

ANNUAL PLAN 2013/14

TARARUA DISTRICT COUNCIL

This document is the Annual Plan of the Tararua District Council, for the period 1 July 2013 to 30 June 2014.

The Annual Plan 2013/14 was adopted by Council on 26 June 2013.

Tararua District Council
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Message from the Mayor and Chief Executive

Affordability for the ratepayers and developing our core infrastructure continues to be our focus.

This plan shows our commitment to reduce costs, being more efficient, and to keep rates increases as low as possible. This is being achieved while improving service levels for our urban water and wastewater activities, and maintaining high service levels for our district roading network. This focus is consistent with recent changes to the local government legislation to assess cost efficiency.

Council had indicated that the forecast Long Term Plan rate increases are starting points and that working with management we would look to reduce these each year in the preparation of the annual plan.

In our Long Term Plan 2012-2022, rates for the coming year had been projected to increase by an average of 4.52%. Council took a critical look at our figures and have managed to trim this to an increase of 3.65%. This is a further reduction from the 3.75% increase proposed in the draft for consultation. This is the fourth straight year of falling increases – 4.56%, 4.24%, 4.04% and now 3.65%.

This Annual Plan is year two of the Long Term Plan and is largely consistent with the forecasts contained in it. The Long Term Plan adopted by Council in June 2012 sets out the vision, strategies and policies that the Council is aiming to achieve over the next ten years. The direction of Council has not changed since then.

Despite some cost cutting, we have not compromised on the level of services we deliver on behalf of the district, and we will continue to focus on core infrastructure – roads, water, and wastewater – and grow our reserves prudently to support the district's current and future developments.

We have reduced some corporate costs and focused on delivering services by staff rather than through consultants. We have shared services initiatives in place and continue to investigate further opportunities to work together with other Councils.

There are also a number of significant issues that have emerged impacting the local government sector, such as:

- government policy around earthquake prone buildings;
- assessments of possible earthquake prone council owned buildings;
- legislative changes to the Local Government Act 2002;
- the new laws around Alcohol Reform; and
- government proposed policy changes for road maintenance funding and management.

In addition, major changes are expected to the legislation that will impact Council's operations over the next two years. These are not expected to impact on the budget for the 2013/14 year,



but will drive the policy work programme and may affect the strategic direction of the Council in the 2015-2025 Long Term Plan. These include:

- further legislative changes to the Local Government Act 2002;
- reforms in the management of fresh water;
- amendments and further reviews to the Resource Management Act 1991; and
- reviews by various commissions, taskforce and expert advisory groups.

Challenging times are ahead.

We would like to acknowledge the hard work of staff and Councillors who have been involved in identifying rates reduction options for 2013/2014, without losing sight of what we still have to deliver on our vision, strategy and responsibilities to residents and ratepayers.

Roly Ellis
MAYOR

Blair King
CHIEF EXECUTIVE

Key Changes

From the Long Term Plan

Rates Increases

The 2012-2022 Long Term Plan forecast an overall rates increase of 4.52% for the 2013/14 year. Council is committed in its Long Term Plan to continue to address the issue of affordability over the 10 years of the plan without significant impact on the service levels and services provided.

The result is a proposed overall rate increase of 3.65% for 2013/14 – the fourth straight year of falling increases: 4.56%, 4.24%, 4.04% and now 3.65%.

Solid waste – Change in Levels of Service

There has been an overall increase in the cost of providing solid waste services within the District mainly due to:

- extension of the kerbside and recycling services;
- an overall increase in the volume of recycling recovered from the District particularly glass; and
- increases in transport and disposal fees.

Council is looking at ways to offset these increases in costs whilst still encouraging residents to recover and recycle. The initiative to reduce the opening hours of the Woodville and Pahiataua

transfer stations in 2012/2013, has reduced operating costs with little consequent impact on waste volumes of products.

Purchase of Pahiataua Saleyards

The Pahiataua Farmers Association had offered Council the option to purchase the Pahiataua saleyard land they currently own. The saleyard land adjoins the recreation facilities and sportsfields managed by the Bush Multisport Trust.

Council had discussions with representatives from the Bush Multisports who had indicated that additional land is needed to meet the needs of the local community and believe the saleyard land has a strategic value to the future development of the community.

Funding will come from Council reserves that exist for the purchase of land.

Group Structure

In the consultation for the Long Term Plan, Council received support to exit from forestry operations and restructure the group. Council this year, sought expressions of interest for the purchase of the forestry assets but did not receive offers that were acceptable.

Council then resolved to liquidate Tararua Forests Limited and transfer the assets in Tararua Forests Limited back into Council.



This activity will be included with the current Commercial Property activity and renamed Commercial Investments. This activity will be self funding (no rates impact) and will contribute towards reducing the overall Council rates requirement.

Shared Services

The Council is continuing with its policy of working with other Councils where benefits can be gained for ratepayers. This year an agreement was reached with Central Hawke's Bay District Council for Tararua District Council to provide some financial and regulatory services.

Council is currently working on several initiatives with MW LASS, the regional shared services unit, in assessing opportunities where cost and operational efficiencies can be gained.

Council had \$250,000 in 2013/14 (Year 2) and 2014/15 (Year 3) of the Long Term Plan for strengthening of Council buildings that was evaluated to have a strength less than 33% of the New Building Standard. Council is in the process of obtaining estimate detail costs to bring these building up to code and resolved to move \$50,000 from Year 3 into Year 2 to bring the budget for Earthquake Prone Building Strengthening Project in Year 2 to \$300,000.

From the Draft Annual Plan

A total of 112 submissions were received and considered by Council. The key changes to the Draft Annual Plan are:

Purchase of Pahiatua Sale Yards

Council authorised the Chief Executive to enter into negotiations with the Pahiatua Farmers Association to purchase the Pahiatua Sale Yards property on acceptable terms and conditions of sale, and to report back to the Council for its consideration, to determine whether the area is acquired and held as land of strategic value to the future development of the community.

Funding will be from Council reserves that exist for purchase of land.

Earthquake-Prone Buildings

Seven submissions were received regarding the Council's approach to earthquake-prone buildings. Viewed expressed by the submitters were for Council to be practical, do it once get it right regarding the assessments, and not to leave towns with empty or abandoned derelict structures that are uneconomic to repair.

Submissions for the Draft Annual Plan and Council's Response

The Draft Annual Plan was adopted by the Council for consultation on 27 March 2013 with consultation from 8 April to 9 May 2013.

All ratepayers were sent a mock invoice detailing the proposed rates for each property along with a Draft Annual Plan pamphlet and a submission form.

Copies of the summary document were freely available at the Council's Service Centres, Community Libraries throughout the district, at stands in retail stores (Dannevirke New World, Pahiatua New World, Paper Plus Dannevirke and Café 88 Woodville) and from Council website.

Council used the following methods in consulting with the community regarding the Draft Annual Plan:

- Bush Telegraph – a centre spread
- Business strategy meeting
- Public meetings in Woodville, Pahiatua and Eketahuna
- Council website
- Council Facebook

Council also used the Citizens Panel survey carried out by Public Voice. There are currently 513 panel members and a total of 212 members took part in the survey.

Council received 112 submissions, with the Council hearing 24 of these submissions in Dannevirke on 21 May 2013.

Submissions received were mainly related to:

• Oil/Gas Exploration in the Tararua District	32 submissions
• Purchase of Pahiatua Sale Yards	24 submissions
• Earthquake-Prone Buildings	24 submissions
• Rate Increases	19 submissions
• Building of Pensioner Flats on Part of the George Street Reserve	13 Submissions
• Local Government Reorganisation/Shared Services	9 submissions
• Solid waste management	6 submissions

Summary of the Submissions

Oil/Gas Exploration in the Tararua District (32 Submissions)

Thirty-two (32) Submissions were received in respect of oil/gas exploration in the Tararua District/East Coast Basin with several submitters presenting at Council submissions hearing on 21 May 2013. Council also had a workshop session with representatives from a group of concerned residents on 29 April 2013.

Oil and gas exploration has been encouraged by Central Government, who grant exploration permits to investigate defined areas for potential oil and gas development. Exploration



permit holders must also apply for any necessary resource consents under the Resource Management Act 1991, make access arrangements with land holders, and meet health and safety requirements. Council and the Regional Council have control over the resource consent process as a local authority and influence as a community.

The TAG Oil exploration programme involves three potential phases. Resource consents have been granted for Phase 1, which involves drilling, completing and testing of an exploration well. If testing is successful, TAG Oil may seek additional resource consents to drill, complete and test further wells as part of Phases 2 and 3. The consents currently issued are only for exploration and no fracking has occurred in the district, nor has Regional Council granted any consents for this purpose.

Council's District Plan applies only to those components of the oil companies applications for consent relating to above ground works. Anything below the ground is dealt with by the Horizons Regional Council as the consenting authority for such applications, including managing risks relating to water, air and soil.

Council had engaged an external consultant to review Council's District Plan whether it is capable of managing the foreseeable environmental effects of oil and gas exploration and production in the District. The consultant concluded that, on the whole, our District Plan policies and rules are robust and if appropriately implemented, the adverse effects of petroleum exploration and production can be avoided, remedied or mitigated.

Council will work the local community, Iwi and Regional Council in managing and monitoring the resource consenting process to avoid, remedy or mitigate any adverse effects of petroleum exploration and production.

Purchase of Pahiatua Sale Yards (24 submissions)

Council received 22 submissions that supported Council purchasing this property for future development as an area for sporting, recreational, cultural and community leisure activities in the district.

Council will enter into negotiations with the Pahiatua Farmers Association to purchase the Pahiatua Sale Yards property on acceptable terms and conditions of sale. Funding will be from Council reserves that exist for purchase of land.

Rate Increases (19 submissions)

Of the 19 submissions received, two submissions commended the Council on working hard to keep the rate increase as low as possible, and to maintain the emphasis to continue falling

increases. Sixteen submitters felt the rates increases and/or increases in targeted rates were high, not affordable and exceeds inflation.

Council is committed in its Long Term Plan to continue to address the issue of affordability over the 10 years of the plan without significant impact on the service levels and services provided.

Council final rates increase for the rating year 1 July 2013 to 30 June 2014 is 3.65%. This is a slight reduction from the increase of 3.75% proposed in the consultation document.

Earthquake-Prone Buildings

Seven submissions were received regarding the Council's approach to earthquake-prone buildings. Viewed expressed by the submitters were for Council to be practical, do it once get it right regarding the assessments, and not to leave towns with empty or abandoned derelict structures that are uneconomic to repair.

Council had \$250,000 in 2013/14 (Year 2) and 2014/15 (Year 3) of the Long Term Plan for strengthening of Council buildings that was evaluated to have a strength less than 33% of the New Building Standard. Council is in the process of obtaining estimate detail costs to bring these building up to code and resolved to move \$50,000 from Year 3 into Year 2 to bring the budget for Earthquake Prone Building Strengthening Project in Year 2 to \$300,000.

Building of Pensioner Flats on Part of the George Street Reserve

Thirteen submissions were received opposing the proposed building of pensioner flats on part of the George Street Reserve, and expressing concerns over:

- the suitability of the site;
- the lack of consultation as residents in the vicinity did not receive the details circulated at the time of considering the Long Term Plan;
- loss of a green area and the BMX track;
- the reduction to property values in the immediate vicinity; and
- cost to ratepayers, and non-pensioners being tenants.

Council consulted with the community as part of the Long Term Plan and received 33 submissions (out of 45 submissions) that had supported this proposal.

Before this project can proceed, Council will need to consider the zoning issues and obtaining any consent required in relation to the use of the site. The land on which the proposed development is to be located will also require further testing to confirm the initial assessment that it is suitable for buildings.

The reserve is 6,000m² in size, and less than half will be required, leaving the existing BMX track unaffected for community use. In addition, the adjacent Dannevirke Domain provides an extensive area of parks and recreational facilities available to the community, including a children's playground specifically maintained and established to fulfil the recreational needs of the community.

Furthermore, the cost of building the new units will be funded from the sale of Hovding Court and other income received through selling the Norsewood and Ormondville flats. There are no rates input towards this expenditure.

Council resolved to proceed to sell the old units at Hovding Court and to construct twelve purpose-built one-bedroom units on the George Street Reserve in Dannevirke subject to results of the soil testing and obtaining consent for rezoning of the site.

Solid Waste Management

Council received six submissions regarding the management of solid waste activities in the district. One submitter objected to the increase in targeted rates while most submissions were for extending level of service for waste management services in the district.

Due to the overall increase in the cost and funding required for this activity, Council resolved not to extend the existing arrangements nor further increase service levels for the management of solid waste in the district for the 2013/14 year.

Council also resolved to continue to review the delivery of its solid waste and recycling services in the district to ensure this activity is provided to communities in the most cost effective manner.



A Guide to the Annual Plan

There are five 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: Overview

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

Part 2: Activities

Information is provided here for the group of activities and each activity of Council, including why Council is involved, the intended outcomes, the service levels that Council intends to deliver and how the results will be measured. 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 Revenue and Financing Policy, Remission Policy, Funding Impact Statement, and the schedules of General and Targeted Rates.

Part 4: Financials

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

Part 5: General Information

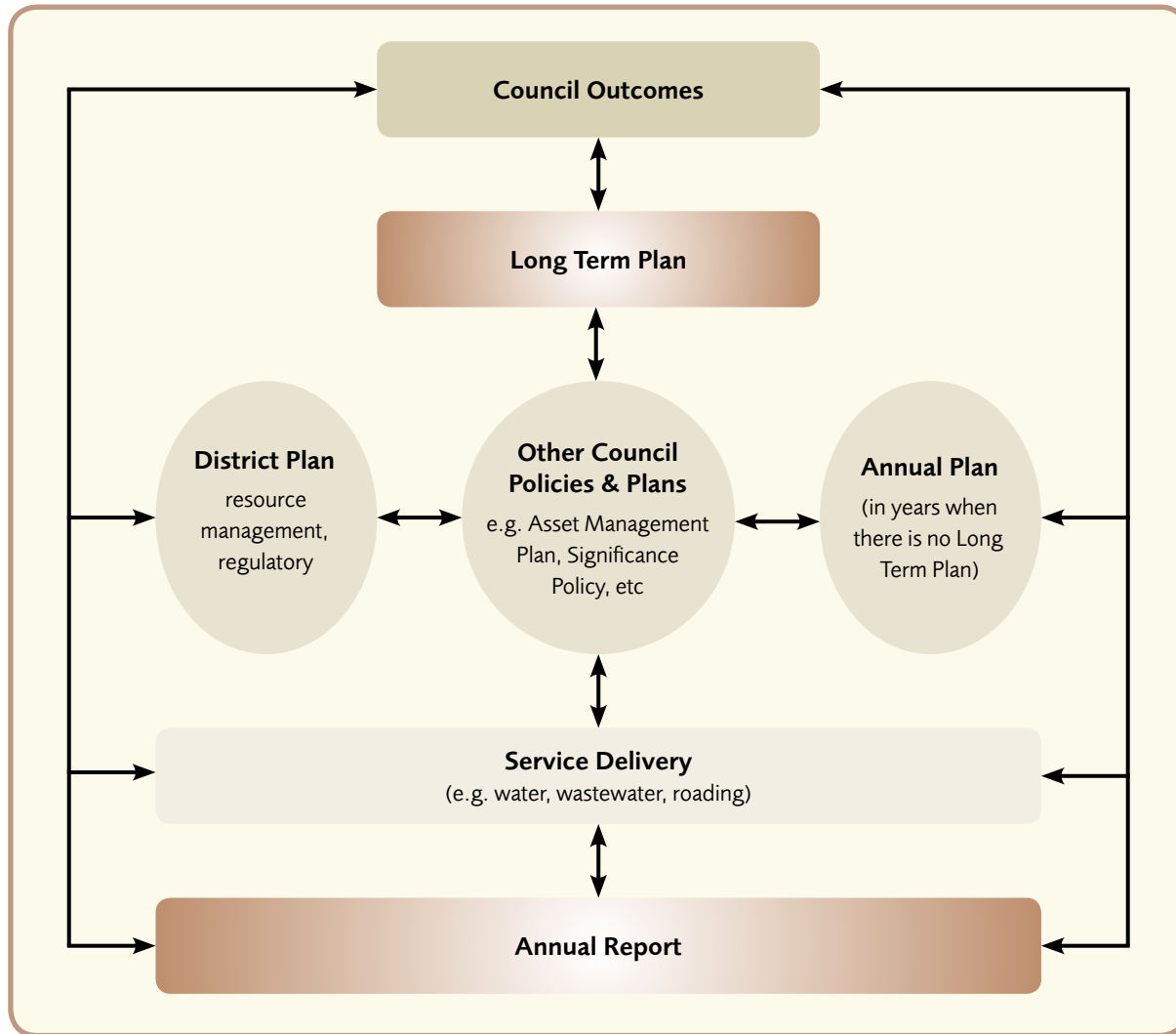
This section provides information on the elected persons that make up the Council and Community Boards, the Management Team, some Council statistics of the district, contact details, and a glossary of terms.

Associated Documents

A comprehensive list of fees and charges will be found in 'Fees & Charges 2013/14'.

Key policies like the 'Revenue and Financing Policy' and the 'Treasury Management Policy' can be found in the Long Term Plan.

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





Focus for the Year 2013/14

In this section, you will find the key issues, actions and projects your council has identified as priorities in the coming year.

Rates Affordability

The 2012 -2022 Long Term Plan forecast an overall rates increase of 4.52% for the 2013/14 year. Council is very aware of the ongoing difficulties of the economic environment that many residents are continuing to face. While economic activity and employment is showing signs of improving, profitability and job growth are still challenging.

Councillors and staff have focused on reducing costs where possible while still delivering the levels of service set out in the Long Term Plan for 2013/14. The result is an overall rate increase of 3.65% for 2013/14 – the fourth straight year of falling increases: 4.56%, 4.24%, 4.04% and now 3.65%.

The majority of these increased costs are driven by the major projects in Wastewater and Water. As such, urban and industrial-commercial sector residents are receiving the majority of the rates increase.

Your rates are comprised of general rates that apply to all ratepayers, and targeted rates that apply to a subset of ratepayers. Your general rates include a fixed component (Uniform Annual General Charge or UAGC) of \$460 (including GST) which will be paid by all ratepayers.

The balance of the general rates is spread across all ratepayers based on either the land value or capital value (only for the Industrial and commercial sector) depending on your sector.

Refer to page 21 of this plan to see where Council has focused its funds for the 2013/14 year.

Major Projects

Wastewater

Council has planned for significant upgrades to all urban wastewater systems. These are driven by three major factors:

1. Meeting Council commitments as part of the River Accord;
2. Meeting new and expected resource consent conditions for the quality of discharges into waterways and/or land from wastewater treatment plants; and
3. Delivering on the projects agreed with the Ministry for the Environment as part of the \$2.075 million subsidy gained from the Freshwater Clean-Up Fund.

Council is continuing to work alongside Horizons Regional Council to achieve the required discharge quality for all urban wastewater networks. The subsidy from the Ministry for the Environment Freshwater Clean-up Fund greatly assists the funding of the significant capital cost for these projects to upgrade our wastewater systems.

Council acknowledges the continued support and good working relationship it has with Horizons Regional Council.

Dannevirke

The sludge removal process at No. 3 & 4 wastewater settling ponds at Dannevirke should be completed in 2012/13 and will be followed by the installation of membrane liners. The ponds are to be lined with clay that is planned to be sourced from the Dannevirke impounded water supply project. Once completed work will begin on number 2 pond in 2013/14.

Considerable planning work on disposing of treated effluent to land has been carried out in 2012/13. Further work with Horizons is needed before the proposal is finalised. A resource consent application is expected in the 2013/14 year.

Woodville

Council is working on gaining consent to discharge sludge from the Woodville storage pond to land. This consent is needed to enable Council to line the pond. Council will then make application for resource consent for Woodville based on upgraded treatment and discharge to land. The treatment plant upgrade, initially planned for 2012/13, is now expected to be completed in 2013/14.

Pahiatua

The Pahiatua upgrade projects are part of the Horizons led Ministry for the Environment Freshwater Clean-up Fund. Additional work to line the storage pond has not been budgeted for in the Long Term Plan but is required to be completed as part of resource consent conditions. Council is expecting to undertake this additional project in 2014/15 or 2015/2016, depending on progress made with other waste water pond re-lining projects in the District, and will consider it as part of the 2014/15 Annual plan.

Eketahuna

The treatment plant upgrade project planned for 2012/13 will now be completed in 2013/14. Additional work to line the storage pond has not been budgeted for in the Long Term Plan but is required to be completed as part of resource consent conditions. Council is expecting to undertake this additional project in 2014/15 and will consider it as part of the 2014/15 Annual plan.

Water

The Health (Drinking Water) Amendment Act (2007) requires all Councils to work towards meeting the drinking water standards. The more people connected to each supply the sooner these standards must be reached.

Council is planning on meeting the majority of these deadlines but has a choice on the timing of the upgrade projects, as long as risks are managed and progress is being made.

Council water supplies have also been put under pressure by new resource consent conditions for river water extraction. In order to improve the health of our waterways, Council is required to take less river water at times of low flow.

These new standards and consent conditions have driven a large investment in our urban water supplies. Council is working to achieve urban water supplies that meet acceptable levels of the drinking water standards, do not exceed consent limits, provide adequate risk levels of storage, and good tasting water.

All this has to be completed while still being affordable for each community. Council has developed a new water strategy to achieve this. This consists of four key issues that are being addressed over the next year:

1. Fee increases for commercial / water meter users. Fees need to be increased to reflect the actual cost of providing the water, whilst also prompting water conservation;
2. Create sufficient storage for all urban supplies to reduce extractions during low flow and improve security of supply;
3. Review all rural connections drawing directly from Council networks; and
4. Reduce leakages in the piped supply networks.

Dannevirke

Council expects to complete the Dannevirke secure supply and cover this year. Once completed, water restrictions and risks of contamination of the water supply are significantly reduced, and reliable supplies will be available for commercial users. Additional work to upgrade the treatment plant has been deferred from the current year to be completed in 2013/14.

Pahiatua

Work on the new Pahiatua Bore, upgraded treatment and storage facilities is being carried forward to 2013/14, as Council is waiting on the outcome of the funding application to the Ministry of Health.

The project is expected to be completed in 2013/14.



Eketahuna and Woodville

Treatment plant upgrades at Eketahuna and Woodville will be operational in 2012/13. These projects received partial funding from the Ministry of Health. Additional storage at Eketahuna is scheduled for 2013/14.

Roading

SH2 Manawatu Gorge Alternative Route – Saddle Road / Pahiatua Track

The NZ Transport Authority is continuing to study the options to upgrade an alternative route to the Manawatu Gorge. The NZ Transport Authority have pledged \$4.5 million to the project, with work expected to commence in 2013/14. The final scope and location of work has not yet been finalised. Council is working with NZ Transport Authority and the two other Councils involved in the alternative routes (Palmerston North City and Manawatu District) to ensure the best outcome is delivered to our residents.

Solid Waste

Pahiatua Transfer Station

The Council has entered the design phase for a new transfer station at the Ridge Road site. This will replace the current hole in the ground operation, which was ever only a short term solution when the landfill closed. This operation has been untidy and costly to service. The new facility will provide a much more user-friendly site with lower operating costs.

The facility will also enable the recovery of recyclable products from mixed loads at the point of dumping and will be more environmentally sustainable. This project was initially planned for completion in 2011/12 and will now be operational from early 2013/2014.

Levels of Service

There has been an overall increase in the cost of providing solid waste services within the district. This is due to a number of factors including the extension of the kerbside and recycling services, the overall increase in the volume of recycling recovered from the district (particularly glass, which is very expensive to transport and dispose of), and increases in transport and disposal fees.

Council is looking at ways to offset these increases in costs whilst still encouraging residents to recover and recycle. The initiative to reduce the opening hours of the Woodville and Pahiatua

transfer stations in 2012/2013, has reduced operating costs with little consequent impact on waste volumes of products.

Shared Services

The Council is continuing with its policy of working with other Councils where benefits can be gained for ratepayers. This year an agreement was reached with Central Hawkes Bay District Council for Tararua to provide some financial and regulatory services.

Council is currently working on several initiatives, for example exploring shared Building Accreditation Authority and shared services arrangements for Environmental Health and Liquor Licensing, with Councils and agencies across the Manawatu and Hawke's Bay regions. MW LASS, the regional shared services unit, is constantly assessing opportunities for the efficient sharing of back office and service delivery functions.

Council will continue to work on shared service initiatives to gain efficiencies in operations.

Economic Development

Economic development is one of the key strategies to achieve the Council Outcomes set out in the Long Term Plan. The budget is modest and covers district branding, business support and economic development projects.

The GO! Project, identifying what crops are best suited locally to improve returns for landowners, has been very successful with public workshops attracting strong interest from landowners, both local and further afield. The GO! Project offers the Tararua district community increased opportunities for job creation, biodiversity, sustainable farming systems and increased family business incomes.

Our first workshop, the Hazelnut Grower Led Workshop, attracted 50 landowners and we are now well underway to establish a Hazelnut Grower Led Group here in the Tararua. A Feijoa Grower Led Workshop will be held in April/May 2013.

Council is working with Vision Manawatu and New Zealand Trade & Enterprise under the Regional Business Partners programme to help local businesses with capability developments and the encouragement of research and development.

These programmes encourage and support the creation of new businesses to add value to existing products, to meet changing consumer demands, or to capture sales which might otherwise go to other communities or regions.

Events are one of the fastest growing forms of tourism. They are a means to revitalise local economies. The Motocross at Woodville (with approximately 6,000 visitors) was a real draw

card this year assisted by the good weather. Also on the same weekend, the Tui Breweries held the Classic Car event attended by 2,500 visitors. The biggest event to date at the brewery.

The Dannevirke A & P Show, field days, festivals and other events are a great draw card for locals and visitors.

Council is part of the Manawatu Gorge Biodiversity Group and a part of The Gorge Strategy Group. This group is striving for national and international recognition of "The Gorge". The Gorge is a destination in itself much like the Tongariro Crossing and we would like to grow the visitor numbers from 28,000 per year to 50,000 per year by 2016.

Housing Upgrade

Council owns and manages 80 housing units targeted for older people with limited incomes. Tenant rentals cover the on-going cost of the provision of these units.

The Hovding Court units are very dated in design and are no longer fit to meet the needs of elderly tenants. Council, in the Long Term Plan, had indicated that it will sell all 13 units in Hovding Court and build 12 purpose-built one-bedroom units on the George Street Reserve in Dannevirke. This site is close to other units for the elderly and to town. It is a quiet area and has space with three street frontages to design efficient driveways.

This reserve is Council owned and largely not used. It is 6,000m² and less than half would be required, leaving the existing BMX track unaffected.

Council prefers that the units at Hovding Court be offered for sale and the sale proceeds, together with funds in the Housing reserves, will be used to fund this new development with no rates impact.

Once the old units are sold and the new units are built, additional rates income will be generated for the Council from the Hovding Court property. This project is expected to be completed in two years by 2014/15.

Structure of Council Group

The Local Government Act 2002 (from the Better Local Government reform programme) has a new principle with which a local authority is to act in performing its role. The new principle relates to returns and intent for investing in equity securities or commercial activities. Local authorities should periodically satisfy itself that the expected returns from investment in equity securities or commercial activities are likely to outweigh the risks inherent in that investment.

It was timely that Council resolved in the Long Term Plan to review the group structure. This year TDC Holdings Limited was liquidated with shares in Tararua Forests Limited and Infracon Limited transferred to Council.

In the consultation for the Long Term Plan, Council received support to exit from forestry operations and restructure the group. Council this year, sought expressions of interest for the purchase of the forestry assets but did not receive offers that were acceptable.

Council then resolved to liquidate Tararua Forests Limited and transfer the assets in Tararua Forests Limited back into Council.

This activity will be included with the current Commercial Property activity and renamed Commercial Investments. This activity will be self funding (no rates impact) and will contribute towards reducing the overall Council rates requirement.

Earthquake Prone Buildings

Council owns and manages a number of older civic buildings on behalf of the community. These buildings have recently been assessed against the current structural standards. Council is waiting for detailed cost estimates for these buildings to comply with the Building Act 2004. For some buildings, community feedback will be needed on the options available to us.

Currently, local councils make decisions on how Earthquake-Prone Buildings in their districts should be dealt with, in consultation with their communities. The Government has proposed replacing this with a consistent national approach. All non-residential and multi-unit, multi-storey residential buildings would have to have a seismic capacity assessment done within five years. Council would be required to carry out initial structural assessments of all of these buildings. Owners of buildings identified as earthquake-prone would then have up to 10 years to strengthen or demolish these buildings.

This means that all earthquake-prone buildings would be dealt with within a maximum of 15 years, compared with an average of 28 years under the current system, depending on individual council policies. This is in conflict with stated objectives of limiting rate increases, and opens up Council to significant liability in the future. Council has made a submission to the Government generally supporting the timescales and process, but opposing the requirement for Council to carry out and fund initial assessments of privately owned buildings.

Consolidation of Council Service Facilities

During the Long Term Plan process, Council reviewed how efficiencies and costs savings could be achieved through amalgamation of Council Services where duplication in our front line



centres existed, including the on-going building maintenance and resources required to deliver these services to our communities.

Council decided to amalgamate the Woodville Service Centre and Library, as supported by the community, and to further review consolidation of services when more information was known about any potential earthquake risk to Council buildings.

Council operates a shared service in Eketahuna, which is well supported by the community and provides a dynamic and variable environment for staff and the residents of Eketahuna. In looking at the Woodville options and consulting with staff, we have investigated elements of best practices in all our offices. We have considered the population of our towns and services across the district to find a solution that will best serve the needs of the Woodville community, with no adverse impact on cost and levels of service.

With the amalgamated service in Woodville, we will provide a "One-Stop-Shop" service – a place where customers can access all Council "front-line" services, whether paying rates, booking a cemetery plot, booking the Town Hall, doing historical research, wanting public access internet, reading, or participating in children's holiday programmes.

This model will provide more library hours and increase efficiencies around office resources for the building and staffing requirements.

The amalgamation of the Woodville Service Centre and Library is underway and expected to be completed by 1 July 2013. The Service Centre component will move into the library building as the library offers a larger space. This also allows us to review a capital project which has been on hold - whether to enhance the Library and i-SITE building with a shared entrance way.

Windfarm Consents and Oil and Gas Exploration

The applications for Puketoi Wind Farm and Transmission Line from Mighty River Power, and the Castle Hill Wind Farm from Genesis are currently under mediation.

Meridian Energy application for consents to construct the Mount Munro Wind Farm is currently "on hold" pending further information.

TAG Oil and Apache Corporation applied to Council and the Manawatu-Wanganui Regional Council for consents to drill and test two petroleum exploration wells. The proposed Mangahei-1 and Ngapaeruru-1 well sites are located approximately 20 km east of Dannevirke. The applications were approved by Council and the Manawatu-Wanganui Regional Council, subject to conditions.

Legislative Changes

Local Government Reform

Local government reform is currently high on the Government's agenda. In February 2012, the minister for Local Government announced the 'Better Local Government' reform to provide clarity around the role of councils, stronger governance, improved efficiency and responsible financial management.

Councils are still required to enable democratic local decision-making and action by, and on behalf of, communities. However, our other purpose – to promote the four well-beings – has been removed and replaced with achieving cost-effective good-quality local infrastructure, local public services and regulatory functions. For the Tararua District Council the means business as usual.

Other major changes have resulted in more mechanisms for government intervention in Council governance, putting in place an easier process for amalgamations, and introducing mandatory performance measures. This has prompted a series of amalgamation proposals that are currently being considered by the Local Government Commission. The proposals include forming a Hawkes Bay Council and a Wairarapa Council. The Hawkes Bay proposal might impact on some of the shared service arrangements currently in place with Central Hawkes Bay District Council. The outcome of the processes are by no means certain and any final decisions are unlikely before 2014.

It is early days in terms of what this all means in practice, so we will need to listen to, and adapt to, any guidance we receive or changes in structures, including your submissions over the next few years.

The local government sector as a whole thought there was very little evidence that a substantive problem exists that required these legislative changes. For Tararua, the rate increases are being driven by required core infrastructure work and commodity price increases, such as oil, and not from additional community recreation facilities or involvement in additional social / community funding.

Council has been making submissions on proposed changes, and will continue to work with the local government sector and central government to represent the interest of its ratepayers. At this stage, there is no impact on service delivery or activities funded, but the changes will focus Council more on assessing financial costs and benefits for each major decision. Decisions need to consider all practicable options, with the cost and benefits of each and overall efficiency. This is likely to result in more in-depth business cases for major decisions, and is a narrower focus with more emphasis on financial issues than in the past.

In practical terms no changes are expected in the services provided by the Council, or in the way services are delivered. Further changes to local government legislation are likely to be announced in September 2013 as the government responds to reports from several processes set up in 2012. These are:

- **Local Government Efficiency Taskforce**

An independent taskforce to help build greater efficiency within the local government framework. The Taskforce recommended reducing the consultation requirements, reducing or removing the need for an Annual Plan, and the need to clearly state in the legislation that local government is a representative democracy and Councillors are elected to make decisions on behalf of the community.

- **Productivity Commission - Towards Better Local Regulation**

The Productivity Commission has released a final report on the efficiency of local regulations in New Zealand. The Commission has called for closer collaboration between central and local government when developing new regulations, and for more thorough consideration of the impacts and costs of regulations.

- **Local Government Infrastructure Efficiency Expert Advisory Group**

This group looked at how good quality local government infrastructure to support a growing economy can be delivered in the most cost-effective manner. Recommendations included more regional delivery of services and extensive amalgamations of smaller Councils.

This programme of legislative change has not impacted on the 2013/14 budget. Changes are however likely to impact on the 2014/15 budget and possibly the way Council delivers its activities. The changes could be substantial. The extent and details of any possible changes are likely to be known prior to the completion of the 2014/15 Annual Plan. Some changes may not take effect until 2015 and would be included in the 2015-25 Long Term Plan process.

Overall, the legislation changes are placing more importance on the financial impacts of decisions, make it more difficult for Councils to be involved in 'non-core' activities and have a focus on the delivery of activities efficiently. Rate increases above the sector average will attract more scrutiny from government. There is a growing expectation that Councils will collaborate, and in some cases amalgamate, to reduce costs. Your Council is already operating with these objectives in mind and has been doing so for some time.

Alcohol Reform Bill

Another piece of new legislation that is impacting on the Council this year is the Sale and Supply of Alcohol Act 2012 and associated alcohol reform amendments to other legislation. The Sale and Supply of Alcohol Act 2012 introduces many changes that will impact on the role

of the Council. A principle aim of the act is to improve local input into decision making around liquor licenses. The Act requires the Council to set up a District Licensing Committee to hear and make decisions on local liquor licenses and managers certificates, and liquor retail outlets.

Council may face additional costs and workloads because of this requirement. Council may also develop a Local Alcohol Policy, in consultation with the community, that would set a policy on any alcohol bans, the hours of opening of bars and other on-licences, and the number of liquor outlets.

Council is working with other Councils to minimise the costs of meeting the requirements of the new legislation. Council is also in the process of deciding on the timetable and consultation for developing a Local Alcohol Policy. The new District Licensing Committee must be in place by the end of 2013.

Road Maintenance Management and Funding

The Roothing activity delivers key infrastructure services that underpin the economic viability of the district. As a result of significant investment, historically the district has a good quality roading network when compared to peers and national averages.

Maintaining this good quality condition and pavement integrity is a core activity for the Council. The roading network is jointly funded by ratepayers and central government through the NZ Transport Authority. Significant changes are being considered over the next year in the way roads are managed, and in the funding formula operated by NZ Transport Authority. Funding from the NZ Transport Authority to assist the Council to maintain the roading network has been at the same level for the last three years. Council has reduced the length of roads to be resealed and renewed in order to fit within this constrained funding. There is no inflation allowance in the NZ Transport Authority grant for roading up until 2015 as well. Over the 2009 to 2015 period, inflationary increases for Roothing are estimated at 26%.

A new system is being developed by the NZ Transport Authority that will set the financial assistance rate that drives the amount of funding for road maintenance given to the Council from 2015 onwards. At this stage, the indications are that the new system could mark a significant change to the shared funding system that has been operating for decades. It is unlikely that this will be higher than the current funding level. This could result in difficult decisions around rates and roading levels of service in the 2015-2025 Long Term Plan. The NZ Transport Authority will be releasing a range of options for consultation in November this year, and expect to make a final decision in the first half of 2014. Your council has been active in making submissions to the NZ Transport Authority on this important issue, and will be advocating for the best outcome for the Tararua throughout this process.



Other initiatives from central government involve the way roading networks are managed. The Road Maintenance Taskforce report was delivered to the government in October 2012. The report envisages more shared services with regional management and procurement initiatives.

These could include Council managing the currently NZ Transport Authority managed state highway, or some other form of shared services also involving other Councils and NZ Transport Authority. Council staff are already investigating options that will meet these new directions.

Possibilities exist to build on the successful Council roading business unit to deliver increased efficiencies and generate additional management fees.

How We Spend Your Rates

The summary below shows where \$100 of your rates will be used in 2013/14 for various Council services.

Note: Figures are based on a calculation of the total amount of rates collected for each service. Figures may differ for individual ratepayers according to their property type and values.

Mandatory Activity		Core Activity		The average rates for a ratepayer in the district per day is \$5.89.	
Footpaths	\$4.04	Animal Control	8¢	The targeted rate per day for Water is 73¢ and for Wastewater is \$1.02.	
Roading	\$34.41	Cemeteries	\$1.29	Compare these to items you may purchase daily*:	
Stormwater	\$3.75	Community Buildings	\$3.55	Loaf of bread	\$1.93
Wastewater	\$10.90	Emergency Management	\$2.25	2 litres of milk	\$3.18
Water Supplies	\$7.89	Health and Safety	\$1.99	Cup of coffee	\$4.00
		Housing	Self funding	Average household electricity	\$5.95
		Libraries	\$4.83	Newspaper	\$1.60
		Parks and Reserves	\$4.32	Litre of petrol	\$2.20
		Public Conveniences	\$1.17		
		Representation	\$5.28		
		Resource Management	\$1.62		
		Service Centres	\$2.80		
		Solid Waste Management	\$6.23		
		Swimming Pools	\$1.99		
		District Treasury	(\$2.18)		
		*prices as at 26 June 2013			
Public Service and Social Infrastructure Activity					
Community Support	\$1.73				
District Promotion and Development	\$2.35				
Investment Activity					
Commercial Property (contribution towards rates reduction)	(8¢)				



Financial Strategy

Council adopted the Financial Strategy as part of its Long Term Plan. The Financial Strategy aimed at responding to the needs of current and future community in an affordable and prudent way.

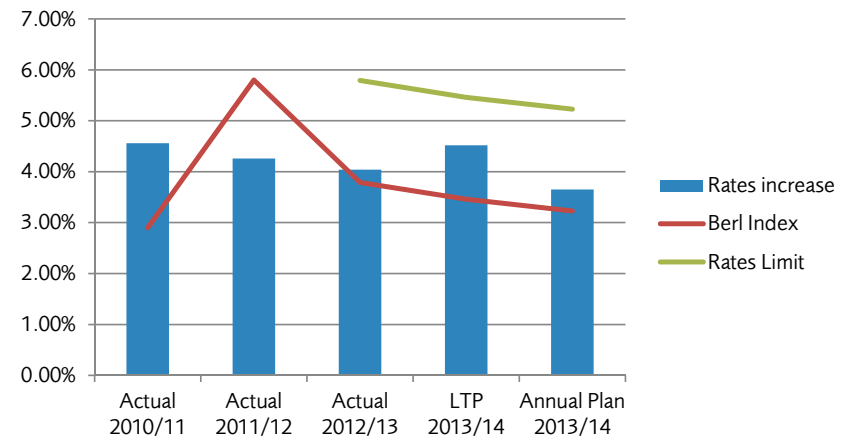
The four key parts of the Strategy to achieve this are:

- Sufficient savings and flexibility to renew assets and respond to currently known funding needs.
- Low debt to limit interest cost, allow flexibility for future generations and the ability to respond to natural disasters.
- Rates affordability by spreading the cost of large projects over 20 years.
- Making the Long Term Plan and Annual Plans easy to understand – to make the overall effects of the proposals more transparent and easy to understand for community consultation.

Rates

Council resolved that rate increases will be limited to Local Government Cost Index Inflation Plus or Minus 2%.

Chart 1



The graph above shows declining rates increases over time.

	Actual 2010/11	Actual 2011/12	Actual 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Rates increase	4.56%	4.26%	4.04%	4.52%	3.65%

The proposed rates increase in the Annual Plan is lower than that forecast in the Long Term Plan. This is Council's response to the issue of affordability and the drive to keep rates increases low and gradually declining over the ten years of the Long Term Plan.

Policy Limits

Policy Ratios	Long Term Plan	Annual Plan
Net Debt as a percentage of Equity will not exceed 10%	2.61%	0.38%
Net Debt as a percentage of Total Revenue will not exceed 100%	28%	11%
Net Interest as a percentage of Total Revenue will not exceed 15%	1.43%	0.53%
Net Interest as a percentage of Rates will not exceed 20%	2.45%	0.92%
Liquidity will be greater than 110%	171%	231%

The table above shows a comparison of the limits in Council's Treasury Policy compared to those proposed in this Annual Plan. The table illustrates that the Council is operating well within the guidelines contained in the Treasury Policy.

Local Government Funding Agency

In the Long Term Plan, Council had indicated its intention to use the NZ Local Government Funding Agency Limited (LGFA) as another borrowing vehicle. The aim of LGFA, which is a Council Controlled Trading Organisation, is to enable local authorities to borrow at lower funding margins than would otherwise be available, diversify sources of funds, and align the term of funding with its assets.

In borrowing from the LGFA, Council will need to issue borrower notes to the value of 1.6% of the total amount borrowed. These will be held by the LGFA while the borrowing is outstanding and may in certain situations be converted to shares in the LGFA.

Council generally prefers not to expose itself to the risks of equity investment. However, from time to time, where it appears to Council that owning shares provides the optimum mechanism

for achieving its goals and objectives in any particular case, it may invest in local government related shareholding.

In addition, issuing borrower notes as part of the scheme, Council also needs to grant security in the form of a charge over our rates revenue to lenders. However, this is no different to how we currently operate with our banks.

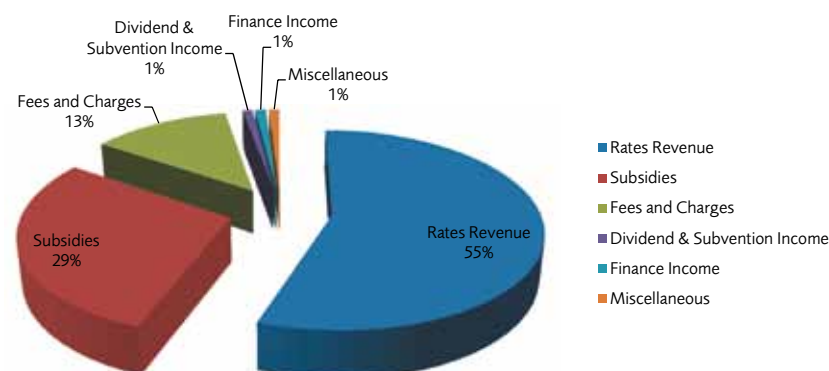
Changes to our Liability Management Policy and Investment Policy were made in the Long Term Plan to accommodate the requirements of joining the LGFA.

Funding and Operating Revenue

Council's total operating revenue is \$34.9 million (Long Term Plan was \$34.8 million) with rates revenue being 54% and subsidies 28% of the total revenue. The increase from the Long Term Plan is mainly due to revenue from shared services and also sale of logs from forestry activity.

Chart 2

Sources of Operating Revenue

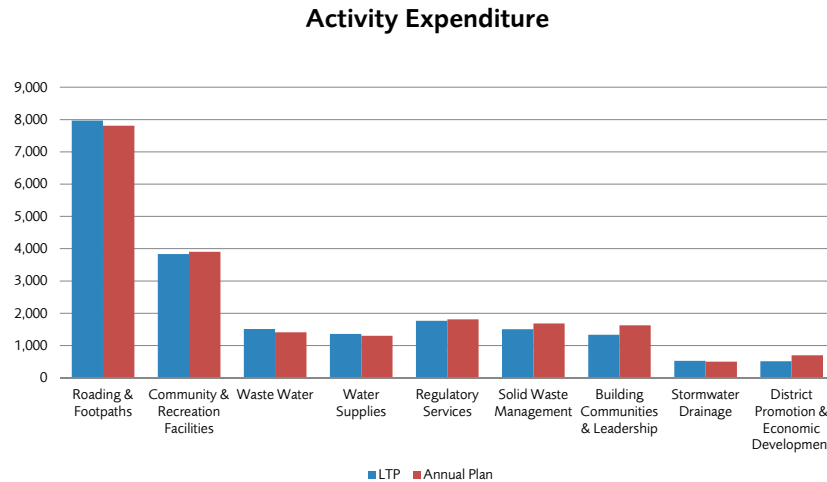




Operating Expenditure

Total expenditure at the Council activity level (excluding depreciation) is forecast at \$21.4 million, which is a 0.2% increase from the Long Term Plan. The increase is mainly due to overall increase in the cost of providing these services. Solid Waste, and Building Communities and Leadership, saw the largest increase. For Solid Waste, increases were mainly due to the increase in service levels (extension of the kerbside and recycling services), overall increase in volume of recycling, and increase in transportation cost and disposal fees. Increases in grant expenditure and remuneration adjustments for councillors and Council committees resulted in an overall increase in expenses for the Building Communities and Leadership group of activities.

Chart 3



Capital Programme

Council's capital programme for the 2013/14 year is \$14.9 million compared to \$14.2 million in the Long Term Plan. The increase in the capital programme budget is mainly due to prioritisation of 2012/13 projects. These projects have been carried forward to 2013/14.

The capital programme is driven by:

- Service level improvements and growth – New Assets
- Renewal of existing assets – Renewals

Group of Activities	New Assets	Renewals
Community & Recreation Facilities	1,363	927
District Promotion & Economic Development	25	2
Regulatory Services	250	3
Roading and Footpaths	2,107	5,581
Solid Waste Management	100	38
Stormwater Drainage	10	38
Wastewater	3,071	481
Water Supplies	618	399
Total	7,544	7,431

Note: numbers are in '000s

Groups of Activities

What the Council Does

Introduction

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

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

Explanation of Activity Pages

- Key issues – highlights issues that may be of concern to the community.
- Contribution to Council outcomes – shows the level of contribution towards achieving the Council outcomes.
- Funding impact statements – detail the sources and application of Council funds.
- Additional notes – explain in further detail the payment to staff and suppliers by outputs.
- Capital expenditure – details the capital projects for the year.

Groups of Activities

Building Communities & Leadership ..	29
Community & Recreation Facilities	38
District Promotion & Economic Development	74
Regulatory Services	83
Roading & Footpaths	103
Solid Waste Management	113
Stormwater	119
Wastewater	124
Water Supplies	130



How the Council Outcomes Relate to Council Services

Key: Strongly Related ✓ Related ● Partially Related ◇

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

Building Communities and Leadership

Activities in this Group

Community Support

AIM To support communities to support themselves.

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.

Key Issues / Changes in the Annual Plan

- Further legislative changes to the Local Government Act 2002 are expected in 2014. This could change the way Council operates and how we interact with the community.
- Elections for the Council take place in October 2013.
- No significant change to Levels of Service

Contribution to Council Outcomes

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



Community Support

Aim - to support communities to support themselves

Performance Measures

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Community Support				
Collaborative Council; and Great lifestyle	Public money is spent appropriately	Council funds and supports key community organisations in order to build district community capability	Percentage of residents rating Council's involvement in community support as "fairly satisfactory" or "very satisfactory" in the community survey	75%
			All organisations receiving grants meet accountability requirements of Council	100%

Community Support Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	183	197	336	139
Targeted rates (other than a targeted rate for water supply)	98	92	-	(92)
Grants & Subsidies Operating	-	-	35	35
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	61	61
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	281	289	432	143
Applications of Operating Funding				
Payment to staff and suppliers	249	255	335	(80)
Finance costs	-	-	-	-
Internal charges and overheads applied	28	30	72	(42)
Total Applications of Operating Funding	277	285	407	(122)
(Surplus)/Deficit of Operating Funding	4	4	25	(1)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	-	(13)	(13)
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	-	(13)	(13)



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	4	4	12	13
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	4	4	12	13
Surplus (Deficit) of Capital Funding	(4)	(4)	(25)	-
Funding Balance	-	-	-	(1)

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Increases in operating funding and payments to staff and suppliers is due to the Youth Project and Trust Fund projects.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Closed Circuit TV	6	6	10	(4)
Community Boards & Committees Discretionary	61	63	54	9
Community Grants	17	17	63	(37)
Eketahuna Money Exchange	3	3	3	-
Healthy Homes	-	-	-	-
Information Centres	68	69	59	10
Main Street Lighting Non-subsidised	15	16	28	(12)
Main Street Committees	28	29	19	10
Sports & Recreation	52	53	52	1
Youth Service	-	-	35	(35)
Total Payments to Staff and Suppliers	249	255	322	(67)



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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Representation				
Collaborative Council; Great lifestyle; Prosperous Economy; Efficient Infrastructure; and Sustainable Environment	Good Governance	Providing leadership to contribute towards maintaining and improving their social, cultural, economic and environmental wellbeing	Percentage of residents rating the overall performance of the Mayor and Councillors as "fairly satisfactory" or "very satisfactory" in the community survey	75%
			Percentage of residents rating the overall performance of the Community Boards and Community Committees as "fairly satisfactory" or "very satisfactory" in the community survey	75%
	Ensuring correct public processes are followed	Provide processes and local community boards / committees through which the community can have its views heard	Percentage of Council committee meetings that meet the requirements the Local Government Official Information and Meetings Act	100%

Representation Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	622	703	1,025	322
Targeted rates (other than a targeted rate for water supply)	335	329	-	(329)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	15	15	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	956	1,047	1,040	(7)
Applications of Operating Funding				
Payment to staff and suppliers	531	544	565	(21)
Finance costs	-	-	-	-
Internal charges and overheads applied	425	503	475	28
Total Applications of Operating Funding	956	1,047	1,040	7
(Surplus)/Deficit of Operating Funding	-	-	-	-
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	-	(10)	(10)
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	-	(10)	(10)



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	(10)	(10)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	-	-	(10)	(10)
Surplus (Deficit) of Capital Funding	-	-	-	-
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Increases in payments to staff and supplier is due to increases in remuneration for Councillors and Committee members.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Community Board Dannevirke	9	10	8	2
Community Board Eketahuna	13	14	11	3
Community Committee Pahiatua	135	139	146	(7)
Community Committee Woodville	112	115	122	(7)
Council	128	132	142	(10)
Elections	134	133	153	(20)
Council Rates Review	-	-	-	-
Total Payments to Staff and Suppliers	531	544	582	(38)



Community and Recreation Facilities

Activities in this Group

Cemeteries

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

Community Buildings

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

Housing

AIM To respond to the needs of older people with limited income and assets by providing access to affordable and suitable long-term housing.

Libraries

AIM To meet the community's needs for recreational and educational reading; and the provision of information.

Parks and Reserves

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

Public Conveniences

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

Service Centres

AIM To provide excellent customer service and stakeholder access to services locally.

Swimming Pools

AIM To provide funding support for community pools to promote community wellbeing.

Key Issues / Changes in the Annual Plan

- Council is planning to build 12 purpose-built one-bedroom units on the George Street Gravel Reserve in Dannevirke. This project will be completed in the 2014/15 year.
- Council has assessed all major community buildings against current structural standards for earthquake-prone buildings. A small number of buildings are considered earthquake-prone buildings. Council is waiting on detailed cost estimates to bring these buildings up to the minimum standards. Community input may be required to decide which of these buildings should be upgraded, and what the priorities are.
- Proposed government policy will reduce the time available for earthquake prone buildings to be upgraded, and increase Council responsibilities for initial assessments.
- The newly combined Woodville library and service centre will be operational this year.
- Additional land is being considered for purchase adjoining the recreation centre managed by Bush MultiSport Trust in Pahiatua.
- No significant change to Levels of Service.

Contribution to Council Outcomes

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



Cemeteries

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Cemeteries				
Efficient Infrastructure	Well presented cemetery grounds and facilities	The cemetery grounds are presented to a high standard	Percentage of residents rating cemeteries as "fairly satisfactory" or "very satisfactory" in the Community Surveys	75%
	Access to cemetery plots	Plots are available in all local cemeteries	Percentage of cemeteries in district with plots available for next 12 months – based on historical burial data	100%

Cemeteries Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	151	161	249	88
Targeted rates (other than a targeted rate for water supply)	81	75	-	(75)
Grants & Subsidies Operating	6	6	5	(1)
Fees, charges, and targeted rates for water supply	68	70	68	(2)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	5	5
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	306	312	327	15
Applications of Operating Funding				
Payment to staff and suppliers	236	242	244	(2)
Finance costs	4	6	7	(1)
Internal charges and overheads applied	13	13	46	(33)
Total Applications of Operating Funding	253	261	297	(36)
(Surplus)/Deficit of Operating Funding	53	51	30	(21)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	49	29	108	79
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	49	29	108	79



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	56	38	84	(46)
- to improve the level of service	33	28	27	1
- to replace existing assets	10	-	-	-
Increase (decrease) in reserves	4	14	27	(13)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	103	80	138	(58)
Surplus (Deficit) of Capital Funding	(53)	(51)	(30)	21
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Dannevirke Rural	41	42	42	-
Dannevirke Urban	78	81	82	(1)
Eketahuna	36	36	37	(1)
Pahiatua	47	48	48	-
Woodville	34	35	35	-
Total Payments to Staff and Suppliers	236	242	244	(2)

Cemeteries Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Pahiatua seal carpark	-	27	27	28	1
Total	-	27	27	28	1
Growth					
Mangatera develop new area	44	34	78	35	(43)
Woodville new berms	-	3	3	3	-
Eketahuna new berm ¹	-	3	3	-	(3)
Total	44	40	84	38	(46)
Total Capital Expenditure	44	67	111	66	(45)

¹ Project has been brought forward from Year 3 of the Long Term Plan.



Community Buildings

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Community Buildings				
Efficient Infrastructure	Facilities support a range of activities which enhance residents' lifestyle	Council provides community buildings which are fit for purpose	Percentage of residents rating community buildings as "fairly satisfactory" or "very satisfactory" in the Community Surveys	90%
		Facilities are well-utilised	The total number of hours per annum facilities are booked through Council	> 3100

Community Buildings Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	484	506	689	183
Targeted rates (other than a targeted rate for water supply)	260	237	-	(237)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	38	39	39	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	64	64
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	782	782	792	(10)
Applications of Operating Funding				
Payment to staff and suppliers	341	363	360	3
Finance costs	12	18	20	(2)
Internal charges and overheads applied	138	142	85	57
Total Applications of Operating Funding	491	523	465	68
(Surplus)/Deficit of Operating Funding	291	259	327	9
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	25	243	316	73
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	25	243	316	73



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	71	257	330	(73)
- to replace existing assets	54	51	65	(14)
Increase (decrease) in reserves	191	194	248	(54)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	316	502	643	(141)
Surplus (Deficit) of Capital Funding	(291)	(259)	327	(68)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Interest revenue for community buildings' depreciation reserves is allocated.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Facility Management	341	363	299	64
Facility Repainting	-	-	61	(61)
Total Payments to Staff and Suppliers	341	363	360	3

Community Buildings Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Upgrade earthquake prone buildings ¹	-	300	300	250	10
Woodville Library / i-SITE doors	30	-	30	-	(30)
Total	30	280	280	257	(20)
Renewals					
District new seating	-	3	3	3	-
Woodville new seating	-	15	15	15	-
Dannevirke Sports Centre Pavilion	-	4	4	4	-
Dannevirke Sports Centre Stadium	-	10	10	10	-
Eketahuna Community Centre	-	2	2	2	-
Eketahuna Medical Centre	-	5	5	5	-
Pahiatua Stadium	-	16	16	16	-
Pahiatua Town Hall	-	10	10	10	-
Dannevirke Civic Centre	-	5	5	5	-
Total	-	70	70	70	-
Total Capital Expenditure	30	370	400	327	(20)

Variance in Capital Expenditure

¹ Brought forward \$50,000 of Year 3 of the Long Term Plan to strengthen building identified as earthquake prone.



Housing

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Housing				
Efficient Infrastructure	Council housing stock is fit for purpose	Housing units are maintained to a suitable standard	Percentage of housing units which achieve a performance grading 3 star or higher (NAMS property grading)	75%
	Council acts as a good landlord and provides a professional tenancy service	Council acts as a good caring landlord	Tenants' satisfaction with the landlord service received from Council	90%

Housing Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	336	346	348	2
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	96	96
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	336	346	444	98
Applications of Operating Funding				
Payment to staff and suppliers	295	340	303	37
Finance costs	-	1	1	-
Internal charges and overheads applied	5	5	53	(50)
Total Applications of Operating Funding	300	346	357	12
(Surplus)/Deficit of Operating Funding	37	-	86	86
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	25	(381)	(385)	(4)
Gross proceeds from sale of assets	-	530	515	(15)
Total Sources of Capital Funding	25	149	130	(19)



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	62	733	713	20
- to replace existing assets	46	12	12	-
Increase (decrease) in reserves	(46)	(596)	(509)	(87)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	62	149	216	67
Surplus (Deficit) of Capital Funding	(37)	-	(86)	86
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Interest revenue from special funds in the reserves is allocated.

Decreases in payments to staff and suppliers is due to insurance premium increases not as high as expected.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Maintenance - to appropriate standard	295	340	303	37
Total Payments to Staff and Suppliers	295	340	303	37

Housing Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Mobility garaging	-	12	12	12	-
Build 12 new units at George Street ¹	-	700	700	720	20
Total	-	712	712	732	20
Renewals	-				
Aluminium window	-	12	12	12	-
Total	-	12	12	12	-
Total Capital Expenditure	-	724	724	744	20

Variance to Capital Expenditure

Variance due to cost being lower than inflation adjusted estimates in the Long Term Plan.



Libraries

Aim - to meet the community's needs for recreational and educational reading; and the provision of information

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Library				
Great Lifestyle	Quality community space	Library facilities are clean, welcoming and open at times suited to the community	Percentage of residents rating libraries as "fairly satisfactory" or "very satisfactory: in the community survey	88%
Prosperous Economy; Great Lifestyle	Providing books and items that people want to look at	Provide residents of the district access to a wide range of information and lifelong learning opportunities	Percentage of residents that are active* members of the library (*used library in last 3 years)	35%
			250 new items added per 1,000 residents to the collection yearly	4,425
			*LIANZA standard based on population	

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets
				Annual Plan 2013/14
	Great customer service	Staff are knowledgeable, helpful and friendly	Percentage of customers satisfied with staff service (biennial survey)	82%
Prosperous Economy	Support education of local children	Improve literacy and knowledge among the district's children	Percentage of customers satisfied with children's programmes (biennial survey)	90%



Libraries Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	905	929	938	9
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	40	41	35	(6)
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	9	8
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	946	971	982	11
Applications of Operating Funding				
Payment to staff and suppliers	521	535	540	(5)
Finance costs	-	-	-	-
Internal charges and overheads applied	328	340	324	16
Total Applications of Operating Funding	850	875	864	11
(Surplus)/Deficit of Operating Funding	96	96	118	22
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	-	-	-

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	110	113	110	3
Increase (decrease) in reserves	(14)	(17)	8	(25)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	96	96	118	(22)
Surplus (Deficit) of Capital Funding	(96)	(96)	(118)	(22)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Dannevirke Library	266	273	280	(7)
Woodville Library	72	74	81	(7)
Pahiatua Library	103	106	106	-
Eketahuna Library/Service Centre	80	82	73	9
Total Payments to Staff and Suppliers	521	535	540	(5)



Library Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Renewals					
Books	-	100	100	103	3
Furniture & fittings	-	10	10	10	-
Eketahuna Library	-	8	8	8	-
Woodville Library	-	4	4	4	-
Total	-	122	122	125	3
Total Capital Expenditure	-	122	122	125	3

Parks and Reserves

Aim - to protect and enhance the natural character of the district, and provide a mix of parks and reserves facilities for leisure and recreation

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Parks and Reserves				
Great Lifestyle	People are proud of the city's parks and streetscapes.	Our parks, and park facilities are well presented	Percentage of residents rating parks and reserves as "fairly satisfactory" or "very satisfactory" in the community survey	90%
Efficient Infrastructure	Facilities meet user needs	Playing fields and associated facilities are fit for purpose	Number of reported incidences of sports facilities not being suitable for their intended use	<5
Efficient Infrastructure	Playgrounds meet user needs	Playground equipment is safe to use and fit for purpose	Percentage of playgrounds in the district with all equipment meeting the AUS/NZ playground safety standards	80%



Parks and Reserves Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	548	612	839	227
Targeted rates (other than a targeted rate for water supply)	295	286	-	(286)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	6	6	6	-
Local authorities fuel tax, fines, infringement fees, and other receipts	161	165	142	(23)
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	1,009	1,069	987	(82)
Applications of Operating Funding				
Payment to staff and suppliers	813	833	750	83
Finance costs	15	16	18	(2)
Internal charges and overheads applied	53	54	59	(5)
Total Applications of Operating Funding	880	903	827	76
(Surplus)/Deficit of Operating Funding	129	166	160	(6)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	105	(48)	38	86
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	105	(48)	38	86

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	100	77	75	2
- to replace existing assets	124	44	73	(29)
Increase (decrease) in reserves	10	(3)	50	(53)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	234	118	198	(80)
Surplus (Deficit) of Capital Funding	(129)	(166)	(160)	(6)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.



Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Camping Grounds Dannevirke	11	12	38	(26)
Camping Grounds Eketahuna	20	20	13	7
Camping Grounds Pahiatua	3	4	20	(16)
Camping Grounds Woodville	188	194	3	191
Dannevirke Rural	47	51	30	21
Dannevirke Urban	49	51	142	(91)
Coronation Park	27	28	53	(25)
Dannevirke Domain	134	141	44	97
Dannevirke Wildlife	22	23	22	1
District Wide Tree Planting	5	5	-	5
Domain Boards	39	41	127	(86)
Eketahuna Rural	26	27	26	1
Eketahuna Urban	21	21	21	-
Pahiatua Recreation	71	73	71	2
Pahiatua Rural	13	13	3	10
Pahiatua Town Square	66	68	66	2
Pahiatua Urban	18	18	19	(1)
Woodville Rural	12	6	7	(1)
Woodville Urban	41	38	46	(8)
Total Payments to Staff and Suppliers	813	833	750	83

Parks and Reserves Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
District wide drainage	-	5	5	5	-
District wide walkway development	-	10	10	10	-
Dannevirke domain playground equipment	-	20	20	21	1
Dannevirke Rural Wahipai drainage	-	10	10	10	-
Pahiatua Rotary Park drainage	-	10	10	10	-
Reserve Management Plans	-	20	20	21	1
Total	-	75	75	77	2
Renewals					
Dannevirke Camping Ground	-	31	31	33	2
Eketahuna Camping Ground	-	2	2	2	-
Eketahuna Domain	-	7	7	7	-
Pahiatua Camping Ground	-	2	7	2	-
Dannevirke Domain	30	-	30	-	(30)
Total	30	42	72	44	(28)
Total Capital Expenditure	30	112	147	121	(26)

Variance to Capital Expenditure

Variances are due to cost being lower than inflation adjusted estimates in the Long Term Plan.



Public Conveniences

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Public Conveniences				
Efficient Infrastructure	Public conveniences meet user needs	Public conveniences provided are fit for purpose	Percentage of residents rating public conveniences as "fairly satisfactory" or "very satisfactory" in the community survey	70%
			The number of complaints received per annum about the condition of public toilets	51

Public Conveniences Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	150	158	227	69
Targeted rates (other than a targeted rate for water supply)	81	74	-	(74)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	3	3
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	231	232	230	(2)
Applications of Operating Funding				
Payment to staff and suppliers	175	175	162	13
Finance costs	5	4	4	-
Internal charges and overheads applied	20	21	29	(8)
Total Applications of Operating Funding	200	200	195	5
(Surplus)/Deficit of Operating Funding	31	32	35	3
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(5)	(5)	(5)	-
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	(5)	(5)	(5)	-



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	49	6	6	-
Increase (decrease) in reserves	(23)	21	24	(3)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	26	27	30	(3)
Surplus (Deficit) of Capital Funding	(31)	(32)	(35)	(3)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Building Maintenance	41	33	32	1
Provision of Clean Safe Facilities	134	142	130	12
Total Payments to Staff and Suppliers	175	175	163	13

Public Conveniences Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Renewals					
Pahiatua Main toilets	-	4	4	4	-
Woodville public toilets	-	2	2	2	-
Total	-	6	6	6	-
Total Capital Expenditure	-	6	6	6	-



Service Centres

Aim - to provide excellent customer service and stakeholder access to services locally

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Service Centres				
Collaborative Council	High quality customer service delivered	The Council provides friendly, professional and knowledgeable service to customers.	Percentage of customers who lodge faults/requests are satisfied with service provided	93%
			Percentage of customers who lodge faults/request are satisfied with after hours service received	90%
Efficient Infrastructure	The Council answers customer's phone calls promptly	The Council provides a 24 hours a day, 7 days a week phone service for customers	Percentage of calls answered where the average wait time is equal to or less than 20 seconds	95%
			Percentage of calls received by the afterhours call centre on a 24/7 basis are answered	85%

Service Centres Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	352	381	544	163
Targeted rates (other than a targeted rate for water supply)	189	178	-	(178)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	1	1	1	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	2	2
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	542	560	547	(13)
Applications of Operating Funding				
Payment to staff and suppliers	356	365	348	17
Finance costs	-	-	-	-
Internal charges and overheads applied	186	195	197	(2)
Total Applications of Operating Funding	542	560	545	15
(Surplus)/Deficit of Operating Funding	-	-	2	2
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	-	-	-



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	2	(2)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	-	-	2	(2)
Surplus (Deficit) of Capital Funding	-	-	(2)	(2)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Review and restructure of staffing and operations has resulted in lower payments to staff and suppliers.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Dannevirke Service Centre	48	49	214	(164)
Eketahuna Service Centre	223	229	46	183
Pahiatua Service Centre	42	43	44	(1)
Woodville Service Centre	42	43	44	(1)
Total Payments to Staff and Suppliers	356	365	348	17

Service Centres Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Renewals					
Pahiatua Service Centre	-	31	31	32	1
Woodville Service Centre	-	17	17	17	-
Total	-	48	48	49	1
Total Capital Expenditure	-	48	48	49	1



Swimming Pools

Aim - to provide funding support for community pools which will promote community wellbeing

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Swimming Pools				
Efficient Infrastructure	Public pools provided meet community expectations	Public swimming pools provide a quality visitor experience	Percentage of residents rating swimming pools as "fairly satisfactory" or "very satisfactory" in the community survey	70%
		Outdoor pools open during summer months, and Wai Splash all year around	The number of weeks each year Wai Splash is open for public use	52 weeks
	The district can afford to support public pools	Public swimming pools are financially sustainable in the long term	The number of weeks each year outdoor pools are open for public use	> 10 weeks
			Percentage of rates spent funding public swimming pools (base – average household rate)	Will use the 2012/13 results as a baseline and improve on the results for future years

Swimming Pools Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	378	397	385	(12)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	378	397	385	(12)
Applications of Operating Funding				
Payment to staff and suppliers	275	292	294	(2)
Finance costs	2	2	2	-
Internal charges and overheads applied	72	74	55	19
Total Applications of Operating Funding	348	368	351	17
(Surplus)/Deficit of Operating Funding	30	29	34	5
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	1	(2)	(2)	-
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	1	(2)	(2)	-



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	3	-	-	-
- to replace existing assets	54	3	3	-
Increase (decrease) in reserves	(26)	24	29	(5)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	31	27	32	(5)
Surplus (Deficit) of Capital Funding	(30)	(29)	(34)	(5)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Dannevirke Indoor Pool	194	208	192	16
Eketahuna Pool	23	25	29	(4)
Pahiatua Pool	29	31	35	(4)
Woodville Pool	28	28	38	(10)
Total Payments to Staff and Suppliers	275	292	294	(2)

Swimming Pools Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Renewals					
Woodville Swimming Pool	-	3	3	3	-
Total	-	3	3	3	-
Total Capital Expenditure	-	3	3	3	-



District Promotion and Economic Development

Activities in this Group

Commercial Investments

AIM Manage property and forestry assets to obtain the best return for ratepayers. To divest these assets as the opportunities arise.

District Promotion and Development

AIM Promoting the district as a great place to live, visit, work, play and invest.

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

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

Commercial Investments

Aim - manage property and forestry assets to obtain the best return for ratepayers. To divest properties as the opportunities arise.

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Commercial Investements				
Prosperous Economy	Subsidising rates	Properties maximise returns to Council	Occupancy of commercial buildings each year	95%
			Net operating surplus each year	5%



Commercial Investments Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	(4)	(4)	(16)	(12)
Targeted rates (other than a targeted rate for water supply)	(2)	(2)	-	2
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	79	81	480	399
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	27	27
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	73	75	491	416
Applications of Operating Funding				
Payment to staff and suppliers	81	78	215	(137)
Finance costs	-	-	2	(2)
Internal charges and overheads applied	7	8	25	(17)
Total Applications of Operating Funding	88	86	242	(156)
(Surplus)/Deficit of Operating Funding	(16)	(11)	249	260
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	(2)	(70)	(68)
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	(2)	(70)	(68)

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	11	2	2	-
Increase (decrease) in reserves	(27)	(15)	177	(192)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	(16)	(13)	179	(192)
Surplus (Deficit) of Capital Funding	(16)	(11)	(249)	(260)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council reviewed reallocation of Corporate Support costs due to changes in operation, staff numbers and business structures. The impact has been the changes to internal charges and overhead applied.

Increase in Fees, charges, and targeted rates for water supply is due to Forestry assets and Aerodrome now included in this activity. Payments to staff and suppliers has increased due to expenditure related to forestry activities.



Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Building maintenance	66	63	63	-
Planned maintenance	15	15	5	10
Forestry management	-	-	147	(147)
Total Payments to Staff and Suppliers	81	78	215	(137)

Commercial Investments Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Renewals					
Woodville Infracon depot	-	2	2	2	-
Total	-	2	2	2	-
Total Capital Expenditure	-	2	2	2	-

District Promotion and Development

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – District Promotion and Development				
Prosperous Economy; Collaborative Council	Community partnerships and collaboration	Assist businesses to apply for Government subsidies and grants	Referrals of Business Applications to Ministry of Science and Innovation Subsidy (while scheme is available)	5 per annum
Collaborative Council	Community partnerships and collaboration	Hold one or more business strategy meetings with businesses in the Tararua	Positive feedback on Business Strategy Meetings – Annual Survey	80%
Prosperous Economy	A district with a clear identity that promotes its lifestyle	Promote the Tararua at large events in and outside the district	Major Events that 'Tararua' is directly involved	3 per annum
Prosperous Economy; Great Lifestyle	A strong, growing, prosperous local economy that attracts, welcomes and retains businesses and residents	Measure ultimate success of economic development by the number of people that continue to choose to live in the Tararua	Exceed Statistics NZ Medium Population Projections in Annual Estimates and Census	Per Statistics NZ
Prosperous Economy	Access to a local service that assists visitors and supports local business	Customers receive friendly, professional and knowledgeable service from qualified i-SITE staff	Biannual Qualmark Assessment achieved	Achieved



District Promotion and Development Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	111	124	358	234
Targeted rates (other than a targeted rate for water supply)	316	330	98	(232)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	11	12	11	(1)
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	2	1
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	439	467	469	2
Applications of Operating Funding				
Payment to staff and suppliers	330	350	385	(36)
Finance costs	-	-	1	(1)
Internal charges and overheads applied	78	81	74	7
Total Applications of Operating Funding	408	431	460	(29)
(Surplus)/Deficit of Operating Funding	31	35	9	(27)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	-	25	25
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	-	25	25

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	25	26	24	2
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	6	9	10	-
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	31	35	34	2
Surplus (Deficit) of Capital Funding	(31)	(35)	(9)	27
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Business Development	129	143	156	(13)
District Marketing	150	154	169	(15)
Tararua i-Site	51	52	60	(8)
Total Payments to Staff and Suppliers	330	350	385	(35)



District Promotion and Development Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Computer hardware	-	15	-	15	-
Fibre ducting	-	10	-	10	-
Total	-	25	-	25	-
Total Capital Expenditure	-	25	-	25	-

Regulatory Services

Activities in this Group

Animal Control

AIM To prevent nuisance and threats to community safety from dogs and wandering stock.

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.

Health and Safety

AIM To help provide a safe and healthy community, buildings and avoid behaviour causing a nuisance in the community.

Resource Management

AIM To help achieve a sustainable natural and built environment and a strong prosperous economy.

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

- New legislation late in 2013 may result from the Productivity Commission review 'Towards Better Local Regulation', changes to the RMA 1991 and further changes to the LGA 2002. This could impact on the levels and types of fees and charges, the scope of bylaws, and the way building consent services are delivered.
- A nationwide on-line building consent system may be prescribed by government during 2013/14.
- The new Sale and Supply of Alcohol Act 2012 requires Council to set up new procedures and a new Committee to process liquor licenses and on-license managers certificates.
- No significant change to Levels of Service.



Animal Control

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Animal Control				
Collaborative Council; Great Lifestyle	Public safety	Animal control complaints and issues are resolved in a timely manner	Percentage of dog attacks responded to within 2 hours	99%
			Percentage of other complaints responded to within 1 day	95%
			Percentage of residents rate dog control as "quite satisfactory" or "very satisfactory" in community survey	70%
Collaborative Council	Proactive education of animal owners	Promoting responsible animal ownership through public education	Number of animal related complaints received by Council	< 520
		Maintaining an efficient dog registration database	Percentage of known dogs registered each year.	99%

Animal Control Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	7	10	16	6
Targeted rates (other than a targeted rate for water supply)	4	5	-	(5)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	221	228	217	(11)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	18	18
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	231	243	251	8
Applications of Operating Funding				
Payment to staff and suppliers	155	159	177	(18)
Finance costs	4	9	8	1
Internal charges and overheads applied	58	60	51	9
Total Applications of Operating Funding	217	228	236	(8)
(Surplus)/Deficit of Operating Funding	14	15	15	-
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(5)	202	196	(6)
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	(5)	202	196	(6)



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	207	201	6
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	10	10	10	-
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	10	217	211	6
Surplus (Deficit) of Capital Funding	(14)	(15)	(15)	-
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Review and restructure of staffing and operations has resulted in overall increase in payments to staff and suppliers.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
After hours dog control	36	37	42	(5)
After hours stock control	3	3	3	-
Education	7	7	6	1
Maintain database	24	25	23	2
Monitor and enforce	85	87	103	(16)
Total Payments to Staff and Suppliers	155	159	177	(18)

Animal Control Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Dannevirke dog pound	-	200	200	206	6
Total	-	200	200	206	6
Renewals					
Motor vehicle ¹	-	25	25	41	16
Total	-	25	25	41	16
Total Capital Expenditure	-	225	225	247	22

Variance in Capital Expenditure

¹ Change in type of vehicle required.



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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Emergency Management				
Collaborative Council	Support the community to prepare for an emergency	Promote awareness of the impact of likely natural disasters to increase community readiness to cope with civil emergencies.	Percentage of households surveyed that have a maintained "preparedness" kit.	45%
Great lifestyle; Sustainable Environment; Prosperous Economy	Leadership and training	Provide trained civil defence management team staff and rural fire teams.	Percentage of operations centre staff internally assessed as having appropriate training and skills to perform Incident Management Team Role.	75%
			Percentage of volunteer rural fire forces that meet required competency standards.	85%
		Notified rural fires have a rural fire officer response upon notification.	Percentage of time Rural Fire Officers and trained crews respond within 30 minutes to notified incidents, as assessed by NZ Fire Service communications centre data.	90%

Emergency Management Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	113	124	189	65
Targeted rates (other than a targeted rate for water supply)	294	295	247	(48)
Grants & Subsidies Operating	20	21	10	(11)
Fees, charges, and targeted rates for water supply	5	5	-	(5)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	3	3
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	432	445	449	4
Applications of Operating Funding				
Payment to staff and suppliers	290	301	307	(6)
Finance costs	5	6	7	(1)
Internal charges and overheads applied	54	56	55	1
Total Applications of Operating Funding	349	363	369	6
(Surplus)/Deficit of Operating Funding	83	82	80	(2)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	29	15	-	(15)
Increase (decrease) in debt	16	30	44	14
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	45	45	44	(1)



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	66	52	50	2
- to replace existing assets	48	3	3	-
Increase (decrease) in reserves	14	72	71	1
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	128	127	124	3
Surplus (Deficit) of Capital Funding	(83)	(82)	(80)	2
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council reviewed reallocation of Corporate Support costs due to changes in operation, staff numbers and business structures. The impact has been the changes to internal charges and overhead applied.

Capital expenditure and increase in subsidies has meant an overall increase in capital funding.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Civil Defense	56	58	62	(4)
Rural Fire	234	243	245	(2)
Total Payments to Staff and Suppliers	290	301	307	(6)

Emergency Management Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Akitio rural fire appliance	-	50	50	52	2
Total	-	50	50	52	2
Renewals					
Radio	-	3	3	3	-
Total	-	3	3	3	-
Total Capital Expenditure	-	53	53	55	2



Health and Safety

Aim - to help provide a safe and healthy community, buildings and avoid behaviours causing a nuisance in the community

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Health and Safety				
Prosperous Economy; Collaborative Council	Public feels safe in public and commercial buildings	Ensure that the district built environment is safe	Percentage of Earthquake prone buildings on public register strengthened or demolished	Initial assessments complete
			Percentage of buildings with building warrants of fitness's audited each year	5%
Prosperous Economy	Business friendly Council service	Responsive and accurate building control service provided	Percentage of properties with swimming pool and/or spa fencing inspected	20%
			Percentage of building consents issued within the statutory time frame (20 working days)	100%

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets
				Annual Plan 2013/14
Great lifestyle; Prosperous Economy	Public is safe utilising local businesses	Protect public health by regulating the sale of food, funeral parlours, offensive trades, hairdressing salons and camping grounds Protect public health by regulating the sale of liquor	Percentage of inspections carried out within two working days of request	70%
			Percentage of high risk licensed premises inspected twice a year	100%
			Percentage of low risk licensed premises inspected each year	100%
			Percentage of liquor licence applications processed and issued within 10 working days (where complete information is provided, i.e. public notice, police reports etc)	100%
			Percentage of on and off licence liquor outlets inspected annually	100%
Sustainable Environment	Ensuring people do not overly disturb other residents.	Control excessive noise through monitoring and enforcement	Percentage of noise complaints responded to within 30 minutes in Dannevirke and Pahiatua, and 1 hour in Woodville and Eketahuna	100%



Health and Safety Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	209	218	386	168
Targeted rates (other than a targeted rate for water supply)	113	102	-	(102)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	416	425	463	38
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	7	6
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	739	746	856	110
Applications of Operating Funding				
Payment to staff and suppliers	563	562	657	(95)
Finance costs	-	-	-	-
Internal charges and overheads applied	164	172	183	(11)
Total Applications of Operating Funding	727	734	840	(106)
(Surplus)/Deficit of Operating Funding	12	12	16	(4)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	-	-	-

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	12	12	6	4
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	12	12	6	4
Surplus (Deficit) of Capital Funding	(12)	(12)	(16)	4
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council reviewed reallocation of Corporate Support costs due to changes in operation, staff numbers and business structures. The impact has been the changes to internal charges and overhead applied.

Review and restructure of staffing and operations has resulted in overall increase in payments to staff and suppliers.



Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Building Consent Processing	210	208	255	(47)
Environmental Health	144	148	147	1
Liquor Licensing	81	80	119	(39)
Noise Callouts & Other Nuisances	127	125	136	(11)
Total Payments to Staff and Suppliers	563	562	657	(95)

Health and Safety Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Renewals					
Motor vehicles	-	50	50	63	13
Total	-	50	50	63	13
Total Capital Expenditure	-	50	50	63	13

Resource Management

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Resource Management				
Sustainable Environment; Prosperous economy	Effective and relevant policies	Provide a district plan that provides certainty of land use and environmental outcomes	Percentage of Hearings Commissioners surveyed that think that the district plan is effective	85%
Great lifestyle	Keeping up to date with impacts on the environment	Undertake a monitoring programme that reports on the effectiveness of the district plan and individual consent conditions	Prepare a district wide state of the environment monitoring report Percentage of residents rating resource management as satisfactory in community survey	Report published 75%



Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Collaborative Council	Responsive customer service	Resource consents are administered effectively and efficiently	Percentage of resource consents processed within the statutory time frame. <ul style="list-style-type: none"> • Non-notified: 20 working days • Notified: 70 working days • Notified and Limited Notified not requiring a hearing: 50 working days 	100%
			Percentage of complaints about non-compliance with the District Plan or consent conditions are investigated and resolved within 3 months of being received	90%

Resource Management Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	247	266	315	49
Targeted rates (other than a targeted rate for water supply)	133	125	-	(125)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	51	53	50	(3)
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	1	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	431	445	366	(79)
Applications of Operating Funding				
Payment to staff and suppliers	406	417	319	98
Finance costs	-	-	-	-
Internal charges and overheads applied	25	26	46	(20)
Total Applications of Operating Funding	430	443	365	78
(Surplus)/Deficit of Operating Funding	1	(2)	(1)	(1)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	-	(50)	(50)
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	-	(50)	(50)



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	1	2	51	51
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	1	2	51	51
Surplus (Deficit) of Capital Funding	(1)	2	1	1
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Overall decreases in payments to staff and suppliers is mainly due to:

- Review and restructure of staffing and operations has resulted in an increase.
- With the District Plan now operational, related cost has reduced offsetting increases due to restructure and staff numbers.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Coastal Hazard Assessment	4	4	48	(44)
District Plan Review	189	195	61	134
Environmental Monitoring Report	78	80	71	9
Legal Costs Associated with Hearings	68	70	80	(10)
Mount Munro Wind Farm	-	-	-	-
Resource Consent Processing	32	32	34	(2)
RMA Management & Information	35	36	25	11
Total Payments to Staff and Suppliers	406	417	319	98



Roading and Footpaths

Activities in this Group

Roading

AIM To provide safe, convenient and orderly transportation in the district.

Footpaths

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

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

- Reducing funding for road maintenance in inflation adjusted terms is putting pressure on Council to continually find more efficiencies
- A complete review of the road funding system is currently underway. Council will be involved in advocating for Tararua during 2013/14. Significant changes could impact on council for 2015.
- The upgrade for the alternative route to the Manawatu Gorge is expected to commence in 2013/14, 100% funded by the NZ Transport Agency. The project is expected to have a budget of \$4.5 million.

Roading

Aim - to provide safe, convenient and orderly transportation in the district

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Roading				
Efficient Infrastructure	Ensure that our roading network is safe	Council ensures roads are safe for all road users	Number of fatal accidents due to road factors	Nil
Efficient Infrastructure	Roads are maintained to the appropriate standard	Council maintains Roads to an acceptable standard	Percentage of requests to fix road surface faults are completed within the timeframe specified in contracts	85%
			Percentage of residents rating Urban and Rural roading as "quite satisfactory" or "very satisfactory" in community survey	70%
Efficient Infrastructure; Great Lifestyle; Collaborative Council	Maintained roading network provides a safe and comfortable ride quality	Council ensures quality of roads and safety of users	Percentage of sealed roads providing a smooth and comfortable ride as measured by RAMM Roughness Surveys for NAASRA counts lower than 220 for urban and 120 for rural	95%
Efficient Infrastructure	Clearance of damage by weather/emergency response	Council ensures that all roads remain available to users	Initial response to impassable roads be undertaken within 24 hours	99%



Roading Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	6,325	6,596	6,678	82
Grants & Subsidies Operating	3,773	3,890	3,653	(237)
Fees, charges, and targeted rates for water supply	150	155	150	(5)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	219	219
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	10,248	10,641	10,700	59
Applications of Operating Funding				
Payment to staff and suppliers	6,389	6,582	6,186	396
Finance costs	38	37	38	(1)
Internal charges and overheads applied	928	951	1,163	(212)
Total Applications of Operating Funding	7,354	7,570	7,387	184
(Surplus)/Deficit of Operating Funding	2,894	3,071	3,313	242
Sources of Capital Funding				
Subsidies and grants for capital expenditure	3,415	5,557	5,390	(167)
Increase (decrease) in debt	7	(15)	7	22
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	3,421	5,542	5,397	(145)

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	105	2,144	2,080	64
- to replace existing assets	5,581	5,754	5,581	173
Increase (decrease) in reserves	629	712	1,049	(337)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	6,315	8,611	8,710	(99)
Surplus (Deficit) of Capital Funding	(2,894)	(3,071)	(3,313)	(242)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Local authorities fuel tax has been reclassified from Grants and Subsidies.

Review and restructure of staffing and operations, reduced operating expenditure on drainage maintenance and reduced NZ Transport Agency subsidies (subsidies did not increase inline with inflation) has resulted in overall decrease in payments to staff and suppliers.



Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Emergency Reinstatement	1,129	1,164	1,120	44
Environmental Maintenance	444	457	450	7
Level Crossings	40	42	40	2
Network Asset Management Subsidised	578	596	510	86
Non Sub Tree Removal	-	-	-	-
Non Sub Verges	136	134	139	(5)
Preventative Maintenance	-	-	-	-
Routine Drainage Maintenance	842	868	732	136
Sealed Pavement Maintenance	867	894	860	34
Structures Maintenance	711	733	710	23
TA & Admin Support	164	169	141	28
Traffic Services Maintenance	449	463	454	9
Unsealed Pavement Maintenance	486	501	480	21
Unsealed Road Metalling - Maintenance Metal	544	561	550	11
Total Payments to Staff and Suppliers	6,389	6,582	6,186	396

Roading Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Associated improvements	-	80	80	82	2
Manawatu/Hawkes Bay alternate route upgrades	-	2,000	2,000	2,062	62
Total	-	2,080	2,080	2,144	64
Renewals					
Bridge renewals	-	100	100	103	3
Drainage renewals	-	490	490	505	15
Minor safety improvements	-	496	496	511	15
Pavement rehabilitation	-	1,560	1,560	1,608	48
Sealed roads resurfacing	-	2,150	2,150	2,217	67
Structures component replacements	-	95	95	98	3
Traffic services renewal	-	90	90	93	3
Unsealed road metalling - heavy metal overlays	-	600	600	619	19
Motor vehicle ¹	-	60	60	10	(50)
Total	-	5,641	5,641	5,764	123
Total Capital Expenditure	-	7,721	7,721	7,908	187

Variance to Capital Expenditure

¹ Vehicle renewal schedule brought forward due to higher usage of vehicles.

Other variances are due to cost being lower than inflation adjusted estimates in the Long Term Plan.

Footpaths

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Footpaths				
Efficient Infrastructure	Footpaths are safe for pedestrians	Council maintains footpaths to an acceptable level to customers	Percentage of residents rate footpaths as "fairly satisfactory" or "very satisfactory" in the community survey	75%
			Percentage of footpath free from trip hazards e.g. bumps, depressions, settlement, cracking, deterioration, per 100 metres of footpath, measured by footpath condition surveys	95%
			Complaints regarding unsafe footpaths are rectified within 7 days	100%
Efficient Infrastructure; Great Lifestyle; and Collaborative Council	Town centre upgrades reflect the diversity, character and heritage of communities	Council ensures the needs of both local and visitors will be considered in the town upgrades	Percentage of resident and non-resident ratepayers rate Urban CBD upgrades as "fairly satisfactory" or "very satisfactory" in the community survey	80%

Footpaths Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	62	64	128	64
Targeted rates (other than a targeted rate for water supply)	760	789	656	(133)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	10	10
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	821	854	794	(60)
Applications of Operating Funding				
Payment to staff and suppliers	56	58	58	-
Finance costs	96	98	100	(2)
Internal charges and overheads applied	238	244	265	(21)
Total Applications of Operating Funding	390	400	423	(23)
(Surplus)/Deficit of Operating Funding	432	454	371	(83)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	214	(112)	(14)	98
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	214	(112)	(14)	98



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	342	28	27	1
- to replace existing assets	50	-	-	-
Increase (decrease) in reserves	254	315	330	(15)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	646	343	357	(14)
Surplus (Deficit) of Capital Funding	(432)	(454)	(371)	83
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Footpath Maintenance Rural	1	1	1	-
Footpath Maintenance Urban	55	57	57	-
Total Payments to Staff and Suppliers	56	58	58	-

Footpaths Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Footpath construction	-	27	27	28	1
Total	-	27	27	28	1
Total Capital Expenditure	-	27	27	28	1



Solid Waste Management

Activities in this Group

Solid Waste Management

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

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

- A new transfer station facility at Pahiataua will be operational this year.
- There has been an overall increase in the cost of providing solid waste services within the district mainly due to:
 - extension of the kerbside and recycling services;
 - the overall increase in the volume of recycling recovered from the district particularly glass; and
 - increases in transport and disposal fees.

Council is looking at ways to offset these increases in costs whilst still encouraging residents to recover and recycle. The initiative to reduce the opening hours of the Woodville and Pahiataua transfer stations in 2012/2013, has reduced operating costs with little consequent impact on waste volumes of products.

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets
Activity – Solid Waste Management				
Efficient Infrastructure; Sustainable Environment	Refuse and recycling services meet the needs of the district	Refuse and recycling services meet user needs	Percentage of residents rating rubbish collection service as "fairly satisfactory" or "very satisfactory" in the community survey	60%
			Percentage of residents rating recycling as "fairly satisfactory" or "very satisfactory" in the community survey	75%
			Percentage of residents rating landfills/transfer station management as "fairly satisfactory" or "very satisfactory" in the community survey	60%
Collaborative Council	Ensuring our district has a healthy and pleasant environment for people	Council will promote and encourage recycling and reuse	Tonnage of waste sent to landfills by the district per annum	< 4,500
		Council open and closed landfills are well managed	All Horizons resource consent conditions are met	100%



Solid Waste Management Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	297	263	497	234
Targeted rates (other than a targeted rate for water supply)	700	756	710	(46)
Grants & Subsidies Operating	40	41	40	(1)
Fees, charges, and targeted rates for water supply	516	530	534	4
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	16	16
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	1,553	1,591	1,797	206
Applications of Operating Funding				
Payment to staff and suppliers	1,267	1,346	1,515	(169)
Finance costs	58	59	62	(3)
Internal charges and overheads applied	99	102	104	(2)
Total Applications of Operating Funding	1,424	1,507	1,681	(174)
(Surplus)/Deficit of Operating Funding	129	84	116	32
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	98	(27)	73	100
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	98	(27)	73	100

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	203	-	100	(100)
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	24	57	89	(32)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	227	57	189	(117)
Surplus (Deficit) of Capital Funding	(129)	(83)	(116)	32
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Payments to staff and suppliers has increased as the overall cost of providing solid waste services within the district has increased mainly due to:

- extension of the kerbside and recycling services;
- the overall increase in the volume of recycling recovered from the district particularly glass; and
- increases in transport and disposal fees.



Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Solid Waste Management Akitio	7	7	21	(14)
Solid Waste Management Alfredton	-	-	-	-
Solid Waste Management Dannevirke	557	566	610	(44)
Solid Waste Management District Wide	194	253	251	2
Solid Waste Management Eketahuna	70	72	52	20
Solid Waste Management Herbertville	-	-	7	(7)
Solid Waste Management Makuri	-	-	-	-
Solid Waste Management Norsewood	-	-	-	-
Solid Waste Management Ormondville	16	16	25	(9)
Solid Waste Management Pahiatua	265	270	349	(79)
Solid Waste Management Pongaroa	41	42	47	(5)
Solid Waste Management Weber	-	-	-	-
Solid Waste Management Woodville	116	120	153	(33)
Total Payments to Staff and Suppliers	1,267	1,346	1,515	(169)

Solid Waste Management Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Eketahuna capping	-	30	30	-	(30)
Pahiatua capping	-	60	60	-	(60)
Pongaroa capping	-	10	10	-	(10)
Total	-	100	100	-	(100)

Variance to Capital Expenditure

Capping cells on an ongoing basis, hence projects have been brought forward from Year 3 of the Long Term Plan.



Stormwater

Activities in this Group

Stormwater

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

Contribution to Community Outcomes

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

Key Issues / Changes in the Annual Plan

- Council is assessing the quality of stormwater discharges against the requirements of the Horizons One Plan. Additional treatment and resource consents may be required over the next few years.
- No significant change to Levels of Service.

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Stormwater				
Efficient Infrastructure	Protecting people and properties from flooding caused by stormwater runoff	An effective stormwater system that protects people and properties from flooding	The number of residential, industrial and business premises affected by flooding per year	< 40
	Having a reliable stormwater network that drains water away	A reliable stormwater network	Percentage of residents rating stormwater management as "fairly satisfactory " or "very satisfactory" in the community survey	65%
			Number of surface flooding incidences on urban roads that persist for longer than 2 hours	New measure. Will use the 2012/13 as a baseline and improve on the results



Stormwater Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	727	-	(727)
Targeted rates (other than a targeted rate for water supply)	692	-	728	728
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	10	10
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	692	727	738	21
Applications of Operating Funding				
Payment to staff and suppliers	150	155	136	9
Finance costs	82	86	86	-
Internal charges and overheads applied	276	283	278	5
Total Applications of Operating Funding	508	524	500	14
(Surplus)/Deficit of Operating Funding	184	203	238	35
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	272	(91)	(81)	10
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	272	(91)	(81)	10

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	355	10	10	-
- to replace existing assets	37	39	38	1
Increase (decrease) in reserves	64	63	109	(36)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	456	112	157	(45)
Surplus (Deficit) of Capital Funding	(184)	(203)	(238)	(35)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

General rates had been reclassified as targeted rates as per the Revenue and Financing Policy. Interest revenue has been allocated to this activity.

Overall decreases in payments to staff and suppliers is due to cost increases being lower than inflation adjusted estimates in the Long Term Plan.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Drain Maintenance	32	33	28	5
Maintenance	76	79	70	9
Reticulation	42	43	38	5
Total Payments to Staff and Suppliers	150	155	136	19



Stormwater Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Stormwater treatment to outlets reports	-	10	10	10	-
Total	-	10	10	10	-
Renewals					
Mains replacement	-	38	38	39	1
Total	-	38	38	39	1
Total Capital Expenditure	-	48	48	49	1

Wastewater

Activities in this Group

Wastewater

AIM To provide the collection, treatment and disposal of urban wastewater to protect public and environmental health.

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

- Council is progressing a number of treatment upgrades this year as part of complying with resource consent conditions and meeting Council commitments as part of the Manawatu River Accord.
- Delivering on the projects agreed with the Ministry for the Environment as part of the \$2.075 million subsidy gained from the Freshwater Clean Up Fund.
- No significant change to Levels of Service



Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Wastewater				
Efficient Infrastructure	Schemes can be relied to on to remove wastewater from properties	A reliable waste water service	The number of incidences of unplanned loss of wastewater service	< 41
			Number of sewage overflows affecting properties per annum	< 22
			Percentage of residents rating wastewater management as "fairly satisfactory " or "very satisfactory" in the community survey	70%
Sustainable Environment	The wastewater scheme protects people's health and our environment	Risks to public health and our natural environment are minimised	Number of schemes meeting all resource consent conditions	7

* estimated for 2011/12

Wastewater Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	57	57	-	(57)
Targeted rates (other than a targeted rate for water supply)	1,997	2,181	2,076	(105)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	101	105	110	5
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	52	52
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	2,155	2,343	2,238	(105)
Applications of Operating Funding				
Payment to staff and suppliers	825	857	803	54
Finance costs	238	318	322	(4)
Internal charges and overheads applied	325	334	283	51
Total Applications of Operating Funding	1,388	1,509	1,408	101
(Surplus)/Deficit of Operating Funding	767	834	830	(4)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	705	969	963	(6)
Increase (decrease) in debt	1,929	1,654	1,824	170
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	2,634	2,623	2,787	164



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,880	2,941	3,071	(130)
- to replace existing assets	330	343	481	(138)
Increase (decrease) in reserves	192	173	65	108
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	3,402	3,457	3,617	(160)
Surplus (Deficit) of Capital Funding	(767)	(834)	(830)	54
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Overall decreases in payments to staff and suppliers is due to cost increases being lower than inflation adjusted estimates in the Long Term Plan and cost savings from using internal staff rather than consultants.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Maintenance to minimise failures and blockages, infiltration of stormwater into sewerage systems	103	107	107	-
Planning & Development renewals to ensure future capacity	133	138	149	(11)
Reticulation sewerage disposal for all connected properties	164	170	146	24
Telemetry system monitoring to prevent system failures	24	25	24	1
Treatment to provide effective treatment of wastewater	401	418	377	39
Total Payments to Staff and Suppliers	825	857	803	54

Wastewater Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
District wide treatment upgrades	-	155	155	156	1
Dannevirke disposal to land	110	340	450	343	(107)
Dannevirke pond leak remedial work	-	1,200	1,200	1,247	47
Manhole rehabilitation	-	6	6	6	-
Sewer options investigation for Akitio and Herbertville	-	15	15	16	1
Telemetry sewerage	-	10	10	10	-
Pahiatua treatment plant upgrade	-	1,100	1,100	1,143	43
Pongaroa treatment plant upgrade	90	-	95	-	(95)
Norsewood disposal to land	-	20	20	20	-
CCTV camera ancillary equipment	-	25	25	-	(25)
Total	200	2,871	3,071	2,961	(110)



	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Renewals					
Aerators	-	23	23	24	(1)
Mains replacement	-	400	400	259	141
Manhole replacements	-	6	6	6	-
Preventative mains renewals	-	50	50	52	(2)
Sewer pump replacement	-	2	2	2	-
Total	-	481	481	343	(138)
Total Capital Expenditure	110	3,442	3,552	3,304	(248)

Variances to Capital Expenditure

Variances are due to cost being lower than inflation adjusted estimates in the Long Term Plan.

Dannevirke disposal to land project in 2012/13 has been carried forward due to prioritisation of projects.

Pongarua treatment plant upgrade and mains replacement has been carried forward from 2012/13 to 2013/14 due to prioritisation of projects.

CCTV camera ancillary equipment is a new project. This project is aimed at improving the quality of asset information (to improve the condition assessment and renewal profile of assets).

Water Supplies

Activities in this Group

Water Supplies

AIM To provide a reliable and cost-effective supply of safe, potable water in reticulated communities.

Contribution to Community Outcomes

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

Key Issues / Changes in the Annual Plan

- Council continues to make progress on meeting the Drinking Water Standards.
- New resource consent conditions for river water extraction means Council water supply systems must take less river water at times of low flow.
- Council has developed a new water strategy that sets appropriate water meter fees, creates sufficient storage to reduce extractions during low flow and improve security of supply, reviews rural connections to urban supplies and reduces leakages in the piped supply networks.
- No significant change to Levels of Service.



Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2013/14
Activity – Water Supplies				
Efficient Infrastructure	Water is available when it is needed	Council provides a reliable water supply	Percentage of customers satisfied with the availability of water in the community survey	60%
		Council provides water at a consistent volume	Number of days per annum where users experience reduced flows	< 32
	Water quality is suited to user needs	Water looks and tastes good	Number of recorded issues with the taste of town water per annum	< 59
			Number of recorded issues with the clarity of town water per annum	< 26
			Number of schemes with a Public Health Management Plan in place	7
			Upgrade the water schemes to comply with NZ Drinking Water Standards and Health Act 1956	3

Water Supplies Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,436	1,564	1,532	(32)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	486	504	500	(4)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	76	76
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	1,921	2,068	2,108	40
Applications of Operating Funding				
Payment to staff and suppliers	889	924	801	123
Finance costs	225	266	278	(12)
Internal charges and overheads applied	168	173	224	(51)
Total Applications of Operating Funding	1,282	1,363	1,303	60
(Surplus)/Deficit of Operating Funding	640	705	805	100
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	1,997	(174)	341	515
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	1,997	(174)	341	515



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,245	114	618	(504)
- to replace existing assets	419	348	399	(51)
Increase (decrease) in reserves	(28)	70	130	(60)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	2,636	532	1,147	(615)
Surplus (Deficit) of Capital Funding	(640)	(705)	(805)	(100)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Council has reviewed the allocation of Corporate Support costs due to changes in operations, staff numbers and business structures. The impact has resulted in changes to internal charges and overheads applied.

Targeted rates have been correctly reclassified as general rates as per the Revenue and Financing policy.

Overall decreases in payments to staff and suppliers is due to:

- cost savings from using internal staff rather than consultants to reduce cost; and
- cost increases lower than inflation adjusted estimates in Long Term Plan.

Interest revenue from depreciation funds is allocated to this activity.

Increase in sources of capital funding from debt is due to capital projects carried from 2012/13 to 2013/14.

Additional Notes

The following notes detail the payments to staff and suppliers by output.

Expenditure by Output	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Maintenance to minimise failures	231	238	208	30
Planning & development to ensure future capacity	252	263	201	62
Reticulation water to all connected properties	115	120	96	24
Telemetry system monitoring to prevent failures	23	24	21	3
Treatment to provide safe, potable water	268	279	275	4
Total Payments to Staff and Suppliers	889	924	801	123



Water Supplies Capital Expenditure

	Carry Forward	Annual Plan 2013/14	Total Budget	Long Term Plan 2013/14	Variance
Level of Service					
Demand management / zone metering	-	5	5	5	-
Eketahuna additional storage 24hrs	-	75	75	78	3
Large users - metering and management	-	5	5	5	-
Leak detection work	-	25	25	26	1
Dannevirke treatment plant	500	-	500	-	(500)
Water meter reading devices ¹	-	8	8	-	(8)
Total	500	118	618	114	(504)
Renewals					
Mains replacement	-	285	285	296	11
Preventative renewals	-	50	50	52	2
Treatment upgrades Pahiatua, Akitio, Woodville, Eketahuna ¹	-	64	64	-	(64)
Total	-	399	399	348	(51)
Total Capital Expenditure	500	517	1,017	462	(555)

Variance to Capital Expenditure

¹ New project for automating meter reading through handheld devices.

Other variances are due to cost being lower than inflation adjusted estimates in the Long Term Plan.

Funding Impact Statement

Funding Impact Statement – Rating Policy

Rating incidence is governed by the Council's Revenue and Financing Policy and its Rating Policies. The Rating Policy outlines details of the funding mechanism used by the Council.

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

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

Rates models have been prepared to provide a picture of the impacts on a range of representative properties.

Financial requirements are set out in the Funding Impact Statement for activities or groups of activities.

This policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive.

The 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.

Property Valuations and Rates Distribution

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

Property revaluations are performed every three years and Council uses these rating valuations for the purposes of calculating the rates each property is to pay. Council contracts Quotable Value (QV) as its valuation service provider (VSP). Properties are valued using a mass appraisal system and objections are allowed free for a short period after which payment is required to change the result. The last revaluation of the district was carried out in September 2011 and these values have been used for rating purposes for the Annual Plan.

The rating valuations are intended to provide relative values only and are based on the market value of a property at a particular point in time. It cannot be taken as a market valuation.

Effect of new valuations on rates

It is important to note that an increase in values does not automatically mean that there will be an increase in rates. It depends on whether the valuation of your own property increases more than the average of the group of ratepayer values. Council does not collect extra rates as a result of valuation changes. Council rate assessments contain different charges that make up the annual levy:

- General Rates (calculated on land value);
- Uniform Annual General Charge (set charge); and

- Targeted Rates (uniform charge or value based rate).

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

Council increases rates because the cost of providing services have increased for a desired level of service.

Components of the Rating System

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

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

Legislation Local Government (Rating) Act 2002	Rate Subject to 30% Cap (S21)	Types of Rates	Properties to be Charged ("known as Rating Units")	Schedule 2 Category (Category Rated)	Schedule 3 – How it is Rated		
					Fixed Amount	Land Value	Capital Value
S15(1)(a)	Yes	Uniform Annual General Charge	Rateable Properties	n/a	✓		
S13(2)(a) & S14(b)	No	District General Land Value Rate	Rateable Properties	Land Value		✓	
Specified Services Targeted Differential							
S16(3)(a) & S16(4)(b)	No	Land Value Rate - Rural	Rateable Properties	Land Value		✓	
S16(3)(a) & S16(4)(b)	No	Land Value Rate - Urban	Rateable Properties	Land Value		✓	
S16(3)(a) & S16(4)(b)	No	Capital Value Rate - Industrial Commercial Urban	Rateable Properties	Situation & Use of Land			✓
S16(3)(a) & S16(4)(b)	No	Capital Value Rate - Industrial Commercial Rural	Rateable Properties	Situation & Use of Land			✓
Libraries & Swimming Pools							
S16(3)(a) & S16(4)(a)	Yes	Targeted Uniform Rate- Libraries & Swimming Pools	Rateable Properties	n/a	✓		
Refuse & Recycling Targeted Differential							
S16(3)(a) & S16(4)(b)	No	Refuse & Recycling - Rural	Rateable & Non-Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)	No	Refuse & Recycling - Urban	Rateable & Non-Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)	No	Refuse & Recycling - Industrial Commercial	Rateable & Non-Rateable Properties	Use of Land	✓		

Legislation Local Government (Rating) Act 2002	Rate Subject to 30% Cap (S21)	Types of Rates	Properties to be Charged ("known as Rating Units")	Schedule 2 Category (Category Rated)	Schedule 3 – How it is Rated		
					Fixed Amount	Land Value	Capital Value
Roading							
s16(3)(a) & s16(4)(b)	No	Roading Land Value Rate - District-Wide	Rateable Properties	Land Value		✓	
Roading Targeted Differential Uniform Rate							
s16(3)(a) & s16(4)(b)	No	Rural	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)	No	Urban	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)	No	Industrial Commercial	Rateable Properties	Use of Land	✓		
Roading Special Development Targeted Differential Uniform Rates							
Pahiatua-Palmerston North Track Upgrade							
s16(3)(a) & s16(4)(b)	No	North Ward	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)		South Ward	Rateable Properties	Situation of rating unit	✓		
Footpath Special Development Targeted Differential Uniform Rates							
Dannevirke Town Centre Refurbishment							
s16(3)(a) & s16(4)(b)	No	Dannevirke Town Centre Refurbishment North Ward	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)		Dannevirke Town Centre Refurbishment South Ward	Rateable Properties	Situation of rating unit	✓		
Woodville Town Centre Refurbishment							
s16(3)(a) & s16(4)(b)	No	Woodville Town Centre Refurbishment North Ward	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)		Woodville Town Centre Refurbishment South Ward	Rateable Properties	Situation of rating unit	✓		
Pahiatua Town Centre Refurbishment							
s16(3)(a) & s16(4)(b)	No	Pahiatua Town Centre Refurbishment North Ward	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)		Pahiatua Town Centre Refurbishment South Ward	Rateable Properties	Situation of rating unit	✓		



Legislation Local Government (Rating) Act 2002	Rate Subject to 30% Cap (S21)	Types of Rates	Properties to be Charged ("known as Rating Units")	Schedule 2 Category (Category Rated)	Schedule 3 – How it is Rated		
					Fixed Amount	Land Value	Capital Value
Eketahuna Town Centre Refurbishment							
s16(3)(a) & s16(4)(b)	No	Eketahuna Town Centre Refurbishment North Ward	Rateable Properties	Situation of rating unit	✓		
s16(3)(a) & s16(4)(b)		Eketahuna Town Centre Refurbishment South Ward	Rateable Properties	Situation of rating unit	✓		
Urban Wastewater (95% of net cost including all loan costs)							
Includes Residential, Educational Establishments and Multi-unit Residential Properties							
Per connected water closet/urinal (Residential Households receive only one charge)							
s16(3)(b) & s16(4)(b)	No	Urban Wastewater Targeted Uniform Rate - Full Charge	Rateable & Non-Rateable Properties	Provision of service (the number of water closets or urinals within the rating unit)	✓		
s16(3)(b) & s16(4)(b)	No	Urban Wastewater Targeted Uniform Rate - Half Charge	Rateable & Non-Rateable Properties	Availability of service (the extent of provision to the service)	✓		
s16(3)(b) & s16(4)(b)	No	Urban Wastewater Targeted Uniform Rate - For Connected Multiple Use	Rateable & Non-Rateable Properties	Provision of service (the number of water closets or urinals within the rating unit)	✓		
Stormwater							
s16(3)(b) & s16(4)(a)	Yes	Urban Stormwater Targeted Uniform Rate	Rateable Properties	Provision of service (the extent of provision to the service)	✓		
Water							
s16(3)(b) & s16(4)(b)	No	Urban Water Targeted Uniform Rate - Full Charge	Rateable & Non-Rateable Properties	Provision of service (the number or nature of connections to separately used or inhabited parts of a rating unit)	✓		
s16(3)(b) & s16(4)(b)	No	Urban Water Targeted Uniform Rate - Half Charge	Rateable & Non-Rateable Properties	Availability of service (The extent of provision to the service)	✓		
s16(3)(b) & s19(1) & s19(2)(a)	No	Pongaroa Water Targeted Uniform Rate	Rateable & Non-Rateable Properties	A fixed charge (per unit)	✓		

Rates requirement for the Annual Plan compared to the Long Term Plan is as follows:

Sector	Rating Units	Current Year 2012/2013	Long Term Plan 2013/14		Annual Plan 2013/14			
			Rates by Sector	% Change from Current Year	Rates by Sector	% Change from Long Term Plan	\$ Change from Current Year	% Change from Current Year
Rural	4,285	10,295,794	10,561,419	2.6%	10,571,449	0.09%	275,655	2.68%
Urban	4,335	7,187,404	7,682,391	6.9%	7,518,796	-2.13%	331,392	4.61%
Industrial/Commercial	499	1,242,300	1,328,725	7.0%	1,318,071	-0.80%	75,771	6.10%
Total Rates		18,725,498	19,572,535	4.52%	19,408,316	-0.84%	682,818	3.65%

Note: Rates are excluding GST



Examples of the Impacts of the Council's Rating Proposals

These examples are from the sample set of ratepayers used by Council in modelling impacts of rating scenarios. Four properties in each sector with high, medium and low land or capital values is extracted to show the impact on rates as required by Clause 15(5) Schedule 10, Local Government Act 2002.

Council sent out sample rates invoices to each ratepayer to indicate the proposed rates for the Annual Plan compared to current rates.

Property Type	Land Value	Capital Value	Actual 2012/13	Annual Plan 2013/14	Difference (\$)	Percentage
Urban properties						
Urban - Settlement	16,000	126,000	1,592	1,669	77	4.8%
Urban - Low Land Value	30,000	136,000	1,826	1,909	83	4.5%
Urban - Medium Land Value	40,000	200,000	1,881	1,963	82	4.4%
Urban - High Land Value	90,000	399,000	2,193	2,265	72	3.3%
Rural Properties						
Rural - Settlement	53,000	190,000	1,165	1,224	59	5.1%
Rural - Lifestyle	170,000	335,000	1,427	1,485	58	4.1%
Rural - Medium Land Value	1,325,000	1,875,000	4,719	4,805	86	1.8%
Rural - High Land Value	3,775,000	4,500,000	11,684	11,831	147	1.3%
Industrial/Commercial Properties						
Industrial/Commercial - Urban Low - Land/Capital Value	9,500	54,000	1,965	2,120	155	7.9%
Industrial/Commercial - Urban High - Land/Capital Value	450,000	2,975,000	7,406	7,439	33	0.5%
Industrial/Commercial - Rural Low - Land/Capital Value	25,000	125,000	1,119	1,253	134	11.9%
Industrial/Commercial - Rural High - Land/Capital Value	600,000	30,100,000	29,565	31,184	1,619	5.5%
Industrial/Commercial - Rural	4,800,000	17,000,000	26,544	27,370	826	3.1%

How Council Rates

Introduction

There is a 'Summary of Rates Charges' and a 'Summary of Rates by Total' that follow the explanations below.

These summaries identify the amounts being rated and the amount expected to be collected through each rate (as required by Schedule 10, Clause 15 of the Local Government Act 2002).

Explanation of Rates

There are two types of rates – General Rates and Targeted Rates.

These may be charged in two ways:

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

They may be charged on as a Fixed Amount or using a factor – such as land or capital value or number of services used such as number of water closets.

These categories are set out below.

General Rate

The Council sets a General Rate, based on the land value applied to each rating unit.

Function/Service	How it Operates
General Rate (various functions/services)	A District Wide Rate charged on Land Values

Targeted Rates

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

Council has targeted rates for:

Function/Service	How it Operates
(Various) Specific Services	Three Rates by Sector – charged on Land Value or Capital Value
Solid Waste Refuse & Recycling	Three Rates by Sector – fixed amounts

Function/Service	How it Operates
Roading	A District Wide Rate – charged on Land Value
Roading	Three Rates by Sector – fixed amounts
Roading Special Development Loans	Two Rates by Ward, North or South – fixed amounts
Footpaths Special Development Loans	Two Rates by Ward, North or South – fixed amounts
Wastewater	Three Rates by Provision (100% Rate) or Availability (50% Rate) for Sewerage or for some Ratepayers as a per pan charge- All as Fixed Amounts
Water	Four Rates by Provision (100% Rate) or Availability (50% Rate) for Water – fixed amounts; and on consumption basis for metered supply; Pongaroa Rural Supply – by number of units of supply as a fixed amount
Swimming Pools & Libraries	A District Wide Rate based on the Rating Unit – a fixed amount
Stormwater	A District Wide Rate based on Provision of Service – a fixed amount

Uniform Annual General Charge

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

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

Hence, Council considers a range from 27.5% to 29.5% of the rates requirement should be recovered by way of a UAGC charged to every rating unit in the district, which reflects the equal opportunity to access and use the assets and services.



Targeted Rates

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

Sector Rates

Category	Description
Urban	All rating units in the district situated in the urban areas as defined in the Sheets 1-7 of Plan 95 other than: <ul style="list-style-type: none"> (i) properties included in the Industrial/Commercial category; (ii) properties used for Industrial/Commercial purposes or (iii) farmland (these are rated as rural).
Rural	All rating units in the district situated in the rural areas as defined in the Sheets 1-7 of Plan 95 other than those not included in the Industrial/Commercial or Urban categories.
Industrial/Commercial	All rating units in the district used exclusively or principally for industrial or commercial purposes. This category may be identified as Urban or Rural, as defined in Sheets 1-7 of Plan 95. It does not include residential flats or farms. <p>For the avoidance of doubt, it does include postal services and utility operators (being companies, public entities and/or commercial operators) that provide services for such areas as electricity generation or transmission, gas or oil, telecommunications, rail, water, sewerage/wastewater, stormwater.</p>

Ward Rates

Differential targeted rates may be collected by a fixed charge levied with a differential based on where the rating unit is situated. The following are the differential targeted rate and Council's objectives for using this rating mechanism.

The categories of Rateable Land for setting Targeted Rates are:

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

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

Solid Waste Targeted Differential Uniform Rate

Funding for recycling and the public benefit costs of refuse are best funded on a uniform rating unit basis differentiated between rural (20%), urban (60%) and industrial/commercial (20%) to reflect the higher use and service levels in urban areas. All of the rates required to fund recycling and refuse disposal services will be funded through this rate. Land transfer stations and landfills continue to be principally funded from user charges and general rates.

Specified Services Targeted Differential Rate

Land Value Rate for Rural

Emergency Management has a distinctly uneven sector benefits to other general activities of Council and that certain proportions of these costs would be charged by land value. Hence, included in the rural differential targeted rate is 92% of Rural Fire protection cost.

The Rural Fire protection cost meets the cost of preparedness for fighting fires and the actual cost of fighting fires where this cannot be recovered from the person who started the fire. The main beneficiaries of this service are landowners in the areas outside the urban fire districts, however a contribution is received from urban properties as some benefit is gained by these areas (fire hazard inspections, preventing spread of fire etc).

Land Value in this instance has been used because:

- It better reflects community created wealth, eg access to services, so is better related to the infrastructure provided by Council.
- Is more related to the land area and ability of land to generate income.
- Is not proportional to owners total investment

Land Value Rate for Urban

Emergency Management and Footpaths have distinctly uneven sector benefits to other general activities of Council and certain proportions of these costs would be charged by land value. Hence, included in the urban differential targeted rate is 7% of Rural Fire protection cost and 71% of Footpaths cost.

The Rural Fire protection cost meets the cost of preparedness for fighting fires and the actual cost of fighting fires where this cannot be recovered from the person who started the fire. The main beneficiaries of this service are landowners in the areas outside the urban

fire districts, however a contribution is received from urban properties as some benefit is gained by these areas (fire hazard inspections, preventing spread of fire etc).

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

Land Value in these instances has been used because:

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

Capital Value Rate for Industrial Commercial:

Rural & Urban

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

Rural	A share of Economic Development plus Rural Fire
Urban	A share of Economic Development plus Footpaths

Included in the industrial/commercial differential rates is 60% of Economic Development cost allocated based on the Industrial Commercial capital value, 1% of Rural Fire protection cost to Industrial Commercial Rural, 14% of Footpaths cost to Industrial Commercial Urban.

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

The Rural Fire protection cost meets the cost of preparedness for fighting fires and the actual cost of fighting fires where this cannot be recovered from the person who started the fire. The main beneficiaries of this service are landowners in the areas outside the urban fire districts, however a contribution is received from urban properties as some benefit may

be gained by these areas (fire hazard inspections, preventing spread of fire etc). However, Rural industrial commercial ratepayers benefit the most from this service.

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

Capital Value in these instances has been used because:

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

Roading (excluding special development targeted differential rate)

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

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

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

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



Roading Rate – Targeted Differential Uniform

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

Twenty percent of the Roothing cost broadly represents the fixed cost of providing Roothing, a cost that may be shared by all Ratepayers. This essentially treats the differentiated fixed amount targeted rate funding for Roothing as a network access charge.

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

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

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

Roothing Special Development Targeted Differential Uniform Rate

The Council is funding the Pahiatua-Palmerston North Route upgrade by way of two fixed amount targeted rates per rating unit set differentially for the North and South Wards. Funding for Pahiatua-Palmerston North Route 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 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.

Dannevirke Footpaths Special Development Targeted Differential Uniform Rate

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

A lump sum payment option was made available. Properties on which the lump sum was paid do not continue to pay this rate (except for any washup). A washup calculation is still to be made while audits and final costs are completed.

Woodville, Pahiatua and Eketahuna Footpaths Special Development Targeted Differential Uniform Rate

Council is funding separately the Woodville Town Centre upgrade, and the Pahiatua and Eketahuna Town Centre upgrades, by way of two fixed amount 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. The South Ward, as the main area of benefit, is allocated 10% of the total costs with the remaining cost allocated equally. Overall, the South Ward pays 55% of the costs and the North Ward 45%. This ensured that the local communities (as defined by North and South Wards) pay a higher proportion of the cost than the balance of the district.

Urban Water Rate

A targeted uniform rate is charged as follows:

- full charge for every rating unit which receives an ordinary supply of water from an urban water supply;
- full charge for a separately used or inhabited part of the rating unit which receives an ordinary supply of water from an urban water supply;
- 50% of the full charge on every rating unit to which an ordinary supply of water is available but is not connected. By "water is available", it means a rating unit is within 100 metres of Council's water system and could be effectively connected to the water system.

Pongaroa Water Rate

A separate targeted uniform rate applies for each unit of water from the Pongaroa rural water supply. One unit is for a maximum of one cubic metre of water (by volume) per day.

Wastewater Targeted Uniform Rate – Educational Establishments and Multi Unit Residential Properties

A targeted uniform rate will be charged on each water closet/urinal for each separately used or inhabited part of a rating unit connected to the wastewater system.

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.

Each household within a multi-unit residential property will be treated as having only one water closet/urinal and will pay a full charge. 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.

Wastewater Targeted Differential Rate

A targeted differential rate for wastewater will be charged. 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 separately used or inhabited part of a rating unit – a fixed amount per rating unit (a full charge);
- 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);
- 50% of the full charge on every rating unit to which wastewater is available but not connected. By "wastewater is available", it means a rating unit is within 100 metres of Council's wastewater system and could be effectively connected to the wastewater system.

A 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.

Education establishments, multiple residential properties and properties charged trade waste fees are excluded from this rate. Educational establishments are defined under Schedule 1 Part 1 Section 6 of the Local Government (Rating) Act 2002.

Urban Stormwater Rate

A targeted uniform rate will be charged on every rating unit in the district's stormwater drainage area.

Fees and Charges

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

Water by Metered Supplies Fees

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

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 Fixed Amount 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 Fixed Amount Targeted Rate.
- The minimum quantity of water for which the minimum charge allows is 100 cubic metres 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.

Setting of Rates

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

Two or more rating units must be treated as one unit for setting a rate if those units are—

- (a) owned by the same person or persons; and

(b) used jointly as a single unit; and

(c) contiguous or separated only by a road, railway, drain, water race, river, or stream.

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.

Rating Base

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.

This 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.

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).

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.

Instalments

Rates and charges for the year ending on 30 June 2014 will be levied in four instalments, which will become due and payable on or before the following dates:

Instalment	Due Date
Instalment 1	31 August 2013
Instalment 2	30 November 2013
Instalment 3	28 February 2014
Instalment 4	31 May 2014

Penalties

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

A penalty of 10% is added to each instalment or part thereof "current rates" which are unpaid after the due date for payment.

Due Date	Current Rates Penalty Date
31 August 2013	1 September 2013
30 November 2013	1 December 2013
28 February 2014	1 March 2014
31 May 2014	1 June 2014

Rates in Arrears Penalty Date

A penalty of 10% is added to previous year's rates "rates in arrears" that remain unpaid as assessed on 8 July 2013, and again on 8 January 2014.

Discount

A 3% discount under the Local Government (Rating) Act 2002 Section 55(3) will be provided for full payment of the 2013/14 rates on or before 31 August 2013.

Rates Arrears Collection

- 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.
- Property titles are searched of those who do not respond to the letter.
- Where mortgagees are disclosed on title searches, demands are made of the mortgagees for settlement of the arrears.

- 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.
- 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.

Appendix 1 – Definitions

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

Division where a rating unit is split into one or more parts and the parts are rated separately for the purpose of setting rates over the whole rating unit. Examples are where there are different differential categories such as provision of services, different remission/postponement categories or if part of the property is non-rateable.

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

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

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

(2) A general rate may be set—

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

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

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

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

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

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

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

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

- record all information required for setting and assessing rates; and
- enable a local authority to communicate with ratepayers; and
- enable members of the public to have reasonable access to the information in the database relating to the calculation of liability for rates.

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

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

Rating unit means either:

- one rating unit; or
- part of a rating unit where Council has created divisions for the purpose of remission 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 one unit for setting a rate if those units are:
 - (a) owned by the same person or persons; and
 - (b) used jointly as a single unit; and
 - (c) contiguous or separated only by a road, railway, drain, water race, river, or stream.

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

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

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

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

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

Forecast Council Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	5,465	5,673	6,685
Targeted rates (other than a targeted rate for water supply)	13,260	13,900	12,724
Subsidies & grants for operating purposes	3,838	3,957	3,744
Fees, charges, and targeted rates for water supply	3,937	4,059	4,428
Interest and dividends from investments	390	467	662
Local authorities fuel tax, fines, infringement fees, and other receipts	177	197	259
Total Operating Funding	27,067	28,253	28,502
Applications of Operating Funding			
Payment to staff and suppliers	20,014	20,761	21,087
Finance costs	490	638	530
Total Applications of Operating Funding	20,504	21,399	21,617
Surplus (Deficit) of Operating Funding	6,563	6,854	6,885
Sources of Capital Funding			
Subsidies and grants for capital expenditure	4,149	6,541	6,352
Increase (decrease) in debt	4,009	454	1,214
Gross proceeds from sale of assets	-	530	-
Total Sources of Capital Funding	8,158	7,525	7,566

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Applications of Capital Funding			
Capital Expenditure:			
- to meet additional demand	56	38	84
- to improve the level of service	6,607	6,755	7,460
- to replace existing assets	7,552	7,318	7,431
Increase (decrease) in reserves	2,302	2,268	2,475
Increase (decrease) of investments	(1,796)	(2,000)	(3,000)
Total Applications of Capital Funding	14,721	14,379	14,450
Surplus (Deficit) of Capital Funding	(6,563)	(6,854)	6,885
Funding Balance	-	-	-



Reconciliation Funding Impact Statement to Comprehensive Income

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Income			
Prospective Statement of Comprehensive Income			
Rates	18,725	19,573	19,408
Grants and subsidies	7,987	10,498	10,096
Fees and charges	3,937	4,059	4,428
Finance income	140	158	352
Dividend and subvention revenue	250	310	310
Other revenue	177	197	337
Total Operating Income	31,216	34,795	34,931
Summary Funding Impact Statement			
Sources of Operating Funding			
Total operating funding	27,067	28,253	28,502
Add sources of capital funding:			
- Subsidies and grants for capital expenditure	4,149	6,541	6,352
- Investment (gains/losses)	-	-	77
Total Revenue	31,216	34,795	34,931

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Expenditure			
Prospective Statement of Comprehensive Income			
Operating expenditure	30,802	32,292	33,553
Total application of operating funding	20,504	21,399	21,617
Add depreciation and amortisation expense	10,296	10,888	11,935
Add non cash entries	2	5	-
Total Expenditure	30,802	32,292	33,553

Summary of Rates by Charges

Rates by the dollar (including GST)

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Limit on General Rates: 30% Cap of Total Rates	27.7%	28.5%	28.7%
Uniform Annual General Charge	437.00	461.00	460.00
General Land Value Rate In Dollar	0.00073681	0.00067512	0.00065035
Targeted Uniform Rate - Libraries & Swimming Pools	163.00	169.00	168.39
Specified Services Targeted Differential - Land Value Rate			
- Rural	0.00009233	0.00009388	0.00009763
- Urban	0.00312520	0.00311459	0.00291188
Specified Services Targeted Differential - Capital Value Rate			
- Industrial Commercial RURAL	0.00089527	0.00095126	0.00094444
- Industrial Commercial URBAN	0.00132568	0.00137941	0.00128644
Refuse & Recycling Targeted Differential Rate			
- Rural	29.00	34.00	38.10
- Urban	86.00	101.00	112.99
- Industrial Commercial	236.00	278.00	327.21
Roading Land Value Rate - District-Wide	0.00202126	0.00210785	0.00212696
Roading Targeted Differential Uniform Rate			
- Rural	284.00	296.00	300.13
- Urban	45.00	47.00	46.96
- Industrial Commercial	98.00	103.00	104.59

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Footpath Special Development Targeted Differential Uniform Rate			
Dannevirke Town Centre Refurbishment			
- North Ward	18.00	18.00	17.87
- South Ward	15.00	15.00	14.55
Woodville Town Centre Refurbishment			
- North Ward	11.00	15.00	12.08
- South Ward	14.00	19.00	14.97
Urban Wastewater (95% of net cost including all loan costs) – includes Residential, Educational Establishments and Multi-unit Residential Properties			
Per connected water closet/urinal (Residential Households receive only one charge)			
Urban Wastewater Targeted Differential Rate			
- Full Charge	420.00	460.00	420.61
- Half Charge	210.00	230.00	210.30
- For Connected Multiple Use	138.00	151.00	138.80
Urban Stormwater Targeted Uniform Rate	166.00	174.00	174.73
Urban Water Targeted Uniform Rate			
- Full Charge	318.00	347.00	339.25
- Half Charge	159.00	173.50	169.63
Pongaroa Water Targeted Uniform Rate	90.00	93.00	93.00



Summary of Rates by Total

Total Rates for each Class of Rates (excluding GST)

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Uniform Annual General Charge	3,428,360	3,616,645	3,615,834
General Land Value Rate in Dollar	1,845,246	1,690,755	1,633,804
Targeted Uniform Rate - Libraries & Swimming Pools	1,278,771	1,325,842	1,323,656
Specified Services Targeted Differential - Land Value Rate			
- Rural	214,234	217,834	227,158
- Urban	465,180	463,602	434,517
Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial			
- Rural	88,426	93,956	93,728
- Urban	258,476	268,950	264,789
Refuse & Recycling Targeted Differential Rate			
- Rural	107,704	126,274	141,979
- Urban	325,081	381,781	425,936
- Industrial Commercial	108,561	127,881	141,979
Roading Land Value Rate - District-Wide	5,061,939	5,278,799	5,342,737
Roading Targeted Differential Uniform Rate			
- Rural	1,053,023	1,097,517	1,115,296
- Urban	166,070	173,451	173,639
- Industrial Commercial	43,803	46,038	46,479
Footpath Special Development Targeted Differential Uniform Rate			
Dannevirke Town Centre Refurbishment			
- North Ward	49,102	49,102	48,897
- South Ward	43,188	43,188	42,000

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Woodville Town Centre Refurbishment			
- North Ward	46,096	62,858	50,739
- South Ward	50,803	68,946	54,524
Urban Wastewater Targeted Uniform Rate			
- Full Charge	1,901,688	2,082,801	1,912,478
- Half Charge	29,219	32,001	22,310
- For Connected Multiple Use	36,721	40,180	36,933
Urban Stormwater General Targeted Uniform Rate	690,994	724,295	728,172
Urban Water Targeted Uniform Rate			
- Full Charge	1,347,768	1,470,678	1,444,928
- Half Charge	22,123	24,140	20,503
Pongaroa Water Targeted Uniform Rate	62,923	65,020	65,029
Total to Fund (excluding GST)	18,725,499	19,572,534	19,408,315
Increase in Rates	4.04%	4.52%	3.65%

Rate Funding Requirements

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

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
District Wide General Activities			
Charged through the Uniform Annual General Charge + General Differential Land Value Rate In Dollar			
District & Treasury	(238,423)	(317,594)	(422,387)
Animal Control	10,634	14,409	15,851
Cemeteries	232,481	236,369	249,412
Commercial Property	(6,164)	(6,436)	(16,170)
Community Buildings	744,170	742,601	688,658
Community Support	281,399	289,401	335,842
District Promotion & Development (40% of net cost)	170,707	181,593	182,518
Emergency Management - Civil Defence	174,445	181,289	189,049
Footpaths (15% of net cost)	94,833	94,442	88,148
Health & Safety	321,641	319,300	385,626
Housing (Self Funding)	-	-	-
Parks and Reserves	842,696	897,740	838,869
Public Conveniences	231,292	231,578	227,384
Representation	956,477	1,031,601	1,024,911
Resource Management	379,786	391,040	315,007
Service Centres	541,362	558,905	544,193
Sewerage (5% of total cost excluding loan costs)	82,756	82,946	103,775

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Solid Waste Management: Solid Waste Disposal	453,514	378,216	496,783
Subtotal (excluding GST)	5,273,606	5,307,400	5,249,469
Plus GST	791,041	796,110	787,420
Total to Fund (including GST)	6,064,647	6,103,510	6,036,889
Uniform Annual General Charge			
Number of Chargeable Properties	9,022	9,022	9,033
Total to Fund			
District Wide General Activities - Uniform Annual General Charge - Subtotal (excluding GST)	3,428,360	3,616,645	3,615,834
Plus GST	514,254	542,497	541,985
Total to Fund (including GST)	3,942,614	4,159,142	4,155,219
General Land Value Rate in Dollar			
Total District Rateable Land Value	2,879,998,410	2,879,998,410	2,888,702,060
Total to Fund			
District Wide General Activities - General Land Value Rate in Dollar - Subtotal (excluding GST)	1,845,246	1,690,755	1,633,804
Plus GST	276,787	253,613	245,071
Total to Fund (including GST)	2,122,033	1,944,368	1,878,875



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Targeted Uniform Rate - Libraries & Swimming Pools			
Estimated Number of Rateable Properties	9,022	9,022	9,040
Total to Fund			
Libraries	900,722	928,922	938,116
Swimming Pools	378,049	396,920	385,540
Subtotal (excluding GST)	1,278,771	1,325,842	1,323,656
Plus GST	191,815	198,876	198,548
Total to Fund (including GST)	1,470,586	1,524,718	1,522,204
Specified Services Targeted Differential - Land Value Rate - Rural			
Total Rural Rateable Land Value	2,668,192,560	2,668,192,560	2,675,792,210
Total to Fund			
Emergency Management: Rural Fire Protection (92% of net cost)	214,234	217,834	227,158
Subtotal (excluding GST)	214,234	217,834	227,158
Plus GST	32,135	32,675	34,074
Total to Fund (including GST)	246,369	250,509	261,232

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Specified Services Targeted Differential - Land Value Rate - Urban			
Total Urban Rateable Land Value	171,175,150	171,175,150	171,605,650
Total to Fund			
Emergency Management-: Rural Fire Protection (7% of net cost)	16,300	16,574	17,284
Footpaths (71% of net cost)	448,880	447,028	417,233
Subtotal (excluding GST)	465,180	463,602	434,517
Plus GST	69,777	69,540	65,178
Total to Fund (including GST)	534,957	533,142	499,695
Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial RURAL			
Total Industrial Commercial Rateable Capital Value for Rural	113,585,100	113,585,100	114,128,600
Total to Fund			
Economic Development (20.17% of net cost) - New from 2012/13	86,098	91,589	91,259
Emergency Management-Rural Fire Protection (1% of net cost) - New from 2012/13	2,328	2,367	2,469
Subtotal (excluding GST)	88,426	93,956	93,728
Plus GST	13,264	14,093	14,059
Total to Fund (including GST)	101,690	108,049	107,787

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial URBAN			
Total Industrial Commercial Rateable Capital Value for Urban	224,220,800	224,220,800	236,706,300
Total to Fund			
Economic Development (39.83% of net cost) - New from 2012/13	169,963	180,802	182,518
Footpaths (14% of net cost)	88,513	88,148	82,271
Subtotal (excluding GST)	258,476	268,950	264,789
Plus GST	38,771	40,343	39,718
Total to Fund (including GST)	297,247	309,293	304,507
Refuse & Recycling Targeted Uniform Rate - Rural			
Estimated Number of Rateable Properties	4,271	4,271	4,285
Total to Fund			
Solid Waste Management: Recycling (20% of net cost)	85,477	92,641	101,555
Solid Waste Management: Refuse (20% of net cost)	22,227	33,633	40,424
Subtotal (excluding GST)	107,704	126,274	141,979
Plus GST	16,155	18,940	21,297
Total to Fund (including GST)	123,859	145,214	163,276
Refuse & Recycling Targeted Uniform Rate - Urban			

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Estimated Number of Rateable Properties	4,347	4,347	4,335
Total to Fund			
Solid Waste Management: Recycling (60% of net cost)	258,400	280,881	304,664
Solid Waste Management: Refuse (60% of net cost)	66,681	100,900	121,272
Subtotal (excluding GST)	325,081	381,781	425,936
Plus GST	48,761	57,266	63,890
Total to Fund (including GST)	373,842	439,047	489,826
Refuse & Recycling Targeted Uniform Rate - Industrial Commercial			
Estimated Number of Rateable Properties	529	529	499
Total to Fund			
Solid Waste Management: Recycling (20% of net cost)	86,334	94,248	101,555
Solid Waste Management: Refuse (20% of net cost)	22,227	33,633	40,424
Subtotal (excluding GST)	108,561	127,881	141,979
Plus GST	16,283	19,181	21,297
Total to Fund (including GST)	124,844	147,062	163,276
Roading Land Value Rate - District-Wide			



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Total District Rateable Land Value	2,879,998,410	2,879,998,410	2,888,702,060
Total to Fund			
Roading District-Wide (excludes Footpaths)	6,324,835	6,595,805	6,678,421
Less % Charged through Roothing Fixed Amount Targeted Rates (% is rounded)	20%	20%	20%
Less Total \$ Amount Charged through Roothing Fixed Amount Targeted Rates	(1,262,896)	(1,317,006)	(1,335,684)
Subtotal (excluding GST)	5,061,939	5,278,799	5,342,737
Plus GST	759,291	791,820	801,411
Total to Fund (including GST)	5,821,230	6,070,619	6,144,148
Roothing Targeted Differential Uniform Rate - Rural			
Estimated Number of Rateable Properties	4,264	4,264	4,274
Total to Fund			
Proportion of Capital Value for Sector	83.3%	83.3%	83.3%
Subtotal (excluding GST)	1,053,023	1,097,517	1,115,296
Plus GST	157,953	164,627	167,294
Total to Fund (including GST)	1,210,976	1,262,144	1,282,590
Roothing Targeted Differential Uniform Rate - Urban			

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Estimated Number of Rateable Properties	4,244	4,244	4,252
Total to Fund			
Proportion of Capital Value for Sector	13.2%	13.2%	13.2%
Subtotal (excluding GST)	166,070	173,451	172,639
Plus GST	24,910	26,017	26,046
Total to Fund (including GST)	190,980	199,468	199,685
Roothing Targeted Differential Uniform Rate - Industrial Commercial			
Estimated Number of Rateable Properties	514	514	514
Total to Fund			
Proportion of Capital Value for Sector	3.5%	3.5%	3.5%
Subtotal (excluding GST)	43,803	46,038	46,749
Plus GST	6,569	6,904	7,012
Total to Fund (including GST)	50,372	52,942	53,761
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment North Ward			
Estimated Number of Rateable Properties	3,137	3,137	3,146
Total to Fund			
Subtotal (excluding GST)	49,102	49,102	48,897
Plus GST	7,364	7,364	7,335
Total to Fund (including GST)	56,466	56,466	56,232
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment South Ward			

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Estimated Number of Rateable Properties	3,311	3,311	3,319
Total to Fund			
Subtotal (excluding GST)	43,188	43,188	42,000
Plus GST	6,477	6,477	6,300
Total to Fund (including GST)	49,665	49,665	48,300
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment North Ward			
Estimated Number of Rateable Properties	4,819	4,819	4,830
Total to Fund			
Subtotal (excluding GST)	46,096	62,858	50,739
Plus GST	6,913	9,427	7,611
Total to Fund (including GST)	53,009	72,285	58,350
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment South Ward			
Estimated Number of Rateable Properties	4,173	4,173	4,188
Total to Fund			
Subtotal (excluding GST)	50,803	68,946	54,524
Plus GST	7,619	10,341	8,179
Total to Fund (including GST)	58,422	79,287	62,703
Urban Wastewater Targeted Uniform Rate - Full Charge			
Per connected water closet/urinal -			

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
For Residential households (by law only one charge applies); + Educational Establishments (before remissions) + Multi Unit Residential Properties (one charge for each unit: includes rating units used for separate purposes e.g. rental properties)			
Estimated Number of Rateable Properties	5,207	5,207	5,229
Total to Fund			
Subtotal (excluding GST)	1,901,688	2,082,801	1,912,478
Plus GST	285,252	312,419	286,872
Total to Fund (including GST)	2,186,940	2,395,220	2,199,350
Urban Wastewater Targeted Uniform Rate - Half Charge			
This is a new rate effective from 2012/13. It applies to properties that are within the proximity of the service but remain unconnected.			
Estimated Number of Rateable Properties	160	160	122
Total to Fund			
Subtotal (excluding GST)	29,219	32,001	22,310
Plus GST	4,381	4,799	3,347
Total to Fund (including GST)	33,600	36,800	25,657
Urban Wastewater Targeted Uniform Rate - For Connected Multiple Use			
Per connected water closet/urinal between 4 and 12 (inclusive) in number; & \$0 charge for 13 and above.			



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Estimated Number of Rateable Units	306	306	306
Total to Fund			
Subtotal (excluding GST)	36,721	40,180	36,933
Plus GST	5,507	6,026	5,540
Total to Fund (including GST)	42,228	46,206	42,473
Urban Stormwater Targeted Uniform Rate			
Estimated Number of Rateable Properties to Receive Full Charges	4,787	4,787	4,789
Total to Fund			
Subtotal (excluding GST)	690,994	724,295	728,172
Plus GST	103,648	108,643	109,226
Total to Fund (including GST)	794,642	832,938	837,398
Urban Water Targeted Uniform Rate - Full Charge			
Estimated Number of Rateable Properties to Receive Full Charges	4,874	4,874	4,898
Total to Fund			
Subtotal (excluding GST)	1,347,768	1,470,678	1,444,928
Plus GST	202,164	220,600	216,739
Total to Fund (including GST)	1,549,932	1,691,278	1,661,667
Urban Water Targeted Uniform Rate - Half Charge			
Estimated Number of Rateable Properties to Receive Half Charges	160	160	139

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Total to Fund			
Subtotal (excluding GST)	22,123	24,140	20,503
Plus GST	3,317	3,620	3,075
Total to Fund (including GST)	25,440	27,760	23,578
Pongaroa Water Targeted Uniform Rate			
Estimated Number of Rateable Properties	804	804	804
Total to Fund			
Subtotal (excluding GST)	62,923	65,020	65,029
Plus GST	9,437	9,752	9,754
Total to Fund (including GST)	72,360	74,772	74,783
Total of all Rates			
Total to Fund (excluding GST)	18,725,499	19,572,534	19,408,315
Plus GST	2,808,804	2,935,860	2,911,247
Total to Fund (including GST)	21,534,303	22,508,394	22,319,562

Summary of Rates by Activity

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
District Treasury	(238,423)	(317,594)	(422,387)
Animal Control	10,634	14,409	15,851
Cemeteries	232,481	236,369	249,412
Commercial Investments	(6,164)	(6,436)	(16,170)
Community Buildings	744,170	742,601	688,658
Community Support	281,399	289,401	335,842
District Promotion & Development	170,707	181,593	166,901
Economic Development	256,061	272,391	289,394
Emergency Management - Civil Defence	174,445	181,289	189,049
Emergency Management - Rural Fire Protection	232,862	236,775	246,911
Footpaths	821,415	853,712	783,982
Health & Safety	321,641	319,300	385,626
Housing	-	-	-
Libraries	900,722	928,922	938,116
Parks and Reserves	842,696	897,740	838,869
Public Conveniences	231,292	231,578	227,384
Representation	956,477	1,031,601	1,024,911
Resource Management	379,786	391,040	315,007

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Roading	6,324,835	6,595,805	6,678,421
Service Centres	541,362	558,905	544,193
Solid Waste Management	994,860	1,014,152	1,208,676
Stormwater	690,994	724,295	728,172
Swimming Pools	378,049	396,920	385,540
Wastewater	2,050,384	2,237,928	2,075,496
Water	1,432,814	1,559,838	1,530,460
Subtotal	18,725,499	19,572,534	19,408,314
Rate Increase %	4.04%	4.52%	3.65%



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, Chief Financial Officer, 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 three 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 – QEII Covenants

Objectives of the Policy

- 5.1 To recognise and support the environmental value of such protected areas.
- 5.2 To acknowledge the non-commercial use of such protected land.

Conditions and Criteria

- 5.3 The extent of the rates remission if approved is to be 100%
- 5.4 Applications are to received in writing requesting rates relief be given to areas protected by the registration of a QEII Open Space Covenant.
- 5.5 No buildings dwellings or batches of any type are to exist or allowed to be erected.
- 5.6 Pest eradication shall be primarily the responsibility of the owner.
- 5.7 No portion of the covenanted area is to be developed or utilised in any way for commercial purposes. This includes generating income for maintenance of the covenanted area.

6. Remissions – School Sewerage Charges

Objectives

- 6.1 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.

Conditions and Criteria

- 6.2 Schools must meet the definition of an "Educational Establishment" as defined under Schedule 1 para 6(5) of the Local Government (Rating) Act 2002.

- 6.3 Council will remit sewerage rates, upon submission of application, the amount of which will be arrived at by subtracting the sum of calculation (b) from the sum of calculation (a).
- 6.4 Calculation (a): Councils standard sewerage charge (based on the number of water closets/urinals).
- 6.5 Calculation (b): the number of full time equivalent on-site students and staff divided by 20 and multiplied by the Uniform Annual Charge for Sewerage.
- 6.6 If the sum of calculation (b) is greater than (a) then no remission will accrues.
- 6.7 The Council calculation, for practical reasons will be assessed as at 1 March each year.
- 6.8 Discretion is delegated to Council Officers to determine the fairness of the numbers of staff and students.
- 6.9 Annual reapplication is required.

7. Remissions – Rating of Community, Sporting and Other Non Profit Organisations

This remission applies to owners where they meet the following objectives and operate as non-commercial/non-profit/non-business operations. The criteria are assessed as at 1 July for the new rating year.

Objectives of the Policy

- 7.1 To facilitate the ongoing provision of community services that meets the needs of Tararua district residents.
- 7.2 To facilitate the ongoing provision of recreational opportunities for Tararua district residents.
- 7.3 Assist the organisation's survival; and
- 7.4 Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

- 7.5 The Council may remit rates where the application meets the following criteria:



- 7.6 The extent of any remission to any qualifying organisation shall be 100% of the amount of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) component of its rates.
- 7.7 The policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
- 7.8 The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
- 7.9 The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
- 7.10 The application for rate remission must be made to the Council prior to the commencement of the rating year; applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.
- 7.11 Annual re-application required.
- 7.12 Organisations making application should include the following documents in support of their application:
 - Statement of objectives;
 - Full financial accounts at the most recent balance date;
 - Other information as may be requested

8. Remission for Non-Contiguous Rating Units Owned by the Same Owner

Objectives

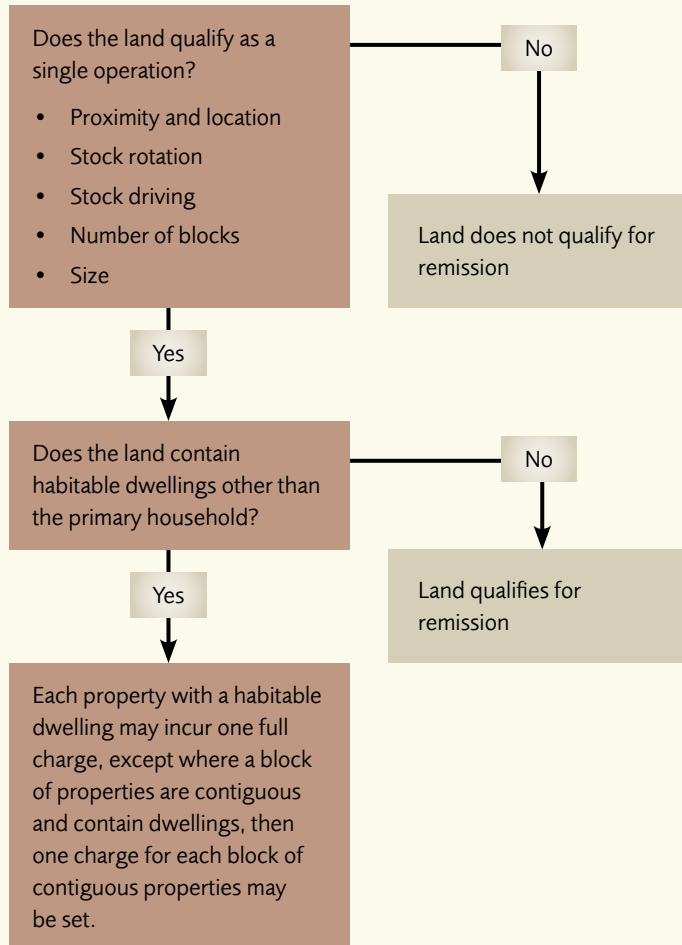
- 8.1 To provide for relief from uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount

targeted rate) for rural land which is non-contiguous, farmed as a single entity and owned by the same owner.

Conditions and Criteria

- 8.2 Rate remission to the extent of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) will be given on non-contiguous rating units. The ratepayer will remain liable for at least one uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate).
- 8.3 The same owner must own the rating units on which remission is to be given.
- 8.4 The land must be classified as "rural" for differential purposes
- 8.5 Only one dwelling may exist among all the rating units.
- 8.6 Application must be submitted on the required form.
- 8.7 The remission of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) shall begin to apply in the following financial quarter in which the application is received.
- 8.8 Refer to the 'Non-Contiguous Rating Units Owned by the Same Owner Remissions Flowchart' in this document for an overview of general guidelines.
- 8.9 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.

Non-contiguous Rating Units Owned by the Same Owner Remissions Flowchart



9. Rates Remission for Leases

Objectives

- 9.1 To apply a remission of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) and Special Development Loan(s) for rural land on a fair and equitable basis to ratepayers where they are paying these charges on another property.
- 9.2 Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as one unit for setting a rate if the units are:
 1. In the same ownership; and
 2. Used jointly as a single unit; and
 3. Contiguous or separated by a road, railway, drain, water race, river or stream.
- 9.3 This Policy provides for the possibility of a rates remission where 1 & 3 of the above three conditions are not all met on land classified as rural, but where it is nevertheless considered the rating units would not be treated as separate.
- 9.4 In particular, this policy would provide a remission for the following ratepayers:
 - Where land is leased from other ratepayers where Section 11 of the Local Government (Rating) Act 2002 is met and is used jointly as a single unit.
 - Where land is leased from Maori Trustees where the term of the lease is more than 3 years but less than 10 years thus not meeting section 11 and is used jointly as a single unit .
 - Where a ratepayer is maintaining and paying rates on land where the owner is untraceable i.e. Abandoned Land and is used jointly as a single unit.

Conditions and Criteria

- 9.5 Rate remission to the extent of the uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) and Special Development Loan(s) and will be given on contiguous and non-contiguous rating units. The ratepayer will remain liable for at least one uniform charges (UAGC, Roading UTR, libraries and swimming pools

uniform charges and the refuse and recycling fixed amount targeted rate) and Special Development Loan(s) on rating units they own.

- 9.6 The land must be classified as "rural" for differential purposes.
- 9.7 Only one dwelling may exist among all the rating units.
- 9.8 Application must be submitted on the required form and the lease agreement provided to Council.
- 9.9 The remission of the UAGC shall begin to apply in the following financial quarter in which the application is received.
- 9.10 Where the land is considered abandoned the lessee must keep their own rates current – the remission will cease at 30 June if rates are still owing by the lessee at this date.
- 9.11 The remission will cease at 30 June if the following occurs:
- The rating unit the remission is made in conjunction with is sold or the leased rating unit is sold.
 - The lease on the rating unit is cancelled.
- 9.12 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.
- 9.13 The lessee(s) of the rating units will be entered into the Council's Rating Database and the rates issued to the lessee to enable justification of remissions to the other rating units applied in conjunction with.

10. Rates Remission for Uneconomical Lots

Objectives

- 10.1 To apply a remission of 50% on uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) on uneconomic rural properties.
- 10.2 This policy recognises that low value properties (generally very small) have been adversely impacted by the increase in targeted rates for rural properties.

Conditions and Criteria

- 10.3 Rate remission to the extent to 50% on uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate).
- 10.4 The land must be classified as "rural" for differential purposes.
- 10.5 No dwelling may exist in the rating unit.
- 10.6 Land value less than \$10,000.
- 10.7 Application must be submitted on the required form and submitted to Council before 30 June.
- 10.8 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.

11. Rates Remission for Subdivisions

Objectives

- 11.1 To support the development and holding of subdivision land for residential and rural lots by remitting uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) on unsold development land where each separate lot or title is treated as a separate Rating Unit.

Conditions and Criteria

- 11.2 This remission applies to unsold subdivided land, where as a result of the High Court decision of 20 November 2000 "Neil Construction and others vs North Shore City Council and others", each separate lot or title is treated as a separate Rating Unit, and such land is implied to be not used as a single unit.
- 11.3 The rating units on which remission is applied must be owned by the same ratepayer.
- 11.4 Rate remission to the extent of uniform charges (UAGC, Roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate) for unsold subdivided land.

- 11.5 Remission shall cease for any allotment if any interest in the land is passed by the developer to another party. Remission ceases from the end of the quarter in which the change in title occur.
- 11.6 Application must be submitted on the required form and submitted to Council before 30 June.
- 11.7 The ratepayer will remain liable for at least one UAGC, roading UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount targeted rate.
- 11.8 Remissions will not apply to Water and Sewerage targeted rates.
- 11.9 Each application will be considered in line with the general guidelines however individual circumstances may vary and could reflect on the final decision.

- 12.2 Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit; and
- 12.3 It is applicable for each single event and does not apply to erosion, subsidence etc that may have occurred without a recognised major event; and
- 12.4 Where the Government has established a reimbursement scheme for rates relief in respect of such properties; or
- 12.5 The Council can set additional criteria for each event. This is because the criteria may change depending on the nature and severity of the event and available funding at the time. The Council may require financial or other records to be provided as part of the remission approval process.

12. Remission of Rates on Land Affected by Natural Calamity

Objectives of the Policy

- 12.1 To assist ratepayers experiencing financial hardship due to a natural calamity.

Conditions and Criteria

Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

The Council may remit all or part of any rate on any rating unit where the application meets the following criteria:

13. Policy on Rates Postponements

Council does not provide rates postponements.

14. Policy on Remission of Rates on Maori Freehold Land

Council does not provide remission of rates on Maori freehold land.

15. Policy on Postponement of Rates on Maori Freehold Land

Council does not provide postponement of rates on Maori freehold land.

Prospective Financial Statements

Guide to the Financial Statements

Within this section, you will find the financial detail of the Annual Plan. This has been used throughout the document to provide the dollar values from individual activities, to activity groups and finally the overall position of the Council.

In the interests of transparency we provide two sets of financial information:

- The usual Generally Accepted Accounting Principles (GAAP) regulated statements of financial position, comprehensive income and the like; and
- A funding impact statement.

Key differences between these two sets of information are that GAAP regulated financial statements as the name suggests must adhere to GAAP requirements.

The Funding Impact Statement (FIS) is intended to make the sources and applications of Council funds more transparent to its stakeholders than might be the case if only the usual GAAP financial statements were provided.

As such the Funding Impact Statement is meant to show only flows of funding and therefore exclude vested assets, revaluations and depreciation. It is therefore, by necessity, exempt from the GAAP requirements but it must follow a prescribed format.

What the Funding Impact Statement attempts to do is:

- link the Council's Revenue and Financing Policy, the annual setting of rates, fees and the annual borrowing requirement;
- set out the revenue and financing mechanisms that will be used in each year along with an indicative level or amount of funds to come from each mechanism; and

- show the planned application of funds in each year.

This section of the 10 Year Plan specifically contains the following information:

Financial Statements

Prospective Statement of Comprehensive Income

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

Prospective Statement of Changes in Equity

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

Prospective Statement of Financial Position

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



Prospective Statement of Cash Flows

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

Statement of Capital expenditure

Provides a list of all capital projects by activities for the full 10 years.

Statement of Reserves and Special Funds

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

Funding Impact Statement

This statement explains how the Council collects revenue and finances its activities. It includes rates, subsidies and grants, fees and charges, interest and dividends and other revenue.

Prospective Statement of Comprehensive Income

For the 2013/14 Financial Year

(\$000's)	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Planned Income / Expenditure				
Operating Transactions				
Rates	18,725	19,573	19,408	(165)
Subsidies	7,987	10,498	10,096	(402)
Fees & Charges	3,937	4,059	4,428	369
Finance Income	140	158	310	-
Dividend & Subvention Income	250	310	352	194
Miscellaneous Income	177	197	337	292
Total Income	31,216	34,795	34,931	136
Expenditure				
Operating Expenses	15,359	16,002	16,216	(214)
Depreciation and amortisation	10,296	10,888	11,935	(1,047)
Employee Benefit Costs	4,657	4,764	4,870	(106)
Finance Costs	490	638	530	108
Total Operating Expenditure	30,802	32,292	33,553	(1,261)
Operating Surplus/(Deficit)	414	2,503	1,378	(1,125)
Other Comprehensive Income				
Gains on assets revaluations	30,644	26,855	28,177	(1,322)
Other Comprehensive Income Subtotal	30,644	26,855	28,177	(1,322)
Total Comprehensive Income	31,058	29,358	29,555	(197)



Prospective Statement of Changes in Equity

As at 30 June for the 2013/14 Financial Year

(\$000's)	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Equity at 1 July	842,411	873,469	907,428	33,959
Total recognised Comprehensive Income for the period	31,058	29,358	29,555	197
Equity at 30 June	873,469	902,827	936,984	34,157
Detailed Changes				
Accumulated Funds				
Balance at 1 July	361,693	359,810	361,217	1,407
Net Surplus (Deficit) after Tax for the Year	414	2,503	1,378	(1,125)
Transfers from Equity to Special Reserves	(2,297)	(2,275)	(2,271)	4
Balance at 30 June	359,810	360,038	359,619	(419)
Asset Revaluation Reserves				
Balance at 1 July	466,648	497,292	528,377	31,364
Increase in Revaluation Reserves	30,644	26,855	28,177	1,735
Balance at 30 June	497,292	524,147	556,554	33,099
Special Funded Reserves				
Balance at 1 July	14,040	16,337	18,300	1,963
Increase in Special Reserves	2,297	2,275	2,459	184
Balance at 30 June	16,337	18,612	20,759	2,147
Trust Funds				
Balance at 1 July	30	30	52	22
Increase in Trust Funds	-	-	-	-
Balance at 30 June	30	30	52	22
Equity at 30 June	873,469	902,827	936,984	34,157

* Opening balances for the Annual Plan are different from 2012/13 Annual Plan closing balance because the opening balance takes into account actual balance as at May 2013 and the forecast expenditure and revenue to 30 June 2013.

Prospective Statement of Financial Position

As at 30 June for the 2013/14 Financial Year

(\$000's)	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Assets				
Current Assets				
Cash & Cash Equivalents	319	306	946	640
Debtors & Other Receivables	2,161	2,270	2,864	594
Other Financial Assets	4,506	4,774	6,675	1,901
Inventories	93	93	316	223
Assets held for sale	-	-	241	241
Total Current Assets	7,079	7,443	11,042	3,599
Non-Current Assets				
Other Financial Assets*	5,254	5,254	1,846	1,423
Investment Property	411	423	826	826
Biological Assets	-	-	5,193	45
Intangible Assets	533	618	802	184
Property, Plant & Equipment - Operational	29,967	31,015	31,387	372
Property, Plant & Equipment - Infrastructure	844,566	872,983	896,380	23,397
Property, Plant & Equipment - Restricted	5,178	5,178	5,178	-
Total Non-Current Assets	885,909	915,471	941,612	26,141
Total Assets	892,988	922,914	952,654	29,740

* Other financial assets are made up of Council's investment in Infracore Limited and NZ Local Government Insurance Corporation Limited.



(\$000's)	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Liabilities				
Current Liabilities				
Trade & Other Payables	3,767	3,866	2,532	1,333
Borrowings - Current	4,000	4,000	2,000	2,000
Employee Benefit Liabilities	298	311	539	(228)
Total Current Liabilities	8,065	8,177	5,071	3,105
Non-Current Liabilities				
Borrowings - Non-current	10,009	10,462	9,214	1,248
Employee Benefit Liabilities	107	110	87	23
Provision for Landfill Aftercare	672	672	591	75
Tenant Contributions	666	666	707	(35)
Total Term Liabilities	11,454	11,910	10,599	1,311
Total Liabilities	19,519	20,087	15,670	4,416
Equity				
Retained Earnings	359,810	360,038	359,619	419
Asset Revaluation Reserves	497,292	524,147	556,554	(33,099)
Special Funded Reserves	16,337	18,612	20,759	(2,147)
Trust Funds	30	30	52	(22)
Total Equity	873,469	902,827	936,984	(34,157)
Total Liabilities & Equity	892,988	922,914	952,654	(29,740)

Prospective Statement of Cash Flow

For the 2013/14 Financial Year

(\$000's)	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Cash Flows from Operating Activities				
Cash is provided from:				
Rates	18,725	19,573	19,408	(165)
Grants & Subsidies	7,987	10,498	10,096	(402)
Fees and Charges	3,937	4,059	4,428	369
Finance Income	140	158	352	194
Dividend & Subvention Revenue	250	310	310	-
Other Revenue	177	197	259	62
Total	31,216	34,795	34,853	58
Cash is applied to:				
Payments Staff & Suppliers	20,014	20,775	21,087	(312)
Finance Costs	490	638	530	108
Total	20,504	21,413	21,617	(204)
Net cash from operating activities	10,712	13,382	13,236	(146)



(\$000's)	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Cash Flows from Investing Activities				
Sale of fixed assets	-	530	-	(530)
Proceeds from investments realised	1,796	2,000	3,000	1,000
Total	1,796	2,530	3,000	470
Cash is applied to:				
Purchase of fixed assets	14,215	14,111	14,975	(864)
Purchase of investments	2,302	2,268	2,475	(207)
Total	16,517	16,379	17,450	(1,071)
Net cash from investing activities	(14,721)	(13,849)	(14,450)	1,541
Cash Flows from Financing Activities				
Cash is provided from:				
Loans raised	9,009	4,454	4,214	(240)
Total	9,009	4,454	4,214	(240)
Cash is applied to:				
Repayment of loans	5,000	4,000	3,000	1,000
Total	5,000	4,000	3,000	1,000
Net cash from financing activities	4,009	454	1,214	(1,240)
Net (decrease)/increase in cash held	-	(13)	-	13
Total cash & cash equivalent resources at beginning	319	319	946	627
Total cash resources at Year End	319	306	946	640

* Cash and cash equivalent opening balances for Annual Plan are different from 2012/13 Annual Plan closing balance because the opening balance takes into account actual balance as at May 2013 and the forecast expenditure and revenue to 30 June 2013.

Note 1: Statement of Reserves and Special Funds

Reserves

The Council has an obligation to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community; and to act in the best interest of its ratepayer.

The management of reserves forms an integral component of meeting these obligations.

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest.

Council has 25 reserves of which 24 are Council created discretionary reserves which the council has established for the fair and transparent use of monies. Reserves are not separately held in cash and the funds are managed as part of the council's treasury management.

These reserves are disaggregated into the following categories:

- Depreciation reserves.
- Special reserves (which is broken down into other special reserves).
- Trust Funds.

Depreciation Reserves

The Council's assets are depreciate as they are consumed. As such, the cost of this depreciation is passed on to the consumer through either rates or fees and charges. There will normally be a timing difference between the collection of this depreciation charge and the utilisation of it to fund renewal capital works. This will create movements in these reserves.

Description	Purpose of Fund	Opening Balance 2013/14 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2013/14 ('000)
Council Depreciation	To receive depreciation funded each financial year, less any outgoings to pay for capital renewal of assets or debt prepayment for amount borrowed to fund capital development. This is the only reserve that can be used to fund internal borrowing.	11,729	10,861	(8,451)	14,139
Makuri Water Scheme	To establish a depreciation reserve to fund the renewal of assets for this scheme.	7	-	-	7
Pongaroa Water Supply Depreciation	To establish a depreciation reserve to fund the renewal of assets for this scheme.	197	22	-	219
Tararua Aquatic Community Trust Wai Splash Depreciation	To establish a depreciation reserve to fund the renewal of major assets.	87	78	(5)	160
Bush Multisport Depreciation	To establish a depreciation reserve to fund the renewal of major assets.	75	-	(19)	56
Engineering Services (Consultancy) Depreciation	Depreciation fund to receive depreciation funded each financial year for the Engineering Services activity, less any outgoings to pay for capital renewal of assets or debt prepayment for amount borrowed to fund capital development.	61	58	-	119
Total		12,156	11,019	(8,475)	14,700

Special Funded Reserves

The value of these reserves funds is that they allow projects to precede without distortion in the revenue patterns particularly rates. The reserve also provide a useful source of funds for an unforeseen requirement.

Council authorises the establishment of special funds and process for accumulating and utilising special funds. Approvals of specific uses are set out in this Annual Plan, or in Council decisions.

Description	Purpose of Fund	Opening Balance 2013/14 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2013/14 ('000)
Tararua General Purpose	<p>Created for financing specific projects which shall be determined at Council's discretion.</p> <p>This reserve is also to receive:</p> <ul style="list-style-type: none"> • Proceeds from sale or disposal of assets where a particular function is discontinued, and for property sales. • Insurance monies received when buildings or property are damaged and not reinstated. • Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest. • Residual of all existing reserves which have outlived their original purpose and could therefore be usefully merged as a general purpose fund and so classified. 	1,710	80	(428)	1,412
Tararua Emergency Roading	To provide funds to re-establish the district's infrastructural assets following a disaster, together with funds received from Central Government. There is no plan to use this reserve other than if a disaster occurs.	2,290	123	-	2,413
Tararua Gratuity	This reserve is for staff who have qualified or qualify for gratuities.	213	-	(3)	210

Description	Purpose of Fund	Opening Balance 2013/14 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2013/14 ('000)
Tararua Housing	To account for any surplus from the housing activity and proceeds from sales/disposal of housing assets. These reserves will be used solely for the Housing activity.	361	411	(591)	181
Dannevirke Airport Authority	To account for any surplus from Dannevirke Aerodrome and proceeds from sales/disposal of Dannevirke Aerodrome assets. This reserve will be used solely for operation and capital expenditure for Dannevirke Aerodrome.	-	-	-	-
District Wide Cemetery	To accumulate funds from the purchase of cemeteries plots in the District. This reserve will be used solely for operation and capital expenditure for the Cemeteries activity.	68	4	-	72
Recreation Grant	To accumulate funds to support recreational projects in the district.	40	20	(13)	47
Tenant Contribution (Debt Repayment)	To account for and refund tenant contributions for leasing of Council's housing properties.	707	-	-	707
Heritage Reserve	To accumulate funds to be used to further the District land use outcomes. The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 2: Schedule of Heritage Resources.	36	10	(15)	31
Engineering Services (Consultancy) General	To account for surplus or deficit for Engineering Service's operations and consultancy work. Balance is this reserve may be used to assist in funding this activity's operations cost, if required.	120	56	(50)	126

Description	Purpose of Fund	Opening Balance 2013/14 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2013/14 ('000)
Biodiversity Protection	<p>To support:</p> <ul style="list-style-type: none"> • Sustainable management of the district's natural and physical environment • Protection and enhancement of the community's environment values <p>The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 3: Schedule of Natural Features (significant tress, vegetation and habitats landscapes).</p>	-	10	(5)	5
Forestry	To account for surpluses for forestry related expenses, as this activity is self-funding.	100	199	-	299
Election	To account for elections funds rate funded each year to spread out election cost in each lection year.	9	20	(30)	(1)
LAPP Disaster Fund	This reserve is created to accumulate funds to pay for Council's share of the mutual insurance liability under LAPP in the event of a major event experienced by LAPP member councils.	62	61	-	123
Waste Management Fund	To account for the waste management levies received. This reserve will be solely used to fund specific projects for this activity.	-	-	-	-
Domain Boards Bank Balances	To account for the bank balances of the Domain Board in trust.	376	17	-	393
Total		6,142	1,051	(1,135)	6,058

Trust Funds

This special reserves are set up to receive bequest received from communities in the district for specific purpose. These funds are held in Trust for these specific purposes.

Description	Purpose of Fund	Opening Balance 2013/14 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2013/14 ('000)
Arts Council of New Zealand	To account for the annual grant that we receive from Creative New Zealand for allocation to support arts and cultural projects.	2	-	-	2
Mayoral Storm Relief Fund	To account for government assistance that Council receives to provide support (mainly for the welfare of farmers and businesses) major disruption in the Manawatu/Wanganui region.	9	-	-	9
Ormondville Play ground	Funds held on behalf of the Ormondville community to purchase playground equipment in the town.	1	-	-	1
Pahiatua Heritage Trust	Funds left over from the old Pahiatua Arts Council that has since been wound up. Will be used towards Heritage assets in the district.	19	-	-	19
Dannevirke Fairbrother Trust	Funds bequest by the Trust for projects that benefit the Dannevirke community.	20	-	(19)	1
Dannevirke urban campsite	Funds held on behalf of Dannevirke community for the urban campsite.	1	-	-	1
Total		52	-	19	33

Note 2: Depreciation Expense by Group of Activity

(\$000's)	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Building Communities & Leadership	4	4	4	-
Community & Recreation Facilities	1,096	1,106	1,790	(684)
District Promotion & Economic Development	32	35	45	(10)
Regulatory Services	112	115	98	17
Roading & Footpaths	6,906	7,213	7,678	(465)
Solid Waste Management	327	331	320	11
Stormwater Drainage	193	207	228	(21)
Wastewater	765	882	802	80
Water Supplies	862	994	970	24
Total	10,296	10,888	11,935	(1,047)



Note 3: Capital Expenditure

3a: Capital Projects for Support Activities

	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Level of Service			
Computer software	138	135	3
Total	138	135	3
Renewals			
Business continuity - generator and UPS	29	28	1
Cabling	10	10	-
Motor vehicle ¹	52	75	(23)
Computer hardware	226	221	5
Computer software	36	35	1
Phone system	10	10	-
Photocopiers	50	49	1
Miscellaneous	5	5	-
Total	418	433	(15)
Total Capital Expenditure	556	268	(12)

Variance in Capital Expenditure

¹ Variance is due to change in vehicle replacement schedule.

Other variances are due to cost being lower than the inflation adjusted estimates in the Long Term Plan.

3b: Total Capital Projects

	Long Term Plan 2013/14	Annual Plan 2013/14	Variance
Growth			
Community & Recreation Facilities	38	84	(46)
Total Growth	38	84	(46)
Level of Service			
Community & Recreation Facilities	1,232	1,229	3
District Promotion & Economic Development	26	25	1
Regulatory Services	258	250	8
Roading & Footpaths	2,172	2,107	65
Solid Waste Management	-	100	(100)
Stormwater Drainage	10	10	-
Sewerage	2,942	3,071	(129)
Water Supplies	114	618	(504)
Total Level of Service	6,754	7,544	(790)
Renewals			
Community & Recreation Facilities	744	927	(183)
District Promotion & Economic Development	2	2	-
Regulatory Services	85	3	82
Roading & Footpaths	5,764	5,581	183
Stormwater Drainage	38	38	-
Waste Water	343	481	(138)
Water Supplies	348	399	(51)
Total Renewals	7,325	7,431	(116)
Total Capital Projects	14,116	14,975	(859)



Note 4: Group Funding Impact Statement

4a: Building Communities and Leadership

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	805	900	1,541
Targeted rates (other than a targeted rate for water supply)	433	421	-
Grants & Subsidies Operating	-	-	35
Fees, charges, and targeted rates for water supply	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	79
Internal charges and overheads recovered	-	-	-
Total Operating Funding	1,238	1,336	1,652
Applications of Operating Funding			
Payment to staff and suppliers	780	800	1,071
Finance costs	-	-	-
Internal charges and overheads applied	453	533	556
Total Applications of Operating Funding	1,234	1,332	1,627
(Surplus)/Deficit of Operating Funding	4	4	25
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Total Sources of Capital Funding	-	-	-

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	4	4	25
Increase (decrease) of investments	-	-	-
Total Applications of Capital Funding	4	4	25
Surplus (Deficit) of Capital Funding	(4)	(4)	(25)
Funding Balance	-	-	-

4b: Community and Recreation Facilities

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	2,968	3,144	3,872
Targeted rates (other than a targeted rate for water supply)	907	850	-
Grants & Subsidies Operating	6	6	5
Fees, charges, and targeted rates for water supply	487	503	496
Local authorities fuel tax, fines, infringement fees, and other receipts	162	166	323
Internal charges and overheads recovered	-	-	-
Total Operating Funding	4,531	4,668	4,696

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Applications of Operating Funding			
Payment to staff and suppliers	3,012	3,145	3,004
Finance costs	37	47	53
Internal charges and overheads applied	815	844	847
Total Applications of Operating Funding	3,864	4,036	3,904
(Surplus)/Deficit of Operating Funding	688	633	792
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Increase (decrease) in debt	200	(163)	473
Gross proceeds from sale of assets	-	5,301	515
Total Sources of Capital Funding	200	367	988
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	56	38	84
- to improve the level of service	268	1,095	1,144
- to replace existing assets	448	231	269
Increase (decrease) in reserves	97	(364)	284
Increase (decrease) of investments	-	-	-
Total Applications of Capital Funding	868	1,000	1,781
Surplus (Deficit) of Capital Funding	(668)	(633)	792
Funding Balance	-	-	-

4c: District Promotion and Economic Development

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	107	119	342
Targeted rates (other than a targeted rate for water supply)	314	328	98
Grants & Subsidies Operating	-	-	-
Fees, charges, and targeted rates for water supply	90	93	492
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	29
Internal charges and overheads recovered	-	-	-
Total Operating Funding	465	541	961
Applications of Operating Funding			
Payment to staff and suppliers	411	428	600
Finance costs	-	-	-
Internal charges and overheads applied	85	89	100
Total Applications of Operating Funding	496	517	700
(Surplus)/Deficit of Operating Funding	15	24	261
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Increase (decrease) in debt	-	(2)	(47)
Gross proceeds from sale of assets	-	-	-
Total Sources of Capital Funding	-	(2)	(47)



	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	-	-	
- to improve the level of service	25	26	25
- to replace existing assets	11	2	2
Increase (decrease) in reserves	(21)	(5)	187
Increase (decrease) of investments	-	-	-
Total Applications of Capital Funding	15	22	214
Surplus (Deficit) of Capital Funding	(15)	(24)	(261)
Funding Balance	-	-	-

4d: Regulatory Services

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	576	617	906
Targeted rates (other than a targeted rate for water supply)	543	525	246
Grants & Subsidies Operating	20	20	10
Fees, charges, and targeted rates for water supply	692	711	729
Local authorities fuel tax, fines, infringement fees, and other receipts	2	2	30
Internal charges and overheads recovered	-	-	-
Total Operating Funding	1,833	1,876	1,922

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Applications of Operating Funding			
Payment to staff and suppliers	1,414	1,439	1,461
Finance costs	9	15	14
Internal charges and overheads applied	301	314	335
Total Applications of Operating Funding	1,724	1,768	1,811
(Surplus)/Deficit of Operating Funding	110	108	111
Sources of Capital Funding			
Subsidies and grants for capital expenditure	29	15	-
Increase (decrease) in debt	12	232	188
Gross proceeds from sale of assets	-	-	-
Total Sources of Capital Funding	41	247	188
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	66	258	250
- to replace existing assets	48	3	3
Increase (decrease) in reserves	36	94	46
Increase (decrease) of investments	-	-	-
Total Applications of Capital Funding	150	355	299
Surplus (Deficit) of Capital Funding	(110)	(108)	(111)
Funding Balance	-	-	-



4e: Roading and Footpaths

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	62	64	128
Targeted rates (other than a targeted rate for water supply)	7,085	7,385	7,335
Grants & Subsidies Operating	3,773	3,890	3,653
Fees, charges, and targeted rates for water supply	150	155	150
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	228
Internal charges and overheads recovered	-	-	-
Total Operating Funding	11,070	11,494	11,494
Applications of Operating Funding			
Payment to staff and suppliers	6,445	6,640	6,244
Finance costs	134	135	138
Internal charges and overheads applied	1,166	1,195	1,429
Total Applications of Operating Funding	7,745	7,971	7,811
(Surplus)/Deficit of Operating Funding	3,325	3,523	3,685
Sources of Capital Funding			
Subsidies and grants for capital expenditure	3,415	5,557	5,390
Increase (decrease) in debt	221	(127)	(8)
Gross proceeds from sale of assets	-	-	-
Total Sources of Capital Funding	3,636	5,430	5,382

	Annual Plan 2012/13	Long Term Plan 2013/14	Annual Plan 2013/14
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	447	2,172	2,107
- to replace existing assets	5,631	5,754	5,581
Increase (decrease) in reserves	883	1,027	1,378
Increase (decrease) of investments	-	-	-
Total Applications of Capital Funding	6,961	8,953	9,067
Surplus (Deficit) of Capital Funding	(3,325)	(3,523)	(3,685)
Funding Balance	-	-	-

4f: Solid Waste Management

Refer to page 113.

4f: Stormwater

Refer to page 119.

4h: Wastewater

Refer to page 124.

4i: Water Supplies

Refer to page 130.



Statement of Accounting Policies

Reporting Entity

Tararua District Council (Council) is a New Zealand territorial local authority governed by the Local Government Act 2002.

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 a public benefit 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 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These prospective financial statements have been prepared in accordance with NZ GAAP and NZ IFRS. The prospective financial statements incorporated within the ten year plan have been prepared in compliance with 'Financial Reporting Standards (FRS) 42: Prospective Financial Statements'.

The preparation of prospective financial statements in conformity with NZ IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that

are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, and financial instruments (including derivative instruments).

Functional and Presentation Currency

The financial statements are presented in the functional currency of New Zealand, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$'000).

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Significant Accounting policies

Revenue

Revenue is measured at the fair value of consideration received. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced quarterly within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Contribution Revenue

Development contributions and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Government subsidies

Council receives government grants from NZ 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.

Sale of Goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash.

Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

Interest and Dividends

Dividends are recognised when the right to receive payment has been established.

Interest revenue is recognised using the effective interest method.

Construction Contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the Statement of Comprehensive Income.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.



Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the Prospective Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council will recognise finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts where applicable are shown within borrowings in current liabilities in the statement of financial position.

Trade and Other Receivables

Trade and other receivables are initially measured at 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.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the debtor 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 effective interest method. 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 uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the Prospective Statement of Comprehensive Income.

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 Prospective Statement of Comprehensive Income.

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.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses recognised in the prospective surplus or deficit.

Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each balance date. The resulting gain or loss is recognised in the prospective surplus or deficit as part of finance costs.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits, community and related party loans.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the Prospective Statement of Comprehensive Income.

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 Prospective Statement of Comprehensive Income as a grant.

Held to Maturity Investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the Prospective Statement of Comprehensive Income.

Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. Council's financial assets at fair value through equity comprise local authority stock and investments in quoted and unquoted shares.

Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

Council's investments in 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 equity except for impairment losses, which are recognised in the Prospective Statement of Comprehensive Income. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Prospective Statement of Comprehensive Income.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Impairment of Financial Assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Prospective Statement of Comprehensive Income.

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 Prospective Statement of Comprehensive Income. When the receivable is uncollectable, it is written off against the allowance account.

Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the Council will not be able to collect amounts due to the original terms of the instrument. Significant financial

difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Quoted and Unquoted Equity Investments

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Prospective Statement of Comprehensive Income) is removed from equity and recognised in the Prospective Statement of Comprehensive Income.

Impairment losses recognised in the Prospective Statement of Comprehensive Income on equity investments are not reversed through the Prospective Statement of Comprehensive Income.

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Prospective Statement of Comprehensive Income.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property Plant and Equipment

Property, plant and equipment consist of:

Operational Assets

These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

Infrastructure Assets

Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Restricted Assets

Restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Prospective Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction, investment properties, biological assets, and the museum, art gallery and heritage assets are not depreciated.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset Category	Useful Life	Depreciation Rate
Operational & Restricted Assets		
Buildings	15–80	(1.3%–6.7%)
Computer equipment	3–5	(20%–33%)
Furniture and fittings	5–10	(10%–20%)
Landfill post closure	25–40	(2.5%–4.5%)
Leasehold Development	3–20	(5%–33%)
Library Books	1–10	(10%–100%)
Motor vehicles	5–10	(10%–20%)
Plant and equipment	3–25	(4%–33%)
Swimming pools	15–50	(2%–6.7%)
Infrastructural Assets		
Roading		
Top surface (seal)	15–18	(5.6%–6.7%)
Top Surface (Unsealed)	1	(100%)
Pavement (seal base course)	30–90	(1.1%–3.33%)
Pavement (unsealed base course)	Not depreciated	
Sub-base (Rural)	Not depreciated	
Sub-base (Urban)	40	(2.5%)
Formation	Not depreciated	

Asset Category	Useful Life	Depreciation Rate
Culverts	50–100	(1%–2%)
Kerbing	25–100	(1%–4%)
Footpaths	10–100	(1%–10%)
Signs	8	(12.5%)
Streetlights	12–30	(3.3%–8.3%)
Bridges	50–100	(1%–2%)
Sewerage Network		
Pipes & Manholes	60–120	(0.8%–1.7%)
Treatment Ponds	80	(1.3%)
Pumps	10	(10%)
Flow Monitoring Equipment	10	(10%)
Stormwater		
Pipes	80	(1.3%)
Manholes	100	(1%)
Water Network		
Monitoring Equipment (hardware)	10–20	(5%–10%)
Monitoring Equipment (software)	5	(20%)
Pipes, Hydrants, Valves	50–120	(0.8%–2%)
Treatment Plants	10–100	(1%–10%)
Pumps	15–25	(4%–6.7%)
Tanks	40–100	(1%–2.5%)
Waste Management	2–17	(5.9%–50%)
Items under construction	Non depreciable	

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

Revaluations	Frequency
Infrastructural Assets	Annually
Roads (except land under roads)	Annually
Bridges	Annually
Sewerage	Annually
Stormwater	Annually
Water	Annually
Land	Every 3 years
Restricted Assets	Every 3 years
Buildings	Every 3 years

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Prospective Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Prospective Statement of Comprehensive Income will be recognised first in the Prospective Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems

Infrastructure assets are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. 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.

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, Darrock Limited and the valuation is effective as at 30 June 2012. They are valued on a three yearly cycle.

Land Under Roads

Land under roads, was valued based on fair value of adjacent land as determined by reference to the Council rating data. Subsequently, this has not been revalued.

Unformed or Paper Roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the statement of financial position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to value. In addition there is a very limited market for sale to the surrounding or adjacent property owner, and cannot be measured reliably because of the small individual area of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

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

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.

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.

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 Prospective Statement of Comprehensive Income.

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 years	33%

Forestry Assets

Forestry assets are revalued annually at fair value less estimated point of sale costs. An independent peer review is undertaken of the valuation. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Prospective Statement of Comprehensive Income.

The costs to maintain the forestry assets are included in the Prospective Statement of Comprehensive Income.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the Prospective Statement of Comprehensive Income. Investment properties are not depreciated.

Creditors and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows. 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 Prospective Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Prospective Statement of Comprehensive Income.

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 Prospective Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Prospective Statement of Comprehensive Income.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Prospective Statement of Comprehensive Income.

Livestock

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 Benefits

Short-Term Benefits

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 Benefits

Long Service Leave and Retirement Leave

These are long-term employee benefits that are assessed on an actuarial entitlement basis at current rates of pay.

Council also makes provision for annual leave and sick leave for some Infracon Limited staff. This liability is based on the amount owed to employees at time of the Company's inception.

Superannuation Schemes

Defined Contribution Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Prospective Statement of Comprehensive Income as incurred.

Defined Benefit Schemes

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.



Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability, Council will be required to reimburse a holder for a loss incurred and is disclosed as a contingent liability.

Borrowing

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Accumulated funds
- Revaluation reserves
- Special funded reserves
- Trust funds

Special Funded and Council Created Reserves

Special funded reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Council's Treasury Policies and Long Term 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.

Cost Allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using specific cost driver.

Statement of Cash Flows

Cash means cash and cash equivalent balances on hand, held in bank accounts, demand deposits and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Council invests such assets as part of its day to day cash management.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. They include cash received from all revenue sources (such as rates, taxes and government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of non-current assets, which are intended to generate future income and cash flows. Investing and financing activity transactions have had their respective sources and applications of cash netted off where roll over of financing has occurred and where there have been transfers between Council bank accounts.

Financing activities comprise activities that change the equity and debt capital structure of the Council.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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 Prospective 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 2012-2022.

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.

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 Long Term 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

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 Council.

The actual results achieved for any particular financial year is also likely to vary from the information presented, and may vary materially depending on the circumstances that arise during the period.

No actual results have been incorporated within the prospective financial statements.

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. The final plan will be adopted 27 June 2012.

Authorisation for Issue

The Council is responsible for these prospective financial statements, underlying assumptions and other related disclosures.

This document was authorised by Council and is dated 26 June 2013.

Rounding

There will be rounding of numbers in the Plan as the model used calculates to the dollar but the Plan is rounded to the nearest thousands.

Annual Plan Significant Forecasting Assumptions and Risks

The assumptions made by Council in preparing this Annual Plan form an important part of the financial forecasts. These assumptions include the number of properties requiring Council services, the cost of borrowing to fund new infrastructure, cost increases for a range of materials and services and other major factors outside of Council control such as climate change and government legislation. Schedule 10 (section 17) 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 Annual Plan. The assumptions ensure that all estimates and forecasts are made on the same basis across all Council activities. The assumptions underlying the prospective financial information are as at 30 June 2014.



Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Population growth - Council has projected that over the 10 years, the district population will increase slightly by 1% with the total population in 2022 at 17,800 compared to 17,634 estimated in 2012.	Population growth is significantly higher than assumed.	Low	Low	Significantly higher population growth will put pressure on existing infrastructure and Services. Council will need to find ways of raising additional extra revenue required to meet the increase level of service due to growth or consider lower levels of service.	Higher than expected population growth will mean Council's rating base will increase allowing Council to collect more rates while maintaining the same level of rates. Council's balance sheet also has sufficient capacity to meet increase levels of service due to growth.
	Population in the district will significantly decline.	Medium	Medium	A significant decrease in district population would mean a smaller ratepayer base will be expected to meet the increasing infrastructure cost or will Council will need to reduce the lower level of service to maintain rates at an affordable level.	Despite a trend of a reducing population, the number of rateable properties has not varied significantly over the past 18 years with the rating base being maintained. This is expected to continue. Council as part of its economic development activity has budgeted several projects to help bring businesses and people into the district.
	Population in particular sector may change significantly	Low	Medium	The demand for increased levels of service comes from a growth in population. An increase in either urban, rural or industrial/commercial sectors will put pressure on Council services and its ability to meet the additional demands.	Council has anticipated a slight increase in population and have incorporated this in the Plan. A shift in population growth or even decline in the three sectors would mean that Council will need to review its planned projects and their timing.
Societal changes – population is ageing faster than the national average.	Population will age significantly faster.	Low	Low	Demand on services for older people will increase.	Council has included in the Plan projects (for example, development and upgrading of housing units) to meet the increased demand where required.

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Natural disasters – There will be no natural disaster requiring emergency work that cannot be funded out of the budgetary provisions.	Natural disaster causing significant damage to infrastructure and disruption of service.	Low	High	An earthquake (1 in 500 years) may cause 10% destruction of Council's assets costing \$80 million-\$90 million. Damage to underground reticulation assets is estimated at \$4 million.	<p>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 and utility assets, cash reserves and an emergency loan facility for infrastructure replacement.</p> <p>Council has insurance cover for above-ground assets. For underground reticulation assets, Council has cover for 40% of the cost from commercial insurance. The remaining 60% of the cost is from central government.</p> <p>Council has created a reserve to accumulate funds to pay for the access portion of the insurance.</p>
Climate Change – That any climate changes will not be significant during the Annual Plan.	That there will be increasing intensity of climate related event(s) requiring emergency work that cannot be funded out of normal budgetary provisions.	Low	Medium	<p>The effects of climatic change on the East Coast is likely to mean more intense periods of rain, and also more severe droughts; both of which may impact on rural ratepayers ability to remain profitable and afford the costs of Council.</p> <p>Unexpected pressures may come on infrastructure requiring new capital developments such as stormwater control. Pressure will increase to fund these works.</p> <p>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.</p>	<p>Council is already providing for many climate related risks within existing budgets such as prevention of infiltration of stormwater into sewerage from heavy rainfall, installation of larger roading culverts, development of new stormwater systems, construction of water storage facilities and identifying new sources of water in the Plan.</p> <p>Current NIWA analysis is that the climate is changing consistent to their model forecasts.</p> <p>The underlying inflation assumptions in this plan factor increasing insurance, fuel and food costs that underpin costs charged to council.</p>

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
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	Medium	The impact on Council's finances will depend on the scale of the pandemic event.	Council has business continuity plans in place to help mitigate the operational and financial effect of the pandemic event.
Sale of investments in subsidiaries materialises during the Annual Plan.	Council will sell its investment in subsidiaries.	Medium	Low	If Council sells its investment in subsidiaries it may use the proceeds to repay full or portion of the loan borrowed to fund the investment.	In the event subsidiaries are sold, there is no loss of income to Council. Money gained from the sale will be used to reduce debt thereby reduce interest cost.
Inflation – Council has adjusted financial projections to reflect the estimated impact of inflation. Council has used the Local Government Cost Index (LGCI) forecasts of price level changes to calculate a weighted average inflation rate for each year of the plan. See table of inflation rates that follow.	That actual inflation will be significantly different from the assumed inflation.	Medium	Medium	This will lead to misstatement in all financial statements. Council is particularly susceptible to imported oil price changes with about 50% of Council business being roading related and reliant on bitumen and diesel.	The LGCI figures are estimated to be almost 50% above the normal expected Consumer Price Index. While individual indices will at times vary from what has been included in the Plan. Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5% to 3.5%.
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.	Assets wear out earlier or later than estimated	Years 1-3 Low; Years 4-10 Medium	Low	The financial effect of the uncertainty is likely to be immaterial. Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated.	Impact of increased depreciation and interest cost could be mitigated as capital projects could be reprioritised in the event of early expiration of assets or funded through use of internal borrowings.

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
<p>Revaluation of Property, Plant & Equipment – these are noted in the accounting policy. The following assumptions have been applied to projected asset revaluations:</p> <ul style="list-style-type: none"> the revaluations will reflect the changes predicted by BERL. depreciation impact of inflation will be in the year following revaluation. value of non-depreciable assets (e.g. land) is forecast to remain constant. 	That the BERL Forecasts will be materially incorrect, leading to misstatements, in particular in the depreciation charged and hence the rates levied.	Medium	Medium	<p>Increased valuations will increase depreciation and affect funding levels.</p> <p>A 10% increase in imported oil may increase construction prices by up to 4% resulting in an increase in depreciation cost of \$400,000 (year 1) to \$425,000 (year 10).</p>	The 10 Year Plan for each subsequent year is reviewed by way of the Annual Plan round and a new 10 Year Plan is produced every three years.
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	The financial effect of the uncertainty is likely to be immaterial.	<p>Contract have cost increase clauses included in the contract documents. Such cost increase are already factored in the financial forecast as inflation adjustments.</p> <p>Council is also able to review levels of service and budgets on an annual basis, either through the Annual Plan or Long Term Plan processes.</p>
Asset renewals – that the depreciation reserves will adequately fund the renewals of assets.	That there will be a shortfall in funds available to replace assets	Medium	Medium	The financial effect of the uncertainty is likely to be immaterial.	Council is able to access borrowings at levels forecast within the Plan.
NZ Transport Agency requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.	Changes in the subsidy rate and variation in criteria for inclusion in the subsidised works programme.	Medium	Medium	Variations in subsidy rates will increase/ decrease Council's subsidy revenue by \$100,000 for every 1% change in subsidy.	NZ Transport Agency current subsidy funding is at 59% and fixed for three years after each review. The next review is due in 2015. Council is able to review levels of service and community expectations through the Annual Plan and Long Term Plan processes.

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Health and Environment subsidies will be available for Herbertville, Eketahuna and Akitio Sewerage and Herbertville, Eketahuna and Pongaroa water treatment developments	That the subsidy levels will not occur	Medium	Medium	\$3.6 million worth of subsidies for projects may not proceed or deferred. Debt and subsidy levels would reduce, and operational and depreciation costs would reduce. Council can decide to proceed with projects that are critical if subsidy is not available. These projects will either be funded internal or external loans.	Council is able to review levels of service and community expectations through the Annual Plan and Long Term Plan processes.
Development of wind farms will not have significant impact of Council renewals expenditure for the roading network.	Wind Farms will result in significant cost to Council in upgrades and renewals or their timing for the roading network.	Low	Low	Depreciation reserves will be required to fund this renewals. However, financial contribution from the power generators are expected to cover the full cost of the development and renewals. Council will also consider bringing forward some renewals expenditure to take advantage of the required upgrades due to wind farm developments.	Council through the resource consent application process will ensure that conditions of development include adverse impacts on existing infrastructure and the environment.
Legislative changes – 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.	Medium	Low	Proposed legislative changes are likely to effect Council's finances through increased costs and lowered revenue.	It is difficult to adjust levels of service when they are driven by legislation, for example, new turnaround times for consent applications. Lower revenue within Building Services is likely to be off-set by less consents requiring processing. Increased cost can be recovered to increases fees and charges i.e. user pay.

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Resource consents – conditions of existing resource consents held by Council will not be altered significantly. Any resource consents due for renewal during the 10 year period will be renewed accordingly.	<p>Conditions of resource consents are altered significantly.</p> <p>Council is unable to renew existing resource consents upon expiry.</p>	Medium	Low	The financial effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the Council needing to spend additional funds to enable compliance.	Council has a good working relationship with Horizons Regional Council and does not contemplate any material departure from these requirements over the next 10 years.
Forecast return on investments – Council has forecast the returns for significant investments. Refer to the schedule of indices.	Council will not achieve the forecast level of dividends.	Low	Low	That Council will not achieve the forecast rates of return leading to shortfalls in income.	The level of dividend is dependent on the financial performance of the company. The Council has utilised historical results and future projections of the company to determine the forecast return.
Expected interest rates on borrowings. Refer to the schedule of indices.	Prevailing interest rates will differ significantly from those estimated	Low	Medium	Based on Council projected borrowings levels, interest costs will increase/ decrease by between \$150,000 and \$100,000 per annum for every 1% movement in interest rates.	Interest rates are largely driven by factors external to the New Zealand economy. Council is not predicting a significant increase in borrowings over the 10 year period. Council has in place a interest rate strategy (swaps) to deliver greater certainty over the interest rate cost for the duration of the Long Term Plan.
Effect of Emissions Trading Scheme (ETS)	Impact of ETS on Council's operations will differ significantly from those estimated	Low	Low	<p>The council will face increased compliance and operating costs, which if significant enough may require higher fees and charges or increased rating requirements to fund them.</p> <p>The financial impact is not significant as Council's landfill operations have significantly reduced with the closure of Dannevirke and Pahiatua landfills.</p>	<p>Any direct impacts of the ETS through the potential price increase are assumed to be covered by the Council's inflation assumptions and thus factored into the forecasts.</p> <p>Specific ETS costs relating to Waste and landfill have been incorporated into those accounts and together with the adjusted revenue that will be received.</p>



Interest Rates on Borrowings

	Annual Plan 2013/14
Interest Rate (internal – based on interest income)	4.5%
Interest Rates (new external)	5.0%

Interest Income

	Annual Plan 2013
Cash (Investments)	3.5%

District Statistics

General Statistics

Description	Total
Population (June 2011)	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)	777
Rural-Sealed Roads (km)	1,095
Urban-Metal Roads (km)	0.54
Urban-Sealed Roads (km)	86
Total Roads (km)	1,956

Resource Management

Description	Total
Resource consents*	52
Landuse consents*	24
Subdivision consents*	28
Building consents issued*	397
Registered dogs as at 30 June 2012	6,834
Licenced food premises as at 30 June 2012	123

* Issued from 1 July 2011 to 30 June 2012

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	4
Cemeteries	20
Major Parks & Reserves	9

Vehicles

Description	Total
Cars	11
Utilities	13
Fire Appliances	4



Mayor and Councillors

His Worship the Mayor



R A (Roly) Ellis

PO Box 115
Dannevirke
06 374 4080

North Ward Councillors



**Cr J B (Brenda)
Dodunski**

2b Hunter Street
Dannevirke
06 374 8054
027 229 3989
dodoj@xtra.co.nz



Cr K R (Keith) Fenemor

92A Adelaide Road
Dannevirke
06 374 5450
fenlink@xtra.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@xtra.co.nz

South Ward Councillors



**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
hullo1@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@xtra.co.nz



Community Boards and Council Committees

Community Boards

Dannevirke Community Board

Generally meets on the first Monday of the month at 3:00pm.

Chairperson

Mr R P (Ray) Teahan
50 Allardice Street, Dannevirke 4930
06 374 9277
rayelaine@xtra.co.nz

Deputy Chairperson

Mrs C (Carole) Isaacson
RD 8, Umutaoroa, Dannevirke 4978
06 374 5577
huntzend@xtra.co.nz

Councillor

Mrs J B (Brenda) Dodunski
2B Hunter Street, Dannevirke 4930
06 374 8054
dodoj@xtra.co.nz

Board Members

Mr R A (Bob) Dresser
22 Ries Street, Dannevirke 4930
06 374 6270
dresser234@msn.com

Mr W R (Ross) MacDonald
91 Piri Piri Road, RD 7, Dannevirke 4977
06 374 7996

Eketahuna Community Board

Generally meets on the first Friday of the month at 10:00am.

Chairperson

Mr C C (Charlie) Death
Nireaha Road, RD 2, Eketahuna 4994
06 375 8503
deaths@inspire.net.nz

Deputy Chairperson

K A M (Katrina) Dimock
Flat 2, 7 Stowe Hill, Thorndon, Wellington 6011
katrinaoliver@xtra.co.nz

Councillor

Mr W H (Warren) Davidson
RD 3, Eketahuna 4994
06 375 8364
warwyn@infoegen.net.nz

Board Members

Mrs D F (Diana) Eagle
1775 Mangaone Valley Road, RD 4,
Eketahuna 4993
06 375 8356 027 434 7152
eagleeketahuna@xtra.co.nz

E H (Biddy) Fraser-Davies
36 Morgans Road, RD 2, Eketahuna 4994
06 375 8634
biddy@inspire.net.nz

Community Committees

Woodville operates its own autonomous community committee, Woodville Districts' Vision (Inc).

Pahiatua operates its own autonomous community committee, Pahiatua on Track (Inc).

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

Cr W H Keltie (Chairperson)

Cr W H Davidson (Deputy Chairperson)

Cr P A Johns

Cr C W Southgate

Council Controlled Trading Organisation Committee

His Worship the Mayor – Mr R A Ellis (Chairperson)

Cr W H Keltie (Deputy Chairperson)

Cr C W Southgate

Forestry Committee

His Worship the Mayor – Mr R A Ellis (Chairperson)

Cr K R Fenemor

Cr C W Southgate



Management Team

Executive Staff

Blair King ME (Civil) MIPENZ
Chief Executive

Peter Wimsett CA, BBS
Manager Strategy & District Development

Raj Suppiah CA
Chief Financial Officer

Kathy Dever-Tod
Manager Assets Group

Ray Cannon
Engineering Services Manager

Staff Numbers (full time equivalent)

	Actual 2011/12	2013/14
Council	55	57
Engineering Services	13	13
Total	68	70

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@tararudc.govt.nz
Council website	www.tararudc.govt.nz
District website	www.tararua.com

Service Centre Locations

Dannevirke

26 Gordon Street, Dannevirke
(06) 374 4080

Woodville

42 Vogel Street, Woodville
(06) 376 1010

Pahiatua

136 Main Street, Pahiatua
(06) 376 0110

Eketahuna

31 Main Street, Eketahuna
(06) 375 8149

Other

Bankers

Westpac New Zealand Limited
Dannevirke

Bank of New Zealand
Dannevirke

Auditors

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

Solicitors

Cooper Rapley
Palmerston North

Insurance Brokers

Aon New Zealand Ltd
Wellington



Submissions

Submissions were received from the following organisations and individuals:

- | | | | |
|--|--------------------------------|---------------------------------|-----------------------------|
| 1. Andrea Platt | 16. Chris and Beet Horrocks | 31. Eileen Thomson | 47. James Holland |
| 2. Andrew Feierabend | 17. Chris Hayward | 32. Fay Hemopo | 48. James Moar |
| 3. Anke Nieschmidt | 18. Christal Van Rooyen | 33. Francisca van Dijk | 49. Janine Wolland |
| 4. Ann Marie Bengston | 19. Colleen Cotter | 34. George Fermor | 50. Jemma Callaghan |
| 5. Ann Michelle | 20. Cynthia Cass | 35. Graham McNair | 51. Jennifer Morris |
| 6. Belinda Crosswell | 21. Cynthia Cass | 36. Grant Marlow | 52. Jenny Annear |
| 7. Bertram MacFarlane | 22. Danielle White | 37. Grant Marlow | 53. Jim Kerr |
| 8. Bevin Wolland | 23. Daphne Miller | 38. Gregory Kent | 54. Jo O'Sullivan |
| 9. Bill Russell | 24. David Powick | 39. Hamish and Wynne de Lautour | 55. Jocelyn and Tony Curran |
| 10. Brian Miers | 25. Denzil and Margaret Treacy | 40. Hayley Graham | 56. Karen Reiri |
| 11. Bronwyn Smith | 26. Derek Rose | 41. Heather Smith | 57. Karin Kerr |
| 12. Bronya Webb | 27. Destination Wairarapa | 42. Hilary Hirst | 58. Katrina Windelborn |
| 13. Bruce Donald | 28. Donald James | 43. Ian and Gail Henderson | 59. Kellie Roland |
| 14. Bush Athletics and Bush Junior Netball | 29. Donald Robbie | 44. Ian Arbuthnott | 60. Kelvin Lane |
| 15. Charlie Death | 30. Dorothy and Theo Hyde | 45. Ian Bailey | 61. Khan Coleman |
| | | 46. Jacqueline Glenn | 62. Kim Phelps |

- | | |
|-------------------------------|---|
| 63. Laurence Hunt | 90. Peter and Helen Hendy |
| 64. Loretta Exeter | 91. Philip Cotter |
| 65. Lorraine Stephenson | 92. Physicians and Scientists for Global Responsibility |
| 66. Louise Powick | 93. Pieter Bode |
| 67. Lyn Charlton | 94. Raewyn Conning |
| 68. Margaret Rose | 95. Ray Teahan |
| 69. Marie Kerr | 96. Raylene Treder |
| 70. Marjorie Gillespie | 97. Richard Green |
| 71. Mary and Ray Lucas | 98. Ron Gray |
| 72. Maryanne Vella | 99. Ronny Boblea |
| 73. Maude Stephens | 100. Rosemary Dixon |
| 74. Maureen and Roy Adlington | 101. Sally Dryland |
| 75. Michael and Ann Beech | 102. Sharon Vera |
| 76. Michael Green | 103. Shayne Ferguson |
| 77. Mike Daisley | 104. Simon Walker |
| 78. Mike Ross | 105. Simon Watson |
| 79. Nancy McNair | 106. Stuart Brown |
| 80. Natarsha Nikora | 107. Sue Hammond |
| 81. Nigel Billings | 108. Suzanne Stephenson |
| 82. Olga Boustead | 109. Tom Castles |
| 83. Ozki One Limited | 110. Tungane Kani |
| 84. Pahiatua On Track | 111. Vanessa Dorreen |
| 85. Pam Richards | 112. Wilhelmina Groot |
| 86. Patya Green | 113. Woodville Districts' Vision |
| 87. Paul and Agnes Diamond | 114. Zane Alexander |
| 88. Paul Bailey | |
| 89. Paul Crosswell | |



Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

- a) a company-
 - i) in which equity securities carrying 50% or more of the voting rights at the meeting of the shareholders of the company are-
 - A) held by one or more local authorities; or
 - B) controlled, directly or indirectly, by one or more local authorities; or
 - ii) in which one or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
- b) an organisation in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons,-
 - i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the organisation; or
 - ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the organisation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenue Money received by Council.

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

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

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

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

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

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

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

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



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

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

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