihood | Financial Risk | Expected \$ effect |
|--|---|--------------|----------------|--------------------|
| Forecast return on investments – Council has forecast the returns for significant investments (refer the schedule of indices). | That Council will not achieve the forecast rates of return leading to shortfalls in income. | Low - Medium | Low | Not estimated. |

Schedules of Indices

Inflation

The financial information is based on the following adjustments for inflation. Council has used forecasts of price level changes undertaken for the Society of Local Government Managers by economist consultants, Business and Economic Research Ltd (BERL). The forecasts of price level changes to calculate a weighted average inflation rate for each year of the plan.

The following increases apply to the baseline 2009/10 Figures and have been provided from Business and Economic Research Limited (BERL) as of March 2009.

No provision has been made for the potential inflationary effects of the Emissions Trading Scheme set to start in 2010/2011.

BERL suggested that a one-off average increase of inflation of 1.1% may be possible.

We expect that this may affect different industries including local authorities quite differently.

| 10 Year Community Plan | Year 1 2009/10 | Year 2 2010/11 | Year 3 2011/12 |
|-----------------------------|-------------------|-------------------|-------------------|
| Road | 0.0% | 2.6% | 5.5% |
| Property | 0.0% | 2.8% | 6.2% |
| Water | 0.0% | 2.3% | 5.6% |
| Energy | 0.0% | 2.6% | 5.1% |
| Staff/Private Sector Labour | 0.0% | 2.4% | 4.9% |
| Pipelines | 0.0% | 3.2% | 6.4% |
| Earthmoving | 0.0% | 3.5% | 7.0% |
| Other | 0.0% | 3.4% | 5.9% |
| Average unweighted | 0.0% | 2.9% | 5.8% |

Opening Revaluations

| | Year 1 2009/2010 | Year 2 2010/2011 |
|-----------------------------|---------------------|---------------------|
| Road | 1.0% | 7.4% |
| Buildings | 11.5% | 0.0% |
| Land | 27.5% | 0.0% |
| Water | 8.0% | 2.3% |
| Energy | 9.0% | 2.6% |
| Staff/Private Sector Labour | 2.6% | 2.4% |
| Pipelines | 3.9% | 3.2% |
| Earthmoving | 4.0% | 3.5% |
| Other | 6.0% | 3.4% |

Latest construction price index data indicates a rapid in roading cost inflation.

Building Revaluations only occur every three years.

Debt Repayment

New debt will be funded to be repaid over a 20 year period.

Interest on Term Debt

| 10 Year Community Plan | Year 2 2010/11 | Year 3 2011/12 |
|-------------------------------|-------------------|-------------------|
| Interest Rate (internal) | 6.0% | 5.00% |
| Interest Rates (new external) | 7.2% | 6.55% |

Interest Income

| 10 Year Community Plan | Year 2 2010/11 | Year 3 2011/12 |
|------------------------|-------------------|-------------------|
| Cash Investments | 5.0% | 5.0% |

Dividend Income

Returns from TDC Holdings Limited will increase by inflation (BERL index titled "Other") over the period. The effect of forestry harvest income has not been recognised by Council. This is in the control of Tararua Forests Limited in conjunction with TDC Holdings Limited.

Prospective Statement of Financial Performance for the period ending 30 June 2012

| \$'000's Forecast | 2009/10 Actual | 2010/11 LTCCP | 2011/12 Annual Plan | 2011/12 LTCCP | 2011/12 Variance | Note |
|---|-------------------|------------------|------------------------|------------------|---------------------|-----------|
| Revenue | | | | | | |
| Rates | 16,521 | 17,646 | 17,998 | 18,989 | 991 | |
| Grants & Subsidies | 7,425 | 12,455 | 8,165 | 9,922 | 1,757 | *1 |
| Fees & Charges | 3,284 | 3,082 | 2,894 | 2,676 | (218) | |
| Finance Income | 463 | 660 | 395 | 759 | 364 | |
| Dividend & Subvention Revenue | 3 | 386 | 252 | 463 | 211 | |
| Miscellaneous Revenue | 320 | 221 | 179 | 227 | 48 | |
| Total Revenue | 28,016 | 34,450 | 29,883 | 33,036 | 3,153 | |
| Expenditure | | | | | | |
| Other Operating Expenses | 12,771 | 13,245 | 13,373 | 13,681 | 333 | |
| Depreciation & Amortisation | 10,254 | 9,774 | 10,688 | 10,163 | (525) | *2 |
| Personnel Costs | 4,116 | 4,273 | 4,284 | 4,408 | 124 | |
| Finance Cost | 758 | 1,061 | 1,053 | 1,105 | 52 | |
| Total Expenditure | 27,899 | 28,353 | 29,398 | 29,357 | (16) | |
| Other asset gains/(losses) & Revaluation | (155) | - | - | - | - | |
| Net Operating Surplus | (38) | 6,097 | 485 | 3,679 | 3,169 | *3 |
| Other Comprehensive Income | | | | | | |
| Gains on Infrastructure assets revaluation | 33,757 | 20,973 | 23,705 | 23,706 | 1 | |
| Gains on land and buildings revaluation | - | - | 5,568 | 5,568 | - | |
| Other comprehensive income total | 33,757 | 20,973 | 29,273 | 29,274 | 1 | |
| Net Operating Surplus after Comprehensive Income | 33,719 | 27,070 | 29,758 | 32,953 | 3,170 | |

| \$000's Forecast | 2009/10 Actual | 2010/11 LTCCP | 2011/12 Annual Plan | 2011/12 LTCCP | 2011/12 Variance | Note |
|--|-------------------|------------------|------------------------|------------------|---------------------|------|
| Non Operating Costs and Funding | | | | | | |
| Capital Developments | 1,763 | 8,165 | 2,943 | 4,248 | 1,305 | *4 |
| Capital Renewals | 6,732 | 7,026 | 6,907 | 7,215 | 308 | *5 |
| Capital Expenditure | 8,495 | 15,191 | 9,850 | 11,463 | 1,613 | |
| Debt Repayments | 1,077 | 1,294 | 1,311 | 1,400 | 89 | |
| Debt Raised | 325 | (2,415) | (1,226) | (1,289) | (63) | *6 |
| Debt (Increase)/Decrease | 1,402 | (1,121) | 85 | 111 | 26 | |
| Net Transfer to/(from) Reserves | (7,201) | 1,800 | 1,238 | 2,267 | 1,004 | |
| Creation/(Use) of Prior Years Surplus | - | - | - | - | - | |

Notes

Comparison to Long Term Council Community Plan (Community Plan)

- *1 The large drop in grants and subsidies is due to cut backs in roading expenditure, caused by NZ Transport Agency reduced funding. In particular the removal of the Pahiatua Track from the Plan.
- *2 Depreciation expense has risen due to the revaluation of the infrastructure assets being higher than expected and the increase in stormwater network assets.
- *3 The surplus has decreased due to less subsidies from the NZ Transport Agency and rate income than forecast in the Community Plan.
- *4 Developments are lower than forecast in the Community Plan due to:
- The deferral of the \$1.794 million for the Pahiatua Track.
 - The transfer stations at Dannevirke and Pahiatua of \$428,000 being brought forward to 2011.
- This is offset by \$100,000 for Harvard playground upgrade, and
 - an additional \$578,000 included for improving the district's water supplies.
- *5 Renewals are lower than expected due to less footpath renewals forecast than in the Community Plan.
- *6 Debt raised has decreased due to decreases from Roothing (\$163,000), and Solid Waste transfer stations brought forward to 2011 of (\$428,000). However this is offset by additional loan funding for Pahiatua Mainstreet Playground \$100,000 and a new sewerage generator and telemetry costs of \$55,000 and water quality improvements of \$353,000.

Prospective Statement of Movements in Equity

As at 30 June 2012

| \$000's Forecast | 2009/10 Actual | 2010/11 LTCCP | 2011/12 Annual Plan | 2011/12 LTCCP | 2011/12 Variance |
|--|-------------------|------------------|------------------------|------------------|---------------------|
| Accumulated Funds at the start of the year | 379,007 | 388,434 | 393,465 | 394,584 | 1,119 |
| Surplus/(Deficit) | (38) | 6,097 | 485 | 3,679 | 3,169 |
| Accumulated funds at the end of the year | 378,969 | 394,531 | 393,950 | 398,263 | 4,288 |
| Asset Revaluation Reserves at the start of the year | 389,157 | 433,582 | 454,809 | 454,502 | (307) |
| Valuation changes | 33,757 | 20,973 | 29,273 | 29,274 | 1 |
| Asset Revaluation Reserves at the end of the year | 422,914 | 454,555 | 484,082 | 483,776 | (306) |
| Equity as at the end of the year | 801,883 | 849,086 | 878,032 | 882,039 | 3,982 |

Prospective Statement of Financial Position

As at 30 June 2010

| \$000's Forecast | 2009/10 Actual | 2010/11 LTCCP | 2011/12 Annual Plan | 2011/12 LTCCP | 2011/12 Variance | Note |
|--|-------------------|------------------|------------------------|------------------|---------------------|------|
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash and Cash Equivalent | 2,233 | 4,209 | 947 | 4,477 | 3,505 | |
| Other Financial Assets | 8,701 | 11,339 | 9,339 | 11,339 | 2,000 | |
| Trade & Other Receivables | 2,485 | 2,950 | 2,853 | 3,018 | 165 | |
| Other Assets held for sale | - | - | - | - | - | |
| Inventory and Livestock | 26 | 23 | 22 | 23 | 1 | |
| Total Current Assets | 13,445 | 18,521 | 13,161 | 18,857 | 5,671 | |
| Non Current Assets | | | | | | |
| Other Financial Assets | 6,154 | 5,181 | 5,148 | 7,179 | 2,031 | |
| Trade & Other Receivables | - | 42 | 41 | 43 | 2 | |
| Investment Property | 430 | 416 | 416 | 453 | 37 | |
| Intangible Assets | 278 | 167 | 29 | 316 | 287 | |
| Property, Plant & Equipment - Operational | 27,943 | 23,088 | 30,616 | 27,174 | (3,442) | *1 |
| Property, Plant & Equipment - Infrastructure | 762,156 | 819,452 | 839,998 | 844,862 | 4,864 | *1 |
| Property, Plant & Equipment - Restricted | 5,254 | 3,274 | 3,274 | 4,203 | 929 | *1 |
| Total Non Current Assets | 802,215 | 851,620 | 879,522 | 884,230 | 4,708 | |
| Total Assets | 815,660 | 870,141 | 892,683 | 903,087 | 10,379 | |

Notes

Comparison to Long Term Council Community Plan (Community Plan)

*1 Property, Plant & Equipment has increased due to the revaluations being higher than expected.

| \$000's Forecast | 2009/10 Actual | 2010/11 LTCCP | 2011/12 Annual Plan | 2011/12 LTCCP | 2011/12 Variance | Note |
|---------------------------------------|-------------------|------------------|------------------------|------------------|---------------------|------|
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Trade & Other Payables | 2,448 | 3,320 | 3,211 | 3,397 | 186 | |
| Borrowings - Current | 2,023 | 3,000 | 2,000 | 5,000 | 3,000 | *2 |
| Employee Benefit Liabilities | 392 | 374 | 365 | 385 | 20 | |
| Total Current Liabilities | 4,863 | 6,694 | 5,576 | 8,782 | 3,206 | |
| Non Current Liabilities | | | | | | |
| Borrowings - Non Current | 8,000 | 13,239 | 7,967 | 11,128 | 3,161 | *2 |
| Employee Benefit Liabilities | 117 | 206 | 201 | 212 | 11 | |
| Provision for Landfill Aftercare | 250 | 308 | 299 | 318 | 19 | |
| Tenant Contributions | 547 | 608 | 608 | 608 | - | |
| Total Non Current Liabilities | 8,914 | 14,361 | 9,075 | 12,266 | 3,191 | |
| Total Liabilities | 13,777 | 21,055 | 14,651 | 21,048 | 6,397 | |
| Equity | | | | | | |
| Retained Earnings | 368,021 | 376,681 | 374,588 | 377,533 | 2,945 | |
| Special Funded Reserves | 10,918 | 17,817 | 19,329 | 20,697 | 1,343 | |
| Asset Revaluation Reserves | 422,914 | 454,555 | 484,082 | 483,776 | (306) | |
| Trust Funds | 30 | 33 | 33 | 33 | - | |
| Total Equity | 801,883 | 849,086 | 878,032 | 882,039 | 3,982 | |
| Total Liabilities & Equity | 815,660 | 870,141 | 892,683 | 903,087 | 10,379 | |

Notes

Comparison to Long Term Council Community Plan (Community Plan)

- 2 Borrowings are lower than forecast due to less loans being raised, because of less developments than expected and the repayment of loans from cash surpluses.

Prospective Statement of Cash Flow for the period ending 30 June 2012

| \$000's Forecast | 2009/10 Actual | 2010/11 LTCCP | 2011/12 Annual Plan | 2011/12 LTCCP | 2011/12 Variance |
|---|-------------------|------------------|------------------------|------------------|---------------------|
| Cash Flows from Operating Activities | | | | | |
| Cash is provided from: | | | | | |
| Rates | 15,786 | 17,646 | 17,998 | 18,789 | 791 |
| Grants & Subsidies | 7,238 | 12,455 | 8,165 | 9,922 | 1,757 |
| Fees & Charges | 3,360 | 3,082 | 2,894 | 2,876 | (18) |
| Finance Income | 880 | 660 | 395 | 759 | 364 |
| Dividend & Subvention Received | 445 | 386 | 252 | 463 | 211 |
| GST refunds | 686 | - | - | - | - |
| Miscellaneous Revenue | - | 221 | 179 | 227 | 48 |
| | 28,395 | 34,450 | 29,883 | 33,036 | 3,153 |
| Cash is applied to: | | | | | |
| Suppliers & Employees | (13,512) | (13,520) | (13,373) | (13,956) | (608) |
| Employee Benefit Costs | (4,010) | (3,998) | (4,284) | (4,133) | 151 |
| Interest Paid | (815) | (1,061) | (1,053) | (1,105) | (52) |
| GST payments | (816) | - | - | - | - |
| | (19,153) | (18,579) | (18,710) | (19,194) | (509) |
| Net cash from operating activities | 9,242 | 15,871 | 11,173 | 13,842 | 2,644 |
| Cash Flows from Investing Activities | | | | | |
| Cash is provided from: | | | | | |
| Sale of fixed assets | 19 | - | - | - | - |
| Proceeds from investments realised | 11,818 | - | - | - | - |
| | 11,837 | - | - | - | - |

| \$000's Forecast | 2009/10 Actual | 2010/11 LTCCP | 2011/12 Annual Plan | 2011/12 LTCCP | 2011/12 Variance |
|---|---------------------------|--------------------------|--------------------------------|--------------------------|-----------------------------|
| Cash is applied to: | | | | | |
| Purchase of fixed assets | (10,996) | (15,191) | (9,850) | (11,463) | (1,613) |
| Purchase of investments | (12,819) | - | - | (2,000) | (2,000) |
| | (23,815) | (15,191) | (9,850) | (13,463) | (3,613) |
| Net cash from investing activities | (11,978) | (15,191) | (9,850) | (13,463) | (3,613) |
| Cash Flows from Financing Activities | | | | | |
| Cash is provided from: | | | | | |
| Proceeds from Borrowing | 5,000 | 1,121 | (85) | - | 85 |
| Tenant Contributions Received | - | - | - | - | - |
| | 5,000 | 1,121 | (85) | - | 85 |
| Cash is applied to: | | | | | |
| Loans Repaid | (5,080) | - | - | (111) | (111) |
| | (5,080) | - | - | (111) | (111) |
| Net cash from financing activities | (80) | 1,121 | (85) | (111) | (26) |
| Net (decrease)/increase in cash held | (2,816) | 1,801 | 1,238 | 268 | (995) |
| Total cash resources at beginning (Revised) | 4,692 | 13,747 | 9,048 | 15,548 | 6,500 |
| Total cash resources at Year End | 1,876 | 15,548 | 10,286 | 15,816 | 5,505 |

Statement of Accounting Policies

Reporting Entity

Tararua District Council (Council) is a New Zealand territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as public benefit a entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Basis of Preparation

Statement of Compliance

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 93 and Part 1 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These forecast financial statements have been prepared in accordance with NZ GAAP. They comply with NZ FRS 42, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, and financial instruments (including derivative instruments).

Functional and Presentation Currency

The financial statements are presented in the functional currency of Council, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$'000).

There are no foreign currency transactions.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Council has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- NZ IAS 1 'Presentation of Financial Statements (revised 2007)' replaces NZ IAS 1 'Presentation of Financial Statements (issued 2004)' and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated based on shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The revised standard gives the Council the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The Council will adopt this standard for the year ending 30 June 2010, and has decided to prepare a single statement of comprehensive income. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.
- Amendments to NZ IFRS 7 'Financial Instruments: Disclosures'. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. The Council has elected to disclose comparative information.
- NZ IAS 24 'Related Party Disclosures (Revised 2009)' replaces NZ IAS 24 'Related Party Disclosures (Issued 2004)'. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. Council has elected to early adopt the revised standard and its effect has been to disclose further information about commitments between related parties.

Standards, amendments and interpretations issued, but not yet effective, and not been early adopted

NZ IFRS 9 'Financial Instruments' will eventually replace NZ IAS 39 'Financial Instruments: Recognition and Measurement'. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been

completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

Revenue (NZ IAS 18)

Revenue is measured at the fair value of consideration received or receivable.

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced quarterly within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Contribution Revenue

Development contributions and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Government Grants

Council receives government grants from New Zealand Transport Agency, which subsidises part of Council's costs in providing the local roading infrastructure services. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of Services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

Commission

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Dividends

Dividends are recognised when the right to receive payment has been established.

Interest Revenue

Interest revenue is recognised using the effective interest method.

Construction Contracts (NZ IAS 11)

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the statement of financial performance.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

Borrowing Costs (NZ IAS 23)

Council has deferred the adoption of NZ IAS 23 'Borrowing Costs' in accordance with its transactional provision applicable to public benefit entities. Consequently all borrowing costs are recognised as an expense in the period that they are incurred.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Income Tax (NZ IAS 12)

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable surplus.

Current tax and deferred tax is recognised against the surplus or deficit for the period except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

Leases (NZ IAS 17)

Finance Leases

Currently the Council parent has no finance leases.

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council will recognise finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and Cash Equivalents (NZ IAS 7)

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts where applicable are shown within borrowings in current liabilities in the statement of financial position.

Debtors and Other Receivables (NZ IFRS 7, NZ IAS 39)

Debtors and other receivables are initially measured at fair value and subsequently measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Inventories (NZ IAS 2)

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost, adjusted, when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the surplus or deficit in the period of the write-down.

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories: fair value through profit or loss, held-to-maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits, community and related party loans.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

- **Held to maturity investments**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's held to maturity investments include government and local authority stock.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

- **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date or if debt instrument is not expected to be realised within 12 months of balance date. Council's financial assets at fair value through equity comprise local authority stock and investments in quoted and unquoted shares.

Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 'Consolidated and Separate Financial Statements' and NZ IAS 28 'Investments in Associates') whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses recognised directly in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit. On derecognition the cumulative gain or loss previously recognised equity in is recognised in other comprehensive income is reclassified from equity to surplus or deficit.

- **Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Impairment of Financial Assets (NZ IAS 39)

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Loans and Other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the Council will not be able to collect

amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Financial Assets at Fair Value through other Comprehensive Income

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to surplus or deficit.

Non-Current Assets Held for Sale (NZ IFRS 5)

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property Plant and Equipment (NZ IAS 16)

Property, plant and equipment consists of:

Operational assets – These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Restricted assets – Restricted assets are parks and reserves owned by Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

| Asset | Useful life | Depreciation Rate |
|--|-----------------|-------------------|
| Operational & Restricted Assets | | |
| Buildings | 15 to 120 years | (0.8%-6.7%) |
| Computer equipment | 2 to 40 years | (2.5%-50%) |
| Furniture & Fittings | 2 to 40 years | (2.5%-50%) |
| Landfill post closure | 40 years | (2.5%) |
| Leasehold Development | 3 to 20 years | (5%-33%) |
| Library books | 1 to 10 years | (10%-100%) |

| Asset | Useful life | Depreciation Rate |
|---------------------|----------------|-------------------|
| Motor vehicles | 5 to 29 years | (3.5%-20%) |
| Plant and equipment | 2 to 80 years | (1.3%-50%) |
| Swimming Pools | 15 to 50 years | (2%-6.7%) |
| Fiber Optic Network | 20 to 30 years | (3%-5%) |

Infrastructural Assets

| | | |
|---------------------------------|-----------------|----------------|
| Roading Network | | |
| Top surface (seal) | 15 to 80 years | (1.25%-6.7%) |
| Top Surface (Unsealed) | 1 year | (100%) |
| Pavement (seal base course) | 30 to 55 years | (1.8%-3.33%) |
| Pavement (unsealed base course) | Not depreciated | |
| Sub-base (Rural) | Not depreciated | |
| Sub-base (Urban) | 40 years | (2.5%) |
| Formation | Not depreciated | |
| Culverts | 50 to 75 years | (2%-1.3%) |
| Kerbing | 25 to 100 years | (1%-4%) |
| Footpaths | 10 to 100 years | (1%-10%) |
| Signs | 8 years | (12.5%) |
| Streetlights | 12 to 30 years | (3.3% to 8.3%) |
| Bridges | 50 to 100 years | (1% to 2%) |
| Sewerage network | | |
| Pipes & Manholes | 60 to 80 years | (1.3%-1.7%) |
| Treatment Ponds | 80 years | (1.3%) |
| Pumps | 10 years | (10%) |
| Flow monitoring equipment | 10 years | (10%) |
| Stormwater network | | |
| Pipes | 80 years | (1.3%) |
| Manholes | 100 years | (1%) |

| Asset | Useful life | Depreciation Rate |
|--------------------------|-----------------|-------------------|
| Water network | | |
| Pipes, hydrants & valves | 50 to 60 years | (1.6%-2%) |
| Monitoring equipment | 10 to 20 years | (5%-10%) |
| Treatment plants | 10 to 100 years | (1% to 10%) |
| Pumps | 15 to 25 years | (4%-6.7%) |
| Tanks | 40 to 100 years | (1%-2.5%) |
| Waste Management | 2 to 17 years | (5.9%-50%) |
| Items under construction | Not depreciated | |

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluations

| Revaluations | Frequency |
|---------------------------------|---------------|
| Infrastructural Assets | Annually |
| Roads (except land under roads) | Annually |
| Bridges | Annually |
| Sewerage | Annually |
| Stormwater | Annually |
| Water | Annually |
| Land | Every 3 years |
| Restricted Assets | Every 3 years |
| Buildings | Every 3 years |

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Operational and Restricted Land and Buildings

These are revalued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Registered Valuer, Kerry Stewart BCom VPM PGDip(Com) SNZPI, Quotable Value New Zealand and the valuation is effective as at 30 June 2009. They are valued on a three yearly cycle.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems

Are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. The most recent valuation was performed by Ray Cannon BTech Civil Engineering (UK), Council's Consultancy Roading Manager and engineer, and reviewed by Registered Valuers, John Vessey BE BA MIPENZ MACENZ at Opus, using optimised depreciated replacement cost. These assets are revalued annually as at 30 June.

Land under roads

Land under roads, was valued based on fair value of adjacent land as determined by reference to the Council rating data. Subsequently, this has not been revalued.

Unformed or paper roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the statement of financial position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to value. In addition there is a very limited market for sale to the surrounding or adjacent property owner, and cannot be measured reliably because of the small individual area of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

Library Collections

The Library books were valued by "Bookseller" of Palmerston North prior to purchase by Council on 30 September 2003 and will be carried forward as deemed cost from 1 July 2005. These are depreciated on a straight line basis at lives of 1 to 10 years. The NZ Genealogical Cemetery records are recorded at cost less aggregate depreciation and these are assumed to have a useful life of ten years.

Intangible Assets (NZ IAS 38)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Council's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisition of associates is included in "investments in associates" and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

Resource Consents

Resource consents are recognised at cost. Resource consents have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the resource consents over the shorter period for which the consent is granted or the expected extraction period.

Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

| | Useful life | Depreciation Rate |
|-------------------|--------------|-------------------|
| Computer software | 3 to 5 years | 20-33% |

Forestry Assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable filling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the surplus or deficit.

The costs to maintain the forestry assets are recognised in the surplus or deficit when incurred.

Investment Property (NZ IAS 40)

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation was performed by Registered Valuer, Kerry Stewart BCom VPM PGDip(Com) SNZPI, Quotable Value New Zealand and the valuation is effective as at 30 June 2010.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit. Investment properties are not depreciated.

Creditors and Other Payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Impairment of Property, Plant and Equipment, and Intangible Assets (NZ IAS 36)

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the assets recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where Council would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows. If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

Livestock (NZ IAS 41)

A small number of deer are kept for recreational purposes and are revalued each year according to Inland Revenue livestock values at national standard cost.

Employee Entitlements (NZ IAS 19)

Short-Term Entitlements

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-Term Entitlements

Long Service Leave and Retirement Leave

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation Schemes

- **Defined Contribution Schemes**

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

- **Defined Benefit Schemes**

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions (NZ IAS 37)

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value even if payment under guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a liability is recognised based on the probability that Council will be required to reimburse a holder for a loss incurred and is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Borrowing

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

Equity (NZ IAS1)

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Accumulated funds
- Revaluation reserves
- Special funded reserves
- Trust funds
- Fair value through other comprehensive income reserve

Special Funded and Council Created Reserves

Special funded reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Council's Treasury Policies and Long Term Council Community Plan allow internal borrowing against these reserves on the basis they will be reimbursed over time or at time of need.

Trust Funds

Trust funds are those subject to specific conditions accepted as binding by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

These budget figures are approved by the Council at the beginning of the year in the Long Term Council Community Plan, after a period of consultation with the public.

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

Cost Allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using expenditure as the cost driver. This applies to all activities except "Representation" which is allocated on an estimated labour basis.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

The appropriate note discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers are used in performing or reviewing the Council's infrastructural asset revaluations.

Critical Judgements in Applying Council's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies for the periods ending 30 June 2012.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's housing policy. These properties are accounted for as property, plant and equipment.

Changes in Accounting Policies

There have been no changes in accounting policies from the previous financial year other than the introduction of new accounting standards. Policies have been applied consistently throughout the forecast period.

Statement of Cash Flows (NZ IAS 7)

Cash means cash and cash equivalent balances on hand, held in bank accounts, demand deposits and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Council invests such assets as part of its day to day cash management.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. They include cash received from all revenue sources (such as rates, taxes and government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of non-current assets, which are intended to generate future income and cash flows. Investing and financing activity transactions have had their respective sources and applications of cash netted off where roll over of financing has occurred and where there have been transfers between Council bank accounts.

Financing activities comprise activities that change the equity and debt capital structure of the Council.

Group prospective Financial Statements are not included

The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users.

The main purpose of prospective financial statements in the Community Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service.

The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distribution from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

Prospective Financial Information (NZ FRS 42)

The financial information contained within this document is prepared in accordance with the accounting standard FRS 42. The purpose for which it has been prepared is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cashflow of Tararua District Council.

The actual results achieved for any particular financial year are also likely to vary from the information presented, and may vary materially depending on the circumstances that arise during the period.

Cautionary Note

The forecast financial statements are prepared based on best estimates available at the time of preparing the accounts. Actual results are likely to vary from information presented and the variations may be material.

The purpose of this plan is to consult with the community on the spending priorities outlined within the plan, and may not be appropriate for any other purpose. Following the consultation period there may be changes made to the plan.

Authorisation for Issue

The Council is responsible for these prospective financial statements, underlying assumptions and other related disclosures.

This document was authorised and adopted by Council on 29 June 2011.

Revenue and Financing Policy

The Local Government Act 2002 (LGA), Section 102(4)(a), requires that a Revenue and Financing Policy be adopted and that this be included in full in the Long Term Council Community Plan to go through special consultative procedures. Sections 103 and 101(3) establish the content required of the policy.

The Council sources funding to cover all the activities that it is providing for its communities.

The sources of funding are:

- Subsidies and grants
- Donations and sponsorship
- User charges
- Reserves (including prior year surpluses) and trust funds
- Loans
- Rates

Council's revenue and financing policy sets out the broad guidelines for establishing the funding of activities. In some instances minor income sources are not considered significant in establishing the guidelines and have not been stated as sources. In other instances there may be some deviation from the policy and the reasons for these are given separately in the activity.

The actual achievement of the policy is affected by real events and variances of greater than 5% is considered significant and is the variances are reported.

Operating Expenses

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

In general terms it will use a mix of revenue sources to meet operating expenses, with major sources being general rates, dividends, subsidies and fees and charges. However revenue from targeted rates is applied to specific activities.

Funding of Depreciation

Most depreciation is funded from income sources. This creates cash reserves that are used for the renewal of the assets being depreciated. As the assets have not always been funded in this way compounding interest is adding to the cash reserves faster than inflation and will help Council meet the renewal requirements.

Over the ten years the reserves are building but if unexpected renewals are required in excess of the depreciation reserves for the type of asset (e.g. water reserves) then loan funding or other funding alternatives may be used.

In some instances Council has identified that funding of depreciation is not necessary. In particular:

- NZ Transport Agency will fund their share of renewal costs in the year that the renewals occur. It is not necessary for Council to fund their share.
- Some low use buildings are unlikely to be replaced and depreciation is not funded. These buildings are however being maintained.
- Where the reserves are building, some funds are being used to repay loans on developments. This is being phased out in the Plan so the reserves are going to be available for future renewals.
- Internal Borrowing from the reserve is permitted and the reserves will be reimbursed with external debt should the funds become required for unexpected renewals.

Council's Approach to Funding Operating Expenses

The following sources of revenue are applied to the Council's activities:

Operational Funding

| Activities | UAGC | General Rate (On Land Value) Rate in \$ | Targeted Rates Uniform ¹ | Targeted Rates | Targeted Rates (On Land Value) Rate in \$ | Subsidies | Fees & Charges | Dividends, Subventions & Interest | Utilise Prior Year Surpluses |
|----------------------------------|------|--|--|----------------|---|-----------|----------------|---|---------------------------------|
| Animal Control | ✓ | ✓ | | | | | ✓ | ✓ | |
| Cemeteries | ✓ | ✓ | | | | ✓ | ✓ | ✓ | |
| Commercial Property ² | | | | | | | ✓ | ✓ | |
| Community Buildings | ✓ | ✓ | | | | | ✓ | ✓ | |
| Community Support | ✓ | ✓ | | | | | | ✓ | |
| District Promotion & Development | ✓ | ✓ | | | | ✓ | | ✓ | |
| Emergency Management | | | | | | | | | |
| Civil Defence | ✓ | ✓ | | | | ✓ | | ✓ | |
| Rural Fire Protection | | | ✓ | | ✓ | ✓ | ✓ | | |
| Footpaths | ✓ | ✓ | | | ✓ | | | ✓ | |
| Health & Safety | ✓ | ✓ | | | | | ✓ | ✓ | |
| Housing | ✓ | ✓ | | | | | ✓ | ✓ | |
| Library | ✓ | | ✓ | | | | ✓ | ✓ | |
| Parks and Reserves ⁴ | ✓ | ✓ | | | | | ✓ | ✓ | |
| Public Conveniences | ✓ | ✓ | | | | | | ✓ | |
| Representation | ✓ | ✓ | | | | | ✓ | ✓ | |
| Resource Management | ✓ | ✓ | | | | | ✓ | ✓ | |
| Roading | | | ✓ | | ✓ | ✓ | ✓ | | ✓ |
| Service Centres | ✓ | ✓ | | | | | ✓ | ✓ | |
| Sewerage | ✓ | ✓ | | ✓ | | | ✓ | ✓ | ✓ |
| Solid Waste Management: | | | | | | | | | |
| Waste Disposal ³ | ✓ | ✓ | | | | | 3 | ✓ | |
| Refuse Collection | | | | | ✓ | | ✓ | | |
| Stormwater Drainage | | | ✓ | | | | | | |

| Activities | UAGC | General Rate (On Land Value) Rate in \$ | Targeted Rates Uniform ¹ | Targeted Rates | Targeted Rates (On Land Value) Rate in \$ | Subsidies | Fees & Charges | Dividends, Subventions & Interest | Utilise Prior Year Surpluses |
|-----------------------------|------|--|--|----------------|---|-----------|----------------|---|---------------------------------|
| Swimming Pools ³ | ✓ | | ✓ | | | | ³ | ✓ | |
| Tararua i-SITE | ✓ | ✓ | | | | | ✓ | ✓ | |
| Water Supplies | | | | ✓ | | | ✓ | | |

¹ Rates included in 30% Maximum Cap Calculation per Section 21 Local Government Rating Act.

² Commercial Property generates surpluses that offset the Uniform Annual General Charge (UAGC) and General Rate.

³ Contractors are able to charge fees and retain the funding to offset their costs.

⁴ Parks and Reserves exclude the self-funding function of Domain Boards which derive miscellaneous income for their funding.

Operating Costs do not utilise the following sources of funds:

- borrowing
- proceeds from asset sales
- development or financial contributions

Council's Approach to Funding Capital Expenses

The following sources of revenue are applied to the Council's activities:

Capital Funding

| Activities | Loans Raised | Transfer from Reserves | Transfer Loan Repayments from Reserves | Uniform* | General Rate (On Land Value) Rate in \$ | Targeted Rates | Targeted Rates (On Land Value) Rate in \$ | Subsidies | Fees & Charges |
|------------------------|--------------|------------------------|--|----------|--|----------------|--|-----------|----------------|
| Animal Control | ✓ | ✓ | | ✓ | ✓ | | | | |
| Cemeteries | ✓ | ✓ | | ✓ | ✓ | | | | |
| Commercial Property | ✓ | ✓ | | | | | | | ✓ |
| Community Buildings | ✓ | ✓ | ✓ | ✓ | ✓ | | | | |
| Community Support | ✓ | ✓ | | ✓ | ✓ | | | | |
| District Promotion | ✓ | ✓ | | ✓ | ✓ | | | | |
| Emergency Management | ✓ | ✓ | | ✓ | ✓ | | | | |
| Footpaths | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Health & Safety | ✓ | ✓ | | ✓ | ✓ | | | | |
| Housing | ✓ | ✓ | | | | | | | |
| Library | ✓ | ✓ | | ✓ | ✓ | | | | |
| Parks and Reserves | ✓ | ✓ | ✓ | ✓ | ✓ | | | | |
| Public Conveniences | ✓ | ✓ | | ✓ | ✓ | | | | |
| Representation | ✓ | ✓ | | ✓ | ✓ | | | | |
| Resource Management | ✓ | ✓ | | ✓ | ✓ | | | | |
| Roading | ✓ | ✓ | | | | ✓ | ✓ | ✓ | ✓ |
| Service Centres | ✓ | ✓ | | ✓ | ✓ | | | | |
| Sewerage | ✓ | ✓ | | | | ✓ | | ✓ | ✓ |
| Solid Waste Management | ✓ | ✓ | ✓ | | | ✓ | | | ✓ |
| Stormwater Drainage | ✓ | ✓ | ✓ | | | ✓ | | | ✓ |
| Swimming Pools | ✓ | ✓ | | ✓ | ✓ | | | | |
| Tararua i-SITE | ✓ | ✓ | | ✓ | ✓ | | | | |
| Water Supplies | ✓ | ✓ | ✓ | | | ✓ | | ✓ | ✓ |

Financial Strategy

Council has a number of features that are key to its financial well being.

- A large number and cost of assets.
- A small population base
- These increase the risk of asset ownership with the need to repair, maintain, renew and develop those assets for the changing needs of the District.
- Geographically spread assets (e.g. Roads). This restricts access to users of some services and increases operational and capital costs of providing the services.
- Services are duplicated according to the towns. This reduces the economies of scale that major centres achieve. (E.g. particularly Water, Sewerage & Solid Waste Management). As a result costs are often higher for the same service than in cities, or services are not as "all encompassing" as in cities.
- Long life assets– up to 100 years, but most are over halfway through their useful lives. Funding for their future replacement is a fundamental issue for Council to ensure continuity of service.
- Council business is dominated by Roading. Council is reliant on NZ Transport Agency subsidies and is particularly affected by construction prices. Increasing oil prices and/or lowering NZ dollar strongly influences Council's costs. The medium to long term view of oil prices is not promising with more competition for energy, higher energy productions costs and adverse environmental impacts of non renewable sources.
- Expectations for improved services are high from both the Public and Government. For this reason the LTCCP shows a large Capital Developments programme.
- Council intends to maintain prudent debt level for both current and future ratepayers.

Strategies being employed to address these issues are:

- Subsidies will always be sought where available to both operational and capital expenditure. Council advocates Government funding for initiatives of Government in the areas of roading, water and sewerage.
- Depreciation is being funded to pay for current and future renewals. Some buildings are not being funded because Council does not intend to replace them.
- Using debt for major developments to allow their funding to be spread.
- Using Council's cash reserves to pay for some developments as internal borrowings instead of raising external debt. The reserves are funded to be repaid and reimbursed for interest earnings. The net effect is a lower cost of debt to ratepayers through interest savings.

- The Council cost of development projects that cost less than \$50,000 or that are regular on an annual basis are rate funded
- Fees & Charges and Investment income (interest dividends & subventions) are allocated to offset general rates. This means those activities funded through the uniform annual general charge and general differential rates enjoy a benefit with a contribution from these sources to both the operational and capital costs of each activity.

Capital Developments

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

Capital Renewals

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

Savings

Savings are placed into reserves which are funded from past surpluses, realisation of assets or by rates. Trust funds are normally bequeathed to Council "in trust". Reserves and Trust funds (savings) may be used to fund activities where appropriate to the purpose of the reserves.

Intergenerational Equity

Intergenerational equity is:

"The principle that the costs of any expenditure should be recovered at the time that benefits of that expenditure accrue".

Essentially this principle is concerned with the spreading of costs across time and in proportion to the benefits that are used during each segment of that time.

Intergenerational equity ensures that the ratepayer is not required to meet any costs until the benefits associated with those costs are enjoyed.

Intergenerational equity is of special importance when one is dealing with major capital investments in the infrastructure of the community

The construction of a sewerage system for example would have significant costs associated with its construction, but the benefits that would accrue to the community using it would be spread

over many years. The concept of intergenerational equity would be to ensure that each year the community only paid for the costs associated with the benefits received during that year.

On this basis the ratepayer would face two separate costs that can be associated with the sewerage system investment. One would be the operating costs associated with running the sewerage system and this would include the cost of capital (i.e. interest) and secondly the actual decline in service potential of the system over the year.

It is acknowledged that borrowing money has a cost in itself, but the appropriate use of debt to spread the burdens on to future generations also has benefits because current ratepayers will have either lower rates or higher levels of service at current rate levels.

Debt can come from external sources or internal borrowings from Council reserves. It is prudent to utilise reserves while they are not required, instead of raising new debt. New debt can be established when the reserves are required. Otherwise the situation exists where interest is earned on reserve funds and at the same time interest is paid on debt. Usually the interest rate on external debt is more than that paid on Reserves. Borrowing internally ensures that net interest costs are minimised.

This will become increasingly important as reserves increase to meet Asset Management Plan requirements, depreciation funding and loan repayment funding. Approved Treasury Policies govern the use of reserves in this manner.

Council has recognised an intergenerational equity issue in several of the activities in its operation.

Council will undertake the prudent use of loan funding for major infrastructural assets within the parameters set by the Liability Management Policy.

In reaching this conclusion the Council noted that benefits would accrue to communities who used debt to spread costs because more money would be in the ratepayers pockets until needed and ratepayers in the District for a short period of time would pay only the actual amount that they were benefiting from services being supplied.

Funding by Activity

Council has considered the following matters in determining the funding sources for each activity:

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

- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well being of the community.

Council follows a three-step decision-making process in setting funding for activities. In brief these three steps are:

Step One

Allocating theoretical costs of activities based on the economic principles of intergenerational equity, public good theory, beneficiary (or user) pays, and exacerbator (or polluter) pays.

Step Two

The theoretical costs allocated in Step One are then modified by considering:

- Ratepayer and resident interests
- Fairness and equity
- Council policies
- Transitional impacts

Step Three

Finally the actual funding mechanisms are determined in a way that achieves the allocations decided at Step Two, after taking account of

- Practicality
- Costs vs efficiency
- Separate vs single mechanisms
- Transparency

A standardised template is used in the process, ensuring a consistent approach is taken.

General principles used in the three-step process are:

1. Where the benefit accrues to the whole district general rates will be used.
2. Where benefits accrue to certain groups within the district, differentials or targeted rates will be used.
3. User pays is a legitimate funding method if the benefit to individuals is greater than the benefit to the community.

4. User pays is also recognised as a tool to achieve Council's goals e.g. charging for refuse collection to encourage waste minimisation.
5. In some cases e.g. water, targeted rates are used as a surrogate for user charges as Council considers this to be a more efficient and effective method of funding than individual user charges.
6. Rates are primarily a tax. While effort is made to link payment of rates to benefits received or costs generated it is not possible to do this on an individual ratepayer basis.

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

The following table summarises the funding for each activity:

| Activities | % Subsidy | % User Charges | % Rates | | % Rates Targeted Rate | % Rates Uniform Targeted Rate |
|---|-----------|----------------|----------------|-----------------------|-----------------------|-------------------------------|
| | | | General Charge | General Differentials | | |
| Animal Control | | 93 | 7 | | | |
| Cemeteries | | 25 | 75 | | | |
| Commercial Property | | 105 | | | | |
| Community Buildings | | 10 | 90 | | | |
| Community Support | | | 100 | | | |
| Economic Development | | | 100 | | | |
| Emergency Management | | | | | | |
| Civil Defence | 11 | | 89 | | | |
| Rural Fire ⁽¹⁾ | | | | 100 | | |
| Footpaths | | | | | | |
| General | | | 15 | 85 | | |
| Footpath Special Development Loan Rates | | | | | 100 | |
| Health & Safety | | | | | | |
| Building Control | | 90 | 10 | | | |
| Health Control ⁽²⁾ | | 46 | 54 | | | |
| Inspection & Licensing | | 30 | 70 | | | |
| Housing | | 100 | | | | |
| Library | | 15 | | 85 | | |
| Local Government Representation | | | 100 | | | |
| Public Conveniences | | | 100 | | | |

| Activities | % Subsidy | % User Charges | % Rates | | % Rates Targeted Rate | % Rates Uniform Targeted Rate |
|--|-----------|----------------|----------------|-----------------------|-----------------------|-------------------------------|
| | | | General Charge | General Differentials | | |
| Parks & Reserves | | | | | | |
| Parks & Recreation Grounds (excluding Domain Boards) | | 5 | 95 | | | |
| Camping Grounds | | | 100 | | | |
| Resource Management | | 25 | 75 | | | |
| Roading | | | | | | |
| General | 67 | | | | 27 | 6 |
| Pahiatua-Palmerston North Route Special Development | | | | | 100 | |
| Loan Rates | | | | | | |
| Service Centres | | | 100 | | | |
| Sewerage | | 6 | 9 | | 85 | |
| Solid Waste Management | | | | | | |
| Refuse Collection ⁽³⁾ | | 50 | | 50 | | |
| Waste Disposal | | 70 | 30 | | | |
| Stormwater/Drainage | | | | | | 100 |
| Swimming Pools | | | | 100 | | |
| Tararua i-SITE | | 10 | 90 | | | |
| Water Supplies | | | | | | |
| Urban | | 35 | | | | 65 |
| Pongaroa | | | | | 100 | |

Notes (refer table above)

- A ⁽¹⁾ Rural Fire Protection is split 92% to the rural differential and 8% to the urban differential.
- ⁽²⁾ Most of the charges are legislated by Central Government. This prevents the Council from recovering any greater share of the costs from users.
- ⁽³⁾ Refuse Collection is split 19% to the rural differential and 81% to the urban differential. Solid Waste Disposal is funded through General Rates.
- B Reserve funds may be offset against funding requirements where appropriate.
- C Pongaroa Rural Water Supplies are additional local activities funded by separate Uniform Annual Charges.

Rating

The resulting mix of general and targeted rates, user charges and other funding sources is covered in the sections above relating to operating and capital expenditure and the section on the rating system following. The actual amounts that result from the application of these various policies and practices are shown elsewhere in this document under the significant activity pages.

The Rating System

1. Activity Outcome

- 1.1. To provide a system of collecting rates and charges on rateable property throughout the district.

2. Guiding Principles

- 2.1. That the rating system be based on property information including values and or user classifications provided by the contracted rating valuation service providers.
- 2.2. That land value be the predominant base on which rates are set.
- 2.3. That rates and charges be set to fund activities across the whole of the district.
- 2.4. That user charges be applied wherever possible in order to come close to realising a concept of user pays.
- 2.5. That the system be transparent; so that it can be seen to what the ratepayers money is being spent; and accountable so that revenue collected for one purpose or activity is not spent on another purpose or activity.

3. Legislative Framework

- 3.1. Council undertakes rating under the following legislation and related amendments:-
Local Government Act 2002
Local Government (Rating) Act 2002

4. Rating Base

- 4.1. The rating base will be the database determined by the contracted rating service provider. Because this database is constantly changing due to change of ownership, subdivision, regular revaluations, change of status from rateable to non-rateable (and reverse), the rating base is not described in detail in this policy but annual attachments to the policy will describe the rating base for each rating year as and when it is determined.

- 4.2. The annual plan contains details of the rating base through summaries on a ward basis of rateable land value, rateable capital value, rateable area, number of rating assessments, number of assessments for uniform annual general charges and similar charges and policies covering collection of these.

5. Rates Arrears Collection

- 5.1. After penalty has been applied, ratepayers with unpaid rates and for which no arrangements have been made are written to requiring payment within 14 days.
- 5.2. Property titles are searched of those who do not respond to the letter.
- 5.3. Where mortgagees are disclosed on title searches, demands are made of the mortgagees for settlement of the arrears.
- 5.4. If Council is unable to enforce collection by way of making a demand of the mortgagee it should then, if the property is rented, require the occupier to pay the rent to the Council for credit of the ratepayer, or otherwise hand the account to Council's Solicitors for collection.
- 5.5. Where the Council Solicitor advises that the rates are not collectable, the individual recommendations with a view to undertaking a sale of the property under the provisions of the Local Government (Rating) Act 2002 or other appropriate action will be submitted for Council consideration.

6. Utility Charges for Non-Rateable Properties

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

7. Inspection of Rating Information Database or Rates Records

The Local Government (Rating) Act 2002 set out the right of ratepayers to inspect data on the rating information database (section 28) and the rates records (section 38).

8. Objection on Rating Information Database or Rates Records

The Local Government (Rating) Act 2002 set out the right of ratepayers to object to data on the rating information database (section 29) and the rates records (section 39).

Ratepayers must make objections in writing and address them to Tararua District Council. It is at the sole discretion of the Council to uphold or decline changes to either the Rating Information Database or Rating Records.

Rating Remission Policy

1. Policy on Early Payment of Rates in Current Financial Year

Early payments accepted on the basis that payment must be for all components of the rates and therefore any payment received in advance will be spread pro-rata across all rate components.

2. Policy on Early Payment of Rates for Subsequent Financial Year

Early payments will be accepted for one subsequent year on the basis that payment must be for all components of the rates and any payment received in advance will be spread pro-rata across all rate components once the rates are set for the subsequent year.

3. Delegated Authority

Authority to consider and approve remissions is delegated to the Chief Executive, Manager Financial Services, and Revenue Manager

4. Policy on Rates Remissions

Remission of Penalty Charges

4.1 Objectives of the Policy:

4.1.1 To enable Council to remit penalties in certain circumstances that it considers to be fair and reasonable to do so.

4.2 Conditions and Criteria:

4.2.1 The Council grants to the Chief Executive or his nominee delegated authority in the following circumstances to approve on receipt of an application the remission of such penalty charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

4.2.2 Where there exists a history of regular punctual payment and payment is made within reasonable time of the ratepayer being expected to be aware of the non-payment.

4.2.3 Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment when the original account was issued in the name of the previous owner/lessee.

4.2.4 On compassionate grounds, i.e. where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type, and has been unable to attend to payment (elderly persons living on their own etc).

4.2.5 Rate account not received where it can be proved a genuine cause exists.

4.2.6 In situations where there are arrears from previous years, negotiation may be entered into over the amount of penalty that is ultimately to be paid on such accounts subject to the proviso that dispensations subsequently granted shall be conditional upon settlement being made of the total account due.

4.2.7 Where the first instalment has been penalised and the ratepayer agrees to pay the total balance of the year's rates at the second instalment.

4.2.8 In such instances where an error has been made on the part of Council staff or arising through error in the general processing or levying of same which has subsequently resulted in a penalty charge being imposed.

4.2.9 Where ratepayer has entered into arrears repayment agreement, penalties will be remitted from start of agreement to expiry date of agreement not exceeding 3 years and providing agreement conditions adhered to.

4.3 And that in implementing this policy the circumstances of each case be taken into consideration on their individual merits and it be conditional upon the full amount of such rates due having being paid.

5. Remissions – Rates Discount

5.1 Objectives of the Policy:

5.1.1 To provide ratepayers with the option of early payment in one lump sum of annual rates account and recognise the financial value of this option to both the ratepayer and the Council.

5.2 Conditions and Criteria:

5.2.1 Provided the amount of the total annual rates less the offered discount value is paid on or before the due date of the first of four instalments Council will apply an early payment discount of 5%.

6. Remissions – QEII Covenants

6.1 Objectives of the Policy:

6.1.1 To recognise and support the environmental value of such protected areas.

6.1.2 To acknowledge the non-commercial use of such protected land

6.2 Conditions and criteria:

- 6.2.1 The extent of the rates remission if approved is to be 100%
- 6.2.2 Applications are to be received in writing requesting rates relief be given to areas protected by the registration of a QEII Open Space Covenant
- 6.2.3 No buildings dwellings or batches of any type are to exist or allowed to be erected
- 6.2.4 Pest eradication shall be primarily the responsibility of the owner
- 6.2.5 No portion of the covenanted area is to be developed or utilised in any way for commercial purposes. This includes generating income for maintenance of the covenanted area

7. Remissions – School Sewerage Charges

7.1 Objectives:

- 7.1.1 In recognition that schools may be disproportionately disadvantaged by Councils present "pan charge system" and to ensure schools are more fairly charged for sewerage services based on their staff and students numbers rather than number of connections

7.2 Conditions and Criteria:

- 7.2.1 Schools must meet the definition of an "Educational Establishments" as defined under sec 54B Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001.
- 7.2.2 Council will remit sewerage rates, upon submission of application, the amount of which will be arrived at by subtracting the sum of calculation (b) from the sum of calculation (a).
- 7.2.3 Calculation (a): Councils standard sewerage charge (based on the number of water closets/urinals).
- 7.2.4 Calculation (b): the number of full time equivalent on-site students and staff divided by 20 and multiplied by the Uniform Annual Charge for Sewerage
- 7.2.5 If the sum of calculation (b) is greater than (a) then no remission will accrue.
- 7.2.6 The Council calculation, for practical reasons will be assessed as at 1 March each year
- 7.2.7 Discretion is delegated to Council Officers to determine the fairness of the numbers of staff and students.
- 7.2.8 Annual reapplication is required.

8. Remissions – Rating of Community, Sporting and Other Non Profit Organisations

This remission applies to owners where they meet the following objectives and operate as non-commercial/non-profit/non-business operations. The criteria are assessed as at 1 July for the new rating year.

8.1 Objectives of the Policy

- 8.1.1 To facilitate the ongoing provision of community services that meets the needs of Tararua District residents.
- 8.1.2 To facilitate the ongoing provision of recreational opportunities for Tararua District residents.
- 8.1.3 Assist the organisation's survival; and
- 8.1.4 Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

8.2 Conditions and Criteria:

- 8.2.1 The Council may remit rates where the application meets the following criteria:
- 8.2.2 The extent of any remission to any qualifying organisation shall be the full amount of the Uniform Annual General Charge and Special Development Loan/s component of its rates.
- 8.2.3 The policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
- 8.2.4 The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
- 8.2.5 The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
- 8.2.6 The application for rate remission must be made to the Council prior to the commencement of the rating year; applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.

- 8.2.7 Annual re-application required.
- 8.2.8 Organisations making application should include the following documents in support of their application:
 - Statement of objectives;
 - Full financial accounts at the most recent balance date;
 - Other information as may be requested

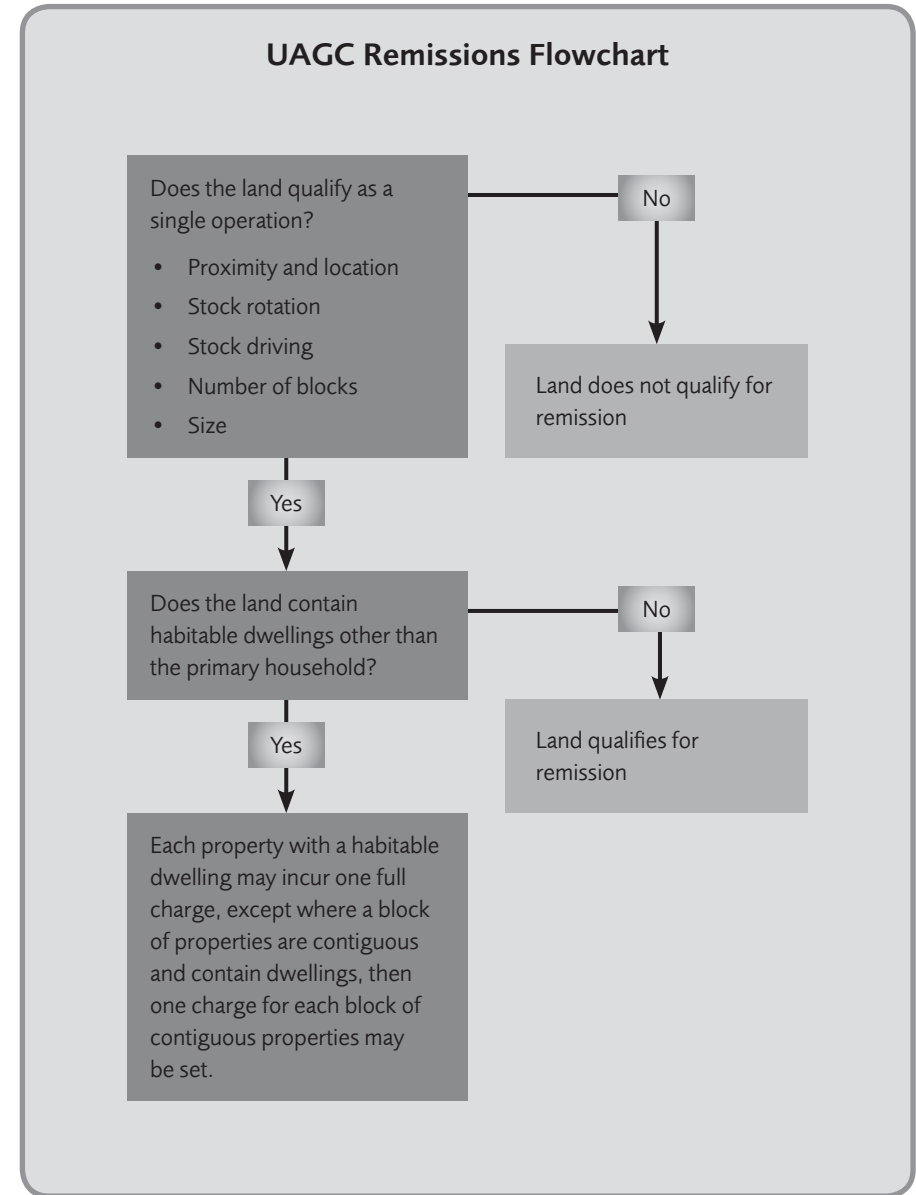
9. Remission of Uniform Annual General Charges on Non-Contiguous Rating Units Owned by the Same Owner

9.1 Objectives:

- 9.1.1 To provide for relief from uniform annual general charges (UAGC) for rural land which is non-contiguous, farmed as a single entity and owned by the same owner.

9.2 Conditions and Criteria:

- 9.2.1 Rate remission to the extent of the uniform annual general charge will be given on non-contiguous rating units. The ratepayer will remain liable for at least one UAGC.
- 9.2.2 The same owner must own the rating units on which remission is to be given.
- 9.2.3 The land must be classified as "rural" for differential purposes
- 9.2.4 Only one dwelling may exist among all the rating units.
- 9.2.5 Application must be submitted on the required form.
- 9.2.7 The remission of the UAGC shall begin to apply in the following financial quarter in which the application is received.
- 9.2.8 Refer to the UAGC Remissions flowchart in this document for an overview of general guidelines
- 9.2.9 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.



10. Remission of Rates on Land Affected by Natural Calamity

10.1 Objectives of the Policy

10.1.1 To assist ratepayers experiencing financial hardship due to a natural calamity.

10.2 Conditions and Criteria

Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

The Council may remit all or part of any rate on any rating unit where the application meets the following criteria:

10.2.1 Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit; and

10.2.2 It is applicable for each single event and does not apply to erosion, subsidence etc that may have occurred without a recognised major event; and

10.2.3 Where the Government has established a reimbursement scheme for rates relief in respect of such properties; or

10.2.4 The Council can set additional criteria for each event. This is because the criteria may change depending on the nature and severity of the event and available funding at the time. The Council may require financial or other records to be provided as part of the remission approval process.

11. Policy on Rates Postponements

Council does not provide rates postponements.

12. Policy on Remission of Rates on Maori Freehold Land

Council does not provide remission of rates on Maori freehold land.

13. Policy on Postponement of Rates on Maori Freehold Land

Council does not provide postponement of rates on Maori freehold land.

Solid Waste Plan

1 Executive Summary

1.1 Background

The Local Government Act Amendment No. 4 (1996) requires all local authorities to prepare a Solid Waste Plan. Tararua District Council adopted the Solid Waste Plan at its ordinary Council meeting on the 26th March 2003.

1.2 Plan Content

This Plan has been prepared to provide for the waste management needs of the Tararua community, now and in the future. The Tararua district produces almost 10,000 tonnes of solid waste each year, including green waste and recyclable material. It is important to manage our solid waste carefully to ensure the waste we produce does not adversely affect our health, community or environment.

The Solid Waste Plan sets out the solid waste management goals for Tararua, and includes actions to address the goals. Goals and actions are set out under the following headings:

- Waste Management Practices
- Education and Promotion
- Cultural Values
- Waste Reduction
- Re-Use and Recycling

- Organic Waste Recovery
- Difficult and Hazardous Wastes
- Construction and Demolition Waste
- Residual Waste Disposal
- Funding and Finance

The Plan also discusses the principles of waste minimisation. This uses the waste hierarchy of reduction, re-use, recycling, recovery and residual management with the long-term view of reducing the residual component of the waste stream.

The Plan does not detail how the residual component of the waste stream will be disposed of as this was considered an operational matter rather than a management issue.

The Plan will be reviewed as necessary, and at least every ten years.

1.3 Council Objectives

Tararua District Council is committed to the Solid Waste Plan. It is our intention that the Plan provide the best framework to achieve our objective of providing for the waste management needs of the Tararua district in a sustainable manner. We wish to ensure that waste management practices do not adversely affect human health, animal and plant health, amenity values and cultural values.

Council-Controlled Organisations

The Tararua District Council operates several Council-Controlled Organisations (CCO's) and Council-Controlled Trading Organisations (CCTO's).

The organisations independently manage their own facilities, deliver services, undertake developments, set their own key performance indicators, and generally act to achieve their own particular objectives.

The following table sets out the name of the organisation, a brief history, the nature and scope of activities, and the key performance measures.

| Organisation | Significant Policies and Objectives | Nature and Scope of Activities | Key Performance Targets |
|---|---|---|--|
| TDC Holdings Limited. 100% Owned by Tararua District Council. | This is a holding company established in 1997 to manage Council's investments in CCTO's. | The core investment of the Company is a 66% interest in Infracon Limited and a 100% interest in Tararua Forests Limited. | To prepare and agree with Council on an Annual Statement of Intent by 30 June each year. |
| A Council-Controlled Trading Organisation. | Its objective is to operate a successful investment business and to ensure Council obtains an adequate return on its investments. | <p>The company will effectively and efficiently manage its subsidiary companies and will address business opportunities within the group.</p> <p>The company will approve the subsidiaries' strategies, directions, and Statements of Intent, monitor performance, and report half-yearly to Council.</p> | <p>To consider and agree with subsidiaries on their Statements of Intent during March-June each year.</p> <p>To monitor the subsidiaries performances against established targets.</p> <p>To report twice yearly to Council on the subsidiaries' performances and at earliest opportunity on any significant problems or issues relating to the company or subsidiaries.</p> <p>To comply in every respect with all legal requirements, with the company's constitution, and with the Statement of Intent.</p> |

| Organisation | Significant Policies and Objectives | Nature and Scope of Activities | Key Performance Targets |
|--|---|---|---|
| <p>Infracon Limited. 66% Owned by TDC Holdings Limited, and 34% owned by Central Hawkes Bay District Council.</p> <p>A Council-Controlled Trading Organisation.</p> | <p>This primary objective is to provide competitive and quality service to a wide range of customers by creating a stimulating and rewarding environment for the staff.</p> <p>The secondary objective is to add value for the shareholders and their respective communities.</p> | <p>Infracon Limited's primary activity is the management and execution of infrastructural maintenance particularly in the areas of local authority roading and utilities. The Company undertakes work in the areas of:</p> <ul style="list-style-type: none"> • Road and bridge maintenance contracts. • Utilities and services maintenance. • Parks and reserves maintenance. • Civil engineering contracts for Transit New Zealand, local authorities and private customers. • General plant hire. • Crushing and quarry operations. • Refuse collection and disposal • Supply of readymix concrete • Other works which are incidental or conducive to the attainment of operating as a successful business. | <p>Ratio of Shareholders Funds to Total Assets - 55% minimum.</p> <p>Ratio of net profit before tax to shareholders funds 13 - 15% minimum.</p> |
| <p>Manawatu-Wanganui LASS Limited.</p> <p>14% owned by Tararua District Council, together with 6 neighbouring Councils each owning 14%.</p> <p>A Council-Controlled Trading Organisation</p> | <p>The Company was incorporated in 2008 by the seven Council's to take advantage of shared services between the Local Authorities</p> | <p>The aim of the Company is to investigate areas where combined purchasing power of the Council's can be used to reduce operating costs and so pass on savings to their ratepayers.</p> | |

| Organisation | Significant Policies and Objectives | Nature and Scope of Activities | Key Performance Targets |
|---|---|---|---|
| <p>Tararua Forests Limited. 100% Owned by TDC Holdings Limited.</p> <p>A Council-Controlled Trading Organisation.</p> | <p>Established in 1994 to manage and develop forests and forestry rights in the Tararua district.</p> <p>Its principle objectives are:</p> <ul style="list-style-type: none"> To pursue management practices, business and market opportunities in order to maximise profitability. To utilise joint ventures as a mechanism for further development of a sustainable forest base. To develop a management and financial plan for the ongoing activities of the company and monitor progress to ensure that the company achieves its objectives. To be a responsible corporate citizen. | <p>Activities of the company are focused upon the development of profitable forestry, yielding financial and other benefits.</p> <p>These activities include:</p> <p>(a) Managing the forestry asset.</p> <p>(b) Harvesting the forests at the appropriate times.</p> <p>(c) Replanting of harvested areas.</p> <p>(d) Expanding the forest area.</p> <p>(e) Offering forestry management services to Tararua District Council and others.</p> | <p>Ratio of Shareholders Funds to Total Assets - 60% minimum.</p> <p>Ratio of net profit before tax to shareholders funds - 7% minimum.</p> |
| <p>Tararua Aquatic Community Trust.</p> <p>A Council-Controlled Organisation.</p> | <p>Created by a Deed of Trust in 1993 to provide and maintain a comprehensive indoor swimming complex for the district.</p> | <p>The Trust's objective is to provide and maintain a comprehensive indoor swimming pool and related services, in the Tararua District for the benefit and welfare of the citizens of the Tararua District. The budgeted base funding is \$180,000 + GST. Council is committed to support this district wide facility through grants and other loan funding.</p> | <p>To comply with the terms and conditions listed in the Management Agreement between the Trust and Council.</p> <p>To provide an audited set of Annual Accounts and Chairman's report to Council by 31 August each year.</p> <p>To provide a safe healthy environment for the customers of the complex at reasonable prices.</p> |
| <p>Tararua Safer Community Council.</p> <p>A Council-Controlled Organisation.</p> | <p>Commenced in 1995. Sponsored by Council under an agreement with the Crime Prevention Unit of the Ministry of Justice, it is the co-ordinating group for more than 20 community organisations. In addition it aims to encourage the development of new initiatives in crime prevention.</p> | <p>The mission of the Tararua Safer Community Council is to co-ordinate existing community crime prevention programmes and to plan for, and encourage the development of new programmes within the context of a local crime prevention plan.</p> <p>The co-ordinator works with a variety of organisations throughout the Tararua district, assisting with crime prevention strategies, funding proposals, organisational policy advice, and project development.</p> | <p>To report regularly to Council on its activities.</p> <p>To provide office facilities and administrative support in terms of agreed arrangements.</p> <p>To provide six-monthly reports to the Crime Prevention Unit.</p> |

Tararua District Council Statistics

General

| Description | Total |
|---------------------------|---------------|
| Population | 17,634 |
| Rateable Assessments | 10,599 |
| Non Rateable Assessments | 660 |
| Total Assessments | 11,179 |
| Area (ha) | 427,000 |
| Net Capital Value (\$m) | 2,356 |
| Rateable Land Value (\$m) | 1,465 |
| Rural-Metal Roads (km) | 776 |
| Rural-Sealed Roads (km) | 1,095 |
| Urban-Metal Roads (km) | 0.54 |
| Urban-Sealed Roads (km) | 85 |
| Total Roads (km) | 1,956 |

Resource Management

| Description | Total |
|--|-------|
| Resource consents issued 1 July 2009 to 30 June 2010 | 81 |
| Landuse consents | 8 |
| Subdivision consents | 37 |
| Building consents issued | 505 |
| Registered dogs as at 30 June 2010 | 6,698 |
| Licensed food premises as at 30 June 2010 | 119 |

Utilities

| Description | Total |
|-----------------------------|-------|
| Bridges | 394 |
| Water Supplies | |
| Urban | 6 |
| Independent | 4 |
| Sewerage Systems | 7 |
| Solid Waste Disposal Sites | 5 |
| Stormwater/Drainage Systems | 4 |

Buildings

| Description | Total |
|---------------------|-------|
| Major Halls | 5 |
| Sports Facilities | 4 |
| Public Conveniences | 17 |
| Libraries | 3 |
| Pensioner Flats | 107 |

Recreation Facilities, Parks & Reserves

| Description | Total |
|------------------------|-------|
| Camping Grounds | 3 |
| Swimming Pools | 3 |
| Cemeteries | 20 |
| Major Parks & Reserves | 9 |

Vehicles

| Description | Total |
|-----------------|-------|
| Cars | 11 |
| Utilities | 13 |
| Fire Appliances | 4 |

Council

His Worship the Mayor



R A (Roly) Ellis

PO Box 115
Dannevirke
06 374 4080

North Ward



**Cr J B (Brenda)
Dodunski**

2b Hunter Street
Dannevirke
06 374 8054
027 229 3989
dodoj@extra.co.nz



Cr K R (Keith) Fenemor

RD 3
Dannevirke
06 374 2719
fenlink@farmside.co.nz



Cr D A (David) Roberts

PO Box 69
Dannevirke
06 374 6405
027 644 9459
david@dorrington.co.nz



**Cr C W (Chris)
Southgate**

PO Box 147
Dannevirke
06 374 2740
027 484 6576
cwsouthgate@extra.co.nz

South Ward



**Cr W H (Warren)
Davidson**

RD 3
Eketahuna
06 375 8364
warwyn@infogen.net.nz



Cr S (Shirley) Hull

Mangahao Road
RD 3
Pahiatua
06 376 7283
hull01@xtra.co.nz



Cr P A (Peter) Johns

23 Pinfold Road
Woodville
06 376 5991
027 442 7115
johnsandcompany@gmail.com



**Deputy Mayor
Cr W H (Bill) Keltie**

RD 1
Pahiatua
06 376 8996
carolandwillie@extra.co.nz

Community Boards & Council Committees

Community Boards

| Dannevirke | Eketahuna |
|--|--|
| Generally meets on the first Monday of the month at 3:00pm. | Generally meets on the first Friday of the month at 10:00am. |
| <p>Chairperson Mr R P (Ray) Teahan 50 Allardice Street, Dannevirke 4930 06 374 9277 rayelaine@extra.co.nz</p> <p>Deputy Chairperson Mrs C (Carole) Isaacson RD 8, Umutaoroa, Dannevirke 4978 06 374 5577 huntzend@clear.net.nz</p> <p>Mr R A (Bob) Dresser 22 Ries Street, Dannevirke 4930 06 374 6270 dresser234@msn.com</p> <p>Mr W R (Ross) MacDonald 91 Piri Piri Road, RD 7, Dannevirke 4977 06 374 7996 rmacdonald@goldpine.co.nz</p> <p>Councillor Mrs J B (Brenda) Dodunski 2B Hunter Street, Dannevirke 4930 06 374 8054 dodoj@extra.co.nz</p> | <p>Chairperson Mr C C (Charlie) Death Nireaha Road, RD 2, Eketahuna 4994 06 375 8503 deaths@inspire.net.nz</p> <p>Deputy Chairperson K A M (Katrina) Dimock 87 High Street, Eketahuna 4900 06 375 8213 dimock@extra.co.nz</p> <p>Mrs D F (Diana) Eagle 343 Parkville Road, RD 2, Eketahuna 4994 06 375 8356 027 434 7152 eagleeketahuna@extra.co.nz</p> <p>E H (Biddy) Fraser-Davies 36 Morgans Road, RD 2, Eketahuna 4994 06 375 8634 biddy@inspire.net.nz</p> <p>Councillor Mr W H (Warren) Davidson RD 3, Eketahuna 4994 06 375 8364 warwyn@infofen.net.nz</p> |

Notes:

Woodville operates its own autonomous community committee, Woodville Districts' Vision (Inc).

Pahiatua operates its own autonomous community committee, Pahiatua on Track (Inc).

Chief Executive's Performance Appraisal Committee

His Worship the Mayor – Mr R A Ellis (Chairperson)

Cr W H Davidson

Cr W H Keltie

Cr D A Roberts

Tribunal and Hearings Committee

Council Representatives

Cr W H Keltie (Chairperson)

Cr W H Davidson (Deputy Chairperson)

Cr P A Johns

Cr C W Southgate.

Management Team

Executive Staff

Blair King ME (Civil) MIPENZ
Chief Executive

Peter Wimsett CA, BBS
Manager Strategy & District Development

Mike Brown BBS, Mgmt Dip
Manager Environmental Services

Raj Suppiah CA
Chief Financial Officer

Garry McGraw NZCE (Civil)
Manager Asset Management Planning

Staff Numbers (full time equivalent)

| | 2009/10 | 2010/11 |
|----------------------|-------------|-------------|
| Council | 56.5 | 55.00 |
| Engineering Services | 12.0 | 13.0 |
| Total | 68.5 | 68.0 |

Directory

Main Office and Council Chambers

PO Box 115
Dannevirke
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

Service Centre Locations

Dannevirke

26 Gordon Street, Dannevirke
(06) 374 4080

Woodville

45 Vogel Street, Woodville
(06) 376 1010

Pahiatua

136 Main Street, Pahiatua
(06) 376 0110

Eketahuna

31 Main Street, Eketahuna
(06) 375 8149

Bankers

Bank of New Zealand
Dannevirke

Auditors

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

Solicitors

Lloyd, Dodson, & Pringle
Dannevirke

Insurance Brokers

Aon New Zealand Ltd
Wellington
Local Authority Protection Programme
Wellington

Submissions

Submissions were received from the following organisations and individuals:

| | | | |
|---|--------------------------|---------------------------------------|----------------------------------|
| 123 Plus | Boyce, Rona and Craig | Dannevirke Cafe and Bakery | Evans, Norma |
| AA Wairarapa District Council | Boyden Freight | Dannevirke Carriers | Exeter, J Scott |
| Abbott, Leigh | Boyden, Janine | Dannevirke Chamber of Commerce | Export Meat Warehouse |
| Akitio Ratepayers Committee | Brabender, Alan | Dannevirke Community Board | Fairhurst, Neville and Pauline |
| Allardice, Fred | Brenan, Judith | Dannevirke Fantasy Cave | Falconer, Pauline |
| Allen, Tony | Broadley, Anne | Dannevirke High School | Farmer, Don |
| Anderson, Mrs G W | Brown, Jennifer | Dannevirke Resene | Federated Farmers of New Zealand |
| Anderson-Hale, Linda | Bush Multisport Trust | Dannevirke Services and Citizens Club | Finnie, Garth and Anne |
| Anthony's Giltec and Locksmith Services | Bycoft, Murray and Valma | Dannevirke South School | Fischer, Mrs J |
| ANZ Bank | Campbell, A C | Davis, Valerie | Flaws, Rex and Marion |
| Arbuthnott, Ian | Cass, Cynthia | Day, Andrew | For Farms (NZ) Ltd |
| Arthur, Mavis | Cload, John and Karen | Dempsey, Kelly | France, Mr N W |
| August, Mr Taami | Cload, Sharon and Mike | Destinations Motor Lodge (2009) Ltd | Franklin, Donald and Caroline |
| Augustine, John | Clothing Zone | Diamond, Mike | Galloway, Bryce and Catherine |
| Bailey, Ian | Collin, Simon and Wendy | Dickens, Linda | Galloway, Jim |
| Barrelhouse Restaurant Bar and Bottle Store | Coombs, Murray | Dresser, Robert | Garrett, Toni |
| Bengston, Ann Marie | Cotter, Colleen | Edgington, Francie | Gibb, David |
| Bennett, Royden | Cotter, Phil | Edwards-Sextus, Pat | Gibson, Bruce and Lyn |
| Blackburn, Susan Dawn | Country Chef Fast Food | Eketahuna Community Board | Green, Erin |
| Blundell, Mike | Crosse, Margaret | Ellis, Geoff and Megan | Green, J and Brawley, K |
| Bodell, Eric | Cullen, Phil | Ellmers, Ruth | Greenway, John |
| Bond, Colin | Cumming, Daniel and Mary | Eunson, Rusty | Grey Power – Tararua |
| Booth, Elana | Cuttance, Greg | Eustace, Shonee | Griggs, Jason |
| Bowie, T R | Daily, Ian | Evans, Graeme and Alison | Griggs, Rachel |

| | | | |
|---------------------------|-------------------------|---|------------------------------|
| Hardie, Ann | Kernaghan, Russell | Mountfort, Ralph | Ramsden, Mr J D |
| Hawke, Diana and Kerry | Knight, William | Mulinder, Nancy and David | Rankin, Michelle |
| Hawley, Joyce and Beavan | Ladd, Susan | Mullins, Koro and Mavis | Rayner, Mrs Jackie |
| Healthnuts | Lawrence, D W | Nulife Property Limited | Reynolds, Maureen |
| Henderson, Graeme | Leadbetter, Caroline | NZ Historic Places Trust | Ritchie, Mary |
| Henman, Tim | Leatherby, Angela | NZ Post Dannevirke | Rusu, Floare and Eugen |
| Henry, Callum and Nicola | Lidington, Mr and Mrs D | Ogier, Ms L C | Sandbrook, Mr S A |
| Hepburn, Carol | Lindstrom, Peter | Olsen, T | Sandbrook, Mrs J |
| Higgins, Sean | Little, Lee-Anne | Pahiatua On Track | Sandbrook, Rita |
| Higginson, Robin | Lucas, R and M | Paper Plus Dannevirke | Satherley, Garry |
| Holiday Inn | Luke, Karen | Parker, Marie | Schmidt, Gabrielle |
| Horizons Regional Council | Lys, Helen and Frank | Parker, Mr R A | Scott, Barry and Jillian |
| Howard, Nigel | Macdonald, Fiona | Pawson, David | Scott, Glenys |
| Hughes, Russell | Martin, David | Pawson, Garry and Stephanie | Scrimshaw, Mrs P A |
| Hunt, David | Matthews, Ali | Peck, Jim | Scrimshaw, Robert and Lynda |
| Hynes, Terry | Mattson, Angela | Peppers, Anna | Shires Fruit and Vege Market |
| Hynes, Terry | McAulay, Kathy and John | Pender, Brenda | Shore, Ann |
| Jackson, Noel | McConchie, Lyn | Phillips, Kelly | Small, Patrica |
| Johanson, Alan | McKean, Julian | Physicians and Scientists for Global Responsibility | Smith, Ann |
| Johanson, Ivan | McLean, Gary and Tina | Pongaroa Rural Water Supply Inc | Smith, Fiona |
| Jones, Ms J M | McLeod, Mr and Mrs L J | Pongaroa the Way to Go | Smith, Valerie |
| Just Gifts and Souvenirs | McNeur, Melanie | Postie | Sport Manawatu |
| KB Ford | MidCentral Health | Pukaha Mount Bruce Board | Stan Barclay |
| Kelly, Peter and Anna | Millar, Maurice | Rae, John | Tawhai, Anthony |

Submissions continued...

| | |
|------------------------------|-----------------------------|
| Taylor, Bill | Watson, Terry |
| Thomson, Margaret | Watts, Garry |
| Tiller, Kerry | Watts, Ronald |
| Todd, Vincent | Weber, Clive and Elaine |
| Treadwell, Ross | Wellboy Properties Ltd |
| Treder, Raylene and Michael | White, Nick |
| Vet Services Dannevirke | Williams, Keith and Janet |
| Vision Manawatu | Wilson, Jack |
| Waldman, Roselynn | Windelborn, Katrina |
| Walker, Ernie | Wiri, Janice |
| Walker, Mr W A | Withey, George |
| Walshe, Rosemary and Michael | Woods, Dennis |
| Ward, Gail | Woodville Districts' Vision |
| Ward, Joe and Pauline | Worsley, Shona |
| Watson, Doug | Worthington, Leigh |

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.

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

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

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.

Funding Policy The Funding Policy sets out who should pay for Council's activity and how they should pay for the activity.

Groups of Activities The Council's services are divided into four groups of activities - Leadership, Building Communities, Supporting the Economy, Protecting the Environment - 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.

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

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

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.

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

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.

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

