

Manawatu District Council

2013/14 Annual Plan

**Including the following Long Term Plan
Amendments:**

- **Extension of Solid Waste Services**
- **Change to Revenue and Financing Policy**

And the following Statement of Proposal:

- **Establishment of Kitchener Park Trust**

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Part One

Introduction





Council wants to ensure that these are focussed on delivering the best outcomes for the district, in the most cost-effective way.

Introduction from the Mayor and Chief Executive

We are pleased to present Manawatu District Council's 2013/14 Annual Plan, outlining the services and activities council will provide during the 2013/14 financial year.

The plan was released as a draft in April and attracted 142 well-written submissions. The majority of those were in response to two proposals: to extend the kerbside solid waste service to 95% of the district; and the establishment of a Trust to progress the restoration and development of Kitchener Park.

Those submitters wanting to share their views had an opportunity in the last week of May during public hearings. Council considered all submissions and carefully listened to the community when making decisions.

A summary of the key decisions are provided:

Proposed Extension to Rubbish Collection and Recycling Services

Council received 90 submissions on the proposed extension to solid waste services – 80% favoured the status quo. Council has decided to maintain the existing service and will continue to review it.

Proposal to Establish a Trust for Kitchener Park

The proposal to set up a Kitchener Park Trust was the focus of 53 submissions, with 90% in favour.

Kitchener Park is one of the few remaining podocarp forest remnants in this district. It has significant biodiversity and cultural value. Council wants to ensure it is a local treasure that future generations can experience. It believes a Trust is the best way to achieve this.

Increase to Feilding Promotion's Operating Grant

Council approved an additional \$60,000 to Feilding Promotion's operating grant for the next two years. Feilding Promotion's total annual funding for the next two years is \$403,970 (rising to \$416,902 in 2014/15, when it will be inflation adjusted). This includes an operating grant, funding for the Information Centre (funded via Destination Manawatu), rent, insurance, and CBD security. The increased funding will enable Feilding Promotion to deliver on the outcomes set out in the service agreement.

Economic Development Review

Council has decided to review its economic development activities, including services currently provided by key agencies. The review will help shape decisions leading to the 2015-25 Long Term Plan. The resolution arose from discussion surrounding the future direction and effort of economic development activities funded by the Council. Council wants to ensure that these are focussed on delivering the best

outcomes for the district, in the most cost-effective way.

Rates

Council went out for consultation with a total rates increase of 5.1% as per the 2012-2022 Long Term Plan. Due to changes that arose during deliberations, the increase for next year is 5.3%. This is based on total rates collected across the district. Individual rate increases will vary depending on the capital value of your property and the targeted rates payable.

Council adopted the Annual Plan on 20 June 2013.



A handwritten signature in black ink that reads "M. Kouvelis".

Margaret Kouvelis
Mayor



A handwritten signature in black ink that reads "L. Vincent".

Lorraine Vincent
Chief Executive

Key Developments

Changes to the Local Government Act

Recently Parliament passed the Local Government Amendment Act. The new Act includes a number of changes that will affect Councils, including enhanced Mayoral powers, streamlined re-organisation processes and a range of new powers to enable ministerial intervention. However, the biggest change by far is to the local government purpose statement. The Act removes reference to the four well-beings – economic, social, environmental and cultural – and replaces them with the following:

Meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Council will also ensure that all its activities align to the new purpose statement.

The new purpose statement aims to focus local authorities on what is traditionally their areas of expertise, and to ensure they deliver these services in the most cost effective way. When making decisions Council needs to consider all practicable options, the costs and benefits of each option and how efficient they will be. 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. We address affordability in more depth below.

Council has a relatively narrow focus of operations, with 91% (in the 2012/13 budget) of operating expenditure on core activities as indicated in the new legislation. (See chart next page for details.) The activities that may require more justification for involvement are economic development and community funding.

Further changes are likely in 2013 as the government considers reports from several Taskforces set up in 2012. These taskforces 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.

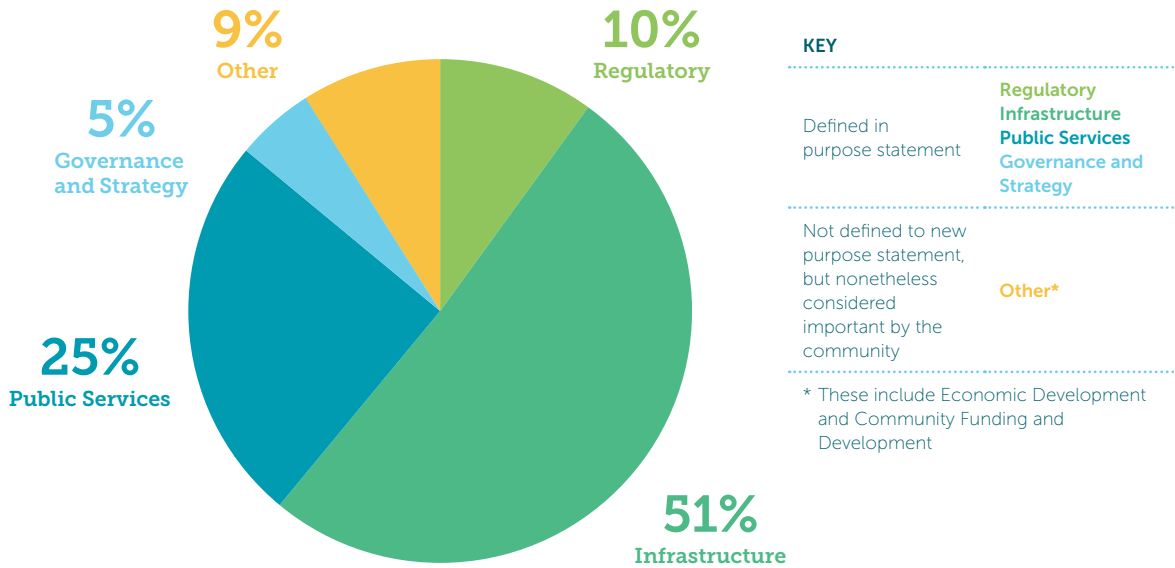
- **Productivity Commission - Towards Better Local Regulation**

The Productivity Commission has released a draft 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



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Council Activities and new LGA Purpose Statement



regulations, and for more thorough consideration of the impacts and costs of regulations. The Commission is due to deliver a final report to the government by May 2013.

- Local Government Infrastructure Efficiency Expert Advisory Group

This group is looking at how good quality local government infrastructure to support a growing economy can be delivered in the most cost-effective manner.

Council is confident that while these changes are relatively far-reaching, there is not likely to be a significant immediate impact. However, as we move towards the 2015-2025 Long Term Plan Council, may need to review its involvement in those activities that do not fit within the new purpose statement.

Other Proposed Changes

New Zealand Transport Agency Funding Review

The New Zealand Transport Agency (NZTA) is reviewing the way it funds the maintenance of local roads. Depending on the outcome of that review, Council may receive less funding in future.

Resource Management Act Reform

The Government proposed reform of the Resource Management Act is the result of public concerns about resource management processes being cumbersome, costly and time-consuming that results in an uncertain and litigious process.

The reform targets areas that offer the best opportunities for improving the resource management system. They are designed to make the system easier to use, increase its certainty and predictability and reduce the unnecessary duplication and cost. At the same time, these proposals are designed to deliver the

environmental outcomes New Zealanders want, clarify and support the role of locally elected representatives, improve council performance and support meaningful iwi/Maori participation.

Affordability

Council is committed to ensuring it delivers quality services in the most cost-effective way. This doesn't necessarily mean the cheapest way, rather ensuring the best value for money.

Council is also committed to ensuring that rates are affordable. Its Financial Strategy provides a way of ensuring it is spending within its means, on services the community wants.

The Strategy proposes rate levels and debt limits for the next 10 years. Rates are limited to the Local Government Cost Index (LGCI) plus two per cent. The LGCI measures the year-on-year price change of goods and services typically used by local authorities. This is considered more realistic than the Consumer Price Index, which is the average year-on-year increase of all goods and services within the economy.

This year the overall rates increase is 5.3%. This is based on total rates collected across the district. This should not be interpreted as the individual rate increases on each property.

Individual rate increases include a change in rating differentials and some increases in levels of service, for instance, Himatangi Beach Sewerage Scheme (for those who are joining the scheme). Therefore, some rates will be below the 5.3% and some will be above.

Changes to the Rating System

Council has also reviewed the general rate* differentials. Differentials are how the rates revenue requirements are allocated to the different parts of the district. The categories are:

- Feilding Residential
- Feilding Rural
- Feilding CBD
- Industrial/Commercial
- Rural
- Utilities

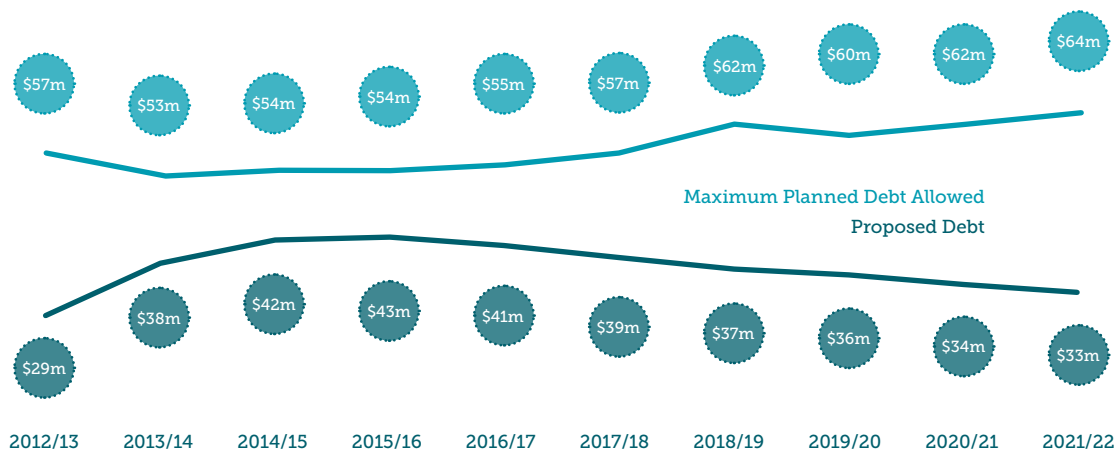
Council looked at how each part of the district benefited from those services funded by the general rate. Council decided to increase slightly the differentials for Feilding Rural, Rural and Industrial/Commercial – this means these ratepayers will pay slightly more for these services than they did last year. Conversely, Council decided to decrease slightly the differentials for Feilding CBD and Utilities – this means these ratepayers will pay slightly less for these services than they did last year. To find out which category applies to you check your latest rates invoice.

*General rate pays for Economic Development, Community Funding and Development, district-wide stormwater system, portion of Environmental and Regulatory management, rural fire, property and a portion of CBD security.

Looking Ahead

The chart below shows Council’s proposed debt together with the maximum planned debt allowed. Over time the gap between what we proposed borrowing and the Council set debt limit will grow significantly. This allows us to reposition some major projects into years where debt is lower. Because this changes the year in which the debt is raised, it changes the timings of interest and depreciation payments. This has the positive effect of smoothing sharp rate increases.

Net Debt and Maximum Debt 2012-2022



Extended Solid Waste Services (Amendment to the LTP)

Council proposed three options for the collection of recycling and rubbish, summarised below. These were the subject of special consultation in the Draft Annual Plan.

Option 1: Status Quo

This comprises fortnightly kerbside and weekly blue bag collection for Feilding and weekly blue bag collection the villages (including wheelie bin and crate recycling for the Feilding urban area).

Option 2: Extended rural recycling collection

In Option 2 Council proposed to extend its kerbside recycling service to include the existing blue bag collection route. This means properties along this route will receive a wheelie bin and plastic crate for the collection of recycling and rubbish.

The extended service not only makes it easier for these people to recycle but also reduces the volume of waste going to landfill.

Option 3: District-wide kerbside recycling rubbish collection services

In Option 3 Council proposed a district-wide kerbside recycling and rubbish collection service. This would mean 95% of households in the district would receive a recycling wheelie bin and crate for a kerbside refuse and recycling collection.

Council received 90 submissions on this proposal – 80% favoured the status quo. Council has decided to maintain the existing service and will continue to review it.

Change to Council’s Revenue and Finance Policy (Amendment to the LTP)

Recently, Council negotiated a new contract for operating the district transfer stations. The previous contract was a ‘net contract’. This means it did not

take account of revenue received from transfer station users – the ‘gate take’. This revenue went to the transfer station operator rather than Council.

The new contract with Smart Environmental Ltd. is a ‘gross contract’. In short, this means Council receives revenue it did not previously receive. This changes Council’s Revenue and Financing policy, which outlines how the expenditure needs of Council activities are funded.

Because Council is required to consult on any change it makes to the Revenue and Financing Policy, this was also subject to special consultation. Council did not receive any submissions on this proposal and has confirmed the change to its Revenue and Financing Policy.

Kitchener Park

As indicated in the 2012-22 Long Term Plan, Council proposes setting up a Trust to progress developments at Kitchener Park. This was subject to the Special Consultative Procedure in the Draft Annual Plan.

The proposal was the focus of 53 submissions, with 90% in favour.

Kitchener Park is one of the few remaining podocarp forest remnants in this district. It has significant biodiversity and cultural value. Council wants to ensure it is a local treasure that future generations can experience. It believes a Trust is the best way to achieve this.

Feilding Wastewater Treatment Plant Upgrade

Two key process upgrades will see less, and cleaner, effluent discharged into the Oroua River.

The Feilding Wastewater Treatment Plant (WWTP) is undergoing a number of significant process improvements to produce a better quality of treated effluent. Council is also working to obtain a new resource consent, which will allow treated effluent to be sprayed onto neighbouring Council-owned land. As well as taking this treated effluent away from the Oroua River, this will provide an excellent land treatment option and increase the productivity of the land. There is potential to generate revenue from this land, which will be used to offset operational costs at the treatment plant.

The shift to land treatment also underpins the Council’s commitment to the Manawatu River Accord and local iwi by removing a significant volume of treated effluent from the Oroua River.

This will require the installation of centre pivot irrigators on Council-owned land. This will cost \$2m, and was originally scheduled for 2013/14. In addition to irrigation, Council is progressing with the purchase of

additional land required for the Feilding WWTP land treatment system. Once land acquisition is finalised, Council expects to install the irrigation system in the 2014/15 financial year.

In addition, Council will develop a native plant nursery. The proposal is another means of off-setting some of the environmental concerns submitters raised in response to the resource consent application. More details on this can be found on page 11.



The community planning programme is a partnership between district communities and Council to develop and implement shared visions.

Variations from the Long Term Plan

Cemeteries

Rongotea Cemetery

Recently Council undertook an investigation into drainage issues at Rongotea Cemetery. Council originally intended to undertake work in connection with this in 2013/14. However, Council is currently undertaking this work to take advantage of good weather. Council has therefore brought back the \$63,000 funding, set aside in 2013/14, to 2012/13. The budget for 2013/14 has been correspondingly reduced.

Feilding Cemetery Land Purchase

Council has entered into a sale and purchase agreement with an adjoining landowner to purchase approximately seven hectares of land for the extension of the Feilding Cemetery. This purchase has yet to settle, so the proposed surveying, fencing and development works proposed for the new area of land have not commenced. Therefore, Council has carried \$511,000 over to 2013/14.

Community Funding and Development

Community Planning Budget Increase

The community planning programme is a partnership between district communities and Council to develop and implement shared visions. The programme received positive feedback during Long Term Plan consultation. Sanson and Halcombe have started their planning. Kimbolton, Pohangina and Apiti/Rangiwahia are due to join the programme in 2013/14. Rongotea is scheduled to join in 2014/15.

The programme is proving popular. To maintain momentum, Council will increase project funding to \$105,000, bringing total funding for 2013/14 to \$168,000. This additional funding will come from existing sources, so there is no affect on rates. These sources include: \$45,000 to be moved from the Community Development funding pool; \$20,000 of unspent community planning funding (originally tagged for project start-up costs) to be carried over from 2012/13 to 2013/14; and \$40,000 of unallocated events funding to be carried over from 2012/13 and applied to community planning for 2013/14. The increase in funding will allow for work to continue with Sanson and Halcombe while preparing for work in Kimbolton, Pohangina and Rangiwahia/Apiti at the same time. This also allows for an earlier start to work, should those communities wish.

Feilding Integrated Family Health Centre

In 2011 Council agreed to lend the Manawatu Community Trust (MCT) up to \$2.5m towards the development of the Feilding Integrated Family Health Centre. Half of any loan made was to be interest free and the other half subject to normal market conditions. As part of the Long Term Plan process the funding was

subsequently carried over to 2012/13.

While it is expected that construction will start soon, it is not likely to begin before the new financial year. Given the delay in the commencement of this project, Council must now give consideration to the proposal in light of the changes to the purpose of Local Government (see pages 3-4).

Because construction is unlikely to begin by the end of the financial year, Council has carried this funding over to 2013/14.

Property

Increased Expenditure

Due to a general increase in insurance premiums, Council has to increase and reallocate its insurance premium budget. For Council's Halls portfolio this is an increase of about \$40,000. Council has also increased the Halls' general expenditure by \$2,000. This is mainly to cover emergency works.

Feilding Civic Centre – Staging and Switchboard Work

In 2012/13 Council set aside \$25,000 for work at the Feilding Civic Centre. This includes stage rigging - ensuring lighting and other equipment around the stage is secure - and an upgrade to the electrical switchboard.

At the same time Council is undertaking earthquake strengthening work at the Civic Centre. While much of the stage and switchboard work will be complete this year, some of it cannot be finished until the strengthening work is complete. Therefore, Council has carried over \$5,500 to 2013/14.

Feilding Civic Centre – earthquake strengthening

The design work for the Feilding Civic Centre earthquake strengthening has been completed. However, physical work needed to be programmed at a time when the Centre had little or no bookings.

The Feilding Civic Centre Trust provided three available periods in September, September/October and January/February 2014). Only the January/February dates allowed all of the work to be done at once.

The first two dates only allowed the work to be carried out one area at a time. This would possibly attract additional costs for establishing and disestablishing the site. Therefore, Council has carried over the \$150,000 set aside for this project to 2013/14.

Feilding Little Theatre

The roof at the Feilding Little Theatre is due for replacement. Council had planned to undertake the work in 2012/13. However, the Little Theatre is also earthquake prone, and any structural strengthening work needs to be carried out before the roof is replaced.

Council has not yet committed to carrying out any structural strengthening work at the Little Theatre building. Until a decision is made about strengthening, Council considers it prudent to carry the funding over to 2013/14 to ensure funds are available for the replacement of the roof, if required.

Bunnythorpe Hall

Council has carried over its \$240,000 commitment to the new Bunnythorpe Hall.

Building Warrants of Fitness

The Building Act 2004 requires all buildings to have Building Warrants of Fitness (BWoF) – this includes Council maintained halls. A BWoF is a statement, provided by the building owner, that the building has been maintained according to a pre-approved schedule. This is confirmed by an Independently Qualified Person (IQP), who carries out an inspection of the building.

A number of Council-maintained halls do not have BWoFs, due to unsatisfactory work of Council's previous IQP. We have since changed IQP company. Council has set aside \$17,000 to obtain BWoFs where this is necessary.

Himatangi Beach Hall Extension

Himatangi Beach Hall has been directly affected by the demolition and new build of the Palmerston North Life Saving Club building. The two buildings were joined and demolition of the club building has removed the hall kitchen. A temporary kitchen has been provided in the interim.

As part of the Long Term Plan process Council set aside \$15,000 to renovate the hall kitchen. Council also considered a submission from the Himatangi Beach community to increase funding for this and build a new kitchen and undertake a modest hall extension to provide more storage and space for this well used community facility.

At the time, Council decided that additional funding would not be made available until the Surf Lifesaving Club rebuild was confirmed and further detail of the kitchen and extension project was developed.

The Himatangi Beach Community Trust has further developed the kitchen and extension proposal and has estimated the total cost of the project to be about \$100,000. Council has carried over the \$15,000 set aside in 2012/13 and added \$35,000 to it. This brings total Council funding contribution toward the project to \$50,000. The Himatangi Beach community will seek the balance of the project cost through grant funding.

The community trust has greater chance of success if the project has the funding support of Council as the asset owner.

Makino Aquatic Centre Redevelopment

Council made provision of \$3.2m for the redevelopment of the Makino Aquatic Centre (MAC) in its Long Term Plan. The original plans included a new learners' pool and children's wet play area, and covering the outdoor pool. A business case is being prepared. Early estimates have found that the costs of covering the outdoor pool are about \$7m. Council believes this increased cost is not viable. The redevelopment programme has been modified to include a new learners' pool, an indoor wet play area, the upgrade of changing rooms and improvements to car parking.

Backup Generator

Included in the Long Term Plan 2012-22 was provision to purchase a backup generator for the Makino Aquatic Centre. The plan was for the new generator to also be able to be used as backup to the current Council building generator, should that become non-operational during a power outage or civil defence emergency.

Installation investigations revealed a considerable amount of rewiring was needed to enable a generator to be used at the aquatic centre. Given decisions are still pending regarding the redevelopment of the Makino Aquatic Centre, it is prudent to wait until confirmation of any redevelopment has been made before committing to the purchase of a generator.

If the redevelopment work is approved, the necessary rewiring can be factored into the new design. Therefore, the Community Services Group requests that the \$31,000, set aside for this in 2012/13, is carried over to 2013/14.

Outdoor Play Equipment

Due to the redevelopment of the Makino Aquatic Centre, we do not know exactly what outdoor play equipment we will need. The final shape of the outdoor play area will be determined by what happens inside the Makino Aquatic Centre. Therefore, the Community Services Group requests that the \$33,560, set aside for this in 2012/13, is carried over to 2013/14.

Parks and Reserves

Makino Park

Over a number of years, Council has developed plans for the redevelopment of Makino Park. These plans now include a skatepark and new playground. Council has carried over the funding for the skatepark and postponed any work until the District Plan review has been further progressed and the Makino Aquatic Centre upgrade proposals are finalised.

Foot Bridge at Almadale Reserve

During development of Council's 2012-22 Long Term Plan Council identified the need for repairs to both the Makino Stream foot bridge near the Makino Aquatic Centre and Almadale Reserve foot bridge.

Early estimates suggested that both bridges could be repaired for about \$30,000. However, more detailed quotes have now been provided and the cost to undertake the repair of both is \$76,000.

The foot bridge over the Makino stream is well used and Council has repaired it (\$42,000).

Council is less clear about the level of use of the foot bridge at Almadale Reserve.

Following Draft Annual Plan submissions, Council will investigate the best, most cost-effective means of repairing the bridge. In the meantime, the bridge will remain open.

Manawatu Blokart Club and Manawatu Radio Controlled Car Club

As a result of Draft Annual Plan hearings, Council has decided to give the Manawatu Blokart Club a \$5,000 grant. Council has also allowed the Manawatu Radio controlled Car Club to use the Sanson Domain for their race track.

Manfeild Park land at South Street

During the year Council did not spend the budgeted funds for the subdivision of the former Manfeild Park land at South Street. The development work is about to be tendered but work will not commence until the new financial year. The budget was \$818,532 and to date Council has spent \$11,692. This expenditure was to be funded from the South Street Land Development Separate Fund which will be reimbursed from the eventual sale of the land.

Therefore Council carried over \$807,000 to the 2013/14 financial year.

Public Conveniences

Victoria Park Public Conveniences

The toilet block at Victoria Park needs refurbishing. It is subject to frequent complaints. It no longer meets national standards for public toilets and has experienced growing demand in recent years. Victoria Park itself is well used, in the summer and winter months. Touch rugby, softball and Saturday morning rugby are some of the sports played there. Council will therefore build a new toilet block.

The new block will increase personal safety with pre-entry visibility and individual units. The new blocks also increase hygiene as they will meet national standards. The project adds \$52,000 to the budget, bringing total funding to \$100,000.

Kowhai Park Public Toilet Upgrade

Public toilet standards for improving safety and accessibility means that the \$51,000, originally set aside for this upgrade project, is insufficient. Also, the existing drainage will need upgrading and lighting installed. Council has added \$49,000 to the project, and carried over the current \$51,000 to 2013/14. This brings total funding to \$100,000.

Environmental and Regulatory Management

District Plan Review and Feilding Growth

The Sectional Review of the District Plan is well underway. Plan changes that have been approved to be notified are the Miscellaneous Plan Changes (Plan Changes 36-42) and Roding Hierarchy (Plan Change 50). Significant amount of work has occurred with the next plan changes for the Feilding Central Business District and Feilding Growth which will hopefully be notified within by July 2013. Council has carried over to 2013/14 \$64,105 for the District Plan review and \$22,631 for Feilding Growth as not all funds have been spent in 2012/13.

Liquefaction Project

A Lifelines Project, carried out for Horizons Regional Council, has identified that at a very broad level the liquefaction potential of the elevated terrace land encompassing Precincts 1, 2 and 3 is very low, whilst Precincts 4 and 5 have moderate susceptibility to liquefaction. Following the Christchurch earthquake more prescriptive requirements for liquefaction assessment is likely to emerge as are changes in legislation / codes / guidelines to mitigate these risks.

Council would like to proceed with this work. However, it needs to get a cost estimate and timeframe from an engineering firm. This quote has not been received yet for the liquefaction project that is to be undertaken for Precincts 4 and 5 (Feilding Growth). Council has therefore carried over the funding of \$53,208 to 2013/14.

District Development

Increase to Feilding Promotion's Operating Grant

Council approved an additional \$60,000 to Feilding Promotion's operating grant for the next two years. Feilding Promotion's total annual funding for the next two years is \$403,970 (rising to \$416,902 in 2014/15, when it will be inflation adjusted). This includes an operating grant, funding for the Information Centre (funded via Destination Manawatu), rent, insurance, and CBD security. The increased funding will enable Feilding Promotion to deliver on the outcomes set out in the service agreement.

Economic Development Review

Council has decided to review its Economic Development activities, including services currently provided by Vision Manawatu, Destination Manawatu, Sport Manawatu and Feilding Promotion. The review will help shape decisions leading to the 2015-25 Long Term Plan. The resolution arose from discussion surrounding the future direction and effort of economic development activities funded by the Council. Council wants to ensure that these are focussed on delivering the best outcomes for the district, in the most cost-effective way.

Roding

Non-subsidised Seal Extension

The 2012-22 Long Term Plan allows for \$100,000 per year (plus inflation) for seal extensions. (This work is not subsidised by the New Zealand Transport Agency.) The next programmed length of seal extension has yet to be confirmed. The existing list of candidates is being reviewed with an expectation of completing them by 2014/15. Council has carried this funding over to 2014/15.

Main South Road

The sealing of Main South Road is underway. Beginning about 5km from the intersection of Table Flat Road, stage one (2012/13) involves the seal extension of 3.8km, together with minor drainage improvements.

Stage two, the final 4.2km section, is scheduled for 2013/14. However, work is progressing faster than expected. The project could be finished before June 2013. To allow for this, Council has agreed to bring \$535,000, set aside for 2013/14, back to 2012/13.

Main South Road is an integral part of The Country Road, a series of scenic routes around Manawatu for locals and visitors to experience the Manawatu.

Main South Road is the only part of this route not currently sealed. Council believes sealing the route will make it more accessible for locals and tourists.

Footpath Renewals

Council has added \$75,000 to the footpath renewals budget.

CBD Redevelopment

Council has carried over remaining funding of \$200,000 for CBD redevelopment.

Solid Waste

Hazardous Waste

From next year non-digital televisions will be phased out of use. Council will add \$29,000 to the budget to safely dispose of the anticipated increase in television

sets which end up in the landfill.

Waste Education Strategy

As part of the LTP, Council initiated a waste education strategy. An important feature of this strategy is the paper for trees initiative – whereby Council rewards schools with trees (for planting) based on the amount the school recycles. Council anticipates a large uptake on this programme and has bolstered funding by \$10,000. This will bring the waste education strategy budget to \$54,000. The paper for trees component will be about \$6,000.

Enviroschools

As a result of Draft Annual Plan submissions Council will make a grant of \$7,500 to Horizons Regional Council for the Enviroschools project. This is for schools within the Manawatu District.

Stormwater

Consent Monitoring Costs

Council's individual resource consents, relating to stormwater discharge within the Feilding area, are due to expire. When renewed, additional monitoring will be required due to the more stringent monitoring requirements under the Horizons Regional Council One Plan. Council has applied to Horizons Regional Council to combine these consents into one consent. The additional consent monitoring costs are expected to be \$20,000 per year.

Operational savings within Stormwater, Wastewater and Water Supply areas

For 2013/14 Council has identified a number of changes to operational budgets within the stormwater, wastewater and water supply activities. The overall effect of these changes is a decrease in operational expenditure of about \$32,000.

Stormwater Asset Growth Feilding

The Pharazyn Street upgrade was substantially completed and the Kawakawa Road works completed. Council has carried over the remaining budget so that necessary resource consent from Horizons for the outlet structure can be granted and the outfall structure constructed.

Wastewater

Native Plant Nursery

In December 2011 Council lodged resource consent applications for the Feilding Wastewater Treatment Plant (WWTP). The consents provide for the removal of wastewater from the Oroua River during low flows via land irrigation, while allowing for discharge of treated wastewater to river during heightened flows.

These applications attracted a number of submissions,

with concerns expressed about discharge into the river and to land, particularly from Ngati Kauwhata.

Council is committed to improving the natural environment, including the surface water quality of the Oroua River.

One way of off-setting some of the environmental concerns expressed by submitters is to undertake buffer and riparian planting. In order to assist with this, Council will develop a native plant nursery. Growing native plants from locally sourced seed stock will allow Council to undertake buffer planting around the irrigation areas and riparian planting along waterways in the vicinity of the irrigation areas. Such planting will have a number of benefits including stabilising the stream banks and assisting with a further level of protection for the waterways by further absorbing and filtering run-off from the irrigation areas. Riparian planting can also assist with the protection of native fish life.

Council estimates an initial capital outlay of \$235,000, and ongoing (annual) operating costs of \$146,000.

Council expects to cover operating costs for the first ten years from within existing Council budgets associated with the Waste Water Treatment Plant and Parks and Reserves.

There are number of other advantages to this project, including the ability to partner with local schools, volunteers and local Iwi to provide locally sourced and grown plants for the benefit of a range of restoration and enhancement projects, including the restoration of Kitchener Park.

Feilding Wastewater Infiltration Investigation and CCTV/Flow Monitoring

This programme is underway but will not be completed before the end of the financial year. Therefore, Council has carried over the remaining budget of \$150,260 to 2013/14.

Feilding Wastewater Plant Upgrade

Council has added \$2,500,000 to the Feilding Wastewater Treatment Plant upgrade. This is for new capital. \$1,500,000 is to be funded from development contributions and \$1,000,000 is to be funded from loans.

Kimbolton WWTP Improvements

The budget has been committed for the supply and installation of key components. Balance of remaining budget (\$100,000) has been carried over to 2013/14 to complete the project.

Rongotea WWTP Improvements

The budget has been committed for the supply and installation of key components. Balance of remaining budget (\$200,000) has been carried over to 2013/14 to complete the project.

Cheltenham WWTP Renewal

Council has carried over \$77,000 to 2013/14 for this project.

Desludging Halcombe, Rongotea and Sanson Oxidation Ponds

A sludge survey of ponds has been carried out. Investigations are underway into the best value for money solution: chemical, biological or mechanical. The remaining budget of \$246,241 has been carried over to 2013/14 to complete the projects.

Sanson Wastewater Oxidation Pond Renewal

Pricing for new inlet metering, solenoids and software improvements have been provided. The project has been delayed due to discussions with the New Zealand Defence Force and Rangitikei District Council about the feasibility of pumping the Sanson effluent through Ohakea to the Bulls WWTP. Council has carried over the remaining budget of \$66,740.

Himatangi Beach Sewerage Scheme

The contracts have been let and the reticulation and treatment plant substantially completed. Installation of on-lot pump stations is underway. Council has carried over the unspent budget of \$575,000.

Water Supply

Pressure Zone Investigation

Currently, there is uneven pressure across Feilding's water supply system. Council will investigate means of equalising pressure throughout Feilding, at a cost of \$35,000. This takes the total budget for 2013/14 to \$245,000, to be funded by a loan.

Water Treatment at Almadale Water Treatment Plant

Council is undertaking a major overhaul of water treatment at the Almadale Water Treatment Plant. The project involves a number of elements, including a new UV treatment system, rapid sand filtration (a new system to more effectively filter unwanted deposits from the water) and tube settlers (a new system to remove sludge from the water). The estimated cost of the project is \$1.2m. For 2013/14 Council will focus on the UV treatment system, which will cost \$250,000. This is to be funded by loans.

Feilding Water Supply WTP

Council has carried over the remaining Almadale WTP Optimisations budget of \$100,000 to 2013/14. This project will be combined with the new UV treatment improvements (budget \$250,000, already in the 2013/14 budget) to maximise project efficiencies.

Feilding Water Supply Reticulation

Council has carried over the \$1,133,000 of the Feilding water reticulation renewal budget to 2013/14. The

budget committed a large contract in Kimbolton Road which will be underway next year.

Himatangi Water Supply New Reservoir

Council has carried over \$170,000 for the new reservoir at Himatangi Beach. The contract has been let for the new reservoir and foundation slab programmed for completion this calendar year.

Establishment of Kitchener Park Trust

Council proposes establishing a Trust to progress the restoration and development of Kitchener Park.

Kitchener Park is one of the few remaining semi-swamp podocarp forests in the District and has both historical and botanical significance. Issues for the reserve include flood control, regeneration, elimination of weeds and maintenance of structures including the boardwalk.

For a number of years, a team of volunteers has worked to preserve the unique forest.

Council allocated \$337,000 during its long term planning process to fund the shelter, information signage, toilets and general restoration work – mainly weed control and flood management. This complements an investment of up to \$100,000, to be spread over three years, from TransPower, as part of its Greenline Partnership programme.

Council will also invest around \$20,000 a year for maintenance work. Council believes these developments can be assisted by a community trust, whose role could support fundraising and coordination of activities with Council.

Proposal

Council is presenting two options for your consideration:

Option 1: Status Quo

Option 2: Establishment of a Trust

Option 1: Status Quo

The status quo includes everything Council agreed to in the LTP, but without the Trust:

- \$168,000 for restoration work on the park, between 2014 and 2016
- Operational funding of \$20,000 per year
- \$187,000 set aside for building a shelter, toilet and information signage
- \$100,000 of funding from Transpower.

Option 2: Establishment of a Trust

Council believes the best means of progressing the restoration of and developments at Kitchener Park is via a Trust. Trust members will be members of the community with the appropriate skills and expertise to contribute to the restoration of the park. A Trust will have more time to devote to the tasks necessary for its restoration, including coordination of fundraising – in particular sourcing funds not available to Council. Specifically, the Trust will have the following responsibilities:

- Assist in the ecological restoration, management and enhancement of Kitchener Park
- To coordinate the raising of funds for the

restoration, management and enhancement of Kitchener Park

- To encourage community access at Kitchener Park
- To ensure continued protection and restoration of Kitchener Park
- To create a safe haven for native plant and animals
- To collaborate with others to reintroduce locally extinct or threatened species
- To develop self-sustaining threatened populations
- To care for special collections, including podocarp
- To support scientific and historic research of Kitchener Park ecosystem
- To educate the public, especially school children, about the need to conserve and protect native forest environments in New Zealand.

Operational Funding

For the first two years of its existence, Council proposes using a portion of its \$20,000 funding to support the Trust in its establishment and operation. It is Council's expectation that the Trust, through its fundraising activities, will seek and obtain operational funding to support its administrative functions.

Trustee Specifications

Council's expectation is that the Trustees will have a mix of skills and expertise. Specifically, Council will be looking for Trustees who have strong governance skills relevant to coordination, restoration and development activities at the Park. A key role for Trustees will be to coordinate community support and input, in order to deliver outcomes in line with Council's Reserve Management Plans.

Trustees will be appointed by Council.

Conclusion

Council believes that establishing a Trust will assist with the efficient and effective restoration and development of the park in a manner that is most cost effective for the households and business owners of the district. This is why it is Council's preferred option.

What your Rates are used for

This summary shows what your rates are used for and approximately how much ratepayers will pay each day in 2013/14 for various Council services.

Compare this to items you purchase each day (as at 10 July 2013):

Loaf of bread (mid range)	\$3.40
Litre of milk	\$2.60
Phone line rental	\$1.50
Electricity line charge	85c
Newspaper	\$1.70
Litre of petrol	\$2.23

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



Animal Control

6c
per day



Cemeteries

6c
per day



Water Supply

Full Service	Restricted Supply
\$1.26	\$1.01
per day	per day



Civil Defence

4c
per day



Urban Stormwater

Feilding	Rongotea	Sanson
27c	26c	29c
per day	per day	per day



Recycling

34c
per day



Libraries

Rural	Feilding
22c	33c
per day	per day



Solid Waste Disposal

6c
per day



Makino Aquatic Centre

Rural	Feilding
20c	30c
per day	per day



Solid Waste Collection

5c
per day



Wastewater

Full Service	Restricted Supply
\$1.42	\$1.12
per day	per day



Governance and Strategy

33c
per day

A close-up photograph of a green fern frond against a black background. The frond is composed of many small, pointed leaflets (pinnae) arranged along a central stem (rachis). The lighting is soft, highlighting the texture and color of the leaves. The text is overlaid on the left side of the image.

Part Two

Groups of Activities

Community Facilities

Cemeteries

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Cemeteries provide a high quality service	<p>80% Funeral Director satisfaction with cemeteries from quarterly meetings</p> <p>No more than ten complaints per year about the standard of cemeteries</p> <p>No more than five complaints per year about out of date cemetery records</p> <p>Adequate land available to meet five years projected demand at all times</p> <p>100% compliance with the Burial Act 1964</p>

Major Projects for 2013/14

Project	Budget
Extension ground works at Halcombe Cemetery	\$42,000
Feilding Cemetery Land Purchase – see variations	\$511,000

Variations from the LTP

Project	Explanation
Rongotea Cemetery	Recently Council undertook an investigation into drainage issues at Rongotea Cemetery. Council originally intended to undertake work in connection with this in 2013/14. However, Council is currently undertaking this work to take advantage of good weather. Council has therefore brought back the \$63,000 funding, set aside in 2013/14, to 2012/13. The budget for 2013/14 has been correspondingly reduced.
Feilding Cemetery Land Purchase	Council has entered into a sale and purchase agreement with an adjoining landowner to purchase approximately 7 hectares of land for the extension of the Feilding Cemetery. This purchase has yet to settle, so the proposed surveying, fencing and development works proposed for the new area of land have not commenced. Therefore, Council has carried \$511,000 over to 2013/14.

District Libraries

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Library service that provides residents of the district free access to information and lifelong learning opportunities	<p>Issues per head of population relative to six peer libraries - among top 30%</p> <p>Active library membership exceeds 9,000</p> <p>96% satisfaction, as measured by Library Survey of users</p>
Increase literacy among the district's children	Amount spent on children's and young person's collection exceeds 25% of annual spend

Makino Aquatic Centre

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
An affordable range of services and activities is available that meets community aquatic recreational needs	90% user satisfaction with facilities provided, as measured by MAC survey

Level of Service	Key Performance Indicator and Target
A safe and enjoyable aquatic experience is provided	85% user satisfaction with MAC staff, as measured by MAC survey Meet New Zealand water quality standard NZ5826/2010 (MAC records) 100% compliance with pool safe New Zealand - Best Practice Standard New Zealand Six Lifeguard internal training sessions per year 90% customer satisfaction with swimming lessons

Major Projects for 2013/14

Project	Budget
MAC redevelopment – see variations	\$3.2m

Variations from the LTP

Project	Explanation
MAC redevelopment	Council made provision of \$3.2m for the redevelopment of the Makino Aquatic Centre (MAC) in its Long Term Plan. The original plans included a new learners' pool and children's wet play area, and covering the outdoor pool. A business case is being prepared. Early estimates have found that the costs of covering the outdoor pool are about \$7m. Council believes this increased cost is not viable. The redevelopment programme has been modified to include a new learners' pool, an indoor wet play area, the upgrade of changing rooms and improvements to car parking.

Parks and Reserves

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
An affordable range of venues and facilities that meet community recreational needs	100% compliance with New Zealand recreational standards
A diverse range of public landscapes and natural environments are protected and preserved	85% community satisfaction with the range and affordability of facilities provided (Email Panel). Complies with the requirements of the Reserve Management Act Reserve management plans are kept up to date. Next update 2013/14.
Safe and accessible parks, reserves and sportsgrounds	100% compliance with the Building Act Promoted to the community annual and district wide - ongoing

Major Projects 2013/14

Project	Budget
Annual maintenance of Kitchener Park	\$19,000
Signage maintenance	\$13,000
Redevelopment of Johnston and Timona Parks	\$528,000
Railway land beautification	\$371,000
Replacement of CBD park benches	\$21,000
Makino Park upgrade: skate park and playground – see variations	\$102,000

Variations from the LTP

Project	Explanation
Foot Bridge at Almadale Reserve	<p>During development of Council's 2012-22 Long Term Plan Council identified the need for repairs to both the Makino Stream foot bridge near the Makino Aquatic Centre and Almadale Reserve foot bridge.</p> <p>Early estimates suggested that both bridges could be repaired for about \$30,000. However, more detailed quotes have now been provided and the cost to undertake the repair of both is \$76,000.</p> <p>The foot bridge over the Makino stream is well used and Council has repaired it (\$42,000).</p> <p>Following Draft Annual Plan submissions, Council will investigate the best, most cost-effective means of repairing the bridge. In the meantime, the bridge will remain open.</p>
Makino Park upgrade: skate park and playground	<p>Over a number of years, Council has developed plans for the redevelopment of Makino Park. These plans now include a skatepark and new playground. Council has carried over the funding for the skatepark and postponed any work until the District Plan review has been further progressed and the MAC upgrade proposals are finalised.</p>

Property

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Quality Local Halls and Recreation Complexes are provided that meet community needs	<p>80% user satisfaction with halls and recreation complexes (Email Panel)</p> <p>All halls meet their Warrant of Fitness requirements</p> <p>Annual halls reports completed and liaison meetings held.</p> <p>All low use halls evaluated on an annual basis to assess their future viability. (Low use is defined as less than three times per year)</p> <p>Less than ten requests for maintenance per year</p>

Major Projects 2013/14

Project	Budget
Bunnythorpe Hall – see variations	\$240,000
Feilding Civic Centre Earthquake Strengthening - see variations	\$150,000
Building Warrants of Fitness – see variations	\$17,000
Feilding Little Theatre: new roof – see variations	\$20,000
Himatangi Beach Hall Extension	\$50,000

Variations from the LTP

Project	Explanation
Bunnythorpe Hall	Council has carried over its \$240,000 commitment to the new Bunnythorpe Hall
Building Warrants of Fitness	<p>The Building Act 2004 requires all buildings to have Building Warrants of Fitness (BWoF) – this includes Council maintained halls. A BWoF is a statement, provided by the building owner, that the building has been maintained according to a pre-approved schedule. This is confirmed by an Independently Qualified Person (IQP), who carries out an inspection of the building.</p> <p>A number of Council-maintained halls do not have BWoFs, due to unsatisfactory work of Council's previous IQP. We have since changed IQP company. Council has put aside \$17,000 to obtain BWoFs where this is necessary.</p>
Feilding Little Theatre: new roof	<p>The roof at the Feilding Little Theatre is due for replacement. Council had planned to undertake the work in 2012/13. However, the Little Theatre is also earthquake prone, and any structural strengthening work needs to be carried out before the roof is replaced.</p> <p>Council has not yet committed to carrying out any structural strengthening work at the Little Theatre building. Until a decision is made about strengthening, Council considers it prudent to carry the funding over to 2013/14 to ensure funds are available for the replacement of the roof, if required.</p>
Himatangi Beach Hall Extension	<p>Himatangi Beach Hall has been directly affected by the demolition and new build of the Palmerston North Life Saving Club building. The two buildings were joined and demolition of the club building has removed the hall kitchen. A temporary kitchen has been provided in the interim. As part of the LTP process Council set aside \$15,000 to renovate the hall kitchen. Council also considered a submission from the Himatangi Beach community to increase funding for this and build a new kitchen and undertake a modest hall extension to provide more storage and space for this well used community facility..</p> <p>At the time, Council decided that additional funding would not be made available until the Surf Lifesaving Club rebuild was confirmed and further detail of the kitchen and extension project was developed. The Himatangi Beach Community Trust has further developed the kitchen and extension proposal and has estimated the total cost of the project to be about \$100,000. Council has carried over the \$15,000 set aside in 2012/13 and added \$35,000 to it. This brings total Council funding contribution toward the project to \$50,000. The Himatangi Beach community will seek the balance of the project cost through grant funding.</p> <p>The community trust has greater chance of success if the project has the funding support of Council as the asset owner.</p>
Feilding Civic Centre – earthquake strengthening	<p>The design work for the Feilding Civic Centre earthquake strengthening has been completed. However, physical work needed to be programmed at a time when the Centre had little or no bookings. The Feilding Civic Centre Trust provided three available periods in September, September/October and January/February 2014). Only the January/February dates allowed all of the work to be done at once. The first two dates only allowed the work to be carried out one area at a time. This would possibly attract additional costs for establishing and disestablishing the site. Therefore, Council has carried over the \$150,000 set aside for this project to 2013/14.</p>

Property (Civic and Community Buildings)

Major Projects 2013/14

Level of Service	Key Performance Indicator and Target
Safe, reliable and accessible civic and community buildings meeting community needs	80% user satisfaction with buildings, measured by community feedback Less than ten requests for maintenance per year All buildings meet their Warrant of Fitness requirements

Public Conveniences

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Adequate public conveniences at an acceptable standard	Less than ten complaints per year about the condition or provision of toilets 95% of maintenance and cleaning requests and customer complaints regarding high-use toilets (Sanson and Feilding CBD) are actioned within two hours

Major Projects 2013/14

Project	Budget
Victoria Park Public Convenience upgrade – see variations	\$100,000
Kowhai Park Public Toilet Upgrade – see variations	\$100,000

Variations from the LTP

Project	Explanation
Victoria Park Public Convenience upgrade	The toilet block at Victoria Park needs refurbishing. It is subject to frequent complaints. It no longer meets national standards for public toilets and has experienced growing demand in recent years. Victoria Park itself is well used, in the summer and winter months. Touch rugby, softball and Saturday morning rugby are some of the sports played there. Council will therefore build a new toilet block. The new block will increase personal safety with pre-entry visibility and individual units. The new blocks also increase hygiene as they will meet national standards. The project adds \$52,000 to the budget, bringing total funding to \$100,000.
Kowhai Park Public Toilet Upgrade	Public toilet standards for improving safety and accessibility means that the \$51,000, originally set aside for this upgrade project, is insufficient. Also, the existing drainage will need upgrading and lighting installed. Council has added \$49,000 to the project, and carried over the current \$51,000 to 2013/14. This brings total funding to \$100,000.

Community Facilities Funding Impact Statement

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	242	249	228	(21)
Targeted rates (other than a targeted rate for water supply)	4,658	5,037	4,777	(260)
Subsidies and grants for operating purposes	2	2	2	0
Fees, charges and targeted rates for water supply	1,050	1,096	1,098	2
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	7	2	2	0
Total operating funding	5,958	6,385	6,106	(279)
Applications of operating funding				
Payments to staff and suppliers	4,448	4,102	4,428	325
Finance costs	490	616	656	40
Internal charges and overheads applied	1,114	1,093	831	(262)
Other operating funding applications	0	0	0	0
Total applications of operating funding	6,052	5,811	5,914	103
Surplus (deficit) of operating funding	(94)	574	192	(382)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	1,000	1,000	0
Development and financial contributions	133	138	138	0
Increase (decrease) in debt	(31)	2,341	3,098	756
Gross proceeds from sale of assets	1,500	1,500	1,500	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	1,603	4,979	5,735	756
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,782	4,391	5,983	1,592
- to replace existing assets	422	269	476	207
Increase (decrease) in reserves	(695)	893	(532)	(1,425)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	1,509	5,553	5,927	374
Surplus (deficit) of capital funding	94	(574)	(192)	382
Funding balance	0	0	0	0

District Development

Community Funding and Development

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Council funds and supports key community organisations in order to build district capability.	<p>All organisations that receive a grant reports back to Council to a satisfactory standard every six months, identifying progress towards outcomes</p> <p>Social and cultural strength of the community is evaluated on an annual basis</p> <p>Key partnership relationships - Destination Manawatu, Vision Manawatu, Sport Manawatu and Feilding Promotion - are identified and evaluated six-monthly for contribution to Council outcomes and collaborative endeavours</p> <p>Community funding policy reviewed alongside LTP in triennial cycle</p>
Lead a community planning process in partnership with communities	<p>Communities are actively engaged and involved in the process</p> <p>Two community planning programmes per year</p>

Major Projects 2013/14

Project	Budget
Community Planning: Kimbolton and Apiti/Rangiwahia – see variations	\$169,000
Feilding Integrated Family Health Centre – see variations	\$2,500,000
Manfeild Park: Community Investment	\$150,000

Variations from the LTP

Project	Explanation
Community Planning: Kimbolton, Pohangina and Apiti/Rangiwahia	<p>The community planning programme is a partnership between district communities and Council to develop and implement shared visions. The programme received positive feedback during LTP consultation. Sanson and Halcombe have started their planning. Kimbolton, Pohangina and Apiti/Rangiwahia are due to join the programme in 2013/14. Rongotea is scheduled to join in 2014/15.</p> <p>The programme is proving popular. To maintain momentum, Council will increase project funding by \$105,000, bringing total funding for 2013/14 to \$168,000. This additional funding will come from existing sources, so there is no affect on rates. These sources include: \$45,000 to be moved from the Community Development funding pool; \$20,000 of unspent community planning funding (originally tagged for project start-up costs) to be carried over from 2012/13 to 2013/14; and \$40,000 of unallocated events funding to be carried over from 2012/13 and applied to community planning for 2013/14. The increase in funding will allow for work to continue with Sanson and Halcombe while preparing for work in Kimbolton and Rangiwahia/Apiti at the same time. This also allows for an earlier start to work, should those communities wish.</p>

Project	Explanation
Feilding Integrated Family Health Centre	<p>In 2011 Council agreed to lend the Manawatu Community Trust (MCT) up to \$2.5m towards the development of the Feilding Integrated Family Health Centre. Half of any loan made was to be interest free and the other half subject to normal market conditions. As part of the Long Term Plan process the funding was subsequently carried over to 2012/13.</p> <p>While it is expected that construction will start soon, it is not likely to begin before the new financial year. Given the delay in the commencement of this project, council must now give consideration to the proposal in light of the changes to the purpose of Local Government (see pages 3-4).</p> <p>Council will need to see a confirmed commitment to the project from all parties as well as the completion of a sound business case.</p> <p>Because construction is unlikely to begin by the end of the financial year, Council has carried this funding over to 2013/14.</p>

Economic Development

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Council contracts external organisations to:	
Retain, attract and grow businesses and jobs	<p>Four sustainable business programmes per year</p> <p>Positive employment trend year on year - from economic update reports</p> <p>Positive business growth trend year on year - from economic update reports</p> <p>Positive wealth trend, year on year</p>
Attract and retain residents	Sense of place campaign undertaken
Attract visitors	Number of events - to be confirmed
Council contracts organisations to promote the District and operate an information service	<p>Increasing number of visitors to Feilding Website year on year</p> <p>Increasing number of visitors to the information centre</p>

District Development Funding Impact Statement

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	1,875	2,013	2,030	18
Targeted rates (other than a targeted rate for water supply)	59	61	61	0
Subsidies and grants for operating purposes	31	32	32	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	17	43	38	(5)
Total operating funding	1,983	2,148	2,161	13
Applications of operating funding				
Payments to staff and suppliers	1,898	1,815	1,968	153
Finance costs	185	229	219	(10)
Internal charges and overheads applied	254	249	204	(45)
Other operating funding applications	0	0	0	0
Total applications of operating funding	2,336	2,292	2,390	98
Surplus (deficit) of operating funding	(353)	(144)	(229)	(85)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	1,417	411	2,411	2,000
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	1,417	411	2,411	2,000
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	500	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(436)	(233)	(319)	(85)
Increase (decrease) of investments	1,000	500	2,500	2,000
Total application of capital funding	1,064	267	2,181	1,915
Surplus (deficit) of capital funding	353	144	229	85
Funding balance	0	0	0	0

Emergency Management

Civil Defence

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Council provides an Emergency Operating Centre and trained personnel (including Council staff and volunteers) to deal with civil defence emergencies	Emergency Management Officers are available 24 hours a day, seven days a week The Emergency Operating Centre will be staffed and operative within one hour of activation
Council provides public education	20 public education initiatives per year

Rural Fire

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Provide proactive and accurate rural fire service to the community, reducing the risks of fire incidents	Community awareness of rural fire service increases year on year, measured by the Email Panel Annual audit of Rural Fire equipment and facilities against agreed check list
Provide a co-ordinated and appropriate response and recovery to incidents	No more than ten complaints per year about unpermitted fires during restricted fire seasons Annual meetings with district welfare groups and community committee have taken place No loss of life due to rural fires

Emergency Management Funding Impact Statement

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	132	135	195	60
Targeted rates (other than a targeted rate for water supply)	179	184	152	(32)
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	4	4	4	0
Total operating funding	314	323	350	28
Applications of operating funding				
Payments to staff and suppliers	297	306	306	0
Finance costs	0	0	0	0
Internal charges and overheads applied	15	13	41	28
Other operating funding applications	0	0	0	0
Total applications of operating funding	312	320	347	28
Surplus (deficit) of operating funding	3	3	3	0
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	0	0	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	28	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(25)	3	3	0
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	3	3	3	0
Surplus (deficit) of capital funding	(3)	(3)	(3)	0
Funding balance	0	0	0	0

Environmental and Regulatory Management

Animal Control

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Animal Control complaints are resolved in a timely manner - response being defined as responding to the call centre and where required the complainant, and informing them of the intended action	Animal control service is available for 24 hours a day, seven days a week for priority one issues 95% of priority one callouts (dog attacks, secured dogs and wandering stock) responded to within 15 minutes. Note: priority one is defined as a dog attack on a person or livestock, secured dog or at animal control officer's discretion aggressive roaming dog, and stock on road. Priority two is everything else. 95% of priority two complaints are responded to within one working day 20% of all properties and dwellings, within a five-yearly cycle, are visited to check for unregistered dogs.
Promoting responsible dog ownership through public education	Three education programmes provided to schools
Provide a quality Animal Control Service	Comply with requirements of the Dog Control Act 1996, Impounding Act 1955 and Council bylaws

Building Control

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Building records and general information is available at all times	Building records are available at all times All inspections are carried out within four working days
A responsive and accurate building control service is provided	All consents are processed within statutory timeframes 5% of buildings with building warrants of fitnesses are audited each year 95% of Building Service complaints are investigated and resolution attempted within ten working days of receipt - note: some complaints take a while to resolve due to the complexity of some building projects
Ensure that the built environment is safe	All dangerous and insanitary building issues are resolved within two workings days. Note: resolved meaning investigated and notice issued if required No commercial/public buildings in the district are known to have been assessed as earthquake prone after ten years All known properties with swimming pools and/or spa fencing inspected on schedule and for compliance - the current procedure is for an inspection every five years

Environmental Health

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Protect public health by regulating the sale of food, funeral parlours, offensive trades, hairdressing salons and camping grounds	All applications processed within statutory timeframes All high risk premises inspected twice a years - defined as premises requiring temperature control for unwrapped product All low risk premises inspected annually - defined as all other licences including fruit and vegetable hairdressers, funeral parlours, camping grounds etc. All voluntary food control plans are verified to MAF requirements

Level of Service	Key Performance Indicator and Target
Environmental complaints are investigated to minimise public nuisance	95% of complaints are responded to within one working day 95% of noise complaints are responded to within one hour

District Planning

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
District Planning services are provided to ensure the sustainable management of natural and physical resources by managing/controlling development	Meeting statutory timeframes for processing resource consents Notified and Limited Notified consents requiring a hearing - 70 working days Non-notified resource consents - 20 working days Notified and Limited Notified resource consents not requiring a hearing - 50 working days The State of the environment and the efficiency and effectiveness of the District Plan are monitored every five years The District Plan complies with legislative requirements and Council outcomes Current District Plan provisions are available online 95% of the time 90% of complaints are investigated and responded to within three-months of being received All consents are monitored within one month of monitoring date
An accessible District Planning service	All Plan changes are updated online within five working days Advice from a Planner is available during office hours, 95% of the time

Major Projects 2013/14

Project	Budget
Sectional review of the District Plan - see variations	\$275,000
Feilding Growth - see variations	\$23,000
Liquefaction Project - see variations	\$53,000

Variations from the LTP

Level of Service	Key Performance Indicator and Target
District Plan Review and Feilding Growth	The Sectional Review of the District Plan is well underway. Plan changes that have been approved to be notified are the Miscellaneous Plan Changes (Plan Changes 36-42) and Rooding Hierarchy (Plan Change 50). Significant amount of work has occurred with the next plan changes for the Feilding Central Business District and Feilding Growth which will hopefully be notified within by July 2013. Council has carried over to 2013/14 \$64,105 for the District Plan review and \$22,631 for Feilding Growth as not all funds have been spent in 2012/13.

Level of Service	Key Performance Indicator and Target
Liquefaction Project	<p>A Lifelines Project, carried out for Horizons Regional Council, has identified that at a very broad level the liquefaction potential of the elevated terrace land encompassing Precincts 1, 2 and 3 is very low, whilst Precincts 4 and 5 have moderate susceptibility to liquefaction. Following the Christchurch earthquake more prescriptive requirements for liquefaction assessment is likely to emerge as are changes in legislation / codes / guidelines to mitigate these risks. (Precincts are growth areas around Feilding. Precinct 4 is in Pharazyn Road and Precinct 5 is the industrial area.)</p> <p>Council would like to proceed with this work. However, it needs to get a cost estimate and timeframe from an engineering firm. This quote has not been received yet for the liquefaction project that is to be undertaken for Precincts 4 and 5 (Feilding Growth). Council has therefore carried over the funding of \$53,208 to 2013/14.</p>

Liquor Licensing

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Protect public health by regulating the sale of liquor	<p>All liquor licence applications are processed and issued within five working days (where complete information provided)</p> <p>All liquor licence outlets are inspected annually</p>

Environmental and Regulatory Funding Impact Statement

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	454	483	457	(26)
Targeted rates (other than a targeted rate for water supply)	1,724	1,818	1,767	(51)
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	1,455	1,502	1,506	4
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	7	7	7	0
Total operating funding	3,640	3,810	3,737	(73)
Applications of operating funding				
Payments to staff and suppliers	2,598	2,502	2,903	401
Finance costs	0	0	0	0
Internal charges and overheads applied	1,408	1,407	1,070	(337)
Other operating funding applications	0	0	0	0
Total applications of operating funding	4,006	3,909	3,973	64
Surplus (deficit) of operating funding	(366)	(99)	(236)	(137)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	0	0	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	17	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(383)	(99)	(236)	(137)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	(366)	(99)	(236)	(137)
Surplus (deficit) of capital funding	366	99	236	137
Funding balance	0	0	0	0

Governance and Strategy

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Provide opportunities for community input into decision making	Eight Email Panel surveys per year on important Council projects/ decisions 60% of residents feel that they understand Council's decision making process (Email Panel)

Major Projects 2013/14

Project	Budget
Email Panel	\$20,000

Governance and Strategy Funding Impact Statement

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,221	1,229	1,322	92
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	69	69	0
Total operating funding	1,221	1,298	1,390	92
Applications of operating funding				
Payments to staff and suppliers	562	587	591	5
Finance costs	0	0	0	0
Internal charges and overheads applied	710	711	799	88
Other operating funding applications	0	0	0	0
Total applications of operating funding	1,272	1,298	1,390	92
Surplus (deficit) of operating funding	(51)	0	0	0
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	0	0	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	4	3	3	0
Increase (decrease) in reserves	(55)	(3)	(3)	0
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	(51)	0	0	0
Surplus (deficit) of capital funding	51	0	0	0
Funding balance	0	0	0	0

Roading

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Quality roading network provided that meets current and future demands, i.e. residents' needs and increased demands from agriculture	80% satisfaction with the roading network (Email Panel)
Adequate parking provided, parking controls appropriately implemented and enforced	95% satisfaction with the provision of parking
The services are managed at the lowest possible cost for the required level of service	The roading network is managed within budget, to within plus or minus 5%
All-weather access is available throughout the formed road network (urban and rural)	80% of weather events (floods and slips, or emergency incidents) responded to within 30 minutes of initial call to Council There are less than 5% of properties that have experienced interruption to road access for more than 12 hours per year
There is a quick response to customer requests for service	All customer requests for service are attended to within agreed timeframes
The roads feels safe to use and are regarded as safe in comparison to other similar networks	Less than 10% of reported injury accidents cite road design as a factor All curves are compatible with the speed environment
Footpaths and cycle facilities are in good condition and are 'fit for purpose'	98% of urban streets provided with a footpath on at least one side of the road 75% resident satisfaction with quality and comfort of footpaths (Email Panel) 96% are within acceptable defect levels, for example, cracking, breaks, high lips, trip hazards etc. All roads within the network are inspected on a monthly basis for condition defects All design standard meet current NZTA, Austroad or other adopted standards and guidelines.

Major Projects 2013/14

Project	Budget
Sealed Road Maintenance	\$1,096,000
Unsealed Road Maintenance	\$210,000
Environmental Maintenance	\$630,000
Drainage Maintenance	\$190,000
Structure Maintenance	\$280,000
Traffic Services	\$595,000
Network and Asset Management	\$595,000
Pavement Rehabilitation	\$2,686,000
Resurfacing Sealed Roads	\$2,172,000
Footpath Renewals	\$75,000
New Footpaths	\$107,000
Minor Improvements	\$521,000
CBD Redevelopment – Kimbolton Road (Manchester to Warwick Street) - see variations	\$494,000

Variations from the LTP

Project	Explanation
Main South Road	<p>The sealing of Main South Road is underway. Beginning about 5km from the intersection of Table Flat Road, stage one (2012/13) involves the seal extension of 3.8km, together with minor drainage improvements. Stage two, the final 4.2km section, is scheduled for 2013/14. However, work is progressing faster than expected. The project could be finished before June 2013.</p> <p>To allow for this, Council has agreed to bring \$535,000, set aside for 2013/14, back to 2012/13.</p> <p>Main South Road is an integral part of The Country Road, a series of scenic routes around Manawatu for locals and visitors to experience the Manawatu. Main South Road is the only part of this route not currently sealed. Council believes sealing the route will make it more accessible for locals and tourists.</p>
CBD Redevelopment	<p>Council has carried over remaining funding of \$200,000 for CBD redevelopment.</p>

Roading Funding Impact Statement

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	5,715	5,921	5,857	(64)
Subsidies and grants for operating purposes	1,639	1,688	2,045	357
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	210	216	216	0
Total operating funding	7,563	7,825	8,118	293
Applications of operating funding				
Payments to staff and suppliers	3,629	3,737	4,234	497
Finance costs	178	228	193	(35)
Internal charges and overheads applied	(76)	(102)	(36)	66
Other operating funding applications	0	0	0	0
Total applications of operating funding	3,731	3,863	4,391	528
Surplus (deficit) of operating funding	3,832	3,962	3,727	(235)
Sources of capital funding				
Subsidies and grants for capital expenditure	4,031	3,985	3,472	(513)
Development and financial contributions	299	308	308	0
Increase (decrease) in debt	397	659	427	(231)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	4,727	4,952	4,208	(745)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	919	919	0
- to improve the level of service	1,241	1,123	654	(469)
- to replace existing assets	7,891	8,069	7,173	(896)
Increase (decrease) in reserves	(574)	(1,197)	(812)	385
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	8,558	8,914	7,935	(979)
Surplus (deficit) of capital funding	(3,831)	(3,962)	(3,727)	235
Funding balance	0	0	0	0

Solid Waste

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Provision of recycling facilities and regular kerbside collection to encourage recycling and waste reduction	5% year on year decrease in waste tonnage taken to landfill 5% year on year increase in tonnage of recyclables
Convenient and accessible waste management services are available to the community	70% of residents are within 10km of a transfer station or drop-off point
Education on best waste practices are provided to the community and businesses	85% satisfaction with education programmes (Participant survey) 15 education programmes provided
Feilding Transfer Station is accessible	Opening hours: 8am to 4pm, Monday to Friday. 9am to 5pm weekends

Major Project 2013/14

Project	Budget
District-wide Waste Education Strategy – see variations	\$56,000

Variations from the LTP

Project	Explanation
District-wide Waste Education Strategy	As part of the LTP, Council initiated a waste education strategy. An important feature of this strategy is the paper for trees initiative – whereby Council rewards schools with trees (for planting) based on the amount the school recycles. Council anticipates a large uptake on this programme and has bolstered funding by \$10,000. This will bring the waste education strategy budget to \$56,000. The paper for trees component will be about \$6,000.
Extension to rubbish collection and recycling services Extended Solid Waste Services	<p>Council proposed three options for the collection of recycling and rubbish, summarised below. These were the subject of special consultation in the Draft Annual Plan.</p> <p><i>Option 1: Status Quo</i> This comprises fortnightly kerbside and weekly blue bag collection for Feilding and weekly blue bag collection the villages (including wheelie bin and crate recycling for the Feilding urban area).</p> <p><i>Option 2: Extended rural recycling collection</i> In Option 2 Council proposed to extend its kerbside recycling service to include the existing blue bag collection route. This means properties along this route will receive a wheelie bin and plastic crate for the collection of recycling and rubbish. The extended service not only makes it easier for these people to recycle but also reduces the volume of waste going to landfill.</p> <p><i>Option 3: District-wide kerbside recycling rubbish collection services</i> In Option 3 Council proposed a district-wide kerbside recycling and rubbish collection service. This would mean 95% of households in the district would receive a recycling wheelie bin and crate for a kerbside refuse and recycling collection. Council received 90 submissions on this proposal – 80% favoured the status quo. Council has decided to maintain the existing service and will continue to review it.</p>

Solid Waste Funding Impact Statement

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,116	1,124	1,213	89
Subsidies and grants for operating purposes	92	95	95	0
Fees, charges and targeted rates for water supply	426	440	709	270
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	1,634	1,659	2,017	359
Applications of operating funding				
Payments to staff and suppliers	1,444	1,470	1,737	266
Finance costs	3	3	29	26
Internal charges and overheads applied	132	129	154	25
Other operating funding applications	0	0	0	0
Total applications of operating funding	1,579	1,602	1,919	317
Surplus (deficit) of operating funding	55	57	98	41
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	(42)	(42)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	0	0	(42)	(42)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	7	7
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	55	57	49	(8)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	55	57	57	0
Surplus (deficit) of capital funding	(55)	(57)	(98)	(41)
Funding balance	0	0	0	0

Stormwater

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
People and property are protected from the impacts of flooding	No more than one injury per year is attributed to poorly designed or maintained drains or pipes
Reliable Stormwater system	No residential dwellings are flooded in a one-year event No urban roads are closed by flooding during a one-year event

Major Projects 2013/14

Project	Budget
Renewal of ageing assets (\$10,000 carried over from 2012/13 as part of the Draft Annual Plan process)	\$47,000
Stormwater Calibration and Development	\$55,000
New Reticulation Work	\$687,000
Development of Stormwater Structure Plan	\$54,000

Stormwater Funding Impact Statement

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	181	186	186	(1)
Targeted rates (other than a targeted rate for water supply)	589	607	616	9
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	769	793	801	8
Applications of operating funding				
Payments to staff and suppliers	273	281	275	(6)
Finance costs	55	141	189	48
Internal charges and overheads applied	58	57	63	6
Other operating funding applications	0	0	0	0
Total applications of operating funding	386	478	526	48
Surplus (deficit) of operating funding	383	315	275	(40)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	57	59	59	0
Increase (decrease) in debt	2,857	(246)	704	950
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	2,914	(187)	763	950
Applications of capital funding				
Capital expenditure				
- to meet additional demand	3,010	54	741	687
- to improve the level of service	88	91	91	0
- to replace existing assets	46	37	47	10
Increase (decrease) in reserves	154	(54)	159	213
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	3,298	129	1,038	910
Surplus (deficit) of capital funding	(383)	(315)	(275)	40
Funding balance	0	0	0	0

Wastewater

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Wastewater services meet user needs	96% of customers are satisfied with their wastewater services (Email Panel)
Wastewater services are available for urban residences	95% of urban residences are within connection distance of a sewer lateral (GIS and Huefner Records)
Wastewater services are provided at the agreed level of service for the lowest possible cost	The harmonised household charge is comparable to a peer group of similar districts: within plus or minus 20%
A reliable wastewater service is provided	No more than one unplanned event which disrupts the availability of wastewater services (Customer Service and contractor records) All affected users are given 24 hours notice of planned shut downs 90% of complaints or issues are responded to within two hours
Wastewater systems have minimal impact on the environment	All resource consent conditions are met

Major Projects 2013/14

Project	Budget
Feilding Wastewater Treatment Plant upgrade - see variations	\$4,227,000
Native Plant Nursery – see variations	\$381,000
Kimbolton Wastewater Treatment Plant Upgrade – see variations	\$100,000
Rongotea Wastewater Treatment Plant Upgrade – see variations	\$200,000
Cheltenham Discharge – funding carried over from 2013/13 during the Draft Annual Plan process	\$77,000
Himatangi Beach Wastewater Scheme - see variations	\$4,070,000
Feilding Wastewater Infiltration Investigation and CCTV/Flow Monitoring	\$150,000

Variations from the LTP

Project	Explanation
Native Plant Nursery	<p>In December 2011 Council lodged resource consent applications for the Feilding Wastewater Treatment Plant (WWTP). The consents provide for the removal of wastewater from the Oroua River during low flows via land irrigation, while allowing for discharge of treated wastewater to river during heightened flows.</p> <p>These applications attracted a number of submissions, with concerns expressed about discharge into the river and to land, particularly from Ngati Kauwhata.</p> <p>Council is committed to improving the natural environment, including the surface water quality of the Oroua River.</p> <p>One way of off-setting some of the environmental concerns expressed by submitters is to undertake buffer and riparian planting. In order to assist with this, Council will develop a native plant nursery. Growing native plants from locally sourced seed stock will allow Council to undertake buffer planting around the irrigation areas and riparian planting along waterways in the vicinity of the irrigation areas.</p>

Project	Explanation
	<p>Such planting will have a number of benefits including stabilising the stream banks and assisting with a further level of protection for the waterways by further absorbing and filtering run-off from the irrigation areas. Riparian planting can also assist with the protection of native fish life.</p> <p>Council estimates an initial capital outlay of \$235,000, and ongoing (annual) operating costs of \$146,000.</p> <p>Council expects to cover operating costs for the first ten years from within existing Council budgets associated with the Waste Water Treatment Plant and Parks and Reserves.</p> <p>There are number of other advantages to this project, including the ability to partner with local schools, volunteers and local Iwi to provide locally sourced and grown plants for the benefit of a range of restoration and enhancement projects, including the restoration of Kitchener Park.</p>
Feilding Wastewater Infiltration Investigation and CCTV/Flow Monitoring - see variations	This programme is underway but will not be completed before the end of the financial year. Therefore, Council has carried over the remaining budget of \$150,260 to 2013/14.
Feilding Wastewater Plant Upgrade	Council has added \$2,500,000 to the Feilding Wastewater Treatment Plant upgrade. This is for new capital. \$1,500,000 is to be funded from development contributions and \$1,000,000 is to be funded from loans.
Kimbolton WWTP Improvements	The budget has been committed for the supply and installation of key components. Balance of remaining budget (\$100,000) has been carried over to 2013/14 to complete the project.
Rongotea WWTP Improvements	The budget has been committed for the supply and installation of key components. Balance of remaining budget (\$200,000) has been carried over to 2013/14 to complete the project.
Cheltenham WWTP Renewal	Council has carried over \$77,000 to 2013/14 for this project.
Himatangi Beach Sewerage Scheme	The contracts have been let and the reticulation and treatment plant substantially completed. Installation of on-lot pump stations is underway. Council has carried over the unspent budget of \$575,000.

Wastewater Funding Impact Statement

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	2,801	3,257	3,476	218
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	639	660	665	5
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	69	69
Total operating funding	3,440	3,917	4,209	292
Applications of operating funding				
Payments to staff and suppliers	2,431	2,356	2,439	134
Finance costs	426	778	971	193
Internal charges and overheads applied	125	122	(112)	(234)
Other operating funding applications	0	0	0	0
Total applications of operating funding	2,983	3,255	3,347	92
Surplus (deficit) of operating funding	457	662	862	200
Sources of capital funding				
Subsidies and grants for capital expenditure	3,215	0	2,321	2,321
Development and financial contributions	2,687	385	391	6
Increase (decrease) in debt	7,240	6,406	5,517	(888)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	13,141	6,791	8,229	(1,438)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	41	42	1,542	1,500
- to improve the level of service	10,211	6,786	7,171	385
- to replace existing assets	2,003	617	1,270	653
Increase (decrease) in reserves	1,344	7	(892)	(900)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	13,598	7,453	9,091	(1,638)
Surplus (deficit) of capital funding	(457)	(662)	(862)	(200)
Funding balance	0	0	0	0

Water Supply

How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Reliable water supply service	<p>There are no unexpected disruptions to service</p> <p>Customers are no more than eight hours without water</p> <p>Customers are provided with at least 24 hours notice prior to planned shut downs</p> <p>All urgent requests for service are responded to within one day - dirty, cloudy, smelly, bad tasting water, or no water at all</p> <p>The Feilding water supply complies with New Zealand Fire Service Fire Fighting Water Supplies Code of Practice</p>
Water supply extraction has minimal environmental impact	All water extraction meets or exceeds resource consent requirements
Safe drinking water supply	Meets Drinking Water Standards 2005

Major Projects 2013/14

Project	Budget
Renewal of Ageing Assets - see variations	\$2,961,000
Metering and backflow protection	\$38,000
Asset structure plan	\$53,000
Pressure zone investigation – see variations	\$245,000
Water treatment at Almadale Water Treatment Plant – see variations	\$250,000
Almadale Water Treatment Plant Optimisation	\$101,000
Himatangi Water Supply: new reservoir - see variations	\$170,000

Variations from the LTP

Project	Explanation
Water treatment at Almadale Water Treatment Plant	<p>Council is undertaking a major overhaul of water treatment at the Almadale Water Treatment Plant. The project involves a number of elements, including a new UV treatment system, rapid sand filtration (a new system to more effectively filter unwanted deposits from the water) and tube settlers (a new system to remove sludge from the water).</p> <p>The estimated cost of the project is \$1.2m. For 2013/14 Council will focus on the UV treatment system, which will cost \$250,000. This is to be funded by loans.</p>
Pressure zone investigation	<p>Currently, there is uneven pressure across Feilding's water supply system. Council will investigate means of equalising pressure throughout Feilding at a cost of \$35,000.</p> <p>This takes the total budget for 2013/14 to \$245,000, to be funded by a loan.</p>
Feilding Water Supply WTP	Council has carried over the remaining Almadale WTP Optimisations budget of \$101,000 to 2013/14. This project will be combined with the new UV treatment improvements (budget \$250,000, already in the 2013/14 budget) to maximise project efficiencies.
Feilding Water Supply Reticulation	<p>Council has carried over the \$1,133,000 of the Feilding water reticulation renewal budget to 2013/14.</p> <p>The budget committed a large contract in Kimbolton Road which will be underway next year.</p>

Project	Explanation
Himatangi Water Supply New Reservoir	Council has carried over \$170,000 for the new reservoir at Himatangi Beach. The contract has been let for the new reservoir and foundation slab programmed for completion this calendar year.

Water Supply Funding Impact Statement

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	3,046	3,173	2,955	(218)
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	205	211	424	213
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding	3,251	3,384	3,379	(5)
Applications of operating funding				
Payments to staff and suppliers	1,760	1,869	1,696	(173)
Finance costs	294	332	300	(33)
Internal charges and overheads applied	141	131	160	30
Other operating funding applications	0	0	0	0
Total applications of operating funding	2,195	2,332	2,156	(176)
Surplus (deficit) of operating funding	1,055	1,052	1,223	171
Sources of capital funding				
Subsidies and grants for capital expenditure	1,200	1,143	1,143	0
Development and financial contributions	379	163	129	(34)
Increase (decrease) in debt	673	309	1,023	714
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding	2,251	1,615	2,296	681
Applications of capital funding				
Capital expenditure				
- to meet additional demand	290	53	103	50
- to improve the level of service	2,121	1,708	2,415	707
- to replace existing assets	2,016	1,758	2,961	1,203
Increase (decrease) in reserves	(1,121)	(852)	(1,961)	(1,109)
Increase (decrease) of investments	0	0	0	0
Total application of capital funding	3,307	2,667	3,518	852
Surplus (deficit) of capital funding	(1,055)	(1,052)	(1,223)	(171)
Funding balance	0	0	0	0

Part Three Policies



Funding Impact Statement

	LTP 2013 \$000	Note	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Sources of operating funding					
General rates, uniform annual general charges and rates penalties	3,139		3,331	3,360	29
Targeted rates (other than a targeted rate for water supply)	21,107		22,410	22,194	(217)
Subsidies and grants for operating purposes	1,764		1,817	2,174	357
Fees, charges and targeted rates for water supply	3,761		3,894	4,388	494
Interest and dividends from investments	541		575	635	60
Local authorities fuel tax, fines, infringement fees and other receipts	3,370		3,517	3,568	52
Total operating funding	33,681	1	35,544	36,319	775
Applications of operating funding					
Payments to staff and suppliers	25,949		25,687	27,364	1,677
Finance costs	1,737		2,439	2,190	(250)
Other operating funding applications	0		0	0	0
Total applications of operating funding	27,686	1	28,127	29,554	1,427
Surplus (deficit) of operating funding	5,995	5	7,417	6,765	(653)
Sources of capital funding					
Subsidies and grants for capital expenditure	8,446		6,129	7,936	1,808
Development and financial contributions	3,555		1,053	1,025	(28)
Increase (decrease) in debt	13,011		9,693	13,278	3,585
Gross proceeds from sale of assets	1,500		1,500	1,500	0
Lump sum contributions	0		0	0	0
Total sources of capital funding	26,512		18,375	23,739	5,364
Applications of capital funding					
Capital expenditure					
- to meet additional demand	3,341		1,069	3,306	2,237
- to improve the level of service	16,542		13,911	16,735	2,824
- to replace existing assets	12,964		11,387	12,630	1,243
Increase (decrease) in reserves	(1,268)		(996)	(4,589)	(3,593)
Increase (decrease) of investments	927		422	2,422	2,000
Total application of capital funding	32,507		25,792	30,504	4,711
Surplus (deficit) of capital funding	(5,995)	5	(7,417)	(6,765)	653
Funding balance	0		0	0	0

Rating System

The Local Government (Rating) Act 2002 provides local authorities with flexible powers to set, assess and collect rates to fund local government activities.

Rating Objectives:

Council's rating objectives:

- Easily understood method of setting rates
- Set rates in a manner that is fair and equitable
- To ensure that all ratepayers contribute to the cost of providing District services
- To foster the sense of a single community

Rating Mechanisms Explanation:

- **General rates** fund those services where the council believes there is a public benefit. It typically funds "public good" for which there is no practical method of charging individual users as the benefit is wider than just specific users. Our analysis of benefits indicates that there minimal difference in incidence between multiple targeted rates and a differentiated general rate. General rates fund a range of services which are used by individual ratepayers to varying extents.
- **Targeted rates** are used to fund community benefits and wider public goods. A targeted rate means a rate to be used exclusively to pay for a specific activity. It is used in circumstances where the Council believes that the benefits from the services are such that the principles of a general

rate approach (noted above) are not sufficient and that they should be targeted to a particular group that receive direct benefit from the service provided. It is also used where the Council considers that the level of charge is outside council's control and the extent of the impact should be clear to the community.

Council's Revenue and Financing Policy gives detailed information on how the sources of funding for each activity have been selected. The Funding Impact Statement outlines the mix of mechanisms to be used in each year over the period of the Long Term Plan. More detail on each of the rates is provided below. (It should be noted that all figures below are GST inclusive.

General Rate, Roothing Network Targeted Rate and Parks and Reserves Targeted Rate

Council used the following differential categories for setting the general rate and the roading network and parks and reserves targeted rates. These categories have been determined using the following matters (as appropriate) under Schedule two of the Local Government (rating) Act 2002:

- The use to which the land is put
- The activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991.
- Where the land is situated.

Differential Category	Description
1. Feilding Residential	Being all rating units situated within the 2009 Feilding differential rating area used solely or principally for residential or farming purposes or is vacant, but excluding those rating units included in Category 2 and 3.
2. Feilding Rural	Being all rating units situated within the Feilding differential rating area being properties zoned Rural 1, Rural 2 or Flood Channel 2 under the Manawatu District Plan.
3. Feilding CBD	Being all rating units situated within the 2009 Feilding Central Business differential rating area, not used solely or principally for residential purposes.
4. Rural	Being all rating units situated outside the 2009 Feilding differential rating area excluding those rating units included in Category 5 and 6.
5. Industrial and Commercial	Being all rating units zoned Industrial under the Manawatu District Plan and used solely or principally for commercial or industrial purposes excluding those rating units included in Category 3. OR all rating units in the Feilding differential rating area used solely or principally for conducting a business but excluding those rating units in Category 3.
6. Utilities	Being all rating units situated within the Manawatu District that have been identified by the Valuer General as infrastructure utility networks.

General Rate, Roothing Network Targeted Rate and Parks and Reserves Targeted Rate

Note: The types or groups of property for differential rating within the district (as outlined in the above table) are defined as:

- "Feilding differential rating area" as delineated on a plan filed in the office of the Council marked "Feilding Differential Rating Area 2009"
- "Feilding Central Business District differential rating area" means the Feilding Central Business

District differential rating area as delineated on a plan filed in the office of the Council marked "Feilding Central Business District Differential Rating Area 2009"

General Rate

The general rate funds those Council activities not funded by targeted rates. These include all or a portion of the following activities: CBD security, community funding and development, environmental and regulatory management, economic development, property, rural fire, and urban stormwater.

Council will set a general rate based on the capital value of each rating unit within the district. The general rate is to be set differentially using the following categories.

General Rate Differential Category	Basis	Differential	Cents in the \$	Estimate Revenue
1. Feilding Residential	CV	1.00	0.08937	\$1,202,593
2. Feilding Rural	CV	0.50	0.04468	\$115,675
3. Feilding CBD	CV	2.25	0.20108	\$242,278
4. Rural	CV	0.40	0.03575	\$1,718,721
5. Industrial and Commercial	CV	1.60	0.14299	\$172,075
6. Utilities	CV	1.60	0.14299	\$109,230

Total revenue to be generated 2013/14 \$3,560,572 (based on capital values as at 1 August 2010)

Parks and Reserves Targeted Rate

Council will set a targeted rate to fund a portion of the costs of Manawatu District's parks, reserves and sports grounds.

Total revenue required for parks and reserves is \$2,122,630.

The parks and reserves targeted rate is a combination of two rates

- a differentiated rate based on the capital value of a rating unit as detailed below.

- a uniform targeted rate of \$25 per separately used and inhabited part of a rating. This detailed with the other uniform targeted rates.

The parks and reserves targeted rate will be assessed on a differential basis (as described in the table below) being expressed as a fixed cents in the dollar amount of capital value of the rating unit.

General Rate Differential Category	Basis	Differential	Cents in the \$	Estimate Revenue
1. Feilding Residential	CV	1.00	0.05142	\$691,984
2. Feilding Rural	CV	0.30	0.01543	\$39,936
3. Feilding CBD	CV	2.75	0.14141	\$170,389
4. Rural	CV	0.30	0.01543	\$741,726
5. Industrial and Commercial	CV	1.50	0.07713	\$92,825
6. Utilities	CV	1.75	0.08999	\$68,745

Total revenue to be generated 2013/14 \$1,805,605 (based on capital values as at 1 August 2010)

Roading Network Targeted Rate

A targeted rate to fund costs of the Manawatu District roading network will be set.

Total revenue required for roading activity is \$6,437,100

The roading network targeted rate is a combination of two rates

- a differentiated rate based on the capital value of a rating unit as detailed below.

- a uniform targeted rate of \$100 per separately used and inhabited part of a rating. This is detailed with the other uniform targeted rates.

The roading network targeted rate will be assessed on a differential basis (as described in the table below) being expressed as a fixed cents in the dollar amount of capital value of the rating unit.

General Rate Differential Category	Basis	Differential	Cents in the \$	Estimate Revenue
1. Feilding Residential	CV	1.00	0.09781	\$1,316,212
2. Feilding Rural	CV	0.65	0.06358	\$164,585
3. Feilding CBD	CV	2.75	0.26898	\$324,094
4. Rural	CV	0.65	0.06358	\$3,056,790
5. Industrial and Commercial	CV	1.50	0.14672	\$176,561
6. Utilities	CV	1.75	0.17117	\$130,758

Total revenue to be generated 2013/14 \$5,169,000 (based on capital values as at 1 August 2010)

Makino Aquatic Centre and Library Targeted Rate

Council will set a differentiated targeted rate for funding the Makino Aquatic Centre and Library, on every separately used or inhabited parts of a rating unit dependent on where in the district the rating unit is situated i.e. either within the 2009 Feilding Differential Rating Area or outside the 2009 Feilding Differential Rating Area .

Feilding Differential Rating Area	\$230
Outside the Feilding Differential Rating Area	\$153
Total revenue to be generated 2013/14	\$2,422,621

Kerbside Recycling Targeted Rate

Council will set a targeted rate to fund the kerbside recycling collection service per separately used or inhabited part of a rating unit to which the kerbside recycling collection service is available.

Rating units where the service is not available will not be liable for this rate.

Kerbside Recycling	\$111
Total revenue to be generated 2013/14	\$713,155

Feilding CBD Redevelopment Targeted Rate

Council has set a targeted rate for the Feilding Central Business District [CBD] Redevelopment of:

- 0.25252 cents in the dollar of capital value on all rating units situated within the 2009 Feilding Central Business differential rating area, not used solely or principally for residential purposes.

Total revenue to be generated 2013/14	\$298,579
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Feilding CBD Security Targeted Rate

- Council will set a targeted rate to fund the costs of the Feilding CBD security per separately used or inhabited part of a rating unit situated within the 2009 Feilding Central Business differential rating area, not used solely or principally for residential purposes.

Feilding CBD Security	\$264
Total revenue to be generated 2013/14	\$69,950

Uniform Targeted Rates

The following uniform targeted rates will be set for all rateable land in the Manawatu district. These targeted rates apply to every separately used or inhabited part of a rating unit.

Each of these rates will fund all or a portion of the stated activities. For more information on these activities, please refer to the Revenue and Financing Policy.

The uniform targeted rates are:

Category	Uniformed Targeted Rate 2013/14	Estimate Revenue to be collected 2013/14
Animal Control	\$23	\$287,495
Cemeteries	\$21	\$262,183
Civil Defence	\$14	\$174,633
Governance and Strategy	\$120	\$1,519,808
Environmental and Regulatory Management	\$138	\$1,744,112
Local Halls and Recreation Complexes	\$35	\$441,893
Parks and Reserves	\$25	\$317,025
Public Conveniences	\$26	\$330,286
Recycling	\$13	\$158,840
Roading	\$100	\$1,268,100
Solid Waste Collection	\$18	\$289,130
Solid Waste Disposal	\$23	\$233,741

Rural Drainage Targeted Rates

Council will set a targeted rate to fund the maintenance and development of land drainage schemes, based on land value, differentiated in accordance to where in the district the land is situated.

Total revenue to be generated 2013/14 \$62,649

Category	Cents in the \$	Estimate Revenue
Bainesse drainage district		\$6,455
Bainesse Class A	0.04087	
Bainesse Class B	0.02054	
Bainesse Class C	0.01603	
Makowhai drainage district		\$6,562
Makowhai Class A	0.02373	
Makowhai Class B	0.01742	
Makowhai Class C	0.00327	
Maire drainage district		\$3,520
Maire Class A	0.02581	
Maire Class B	0.00888	
Maire Class C	0.01261	
Maire Class D	0.00973	
Oroua Downs drainage district		\$46,112
Oroua Downs Class A	0.06550	
Oroua Downs Class B	0.03135	
Oroua Downs Class C	0.01920	

Stormwater Targeted Rates

Council will set a targeted rate to fund the reticulation of stormwater drainage per rating unit that is connected, either directly or indirectly, through a private drain to a public drain situated within the areas below:

Total revenue to be generated 2013/14 \$645,328

Category	Targeted Rate
2009 Feilding Differential Rating area	\$98
Rongotea urban area	\$96
Sanson urban area	\$107

Wastewater Disposal Targeted Rates

Council will set targeted rates to fund the reticulation, treatment and disposal of sewage and trade effluent.

Wastewater disposal targeted rates are set for each water closet or urinal that is connected, either directly or through a private drain to a Council operated wastewater scheme. Provided that every separately used or inhabited part of a rating unit is used exclusively or principally as the residence of not more than one household the residence shall be deemed to have not more than one water closet or urinal.

This charge will be set on a differential basis, based on the availability of service.

"Connected" Full charge for each water closet or urinal that is connected either directly or through a private drain to a Council operated wastewater scheme, excluding those classified as restricted.

"Serviceable" Half charge for each separately used or inhabited part that are capable of being effectively connected to the Council wastewater scheme runs past the rating unit.

"Restricted" 80% of the full rates will apply per separately used or inhabited parts of a rating unit that is connected to a Council operated water supply, but a restricted service is received. This includes Mount Taylor.

Rating units that are not serviceable or those that have opted for wastewater volumetric charging will not be liable for this rate.

Total revenue to be generated 2013/14 \$3,996,855

Category	Targeted Rate Connected
Wastewater disposal - connected	\$512
Wastewater disposal - serviceable	\$256
Restricted service - connected	\$410

Water Supply Targeted Rates - Urban

Council will set a targeted rate to fund the reticulation, treatment and supply of water, for properties that are not charged for water by meter. This is for each separately used or inhabited part of a rating unit, which is either connected to the water supply system or for which connection is available.

This charge will be set on a differential basis based on the availability of service.

"Connected" Full charge per separately used or inhabited parts of a rating unit that is connected to Council operated water supply, excluding those receiving a restricted supply.

"Serviceable" Half charge per separately used or inhabited parts of a rating unit that is capable of being effectively connected to a Council operated water reticulation system or the Council reticulation runs past the rating unit

"Restricted" 80% of the full rates will apply per separately used or inhabited parts of a rating unit that is connected to a Council operated water supply, but a restricted service is received. This includes Sanson and Mount Taylor.

Rating units that are not serviceable will not be liable for this rate.

Total revenue to be generated 2013/14 \$2,808,298

Rating units that have opted for water volumetric charging and extraordinary users of the water scheme under Council's bylaw have their water consumption metered. These users will be charged the annual serviced water supply targeted rate per water meter connected. This provides for normal water usage.

Should consumption exceeds the quarterly allocated water usage of 95 cubic metres, additional consumption charges of \$1.25 per cubic meter will apply.

Category	Targeted Rate
Water Supply - connected	\$460
Water Supply - serviceable	\$230
Restricted Supply - connected	\$368

Water Supply Targeted Rates - Rural

Council will set a targeted rate for rural water supply to fund the treatment, reticulation and supply of water per unit allocated or supplied to each participating property in the following schemes.

Total revenue to be generated 2013/14 \$589,734

This is for each separately used or inhabited part of a rating unit, which is either connected to the water supply system or for which connection is available.

Category	Targeted Rate
Stanway/Halcombe rural water supply area	\$213
Waituna West rural water supply area	\$444
Oroua Rural Water Supply Area.	\$65
Kiwitea Rural Water Supply Area	\$264.50
Kiwitea Rural Water Supply Area per unit of water supplied over and above the allocated entitlement.	\$370.30

Himatangi Beach Wastewater Supply - Capital Charges

Council will set a targeted rate where the ratepayer elected to pay their capital contribution over a set term for the Himatangi Beach Wastewater Scheme. This is based on the connection agreement signed by the ratepayer.

Total revenue to be generated 2013/14 \$234,745

Category	Targeted Rate
Three year term, 1 July 2013 to 30 June 2016	\$3,725
Five year term, 1 July 2013 to 30 June 2018	\$2,384
Ten year term, 1 July 2013 to 30 June 2023	\$1,392
Twenty year term, 1 July 2013 to 30 June 2033	\$923

Definition of Separately Used or Inhabited Part of a Rating Unit

A separately used or inhabited part of a rating unit includes any part of a rating unit that can be used separately or inhabited by either the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. As a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or separate use.

Separately used or inhabited - for a residential rating unit. Includes a building or part of a building that is, intended to be used as, or is able to be used as, an independent residence with independent kitchen with connected cooking facilities, including flats and apartments and flats which share kitchen and bathroom facilities.

Separately used or inhabited - for a commercial rating unit. Means a building or part of a building that is, or intended to be, or is able to be, separately tenanted, leased or subleased for commercial purposes.

Not rated as separately used parts of a rating unit:

- A residential sleep-out or granny flat without independent kitchen facilities
- A hotel room with or without kitchen facilities
- Motel rooms with or without kitchen facilities
- Individual storage garages/sheds/partitioned areas of a warehouse
- Individual offices/premises of partners in a partnership
- Bed and breakfast home stay
- Rooms in a residential hostel with a common kitchen

How to work out your rates

Populate the below table to give you an idea of your rates for the 2013/14 rating year.

Property		
Write in your most recent Capital Value		_____ (a)
Write your General Rate category cents in the dollar		_____ (b)
General Rate	$(a) \times (b) / 100 =$	_____ (c)
Write your Parks and Reserves Targeted Rate category cents in the dollar		_____ (d)
Parks and Reserves Targeted Rate	$(a) \times (d) / 100 =$	_____ (e)
Write your Rooding Network Targeted rate category cents in the dollar		_____ (f)
Rooding Network Targeted Rate	$(a) \times (f) / 100 =$	_____ (g)
Uniform Targeted Rate (per separately used or inhabited part)	\$556	_____ (h)
Community facilities (MAC and Library) (per separately used or inhabited part)		
Feilding	\$230	_____ (i)
Rural	\$153	_____ (j)
Feilding CBD redevelopment	$(a) \times 0.25252 / 100$	_____ (k)
Feilding CBD security	\$264	_____ (l)
Kerbside Recycling	\$111	_____ (m)
Water supply or Rural Water supply		_____ (n)
Wastewater disposal (per pan or urinal)		_____ (o)
Stormwater		_____ (p)
	Total \$	_____

2013/14 rates are also available online at www.mdc.govt.nz through the Property and Rates search.

Rating Property Examples

Rating Category	CV (at 1 August 2010)	2012/13 Total Rates (GST incl)	2013/14 Total Rates (GST incl)	Percentage Change
Feilding Residential	\$295,000	\$2,602	\$2,671	2.66%
Feilding Residential (no water/ wastewater)	\$910,000	\$3,053	\$3,068	0.5%
Feilding Residential (multi –unit)	\$1,850,000	\$25,250	\$26,554	5.2%
Feilding Rural	\$430,000	\$1,423	\$1,527	7.3%
Feilding Rural	\$600,000	\$1,604	\$1,737	8.3%
Feilding CBD	\$465,000	\$7,345	\$7,785	6.0%
Feilding CBD	\$610,000	\$7,635	\$8,013	5.0%
Rural with wastewater includes new recycling service	\$240,000	\$1,440	\$1,496	3.9%
Rural with Farming as one remission	\$960,000	\$1,020	\$1,102	8.0%
Rural with Farming as one remission	\$3,700,000	\$3,932	\$4,246	8.0%
Industrial/Commercial	\$1,250,000	\$5,917	\$6,092	0.3%
Industrial/Commercial	\$7,772,000	\$27,760	\$28,282	-1.8%

Due instalment and penalty dates

All rates are to be set for the year commencing 1 July 2013 and ending 30 June 2014.

Rates will be payable in four instalments and must be paid as detailed below.

Should a ratepayer fail to pay the invoiced rates by the due date a 10 per cent penalty will be added as per section 57 of the Local Government (Rating) Act 2002.

A further 10 per cent penalty will be added to unpaid rates from previous financial years which remain unpaid on 1 July 2013 and 1 January 2014. The following are the due dates for payment:

	Instalment One	Instalment Two	Instalment Three	Instalment Four
Invoice Date	01 August 2013	01 November 2013	01 February 2014	01 May 2014
Due Date	23 August 2013	22 November 2013	21 February 2014	23 May 2014
Penalty Date	26 August 2013	25 November 2013	24 February 2014	26 May 2014

*Instalment 1 penalty credited for full payment of annual rates prior to 22 November 2013.



All rating units within the district incur at least one 'set of rates' for which the ratepayer is liable.

Rates Remission and Postponement Policies

Remission of a 'set of rates' refers to the Uniform Targeted Rate and differentiated targeted rates for the Makino Aquatic Centre and Library.

All rating units within the district incur at least one 'set of rates' for which the ratepayer is liable.

Remission of Rates set on Contiguous Properties

Remission of one or more 'set of rates' for contiguous properties is automatically applied as prescribed in Section 20 of the Local Government (Rating) Act 2002.

'Two or more rating units must be treated as one rating 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 road, railway, drain, water race, river, or stream'

Remission of Rates Set on Contiguous and Non-Contiguous Properties

Objective

This policy is to provide relief from for rating units that are farmed as a single entity.

Conditions and Criteria

- A rate remission one or more 'set of rates' will be given to ratepayers who own or occupy more than one contiguous or non-contiguous rating units.

Note: The ratepayer will remain liable for each 'set of rates' set for each dwelling on the rating unit if the dwelling is able to be inhabited. Ratepayers must pay at least one 'set of rates'.

- Where the rating units are used as a single farm
- Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the rating units will be operated as a single farm.
- Applications must be received before the end of the first quarter of the rating year. Applications received after this will have the remission applied to the next rating year. Applications will not be applied retrospectively.

Delegations

The Chief Executive, Support Services and Environmental Group Manager or Chief Financial Officer has the delegated authority to determine applications under this policy.

Remission of rates set on additional dwellings that are unoccupied

Objective

This policy is to provide relief from 'sets of rates' set for additional unoccupied dwellings.

Conditions and Criteria

The policy applies to ratepayers who have additional dwellings that:

- are currently uninhabited and will be uninhabited for the next 12 months
- the power, water and telephone services have been disconnected
- are part of a rating unit
- are part of contiguous or non-contiguous rating units that are owned or occupied by the same ratepayer

Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the additional dwelling is uninhabited and will be uninhabited for the next 12 months, and that the power, water and telephone services are disconnected. Annual reapplication is required on a form supplied by Council.

Applications received during a rating year shall be applied to the next rating year. Applications will not be applied retrospectively.

Delegations

The Chief Executive, Support Services and Environmental Group Manager or Chief Financial Officer has the delegated authority to determine applications under this policy.

Remission of Penalties

Objective

This policy is to provide relief from the penalty incurred for non-payment of rates.

Council is to act fairly and reasonably in its consideration to provide this relief due to circumstances outside the ratepayer's control.

Conditions and Criteria

The Council may remit the penalty incurred where the application meets the following criteria:

- Automatic remission of the penalty incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the second instalment
- Remission of penalty will be considered in any one rating year where payment has been late as a result of significant family disruption. Remission will be considered in the case of death, illness or

accident of a family member.

- Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.
- The Council may remit small balances because of cash rounding.
- Where the ratepayer has entered into an arrears repayment agreement, negotiations may be entered into regarding the amount of penalty charges to be repaid.
- For the duration of the agreement and provided that the conditions are adhered to the account will be exempt from current instalment penalty charges.

In implementing the policy, it is conditional that the full amount of rates due has been paid and circumstances of each case be taken into consideration on their individual merits.

Delegations

The Chief Executive, Support Services and Environmental Group Manager or Chief Financial Officer has the delegated authority to determine applications under this policy.

Remission of the Serviceable Wastewater Targeted Rate (Half Charge) and the Serviceable Water Targeted Rate (Half Charge)

Objective

This policy is to provide relief from the serviceable wastewater targeted rate (half charge) and the serviceable water targeted rate (half charge) charged for rating units that had an existing on-site wastewater disposal and water supply system prior to Council extending their reticulation system to the property.

Conditions and Criteria

- Written application is required from the ratepayer of such rating units
- Confirmation that the on-site wastewater disposal and water supply systems were in place prior to Council extending their reticulation scheme

This remission will continue until such time as the ratepayer connects to the Council services available.

Delegations

The Chief Executive, Support Services and Environmental Group Manager or Chief Financial

Officer has the delegated authority to determine applications under this policy.

Remission of School Sewerage Charges

Objective

To recognise that schools may be disproportionately disadvantaged by Council's present "pan charge system" and to ensure schools are fairly charged for sewerage services based on their staff and student numbers rather than number of connections.

Conditions and Criteria:

- Schools must meet the definition of an "Educational Establishment" as defined under section 54B Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001.
- Council will remit sewerage rates by subtracting the sum of calculation (b) from the sum of calculation (a).
- Calculation (a): Councils standard sewerage charge (based on the number of water closets/ urinals).
- Calculation (b): the number of full time equivalent on-site students and staff divided by 20 and multiplied by the Uniform Targeted Rate for Sewerage. If the sum of calculation (b) is greater than (a) then no remission will apply.
- The Council calculation, for practical reasons, will be based on the Ministry of Education roll numbers as at 1 March each year.
- Annual reapplication is required for this remission.

Delegations

The Chief Executive, Support Services and Environmental Group Manager or Chief Financial Officer has the delegated authority to determine applications under this policy.

Remission of Rates charged to Public Utilities Owned by Not-For-Profit Organisations

Objective

Public utilities in differential category 6 that are owned by not-for-profit organisations, can receive 100% remission of rates charged.

Conditions and Criteria

- Only applies to those public utility rating units that are rated under rating category 6
- A recognised not-for-profit organisation defined by the Charities Commission or determined through common law

Delegations

The Chief Executive, Support Services and Environmental Group Manager or Chief Financial Officer has the delegated authority to determine applications under this policy.

Remission of Rates Charged to Community, Sporting and other Organisations

The Community Funding Subcommittee is in the process of reviewing the current Community Development Funding Policy.

[The criteria and conditions of this policy will come directly from this.]

Delegations

The Community Funding Subcommittee has the delegated authority to determine applications under this policy.

Remission of the Rates set for small dwellings

Objective

This policy is to provide for the relief from 'sets of rates' for ratepayers that own two or more separately inhabited parts of a rating unit, where the floor area (not including the garage) is less than 65sq meters.

Conditions and Criteria

- They must be used for residential purposes only
- The dwelling must be located on one rating unit
- Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the dwelling(s) have a floor space of less than 65sq meters

The Council may, on the written application from ratepayers of such rating units, reduce each 'set of rates' charged up to 65%, where an excess of one set of rates applies. i.e. the first 'set of rates' will be at the full rate with 35% remission applying to each subsequent 'set of rates'.

Delegations

The Chief Executive, Support Services and Environmental Group Manager or Chief Financial Officer has the delegated authority to determine applications under this policy.

Remission of Rates on Land Affected by Natural Calamity

Objective of the Policy

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:

- Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit
- It is applicable for each single event. This does not apply to erosion, subsidence etc. that may have occurred without a recognised major event
- Where the Government has established a reimbursement scheme for rates relief in respect of such properties

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.

Delegations

Individual events or calamity are to be approved by Council who will determine the criteria for the remission at that time.

Remission of Rates in Miscellaneous Circumstances

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the Policy

Council recognises that not all situations in which the Council may wish to remit rates will be provided for in Council's specific policies or necessarily be known about by the ratepayer in advance.

Conditions and Criteria

The Council, may remit on written application from ratepayers, all rates on a rating unit where it considers it just and equitable to do so:

- The application does not meet the circumstances provided for in any of the council's other remission policies
- Financial records may be required

Delegations

The Chief Executive and the Support Services and Environmental Group Manager have the delegated authority to approve applications under this policy

Rates Postponement Policy

Council maintains a policy of working with ratepayers who have fallen behind in the payments of rates. It has never experienced a situation where a ratepayer has got into extreme financial hardship and where rates postponement may have been a solution. Accordingly it does not believe it is necessary to postpone rates for those ratepayers who are in arrears. Instead Council will work with those ratepayers to manage the payment of their rates.

Remission and Postponement Policy on Maori Freehold Land

Council is required pursuant to section 102 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Maori freehold land.

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court.

Section 108 of the Local Government Act 2002 prescribes that policy does not require Council to provide for remission of, or postponement of, the requirement to pay rates on Maori freehold land.

Council is aware that there is little, if any undeveloped Maori freehold land within the District that may require a policy to provide rates relief. It is also aware that applications for rates relief that meet certain criteria can be considered under existing Council policies and legislation. As a consequence the Council will not provide for any remissions or postponements under this policy.



Part Four

Prospective Financial Statements

Prospective Statement of Comprehensive Income

	LTP 2013 \$000	Note	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Revenue					
Rates revenue (excluding water rates)	24,246		25,741	25,554	(187)
Financial income	541		575	635	60
Subsidies and grants	10,209		7,946	10,110	2,164
Development contributions	591		610	610	0
Other revenue	10,094		7,854	8,371	517
Other gains/(losses)	0		0	0	0
Total revenue	45,681	1	42,726	45,280	2,554
Expenditure					
Personnel costs	8,102		8,277	8,387	109
Depreciation and amortisation	11,991	2	12,686	12,270	(416)
Finance costs	1,737		2,439	2,190	(250)
Other operating expenses	17,848		17,410	18,978	1,568
Total operating expenditure	39,678	1	40,812	41,824	1,012
Operating surplus/(deficit) before tax	6,004		1,913	3,456	1,543
Income tax expense	0		0	0	0
Net surplus/(deficit) after tax	6,004	3	1,913	3,456	1,543
Other comprehensive income					
Increase on the revaluation of property, plant and equipment	18,218		16,843	21,970	5,127
Total other comprehensive income	18,218		16,843	21,970	5,127
Total comprehensive income for the year	24,222		18,756	25,426	6,670

Prospective Balance Sheet

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Assets				
Current assets				
Cash and cash equivalents	1,135	1,192	1,686	494
Accounts receivable	5,319	5,490	4,411	(1,079)
Other financial assets	141	150	150	0
Non-current assets held for sale	1,500	1,500	1,500	0
Total current assets	8,095	8,332	7,747	(585)
Non-current assets				
Property, plant and equipment	611,494	642,085	601,908	(40,177)
Intangible assets	1,980	1,462	1,334	(128)
Forestry assets	273	182	108	(74)
Non-current assets for sale	3,178	1,971	2,506	535
Investment in council controlled entities	3,345	3,198	3,172	(26)
Other financial assets	1,880	1,739	2,297	558
Total non-current assets	622,149	650,637	611,326	(39,311)
Total assets	630,244	658,969	619,072	(39,896)
Liabilities				
Current liabilities				
Accounts payable	6,419	6,724	5,255	(1,469)
Provisions	54	56	61	5
Employee entitlements	665	686	737	51
Borrowings	2,298	2,507	7,000	4,493
Total current liabilities	9,436	9,973	13,053	3,080
Non-current liabilities				
Provisions	619	567	886	319
Borrowings	29,267	38,752	35,291	(3,461)
Total non-current liabilities	29,886	39,319	36,177	(3,142)
Total liabilities	39,322	49,292	49,230	(62)
Equity				
Retained earnings	471,263	473,409	469,832	(3,577)
Other reserves	119,659	136,268	100,010	(36,258)
Total equity	590,922	609,677	569,842	(39,835)
Total liabilities and equity	630,244	658,969	619,072	(39,897)

Prospective Statement of Cash Flows

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Cash flows from operating activities				
Cash was provided from:				
Receipts from rates revenue	24,246	25,741	25,945	204
Interest received	529	571	622	51
Dividend received	12	4	12	8
Receipts from other revenue	20,894	16,410	19,091	2,682
Cash was disbursed to:				
Payments to suppliers and employees	(25,864)	(25,596)	(27,249)	(1,653)
Interest paid	(1,737)	(2,439)	(2,190)	250
Income tax paid	0	0	0	0
Goods and services tax (net)	0	0	0	0
Net cash from operating activities	18,080	14,690	16,232	1,541
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of forestry	135	133	126	(7)
Proceeds from sale of property, plant and equipment	1,500	1,500	1,500	0
Cash was disbursed to:				
Net acquisition of investments	(388)	408	(1,265)	(1,673)
Purchase of intangible assets	(667)	0	(364)	(364)
Purchase of property, plant and equipment	(32,180)	(26,366)	(32,307)	(5,941)
Net cash from investing activities	(31,600)	(24,326)	(32,310)	(7,985)
Cash flows from financing activities				
Cash was provided from:				
Proceeds from borrowing	14,876	11,991	19,132	7,141
Cash was disbursed to:				
Repayment of borrowings	(1,865)	(2,298)	(5,854)	(3,556)
Net cash from financing activities	13,011	9,693	13,278	3,585
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(508)	57	(2,800)	(2,857)
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,643	1,135	4,486	3,351
Cash, cash equivalents and bank overdrafts at the end of the year	1,135	1,192	1,686	494

Prospective Statement of Changes in Equity

	LTP 2013 \$000	Note	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Opening Equity Balance	566,700	4	590,922	544,416	(46,506)
Total comprehensive income for the year	24,222		18,756	25,426	6,670
Closing Equity Balance	<u>590,922</u>		<u>609,678</u>	<u>569,842</u>	<u>(39,836)</u>

Notes to the Accounts

Statement of Accounting Policies

Reporting Entity

Manawatu District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The group consists of Manawatu District Council and three Council Controlled Organisations (CCOs), The Feilding Civic Centre Trust, the Manawatu Community Trust and Heartland Contractors Ltd (100% owned). All CCOs are incorporated and domiciled in New Zealand.

The Council has not prepared group prospective financial statements as the impact of incorporating the transactions of the Feilding Civic Centre Trust, the Manawatu Community Trust and Heartland Contractors is not considered significant.

The primary objective of the Council is to provide goods or services for the community and social benefits, rather than making a financial return. Accordingly, the Council has designated itself and the group as Public Benefit Entity (PBE's) for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The balance date of the Council is 30 June annually.

Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, the Financial Reporting Act and in accordance with generally accepted accounting practice in New Zealand. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities (PBE's). All available reporting exemptions allowed under the framework for PBE's have been adopted.

The prospective financial statements have been developed for the purpose of reporting the Council's Annual Plan. They should not be relied upon by any other party for any alternative purpose without the written permission of the Council. Actual financial results are likely to be different from these Prospective Financial Statements. The variation may be material.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. These financial statements have also been prepared on the basis of the assumptions stated.

The financial statements have been prepared on a historical cost basis, except for assets and liabilities which are recorded at fair value. These are detailed in the specific policies below.

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

The primary objective of the Council is to provide goods or services for the community and social benefits, rather than making a financial return.

the Council is New Zealand dollars.

Subsidiaries

A subsidiary is an entity where the Council has the power to control their financing and operating policies, so as to obtain benefits from the activities of that entity. This power exists where the Council controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by the Council, or where the determination of such policies is unable to impact materially on the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council's investment in its subsidiaries are carried at cost in the Council's own "parent entity" financial statements.

Basis of Consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant inter-entity balances, transactions, income and expenses are eliminated on consolidation.

Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations the Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Budget Figures

The budget figures are those approved by the Council at the beginning of the year as a part of the annual plan. The budget figures were prepared using accounting policies consistent with those used for the preparation of the financial statements.

Revenue

Revenue is measured at the fair value of consideration received.

- Rates revenue is recognised at the time the rates are invoiced.
- Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Government grants and subsidies are recognised upon entitlement, which is when the conditions pertaining to eligible expenditure have been fulfilled. The most significant government grant is from Land Transport New Zealand, which subsidises part of the costs in maintaining the local roading infrastructure network.
- Revenue from other services is recognised when

the service has been rendered to a third party.

- Sales of goods are recognised when the goods are delivered.
- Interest income is accrued on a time basis, by reference to the investment principle and the effective interest applicable.
- Dividends (net of imputation credits) are recognised when the right to receive payment has been established.
- 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 the Council are recognised as revenue when control over the asset is obtained.
- Revenue derived through acting as an agent for another party is recognised as a commission or fee on the transaction.
- Development contributions are recognised as revenue when Council provides, or is able to provide, the services that gave rise to the charging of the contribution. Development contributions are classified as part of "Other Revenue".

Borrowing Costs

The Council and group have elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all 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 a specified criteria. Expenditure is recognised when an application that meets the specified criteria for the grant has been received.

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

Cost Allocation

Costs directly attributable to an activity are charged directly to that activity. Indirect costs are charged to activities using appropriate cost drivers such as; actual usage, staff numbers and floor area.

Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities

denomination in foreign currencies are recognised in the surplus or deficit.

Income Tax

Income tax expense is charged in the surplus or deficit in respect of the current year's earnings after allowing for permanent differences.

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 arise when the accounting treatment of taxation differs from the Inland Revenue Department's requirements.

Goods 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 balance sheet.

Commitments and contingencies are disclosed exclusive of GST.

Financial Instruments

The Council is party to financial instruments as part of its normal operations. These include bank accounts, investments, accounts receivable, accounts payables and borrowings. All financial instruments are recognised in the balance sheet and all revenues and expenses in relation to financial instruments are recognised in the statement of comprehensive income.

Unless otherwise covered by a separate policy, all financial instruments are reported at their fair value.

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. All these deposits are reflected at their fair value.

Trade and Other Receivables

Trade and other receivables are initially recognised at fair value, and then subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment is established when there is objective evidence, that the Council will not be able to collect all amounts due, according to the original terms of the agreements. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows.

Financial Assets

Financial assets are categorised into the following four categories: financial assets at fair value through surplus or deficit ; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive income. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based upon the 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. The 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 estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

- **Financial Assets at Fair Value through Surplus or Deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the surplus or deficit.

Currently, the Council does not hold any financial assets in this category.

- **Loans and Receivables**

These are initially recorded at fair value and are subsequently recognised at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Council has provided a number of loans or advances to community-based organisations that have specific conditions attached. In some circumstances these loans are only repayable should the community-based organisation cease to operate in accordance with the loan conditions. Those loans that are not expected to be repaid to Council in the foreseeable future are shown as a contingent asset.

Receivables are classified as "Accounts

Receivables" in the balance sheet. Advances and loans are classified as "Other Financial Assets" in the balance sheet.

- **Held to Maturity Investments**

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity. eg Local Government Stock and Bonds.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

- **Financial Assets at Fair Value through Other Comprehensive Income**

Financial assets at fair value through other comprehensive income are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

Investments that the Council intends to hold long-term, but may be realised before maturity; and

Shareholdings held for strategic purposes (other than Council's investments in its subsidiary).

Gains and losses are recognised directly in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive income will be removed from other comprehensive income and recognised in the surplus or deficit, even though the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in other comprehensive income is recognised in the surplus or deficit.

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, 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 surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, Plant and Equipment

Property, plant and equipment consists of:

- Operational assets: include land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets: include parks, reserves and associated assets owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other Council restrictions.
- Infrastructure assets: are the fixed utility systems that provide a continuing service to the community and are generally regarded as non-tradeable. 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.

Property, plant and equipment are 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 the asset will provide future economic benefits or service potential to the Council and the cost of the item can be measured reliably.

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

Disposals

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

Work in Progress

All assets constructed by Council are initially recorded as work in progress. Work in progress is recognised at cost less impairment and it is not depreciated. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which is not depreciated), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The residual value and

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

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

Asset	Useful Life	Depreciation Rate
Buildings	40 to 80 years	(1%-2.5%)
Plant and equipment	4 to 10 years	(10-20%)
Motor vehicles	3 to 5 years	(20 to 33%)
Library books	10 years	(10%)
Infrastructural assets		
Roading network		
Top surface (seal)	5 to 18 years	(5.5%-20%)
Pavement (base course)	67 years	(1.49%)
Sealed	25 to 60 years	(1.6%-4%)
Unsealed	5 to 15 years	(6.6%-20%)
Formation	-	(not depreciated)
Culverts	50 to 100 years	(1 to 2%)
Footpaths	25 to 70 years	(1.4 to 4%)
Kerbs	50 to 100 years	(1 to 2%)
Signs	13 years	(7.5%)
Streetlights	50 to 70 years	(1.4 to 2%)
Bridges	80 to 120 years	(1% to 1.25%)
Water system		
Pipes	60 years	(1.66%)
Valves, hydrants	60 years	(1.66%)
Pump stations	5 to 25 years	(4 to 25%)
Tanks	50 to 100 years	(1 to 2%)
Sewerage system		
Pipes	60 to 100 years	(1 to 1.66%)
Manholes	60 to 100 years	(1 to 1.66%)
Treatment plant	50 years	(2%)
Drainage network		
Pipes	60 to 100 years	(1 to 1.66%)
Manholes, cesspits	60 to 100 years	(1 to 1.66%)

Revaluation

Those asset classes that are revalued are valued on either a one-year or a three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If a material difference exists, a revaluation will be undertaken.

- **Operational and Restricted - Land and Buildings**

These assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value NZ as at 30 June 2011. Council's policy is to revalue land and buildings every three years.

- **Infrastructural Asset Classes: Water Reticulation, Sewerage Reticulation and Stormwater Systems**

These assets are revalued annually to fair value on a depreciated replacement cost basis as determined by an independent valuer. The valuation was performed internally by engineering staff and certified by C H Jenkins of SPM Consultants Ltd as at 1 July 2011.

All infrastructural asset classes carried at valuation were valued. Council's policy is to revalue these assets annually.

- **Infrastructural Asset Classes: Roads**

These assets are revalued annually to fair value on a depreciated replacement cost basis as determined by an independent valuer. The valuation was performed Sara Dennis of GHD Limited as at 1 July 2011.

- **Land Under Roads**

Land under roads was valued based on fair value of adjacent land determined by Tony Jones of Quotable Value NZ, effective 1 July 2005. Under NZ IFRS, the Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is therefore no longer revalued.

- **Library Collections**

The Library was initially valued at depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of NZ. This is considered deemed cost. All additions and disposals since that valuation are accounted for at cost.

Accounting for Revaluations

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

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

Intangible Assets

Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Software is amortised on a straight-line basis over the estimated useful of the asset (usually 5 years). The amortisation charge for each period is recognised in the surplus or deficit.

Easements

Easements are not valued.

Forestry Assets

The Gordon Kear Forest is a joint venture between the Council and the Palmerston North City Council, with the Council owning a 23.3% share of the forest crop.

The forestry crop is independently revalued to fair value by Alan Bell of Alan Bell & Associates on the 30 June annually. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate, less estimated point of sale costs. Gains or losses arising from a change in fair value less estimated point of sale costs are recognised in the surplus or deficit.

Costs of a capital nature are capitalised each year and the costs to maintain the forestry assets are included in the surplus or deficit.

Impairment of Assets

At each balance date the Council assesses whether there is any objective evidence that any asset has been impaired (unable to provide the intended level of service). Any impairment losses are recognised in the surplus or deficit.

Financial Liabilities

Financial liabilities (trade payables, income in advance, loans/borrowings, bonds and deposits) are initially recognised at their fair value. These are subsequently recorded at amortised cost.

Employee Entitlements

Short-Term Entitlements

Provision is made for employee entitlements accumulating as a result of services rendered. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at

balance date. Annual leave has been calculated on an actual entitlement basis at current rates of pay. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

Long-Term Entitlements - Superannuation Schemes:

- **Defined Contribution Schemes**

Obligations for contributions to Defined Contribution Superannuation Schemes are recognised as an expense in the surplus or deficit as incurred.

- **Defined Benefit Schemes**

The 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 – Landfill Closure and Aftercare Costs

As the previous operator of landfills, the Council has a legal obligation to rehabilitate landfill sites post-closure and to provide ongoing maintenance and monitoring services after closure. The costs to meet these post-closure landfill obligations are recognised within the provision.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Financial guarantee contracts

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

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a guarantee contract was issued in a stand-alone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration

is received, a liability is recognised based on the probability that the Council or group will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Leases

Finance Leases

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

At the commencement of the lease term, the Council recognises the leased asset and corresponding liability in the balance sheet at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The asset is depreciated over the period the Council is expected to gain benefit from the use of the asset.

Operating Leases

An operating lease is a lease where the lessor effectively retains all the risks and benefits of ownership of an asset. Lease payments under an operating lease are charged as an expense in the period in which they are incurred.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities.

The components of equity are:

- Retained Earnings
- Restricted and Council Created Reserves
- Asset Revaluation Reserves

Restricted and Council Created Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. These reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised without reference to the Courts or a third party. Transfers from these reserves may be made for certain specified purposes or when certain specified conditions are met.

Also included in restricted 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.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include subsidiaries and key management personnel, including the Mayor and Elected members, the Chief Executive and members of the Executive team.

Significant Accounting Estimates and Forecasting Assumptions

In preparing prospective financial statements, the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from 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 detailed on pages 229 to 244 of the 2012-2022 Long Term Plan.

Additional Information

The financial information contained within the Annual Plan is prospective financial information in terms of FRS 42: Prospective Financial Information. It has been prepared in order to assist the public to participate in Council's decision-making processes relating to proposed plans and projects in this Annual Plan. In addition it provides transparency and an accountability mechanism.

The information contained within these prospective financial statements may not be suitable for use in another capacity. Council has not presented group prospective financial statements as the impact of incorporating the transactions of the CCOs is not considered significant.

The prospective financial statements were authorised for issue by the Manawatu District Council on 21 March 2013. The Manawatu District Council is responsible for the prospective financial statements. They are also responsible for the assumptions which underpin all required disclosures, including the prospective financial statements. No actual results have been incorporated into this Draft Annual Plan.

It is intended that the prospective financial statements are updated annually, as part of the long term plan process.

Critical Accounting Estimates, Assumptions and Estimates

All judgements, estimates and assumptions are included in the accounting policies. None is considered critical, with the exception of the following:

Land care Aftercare Provision

Note 19 presents and analysis of the exposure of Manawatu District 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 (DRC) valuations over infrastructural assets. These include:

- The physical determination 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, storm water, wastewater and water supply pipes that are underground.

This risk is minimised by Council performing a combination of physical inspections and condition modelling assessment 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 Manawatu District Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance.

To minimise this risk, Manawatu District 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 experience.

Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Manawatu District Council's asset management planning activities, which gives Manawatu District Council further assurance over its useful life estimates.

Experienced independent valuers and a certifier perform Councils infrastructural asset revaluations.

Notes to the Financial Statements

Note 1

Reconciliation of Prospective Statement of Comprehensive Income to the Funding Impact Statement (FIS)

The Funding Impact Statements throughout the document are prepared in accordance with the Local Government (Financial Reporting) Regulations 2011. They do not comply with generally accepted accounting practices (GAAP). However, the core financial statements (prospective statement of comprehensive income, prospective statement of changes in equity, prospective balance sheet and the prospective statement of cash flows) are prepared in compliance with GAAP. The following is a reconciliation between the income and expenditure shown in the prospective statement of comprehensive income and the Council's overall funding impact statement.

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Operating Revenue in the FIS	33,681	35,544	36,319	775
Subsidies and grants for capital expenditure	8,446	6,129	7,936	1,808
Development and financial contributions	3,555	1,053	1,025	(28)
Net gain and losses not included in FIS	0	0	0	0
Total Revenue in the Statement of Comprehensive Income	45,681	42,726	45,280	2,554
Applications of Operating Funding in the FIS	27,686	28,127	29,554	1,427
Depreciation not included in the FIS	11,991	12,686	12,270	(416)
Total Operating Expenditure in the Statement of Comprehensive Income	39,678	40,812	41,824	1,012

Note 2
Depreciation and Amortisation Expense
per Group of Activities

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Community Facilities	1,277	1,419	1,298	(121)
District Development	0	0	0	0
Emergency Management	3	3	3	0
Environmental and Regulatory	5	7	9	2
Governance and Strategy	0	0	0	0
Roading Network	7,301	7,523	7,071	(453)
Solid Waste	0	0	59	59
Stormwater and Drainage	425	444	447	4
Wastewater	812	1,065	1,300	235
Water Supply	1,151	1,251	1,344	93
Support Services	1,018	974	739	(235)
Total Depreciation and Amortisation	11,991	12,686	12,270	(416)

Note 3

Explanation of Net Operating Surplus (Deficit) after tax

Section 100 of the Local Government Act 2002 requires Council to ensure projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. The table below details the make up of the net surplus/(deficit) as detailed in the Statement of Comprehensive Income Statement.

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Net surplus/(deficit) after tax	6,004	1,913	3,456	1,543
The surplus/(deficit) consists of the following				
Roading subsidy received from NZ Transport Agency to fund capital expenditure	4,031	3,985	3,472	(513)
Subsidies and Grants for capital expenditure	4,415	2,143	4,464	2,321
Capital contributions and connection fees used to fund capital expenditure	2,963	443	415	(28)
Development Contributions recognised as revenue but used to fund past of future capital expenditure in relation to growth	591	610	610	0
Depreciation not funded				
- Roothing (renewal funded by NZTA subsidy)	(3,521)	(3,629)	(3,410)	218
- Parks (only 50% of depreciation is funded)	(199)	(204)	(204)	1
- Halls (depreciation is only funded on recreation complexes)	(195)	(204)	(186)	18
Loans principal repayments funded from rates (CBD redevelopment)				
- CBD Redevelopment Loans	52	67	67	0
Gain on Property recognised	0	0	0	0
Write back of the impairment of debt	0	0	0	0
Use of reserves and special funds	(2,134)	(1,299)	(1,771)	(472)
	6,004	1,913	3,456	1,543

Note 4 Opening Balances

The opening balances for 2014 financial year (1 July 2013) do not agree with the closing balances for the Year 1 of the Long Term Plan which is the annual plan for the 2013 (30 June 2013). The annual plan was approved by Council in June 2012 and the annual plan closing balances reflect the planned position at that time. Actual results for the 2012/13 financial year do not always reflect the position included in the plan. Potential changes include capital projects not progressing and therefore the associated funding is not uplifted, revaluations being different than planned, variances in cash requirements and the resulting impact on equity. To calculate the opening balances for 2014 financial year we have reforecasted the closing balances at 30 June 2013 to reflect known changes. This main items impacted include cash, investments, property plant and equipment, borrowing and equity.

Note 5 Funding Impact Statements - transfer between operational and capital activities

	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
Surplus (deficit) of operating funding	5,995	7,417	6,765	(652)
Surplus (deficit) of capital funding	(5,995)	(7,417)	(6,765)	652
Funding Balance	0	0	0	0
Loan principal repayments funded by rates	52	67	67	0
Depreciation funded by rates but transferred to reserve to fund renewal (current and future years)	8,076	8,649	8,470	(179)
Operating items funded from the transfer of reserves included in the capital activities	(2,134)	(1,299)	(1,771)	(473)
	5,995	7,417	6,765	(652)

Note 6 Reserve Fund Movements

Equity is made up of a number of reserves - refer to the Statement of Accounting Policies. Schedule 10, clause 16 requires the movement of these funds to be disclosed. The following is a summary of reserve funds over the life of the long term plan for each class of funds.

Retained Earning	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
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Accumulated Funds

Included in the Accumulated Funds in the balance sheet are two types of reserves. These are separate funds and growth funds detailed below.

Separate Funds

When Council has used targeted rates for a specified purpose, unspent funds are separated accounted for and are applied in subsequent years to the specified activity.

Opening balances	4,500	896	3,642	954
Transfers to reserves	0	1,979	2,257	278
Transfers from reserves	(3,604)	(2,331)	(5,131)	(2,800)
Closing Balance	896	544	768	(1,568)

Growth Funds

These funds are created from Development and Financial Contributions levied. They are used for growth related expenditure for the creation of community assets. These include roads, parks and reserves, stormwater, wastewater and water supply.

Opening balances	1,059	1,347	448	(899)
Transfers to reserves	591	610	610	0
Transfers from reserves	(303)	(1,444)	(1,323)	121
Closing Balance	1,347	513	(265)	(778)

Depreciation Reserves

These funds are created from depreciation and amortisation funded through revenue sources. These funds are only applied to the renewal of existing assets and for principal repayments of loans.

Opening balances	4,440	4,462	3,323	(2,835)
Transfers to reserves	8,076	8,649	8,470	(179)
Transfers from reserves	(8,054)	(8,093)	(9,613)	(1,520)
Closing Balance	4,462	5,018	2,180	(4,534)

Other Reserves	LTP 2013 \$000	LTP 2014 \$000	Annual Plan 2014 \$000	Variance \$000
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Trusts and Bequests

Funds have been gifted to Council for specific purposes, and in many cases have other restriction placed on the fund. The purpose of the fund may not be revised without reference to the Courts or a third party. These include the Hook Bequest, Trewin Bequest, Wakerill Trust, Robert Dickson Library Trust, PA Broad Memorial Trust, Historical Trust, Children's Welfare Trust, Robert Dickson Educational Trust, Museum Trust and the Feilding and District Relief Trust.

Opening balances	187	190	180	(10)
Transfers to reserves	11	11	11	0
Transfers from reserves	(8)	(7)	(7)	0
Closing Balance	190	194	184	(10)

Special Funds

These are funds set aside by Council. 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. They include the General Purpose Reserve, Emergency Fund and the Land Subdivision Reserve.

Opening balances	2,999	2,138	2,025	(113)
Transfers to reserves	172	123	(89)	(212)
Transfers from reserves	(1,033)	(360)	(338)	22
Closing Balance	2,138	1,901	1,598	(303)

Revaluation Reserves

These reserves have been created from the revaluation movements of the property, plant and equipment. The following the rules of the required accounting standards.

Opening balances	99,112	117,330	76,258	(41,072)
Transfers to reserves	18,218	16,843	21,970	5,127
Transfers from reserves	0	0	0	0
Closing Balance	117,330	134,173	98,228	(35,945)
Total Other Reserves	119,659	136,268	100,010	(36,258)



Appendix

Amendment to Long Term Plan: Changes to Financial Statements as a Result of Extension to Solid Waste Collection Services and Changes to Revenue and Financing Policy

Prospective Statement of Comprehensive Income

(replaces page 164 of the LTP)

	Annual Plan 2012 \$000	Year 1 2013 \$000	Year 2 2014 \$000	Year 3 2015 \$000	Year 4 2016 \$000	Year 5 2017 \$000	Year 6 2018 \$000	Year 7 2019 \$000	Year 8 2020 \$000	Year 9 2021 \$000	Year 10 2022 \$000
Revenue											
Rates revenue (excluding water rates)	25,078	24,246	26,066	27,027	27,614	28,273	29,470	30,105	30,807	32,258	33,013
Financial income	640	541	575	657	847	859	871	882	893	906	918
Subsidies and grants	10,911	10,209	7,946	5,927	6,202	6,290	6,778	9,283	6,968	7,209	7,460
Development contributions	1,303	591	610	630	651	673	696	720	744	770	797
Other revenue	6,271	10,204	8,194	8,449	8,690	9,058	8,741	9,054	9,022	9,239	9,552
Other gains/(losses)	22	0	0	1,453	0	108	0	0	0	0	0
Total revenue	44,226	45,792	43,391	44,142	44,004	45,261	46,556	50,044	48,434	50,381	51,740
Expenditure											
Personnel costs	7,646	8,102	8,277	8,438	8,653	8,882	9,089	9,303	9,540	9,800	10,068
Depreciation and amortisation	11,254	12,026	12,785	13,253	13,439	13,832	14,327	14,752	15,097	15,881	16,454
Finance costs	1,810	1,754	2,487	2,705	2,645	2,551	2,414	2,314	2,216	2,149	2,042
Other operating expenses	18,241	17,906	17,938	18,685	19,430	19,755	20,402	20,988	21,603	22,671	23,230
Total operating expenditure	38,951	39,788	41,487	43,081	44,167	45,020	46,231	47,357	48,456	50,501	51,794
Operating surplus/(deficit) before tax	5,275	6,004	1,903	1,061	(162)	241	324	2,687	(22)	(120)	(54)
Income tax expense	0	0	0	0	0	0	0	0	0	0	0
Net surplus/(deficit) after tax	5,275	6,004	1,903	1,061	(162)	241	324	2,687	(22)	(120)	(54)
Other comprehensive income											
Gains on the revaluation of property, plant and equipment	16,394	18,218	16,843	18,982	17,680	18,057	19,633	21,406	23,585	22,963	23,686
Total other comprehensive income	16,394	18,218	16,843	18,982	17,680	18,057	19,633	21,406	23,585	22,963	23,686
Total comprehensive income for the year	21,669	24,222	18,746	20,043	17,518	18,298	19,957	24,093	23,563	22,843	23,632

Prospective Statement of Changes in Equity

(replaces page 166 of the LTP)

	Annual Plan 2012 \$000	Year 1 2013 \$000	Year 2 2014 \$000	Year 3 2015 \$000	Year 4 2016 \$000	Year 5 2017 \$000	Year 6 2018 \$000	Year 7 2019 \$000	Year 8 2020 \$000	Year 9 2021 \$000	Year 10 2022 \$000
Opening Equity Balance	561,213	566,700	590,922	609,668	629,711	647,229	665,527	685,484	709,577	733,140	755,983
Total comprehensive income for the year	21,669	24,222	18,746	20,043	17,518	18,298	19,957	24,093	23,563	22,843	23,632
Closing equity Balance	582,882	590,922	609,668	629,711	647,229	665,527	685,484	709,577	733,140	755,983	779,615

Prospective Balance Sheet

(replaces page 165 of the LTP)

	Annual Plan 2012 \$000	Year 1 2013 \$000	Year 2 2014 \$000	Year 3 2015 \$000	Year 4 2016 \$000	Year 5 2017 \$000	Year 6 2018 \$000	Year 7 2019 \$000	Year 8 2020 \$000	Year 9 2021 \$000	Year 10 2022 \$000
Assets											
Current assets											
Cash and cash equivalents	459	1,169	1,230	374	1,170	1,496	1,802	0	522	1,429	2,415
Accounts receivable	3,378	5,319	5,490	5,666	5,858	6,057	6,263	6,476	6,690	6,924	7,173
Other financial assets	0	141	150	225	240	256	275	295	317	342	357
Non-current assets held for sale	0	1,500	1,500	1,500	832	0	0	0	0	0	0
Total current assets	3,837	8,129	8,370	7,765	8,100	7,809	8,340	6,771	7,529	8,695	9,945
Non-current assets											
Property, plant and equipment	593,331	611,874	642,791	666,557	683,814	701,369	720,128	745,024	766,808	787,886	809,401
Intangible assets	1,924	1,980	1,462	1,054	955	743	530	318	295	0	0
Forestry assets	218	273	182	112	38	0	0	0	0	0	0
Non-current assets for sale	0	3,178	1,971	691	0	0	0	0	0	0	0
Investment in Council Controlled Entities	1,425	3,345	3,198	3,041	2,872	2,691	2,497	2,289	2,066	1,828	1,581
Other financial assets	7,690	1,880	1,739	2,875	2,805	2,730	2,649	2,562	2,468	2,363	2,254
Total non-current assets	604,588	622,530	651,343	674,330	690,484	707,533	725,804	750,193	771,637	792,077	813,236
Total assets	608,425	630,659	659,713	682,095	698,584	715,342	734,144	756,964	779,166	800,772	823,181
Liabilities											
Current liabilities											
Accounts payable	4,824	6,419	6,723	7,000	7,407	7,617	7,845	8,079	8,314	8,481	8,957
Provisions	46	54	56	57	58	59	61	63	65	66	68
Employee entitlements	332	665	686	707	732	757	783	809	836	866	897
Borrowings	0	2,298	2,507	2,699	3,095	1,899	1,922	1,991	1,851	1,884	2,087
Total current liabilities	5,202	9,436	9,972	10,463	11,292	10,332	10,611	10,942	11,066	11,297	12,009

Prospective Balance Sheet (continued)

(replaces page 165 of the LTP)

	Annual Plan 2012 \$000	Year 1 2013 \$000	Year 2 2014 \$000	Year 3 2015 \$000	Year 4 2016 \$000	Year 5 2017 \$000	Year 6 2018 \$000	Year 7 2019 \$000	Year 8 2020 \$000	Year 9 2021 \$000	Year 10 2022 \$000
Non-current liabilities											
Provisions	616	619	567	516	465	415	365	315	266	219	173
Borrowings	19,726	29,682	39,506	41,405	39,598	39,068	37,684	36,130	34,694	33,273	31,384
Total non-current liabilities	20,342	30,301	40,073	41,921	40,063	39,483	38,049	36,445	34,960	33,492	31,557
Total liabilities	25,544	39,737	50,045	52,384	51,355	49,815	48,660	47,387	46,026	44,789	43,566
Equity											
Retained earnings	469,120	471,263	473,400	474,722	474,617	474,933	475,268	478,160	478,162	478,074	478,060
Other reserves	113,761	119,659	136,268	154,989	172,612	190,594	210,216	231,417	254,978	277,909	301,555
Total equity	582,881	590,922	609,668	629,711	647,229	665,527	685,484	709,577	733,140	755,983	779,615
Total Liabilities and Equity	608,425	630,659	659,713	682,095	698,584	715,342	734,144	756,964	779,166	800,772	823,181

Prospective Statement of Cash Flows

(replaces page 167 of the LTP)

	Annual Plan 2012 \$000	Year 1 2013 \$000	Year 2 2014 \$000	Year 3 2015 \$000	Year 4 2016 \$000	Year 5 2017 \$000	Year 6 2018 \$000	Year 7 2019 \$000	Year 8 2020 \$000	Year 9 2021 \$000	Year 10 2022 \$000
Cash flows from operating activities											
Cash was provided from:											
Receipts from rates revenue	24,853	24,246	26,066	27,027	27,614	28,273	29,470	30,105	30,807	32,258	33,013
Interest received	865	529	571	653	843	854	866	877	888	900	913
Dividend received	0	12	4	4	5	5	5	5	5	5	6
Receipts from other revenue	18,486	21,005	16,750	15,005	15,543	15,912	16,214	19,057	16,733	17,217	17,808
Cash was disbursed to:											
Payments to suppliers and employees	(25,887)	(25,923)	(26,124)	(27,053)	(28,008)	(28,606)	(29,491)	(30,291)	(31,143)	(32,471)	(33,298)
Interest paid	(1,810)	(1,754)	(2,487)	(2,706)	(2,645)	(2,551)	(2,414)	(2,314)	(2,216)	(2,149)	(2,042)
Income tax paid	0	0	0	0	0	0	0	0	0	0	0
Goods and services tax (net)	0	0	0	0	0	0	0	0	0	0	0
Net cash from operating activities	16,507	18,115	14,779	12,930	13,351	13,887	14,651	17,438	15,075	15,761	16,400
Cash flows from investing activities											
Cash was provided from:											
Proceeds from sale of forestry	0	135	133	100	48	43	0	0	0	0	0
Proceeds from sale of property, plant and equipment	0	1,500	1,500	1,500	1,500	1,000	0	0	0	0	0
Cash was disbursed to:											
Net acquisition of investments	(870)	(388)	408	151	225	239	256	275	295	318	342
Purchase of intangible assets	(746)	(667)	0	0	(113)	0	0	0	0	0	0
Purchase of property, plant and equipment	(45,010)	(32,595)	(26,792)	(17,629)	(12,804)	(13,117)	(13,240)	(18,029)	(13,273)	(13,784)	(14,070)
Net cash from investing activities	(46,626)	(32,015)	(24,751)	(15,878)	(11,144)	(11,835)	(12,984)	(17,754)	(12,978)	(13,466)	(13,728)

Prospective Statement of Cash Flows (continued)

(replaces page 167 of the LTP)

	Annual Plan 2012 \$000	Year 1 2013 \$000	Year 2 2014 \$000	Year 3 2015 \$000	Year 4 2016 \$000	Year 5 2017 \$000	Year 6 2018 \$000	Year 7 2019 \$000	Year 8 2020 \$000	Year 9 2021 \$000	Year 10 2022 \$000
Cash flows from financing activities											
Cash was provided from:											
Proceeds from borrowing	27,564	15,291	12,417	4,702	1,400	1,488	666	574	553	571	324
Cash was disbursed to:											
Repayment of borrowings	(812)	(1,865)	(2,384)	(2,611)	(2,811)	(3,215)	(2,028)	(2,059)	(2,129)	(1,959)	(2,009)
Net cash from financing activities	26,752	13,426	10,033	2,091	(1,411)	(1,726)	(1,361)	(1,485)	(1,576)	(1,388)	(1,685)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(3,367)	(474)	61	(857)	797	326	306	(1,802)	521	907	986
Cash, cash equivalents and bank overdrafts at the beginning of the year	3,826	1,643	1,169	1,230	374	1,170	1,496	1,802	0	522	1,429
Cash, cash equivalents and bank overdrafts at the end of the year	459	1,169	1,230	374	1,170	1,496	1,802	0	522	1,429	2,415

Council Funding Impact Statement

(replaces page 187 of the LTP)

	Annual Plan 2012 \$000	Year 1 2013 \$000	Year 2 2014 \$000	Year 3 2015 \$000	Year 4 2016 \$000	Year 5 2017 \$000	Year 6 2018 \$000	Year 7 2019 \$000	Year 8 2020 \$000	Year 9 2021 \$000	Year 10 2022 \$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	3,263	3,139	3,331	3,426	3,468	3,541	3,683	3,755	3,803	3,960	4,007
Targeted rates (other than a targeted rate for water supply)	21,815	21,107	22,735	23,600	24,146	24,732	25,787	26,370	27,004	28,299	29,006
Subsidies and grants for operating purposes	1,872	1,764	1,817	1,883	2,032	1,997	2,062	2,134	2,213	2,289	2,369
Fees, charges and targeted rates for water supply	3,608	3,871	4,234	4,475	4,641	4,805	4,942	5,113	5,288	5,473	5,666
Interest and dividends from investments	640	541	575	657	847	859	871	882	893	906	918
Local authorities fuel tax, fines, infringement fees and other receipts	2,577	3,370	3,517	3,488	3,534	3,706	3,216	3,303	3,477	3,495	3,600
Total operating funding	33,774	33,792	36,209	37,530	38,669	39,641	40,561	41,537	42,678	44,422	45,566
Applications of operating funding											
Payments to staff and suppliers	25,887	26,008	26,215	27,123	28,082	28,637	29,491	30,291	31,143	32,471	33,298
Finance costs	1,810	1,754	2,487	2,706	2,645	2,551	2,414	2,314	2,216	2,149	2,042
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	27,697	27,762	28,702	29,829	30,728	31,188	31,905	32,605	33,359	34,620	35,340
Surplus (deficit) of operating funding	6,077	6,029	7,507	7,702	7,941	8,453	8,656	8,932	9,319	9,802	10,226
Sources of capital funding											
Subsidies and grants for capital expenditure	9,040	8,446	6,129	4,044	4,170	4,293	4,716	7,150	4,755	4,919	5,091
Development and financial contributions	1,390	3,555	1,053	1,115	1,166	1,220	1,279	1,358	1,001	1,041	1,082
Increase (decrease) in debt	26,752	13,426	10,033	2,091	(1,411)	(1,726)	(1,361)	(1,485)	(1,576)	(1,388)	(1,685)
Gross proceeds from sale of assets	22	1,500	1,500	1,500	1,500	1,000	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	37,204	26,926	18,715	8,750	5,425	4,786	4,634	7,023	4,180	4,572	4,488

Council Funding Impact Statement (continued)

(replaces page 187 of the LTP)

	Annual Plan 2012 \$000	Year 1 2013 \$000	Year 2 2014 \$000	Year 3 2015 \$000	Year 4 2016 \$000	Year 5 2017 \$000	Year 6 2018 \$000	Year 7 2019 \$000	Year 8 2020 \$000	Year 9 2021 \$000	Year 10 2022 \$000
Applications of capital funding											
Capital expenditure											
- to meet additional demand	4,406	3,341	1,069	4,516	380	822	48	50	51	53	55
- to improve the level of service	29,206	16,957	14,337	2,125	2,036	1,715	1,678	1,796	1,098	1,205	1,450
- to replace existing assets	13,092	12,964	11,387	10,988	10,500	10,581	11,514	16,183	12,124	12,526	12,566
Increase (decrease) in reserves	(4,296)	(1,233)	(992)	(1,093)	539	217	153	(1,963)	345	716	779
Increase (decrease) of investments	873	927	422	(84)	(90)	(96)	(103)	(111)	(119)	(127)	(136)
Total application of capital funding	43,281	32,956	26,222	16,452	13,366	13,239	13,290	15,955	13,499	14,373	14,714
Surplus (deficit) of capital funding	(6,077)	(6,029)	(7,507)	(7,702)	(7,941)	(8,453)	(8,656)	(8,932)	(9,319)	(9,802)	(10,226)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Solid Waste Funding Impact Statement

(replaces page 141 of the LTP)

	Annual Plan 2012 \$000	Year 1 2013 \$000	Year 2 2014 \$000	Year 3 2015 \$000	Year 4 2016 \$000	Year 5 2017 \$000	Year 6 2018 \$000	Year 7 2019 \$000	Year 8 2020 \$000	Year 9 2021 \$000	Year 10 2022 \$000
Sources of operating funding											
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,397	1,116	1,449	1,637	1,677	1,721	1,778	1,823	1,890	1,994	2,072
Subsidies and grants for operating purposes	85	92	95	98	101	105	108	112	116	120	124
Fees, charges and targeted rates for water supply	328	536	780	841	869	899	930	961	993	1,028	1,065
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	1,810	1,745	2,324	2,576	2,648	2,725	2,816	2,896	2,999	3,142	3,261
Applications of operating funding											
Payments to staff and suppliers	1,581	1,503	1,992	2,120	2,191	2,271	2,342	2,420	2,500	2,587	2,678
Finance costs	9	20	50	51	44	35	27	18	26	53	63
Internal charges and overheads applied	212	132	135	225	232	236	263	271	278	289	299
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,801	1,655	2,177	2,397	2,467	2,542	2,631	2,709	2,803	2,929	3,040
Surplus (deficit) of operating funding	9	90	146	179	181	183	185	187	196	213	221

Solid Waste Funding Impact Statement (continued)

(replaces page 141 of the LTP)

	Annual Plan 2012 \$000	Year 1 2013 \$000	Year 2 2014 \$000	Year 3 2015 \$000	Year 4 2016 \$000	Year 5 2017 \$000	Year 6 2018 \$000	Year 7 2019 \$000	Year 8 2020 \$000	Year 9 2021 \$000	Year 10 2022 \$000
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	415	340	(104)	(112)	(120)	(128)	(137)	366	410	(126)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	0	415	340	(104)	(112)	(120)	(128)	(137)	366	410	(126)
Applications of capital funding											
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
- to meet additional demand	0	415	426	15	15	16	16	17	18	18	19
- to improve the level of service	11	0	0	0	0	0	0	0	504	519	0
- to replace existing assets	(2)	90	61	60	54	47	41	33	41	86	76
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	9	504	487	75	69	63	57	50	562	623	95
Total application of capital funding	(9)	(90)	(146)	(179)	(181)	(183)	(185)	(187)	(196)	(213)	(221)
Funding balance	0	0	0	0	0	0	0	0	0	0	0
Depreciation Expense (note 2 in the LTP)	3	35	100	120	120	120	120	120	126	140	146