



Long Term Plan 2012-2022





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Part One

Introduction to our Plan



Mayor and Chief Executive Introduction

It is with great pleasure that we present the 2012-22 Long Term Plan, detailing what work we will do and services we will provide – and how we will pay for that.

Since we released this plan as a draft, we have received close to 200 written submissions, and heard from 150 people who attended Council in person to share their views.

As we said when we introduced that draft plan, the sole purpose of local government is to provide benefits to the community. We carefully listened to our community and we heard first-hand their views on the benefits and costs of the draft plan. Council was and remains very mindful of the messages that have been articulated from the community, and central government, on the need for prudent stewardship.

The overwhelming feedback was against changes we had proposed to the rating system. We heard clearly that our community wanted to retain the system of targeted rates paying for specific activities. We also heard that changes to the differentials – affecting the proportion of rates paid by rural and town residents – should not change. We have therefore removed changes to the system – although we have amended some minor matters which we believe are in the best interests of the district.

Also, as a result of hearing from the community, our Vision statement is now confirmed:

Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand.

As well as an over-arching vision for the district, we have vision statements for our distinct communities:

Rural Area:

The food basket of New Zealand within a sustainable rural landscape that offers outstanding recreational opportunity.

Villages:

Attractive and prosperous communities that offer lifestyle choices and business opportunities within a unique environment.

Feilding urban:

A thriving community enjoying the most vibrant country town in New Zealand, servicing the regional rural sector.

More on how we developed our Vision, and how it has influenced our planning can be found on pages 18 and 19. We are also developing a new method of reporting – enabling our community to see at a glance what we have done towards achieving our Vision.

This Vision gave us a strong framework for our decision-making.

We are pleased to confirm commitments to key infrastructure projects, which will be completed during the life of this long term plan.



Feedback from submitters was also in support of the community planning programme. We are very much looking forward to working in partnership with our villages to provide the very best rural lifestyle possible. We are also able to confirm some exciting projects which will see our environment enhanced. Strong support for preservation and improvement to Kitchener Park means we have confirmed its place and funding in our plans.

We have also retained the proposal to significantly upgrade the Makino Aquatic Centre, subject to an appropriate business case being finalised.

Access to recreational assets – be they sports fields, pools, parks or reserves – is a major factor in attracting and retaining people to our district. Our decisions to prioritise spending on these facilities is, we believe, appropriate to ensure the future viability of the district. It aligns with the Regional Development Strategy (RDS), which we remain committed to alongside partners Palmerston North City Council, Destination Manawatu and Vision Manawatu.

Council is also hugely supportive of the work underway to ensure the district is the best place to ride a bike – another RDS goal. With Palmerston North, we are working towards attracting more bike events. Locally, we are ensuring that we provide bike-friendly leisure facilities – from mountain bike tracks to bike lockers. Shared bike/walkways are also on our to-do list.

Our predicted growth – around 11.4 percent – and an estimated additional 400 young

people living in the district by 2031, means we must ensure we provide appropriate services and facilities. Of course, we must also remain mindful of the need to be an affordable place to live.

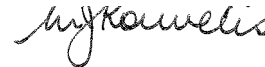
Our new financial strategy is confirmed. On pages 22 and 218 you will find details of what we will spend, and how this will be structured.

Finally, Council would like to thank those residents who took part in the long term planning process – whether by attending meetings or making submissions. We believe we have, with help from our community, produced a plan that will take us closer to our vision – and it is affordable.

We very much look forward to working with our community to deliver that plan.



Lorraine Vincent
Chief Executive



Margaret Kouvelis
Mayor

Major Decisions

Council, in its draft long term plan and summary document, was very deliberate in asking residents what issues were of most importance.

We highlighted matters we saw as most crucial for our community to understand:

- Projects - generally new spending.
- Commitments – projects that have already started or will start later in 2012, but that Council has already committed to through an earlier planning process. Completion of commitments has an impact on our ability to deliver or fund new projects
- Considerations - other factors affecting Council's ability to provide or fund services.

As always, the issue of affordability is critical. Council is primarily funded by collecting rates from businesses and residential properties within the district. We know that in these tough economic times we must ensure rates are kept at a level the community can bear. Yet we are regularly asked to provide new and additional services, to fund investments in infrastructure or to contribute to new initiatives not traditionally funded by Council.

Even in maintaining existing services, Council is increasingly faced with increasing costs. Issues on the global stage are felt here. Escalating fuel prices mean higher rates charged by our contractors. A contracting of worldwide banking systems sees interest rates rise and

increasing our cost of borrowing.

Influences from New Zealand affect us too. Rapidly rising insurance costs mean we must consider how we insure, and to what value we will insure. And our increasing awareness of earthquakes after the tragedy in Christchurch means we too must act to keep our community safe. That means working with those property owners whose buildings have been identified as earthquake prone, and addressing Council owned community buildings which are affected. Choices will have to be made on what to upgrade – or what properties we cannot afford to retain.

Other trade-offs exist in the levels of service we provide. In every activity from animal control to public conveniences, Council could provide a higher level of service. An animal control officer could be located in every community in the district or we could provide 24-hour superloo facilities – but this would be at considerable cost.

We also included in the draft plan initiatives designed to best use existing funding. We have committed to the Regional Development Strategy, providing clear goals for growth and development. Undertaking this with the city as our partner means our spend complements its spend. More important, we are not working at crossed purposes from each other.

Submitters to the draft plan were also able to address other issues they felt to be important. Council received 205 submissions, on topics ranging from the Sanson Grandstand to preservation of waterways. (Please note that



We have committed to the Regional Development Strategy, providing clear goals for growth and development.

the total includes nine late submissions that Council agreed to accept.)

By far the highest number of submissions were on rates, in particular the changes to the rating system. Submitters strongly shared a view that Council should not move away from targeted rates to a general rate, and many were also opposed to changing the differential system used to balance rates between Feilding and the rural and business communities.

Decisions made by Council in respect to the major considerations listed in the draft are as follows:

Projects Where are we spending?

Makino Aquatic Centre redevelopment

The major redevelopment proposed for the Makino Aquatic Centre will go ahead, subject to the business case being approved by Council. This project would start in the 2013/14 year. This includes building a new learner's pool, a children's wet play area and covering the outdoor 50-metre pool at a cost of up to \$3.2 million, depending on design of the new facility.

Public engagement, including an open survey and focus groups with stakeholders, showed consistent support for more year-round water space and the priorities now programmed in this project. Submitters were also largely in favour of this project.

Council proposes funding this through a combination of loans (approximately \$2 million)

and grant funding (\$1 million). While there are no immediate rating implications, rates will be required over the next few years to repay the loan and fund depreciation requirements.

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.

Numerous projects have been identified in the reserve management plan for the area, including constructing a new shelter, toilets and information, and establishing new access to bush areas. Issues remain however of whether flood control will ever be adequate, the continuing vandalism and wilful damage to the property and the huge investment needed – both in physical man-hours and in capital for funding – to fully develop the reserve.

A key question for residents was what future they envisage for the Kitchener Park Reserve and how much money they wish to see Council invest in it.

Most submitters were strongly in favour of preserving the unique reserve, and investing in it.

Council approved the planned funding of \$187,000 in the 2018/19 year for building of a shelter, information signage and a toilet. Council also agreed to fund the Park from 2014-16, but decreased allocated funding from

\$279,000 to \$150,000.

Council also voted to create a trust to progress park developments.

Investment in Feilding High School recreation centre

Council voted against investment of \$1.5 million in the proposed new court complex at Feilding High School.

Sanson property

The former Sanson hotel site has now been sold.

Rugby grandstand at Sanson Domain

The Sanson Grandstand will be retained for the duration of this long term plan, with Council voting to spend around \$5,000 for essential strengthening work to be carried out.

Commitments:

Council is carrying forward to 2012/13 a significant amount of funding for new works. This is allocated to specific projects, including stormwater works (\$2.8 million) and sealing of Main South Road (\$1.5 million). Three other major projects being carried forward are detailed below, with funding carried forward of \$4 million (Himatangi Beach Sewerage), \$8.5 million (Feilding Wastewater Treatment Plant) and \$2.9 million (Rongotea water scheme).

Feilding Wastewater Treatment Plant upgrade

The Feilding Wastewater Treatment Plant (WWTP) is in the process of undergoing a major change in direction. In addition to a number of significant process improvements to produce a better quality of treated effluent, MDC is working closely with Horizons to obtain a new resource consent which will allow MDC to spray irrigate a significant proportion of the treated effluent onto land. This will provide an excellent land treatment option and increase the productivity of the land to help produce a sustainable long term revenue stream for MDC. This revenue will be used to offset operational costs of the Feilding WWTP. The shift to land treatment will also underpin MDC's commitment to the Manawatu River Accord and local iwi by removing a significant volume of treated effluent, which is currently discharged into the Oroua River at low flows.

This will require the installation of centre pivot irrigators on the MDC owned land at a cost of

\$2 million in 2013/14. The probable purchase of further land is also programmed for 2012-14. A budget of up to \$2 million has been set aside for this purpose. There will be further process improvements and plant upgrade work to increase the quality of the discharged effluent at a cost of \$4.5 million in 2012/13. This work completes a \$6.5 million upgrade of the plant which commenced in 2011/12. Each year \$150,000 has been allowed for upgrades and renewals at the plant.

In addition, the new dual discharge resource consent for the Feilding plant will require a treated effluent storage reservoir to act as a buffer in times of low river flows and soil saturation. The engineer's estimate for the project is \$1.5 million and this reservoir is integral to the new resource consent. This work is programmed for 2012/13.

Rongotea new water system

In 2009, Council proposed a new water scheme for Rongotea, subject to Ministry of Health funding. Council subsequently secured funding of \$2.1 million – approximately 80% of the budgeted cost.

In early 2010, Council held a poll of Rongotea residents to gauge interest in the scheme. Of those who voted, 62% were against it. The original proposal envisaged all Rongotea households, within a defined area, connecting to the scheme. This would mean all households contributing towards the non-subsidised costs. However, in light of the poll result, Council decided to make the scheme

voluntary. Households will now have the option of opting in if they wish.

The scheme is currently in the final design and procurement stage with construction set to begin in late 2012.

Himatangi Beach new wastewater system

Council needs to make a significant investment in 2012/13 for the installation of a wastewater scheme for the Himatangi Beach settlement, expected to be up to \$9 million. A wastewater reticulation and treatment system will be installed in the Himatangi Beach township to replace the existing privately owned septic tanks, many of which are not designed to meet latest environmental standards for on-site treatment systems. The treated wastewater will be used to irrigate privately owned land around the site of the proposed treatment works which will be located 1 km to the north-east of the township.

Each property will have an on-lot pump station which will be owned by MDC and which will discharge to a pressurised wastewater reticulation network. The new system will be designed to cater for seasonal peak flows up to 846 m³ / day, which is the projected flow for 2041. Construction is programmed to start in August 2012 with commissioning completed in mid 2013. A Ministry of Health subsidy of up to \$3.2m is available until 30 June 2013.

Considerations

What other factors have we considered?

Affordability

The Local Government Amendment Act 2010 contained a new requirement to prepare a Financial Strategy as part of each long term plan. The Financial Strategy ensures that the Council has a financial framework that allows activity based levels of service to be assessed against the overall ten-year total rate and borrowing requirements. This increases the transparency of the proposals for expenditure and funding by clearly stating the overall effects of those proposals on services, rates, debt and investments. It also requires Council to consider the affordability of the proposed rates requirements, both for the Council and for ratepayers in general.

The Council has to balance any investment in new facilities or activities to achieve the desired Outcomes against the affordability of resultant rates and debt levels.

The Financial Strategy states that Council will ensure that overall rate income is limited each year to increases of the Local Government Index plus 2%. This excludes major increases in levels of service such as new water and wastewater schemes.

The complete Financial Strategy can be found on pages 218-228, and the Funding Impact statements showing the effects of this plan can be found in Sections 2 and 3 of this plan.

Changes to rating system

Manawatu District Council reviewed its rating system and included in the draft long term plan an alternative system.

The proposed changes were largely rejected by submitters, and Council voted to return to the former system, based on using targeted rates and a differential factor applied to these and the general rate.

Changes to the rating system that were accepted were:

- Rating categories drop from seven used previously to six, these being Feilding residential, Feilding Rural, Feilding CBD, Rural, Industrial and Commercial and Utilities.
- Ratepayers will be given an alternative rating option that will allow both water and wastewater to be based on a volumetric charge.
- All rating units within the Feilding differential rating area will be charged a targeted rate for stormwater.
- New remission policies have been set for community, sporting and other organisations.
- The removal of the remission on multi-unit properties.

Proposed changes to the differential factors applied to the different rating categories were rejected by Council, with the exception of a change to the Utilities differential. Utilities will now have a differential factor of 1.75.

More detail of the rating structure is included in the Rating System section of this plan, pages 189-203.

Local Government Funding Agency investment

The Manawatu District will join the newly established Local Government Funding Agency (LGFA). The LGFA has been established by a group of local authorities and the Government to enable local authorities to benefit from their collective bargaining power by borrowing money at lower interest rates.

Different benefit rates apply to members, at different levels of participation. Manawatu District Council will take the highest level of participation in the LGFA, as a principal shareholding authority. This requires us to subscribe for up to \$100,000 value of shares to provide the LGFA with establishment capital funds. We will receive a return on this investment, and be a guarantor of the LGFA.

Benefits to the Council are cheaper interest rates, which we believe will outweigh the cost of investment. Investment in the LGFA also provides increased certainty of access to funding.

District Plan review

The District Plan affects the day-to-day lives of everybody living, working and visiting the District. It informs how we use our natural environment, and how our built environment will look and feel. It informs what activities are permissible in different parts of the district, and

ensures that diverse activities can co-exist.

Implementation of the Earthquake Prone Buildings Policy and development of the Feilding growth strategy means it is timely to review the District Plan. This project will involve reviewing the existing policies and rules that manage and protect our local environment, to ensure that the District Plan can respond to new issues, opportunities and direction.

The District Plan Review will be undertaken over the next two or more years.

Earthquake prone buildings

Council is managing a process to identify all earthquake prone buildings as defined by the Building Act 2004. The objective is to ensure public safety in commercial and public buildings in the district. Residential buildings, except those with two or more stories containing three or more units, are exempt from the earthquake prone requirements.

Council carried out structural assessments in 2011/12 of the buildings most likely (based on criteria including age and materials) to be earthquake prone. Building owners will have a reasonable period of time to seek professional advice of this assessment, and to question and discuss the results with Council. Council intends to make the earthquake prone register public in July 2012. Building owners will have until 2022 to either bring the structural rating of their building up to 67% of the current building code, or demolish it.

Council agreed to fund strengthening work to the small number of earthquake prone buildings

it owns, budgeting \$150,000 in 2012/13, \$205,800 in 2013/14 and \$159,450 in 2014/15.

Manawatu River Accord

The Council is a signatory to the Manawatu River Accord and participated in the development of the Action Plan signalled within the Accord.

The Horizons Regional Council Proposed One Plan, when finalised, will be the key document that manages targeted improvements to water quality within the Manawatu River and other waterways including the Oroua River. Once completed Manawatu District will, over time, need to manage its various wastewater and stormwater discharges in accordance with the new water quality targets included in the One Plan. The Council also supports the integrated river catchment initiatives managed by Horizons Regional Council such as the Sustainable Land Use Initiative, which has a direct benefit to water quality in the Manawatu River.

Council's intent to preserve our environment is signalled in our Council outcomes. Projects underway and scheduled to improve our waterways include the upgrade of the Feilding Wastewater Treatment Plant and the Himatangi Beach wastewater scheme. Improvements are also anticipated in stormwater, including those resulting from renewal of ageing assets, stormwater calibration and development of a Feilding stormwater scheme, new reticulation works and a stormwater structure plan supporting the urban growth strategy.

In March, the Manawatu River Accord

signatories were successful in their bid to access funding from the Government. The \$5.2 million Clean-Up funding will be used to improve discharges into the river. Manawatu District Council will allocate its share of the funding to additional wastewater treatment processes ensuring treated effluent discharged to the Oroua River is of a higher standard than required by the resource consent.

No changes were made to Council's commitment to the Manawatu River Accord, and submitters were wholly in favour of improved environments.

Regional environment

Council in 2011 endorsed the Regional Development Strategy, and is committed alongside partners Palmerston North City Council, Vision Manawatu and Destination Manawatu to implement this plan. Council believes that a collaborative approach will best enable us to grow our region.

Funding for this relational contract is retained, with Destination Manawatu receiving \$147,356 and Vision Manawatu receiving \$172,344 in 2012/13. Additional funding of \$32,741 requested by Destination Manawatu for the Country Road programme has been removed however, with Council viewing this as an activity which should be provided as a core service.

Manawatu District Council is bordered by Rangitikei District Council, with whom shared services agreements are in place covering infrastructure and animal control. Council also neighbours Palmerston North City Council,

and a shared service agreement exists for building regulatory services. Manawatu District Council also works closely with Horizons Regional Council, which is a provider of services including Civil Defence and Emergency Management.

Manawatu District is also a participant in the Regional Archives Project which is a collaborative venture organised by Manawatu-Wanganui Local Authority Shared Services Ltd (MW-LASS). Its core is a database and associated website which provides public access to information about pre-1989 records of Wanganui, Rangitikei, Tararua, Manawatu and Horowhenua District Councils, Palmerston North City Council and Horizons Regional Council. These councils have started a project looking at the most cost effective approach for managing electronic records into the future.

The Regional Archives project has allowed all pre-1989 records of the Council to be described to a standard set by Archives New Zealand. This has been the basis for the entries in the Archives Central database. From July 2012 these records will progressively be transferred to a facility in Feilding which will ensure long term preservation which meets the storage requirements prescribed under the Public Records Act. In addition this facility will provide public access to these documents although many requests will increasingly be satisfied by provision of digital copies.

District Development

Historically, funding from district development has been spread wide, from community projects to events support and business and economic development initiatives. Funding for district development activities was able to be maintained however, with Destination Manawatu and Vision Manawatu retaining their operational funding as noted above.

Funding for Feilding Promotion, has also been retained to a total of \$335,887 in 2012/13. It's operating grant maintained at \$165,239, it's building funded to \$21,132, the information centre funded at \$75,848 and CBD security funded at \$73,668 in 2012.

Council noted during deliberations that the contract with Feilding Promotions expired on June 30 2012, but noted the positive outcomes the organisation and its many volunteers had achieved throughout its history. A review of the contract and the key performance indicators will be undertaken to ensure alignment between Council's funding and activity.

In order to achieve on our new Council Outcomes while maintaining support for the Regional Development Strategy, we will review the focus of relational agreement with Palmerston North City Council, Vision and Destination Manawatu. This also provides an opportunity for these agencies and Feilding Promotion to further collaborate.

Funding for the Community Planning project was confirmed by Council, including \$35,000 in setup funding and \$60,000 annual ongoing

funding. Sanson, Kimbolton, Apiti, Rangiwahia, Rongotea and Pohangina are confirmed as the first villages to progress a community plan.

Manfeild Park

Community investment in Manfeild Park will reduce from the \$250,000 proposed in the draft long term plan to \$150,000 each year. All funding for Manfeild Park has now been consolidated to the community development activity, with 2012/13 funding commitment to Manfeild being \$500,818. This includes operating grant for ground maintenance (\$168,100), community investment grant (\$150,000) and interest paid by MDC on a \$2.5 million loan to the Trust (\$182,718).

Council has in previous years stated its commitment to Manfeild as a significant local and regional asset. In light of Council's decisions to minimise rates increases however, and in light of the collaborative approach to implementing the Regional Development Strategy, it was considered appropriate for Council to reduce this investment to \$500,818.

A separate matter consulted on as part of the 2011/12 annual plan is the purchase of land from Manfeild Park Trust in 2011/12. This is reflected in the financial statements, which also reflect the on-sale of this land over five years. This cash inflow from these sales will be used to pay the loan raised to purchase the land.

Strategic Rooding Network

Over the last few years Council has been working with Palmerston North City Council, Horizons Regional Council and the New Zealand Transport Agency to develop a coordinated rooding network within the wider Manawatu. The main drivers for this are:

- Increasing traffic arising from the ongoing development of the North East Industrial Area of Palmerston North
- Increasing traffic between Palmerston North and Feilding, and to a lesser extent the wider Manawatu District
- The Eastern Growth Corridor including a second bridge across the Manawatu River and the linkages to the Pahiatua Track
- The Joint Transport Study, completed by MDC, PNCC, NZTA and Horizons Regional Council, has incorporated a full regional strategic rooding network which is assisting further in the options around Bunnythorpe.

Other Decisions

Decisions made by Council in respect of the draft long term plan or as a result of submissions are as follows:

- Sanson Community Pool will receive a one-off grant of \$500.
- Palmerston North Surf Lifesaving Club will be funded \$10,000 for the 2012/13 year to provide a regional lifeguard service at Himatangi Beach.

- A feasibility study for a Foxton to Palmerston North cycle link would be funded up to \$5,000 from within existing funds, subject to a contribution of at least \$5,000 from Horowhenua District Council and Palmerston North City Council.
- A proposal from a submitter for an indoor skatepark was considered too expensive and is declined.
- Submissions requesting appointment of a caretaker for the Sanson community was declined.
- Funding for Palmerston North's Te Manawa Museum, which was allocated in the draft long term plan, was removed due to financial pressures.
- Funding of \$45,000 for the Manawatu Horsedrawn Vehicle Trust was approved for the 2012/13 year.
- Seed funding of \$100,000 for the Feilding Civic Centre Trust was approved.
- A funding request for \$10,000 a year for three years from the New Zealand Rugby Museum was declined due to financial pressures.
- A submission requesting an upgrade of air conditioning at Te Kawau memorial recreation centre was declined due to more detailed work being required.
- Carry forward of funding allocated to the Feilding Integrated Family Health Centre was approved. All commitments roll forward one year. Up to \$2.5 million will be available in 2012/13 and 2013/14. Half of this funding will be interest free, the remainder at market rates charged to Council.
- Council agreed to carryover funding allocated to Himatangi Beach skate park and Himatangi Beach Hall.
- A submitter's proposal for additional safety signage at the Feilding Skate Park was declined.
- Funding of \$20,000 each year to support the BioCommerce centre was confirmed.
- A proposal to establish wetlands as a solution to drainage issues at Manfeild required additional work and was declined.
- A request for consideration of additional funding of \$80,000 approximately per year to fund CCTV in Feilding was declined.
- CBD security was confirmed to be funded 100% from a targeted rate.
- The possibility of Council funding improvements to earthquake prone buildings was opposed by submitters.
- A request for Council to include a measure on swimming pool safety fencing was supported and was addressed in the draft long term plan.
- Requests for removal of fluoride in water supplies were declined.

- Several requests for provision of recycling facilities in rural locations are being addressed by Council.
- A request to support a suicide prevention initiative targeting men was declined.
- A request to fund beach signage aimed at preventing injury to dolphins was declined.
- A submission suggesting incorporation of a "twister bowl" slide during redevelopment of the Makino Aquatic Centre will be considered during the next phase of the project.
- A proposal to increase funding for provision of an extension to Himatangi Beach Community Hall was noted and further development of this proposal will be undertaken.
- Submissions from Bike NZ were noted and will be considered in the development of the Leisure and Recreation Action plan.
- A request for cycle paths in Feilding's North, South, West and East streets is being progressed within existing programmes.
- Provision of netball facilities is in-hand during the short term and the requirement for courts is noted.
- A proposal for developing a shelter at Apiti Hall is in hand and a proposal for a bike stand for the village will be addressed through the community planning

programme.

- A proposal to have the tennis courts at Himatangi Beach re-sealed was noted and will be addressed. Re-sealing of the village hall's car park and a request for additional lighting are noted and will be addressed.
- A request for several actions to improve the environment at Tangimoana was noted. Council will undertake some actions as requested from within existing budgets and will provide copies of the proposal to other key agencies including the Department of Conservation and Horizons Regional Council.
- A request for additional cleaning of Kimbolton public toilets and new public toilets at Kimbolton was noted. These matters will be addressed through the community planning initiative.
- Requests from Pohangina Community Committee including requests for funding to fence a river walkway and a proposal to establish an arboretum are noted and will be addressed through community planning. A request to provide protection for vistas around the valley is noted and will be addressed through the District Plan review.
- A request to bring forward work on the Rangiwahia tennis courts was approved.
- Several requests from Rongotea Community Committee will be addressed by Council as operational projects from

within existing budgets.

- Several requests from Halcombe Development Group will be addressed by Council as operational projects from within existing budgets.
- A request for a change in management of the maintenance contract for the Feilding CBD will be addressed as an operational matter.
- A request for Council to encourage use of water tanks is noted and will be addressed as an operational matter.
- A request for re-naming of a section of State Highway 56 was supported and will be progressed.
- A request for Council to address in-fill housing was noted and Council will consider during the scheduled review of the District Plan.
- A request for Council to address safety concerns about large trees was noted.
- A request to beautify the district and establish a native tree corridor for birds was noted and will be considered during the scheduled review of the District Plan.
- A submission regarding review of the Manawatu Active Transport strategy was noted and Council will participate in this review.
- Several submissions regarding grading of metal roads will be addressed as an operational matter.

- A proposal for a Sanson dump station facility was supported and will be progressed as an operational matter in collaboration with the Motorhome Association and Sanson Community Committee.
- A request for the Mangaweka Bridge to be used as a cycleway at the end of its useful life was noted. The bridge is likely to be upgraded and have a long life.
- A submission regarding the cost of recycling and refuse transfer was noted.
- A request to extend the 50km/h speed limit on Tangimoana Beach Road was supported and will be addressed as an operational matter.
- Drainage issues adjacent to Ohakea will be addressed as an operational matter.
- A submission requesting an upgrade of the Makino Road footpath and sections of roading was noted. Upgrades are scheduled in the existing renewals programme.
- A request to move the recycling station at Kimbolton was noted and will be addressed as an operational matter.
- A request to improve signage at Raumai corner was noted and will be addressed as an operational matter.
- A submission regarding the need for alignment between the long term plan and resource consent applications was noted.
- A request for additional parking at Kimbolton Cemetery and for road signage for use during funerals was noted and will be addressed as an operational matter.



Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand.

Vision, Strategy and Council Outcomes – why we do what we do.

The purpose of local government is to promote community wellbeing by providing benefits to the residents of the district.

The Local Government Act (2002) requires each local authority to describe the outcomes it is seeking for its community in its long term plan. Five years after our community outcomes were last updated (2005/6), in 2011 Manawatu District Council set about reviewing its community outcomes.

In previous years the community outcomes were shaped by the community. However, amendments to the Local Government Act in 2010 changed the definition of community outcomes from outcomes belonging to and achieved by the community, to “outcomes that a local authority aims to achieve”. This is a significant change in emphasis from a community wish-list to a set of outcomes owned – and actively worked towards – by Council. Council believes it is also helpful for the public to understand what Council does and why, and for other stakeholders, including the private sector who both benefit from and contribute to Council activity.

In order to develop a set of outcomes that would take Manawatu into a successful future, Council last year invested a significant amount of time to develop a Vision statement. This expression of the desired future state of Manawatu has been consulted on through the draft long term plan.

Recognising the different character of its communities, Council has developed Vision statements for the District, its villages, rural community and Feilding urban township. The Vision statement both guides Council in its activity and provides a clear and compelling picture of our future.

This new vision is:

Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand.

Rural area vision statement:

The food basket of New Zealand within a sustainable rural landscape that offers outstanding recreational opportunity.

Villages vision statement:

Attractive and prosperous communities that offer lifestyle choices and business opportunities within a unique environment.

Feilding urban vision statement:

A thriving community enjoying the most vibrant country town in New Zealand, servicing the regional rural sector.

What are our Council outcomes?

A number of key concepts underpinned the Vision statements. These were grouped together and a number of themes emerged: the environment, economic sustainability, connectedness and organisational performance.

These were reviewed alongside the statutory Council requirements to provide for the social, environmental, economic and cultural wellbeings.

A set of outcomes was developed, which show the priorities council is working towards.

- Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.
- The Manawatu District will attract and retain residents.
- Manawatu District develops a broad economic base from its solid foundation in the primary sector.
- Manawatu and its people are connected via quality infrastructure and technology.
- Manawatu's built environment is safe, reliable and attractive.
- Manawatu District Council is an agile and effective organisation.

How we will enable this.

Council will continue to report via its executive team to Councillors, and work is underway to enable reporting against progress towards outcomes.

In order to avoid duplication of effort, the long term plan will remain as the Council's strategic document, guiding activity and prioritising actions.

Progress will be monitored and reviewed in 2014 as part of the 2015 long term plan process.



The new Council Outcomes are focused on goals that Council has a significant role in achieving.

Monitoring the Council Outcomes

Council Outcomes represent the 10-year goals of Council in working towards the long term Vision. Recent changes in legislation have resulted in a change of focus for outcomes in this long term plan (LTP).

Previously Council facilitated a community based process that identified Community Outcomes. These Outcomes were owned by the community and included goals that the Council did not have significant input into, such as health services and policing.

The new Council Outcomes are focused on goals that Council has a significant role in achieving. Council will still need to work with the community and other organisations to achieve these outcomes – Council does not have the resources to do this alone.

Monitoring progress from activities and projects, and changes to the challenges faced by the District, are important parts of achieving the Council Outcomes. The only certainty is that changes will occur in our world and the assumptions made that underpin this LTP will need to be adjusted over time.

Monitoring will assess the effectiveness of Council activities and projects. The performance measures contained in each Group of Activities will provide key information on Council performance. In addition, Council needs to monitor the four well-beings (economic, social, environmental and cultural) within which LTP decisions are made.

Strategic level monitoring will be undertaken and reviewed on an annual basis. This will allow Council to consider the need to change the strategic direction as part of the Annual Plan process.

Significant changes would result in an amendment to this LTP. Generally, Council will utilise existing measures and information sources that are available publicly or through other partner organisations.

Council Outcomes	Strategic Monitoring
<p>Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.</p>	<p>Manawatu River Accord (progress) Iwi involvement Bio-diversity health (Council managed reserves) Pest and weed control across the District</p>
<p>The Manawatu will attract and retain residents.</p>	<p>Resident population Internal and external migration patterns Household numbers Recreation activity and events Satisfaction/lifestyle happiness surveys</p>
<p>Manawatu district develops a broad economic base from its solid foundation in the primary sector.</p>	<p>Employment trends Business demographics Land use Visitor numbers and spend Regional Development Strategy goals Household wealth</p>
<p>Manawatu and its people are connected via quality infrastructure and technology.</p>	<p>Meeting potable water standards Resource consent compliance for discharges and water takes Residents surveys Broadband coverage</p>
<p>Manawatu's built environment is safe, reliable and attractive.</p>	<p>Earthquake prone building numbers Residents perceptions of safety Community planning initiatives Crime and injury trends</p>
<p>Manawatu District Council is an agile and efficient organisation.</p>	<p>Rates affordability Council completing projects on time as budgeted Exploring collaborative options National and international economic trends Societal and technology changes Central government policy and changes to legislation</p>



In detail, the financial strategy states the effects of our proposals on services, rates, debt and investments.

Are we living within our means - the Financial Strategy (summary)

The Local Government Amendment Act 2010 requires every Council to prepare a Financial Strategy as part of each Long Term Plan (LTP).

This ensures we have a financial framework that allows our spending on services to be assessed against rates and borrowing requirements over the whole 10 years of the LTP.

Simply, we need to ensure our community can see that we are spending within our means, on services they wish us to provide.

In detail, the financial strategy states the effects of our proposals on services, rates, debt and investments. It also requires Council to consider the affordability of the proposed rates requirements, both for the Council and for ratepayers in general.

Previously, we have done this as a routine internal process. The new Financial Strategy explicitly sets our funding, to ensure:

- the linking of expenditure priorities to the vision and desired outcomes of the Council,
- prudent financial management by providing a guide for considering proposals for expenditure and appropriate funding mechanisms,
- transparency of decisions on overall expenditure and funding.

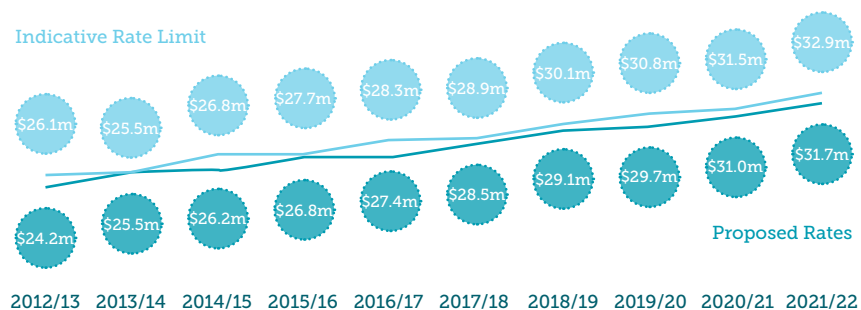
This Financial Strategy sets the overall desired debt limit and the level of rates and rate increases that have been determined as affordable for the community.

Rates

The Council has to balance any investment in new facilities and / or activities to achieve the desired Council Outcomes against the affordability of resultant rates and debt levels. The Council will ensure that overall rate income is limited to increases of up to the Local Government Cost Index plus 2% each year. This excludes major increases in levels of service such as new water and wastewater schemes.

The change in rates on individual properties will be different from the average increase above. The rates for individual properties are dependent of valuation changes, the mix of rate charges and the combination of services provided.

Rates 2012-2022



The above chart shows proposed levels for targeted and general rates. 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. 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.

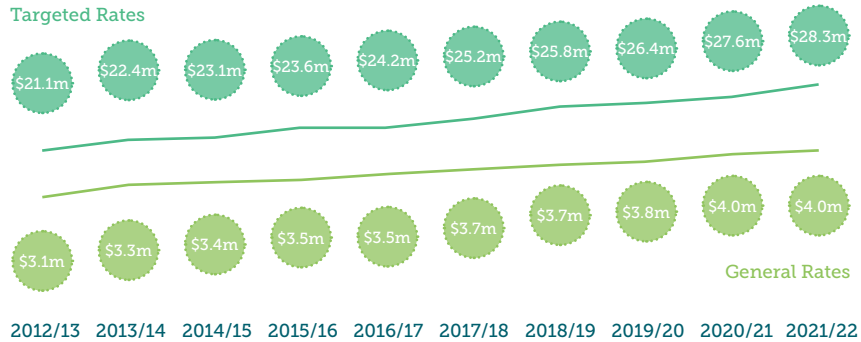
Rates Percentage Increases 2012-2022

Year	Proposed Rates % increase (from previous year)	Indicative limit for rates % increase (LGCI + 2)
2012/13	-1.9%	5.6%
2013/14	5.1%	5.3%
2014/15	3.0%	5.3%
2015/16	2.1%	5.3%
2016/17	2.3%	5.5%
2017/18	4.1%	5.3%
2018/19	2.0%	5.4%
2019/20	2.1%	5.7%
2020/21	4.5%	5.9%
2021/22	2.1%	5.9%

The rates percentage increases are prepared on the basis of total rates revenue for comparative levels of service throughout the life of the long term plan, as noted in the financial strategy. The rates impacts of any higher levels of service are excluded, for example the Himatangi Beach wastewater and Rongotea water supply schemes are excluded as these are additional levels of service. Year 1 reflects the lower total rates due to the Boundary Change.

* The above percentages do not reflect individual rates rises, but the percentage rise in total rates revenue for the district. In year 1 the average rate per property increases by 2.9 %.

Rate Levels 2012-2022



The above chart shows the proposed rate levels over the next 10 years, together with Council's rate limit. (Total rates are a combination of targeted and general rates, which are shown in the previous graph.) Proposed total rates go from \$24 million in 2012/13 to \$32 million in 2021/22. The indicative rates limit is based on the LGCI plus 2%. This is Council's policy on rates limits.

Debt

The Council intends to maintain a debt level significantly lower than the prudential limit in order to have the future flexibility to react to changes in Council direction, external shocks or natural disasters. This buffer will be at least \$8 million.

Limits for borrowing are set at:

- Gross interest expense not to exceed 10% of operating revenue
- Gross interest expense not to exceed 20% of rates revenue
- Net cash flows from operating activities to exceed gross annual interest expense by 1.5 times
- Maximum level of debt is not to exceed 15% of total assets

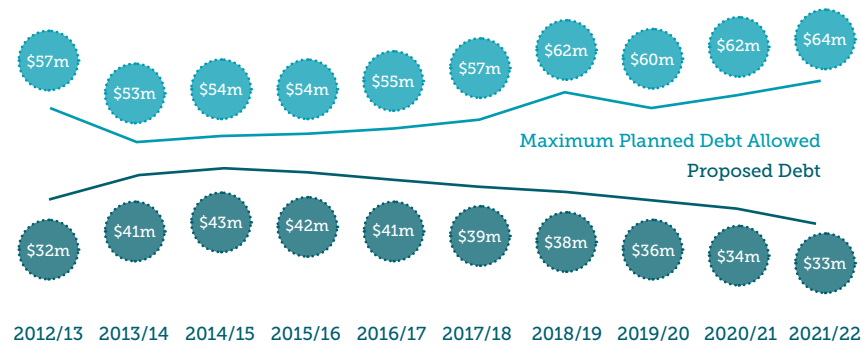
Based on the 2010/11 annual report this provides a maximum debt limit of \$58 million in 2011 dollars. The Council's balance sheet can prudently sustain this level of debt. Council does not wish to impose this high level of debt for two primary reasons:

- The debt servicing charges will result in rates affordability issues for ratepayers, and
- To ensure borrowing facilities are available for unexpected circumstances such as a natural disaster,

This implies a debt limit of around \$43 million in 2014/15, decreasing modestly over the life of the LTP. This limit assumes interest rates will

not rise significantly, but provides a basis for setting out the capital spending programme in the 2012-22 LTP. As risk profiles, revenue and asset levels change in the future this debt limit will be reviewed as part of each LTP process.

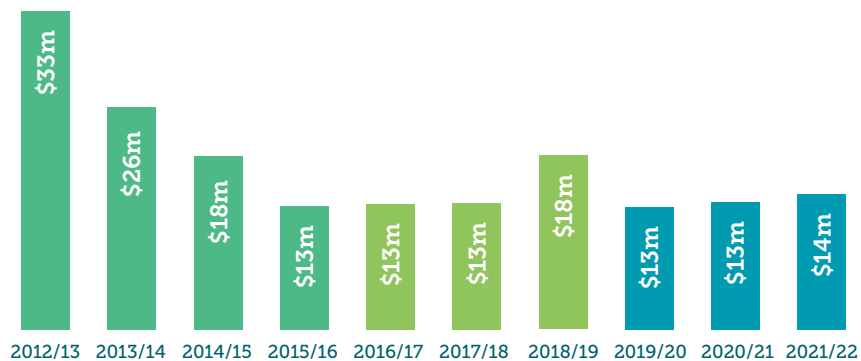
Net Debt and Maximum Debt 2012-2022



The above chart shows Council’s proposed debt over the next 10 years, together with the maximum planned debt allowed. Council has assumed that all debt raised will be from external sources. The maximum debt allowed is based on the limit yielding the lowest debt. In this case it is interest being less than 10% of operating revenue, less the \$8 million emergency buffer.

The spending in this LTP has been designed to fit within these rates and debt targeted limits.

Capital Expenditure 2012-2022



The above chart shows the amount of capital expenditure required to maintain existing levels of service and meet any additional demand on Council's network infrastructure. The first year of the LTP includes capital expenditure that, at \$33m, is considerably higher than the rest of the plan. This is due to a number of large projects being completed in 2012-14. Some work has been carried forward from 2011/12, including Rongotea Water Supply, Himatangi Beach Sewerage Scheme and Feilding Wastewater Treatment Plant.

Variations between the LTP

Assessment of Water and Sanitary Services

The Assessment of Water and Sanitary Services was a mandatory requirement under the original Local Government Act (LGA) 2002.

This requirement was removed as part of the 2010 amendment to the LGA 2002. Council is now expected to carry out an assessment "from time to time"¹. The LGA 2002 requires that the Council identify and explain any significant differences between the Assessment of Water and Sanitary Services and the LTP.

A full Assessment of Water and Sanitary Services was completed in 2005. A review was completed in 2009. Council has been making progress addressing all the major issues identified in the Assessment. In 2011/12 Council approved a wastewater system at Himatangi Beach, and a reticulated water scheme at Rongotea.

Public Health Risk Management Plans will be prepared for all Council public water supplies by June 2012. Council has included proposed funding to achieve greater monitoring of water use and leakages across the Feilding water reticulation system.

The Feilding waste water treatment plant is currently being improved and Council is working closely with Horizons Regional Council to deliver a compliant solution. This project is included in this long term plan. As signatory to the Manawatu River Accord the Council is part of a joint application to central government for a grant to upgrade the Kimbolton Wastewater treatment plant.

Stormwater management is being increased to comply with the One Plan. Makino Stream and the Taonui Basin is at design capacity now. Stormwater neutrality for new developments is therefore required to mitigate downstream impacts.

Overall Council considers that this long term plan contains no significant variation to the strategies and major issues contained in the Assessment of Water and Sanitary Services. The full review of all Council Asset Management Plans has provided updated costs and confirmation of the strategies.



Public Health Risk Management Plans will be prepared for all Council public water supplies by June 2012.

¹ LGA 2002 section 125 Requirement to assess water and other sanitary services
(1) A territorial authority must, from time to time, assess the provision within its district of-
(a) water services; and
(b) other sanitary services

Waste Management and Minimisation Plan

Council adopted a Waste Management and Minimisation Plan (WMMP), as required by the Waste Management Act 2008, in 2010/11.

The WMMP signalled a review of levels of service and the intention to increase recycling services. This long term plan includes increased levels of service in recycling.

Overall Council considers that this long term plan contains no significant variation to the strategies and major issues contained in the WMMP.

Legal Requirements

Schedule 10 (6)

Variation between territorial authority's long-term plan and assessment of water and sanitary services and waste management plans

- A long-term plan for a territorial authority must identify and explain any significant variation between the proposals outlined in the long-term plan and the territorial authority's-
 - a. assessment of water and other sanitary services under *section 125*;
 - b. waste management and minimisation plans adopted under *section 43* of the Waste Minimisation Act 2008.

Part Two

Groups of Activities



Guide to Section 2

Section 2 contains key information on Council's operations. The section contains 10 parts, which are Council's 10 groups of activities.

Each part begins with high level information about the group itself, including the Council activities that make up the group, why Council undertakes the activities, the group's contribution to Council Outcomes, significant negative effects and key issues. The remainder of each part concentrates on activity information, and is structured as follows:

What we do

Provides a brief overview of the activity.

Why we do it

This section describes why Council has decided to be involved in this activity, based around the following categories:

- Statutory requirements, including bylaws
- Links to community wellbeing
- Link to Council goals and strategies
- Other reasons

Major Projects

Provides information on the major projects Council intends undertaking within this activity. Each project is either an existing level of service – providing the same level of service as in the past – or an enhanced level of service – providing a higher level of service than the past.

How we fund this activity

Outlines the funding mechanisms – rates, fees and charges etc. – Council uses to fund the activity. The Revenue and Financing Policy, in Section 3, provides extensive information on why Council chose the funding mechanisms for the activity.

Levels of Service

Provides Council's proposed levels of service for the activity. Performance measures and targets are also provided, as a means of tracking whether Council is meeting its levels of service. Actual results will be reported in subsequent Annual Reports. Each level of service is also linked with a Council outcome

One important means of measuring levels of service is via the Email Panel. The email panel is a randomly selected panel of district residents who answer questionnaires via email. Questionnaires are on satisfaction with Council services or residents' thoughts on Council proposals. In addition, Council also provides information on the current level of service, which provides a base measure.



Performance measures and targets are also provided, as a means of tracking whether Council is meeting its levels of service.



Community facilities are Council activities focused on social, including recreational, and cultural opportunities in the district.

Community Facilities

What we do

Community facilities are Council activities focused on social, recreational and cultural opportunities in the district.

Much of the work Council does in this area has been around the provision of services and assets, such as the libraries, swimming pools, parks and reserves and other public amenities. Council assets include:

- Makino Aquatic Centre
- Feilding Library and 66,000 books
- Council administration building Feilding
- Civic Centre
- Feilding Cemetery
- Te Kawau Memorial Recreation Centre
- Feilding Little Theatre
- 17 community halls
- 13 other community buildings
- 25 public conveniences
- 538.4 Ha of reserves - three urban parks, six playground reserves, 31 open spaces, 10 sports grounds, five bush reserves and six riverside reserves

Why do we do it?

Community facilities are Council activities focused on social, including recreational, and cultural opportunities in the district.

A number of reasons exist for Council's

involvement – from statutory requirements relating to the cemeteries activity to the public health good of providing sanitary public toilets.

There is also considerable historical investment in assets including parks and property, and it is responsible for the Council both to maintain these assets and ensure they are well-managed for the future.

Additionally, there is increasing recognition of the benefits of recreation and lifestyle for the district: much of the visioning work Council has undertaken has reflected the importance of providing a lifestyle – a district where people choose to live. Recreational, social and cultural assets contribute significantly to doing so.

Work on a Leisure and Recreation Action Plan is underway to ensure Council delivers on both current and future needs of the community.

How does this contribute to council outcomes?

Community Facilities assets will play an important role in achieving the new Council Outcomes and contributing to the overall Vision. Achievement of our Vision - Connected, vibrant and thriving Manawatu - requires us to meet social, cultural, environmental and economic needs.

Through the levels of service review, undertaken during the long-term planning process, Community Facilities activities have been identified as a key contributor to all of the six outcomes. In particular, the Community Facilities recreational assets have a key part

to play. In order to achieve these Outcomes Council could:

- Focus on activity that is directly related to attracting and retaining residents – recreational assets in particular and access to them.
- Prioritise attractive public spaces that contribute to enhanced social and cultural wellbeing across council activities.

Activities within Community Facilities activity group:

- i. Cemeteries
- ii. District Libraries
- iii. Makino Aquatic Centre
- iv. Parks and Reserves
- v. Property (including halls)
- vi. Public Conveniences

Significant negative effects of this activity

There are no significant negative effects of this activity.

Key issues

- i. Several community halls are not used regularly and a question arises over their viability. In order to explore whether these halls are still valued by the community, a process defined in the Halls Management

Policy could be used to ascertain whether these facilities should be retained and funded by Council. A review of the Halls Policy to address some operational issues - including an absence of reporting from some halls – is planned. If it was discovered some halls were no longer required, this would allow more investment in halls that are valued and used regularly.

- ii. The major redevelopment proposed for the Makino Aquatic Centre will go ahead, subject to the business case being approved by Council. This project would start in the 2013/14 year. This includes building a new learner's pool, a children's wet play area and covering the outdoor 50-metre pool at a cost of up to \$3.2 million, depending on design of the new facility.
- iii. Feilding Cemetery, the largest cemetery, requires a significant land acquisition in 2012/13 for future expansion.
- iv. The Council is currently undertaking Earthquake Prone Building assessments in the Feilding CBD. These assessments may result in a complete reassessment of the future of some buildings currently within the Community Facilities property portfolio and others funded by other activities including District Development. Potentially council will need to consider whether it is economic to invest in its old buildings that need substantial strengthening.
- v. While the investment in community facilities is large, condition assessments

indicate assets are in good condition and contract reporting indicates that investment provides reasonable value for money. Challenges may arise from changes in use or prioritisation of Community Facilities activity, however it is anticipated this group of activities can be funded at existing levels. It may however be necessary to rationalise some assets or re-prioritise programmes in order to invest in emerging new areas of service.

Activity - Cemeteries

What we do

The Manawatu District Council provides pleasant, attractive cemeteries of which the community can be proud of. Council administers cemeteries in Feilding, Halcombe, Kimbolton, Pohangina, Rangiwahia, Rongotea, Sanson and Waituna West. The largest cemetery is located in Feilding and provides specific lawns for the community, cremation, children and returned servicepersons and a hebe garden for cremation ashes.

There are private cemeteries located in Apati, Kiwitea and Stanway as well as various Urupa located throughout the district, which are administered by independent committees and boards.

Administering cemeteries involves ensuring interments are carried out to an acceptable standard and that cemetery grounds are maintained and enhanced as needed.

Why we do it

Local authorities are required to provide cemeteries under the Burial and Cremation Act 1964. As well as protecting public health, Council cemeteries enhance social and cultural wellbeing by provision of an important historical resource, maintenance of human respect and dignity, and in the provision of individual grave sites for burial and remembrance. Attractive pleasant cemeteries are also a source of civic pride.

Major projects

- i. Land purchase for Feilding Cemetery and staged development is programmed for 2012/13 at a cost of up to \$510,000. In order to meet demand from an increased burial rate, drainage and infrastructure works have been brought forward to 2011/12 to enable development of existing land. Extension ground works have been programmed for 2014/15 at a cost of \$54,000, infrastructure works in 2015/16 at a cost of \$112,000 and landscaping in 2016/17 at a cost of \$23,000. (Existing Level of Service)
- ii. An access problem due to the gradient of the slope and difficulty in safely accessing plots may cause closure of current Halcombe Cemetery site from future interments other than those in pre-purchased plots. One option is developing the neighbouring Council owned land for future use. New works scheduled for Halcombe include \$42,000 for extension

ground works in 2013/14, \$44,000 for infrastructure in 2014/15 and \$56,000 for extension landscaping in 2016/17. (Existing Level of Service)

- iii. Drainage and cemetery expansion at Rongotea Cemetery will be investigated in 2012/13 at an expected cost of \$5,000 and are programmed to be undertaken in 2013/14 at a cost of \$63,000. Replacement fencing will be undertaken as required and is funded from within the annual \$10,000 budget for maintenance and renewals. At Rongotea, there have been minor remedial drainage works carried out in the past with little success. Whilst land is held for cemetery expansion, unless drainage problems can be overcome affordably, closure may be the best option. (Existing Level of Service)
- iv. Council plans to set aside \$25,000 in 2018/19 for resurfacing the driveway and repositioning fencing at Sandon Cemetery. (Enhanced Level of Service)

How we fund this activity

The public expect provision of a cemetery service that everyone can use, while the individual or family meet the costs of burial. Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (public funding) and user fees (private funding).

Group	Activity	Funding Split (public/private)	Public Mechanism	Private Mechanism
Community Facilities	Cemeteries	60:40*	Uniform Targeted Rate	User Fees and Charges

* Funding split to be achieved over the life of the long term plan

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Cemeteries								
Cemeteries provide a high quality service		Funeral director satisfaction with cemeteries (quarterly meetings)	New measure (enhanced level of service)	80%	85%	90%	90%	Outcome 1: Improve the natural environment
		Cemeteries are maintained to a high standard, providing an attractive and pleasant place for visitors. Annual complaints regarding maintenance or appearance of facilities is fewer than:	Target met – 7 complaints received in 2010/11 (existing level of service)	10	10	10	10	Outcome 1: Improve the natural environment
		Cemetery records are accurate and up to date, with annual complaints re location or information fewer than:	New measure (enhanced level of service)	5	5	5	5	Outcome 1: Improve the natural environment
		Adequate land available to meet 5 years projected demand	New measure (enhanced level of service)	100%	100%	100%	100%	Outcome 1: Improve the natural environment
		Meets the requirements of the Burial and Cremations Act 1964	New measure (existing level of service)	100%	100%	100%	100%	Outcome 1: Improve the natural environment

Funding Impact Statement

Cemeteries	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	169		230	248	248	258	256	258	255	247	252	254
Subsidies and grants for operating purposes	1		2	2	2	2	2	2	2	2	2	2
Fees, charges and targeted rates for water supply	115		104	113	122	132	142	153	164	176	182	189
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	285		336	363	372	391	400	413	421	426	437	445
Applications of operating funding												
Payments to staff and suppliers	208		227	232	237	243	249	255	261	267	275	282
Finance costs	0		18	38	45	56	57	56	55	54	53	52
Internal charges and overheads applied	70		86	87	84	85	86	94	97	96	102	104
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	278		331	357	365	384	392	405	413	418	430	438
Surplus (deficit) of operating funding	7		6	6	7	7	8	8	8	8	7	7
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		509	36	91	159	13	(11)	(12)	(13)	(14)	(15)
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		509	36	91	159	13	(11)	(12)	(13)	(14)	(15)

Cemeteries	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	10		517	106	98	169	23	0	25	0	0	0
- to replace existing assets	0		10	11	11	11	12	12	12	13	13	14
Increase (decrease) in reserves	(3)		(12)	(74)	(12)	(14)	(15)	(16)	(42)	(18)	(20)	(22)
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	7		515	42	97	167	20	(4)	(4)	(6)	(7)	(9)
Surplus (deficit) of capital funding	(7)		(6)	(6)	(7)	(7)	(8)	(8)	(8)	(8)	(7)	(7)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Activity – District Libraries

What we do

Manawatu District Council Libraries provide and manages a full service library in Feilding, a stock of 66,000 items and is open 42 hours a week including a late night and Saturday morning. The activity supports and supplies books for 6 community libraries - at Himatangi Beach, Kimbolton, Pohangina, Sanson, Rongotea and Tangimoana.

The library service provides:

- Children's' holiday and reading programmes
- written and recorded information such as books and DVDs,
- access to a range of computer based information databases
- professional advice on books, location of information and accessing databases.

Investment in Ebooks and supporting systems may occur at some point in the next 10 years, funded from the existing materials/book budget. Staff maintaining a watching brief on technology and demand and at this stage unable to quantify possible costs or timeframe.

Why we do it

Libraries provide opportunities for life long learning, access to information, leisure, and reading, ensuring these are available to all people in our community. Libraries enhance social and cultural wellbeing by providing free and open access to knowledge, services and

facilities to all residents regardless of income, race or age. They are a neutral, respected gateway to information and a safe place between work and home that offers equal access for all community members.

Because libraries touch every aspect of community life, they bring direct value to people's lives and support many aspects of local government. Through their services, spaces and one on one assistance, libraries directly serve important technological, educational, social service and community development functions in communities across the country.

Major projects

- i. In year 5 (2016/17) it may be necessary to replace the Canon 350 reader/printer and dedicated printer in Heritage Room. The machine does not get heavy use however and may last some further years and exceed its recommended life expectancy of five years. If replacement is required, cost is estimated around \$35,000. (Existing Level of Service)
- ii. Possible library management software renewal may be required in year 4 (2015/16), due to need to update current system or to align with National Library software Kotui system. Cost, if required, \$113,000. (Existing Level of Service)
- iii. Carpet renewal for Feilding Public Library building is likely in year 7, (2018/19), and is estimated to cost \$93,000. (Enhanced Level of Service)
- i.

How we fund this activity

Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and fees (private funding). Due to the proximity of the library to Feilding residents, 60% of the expenditure will be recovered from ratepayers within the 2009 Feilding Differential Rating area (FDRA), while 40% will be recovered from the remainder of the district.

Recovery of exacerbator costs, through fines and other charges, will be in full.

Group	Activity	Funding Split (public/private)	Public Mechanism	Private Mechanism
Community Facilities	District Libraries	95:5	Targeted rate (Feilding 60% Rural 40%)	User Fees and Charges

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
District Libraries								
Library service that provides residents of the district free access to information and lifelong learning opportunities		Issues per head of population relative to 6 peer libraries*	New measure (Enhanced Level of Service)	Among top 30%	Among top 30%	Among top 30%	Among top 30%	Outcome 2 Attract and retain residents
		Active** library membership to exceed	New measure (Enhanced Level of Service)	9,000	9,000	9,000	9,000	Outcome 2 Attract and retain residents
		Customer satisfaction as measured by annual survey of users	Target met – 98 user satisfaction (Existing Level of Service)	More than 95% satisfaction	More than 95% satisfaction	More than 95% satisfaction	More than 95% satisfaction	Outcome 2 Attract and retain residents
Increase literacy among the district's children		Percentage of annual spend on children's and young person's collection to exceed	New measure (Enhanced Level of Service)	25%	25%	25%	25%	Outcome 2 Attract and retain residents

* District libraries serving a population similar to that served by MDC, i.e. between 20,000 and 32,000. Likely to include Ashburton, Whakatane, South Taranaki. ** An active library user is someone who has borrowed material from the library in the preceding two years, accepted by LIANZ (Library and Information Association of Aotearoa New Zealand).

Funding Impact Statement

District Libraries	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	1,260		1,334	1,347	1,405	1,409	1,436	1,528	1,519	1,512	1,623	1,645
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	63		68	71	73	75	78	81	83	86	89	92
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		1	1	1	1	1	1	2	2	2	2
Total operating funding	1,324		1,403	1,419	1,480	1,486	1,515	1,610	1,603	1,600	1,714	1,739
Applications of operating funding												
Payments to staff and suppliers	567		574	589	613	622	640	657	675	694	735	737
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	503		547	539	530	517	516	559	575	541	601	611
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,070		1,121	1,128	1,143	1,138	1,156	1,216	1,250	1,235	1,337	1,348
Surplus (deficit) of operating funding	254		282	291	336	348	359	393	353	365	378	391
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0

District Libraries	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	184	184	190	196	315	245	217	317	232	240	248
Increase (decrease) in reserves	70	98	101	140	32	115	176	36	133	138	143
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	254	282	291	336	348	359	393	353	365	378	391
Surplus (deficit) of capital funding	(254)	(282)	(291)	(336)	(348)	(359)	(393)	(353)	(365)	(378)	(391)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Activity – Makino Aquatic Centre

What we do

The Makino Aquatic Centre (MAC) is an indoor and outdoor heated aquatic site. Council provides safe, all year swimming for the community – 130,000 visits were made to the MAC in 2010. The outdoor complex includes a 50- metre heated pool, dive pool with 1 metre and 3 metre diving boards, learner pool and toddler pool, shaded areas, Barbeques and extensive lawns. Indoors there is a 25-metre pool and dual level pools for learners and toddlers.

The MAC also provides a wide range of swimming and recreation programmes including Learn to Swim classes, Aqua Aerobics, Flippa Ball, Canoe polo, Makino Aquatic Challenges, Teenager events and After School/ School Holiday programmes.

Why we do it

Council provides the MAC because it gives opportunities for communities, clubs, organisations and individuals to enjoy a variety of water and recreation pursuits. It also provides private benefits to individuals and groups such as relaxation, health, sports and fitness, developing confidence in the water and water safety education. This enhances social and cultural wellbeing by providing opportunities not available elsewhere in the district.

Major projects

- i. An upgrade of the changing rooms including refurbishment of the fixtures and fittings (\$80,000) and painting (\$20,000) is programmed for year two (2013/14). The changing rooms are in need of an overhaul and have ventilation problems, causing customer dissatisfaction. This work may not go ahead if the major MAC redevelopment proceeds. (Enhanced Level of Service).
- ii. Internal guttering needs to be replaced at the MAC, at an estimated cost of \$30,000. The work is programmed for 2013/14 but may not go ahead in this form if the major MAC redevelopment proceeds. (Existing Level of Service).
- iii. The major redevelopment agreed for the Makino Aquatic Centre will go ahead, subject to the business case being approved by Council. This project would start in the 2013/14 year. This includes building a new learner's pool, a children's wet play area and covering the outdoor 50-metre pool at a cost of up to \$3.2 million, depending on design of the new facility. Council proposes funding this through a combination of loans (approximately \$2 million) and grant funding (\$1 million). While there are no immediate rating implications, rates will be required over the next few years to repay the loan and fund depreciation requirements.

How we fund this activity

Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and user fees (private funding). Due to the proximity of the Makino Aquatic Centre to Feilding residents, 60% of the expenditure is recovered from ratepayers within the 2009 Feilding Differential Rating Area (FDRA), while 40% is recovered from the remainder of the district.

Recovery of costs for extra services, such as holiday programmes and swimming lessons will be in full from the participant.

Recovery of exacerbator costs (e.g. vandalism, pool contamination) will be in full where possible.

Group	Activity	Funding Split (public/private)	Public Mechanism	Private Mechanism
Community Facilities	Makino Aquatic Centre	65:35	Targeted rate (Feilding 60% Rural 40%)	User Fees and Charges

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Makino Aquatic Centre								
An affordable range of services and activities is available that meets community aquatic recreational needs.	At least 90% user satisfaction with facilities provided		Target met – 90% satisfaction in 2010/11 (Existing Level of Service)	90%	90%	90%	90%	Outcome 2 Attract and retain residents
A safe and enjoyable aquatic experience is provided	At least 85% user satisfaction with MAC staff		New measure (Enhanced Level of Service)	85%	85%	85%	85%	Outcome 2 Attract and retain residents
		Meet New Zealand water quality standard NZ5826/2010	New Measure (Enhanced Level of Service). Note: the previous target was to meet NZ5826/2000	100%	100%	100%	100%	Outcome 2 Attract and retain residents
		Meet Pool Safe Standard – Best Practice Standard NZ	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 2 Attract and retain residents
		Number of lifeguard internal training sessions per year	New measure (Enhanced Level of Service)	6	6	6	6	Outcome 2 Attract and retain residents
		At least 90% customer satisfaction with swimming lessons	New measure (Enhanced Level of Service)	90%	90%	90%	90%	Outcome 2 Attract and retain residents

Funding Impact Statement

Makino Aquatic Centre	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	965	871	1,120	1,160	1,132	1,145	1,186	1,179	1,188	1,361	1,242
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	358	485	500	582	613	634	655	677	700	724	750
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	1,323	1,355	1,620	1,742	1,744	1,778	1,841	1,856	1,887	2,086	1,992
Applications of operating funding											
Payments to staff and suppliers	1,091	1,107	1,089	1,147	1,151	1,187	1,222	1,233	1,277	1,461	1,367
Finance costs	0	0	75	147	143	138	134	129	124	118	112
Internal charges and overheads applied	259	238	235	237	238	241	273	282	274	295	302
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,350	1,346	1,400	1,530	1,532	1,567	1,629	1,644	1,675	1,874	1,780
Surplus (deficit) of operating funding	(27)	10	220	212	212	212	212	212	212	212	212
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	1,000	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	0	2,116	(55)	(59)	(64)	(68)	(73)	(79)	(84)	(90)
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	0	3,116	(55)	(59)	(64)	(68)	(73)	(79)	(84)	(90)

Makino Aquatic Centre	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	31	3,168	0	0	0	0	0	0	0	0
- to replace existing assets	33	34	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(60)	(55)	168	156	152	148	144	139	133	128	122
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	(27)	10	3,336	156	152	148	144	139	133	128	122
Surplus (deficit) of capital funding	27	(10)	(220)	(212)	(212)	(212)	(212)	(212)	(212)	(212)	(212)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Activity – Parks and Reserves

What we do

The Manawatu District Council's parks, reserves and sports grounds include a range of properties from vacant rural land through to large tracts of native forest, beach reserve to urban sections.

The Reserves Act 1977 requires Council to provide a Management Plan for each reserve. For Manawatu District Council there are five Reserve Management Plans: Kowhai Park, Awahuri/Kitchener Reserve and Mt Lees Reserve, Totara Reserve, District-Wide Reserves and Coastal Reserves. These plans were all made available for consultation and approved by Council and the Department of Conservation before their implementation. These plans describe in detail how Council intends to care for and maintain its reserves. It is intended that these plans be revised and updated in 2013/2014.

Council manages the day-to-day maintenance through a contract for services which includes vegetation management, turf renovation, structures maintenance, cleaning, litter removal, repair and planting tasks. Council also works alongside volunteer groups such as Keep Feilding Beautiful, Kitchener Park Restoration Committee, community committees and schools who put considerable time and effort into supporting parks and reserves.

Council customer services staff manage bookings and fees for specific events or activities, and liaise with Parks staff to ensure

contractors prepare the grounds or facilities appropriately.

The five main sports grounds in the district are Johnston Park, Timona Park, Victoria Park, Rimu Park and Kimbolton Domain. Sanson Domain is also available for sporting and recreational use.

Public gardens are provided at Kowhai Park and Mt Lees Reserve.

Outdoor adventure is available at Putai Ngahere, Rangiwahia Domain and Apiti Domain.

Totara reserve (being transferred to Horizons regional Council) provides a natural and cultural heritage amenity, as does Kitchener Park, Coles Bush, Almadale Reserve, James Palmer Park and Kimbolton Scenic Reserve.

Neighbourhood parks and playgrounds include Vista Park and Fraser Park, Makino Park, and Sanson playground.

Civic space includes Manchester Square, Denbigh Square and Douglas Square.

Reserves for active and passive recreation are located at: Apiti, Beaconsfield School, Carnarvon, Halcombe, Pakihikura School, Pohangina and Pohangina School, Rangiwahia and Rangiwahia Hall, Rewa School, Sanson Hall, Almadale, Bartletts Ford, Coles Bush Reserve, Kimbolton, Londons Ford, Menzies Ford, Raumai, and Putai Ngahere/Vinegar Hill.

Coastal Reserves are located at Himatangi and Tangimoana.

Memorials include Mt. Stewart Centennial Memorial Reserve, and Te Arakura Reserve. Greenspace linkages are provided by the

Feilding railway Land Walkway and the Kowhai-Kitchener Park Walkway.

Why we do it

Our parks, reserves and sports grounds give access to a wide range of formal and casual recreation, enhancing social wellbeing. They also enhance cultural wellbeing by providing the community with an important link to the district's cultural heritage and support environmental wellbeing by providing a living resource for education about the natural environment and, in some cases, protecting and preserving that environment. Quality parks and reserves are a source of community pride and contribute to health by providing opportunities for active and passive recreation.

Major projects

- i. Work at Kitchener Park is striving to achieve a vision of being accessible to the community for their use and enjoyment for educational purposes and scientific research. The building of a shelter was prioritised in the reserve management plan. This is programmed for 2018/19 at a cost of \$187,000. This will provide an information board providing maps and information about the reserve, a work shed and a public toilet. (Enhanced Level of Service)
- ii. Kitchener Park is in need of a major restoration effort. \$150,000 has been planned for this work over 2014-16 (reduced from the originally proposed \$279,000). Adjusted for inflation, the

funding will be allocated as follows:

2014/15 - \$54,477;

2015/16 - \$56,111; and

2016/17 - \$57,450.

This will not proceed unless satisfactory solutions can be found to issues of flooding and vandalism. (Enhanced Level of Service). Council will set up a trust to oversee this work and assist with fundraising for third party sources.

Council has also committed operational funding of \$19,000 per year over 10 years – to be adjusted for inflation. Operational funding for 2012/13 includes a carryover of \$39,000 from 2011/12, bringing the total for 2012/13 to \$58,000.

- iii. Mountain bike tracks to be built at Ranfurly Road in Feilding (2012/13) at a cost of \$31,000 and Mt Lees(2014/15) at a cost of \$33,000. Funds will be used to further develop tracks to provide for different skill levels. High use may justify amenities such as toilets, water fountain, seating. (Enhanced Level of Service)
- iv. Design and implementation of new signage for parks, reserves and sports fields across the district, 2012/13 at a cost of \$46,000. A further \$13,000 would be spent each year in years two and three. (Existing Level of Service)

Our sports fields currently do not have any signs identifying them, or detailing use, open/closed playing fields, prohibitions or

Council details. Other parks and reserves also require updated or new signage.

- v. In 2012/13 a feasibility study costing \$31,000 for developing Johnson and Timona parks into an integrated multi-use outdoor facility, with provisional funding of \$530,000 for the years 2013/14 should this project proceed.

Johnston Park and Timona Park are well utilised parks but have not developed to maximise their potential. There are seven clubrooms on the parks plus other buildings such as toilets, changing rooms, a grandstand and gym. Some are Council owned, some club owned. There are formal and informal arrangements in place for use of facilities as these parks. Linking up the two parks, providing for active and passive leisure and recreation activities, improving the landscape design, amalgamating facilities so there are perhaps 2 or 3 clubrooms used by multiple groups could be a way forward. (Enhanced Level of Service)
- vi. Bridge repairs and renewals at Almadale Reserve and Makino Bridge, 2012/13 at \$30,000. Updated inspections of these bridges have identified that both need remedial works. Structural repairs for Almadale Bridge are urgent and essential to keep the bridge in service. Both bridges have now been included in the Council's routine and detailed bridge inspection contract. (Existing Level of Service)
- vii. Kowhai Park cricket block upgrade,

\$67,000. The current cricket block is now 35 years old. It requires removing and replacing to meet performance standards. This work is scheduled for 2020/21. (Existing Level of Service)

- viii. The walkways at Kowhai Park need improving/modifying to be fully accessible. Currently, the layout and design prevents those in wheelchairs, or those using motorised scooters or prams from being able to move freely around the park and gardens. Work is planned for 2015/16 at a cost of \$35,000. (Existing Level of Service)
- ix. Replacement of CBD park benches, starting in 2013/14 at \$86,000 over four years. The current benches are able to be significantly improved upon to provide a greater level of comfort and safety. More attractive and functional replacements will be phased in over four years. (Existing Level of Service)
- x. A number of projects are scheduled to improve Feilding walkways in 2021/22 including Kitchener Park to Oroua River, Oroua River to Aorangi Bridge, Mt Taylor to Sandon Road and Sandon Road to Lees Road \$269,000. (Enhanced Level of Service)
- xi. Railway land beautification and walkway, feasibility study 2012/13 \$31,000 and works 2013/14, \$371,000. This work enables connection of existing walkways to create a network throughout Feilding able to be used safely by everyone from older people using mobility scooters to families using

- baby buggies. (Enhanced Level of Service)
- xii. In 2014/15 refurbishment of Rangiwahia walkway is planned, including track improvements, signage and creation of a car parking area, at a cost of \$5,000. (Enhanced Level of Service)
 - xiii. Creation of a Makino skate park and playground upgrade will enable the site to be better used by groups of all ages. Reconfiguring the site will allow both an upgrade of playground equipment, creation of a skate park and establishment of gardens and a walkway. Relocation of the existing skate park is necessary due to the sale of land adjacent to Manfeild Park. This Makino park upgrade is programmed for 2012/13 at a cost of \$102,000. (Enhanced Level of Service)
 - xiv. Timona Park walkway, pond surrounds development will serve to enhance the planned multi-use outdoor facility by providing an attractive rest and recreation area. This is programmed for 2017/18 at a cost of \$36,000. (Enhanced Level of Service)
 - xv. Mt Stewart memorial requires replastering and painting, programmed for 2012/13 at a cost of \$26000. (Existing Level of Service)
 - xvi. Tangimoana playground is scheduled to have new equipment installed in year 2012/13 at a cost of \$15,000. (Enhanced Level of Service)

How we fund this activity

Council decided the most appropriate means to fund the public portion of this activity is through a combination of a uniform targeted rate (district wide) and a targeted rate (based on capital value with differentials) (public funding) and fees and charges as well as donations (private funding).

Recovery of exacerbator costs (e.g. vandalism) will be in full where possible.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Community Facilities	Parks and Reserves	95:5	Uniform Targeted Rate/Targeted Rate	User Fees and Charges

** LTCCP 2009-2019 funding split was 90:10

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Parks and Reserves								
An affordable range of venues and facilities that meet community recreational needs.		Complies with NZ recreational standards	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 2 Attract and retain residents
A diverse range of public landscapes and natural environments are protected and preserved.	Community Satisfaction with the range and affordability of facilities provided (Email Panel)		Target met – 90% recorded in the 2009/10 Communitrak Survey, the most recent undertaken. Note: the target in 2009/10 was 90% (Existing Level of Service)	85%	85%	85%	85%	Outcome 2 Attract and retain residents
			Meets requirements of the Reserve Management Act	100%	100%	100%	100%	Outcome 2 Attract and retain residents
			Reserve management Plans are up to date (next update 2013/14)	Target met (Existing Level of Service)	N/A	Updated	N/A	Updated 2017/18
Safe and accessible parks, reserves and sports grounds.		Building Act compliance	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 2 Attract and retain residents
		Promoted to community annually and district-wide ongoing	Target met (Existing Level of Service)	100%	100%	100%	100%	Outcome 2 Attract and retain residents

Funding Impact Statement

Parks and Reserves	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	1,591		1,698	1,799	1,856	1,916	1,976	2,087	2,155	2,212	2,314	2,418
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	52		89	102	105	108	112	115	119	122	127	131
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		6	1	1	1	1	1	1	1	1	1
Total operating funding	1,643		1,793	1,901	1,962	2,024	2,088	2,203	2,274	2,335	2,441	2,550
Applications of operating funding												
Payments to staff and suppliers	1,418		1,597	1,565	1,611	1,665	1,720	1,777	1,838	1,900	1,964	2,034
Finance costs	0		5	72	71	69	68	66	65	62	60	89
Internal charges and overheads applied	55		68	60	50	53	56	85	89	83	91	90
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,474		1,669	1,697	1,731	1,787	1,844	1,929	1,992	2,044	2,115	2,214
Surplus (deficit) of operating funding	169		124	204	230	237	245	274	282	291	326	336
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	212		133	138	142	147	152	157	162	168	174	180
Increase (decrease) in debt	0		136	880	(24)	(25)	(27)	(29)	(31)	(34)	(36)	212
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	212		270	1,018	118	122	125	128	132	134	138	392

Parks and Reserves	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	43		241	911	100	56	57	36	187	0	67	269
- to replace existing assets	266		82	21	27	23	0	0	0	0	0	0
Increase (decrease) in reserves	71		71	290	222	280	312	367	227	425	397	460
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	381		393	1,222	349	359	370	402	414	425	463	728
Surplus (deficit) of capital funding	(169)		(124)	(204)	(230)	(237)	(245)	(274)	(282)	(291)	(326)	(336)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Activity - Property

What we do

Manawatu District Council has a number of elements to its property activity: halls and recreation complexes, commercial property and rental housing and community and civic buildings.

Manawatu District Council's halls and recreation centres are all managed individually, with support from Council. This includes 17 halls vested in Council, and a further nine covered by the Halls policy but not owned by Council. Local halls are managed by local committees under the Manawatu District Hall Management Policy, and the halls property is rated from good to average condition.

The following local halls are vested in Council and managed by Council under the Halls Management Policy: Apiti, Beaconsfield, Cheltenham, Colyton, Clydesdale, Halcombe, Himatangi Beach, Kimbolton, Kiwitea, Ohakea, Oroua Downs, Pohangina, Rangiotu, Rangiwhia, Sanson, Stanway, Waituna West.

The following halls, though community owned or located on Ministry of Education land, are included in the Hall Management Policy: Awahuri, Glen Oroua, Kairanga, Longburn, Mt Biggs, Newbury, Tangimoana, Te Arakura/ Taonui.

The Feilding Civic Centre is operated by, and leased to, the Feilding Civic Centre Trust. Te Kawau Memorial Recreation Centre in Rongotea is administered by Te Kawau Memorial

Recreation Centre Incorporated. Feilding Little Theatre is leased to the Feilding Little Theatre Players Society.

Council owns houses, buildings and land throughout the district, some of which are leased to individuals or businesses, some of which are required for services (e.g. as roading gravel stores) or development. This includes two depots no longer in use in Feilding, one in Kimbolton and one in Pohangina, as well as several rental properties and commercial buildings.

As well as a Council Building in Manchester Street, Feilding, which houses Council's administration centre and most staff, Council owns and/or supports a number of buildings throughout the district including: Feilding Community Centre, Community House (Feilding), Rongotea Community Centre, Feilding Library, Kimbolton Library, Sanson Library, Centennial Pavilion (Feilding), Old Tote Building (Feilding), Feilding Clock Tower, Feilding Kindergarten, Halcombe Playcentre, Kimbolton Playcentre, Rangiwhia Memorial Hall (for Rangiwhia playgroup).

Council also owns the former Coach House Building at 38-40 Bowen Street, Feilding, which is being refurbished and will be leased to the Manawatu Wanganui Local Authority Shared Services Ltd for use as the regional archive facility.

Why we do it

Halls and recreation complexes held by Council meet people's leisure and recreational

needs and create a base for clubs and local events. This enhances social wellbeing by facilitating connectedness within and between communities, and supports cultural wellbeing by preserving our unique communities and their buildings

The commercial property and rental housing portfolio has accumulated both as a result of assets being retained as stock for future use and property being purchased to facilitate development. This enables the economic wellbeing of the district.

Our community and civic buildings provide for civic and community administrative functions, community events, library services and childcare. Our community and civic buildings are in good condition, and are highly valued by their users. Without Council supporting these activities by providing venues, some users would be unable to provide the services to their communities. This contribution of venues and buildings underpins the social and cultural wellbeing of our community. A very significant contribution is also made by volunteers, and this is acknowledged and appreciated by Council and the community.

Major projects

- i. Manawatu District Council retains a \$240,000 commitment to support a new Bunnythorpe Hall.
- ii. Himatangi Beach Hall will be affected by the demolition and new build of the Palmerston North Surf Life Saving Club building. As the two buildings are joined,

demolition of the club would render the hall's kitchen inoperative. \$50,000 has been allocated for the surf lifesaving club for 2012/13 and \$15,000 for the hall kitchen. (Enhanced Level of Service). A proposal to increase funding for provision of the kitchen and extension to Himatangi Beach Community Hall was noted and further development of this proposal will be undertaken.

- iii. Feilding Civic Centre ,Community Centre and Feilding Little Theatre were assessed as part of the Earthquake Prone Buildings Policy 2011. \$518,250 over three years has been allocated for required upgrades. (Existing Level of Service). The budget is:

2012/13	\$150,000
2013/14	\$205,800
2014/15	\$159,450

- iv. Rongotea Community Centre requires preventative maintenance including joinery work on the sash windows and this is programmed for year one (2012/13) at an estimated cost of \$5,000. (Existing Level of Service)

How we fund this activity

Property: Council decided the most appropriate means to fund this activity is through a general rate (based on capital value with differentials) (public funding).

Recovery of exacerbator costs will be in full where possible.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Community Facilities	Property	100:0	General Rate	N/A

Local Halls and Complexes: Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding).

Recovery of exacerbator costs (e.g. vandalism, misuse) will be in full where possible.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Community Facilities	Local halls and complexes	100:0	Uniformed Targeted Rate	N/A

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes	
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10		
Property									
Quality local halls and recreation complexes are provided that meet community needs.	User satisfaction with halls and recreation complexes (email panel)		Target met – 86% recorded in the 2009/10 Communitrak Survey, the most recent undertaken. Note: the target in 2009/10 was 90% (Existing Level of Service)	80%	80%	90%	90%	Outcome 2 Attract and retain residents	
		% of halls that meet Building WOF requirements	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe, reliable and attractive	
		Annual halls reports completed and liaison meetings held		Target met – meeting was held in August 2011 (Existing Level of Service)	100%	100%	100%	100%	Outcome 2 Attract and retain residents
		% of low use halls evaluated on an annual basis in order to assess their future viability (low use is defined as less than three times per year)		New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 6 MDC is an agile and efficient organisation
		Number of requests for maintenance		New measure (Enhanced Level of Service)	Less than 10	Less than 10	Less than 10	Less than 10	Outcome 5 Manawatu's built environment is safe, reliable and attractive

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Civic and Community Buildings								
Safe, reliable and accessible civic and community buildings meeting community needs.	User satisfaction with buildings measured by community feedback		New measure (Enhanced Level of Service)	80%	80%	90%	90%	Outcome 5 Manawatu's built environment is safe, reliable and attractive
		Number of requests for maintenance	New measure (Enhanced Level of Service)	Less than 10	Less than 10	Less than 10	Less than 10	Outcome 5 Manawatu's built environment is safe, reliable and attractive
		% of halls that meet Building WOF requirements	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe, reliable and attractive

Funding Impact Statement

Property	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	205		242	249	250	256	260	273	279	282	290	295
Targeted rates (other than a targeted rate for water supply)	155		312	318	311	317	323	322	329	334	334	341
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	248		303	310	318	328	338	347	357	368	379	392
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	5		0	0	0	0	0	0	0	0	0	0
Total operating funding	613		857	877	879	901	922	943	966	984	1,003	1,028
Applications of operating funding												
Payments to staff and suppliers	735		790	482	495	513	530	547	565	644	604	625
Finance costs	189		468	431	368	290	202	143	143	140	138	137
Internal charges and overheads applied	89		136	134	118	122	124	139	143	142	149	153
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,012		1,393	1,047	981	924	856	829	851	926	892	914
Surplus (deficit) of operating funding	(399)		(536)	(170)	(102)	(24)	66	114	114	57	111	113
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	2,993		(676)	(691)	(813)	(1,051)	(1,332)	(21)	(22)	(24)	(26)	(28)
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	3,014		824	809	687	449	(332)	(21)	(22)	(24)	(26)	(28)

Property	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	4,000		994	206	159	0	0	0	0	0	0	0
- to replace existing assets	25		20	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(1,409)		(727)	433	425	426	(267)	92	93	33	85	85
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	2,616		288	638	585	426	(267)	92	93	33	85	85
Surplus (deficit) of capital funding	399		536	170	102	24	(66)	(114)	(114)	(57)	(111)	(113)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Activity – Public Conveniences

What we do

Manawatu District Council provides public conveniences in townships, parks, reserves and camping grounds, or within community halls. A Council contractor carries out cleaning of the majority of public conveniences. Council covers operational and maintenance costs and contributes to electricity costs of toilets within halls, although cleaning of these toilets is arranged by the halls committees.

Council increases cleaning and servicing of public conveniences as and when required, and to cater for increased demand associated with community events – for example at scheduled market days or events including Christmas parades and concerts.

Public conveniences are located at: Feilding CBD, Feilding Railway Station, Apiti, Bunnythorpe, Halcombe, Himatangi Beach, Tangimoana Beach, Pohangina, Rongotea and Sanson. Toilets are located in halls in Cheltenham, Kimbolton and Rangiwahia. Kowhai, Johnston, Victoria and Timona Parks all have public toilets. Reserves with toilets are: Almadale, Mt Lees, Raumai and Totara. Mt Stewart, Putai Ngahere Domain, Bartlett's Ford and London's Ford also have basic toilet facilities.

Why we do it

Public toilets are provided in suitable locations throughout the district to meet the expectations of residents and visitors, and maintain

appropriate public health standards. This contributes to the social and cultural wellbeing of the district by preserving people's dignity and protecting their cultural beliefs.

Our public toilets are, on the whole, in good condition, but there is growing expectation for better quality and higher standards of public conveniences.

Major projects

- i. In 2013/14, an upgrade of Victoria Park toilets will cost \$48,000. (Enhanced Level of Service)
- ii. In 2014/15, a scheduled upgrade of toilets at Vinegar Hill. One block at Vinegar Hill, \$27,000. (Existing Level of Service)
- iii. In 2012/13, \$51,000 is allocated for a scheduled upgrade of the old toilet block next to the rose gardens at Kowhai Park. (Existing Level of Service)
- iv. In 2012/13, \$31,000 is allocated for completion of Feilding public toilets refurbishment.

How we fund this activity

The provision of public conveniences is an essential service for the community. Council policy seeks to encourage the use of public toilets to maintain community standards, hygiene and lessen anti-social acts. It is impractical to collect payment for the use of public conveniences without significant investment. Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide)

(public funding).

Public conveniences in parks and reserves. Council decided the most appropriate means to fund the public portion of this activity is through a combination of a uniform targeted rate (district wide) and fees and charges (private funding).

Recovery of exacerbator costs will be in full where possible.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Community Facilities	Public Conveniences	100:0	Uniform Targeted Rate	N/A
	Public conveniences in parks and reserves	90:10	Uniform Targeted Rate	(Park) Fees and Charges

**Public conveniences in parks and reserves
funding split was not included in the 2009-2019
LTCCP

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Public Conveniences								
Adequate public conveniences at an acceptable standard	Number of complaints about the condition or provision of the toilets		Target met – seven complaints received during 2010/11 (Existing Level of Service)	No more than 10	No more than 10	No more than 10	No more than 10	Outcome 5 Manawatu's built environment is safe, reliable and attractive
		Maintenance and cleaning requests and customer complaints regarding high-use public toilets (Sanson and Feilding central business district) actioned within two hours.	New measure (Enhanced Level of Service)	95%	95%	95%	95%	Outcome 5 Manawatu's built environment is safe, reliable and attractive

Funding Impact Statement

Public Conveniences	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	184		213	205	203	208	214	224	229	233	240	245
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
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	184		213	205	203	208	214	224	229	233	240	245
Applications of operating funding												
Payments to staff and suppliers	155		153	146	149	153	157	161	165	169	174	179
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	18		39	38	32	33	34	40	41	41	43	44
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	172		192	184	182	187	192	201	206	210	217	223
Surplus (deficit) of operating funding	11		21	22	22	22	22	22	22	23	23	23
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0

Public Conveniences	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		0	0	0	0	0	0	0	0	0	0
- to replace existing assets	60		92	48	27	0	0	0	0	0	0	0
Increase (decrease) in reserves	(49)		(71)	(26)	(6)	22	22	22	22	23	23	23
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	11		21	22	22	22	22	22	22	23	23	23
Surplus (deficit) of capital funding	(11)		(21)	(22)	(22)	(22)	(22)	(22)	(22)	(23)	(23)	(23)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Funding Impact Statement

Community Facilities	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	205		242	249	250	256	260	273	279	282	290	295
Targeted rates (other than a targeted rate for water supply)	4,323		4,658	5,037	5,184	5,239	5,351	5,605	5,665	5,726	6,125	6,146
Subsidies and grants for operating purposes	1		2	2	2	2	2	2	2	2	2	2
Fees, charges and targeted rates for water supply	837		1,050	1,096	1,200	1,256	1,303	1,351	1,401	1,452	1,502	1,554
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	5		7	2	2	2	2	2	2	2	2	2
Total operating funding	5,371		5,958	6,385	6,637	6,754	6,918	7,233	7,349	7,464	7,920	8,000

Community Facilities	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of operating funding												
Payments to staff and suppliers	4,173		4,448	4,102	4,252	4,347	4,484	4,620	4,737	4,952	5,213	5,223
Finance costs	189		490	616	630	558	465	399	392	381	370	390
Internal charges and overheads applied	994		1,114	1,093	1,051	1,047	1,058	1,191	1,228	1,176	1,281	1,305
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	5,355		6,052	5,811	5,933	5,952	6,006	6,210	6,358	6,509	6,864	6,917
Surplus (deficit) of operating funding	16		(94)	574	704	802	912	1,023	991	955	1,056	1,082
Sources of capital funding												
Subsidies and grants for capital expenditure	0		0	1,000	0	0	0	0	0	0	0	0
Development and financial contributions	212		133	138	142	147	152	157	162	168	174	180
Increase (decrease) in debt	2,993		(31)	2,341	(802)	(976)	(1,411)	(130)	(138)	(150)	(160)	79
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	3,226		1,603	4,979	840	671	(259)	27	24	18	13	259
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	4,053		1,782	4,391	358	225	81	36	212	0	67	269
- to replace existing assets	568		422	269	261	349	256	229	330	244	253	262
Increase (decrease) in reserves	(1,379)		(696)	893	926	898	316	785	474	729	750	810
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	3,242		1,509	5,553	1,545	1,472	653	1,050	1,016	973	1,070	1,341
Surplus (deficit) of capital funding	(16)		94	(574)	(704)	(802)	(912)	(1,023)	(991)	(955)	(1,056)	(1,082)
Funding balance	0		0	0	0	0	0	0	0	0	0	0



Council believes that a collaborative approach will best enable us to grow our region.

District Development

What we do

Council aims to build a strong and vibrant community by supporting community groups, activities and events, and by ensuring our regional economy can support and enhance our quality of life.

Council does this by providing funding for community groups to deliver services and events that enhance community wellbeing. This includes providing support through grant funding for a number of community organisations, providing rates relief for others and administering funding from sources including Creative Communities and trust funds.

To ensure our economy can sustain the businesses we need to provide employment, Council funds business and economic development and promotions through a range of agencies. Council in 2011 endorsed the Regional Development Strategy, and is committed to its implementation alongside partners Palmerston North City Council, Vision Manawatu and Destination Manawatu. Council believes that a collaborative approach will best enable us to grow our region.

Council also retains a small amount of funding to invest in local (district) activity.

Why do we do it?

Council recognises that it has a key role to play in ensuring the future viability of the district by securing its economic wellbeing. Neighbouring

regions are facing decreasing and ageing populations. If Manawatu is to remain viable, it must be a place where people choose to live. The district must offer a combination of employment opportunities and lifestyle factors which make it a desirable place to live.

How does this contribute to council outcomes?

District development activities have been identified as a key contributor to the Outcomes of attracting and retaining residents and developing a broad economic base.

In order to achieve these Outcomes Council is proposing the following:

- Focus on activity that is directly related to attracting and retaining residents
 - transport links and access to educational and health facilities e.g. Massey University, UCOL and Palmerston North Hospital.
 - assist the community to ensure health services are provided in Feilding whether by development of an integrated Family Health Centre or otherwise
 - ensuring access to technology including mobile telephone and Internet capability
- Focus on implementation of the Regional Development Strategy in order to develop the economic base and ensure Manawatu is "the best place to raise a family"

- Prioritise attractive public spaces across council activities. For example, the community planning project can meet community amenity and recreational needs, develop community pride and contribute to attractive spaces.

Activities within District Development group:

- Community Development
- Economic Development

Significant negative effects of this activity

There are no significant negative effects of this activity however economic growth may have a negative effect on parts of the community through increased traffic and/or increased pressure on community facilities. The Council considers that the overall benefits of additional jobs and economic activity far outweigh these impacts. Environmental issues are considered through the District Plan and Resource Management Act 1991.

Key issues

- During the annual Plan process 2011, Council agreed to provide a loan to the Feilding Integrated Family Health Centre of up to \$2,500,000 over 2011/12 and 2012/13. This comprised half of the loan being provided interest free, with the other half subject to market rates available to

Council. Money was to be made available over the years 2011/12 and 2012/13.

The total cost of this project is \$5.1 million, including purchase of the current buildings and construction of new buildings. Council did however only agree to provide the funding if other funding sources were secured and the business case was favourable.

To date, other funding has not been secured and Council loan funds have not yet been drawn down by the Trust.

The amount could also change. It is considered possible that this project will not proceed due to the inability to source other core funding. It is also possible Council would be asked for further funding to enable the project. At present the proposal includes separate general practices, nursing rooms, laboratory and diagnostic services, radiology services, a pharmacy, allied health services including physiotherapy and mental health services and a dental service.

- The rates grant system will be changed to a rates remission, with applications considered for a period between one and three years. The overall financial impact is expected to be neutral to Council. In order to achieve this and to ensure a transparent and equitable system a review of the community development and funding policy will be required.
- Council approved Feilding Civic Centre

Trust \$100,000 seed funding in order to continue refurbishment and upgrading of the facility. The Trust has very successfully used Council granted seed funding in previous years, generating considerable external third party investment in the centre.

- Community investment in Manfeild Park will reduce from the \$250,000 proposed in the draft long term plan to \$150,000 each year. All funding for Manfeild Park has now been consolidated to the community development activity, with 2012/13 funding commitment to Manfeild being \$500,818. This includes operating grant for ground maintenance (\$168,100), community investment grant (\$150,000) and interest paid by MDC on a \$2.5 million loan to the Trust (\$182,718).

Activity – Community Funding and Development

What we do

Council aims to build a strong and vibrant community by supporting community groups, activities and events.

Support in kind through the provision of advice and assistance from other Council activities can assist community groups to become established and/or assist established groups cater for change. Advocacy on behalf of groups and the community is an important part of this activity, as it enables access to additional resources for programmes and projects.

Council also distributes funding in accordance with Community Funding Policy

Why we do it

This activity helps grow/maintain community support services to enhance social and cultural wellbeing. A wide range of activities and events adds to the strength of local communities, enhances lifestyle options and helps to attract and retain residents.

Funding and supporting community-based organisations increases their capability to deliver programmes, activities and events creating a vibrant district.

Major projects

- i. Community Planning: Sanson (2012/13), Kimbolton (2013/14), Apiti/Rangiwahia (2013/14), Rongotea (2014/15), Pohangina (2014/15). A strategic approach to community planning would enable a win-win scenario for both the Council and the Community. The proposed community planning project would see a partnership between communities and council to develop and implement a shared vision for their village. This model of community engagement has been recognised nationally and internationally as best practice.

As well as new funding of \$62,000, (of which \$27,000 was carried over from 2011/12), allocated in strategic planning to establish this project, and annual funding of \$60,000 in community development, it

is considered that gains could be made by integrating planned works across council functions. For example, by developing an integrated plan for footpaths in a village, based on its needs, work may be incorporated into existing planned roading works and funding more effectively spent. (Enhanced Level of Service)

- ii. Feilding Integrated Family Health Centre.
The Manawatu Community Trust is hopeful of developing Feilding Integrated Family Health Centre at Clevely in Duke Street. As a result of a submission by the Trust, Council decided to carry all funding over by one year. The \$2,500,000 loan is available over 2012/13 and 2014/15.. (Enhanced Level of Service)
- iii. Community investment in Manfeild Park will reduce from the \$250,000 proposed in the draft long term plan to \$150,000 each year. All funding for Manfeild Park has now been consolidated to the community development activity, with 2012/13 funding commitment to Manfeild being \$500,818. This includes operating grant for ground maintenance (\$168,100), community investment grant (\$150,000) and interest paid by MDC on a \$2.5 million loan to the Trust (\$182,718).
- iv. Manawatu Historic Vehicle Collection Trust will receive a grant of \$45,000 for 2012/13, in place of previous Partnership Fund support, and is asked to investigate other sources of ongoing funding.

How we fund this activity

Community funding and development is of significant public benefit to the district as a whole.

Council decided the most appropriate means to fund this activity is through a general rate (based on capital value with differentials) (public funding). Extra funding may be given in the form of low interest loans facilitated by Council or from Reserve Funds.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
District Development	Community Funding and Development	100:0	General Rate	N/A

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Community Funding and Development								
Council funds and supports key community organisations in order to build district capability		All organisations receiving grants report back to Council to a satisfactory standard six-monthly identifying progress towards outcomes	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 2 Attract and retain residents
	Social and cultural strength of communities in District evaluated			Annually	Annually	Annually	Annually	Outcome 2 Attract and retain residents
		Key partnership relationships (Destination Manawatu, Vision Manawatu, Sport Manawatu, Feilding Promotion) identified and evaluated six-monthly for contribution to Council outcomes and collaborative endeavour	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 2 Attract and retain residents
		Community funding policy reviewed alongside LTP in triennial cycle	New measure (Enhanced Level of Service)	100%	100%	100%	100%	
Lead a community planning process in partnership with communities	Communities are actively engaged and involved in process		New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 2 Attract and retain residents
		Village community planning programme executed	New measure (Enhanced Level of Service)	Two	Two	Two	Two	Outcome 2 Attract and retain residents

Funding Impact Statement

Community Funding and Development	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	1,038		1,002	1,071	1,105	1,106	1,120	1,173	1,176	1,184	1,223	1,224
Targeted rates (other than a targeted rate for water supply)	0		0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	47		31	32	33	34	36	37	38	39	41	42
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	93		0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	82		17	43	108	280	272	264	255	245	234	223
Total operating funding	1,260		1,051	1,146	1,246	1,420	1,428	1,474	1,469	1,468	1,498	1,489
Applications of operating funding												
Payments to staff and suppliers	1,146		1,030	873	884	897	910	923	937	951	967	983
Finance costs	217		185	229	236	224	212	199	185	170	153	136
Internal charges and overheads applied	104		190	188	205	197	202	245	238	236	264	254
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,467		1,404	1,289	1,325	1,318	1,324	1,367	1,360	1,357	1,384	1,373
Surplus (deficit) of operating funding	(207)		(353)	(144)	(78)	102	104	106	109	111	114	116
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	927		917	411	(96)	(103)	(110)	(118)	(127)	(136)	(145)	(156)
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	927		917	411	(96)	(103)	(110)	(118)	(127)	(136)	(145)	(156)

Community Funding and Development	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(280)		(436)	(233)	(174)	(1)	(6)	(12)	(18)	(24)	(32)	(40)
Increase (decrease) of investments	1,000		1,000	500	0	0	0	0	0	0	0	0
Total application of capital funding	720		564	267	(174)	(1)	(6)	(12)	(18)	(24)	(32)	(40)
Surplus (deficit) of capital funding	207		353	144	78	(102)	(104)	(106)	(109)	(111)	(114)	(116)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Activity – Economic Development

What we do

Manawatu District Council, with Palmerston North City Council as a partner, has contracts with key agencies Vision Manawatu and Destination Manawatu. This relational partnership is a commitment to working collaboratively to achieve the Regional Development Strategy (RDS). There is no single initiative that can deliver economic development, nor can any single organisation be responsible for the economic life of a community. Both Councils recognise and value the need to maintain a joint relationship and continue to foster collaboration.

The Regional Development Strategy is consistent with the Manawatu District Council vision and council outcomes. This will lead to a change in focus for the KPIs to reflect more outcome based measures. The RDS includes an emphasis on 'sense of place' and the importance of providing a lifestyle and community facilities that will attract and retain residents. However it is not anticipated that these changes would impact upon the total current level of Council funding provided for economic development. Some specific KPIs and levels of service may be altered to support Council's new outcomes and the emerging RDS implementation plan.

Manawatu District Council also contracts Feilding Promotion to supply district business developments opportunities, promotion,

security services and other projects.

A small amount of funding is retained by Council to assist with economic development policy advice and projects.

Why we do it

Economic development funding is aimed at ensuring a healthy district economy able to provide employment opportunity. A thriving business community creates district pride and contributes to its social and cultural life.

Council aims to assist and encourage the sustainable economic development of Manawatu district through effective partnerships. Economic Development includes funding for promotion of the district, encouragement of business development, identification and encouragement of employment opportunities and facilitation of public information services.

Major projects

The Sanson property is now sold.

How we fund this activity

Council decided the most appropriate means to fund Economic Development is through the general rate (based on capital value with differentials) (public funding). Economic Development benefits the whole district and the community expects Council to be involved in economic development activities. Introduction of a charge for economic development funding is illogical, would exclude groups who most need support and defeats the purpose for which funding is set aside.

Council decided the most appropriate means to fund Feilding CBD Security is through the general rate (based on capital value with differentials) (public funding) and a targeted rate (CBD Rating Differential Area) (private funding).

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
District Development	Economic Development	100:0	General Rate	N/A
District Development	Feilding CBD Security	20:80	General Rate	Targeted Rate (CBD Rating Differential Area)

**2009-2019 LTCCP Feilding CBD security split not included

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Economic Development								
Council contracts external organisations to:								Outcome 2 Attract and retain residents Outcome 3 Manawatu develops a broad economic base Outcome 4 Connected via quality infrastructure
<ul style="list-style-type: none"> Retain, attract and grow business and jobs 	Sustainable business programmes – businesses taking part each year		New measure (Enhanced Level of Service)	4	4	4	4	Outcome 3 Manawatu develops a broad economic base
		Employment trend positive (year on year)	New measure (Enhanced Level of Service)	Positive trend	Positive trend	Positive trend	Positive trend	Outcome 3 Manawatu develops a broad economic base
		Business growth trend positive (year on year)	New measure (Enhanced Level of Service)	Positive trend	Positive trend	Positive trend	Positive trend	Outcome 3 Manawatu develops a broad economic base

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
		Wealth trend positive (year on year)	New measure (Enhanced Level of Service)	Positive trend	Positive trend	Positive trend	Positive trend	Outcome 3 Manawatu develops a broad economic base
• Attract and retain residents	Sense of place campaigns executed		New measure (Enhanced Level of Service)	to be confirmed in negotiation with relational contract partners and reported on				Outcome 2 Attract and retain residents
• Attract visitors	Events number		New measure (Enhanced Level of Service)	to be confirmed in negotiation with relational contract partners and reported on				Outcome 3 Manawatu develops a broad economic base
Council contracts organisations to promote the District and operate an information service	Increasing number of visitors to Feilding website		New measure (Enhanced Level of Service)	Positive trend	Positive trend	Positive trend	Positive trend	Outcome 2 Attract and retain residents Outcome 3 Manawatu develops a broad economic base Outcome 4 Connected via quality infrastructure
	Increasing number of visitors to info centre		New measure (Enhanced Level of Service)	Positive trend	Positive trend	Positive trend	Positive trend	

Funding Impact Statement

Economic Development	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	910		858	927	971	985	1,018	1,034	1,047	1,077	1,141	1,134
Targeted rates (other than a targeted rate for water supply)	0		0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
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	910		858	927	971	985	1,018	1,034	1,047	1,077	1,141	1,134
Applications of operating funding												
Payments to staff and suppliers	855		794	866	888	918	949	920	951	983	1,019	1,033
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	55		64	61	83	67	69	114	96	94	123	101
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	910		858	927	971	985	1,018	1,034	1,047	1,077	1,141	1,134
Surplus (deficit) of operating funding	0		0	0	0	0	0	0	0	0	0	0
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	423		500	0	0	0	0	0	0	0	0	0
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	423		500	0	0	0	0	0	0	0	0	0

Economic Development	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	423		500	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	423		500	0	0	0	0	0	0	0	0	0
Surplus (deficit) of capital funding	0		0	0	0	0	0	0	0	0	0	0
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Funding Impact Statement


Feilding CBD Security	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	14		15	15	16	16	17	17	18	19	19	20
Targeted rates (other than a targeted rate for water supply)	57		59	61	63	65	67	69	72	74	77	79
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
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	71		74	76	78	81	84	87	90	93	96	99
Applications of operating funding												
Payments to staff and suppliers	71		74	76	78	81	84	87	90	93	96	99
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	0		0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	71		74	76	78	81	84	87	90	93	96	99
Surplus (deficit) of operating funding	0		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0

Feilding CBD Security	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	0		0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of capital funding	0		0	0	0	0	0	0	0	0	0	0
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Funding Impact Statement

District Development	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	1,963		1,875	2,013	2,092	2,107	2,156	2,225	2,241	2,280	2,383	2,378
Targeted rates (other than a targeted rate for water supply)	57		59	61	63	65	67	69	72	74	77	79
Subsidies and grants for operating purposes	47		31	32	33	34	36	37	38	39	41	42
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	93		0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	82		17	43	108	280	272	264	255	245	234	223
Total operating funding	2,242		1,983	2,148	2,296	2,486	2,530	2,595	2,606	2,638	2,735	2,722
Applications of operating funding												
Payments to staff and suppliers	2,072		1,898	1,815	1,851	1,896	1,943	1,931	1,978	2,027	2,081	2,115
Finance costs	217		185	229	236	224	212	199	185	170	153	136
Internal charges and overheads applied	159		254	249	288	264	271	359	334	331	387	356
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	2,449		2,336	2,292	2,375	2,384	2,426	2,488	2,497	2,527	2,622	2,606
Surplus (deficit) of operating funding	(207)		(353)	(144)	(78)	102	104	106	109	111	114	116
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	1,351		1,417	411	(96)	(103)	(110)	(118)	(127)	(136)	(145)	(156)
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	1,351		1,417	411	(96)	(103)	(110)	(118)	(127)	(136)	(145)	(156)

District Development	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	423		500	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(280)		(436)	(233)	(174)	(1)	(6)	(12)	(18)	(24)	(32)	(40)
Increase (decrease) of investments	1,000		1,000	500	0	0	0	0	0	0	0	0
Total application of capital funding	1,143		1,064	267	(174)	(1)	(6)	(12)	(18)	(24)	(32)	(40)
Surplus (deficit) of capital funding	208		353	144	78	(102)	(104)	(106)	(109)	(111)	(114)	(116)
Funding balance	0		0	0	0	0	0	0	0	0	0	0



Emergency management provides protection of people, property and the environment, public health and safety and peace of mind for residents and visitors.

Emergency Management

What we do:

Emergency management is about keeping our district and its people safe.

The top 10 hazards for our region are:

1. Earthquake
2. Locally generated tsunami
3. Human pandemic
4. Volcanic activity at Mt Ruapehu
5. Sea level rise
6. Volcanic activity at Mt Egmont/Taranaki
7. Beach erosion and flooding
8. Flooding
9. Agricultural drought
10. Cyclones (tropical cyclones)

Source: Manawatu-Wanganui Civil Defence Emergency Management Group plan.

The Manawatu District Council has contracted the services of Horizons Regional Council for the provision of emergency management services. These services include civil defence emergency management and rural fire.

This assists Council in delivering services of consistent quality in line with the Civil Defence Emergency Management Group's strategic direction. Rural fire services continue to be provided in a coordinated manner to meet the Council's obligations in the Forest and Rural Fires Act 1977.

The Manawatu District Council is an active

member of the Manawatu-Wanganui Civil Defence Emergency Management group as required by the Civil Defence Emergency Management Act 2002. The Group is a consortium of the local authorities in the region with the vision "to build a resilient and safer region with communities understanding and managing their hazards and risks".

The Group maintains a plan that considers all phases of emergency: reduction, readiness, response and recovery. A business plan is also managed by the group, with each member of the Council's contributing to achieving the goals of the group. The group has adopted a philosophy of centralised co-ordination and local delivery and works closely with emergency services, welfare agencies and other strategic partners for effective and comprehensive emergency management.

Rural Fire Management is responsible for the issuing of fire permits, responding to rural fires, monitoring fire indices and advising the community about appropriate fire risk prevention. This encourages a resilient and safer region.

Why do we do it?

Council believes that it is important to provide a safe and productive region for the community to live and work within. This contributes towards social and economic wellbeing through minimising risk to life and property. Council does this by increasing community awareness, understanding, preparedness and participation in civil defence emergency management and

rural fire management. Council believes it can reduce the risks from rural fire and natural hazards, enhance the district's ability to respond and recover from any events.

The Manawatu District Council also has statutory obligations to provide services that meet the Forest and Rural Fires Act 1977, Civil Defence Emergency Management Act 2002; Health Act 1956; and Resource Management Act 1991.

In addition, public expectation is that Council, in conjunction with other emergency services, including Police, Ambulance and Fire, will provide leadership in the case of an emergency or rural fire incident.

How does this contribute to council outcomes?

Emergency management provides protection of people, property and the environment, public health and safety and peace of mind for residents and visitors. It underpins the district's ability to attract and retain residents, while also impacting on the quality of our environment.

In order to achieve these Outcomes Council could:

Continue to provide a quality emergency management service in alignment with neighbouring local authorities. This ensures a consistent approach to emergency management and, because any emergency will likely be shared by a number of authorities and require an integrated response, enable better

outcomes.

Activities within Emergency Management group:

- i. Civil Defence
- ii. Rural Fire

Significant negative effects of this activity

There are no significant negative effects of the emergency management activity.

Some significant negative effects could occur during a rural fire event, including unintentional or out of control fires, however considerable focus is maintained on mitigation of these effects. This includes the 4Rs monitoring and evaluation system:

- Reduction: identify reduction initiatives; facilitate information exchange across council and community; co-ordinate and integrate risk reduction initiatives.
- Readiness: Ensure rural fire response preparedness including:
 - Staff recruitment and retention, training, exercising (documentation management including strategies, contingency plans, action plans and procedures)
 - Systems management including communications, warning systems, and IT
 - Equipment is checked, available and

serviced

- Implement education programmes – consistent with the regional Manawatu-Wanganui Civil Defence Emergency Management Group's Public Education and Information Strategy
- Implement marketing opportunities including static and dynamic displays and advertising
- Recover: Review the recovery plan; co-ordinate the recovery programmes following emergencies when required; promote recovery as part of readiness and business continuity
- Monitoring and evaluation: Undertake monitoring and evaluation for risk reduction progress and effective reporting on outcomes and use exercises to evaluate the effectiveness of arrangements, training and resourcing.

Key issues

- i. Much of the growth projected for the Manawatu district is from lifestyle blocks in the south. Attention may be required to support and inform these property owners of the perils of rural fire and the effects to both people and property.
- ii. Events including the Christchurch earthquakes have heightened public awareness of the need for emergency management. The public are receiving many messages on the issues and risks

and there is a need for clear, consistent messaging on how this district will respond and how the public should respond should an event occur here.

- iii. Civil defence and emergency personnel must remain aware of population shifts, including the ageing population which creates additional challenges should evacuation be required. Many elderly people are less physically able and some may be reliant on both equipment or aids, and caregivers. Also many elderly people no longer have independent transport.

Activity – Civil Defence

What we do

This service is provided through an Emergency Management (Civil Defence and Rural Fire) Service Agreement with Horizons Regional Council.

Both parties are working from the agreed Manawatu-Wanganui Civil Defence Emergency Management Group Plan 2009 – 2014 (CDEMGP 2009-14) and Manawatu-Wanganui Triennial Business Plan 2010-13. It is anticipated this group plan will be updated during the life of this Long-Term Plan. While activities may be prioritised, these would still include actions in the four phases of emergency management:

- Risk Reduction: identifying risk reduction initiatives, risk information exchange, risk reduction programming, flood plain mapping and modelling and risk reduction programmes for business,

community and care facilities.

- Readiness: Response preparedness, education and information activity, marketing opportunities, support of national activity.
- Response: Duty officer and response to emergencies.
- Recovery: Review of recovery plan, co-ordinate and promote recovery.

In addition, Civil Defence Emergency Management undertakes aspects of monitoring and evaluation including compliance monitoring, risk reduction monitoring, and an exercise programme. Management and governance activities include co-ordination of a regional Co-ordinating Executive Group and a Welfare Advisory group.

A joint Civil Defence Emergency Management Committee is in place to support this collaborative approach.

Why we do it

The aim of the Civil Defence Emergency Management (CDEM) activity is to assist and encourage a resilient region. This includes helping communities understand and manage their hazards and risks. This contributes to social and economic wellbeing by minimising risk to life and property.

Major projects

- i. Relocate MDC Civil Defence Repeater from North Range Road to summit of Ridge Road Apiti. Estimated cost is \$20,000 with

a further \$7000 required if it is necessary to change to digital repeater. (Enhanced Level of Service)

How we fund this activity

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). It is impossible to identify those who use the service more than others and impractical to recover costs. A system of Civil Defence provides a 'safety cover' for the community.

Recovery of exacerbator costs will be in full where possible

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Emergency Management	Civil Defence	100:0	Uniform Targeted Rate	N/A

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Civil Defence								
Council provides an Emergency Operating Centre and trained personnel (including Council staff and volunteers) to deal with civil defence emergencies	Availability of Emergency Management Officer 24 hours a day, 7 days a week		New measure (Existing Level of Service)	100%	100%	100%	100%	Outcome 6 MDC is an agile and efficient organisation
	The Emergency Operating Centre will be staffed and operative within one hour of activation		New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 6 MDC is an agile and efficient organisation
Council provides public education	Number of public education initiatives		Target met – there were 16 presentations throughout the year and 10 static displays (Existing Level of Service)	20	20	20	20	Outcome 6 MDC is an agile and efficient organisation

Funding Impact Statement

Civil Defence	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	109		179	184	190	197	204	214	221	228	237	245
Subsidies and grants for operating purposes	9		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
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	118		179	184	190	197	204	214	221	228	237	245
Applications of operating funding												
Payments to staff and suppliers	109		178	184	190	196	203	210	217	224	232	240
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	7		(2)	(3)	(3)	(2)	(2)	1	1	1	1	1
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	116		176	181	187	194	201	211	218	225	233	241
Surplus (deficit) of operating funding	1		3	3	3	3	3	3	3	4	4	4
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0

Civil Defence	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		28	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	1		(25)	3	3	3	3	3	3	4	4	4
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	1		3	3	3	3	3	3	3	4	4	4
Surplus (deficit) of capital funding	(1)		(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Activity – Rural Fire

What we do

Rural Fire Management is responsible for the issuing of fire permits, responding to rural fires, monitoring fire indices and advising the community about appropriate fire risk prevention. This encourage a resilient and safer region.

This service is provided through an Emergency Management (Civil Defence and Rural Fire) Service Agreement with Horizons Regional Council.

Why we do it

Rural Fire provides protection of people, property and the environment, public health and safety and peace of mind for residents. A system of restricted fire seasons and requiring permits means that fires are not allowed to burn when risk to people or property is too high, or cause nuisance to others. Knowledge of planned fires means the Rural Fire Service is in a better position to respond to fire, while providing good advice is key to reducing risks.

The impact of not providing the service includes possible loss of life, a loss of quality of life if the community does not feel safe, housing and business may become unattractive and unaffordable (due to repair and insurance costs). All of these would lead to people choosing not to live in the district – and impact on our outcome to attract and retain residents.

Major projects

There are no major projects planned for this activity.

How we fund this activity

Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials) (public funding). It is important that the service is readily available to all district residents and there are no barriers to discourage use. Through minimising risk to the community significant public benefit is obtained.

Exacerbator costs will be recovered in full where person(s) can be identified and proven to have started or be responsible for a fire.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Emergency Management	Rural Fire	100:0	General Rate	N/A

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Rural Fire								
Provide proactive and accurate rural fire service to community, reducing the risks of fire incidents	Community awareness of rural fire surveyed using email panel bi-annually, trending positively		New measure (Enhanced Level of Service)	Positive trend	Positive trend	Positive trend	Yrs 5, 7, 9 Positive trend	Outcome 6 MDC is an agile and efficient organisation
		Audit the Rural Fire equipment and facilities against agreed check list	New measure (Enhanced Level of Service)	Annually	Annually	Annually	Annually	Outcome 6 MDC is an agile and efficient organisation
Provide a co-ordinated and appropriate response and recovery to incidents	Number of complaints about non-permitted fires during restricted fire season		Target not met – there were 26 unpermitted fires during the year (Existing Level of Service)	Less than 10	Less than 10	Less than 8	Less than 5	Outcome 6 MDC is an agile and efficient organisation
	Annual meetings with district welfare groups and community committees		New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 6 MDC is an agile and efficient organisation
	No loss of life due to rural fires		New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 6 MDC is an agile and efficient organisation

Funding Impact Statement

Rural Fire	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	179		132	135	139	144	148	158	163	167	174	180
Targeted rates (other than a targeted rate for water supply)	0		0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
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		4	4	4	4	4	4	4	5	5	5
Total operating funding	179		136	139	143	148	153	162	167	172	178	184
Applications of operating funding												
Payments to staff and suppliers	164		119	123	127	131	135	140	145	150	155	160
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	15		17	16	16	17	17	22	23	22	24	24
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	179		136	139	143	148	153	162	167	172	178	184
Surplus (deficit) of operating funding	0		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0

Rural Fire	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	23	0	0	0	26	0	0
Increase (decrease) in reserves	0		0	0	0	(23)	0	0	0	(26)	0	0
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	0		0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of capital funding	0		0	0	0	0	0	0	0	0	0	0
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Funding Impact Statement

Emergency Management	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	179		132	135	139	144	148	158	163	167	174	180
Targeted rates (other than a targeted rate for water supply)	109		179	184	190	197	204	214	221	228	237	245
Subsidies and grants for operating purposes	9		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
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		4	4	4	4	4	4	4	5	5	5
Total operating funding	296		314	323	333	344	356	376	389	400	415	429

Emergency Management	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of operating funding												
Payments to staff and suppliers	273		297	306	316	327	338	350	361	373	387	400
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	22		15	13	14	14	15	23	24	23	25	25
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	295		312	320	330	341	353	373	385	397	411	425
Surplus (deficit) of operating funding	1		3	3	3	3	3	3	3	4	4	4
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		28	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	23	0	0	0	26	0	0
Increase (decrease) in reserves	1		(25)	3	3	(19)	3	3	3	(22)	4	4
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	1		3	3	3	3	3	3	3	4	4	4
Surplus (deficit) of capital funding	(1)		(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)
Funding balance	0		0	0	0	0	0	0	0	0	0	0



Services are delivered in a variety of collaborative partnerships, external contracts and Council staff.

Environmental and Regulatory Management

What we do:

Council aims to support a sustainable, growing and safe community by delivering friendly, informative and prompt regulatory services.

A fair and supportive regulatory approach allows appropriate and safe development to occur in the District. District planning keeps pace with changes in development trends and community views on the state of the environment.

Council activities include animal control officers and wandering stock service, maintenance of the dogs database and dog registrations, liquor licensing, food premises licensing, hairdressing salon administration and inspections, building and swimming pool consents and inspections (including earthquake prone issues and building warrants of fitness), resource consent and monitoring processes and district plan management.

Services are delivered in a variety of collaborative partnerships, external contracts and Council staff. The Animal Control activity is a shared service with Rangitikei District Council. Building Control is delivered through a contractual agreement with Palmerston North City Council. After hours noise complaints are contracted out.

Why do we do it?

This Group includes a range of mandatory regulatory functions that are set by central government through legislation. These

mandatory functions form the basis of all the activities in this Group. Council has some policy flexibility within the legislative framework, mainly in the District Plan. Inspections and monitoring are generally determined by the minimum requirements in legislation, although Council can choose to provide higher levels of service.

The majority of Group activities are aimed at ensuring the public can go about their lives in relative safety from the built environment and commercial activities. This contributes to the social and environmental wellbeing of the district.

District Planning focuses on the management of development within the district. Through the District Plan, Council sets policies and rules for development, within the framework of the Resource Management Act 1991, to help achieve the Vision and Outcomes.

How does this contribute to council outcomes?

Environment and Regulatory activities provide an important role in the following Outcomes:

- Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga
- The Manawatu District will attract and retain residents
- Manawatu District develops a broad economic base from its solid foundation

in the primary sector

- Manawatu's built environment is safe, reliable and attractive

In order to achieve these Outcomes Council is proposing to focus on the following:

- Reviewing policies and rules in the District Plan to promote sustainable and attractive development. Council will ensure that sufficient land is available, within a sustainable framework, to meet residential and commercial demand.
- Continuing to operate as a business friendly organisation by delivering a customer focused service across the Environment and Regulatory Group.
- Meeting legislative inspection requirements for commercial premises in food, liquor and hairdressing to ensure public safety,
- Working with owners of earthquake prone buildings to deliver a safe built environment.
- Processing consents as quickly as possible while ensuring building work meets the required standards.
- Continuing to consider collaboration and partnerships with a view to cost effectiveness and achieving great service to the community.

Activities within Environmental and Regulatory Management group:

- i. Animal Control
- ii. Building Control
- iii. District Planning
- iv. Environmental Health
- v. Liquor Licensing

Significant negative effects of this activity

There are no significant negative effects on the community from this Group of activities. There are however some potential minor negative impacts generated.

Legislative and Council District Plan policy changes that increase building and development compliance costs could have a negative effect on economic wellbeing. This would be balanced against positive effects in environmental, community and social well-beings.

While not a negative effect of this activity, some building owners may be faced with taking action should their buildings be classed as earthquake prone. Council is required however to comply with the Building Act 2004 by applying an Earthquake Prone Building Policy. This is a public safety issue and Council believes it has a duty of care to residents as well as a statutory duty to ensure people are safe in public buildings in the district.

The noise made by impounded dogs and

animals could pose a negative effect on the social wellbeing of the community. This effect is overcome by ensuring that pounds are not located close to residential areas. The Manawatu District Council pound is located in the industrial area, Awa Street, Feilding.

Key issues

- i. Review of the Animal Control contract with Rangitikei District Council. Currently both Councils receive benefits from sharing administration and Animal Control officers. If this collaboration is stopped the likely impact would be an increase in costs to deliver the current level of service.
- ii. The expected boundary adjustment will result in the loss of up to 500 dogs (7%) from the current number of around 7000 dogs. This will impact on the dog registration fees as the reduction in demand will not result in the same decrease in costs. Fees will have to be increased over a period of time to maintain the existing levels of service.
- iii. Possible changes to pound requirements. A draft "Code of Recommendations and Minimum Standards for the Welfare of Animals in Boarding Establishments" would impact on the pound facility. This draft code proposes increases in kennel sizes, 10% isolation and exercising requirements. Council has upgraded the pound in 2011/12 and no further changes are planned until the Code is finalised and enacted. A replacement pound meeting

- the proposed minimum standards could, depending on size, cost up to \$1 million.
- iv. Council is considering further collaboration in administration functions. Possible areas to increase efficiencies in Building Control include collaborative Independent Qualified Person registration (under the Building Act 2004), centralisation of inspection services, enquiries and lodgement of consents between Manawatu and Palmerston North, joint electronic processing and the development of an interactive website.
 - v. As fees and charges for waste disposal increase there is likely to be a continued increase in fly-tipping and abandoned cars that detract from the beauty of the district. Cleaning up these illegal disposals is increasing costs to Council in other activities such as Parks and Reserves. Increased monitoring resources may be required if this trend continues.
 - vi. The Food Act Bill is currently before parliament, and the proposed Bill will make Manawatu District Council a verification agency for the Ministry of Agriculture and Forestry (formerly NZ Food Safety Authority). This may increase the current workloads as the Food Act Officer requirements on behalf of the Ministry could involve food recalls, more monitoring, surveillance and prosecution activities. There are also proposed changes to the Health Act 1956 currently before Parliament that may require more resources to carry out the function.
 - vii. The Alcohol Reform Bill is currently before Parliament. Some of the proposed legislative changes may significantly impact on current resources and levels of service. The proposals to undertake community assessment reports, more involved reporting on applications, provide a District Licensing Committee, and full time Secretary. There may be some significant costs involved in producing a Local Alcohol Policy, though this cost may be shared with other neighbouring Councils. Significant training will be required for staff and Councillors and/or members of the public on the District Licensing Committee. Increased compliance costs could impact on the viability of small isolated rural hotels and events.
 - viii. The impacts of the earthquakes in Canterbury are being felt across New Zealand. Council is managing a process to identify all earthquake prone buildings as defined by the Building Act 2004. The objective is to ensure public safety in commercial and public buildings in the district. Residential buildings, except those with two or more stories containing three or more units, are exempt from the earthquake prone requirements. Council has carried out structural assessments in 2011/12 of the buildings most likely (based on criteria including age and materials) to be earthquake prone. Building owners have until 1 June 2012 to challenge this assessment. This may include consulting with a structural engineer. In order to challenge the accuracy of the assessment, or to provide a detailed seismic assessment that shows the building is not earthquake prone. Council will consider all responses during June 2012, and after this date if any building is still deemed earthquake prone it will be added to the earthquake prone building register and the owner issued with an earthquake prone building notice. After a building is listed on the register, owners will have until 2022 to either bring the structural rating of their building up to 67% of the current building code, or demolish it. This will be a major issue for the Council, private building owners and the community as it is likely that many buildings will be affected, some of them heritage buildings. Often it is cheaper to demolish and rebuild rather than upgrade, and cost will need to be considered against heritage values for some buildings. Council will be considering the costs and options for the small number of earthquake prone buildings it owns during the development of the draft LTP. This may impact on the capital works programme in the LTP.
 - ix. It is likely that the Building Act requirements will be changed as a result of the Royal Commission in Canterbury. The number of buildings deemed to be earthquake

prone could be significantly increased. Currently under the Building Act those buildings 'at risk' but not earthquake prone (those with structural ratings from over 34% to under 67% of current building code) are not subject to the Council process. Changing the earthquake prone definition to buildings under 67% of current building code would result in significantly more work for Council to manage compliance with the Council earthquake prone building policy.

The impacts of meeting the Building Act earthquake prone building requirements will be an improvement in public safety in commercial and public buildings, offset by a possible loss of community resources and built heritage. Council is mindful of the impact on Feilding Central Business District and other properties affected.

Activity – Animal Control

What we do

Manawatu District is home to approximately 1.1 million livestock including cattle, sheep, deer, goats, pigs and horses and 7,000 dogs. The Animal Control service operates a dog registration database, facilitates the provision of dog owner education programmes and investigates approximately 1,300 complaints about dogs and wandering livestock per year. The service is available 24 hours, seven days a week.

The Animal Control Activity is a shared service

with Rangitikei District Council. RDC provide dedicated daytime Animal Control Officers and respond to after hours priority one complaints. MDC provides the call centre, office facility and administrative support.

MDC has a small pound located in Awa Street, Feilding. The pound has 14 cages inside and 2 runs at the rear. It also has a small paddock for impounded stock.

MDC has a contract with Feilding and District SPCA to impound small puppies, sick and elderly dogs that can't be held in the Awa Street pound.

Why we do it

Animal Control is a service that provides benefit to the whole community enhancing public safety, controlling problem animals and preventing nuisances, potential injury and distress. This contributes to the social wellbeing of residents, in that they are able to go about their lives free from concern over animal attacks. Council also has statutory obligations under the Dog Control Act 1996, Bylaws, and the Impounding Act 1955 to administer the registration of dogs and dog control and animal nuisances.

Major projects

None

How we fund this activity

Animal Control provides some public good through enhancing public health and safety, controlling problem animals, and preventing

nuisances, potential injury and distress. It ensures dog owners are educated about appropriate animal behaviour and are held accountable for dangerous animal behaviour. Benefits occur mainly in the short-term. Animal owners also receive significant private benefits, such as recovery of their animals if they stray and protection from dangerous animals. Council incurs significant extra costs due to people who fail to keep their animals under adequate control.

Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district wide) (public funding) and user charges (private funding). Council believes it is appropriate for Animal Control costs to be split between ratepayers and animal owners. The community expects an animal control system to exist and to contribute towards the costs of policy, running the system and unidentified ranging costs. Individuals, particularly dog owners, receive private benefit from dog ownership and should therefore pay for legal registration of dogs under the Dog Control Act 1996. In the event the animal control system is required to control or recover an animal, it is fair that the animal owner should pay.

Group	Activity	Funding Split (public/private)	Public Mechanism	Private Mechanism
Environmental and Regulatory	Animal Control	45:55	Uniform Targeted Rate	User Fees and Charges

**2009-2019 LTCCP funding split was 20:80

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Animal Control								
Animal control complaints and issues are resolved in a timely manner*	Animal control service available 24 hours a day, seven days a week for priority one issues		New measure (Existing Level of Service)	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe
	Priority one** callouts (dog attacks, secured dogs and wandering stock) responded to within 15 minutes		Target met – all call outs were responded to within 15 minutes (Existing Level of Service)	95%	96%	96%	100%	Outcome 5 Manawatu's built environment is safe
	Priority two**complaints responded to within 1 working day		New measure (Existing Level of Service)	95%	95%	95%	95%	Outcome 5 Manawatu's built environment is safe
	Within a five-yearly cycle, all properties/ dwellings visited to check for unregistered dogs.		New measure (Enhanced Level of Service)	20%	20%	20%	20%	Outcome 5 Manawatu's built environment is safe
Promoting responsible dog ownership through public education	Education programmes provided to schools		Target met – 24 classes and one animal lovers' group were visited (Existing Level of Service)	3	4	3	6	Outcome 5 Manawatu's built environment is safe
Provide a quality Animal Control Service	Meet statutory requirements of the Dog Control Act 1996, Impounding Act 1955 and Council Bylaws		New measure (Existing level of service)	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe

* response being defined as responding to the call centre and where required the complainant, and informing them of the intended action.

** priority one being 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 a road. Priority two is everything else.

Funding Impact Statement

Animal Control	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	115		251	250	249	247	248	266	270	264	278	281
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	343		351	362	374	387	400	413	427	442	457	473
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	3		4	4	4	4	4	4	4	5	5	5
Total operating funding	461		605	616	627	638	652	683	701	710	739	759
Applications of operating funding												
Payments to staff and suppliers	299		376	386	396	407	418	428	439	452	465	478
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	158		226	227	228	228	231	252	259	255	272	278
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	458		602	613	624	635	648	680	698	707	736	756
Surplus (deficit) of operating funding	4		3	3	3	3	3	3	3	3	3	3

Animal Control	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		0	0	0	0	0	0	0	0	0	0
- to replace existing assets	60		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(56)		3	3	3	3	3	3	3	3	3	3
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	4		3	3	3	3	3	3	3	3	3	3
Surplus (deficit) of capital funding	(4)		(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Activity – Building Control

What we do

The Building Control activity provides services that satisfy the requirements of the Building Act 2004, associated building regulations and The Fencing of Swimming Pool Act 1987. The activity includes advising the community about and processing Project Information Memorandums, Building Consents, Code Compliance Certificates, Certificates of Acceptances and carrying out building inspections. It also takes responsibility for:

- Providing building information relating to Land Information Memorandums
- Administering compliance schedules and building warrant of fitness audits
- Monitoring compliance of swimming pool and spa fencing
- Responding to earthquake prone, dangerous and insanitary buildings
- Responding to building related complaints

Provision of Building Control services is through contractual agreement with Palmerston North City Council.

Why we do it

The services provided assists to protect public health and safety by ensuring that compliance with the National Building Code across the district is achieved. The aim is to safeguard the public and building occupants from danger or harm when using buildings and to ensure

that certain buildings provide facilities for persons with disabilities where required. This contributes to social wellbeing by enabling residents to go about their district in a safe environment, and to economic wellbeing by enabling business to operate in a safe environment.

Ongoing monitoring of swimming pool/spa fencing assists to prevent drowning.

Major projects

None

How we fund this activity

Public benefits of Building Control include safe and orderly development of the district, protection of the public and a consistency in building standards. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations. Private benefits may include increases in property values over time. Benefits occur now and in the future, such as protection from poor building practices for future generations.

The development of environmental policy, such as policies on earthquake-prone buildings, monitoring and enforcement of building standards confers significant public benefits and funded through public funding.

Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and

user fees and charges (private funding).

Group	Activity	Funding Split (public/private)	Public Mechanism	Private Mechanism
Environmental and Regulatory	Building Control	40:60	General Rate/Uniform Targeted Rate	User Fees and Charges

*target to be achieved over the life of the long term plan

**2009-2019 LTCCP funding split was 20:80 with an additional split for Policy, Monitoring and Enforcement of 100:0

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Building Control								
Building records and general information is available at all times	Availability of building records		New measure (Enhanced Level of Service)	100% of the time	100% of the time	100% of the time	100% of the time	Outcome 5 Manawatu's built environment is safe
	Inspections are carried within four working days of request		Target met – currently, inspections are carried out within three working days of request (Existing Level of Service)	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe
Responsive and accurate building control service provided	Consents processed within statutory timeframes		Target not met – 96% were processed within the timeframes (Existing Level of Service)	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe
	% of buildings with building warrants of fitness are audited each year		New measure (Enhanced Level of Service)	5%	5%	5%	5%	Outcome 5 Manawatu's built environment is safe
	% of Building Service complaints are investigated and attempt resolution within 10 working days of receipt*		New measure (Enhanced Level of Service). Note: the previous target was that building related complaints were responded to within 48 hours	95%	95%	95%	95%	Outcome 5 Manawatu's built environment is safe

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Ensure that built environment is safe	% of dangerous and insanitary building issues resolved within two working days **		New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe
	No commercial / public buildings in the District are known to have been assessed as Earthquake prone after 10 years.		New measure (Enhanced Level of Service)	Public notified of all known earthquake prone buildings	Public notified of all known earthquake prone buildings	Public notified of all known earthquake prone buildings	Years 4-9 Public notified of all known earthquake prone buildings. Year 10 All earthquake prone buildings either demolished or strengthened to 67% of current code.	Outcome 5 Manawatu's built environment is safe
	All known properties with swimming pool and/or spa fencing inspected on schedule and for compliance.***		New measure (existing level of service)	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe

* Some complaints take a while to resolve due to the complexity of some building projects.

** Resolved meaning investigated and notice issued if it is required.

*** Current procedure is for inspection every five years.

Funding Impact Statement

Building Control	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	132		146	150	144	149	143	156	152	155	156	165
Targeted rates (other than a targeted rate for water supply)	443		467	480	461	477	458	498	485	492	496	523
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	992		813	839	866	895	926	957	990	1,023	1,059	1,096
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	1		3	4	4	4	4	4	4	4	5	5
Total operating funding	1,569		1,429	1,474	1,475	1,524	1,530	1,615	1,631	1,673	1,715	1,788
Applications of operating funding												
Payments to staff and suppliers	1,199		946	992	992	1,043	1,044	1,095	1,095	1,150	1,154	1,214
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	406		483	482	482	481	486	520	536	523	561	574
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,605		1,429	1,474	1,475	1,524	1,530	1,615	1,631	1,673	1,715	1,788
Surplus (deficit) of operating funding	(36)		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0

Building Control	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		8	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(36)		(8)	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	(36)		0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of capital funding	36		0	0	0	0	0	0	0	0	0	0
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Activity – District Planning

What we do

Council has a significant role in promoting a healthy and safe environment and in ensuring that the District's resources are managed in a sustainable way for future generations. The District Planning activity ensures that Council looks after its natural and built environment and assists in achieving the outcomes established within the Long Term Plan and the statutory requirements set out in the Resource Management Act 1991.

District Planning is responsible for:

- providing sound, professional and accurate advice to customers on the provisions of the District Plan and other regulatory requirements
- implementing the District Plan and giving effect to the RMA through the processing of resource consents for subdivision and land use activities, private/Council initiated plan changes
- monitoring compliance with land use and subdivision consent conditions
- investigating breaches of the District Plan, and taking enforcement action where necessary
- implementing other legislation such as the Local Government Act 2002 (LGA) and the Public Works Act 1981 (PWA) i.e. road stopping procedures
- monitoring the state of the environment

- administering Council's Development Contribution Policy
- developing and reviewing the District Plan plus processing of privately initiated plan change requests
- input into major Council infrastructure projects
- providing policy advice on internal/external studies and statutory documents
- providing advice for land information memorandums (LIMs)
- issuing certificates of compliance under the RMA
- checking building consent applications for compliance with District Plan requirements and issuing certificates under the Building Act 2004 (BA) where necessary

Why we do it

The Resource Management Act 1991 (RMA) defines the responsibilities for local authorities therefore Council is obliged to provide a service to administer this legislative requirement.

The RMA requires that natural and physical resources be managed sustainably. The Planning activity is focused on protecting the local environment, enabling development while mitigating or avoiding any adverse effects of this and complying with statutory requirements.

A District Plan guides the way that people use and subdivide land with the Plans aim to minimise environmental effects and promote

the sustainable management of natural and physical resources. The activity also provides compliance and resource consent services that ensure that land developments with the District meet the requirements of the RMA and District Plan.

Analysis and policy advice and strategy planning directs the District's development so as to promote the community's long term social, environmental and cultural well being as required by the Resource Management Act 1991. Economic development is supported by enabling development and planning for growth. Monitoring and reviewing the effectiveness of the Council's District Plan and planning policies allows the Council to adapt and improve its response to the key community outcomes.

Major projects

- i. Sectional District Plan Review over three years from 2012/13 with issues and options papers on :
 - Historic Heritage (including reference to earthquake prone buildings policy),
 - Rural and rural/residential development and growth
 - Feilding Central Business District
 - Villages
 - Significant Landscapes
 - Technical Advice on Significant Landscapes, Noise Levels and Standards, Natural Values/Indigenous Biodiversity and Natural Hazards.

Funding of \$265,000 in 2012/13 (including a carryover of \$60,000 from 2011/12) and \$211,000 in 2013/14 has been allocated, as well as \$225,000 in 2015/6, \$249,000 in 2018/19 and \$276,000 in 2021/22.

- ii. As part of the information leading into the District Plan review a Feilding Growth Study (residential, business and industrial) is being undertaken in 2012/13. The review will provide a basis from which to plan for the growth of Feilding. Council will concentrate generally on the edge of the town where residential growth paths have been previously signalled. Council will also examine our existing industrial land bank and capacity for growth.

Council will consider residential infill capacity for future residential development. A targeted approach will be developed identifying where and how residential intensification should occur.

How we fund this activity

District Planning provides both public and private benefits. The Resource Management Act 1991 requires development to conform to particular standards. Public benefits include safe and orderly development of the district, enhancement of public health and safety, consistent district standards for current and future generations, protection for the environment and opportunity for neighbours to comment on development proposals which exceed the norm. Applicants for consents receive significant private benefits

through meeting legislative requirements and community expectations, monetary gain and increases in property values.

Non-compliance (e.g. applicants prolonging consent processes, extra inspections) can cause additional costs to Council.

Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees (private funding). Costs such as extra inspections should be recovered in full. Other costs, including fees for additional professional advice, should be fully recovered where possible.

The District Plan, monitoring the state of the environment and ensuring legislative compliance confer significant public benefits and public funding will meet the costs of the development and review of planning policies.

Group	Activity	Funding Split (public/private)	Public Mechanism	Private Mechanism
Environmental and Regulatory	District Planning	79:21	General Rate/Uniform Targeted Rate	User Fees and Charges

**2009-2019 LTCCP funding split was Planning Consents 40:60 with Policy, Monitoring and Enforcement at 100:0

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
District Planning								
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 <ul style="list-style-type: none"> • 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 	All targets met	100%	100%	100%	100%	Outcome 1 Improve the natural environment Outcome 2 Attract and retain residents Outcome 3 Manawatu develops a broad economic base
		The state of the environment and the efficiency and effectiveness of the District Plan are monitored every five years	Target met	N/A	Report produced	N/A	Report produced	Outcome 1 Improve the natural environment Outcome 2 Attract and retain residents Outcome 3 Manawatu develops a broad economic base
		District Plan complies with legislative requirements and Council outcomes.	New measure (Existing Level of Service)	100%	100%	100%	100%	Outcome 1 Improve the natural environment Outcome 2 Attract and retain residents Outcome 3 Manawatu develops a broad economic base

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
	Current District Plan provisions available online		Target not met – the target specified that the District Plan web page was updated on a quarterly basis. However, web content is updated on an as needed basis	95%	95%	95%	95%	Outcome 1 Improve the natural environment Outcome 2 Attract and retain residents Outcome 3 Manawatu develops a broad economic base
	Number of complaints investigated and resolved within 3 months of being received.		Target met – eighteen complaints received during 2010/11. All addressed within 3 months	90%	90%	90%	90%	Outcome 1 Improve the natural environment Outcome 2 Attract and retain residents Outcome 3 Manawatu develops a broad economic base
		All consents are monitored within one month of monitoring date	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 1 Improve the natural environment Outcome 2 Attract and retain residents Outcome 3 Manawatu develops a broad economic base
Accessible District Planning Service	Plan changes are updated online within 5 working days		New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 1 Improve the natural environment Outcome 2 Attract and retain residents Outcome 3 Manawatu develops a broad economic base

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
	Advice from a Planner is available during office hours		New measure (Enhanced Level of Service)	95%	95%	95%	95%	Outcome 1 Improve the natural environment Outcome 2 Attract and retain residents Outcome 3 Manawatu develops a broad economic base

Funding Impact Statement

District Planning	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	149		153	176	178	173	175	186	191	192	200	206
Targeted rates (other than a targeted rate for water supply)	526		517	596	603	586	596	628	648	649	676	696
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	200		203	209	216	223	231	239	247	255	264	273
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	875		872	982	997	982	1,003	1,052	1,086	1,096	1,140	1,176
Applications of operating funding												
Payments to staff and suppliers	747		904	760	562	803	593	608	872	640	658	953
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	243		329	328	329	330	334	369	380	373	398	407
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	990		1,233	1,087	891	1,132	927	977	1,252	1,013	1,057	1,360
Surplus (deficit) of operating funding	(115)		(361)	(106)	106	(150)	75	75	(166)	83	83	(184)

District Planning	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(115)		(361)	(106)	106	(150)	75	75	(166)	83	83	(184)
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	(115)		(361)	(106)	106	(150)	75	75	(166)	83	83	(184)
Surplus (deficit) of capital funding	115		361	106	(106)	150	(75)	(75)	166	(83)	(83)	184
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Activity – Environmental Health

What we do

Manawatu District is host to a variety of restaurants, food outlets, funeral parlours, offensive trades, hairdressing salons and camping grounds. All are inspected and licensed annually by Council's Environmental Health team to ensure they are offering services to the public that are safe to use.

Manawatu District Council is contracted with the Ministry of Agriculture and Forestry (formerly NZ Food Safety Authority) to undertake verification of voluntary Off the Peg Food Control Plans.

Others services involve the provision of advice, monitoring, investigation of nuisance complaints, checking of amusement devices. It also involves the resolution of complaints about noise, smoke, odours and hazards such as overhanging trees, abandoned vehicles and hazardous substances.

It provides a noise control service which is available 24 hours 7 days a week by phoning the Council 323 0000. After hours noise and smoke complaints are contracted to ADT Security.

Why we do it

The Council has statutory obligations to provide services that meet the requirements of the Health Act 1956, Food Act 1981, Resource Management Act 1991, Local Government Acts 1974 and 2002, Litter Act 1979, Amusement

Devices Regulation 1978 and the Hazardous Substances and New Organisms Act 1996.

The services provided help to protect public health and safety through the application of appropriate standards throughout the district. Social, cultural and environmental wellbeing is protected by providing these appropriate regulatory controls.

Major projects

None

How we fund this activity

Public benefits of Environmental Health include enhancing public health and meeting the community's expectation for safe food premises. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations. The consent provides a signal that food premises are of an acceptable standard to the consumer.

Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees (private funding).

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Environmental and Regulatory	Environmental Health	94:6	General Rate/Uniform Targeted Rate	User Fees and Charges

**2009-2019 LTCCP Environmental health consents were funded at 20: 80, with an additional split for Policy, Monitoring and Enforcement of 100:0

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Environmental Health								
Protect public health by regulating the sale of food, funeral parlours, offensive trades, hairdressing salons and camping grounds		Applications processed within statutory time frames	Target met – 93% of applications received during 2010/11 were processed within 20 working days. The target was 90%	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe
		All high risk* premises are inspected twice a year.	Target met – all high risk premises (39) were inspected twice a year during 2010/11	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe
		All low risk** premises are inspected annually.	Target not met - 97.%5 (121 of 124) low risk premises were inspected in 2010/11	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe
		Voluntary Food Control Plans are verified to MAF requirements.	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe
Environmental complaints investigated to minimise public nuisance	Environmental complaints responded to within 1 working day		New measure (Enhanced Level of Service)	95%	95%	95%	95%	Outcome 5 Manawatu's built environment is safe

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
	Noise complaints responded to within one hour		Target not met – 93% (738 of 793) noise complaints were responded to within one hour. Communication issues, which have since been resolved, contributed to not meeting this target	95%	95%	95%	95%	Outcome 5 Manawatu's built environment is safe

* High risk premises are defined as premises requiring temperature control for unwrapped product.

** Low risk premises are all other licences including fruit and vegetable, hairdressers, funeral parlours, camping grounds etc.

Timeframes are:

High risk and low risk premises processed and issued within 20 working days of payment.
(Where premises compliant)

Licensed premises issued within five working days. (Where file complete).

Funding Impact Statement

Environmental Health	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	152		148	149	151	153	156	165	170	171	178	183
Targeted rates (other than a targeted rate for water supply)	497		463	466	473	480	490	517	531	533	558	572
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	45		46	48	49	51	52	54	56	58	60	62
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	1		0	0	0	0	0	0	0	0	0	0
Total operating funding	695		657	662	673	684	699	736	757	762	796	817
Applications of operating funding												
Payments to staff and suppliers	440		347	340	349	359	381	379	389	400	412	425
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	254		319	318	320	321	325	356	366	360	384	392
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	695		666	658	669	680	706	735	755	760	796	817
Surplus (deficit) of operating funding	0		(9)	4	4	4	(8)	2	2	2	0	0
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0

Environmental Health	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		9	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0		(18)	4	4	4	(8)	2	2	2	0	0
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	0		(9)	4	4	4	(8)	2	2	2	0	0
Surplus (deficit) of capital funding	0		9	(4)	(4)	(4)	8	(2)	(2)	(2)	0	0
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Activity – Liquor Licensing

What we do

Manawatu District Council is deemed to be the Manawatu District Licensing Agency under the terms of the current Sale of Liquor Act 1989. The agency is tasked with the administration of the Act. The agency has a Chairman (the Mayor), a secretary (the Chief Executive) and Inspectors.

Duties include processing and reporting on all applications received for the Sale and Supply liquor to the Public. These applications can include On licences (Hotel, Restaurants) Off licences (Bottle stores), Club licences, Special licences and Manager applications. All unopposed applications can be issued by the Agency, with opposed applications being heard by the Liquor Licensing Authority.

Why we do it

The Council has statutory obligations to administer provisions of the Sale of Liquor Act 1989 related regulations and bylaws.

Council considers Liquor Licensing as a service that provides benefit to the whole community. It enhances public safety through consistent application of district liquor standards that aim to minimise the risk of alcohol abuse. This supports social and cultural wellbeing.

Major projects

None

How we fund this activity

Public benefits of liquor licensing include consistent district standards. Applicants for consents receive significant private benefits through meeting legislative requirements, community expectations and the opportunity to serve and sell alcohol. Liquor licensing also sets standards for the liquor industry that help promote a safe community.

Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees (private funding). Legislation sets liquor-licensing fees which impacts on funding recoveries. Recovery of exacerbator costs (e.g. vandalism) will be in full where possible.

Policy work in the liquor licensing area such as delivery of education initiatives will be met via public funding. Likewise, Council involvement in checking general legislative compliance confers significant public benefits.

Group	Activity	Funding Split (public/private)	Public Mechanism	Private Mechanism
Environmental and Regulatory	Liquor licensing	48:52	General Rate/Uniform Targeted Rate	User Fees and Charges

**2009-2019 LTCCP funding split for Licenses was 40:60, with an additional split for Policy, Monitoring and Enforcement of 100:0

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Liquor Licensing								
Protect public health by regulating the sale of liquor		Liquor licence applications are processed and issued within 5 working days (where complete information is provided).	Target met – all 179 applications were processed within 10 working days during 2010/11. Ten working days was the target at this time	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe
		Liquor outlets are inspected annually.	Target not met – 31 of the district's 54 liquor premises were inspected. Resourcing issues, which have since been resolved, contributed to not meeting the target	100%	100%	100%	100%	Outcome 5 Manawatu's built environment is safe

Funding Impact Statement

Liquor Licensing	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000

Sources of operating funding												
General rates, uniform annual general charges and rates penalties	5		8	8	7	7	7	8	8	8	9	9
Targeted rates (other than a targeted rate for water supply)	17		26	26	26	25	25	28	29	28	30	30
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	45		42	43	45	46	48	49	51	53	55	57
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	67		76	77	78	79	81	85	88	89	93	95

Liquor Licensing	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of operating funding												
Payments to staff and suppliers	34		24	24	25	26	26	27	28	29	29	30
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	32		52	53	53	53	54	58	60	60	63	65
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	67		76	77	78	79	81	85	88	89	93	95
Surplus (deficit) of operating funding	0		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	0		0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of capital funding	0		0	0	0	0	0	0	0	0	0	0
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Funding Impact Statement

Environmental and Regulatory	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	438		454	483	481	482	481	515	522	525	543	563
Targeted rates (other than a targeted rate for water supply)	1,599		1,724	1,818	1,811	1,815	1,818	1,937	1,962	1,965	2,037	2,102
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	1,625		1,455	1,502	1,550	1,602	1,657	1,713	1,771	1,830	1,894	1,961
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	5		7	7	8	8	8	8	9	9	9	10
Total operating funding	3,667		3,640	3,810	3,850	3,907	3,964	4,173	4,262	4,329	4,483	4,635
Applications of operating funding												
Payments to staff and suppliers	2,720		2,598	2,502	2,324	2,637	2,462	2,537	2,824	2,671	2,719	3,100
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	1,094		1,408	1,407	1,412	1,414	1,431	1,555	1,600	1,570	1,678	1,716
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	3,814		4,006	3,909	3,737	4,050	3,893	4,093	4,424	4,241	4,397	4,816
Surplus (deficit) of operating funding	(147)		(366)	(99)	113	(143)	71	80	(161)	88	86	(181)
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0

Environmental and Regulatory	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		17	0	0	0	0	0	0	0	0	0
- to replace existing assets	60		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(207)		(383)	(99)	113	(143)	71	80	(161)	88	86	(181)
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	(147)		(366)	(99)	113	(143)	71	80	(161)	88	86	(181)
Surplus (deficit) of capital funding	147		366	99	(113)	143	(71)	(80)	161	(88)	(86)	181
Funding balance	0		0	0	0	0	0	0	0	0	0	0



Governance and Strategy will play an important role in achieving the new Council Outcomes and contributing to the overall Vision. Achievement of our Vision

Governance and Strategy

What we do:

Governance and Strategy involves:

- Community leadership
- Community consultation
- Decision-making
- Maori liaison
- Vision setting
- Strategic planning
- Collaboration with other organisations
- Advocacy

Council comprises one Mayor and 10 Councillors. The Councillors represent three wards: Feilding, KIWITEA/Pohangina (northern district) and Kairanga (southern district). There are four standing committees and a number of sub-committees. Fifteen community committees assist with Council's planning and consultation processes.

Why do we do it?

Council has statutory obligations under the Local Government Act 2002 (LGA) and the Resource Management Act 1991 (RMA) to provide the community with opportunities to participate in decision-making. The LGA provides opportunities for individuals and groups to have their say on significant decisions Council wishes to take and on Council's draft Annual and Long Term Plans. The LGA also provides for Maori involvement in Council decision-making.

Under the RMA, individuals and groups have opportunities to involve themselves in plan development, designations and resource consents.

The ability to be involved in Council decision-making and the democratic process contributes to all aspects of wellbeing, but primarily enhances social wellbeing for individuals and cultural wellbeing for groups who advocate and participate from their perspectives.

How does this contribute to council outcomes?

Governance and Strategy will play an important role in achieving the new Council Outcomes and contributing to the overall Vision. Achievement of our Vision - Connected, vibrant and thriving Manawatu - requires us to meet social, cultural, environmental and economic needs. Council's role in decision-making, advocacy, community leadership, vision setting and strategic planning means it has a key part to play in achieving all the outcomes. Council officers are in the process of implementing new systems to ensure we can report progress against the new outcomes to Councillors.

Significant negative effects of this activity

There are some potential negative effects, though they are not considered to be significant.

- i. Council may make a decision that has a negative economic impact on parts of

the community. However, Council must consult with the community before making any significant decisions. This allows those groups and individuals, affected by the potential decision, to have their say.

- ii. Council may make a decision that has a negative effect on the environment. Again, affected groups and individuals must be consulted before Council makes a significant decision.

Key issues

- i. While Manawatu district's population increase over the next 20 years is moderate there are implications for the future. Growth projections are relatively uneven across the district and appear to be concentrated in the south, especially around the boundary with Palmerston North. Such growth will require continued cross-boundary cooperation with Palmerston North City Council. One example of this is the boundary change between the two councils to manage the industrial growth in the north-east part of the City, which came into effect on 1 July 2012.
- ii. The over-65 age group is projected to nearly double by 2031, while other age groups will remain static or decline. An ageing population presents a number of potential challenges. Key among these is questions around affordability, as there will be a sharp increase in the number of ratepayers on fixed incomes.

- iii. Since 2000 the cost of petrol has doubled. The Regional Land Transport strategy has identified the need to provide cost-effective and appropriate public transport in small towns and rural areas as a key transport issue for the region. While this is not Council's role, it is likely Council will need to be advocated to Horizons Regional Council for increased provision of public transport in the coming years.

Major projects

- i. Email Panel. The email panel is a randomly selected panel of district residents who answer questionnaires via email. Questionnaires are on satisfaction with Council services or residents' thoughts on Council proposals. (Enhanced Level of Service)

How we fund this activity

Governance and Strategy provides significant benefits to all district residents. Council makes decisions on behalf of the community. Benefits may include organised development, maintenance of key infrastructure, response to local community needs, advocacy on community issues, and development of community pride and ownership.

Benefits occur now and in the future for district residents. There is value in passing a system to develop policy to future generations. There are no private benefits to individuals or particular groups. No examples of actions causing

additional costs to Council were identified.

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide). Of the available systems, use of a uniform targeted rate comes closest to ensuring all pay equally for Governance and Strategy.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Governance and Strategy	Governance and Strategy	100:0	Uniform Targeted Rate	N/A

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Governance and Strategy								
Provide opportunities for community input into decision-making	Number of email panel surveys per year on important Council projects/decisions		New measure (Enhanced Level of Service)	8	8	8	8	
	Percentage of residents that feel they understand Council's decision-making process (Email Panel)		New measure (Enhanced Level of Service)	60%	65%	65%	70%	

Funding Impact Statement

Governance and Strategy	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	1,284		1,221	1,229	1,324	1,293	1,321	1,472	1,442	1,461	1,595	1,563
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
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	69	0	0	76	0	0	84	0	0
Total operating funding	1,284		1,221	1,298	1,324	1,293	1,397	1,472	1,442	1,545	1,595	1,563
Applications of operating funding												
Payments to staff and suppliers	593		562	587	500	549	637	544	594	693	589	649
Finance costs	0		0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	741		710	711	824	744	760	929	848	852	1,006	914
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,334		1,272	1,298	1,324	1,293	1,397	1,472	1,442	1,545	1,595	1,563
Surplus (deficit) of operating funding	(50)		(51)	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0

Governance and Strategy	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0		4	3	11	0	0	0	0	0	0	0
Increase (decrease) in reserves	(50)		(55)	(3)	(11)	0	0	0	0	0	0	0
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	(50)		(51)	0	0	0	0	0	0	0	0	0
Surplus (deficit) of capital funding	50		51	0	0	0	0	0	0	0	0	0
Funding balance	0		0	0	0	0	0	0	0	0	0	0



The network provides essential links around the district and to other areas, ensuring the efficient transportation of goods and services.

Roading Network

Activity - Roading

What we do:

Manawatu District Council provides a roading network of 1,435 km of roads and 290 bridges. This enables transportation and access throughout the district.

Council also provides footpaths, car parks, street lights, traffic services, road-side mowing and weed control. The New Zealand Transport Agency (NZTA) operate and maintain State Highways that run through the district.

Why do we do it?

Council aims to provide safe, convenient and orderly transportation in the district.

Council has statutory obligations under the Land Transport Management Act 2003 to maintain a roading network within the district. An effective roading network is also essential to ensuring the economic and social wellbeing of the community through the provision of access and mobility for people, goods and services.

How does this contribute to council outcomes?

The following outcomes are particularly relevant to the roading network:

- Manawatu District develops a broad economic base from its solid foundation in the primary sector.
- Manawatu and its people are connected via quality infrastructure and technology.
- Manawatu's built environment is safe,

reliable and attractive.

Manawatu District's roading network is important for meeting these outcomes. The network provides essential links around the district and to other areas, ensuring the efficient transportation of goods and services. These links also ensure the District's communities are linked via high quality roading.

The roading network is an integral part of Manawatu's built environment. Ongoing maintenance, inspections and audits ensure it remains safe for residents and businesses to use.

Activities within Roading group:

Maintenance and renewal of the roading network

Significant negative effects of this activity

This activity does have some potential negative effects but none of these are considered significant.

- i. Some of these include stock effluent disposal; excessive noise; quality of stormwater run off; particularly from heavy road vehicles and vehicle fumes. Roads also alter the natural environment and can change the way water moves across the land. The District Plan seeks to lessen many of these impacts, for example, there is a policy to 'minimise the nuisance of effluent being discharged onto roads'.
- ii. Other effects might include traffic noise and vibration; public health risks; and visual intrusion of roads. These are overcome by

designing roads that offer quiet and safe travel. The Council has recently adopted a road planting strategy to ensure that roads and surrounds are attractive.

Key issues

- i. Council expects much of Manawatu District's projected growth to come from urban and lifestyle blocks in the south. New sub-divisional development is likely to continue over the coming years. This means likely increases in capital expenditure resulting from seal extensions, road widening and minor safety projects. Council will monitor sub-divisional development over the coming years to ensure Council delivers the correct level of service.
- ii. Over the last few years Council has been working with Palmerston North City Council, Horizons Regional Council and the New Zealand Transport Agency to develop a coordinated roading network within the wider Manawatu. The main drivers for this are:
 - Increasing traffic arising from the ongoing development of the North East Industrial Area of Palmerston North
 - Increasing traffic between Palmerston North and Feilding, and to a lesser extent the wider Manawatu District
 - The Eastern Growth Corridor including a second bridge across the Manawatu River and the linkages to

the Pahiatua Track

The Joint Transport Study, completed by MDC, PNCC, NZTA and Horizons Regional Council, has incorporated a full regional strategic roading network which is assisting further in the options around Bunnythorpe.

- iii. Council expects the growth of forestry, agriculture and light industry within the district to impact on the roading network in coming years. Forestry impacts occur mainly at harvesting time, but agricultural expansion is seeing year-round heavy vehicle usage on roads that carried very little heavy loading in the past. Many roads, constructed in past decades, will not cope and will deteriorate and fail rapidly. Monitoring of forestry, agricultural and industrial development throughout the district will be used to improve predictions on the impact on roads and the likely timing of road reconstruction work and minor safety projects. Council will monitor sub-divisional development over the coming years to ensure the correct level of service is delivered.
- iv. Council receives a 53% subsidy on roading infrastructure spend from central government and Council assumes it will remain at this level. There is a risk the subsidy could be reduced, which would have a moderate impact on Council's budget. To mitigate this, Council can review levels of service and community expectations through the Draft Annual Plan and LTP processes.

How we fund this activity

The roading and footpath network provides significant benefits to the community. Council decided the most appropriate means to fund the public portion of this activity is through a uniform targeted rate (district wide) and a targeted rate, based on capital value. The private component of the activity is recovered through the New Zealand Transport Agency (NZTA) subsidy.

Council decided the most appropriate means to fund Feilding CBD Redevelopment is through reserves or loans. These would be repaid over twenty years by a targeted rate on the defined CBD area (based on capital value) (private funding).

Exacerbator costs (e.g. vandalism and excessive damage) would be recovered in full where possible. Reserves or loans may be used as appropriate for capital projects.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Roading	Roading	55:45	Uniform Targeted Rate/Targeted Rate	New Zealand Transport Agency Subsidy
Roading	Feilding CBD Redevelopment	0:100	N/A	Targeted Rate (CBD Rating Differential Area)

**2009-2019 LTCCP Feilding CBD
Redevelopment funding split was 65:35

Major projects

- i. Maintenance: 53% of this funding comes from the New Zealand Transport Agency subsidy.
 - Sealed Road Maintenance 2012/21 - \$1.2 - \$1.7 million p/a (Existing Level of Service)
 - Unsealed Road Maintenance 2012/21 - \$218,000 - \$293,000 p/a (Existing Level of Service)
 - Environmental Maintenance 2012/21 - \$664,000 - \$892,000 p/a (Existing Level of Service)
 - Drainage Maintenance 2012/21 - \$204,000 - \$275,000 p/a (Existing Level of Service)
 - Structure Maintenance 2012/21 - \$311,000 - \$418,000 p/a (Existing Level of Service)
 - Traffic Services 2012/21 - \$570,000 - \$766,000 p/a (Existing Level of Service)
 - Network and Asset Management 2012/21 - \$617,000 - \$829,000 p/a (Existing Level of Service)
- ii. Renewals/Capital Work:
 - Pavement Rehabilitation 2012/21 - \$3.2 million to \$4.2 million p/a (Existing Level of Service)
 - 2012/13 - 13.02km
 - 2013/14 - 10.13km
 - 2014/15 - 12.0 km
 - Note: NZTA allocates funding on a three-yearly cycle.
 - Re-surfacing Sealed Roads 2012/21 - 90km, \$2.4 million- \$3.2 million p/a (Existing Level of Service)
 - Footpath Renewals 2012/21 - 1.7km, \$180,000 - \$245,000 p/a (Existing Level of Service)
 - Minor Improvements (Safety) 2012/21 - \$540,000 - \$726,000 p/a (Existing Level of Service)
 - Between 2017 and 2019 up to \$ 5.3 million of expenditure is planned in order to replace the one-lane bridge on Ruahine Road. This is a project undertaken in collaboration with Rangitikei District Council, with the cost shared equally between both councils. (Existing Level of Service)
- iii. Sealing of Main South Road: Council plans to seal the remaining unsealed section of Main South Road, at a cost of \$2 million over three years. The work began in 2011/12 and is scheduled for completion in 2013/14. Council made the decision to seal this portion of the road in light of the economic potential of the northern part of the district. Main South Road is an integral part of the Country Road project. This project envisages a tourist and cycling route through northern Manawatu, taking in many of its attractions and beautiful scenery. (Enhanced Level of Service). During LTP deliberations Council decided to carry over funding for this from 2011/12 to 2012/13. Funding allocated to this for 2012/13 is \$1.5 million

- iv. CBD Redevelopment: Council has set aside \$1.3 million for the following major projects within the CBD:

Kimbolton Road (Manchester to Warwick Street) \$311,218 2013/14

Fergusson Street (Aorangi Street to Stafford Street) \$293,984 2014/15

Stafford Street (Bowen Street to Eyre Street) \$110,738 2014/15

Manchester Street (Fergusson Street to Eyre Street) \$342,570 2016/17

Bowen Street (Warwick Street to Stafford Street) \$146,931 2017/18

Warwick Street (Bowen Street to Fergusson Street) \$121,381 2018/19

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Roading								
Quality roading network provided that meets current and future demands, i.e. residents' needs and increased demands from agriculture sector	% satisfaction with roading network		New measure – will be assessed using email panel	80%	80%	80%	80%	Outcome 4 Connected via quality infrastructure
Adequate parking provided, parking controls appropriately implemented and enforced	Percent satisfied with parking provision (Email Panel)		Target not met – 67% recorded in the 2009/10 Communitrak Survey, the most recent undertaken (Existing Level of Service)	95%	95%	95%	95%	Outcome 4 Connected via quality infrastructure
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%)		New measure (Existing Level of Service)	100%	100%	100%	100%	Outcome 4 Connected via quality infrastructure

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
All weather access available throughout the formed road network (urban and rural)	Percent of weather events (floods and slips, or emergency incidents) responded to within 30 minutes of initial call to Council		New measure (Enhanced Level of Service)	80%	80%	80%	80%	Outcome 4 Connected via quality infrastructure
		Percent of properties that have experienced interruption to road access for more than 12 hours per annum	New measure (Enhanced Level of Service)	Less than 5%	Less than 5%	Less than 5%	Less than 5%	Outcome 4 Connected via quality infrastructure
Customer requests for service is prompt	Customer requests for service are attended to within agreed timeframes		New measure (Existing Level of Service)	100%	100%	100%	100%	Outcome 4 Connected via quality infrastructure
The roads feel safe to use, and are regarded as safe in comparison to other similar networks	Percent of reported injury accidents cite road design as a factor		New measure (Enhanced Level of Service)	Less than 10%	Less than 10%	Less than 10%	Less than 10%	Outcome 4 Connected via quality infrastructure
		Percent of curves that are compatible (e.g. within 15km/hr) with the speed environment	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 4 Connected via quality infrastructure
Footpath and cycle facilities are in good condition and are 'fit for purpose'	% of urban streets provided with footpath on at least one side of road		New measure (Enhanced Level of Service)	98%	98%	98%	98%	Outcome 4 Connected via quality infrastructure
	Resident satisfaction with the quality and comfort of footpaths		Target met – 77% recorded in the 2009/10 Communitrak Survey, the most recent undertaken. Note: the survey included satisfaction with carparks and the state of streets	75%	75%	75%	80%	Outcome 4 Connected via quality infrastructure
		Percent of footpaths that are within acceptable defect levels e.g. Cracking, breaks, high lips, trip hazards etc.	New measure (Enhanced Level of Service)	More than 95%	More than 95%	More than 95%	More than 95%	

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
		All roads in network inspected at monthly intervals for condition defects	New measure (Enhanced Level of Service)	100% compliance	100% compliance	100% compliance	100% compliance	Outcome 4 Connected via quality infrastructure
		Design standards meet current Land Transport NZ, Austroads or other adopted standards and guidelines	New measure (Enhanced Level of Service)	100% compliance	100% compliance	100% compliance	100% compliance	Outcome 4 Connected via quality infrastructure

Funding Impact Statement

Roading	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	5,957		5,548	5,711	5,916	6,182	6,281	6,499	6,716	6,942	7,185	7,421
Subsidies and grants for operating purposes	1,730		1,639	1,688	1,750	1,894	1,855	1,915	1,982	2,056	2,127	2,201
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
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		210	216	223	231	239	247	255	264	273	283
Total operating funding	7,687		7,396	7,616	7,889	8,308	8,375	8,661	8,953	9,262	9,584	9,904
Applications of operating funding												
Payments to staff and suppliers	4,239		3,629	3,737	3,872	4,162	4,104	4,236	4,382	4,543	4,699	4,861
Finance costs	213		63	86	78	70	62	53	45	39	36	34
Internal charges and overheads applied	74		(76)	(102)	(96)	(85)	(74)	(50)	(50)	(65)	(58)	(71)
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	4,526		3,616	3,721	3,855	4,147	4,092	4,238	4,377	4,518	4,676	4,824
Surplus (deficit) of operating funding	3,161		3,780	3,895	4,035	4,161	4,283	4,423	4,576	4,744	4,908	5,079

Roading	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of capital funding												
Subsidies and grants for capital expenditure	4,720		4,031	3,985	4,044	4,170	4,293	4,716	7,150	4,755	4,919	5,091
Development and financial contributions	438		299	308	318	329	340	352	364	376	389	403
Increase (decrease) in debt	3,126		(92)	432	(110)	(118)	(126)	(133)	(75)	(58)	(22)	(21)
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	8,284		4,238	4,726	4,252	4,381	4,507	4,934	7,438	5,072	5,286	5,473
Applications of capital funding												
Capital expenditure												
- to meet additional demand	254		0	919	908	0	0	0	0	0	0	0
- to improve the level of service	3,724		777	803	277	285	295	303	314	325	338	348
- to replace existing assets	9,142		7,814	8,096	8,228	8,486	8,733	9,554	14,168	9,675	10,008	10,359
Increase (decrease) in reserves	(1,676)		(574)	(1,197)	(1,126)	(228)	(238)	(500)	(2,468)	(184)	(152)	(155)
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	11,444		8,017	8,620	8,287	8,542	8,789	9,357	12,014	9,816	10,194	10,552
Surplus (deficit) of capital funding	(3,161)		(3,780)	(3,895)	(4,035)	(4,161)	(4,283)	(4,423)	(4,576)	(4,744)	(4,908)	(5,079)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Funding Impact Statement

CBD Development	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	225		167	209	220	251	265	277	277	277	277	276
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0

CBD Development	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
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	225		167	209	220	251	265	277	277	277	277	276
Applications of operating funding												
Payments to staff and suppliers	0		0	0	0	0	0	0	0	0	0	0
Finance costs	177		115	142	145	163	167	168	164	152	143	134
Internal charges and overheads applied	0		0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	177		115	142	145	163	167	168	164	152	143	134
Surplus (deficit) of operating funding	48		52	67	75	88	98	108	113	124	133	143
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	896		489	227	36	254	49	13	(113)	(124)	(133)	(143)
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	896		489	227	36	254	49	13	(113)	(124)	(133)	(143)
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	944		541	294	111	343	147	121	0	0	0	0
- to replace existing assets	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0		0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	944		541	294	111	343	147	121	0	0	0	0
Surplus (deficit) of capital funding	(48)		(52)	(67)	(75)	(88)	(98)	(108)	(113)	(124)	(133)	(143)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Funding Impact Statement

Roading Network	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	6,183		5,715	5,921	6,135	6,434	6,547	6,776	6,993	7,219	7,461	7,697
Subsidies and grants for operating purposes	1,730		1,639	1,688	1,750	1,894	1,855	1,915	1,982	2,056	2,127	2,201
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
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		210	216	223	231	239	247	255	264	273	283
Total operating funding	7,912		7,563	7,825	8,109	8,559	8,640	8,937	9,230	9,538	9,861	10,180
Applications of operating funding												
Payments to staff and suppliers	4,239		3,629	3,737	3,872	4,162	4,104	4,236	4,382	4,543	4,699	4,861
Finance costs	390		178	228	223	234	229	221	208	192	179	168
Internal charges and overheads applied	74		(76)	(102)	(96)	(85)	(74)	(50)	(50)	(65)	(58)	(71)
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	4,703		3,731	3,863	3,999	4,310	4,259	4,407	4,541	4,670	4,820	4,958
Surplus (deficit) of operating funding	3,209		3,832	3,962	4,109	4,249	4,381	4,531	4,689	4,868	5,041	5,222
Sources of capital funding												
Subsidies and grants for capital expenditure	4,720		4,031	3,985	4,044	4,170	4,293	4,716	7,150	4,755	4,919	5,091
Development and financial contributions	438		299	308	318	329	340	352	364	376	389	403
Increase (decrease) in debt	4,022		397	659	(74)	137	(77)	(120)	(188)	(183)	(155)	(164)
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	9,179		4,727	4,952	4,288	4,635	4,555	4,948	7,325	4,948	5,153	5,330

Roading Network	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	254		0	919	908	0	0	0	0	0	0	0
- to improve the level of service	4,668		1,241	1,123	415	656	471	455	346	357	371	382
- to replace existing assets	9,142		7,891	8,069	8,201	8,457	8,704	9,523	14,136	9,643	9,975	10,324
Increase (decrease) in reserves	(1,676)		(574)	(1,197)	(1,126)	(228)	(238)	(500)	(2,468)	(184)	(152)	(155)
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	12,388		8,559	8,914	8,398	8,884	8,936	9,478	12,014	9,816	10,194	10,552
Surplus (deficit) of capital funding	(3,209)		(3,832)	(3,962)	(4,109)	(4,249)	(4,381)	(4,531)	(4,689)	(4,868)	(5,041)	(5,222)
Funding balance	0		0	0	0	0	0	0	0	0	0	0



During the life of this LTP Council will extend recycling services within Feilding and the wider district.

Solid Waste

What we do

Council provides Solid Waste services to promote sustainable waste management practices that protect the environment for present and future generations. The following contribute towards this:

- Weekly refuse bag collection
- Kerbside recycling for Feilding residents and businesses
- Rural recycling facilities in towns and villages
- Waste transfer station services
- Town litterbin services, and
- Bulk refuse collection

In addition to collection of refuse bags on selected rural routes, Council provides refuse bag collection in Apiti, Awahuri, Cheltenham, Feilding, Halcombe, Himatangi Beach, Kimbolton, Sanson, Tangimoana, Rangiwahia and Rongotea. The public generally purchase refuse bags from supermarkets, dairies and the Council office.

Council also provides solid waste disposal services at refuse transfer stations located in Feilding, Kimbolton and Kaimatarau Road (near Rongotea).

There are a number of recycling centres in the district. The main centre is in Feilding, with satellite services in Himatangi Beach, Tangimoana, Sanson and Pohangina. Kerbside

recycling services are currently only available to Feilding residents. The public are able to recycle cardboard, paper, plastic bottles, tin cans, aluminium cans and glass at the recycling centres and transfer stations.

Council manages three closed landfills in the district. The closed landfills are located at Kimbolton, Tangimoana and Feilding. Bulk waste collection services are available at Rangiwahia, Waituna West, Pohangina, Himatangi Beach and Tangimoana.

Why do we do it?

There are community benefits from the provision of solid waste collection throughout the district, such as:

- maintaining a healthy and safe environment
- preventing health hazards for the public
- enabling appropriate disposal of solid waste in common locations
- reducing waste disposal to landfill

There are also statutory obligations under the Waste Minimisation Act 2008, Local Government Act 2002, Health Act 1956 and Resource Management Act 1991 to provide solid waste services. Social and cultural wellbeing is protected as residents enjoy an environment free from inappropriately disposed-of solid waste. Environmental wellbeing is also protected by eliminating this waste from the environment, and economic wellbeing is supported by the availability of

appropriate and affordable solid waste disposal services.

How does this contribute to council outcomes?

The following outcomes are particularly relevant to the Solid Waste activity:

- Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga
- The Manawatu District will attract and retain residents

There are negative environmental effects associated with the disposal of solid waste. To counter these, Council is committed to a strategy of waste minimisation through the Waste Minimisation Management Plan. During the life of this LTP Council also intends extending recycling services within Feilding and the wider district.

Sustainable waste disposal and recycling is becoming increasingly important to the public. Having available effective waste disposal and recycling services may be a factor in people deciding to live here.

Activities within Solid Waste group:

Solid Waste management – recovery and recycling initiatives to divert waste from landfills.

Waste management and minimisation

education

Significant negative effects of this activity

There are some potential negative effects, though they are not considered to be significant:

- i. There are negative environmental effects connected with the disposal of solid waste. This includes direct disposal and the cost and consequences of transporting solid waste and recyclables for disposal. Measures are in place to encourage minimisation of waste in district communities, such as through recycling.
- ii. The costs of disposing of solid waste may be prohibitive for some people because landfills are closing and the Government has introduced a landfill levy. The levy may lead to increasing 'solid waste' stockpiling, fly tipping and associated health issues.

Key issues

- i. Much of Manawatu District's projected growth comes from urban and lifestyle blocks in the South. New sub-divisional development is expected to continue over the coming years. This will mean a small increase in total waste generated in the district. This will also mean operational expenditure increases resulting from provision of waste facilities. Council will monitor sub-divisional development over the coming years to ensure it delivers the

correct level of service.

- ii. Statistics New Zealand projections are that the over-65 age group will more than double by 2031. At the same time other age groups will remain static or decline. An ageing population presents a number of challenges. Key among these is questions around affordability, as there will be a sharp increase in the number of ratepayers on fixed incomes.
- iii. As the public becomes increasingly aware of the need to reduce waste and recycle instead, rubbish volumes to landfill will decrease and recycling will increase. This is already occurring with more communities requesting recycling facilities. This will be monitored to ensure there are recycling facilities to meet demand.
- iv. The proposed Emissions Trading Scheme (ETS) will have a significant impact on the delivery of waste collection services. The scheme is to be reviewed by the Government. Council does not know the effects of the scheme on the solid waste activity until the review is complete.
- v. Because of the implementation of the new Waste Minimisation Act, passed by Parliament in 2008, the cost of providing waste services to the community has increased. Council will continue to monitor the impact of the Act over the coming years to ensure that it adjusts levels of service and/or budgets accordingly.
- vi. Due to public awareness and education,

the community is diverting more waste from the landfill than it did in the past. Currently Council diverts approximately 30% of waste from landfill to recycling and other beneficial uses compared to 14% in 2006. It has become necessary to collect more recycling to cater for the increased volume. Council will continue to provide effective and efficient recycling services in at a cost of an affordable cost.

- vii. Some concerns were raised about fly tipping and rubbish dumping generally. In order to keep the community informed information about how to report rubbish-related concerns to Council will be publicised in the Council's Bulletin page of the Feilding Herald. Council has identified this improvement in the Waste Management and Minimisation Plan (WMMP).

The WMMP is the basis for the future strategic direction of waste management in the district and provides information on the existing waste management practices in our area. It also shows options for implementing ideas in the plan.

Council consulted the community widely in the process and captured the concerns and desires of the community.

Major projects

- i. In 2012/13 Council plans to implement a new Solid Waste Contract, including refuse bag collection, transfer stations and

emptying of litter bins. In 2012/13 Council also plans to provide enhancements to recycling for Feilding. This will be funded at existing budget levels of up to \$1.2 million per year. (Enhanced Level of Service)

- ii. In 2012/13 Council plans to budget \$10,000 in order to implement the Agrecovery programme. The purpose of the programme is to manage the environmental effects of agricultural containers and bale wraps. (Enhanced Level of Service)
- iii. In 2012/13 Council plans to budget \$32,000 for developing a district-wide Waste Education Strategy. This includes \$6,000 for the Paper for Trees sponsorship. (Enhanced Level of Service). Following is the budget for this programme over the next 10 years (the \$6,000 component for Paper for Trees sponsorship continues to 2015/16):

2013/14: \$43,000

2014/15: \$44,000

2015/16: \$46,000

2016/17: \$50,000

2017/18: \$52,000

2018/19: \$53,500

2019/20: \$55,000

2020/21: \$55,500

2021/22: \$57,500

How we fund this activity

For the purposes of funding the Waste activity is split between recycling, solid waste disposal and solid waste collection.

Recycling

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district-wide) (public funding). This funding source would meet the costs of the system and recycling centres. The use of these funding sources is transparent through the annual plan and rates assessment.

Feilding kerbside collection

Council decided the most appropriate means to fund this activity is through a targeted rate (private funding) on those properties serviced by the Feilding kerbside recycling scheme.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Waste	Recycling system and centre	100:0	Uniform Targeted Rate	N/A
Waste	Feilding kerbside collection	0:100	N/A	Targeted Rate

Solid Waste Disposal

Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district wide) (public funding) and fees (private funding). The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees. Exacerbator costs should be recovered in full where possible.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Waste	Solid Waste Disposal	30:70	General Rate/Uniform Targeted Rate	User Fees and Charges

**2009-2019 LTCCP funding split 50:50

Solid Waste Collection

Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district wide) (public funding) and fees (private funding).

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Waste	Solid Waste Collection	30:70	General Rate/Uniform Targeted Rate	User Fees and rubbish bag sales

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Solid Waste								
Provision of recycling facilities and regular kerbside collection to encourage recycling and waste reduction		Decrease in waste tonnage taken to landfill	New measure (Enhanced Level of Service)	5% on previous year	5% on previous year	5% on previous year	5% on previous year	Outcome 1: Improve the natural environment
		Increased tonnage of recyclables	Target met – in 2010/11 Council recycled 2,166 tonnes of material (Existing Level of Service)	5% on previous year	5% on previous year	5% on previous year	5% on previous year	Outcome 1: Improve the natural environment
Convenient and accessible waste management services are available to the community		Percentage of residents are within 10 kms of a transfer station or drop-off point	New measure (Enhanced Level of Service)	70%	80%	90%	95%	Outcome 1: Improve the natural environment
Education on best waste practices are provided to the community and businesses		% satisfaction with education programmes (Participant survey)	New measure (Enhanced Level of Service)	85%	90%	90%	90%	Outcome 1: Improve the natural environment
		Number of education programmes provided	New measure (Enhanced Level of Service)	15 (out of 27 schools)	20 (out of 27 schools)	20 (out of 27 schools)	22 (out of 27 schools)	Outcome 1: Improve the natural environment
Accessible Feilding transfer station		Opening hours: 8am to 4pm, Monday to Friday 9am to 5pm weekends <i>Please note: Council may review opening hours of the transfer station, particularly if public demand falls due to positive effect of greater kerbside recycling.</i>	New measure (Existing Level of Service)	100%	100%	100%	100%	Outcome 1: Improve the natural environment

Funding Impact Statement

Solid Waste	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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	1,124	1,148	1,175	1,209	1,240	1,267	1,290	1,328	1,359
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		426	440	454	469	485	501	518	536	554	574
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		1,634	1,659	1,699	1,745	1,799	1,849	1,897	1,941	2,002	2,057
Applications of operating funding												
Payments to staff and suppliers	1,581		1,444	1,470	1,506	1,547	1,594	1,629	1,670	1,715	1,763	1,813
Finance costs	9		3	3	3	3	3	3	3	3	3	3
Internal charges and overheads applied	212		132	129	132	135	139	152	157	154	164	166
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,801		1,579	1,602	1,641	1,684	1,736	1,784	1,829	1,871	1,930	1,982
Surplus (deficit) of operating funding	9		55	57	59	61	63	65	68	70	72	75
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		0	0	0	0	0	0	0	0	0	0
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		0	0	0	0	0	0	0	0	0	0

Solid Waste	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0		0	0	0	0	0	0	0	0	0	0
- to replace existing assets	11		0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(2)		55	57	59	61	63	65	68	70	72	75
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	9		55	57	59	61	63	65	68	70	72	75
Surplus (deficit) of capital funding	(9)		(55)	(57)	(59)	(61)	(63)	(65)	(68)	(70)	(72)	(75)
Funding balance	0		0	0	0	0	0	0	0	0	0	0



Effective stormwater and drainage infrastructure is an essential means of protecting people, property and roadways from flooding during heavy rain events.

Stormwater

Activity – Stormwater

What we do:

The purpose of the stormwater activity is to provide efficient drainage and to protect communities from flooding. To do this, Council operates five urban stormwater schemes within the district. These are at:

- Feilding
- Rongotea
- Sanson

Council also operates four rural land drainage schemes located at:

- Bainesse
- Maire
- Makowhai
- Oroua Downs

Community committees operate these rural land drainage schemes with Council assistance.

Other small urban communities have a basic drainage system funded from the general rate.

The primary system of pipes and open drains in the five main urban areas is intended to cope with a 10-year storm event. A system of secondary flow paths through reserves, private properties, and along road corridors is utilised for more significant storm events.

Why do we do it?

The community benefits from the provision of stormwater collection in rural and urban areas. Collective provision is more viable than

individual provision. Collection of stormwater assists to maintain a healthy community by decreasing risks from flooding, enhancing social wellbeing. Protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development enhances economic wellbeing.

Council also has statutory obligations under the Local Government Act 2002, Health Act 1956 and Resource Management Act 1991.

How does this contribute to council outcomes?

The Stormwater activity aligns most closely with the following Council Outcomes:

- The Manawatu District will attract and retain residents
- Manawatu's built environment is safe, reliable and attractive

Effective stormwater and drainage infrastructure is an essential means of protecting people, property and roadways from flooding during heavy rain events. In the long-term, rainfall is forecast to increase throughout New Zealand. The risk of flooding will increasingly be a factor when people and organisations consider living in this region.

In addition, effective stormwater and drainage infrastructure ensures that the built environment – roadways, culverts and other infrastructure either associated with flood protection or in danger of flooding – is safe, reliable and

attractive.

Activities within Stormwater group:

Stormwater and land drainage

Significant negative effects of this activity

There are some negative effects, though none of these are considered significant:

- i. The costs of providing and improving stormwater infrastructure in some areas of the district may be beyond the ability of the community to pay. While there are always costs for delivering a service. Council promotes the best cost-efficient solution philosophy to stormwater activities.
- ii. Discharging stormwater from urban environments may impact on the life-supporting capacity of ecosystems (e.g. river systems) and the environment generally. Horizons Regional Council through the resource consent process manages environmental effects. Council actively complies with resource consent conditions.
- iii. We live in a community with many different beliefs. One issue of contention is the direct discharge of pollutants to the environment. Council works to minimise any cultural conflicts that may occur in the water activity, e.g. by consulting with affected groups through the Marae Consultative Committee.
- iv. Flooding of properties can result in severe social stress on a community. There will be times when rainfall intensities exceed

stormwater designs, resulting in flooding. To help alleviate this, secondary flow paths are used to reduce the risk of household damage.

Key issues

- i. Much of the growth projected for Manawatu district is from urban and lifestyle blocks in the South. New subdivision development is expected to continue over the coming years. This will mean a small increase in total stormwater assets vested in Council. This will also mean capital expenditure increases resulting from:
 - Extensions to existing stormwater systems
 - The possibility of new scheme development in communities that wish to increase the level of service received from this activity
 - New stormwater assets to manage future higher intensity storm events

It is expected that population growth within Feilding will have an affect on the Feilding stormwater capacity. It may lead to capacity upgrades to existing systems, as well as increased maintenance costs. Increased capacity is being addressed through the Feilding Growth Study, which is currently being undertaken.

With increased growth comes an increase in the hardstand areas (car parks, roads, and paving) and roof areas. These areas

reduce the opportunity for land soakage and increase the rate of rain run-off to the stormwater systems and natural waterways. New developments will need to show stormwater neutrality in their design to mitigate the downstream environmental effects and meet Horizons Regional Council One Plan requirements.

- ii. The over-65 age group is projected to more than double by 2031, while other age groups will remain static or decline. An ageing population presents a number of potential challenges. Key among these are questions around affordability, as there will be a sharp increase in the number of ratepayers on fixed incomes.
- iii. Rainfall intensities are expected to increase over the next 100 years, increasing the risk of flooding and household damage. As a result, all new stormwater work has appropriate adjustments included in the design capacity.

Major projects

- i. Renewal of Ageing Assets: each year Council replaces ageing stormwater assets to ensure they are effective. The budget for this is \$389,000 (including a carryover from 2011/12 of \$66,000) in the first year reducing to an average of \$71,000 per year over the remaining nine-years. (Existing Level of Service)
- ii. Stormwater Calibration and Development: Council Plans to set aside \$55,000 each year for the calibration and development of

Feilding Stormwater Scheme in accordance with the Stormwater Management Plan. This involves development of a stormwater hydraulic model – a means of checking the efficiency of the stormwater system. This is part of the Feilding Stormwater Management Plan, which looks at how stormwater will be transported through town and how to manage increased stormwater flows from growth. (Enhanced Level of Service)

- iii. New Reticulation Work: Council has budgeted \$2.7 million for new reticulation in Root Street, Port Street, Sherwill Street, West Street, Ranfurly Road and Sandon Road. The purpose of this work is to cater for population growth. (Enhanced Level of Service)
- iv. A Stormwater Structure Plan is to be developed, in alignment and supporting the Urban Growth Strategy. \$100,000 is budgeted. (Enhanced Level of Service)

How we fund this activity

For funding purposes the Stormwater activity is split between rural land drainage and urban stormwater.

Rural Land Drainage

Council decided the most appropriate means to fund this activity is through a combination of the general rates (public funding) and targeted rates (private funding). The use of this funding source is transparent through the annual plan and rates assessment. Capital expenditure, such as expansions to the system should be

met over time through loans. Exacerbator costs should be recovered in full where possible.

Group	Activity	Funding Split (public/private)	Public Mechanism	Private Mechanism
Stormwater	Rural Land Drainage	0:100	N/A	Targeted Rate (direct to users by classification on degrees of benefit)

**2009-2019 LTCCP funding split 5:95

Urban Stormwater

Council decided the most appropriate means to fund this activity is through a combination of the general rate (based on capital value with differentials) (public funding) and targeted rates on areas served by the various schemes (private funding). Exacerbator costs should be recovered in full where possible.

Group	Activity	Funding Split (public/private)	Public Mechanism	Private Mechanism
Stormwater	Urban Stormwater	20:80	General Rate	Targeted Rate (Scheme)

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Stormwater								
People and property are protected from the impacts of flooding	Number of injuries attributed to poorly designed or maintained drains/ pipes		Target met – no injuries of this kind reported during 2010/11 (Existing Level of Service)	No more than one	No more than one	No more than one	No more than one	Outcome 1: Improve the natural environment
Reliable stormwater system	Number of residential dwellings flooded in a 1 year event.		Target met – no urban properties were flooded in 2010/11 (Existing Level of Service)	0	0	0	0	Outcome 1: Improve the natural environment
	Number of urban roads that are closed by flooding during an annual storm event		Target met – no urban roads closed in 2010/11 (Existing Level of Service)	0	0	0	0	Outcome 1: Improve the natural environment

Funding Impact Statement

Stormwater	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	163		181	186	192	198	204	211	219	227	237	247
Targeted rates (other than a targeted rate for water supply)	616		589	607	626	647	670	691	718	745	780	814
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0		0	0	0	0	0	0	0	0	0	0
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	779		769	793	818	845	875	902	937	973	1,017	1,061
Applications of operating funding												
Payments to staff and suppliers	224		273	281	288	296	305	313	321	331	340	351
Finance costs	205		55	141	221	218	215	211	210	203	199	194
Internal charges and overheads applied	94		58	57	58	60	62	61	62	61	65	66
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	523		386	478	567	574	582	585	594	595	604	611
Surplus (deficit) of operating funding	256		383	315	250	270	293	318	343	378	412	450
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	206		57	59	61	63	65	67	70	72	74	77
Increase (decrease) in debt	4,364		2,857	(246)	872	(317)	(320)	(324)	(325)	(332)	(333)	(337)
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	4,571		2,914	(187)	933	(254)	(255)	(257)	(255)	(260)	(259)	(260)

Stormwater	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of capital funding												
Capital expenditure												
- to meet additional demand	4,152		3,010	54	1,186	0	0	0	0	0	0	0
- to improve the level of service	317		88	91	94	97	101	105	109	113	118	123
- to replace existing assets	181		46	37	39	40	42	44	46	48	51	54
Increase (decrease) in reserves	177		154	(54)	(135)	(121)	(105)	(87)	(67)	(44)	(15)	13
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	4,827		3,298	129	1,183	16	38	61	88	117	154	190
Surplus (deficit) of capital funding	(257)		(383)	(315)	(250)	(270)	(293)	(318)	(343)	(378)	(412)	(450)
Funding balance	0		0	0	0	0	0	0	0	0	0	0



The provision of wastewater services is a fundamental requirement for the health and wellbeing of the community.

Wastewater

What we do

Manawatu District Council manages seven community wastewater schemes in the district. Wastewater services provides for the safe and reliable collection, treatment and disposal of wastewater (sewage) from residential, industry and commercial properties in the district.

Monitoring and research, policy planning and advocacy of issues relating to wastewater are amongst the issues that the wastewater services cover.

The seven community wastewater schemes servicing Manawatu District are located in:

- Awahuri
- Cheltenham
- Feilding
- Halcombe
- Kimbolton
- Rongotea
- Sanson

Why we do it

The provision of wastewater services is a fundamental requirement for the health and wellbeing of the community. This is based on the provision of adequate systems for the safe collection and disposal of wastewater. As well as enhancing social wellbeing, there are

aspects of cultural wellbeing that are reliant on appropriate wastewater systems.

One of the most effective ways of disposing of wastewater in urban areas is by reticulated wastewater systems. Council has developed and built up the existing wastewater systems over many years to serve the needs of the community.

This approach allows Council to spread the associated costs over a wide population base and still maintain high standards and efficient infrastructure management. Council is able to provide wastewater services to individual users at an affordable cost.

Under the Local Government Act 2002, Health Act 1956 and Resource Management Act 1991, Council has a statutory obligation to provide wastewater services to the community. Economic wellbeing is supported by the availability of an affordable and accessible wastewater service.

How does this contribute to council outcomes?

Wastewater assets play an important role in achieving the new Council Outcomes and contributing to the overall Vision. Achievement of our Vision - Connected, vibrant and thriving Manawatu - requires us to meet social, cultural, environmental and economic needs.

There are two outcomes that the waste water makes a primary contribution to:

Manawatu and its people are connected via

quality infrastructure and technology.

In view of the high health risks associated with wastewater, it is essential that communities have access to safe and effective wastewater services

Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.

Wastewater is one of the biggest pollutants of the natural environment and ecosystem if not properly managed. A sustainable wastewater management system seeks to protect the environment, minimise risk from health hazards and to be economical to operate in a socially and culturally acceptable manner.

Activities within the Wastewater Group

Wastewater treatment and reticulation

Significant negative effects of this activity

Potentially, there are significant negative effects on public health if adequate management systems are not in place. These arise from wastewater overflows. Wastewater overflows can occur as a result of:

- overloading the wastewater system during rainfall due to the entry of storm water run off (inflow and infiltration)
- blockages of wastewater pipelines

- malfunction of utility installations, such as pump stations
- Council adopts a range of strategies to reduce the entry of storm water to the wastewater systems. The strategies include but not limited to
- Programmes to reduce the entry of stormwater to the wastewater systems in private properties (infiltration/inflow programmes)
- Renewal of aged and defective pipe where there is excessive entry of stormwater or groundwater through the pipe
- Providing additional capacity in parts of the wastewater systems

Key Issues

Himatangi Beach new Wastewater System

Council needs to make a significant investment in 2012/13 for the installation of a wastewater scheme for the Himatangi Beach settlement, expected to be up to \$9 million. A wastewater reticulation and treatment system will be installed in the Himatangi Beach township to replace the existing privately owned septic tanks, many of which are not designed to meet latest environmental standards for on-site treatment systems. The treated wastewater will be used to irrigate privately owned land around the site of the proposed treatment works which will be located 1 km to the north-east of the township.

- Each property will have an on-lot pump station which will be owned by MDC and which will discharge to a pressurized wastewater reticulation network. The new system will be designed to cater for seasonal peak flows up to 846 m³ / day which is the projected flow for 2041. Construction is programmed to start in August 2012 with commissioning completed in mid 2013. A Ministry of Health subsidy of up to \$3.2 million is available until 30 June 2013.
- A large amount of capital expenditure (\$507,000) is required in 2012/2013, to resolve performance issues across a number of the Council's schemes, in particular Kimbolton (\$307,000) and Rongotea (\$200,000), with costs met by Council from the District-wide wastewater budget, not through any targeted rating. An application has been made to the Ministry for the Environment for a 50% subsidy for the Kimbolton work.
- Significant expenditure is required over the next 20-30 years to replace pipes, which are underperforming. Most of this expenditure is within the Feilding scheme. The key issues are pipe infiltration (pipes and pipe joints allowing stormwater to enter the wastewater system during periods of heavy rainfall. This in turn puts pressure on the capacity of the wastewater treatment plant) and pipes which have reached the end of their life and are at an increased risk of physical failure. Renewal

costs are in the order of \$500,000 per year. This level of expenditure exceeds depreciation, creating a long-term funding gap. It will be challenging to address this gap.

- iv. There is a need for better network modelling to validate and substantiate network information. Current knowledge of the condition and performance of underground pipes is variable. Historically renewal projects have been determined by asset failure and associated roading and water projects. Better modelling will allow Council to make investment decisions on a range of criteria including demand, risk and level of service.
- v. Horizons Regional Council 'One Plan', when introduced, will require that the effluent discharged from the district's wastewater treatment facilities to be of a higher quality. Inevitably, this will lead to process improvements within the various schemes and a resultant capital expenditure. It is difficult at present to predict the full extent of this on the 10 year upgrade/capital expenditure requirements of the Council's treatment assets.

While the long term cost of this capital work is unknown, improvement work done in the first two years of this LTP will contribute significantly to the required improvement in effluent quality, particularly in Feilding, Kimbolton and Rongotea.

The increased standards will assist Council to achieve its identified outcome:

Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.

- vi. The Council needs to consider alternative options for the discharge of treated wastewater. The community has a strong desire to see the water ways of the District better protected from pollutants, including wastewater, regardless of the environmental standards to which it is treated. There is a desire to move to land based disposal. It is likely that renewed resource consents will be for at least partial land disposal. This will necessitate investment by Council in either land for irrigation, or pipe and pump networks to move the treated effluent to existing agriculture sites where the nutrients in the treated effluent are of value to the primary sector. The challenge for Manawatu will be in the winter months, when land based disposal will be a limited option due to high water tables.
- vii. Council will need to review its mix of out-sourced / in-sourced services. The Council is facing some severe funding challenges in this activity and will therefore need to ensure its operations are efficient yet give due consideration to the high health and environmental risks associated with the management of the activity.

Major Projects

- i. Himatangi Beach Waste Water Scheme, \$9 million: See 'Key Issues' above. (Enhanced Level of Service)
- ii. The Feilding Wastewater Treatment Plant (WWTP) is in the process of undergoing a major change in direction. In addition to a number of significant process improvements to produce a better quality of treated effluent, MDC is working closely with Horizons to obtain a new resource consent which will allow MDC to spray irrigate a significant proportion of the treated effluent onto land. This will provide an excellent land treatment option and increase the productivity of the land to help produce a sustainable long term revenue stream for MDC. This revenue will be used to offset operational costs of the Feilding WWTP. The shift to land treatment will also underpin MDC's commitment to the Manawatu River Accord and local iwi by removing a significant volume of treated effluent, which is currently discharged into the Oroua River.

This will require the installation of centre pivot irrigators on the MDC owned land at a cost of \$2 million in 2013/14. The probable purchase of further land is also programmed for 2012-2014, a budget of up to \$2 million has been set aside for this purpose. There will be further process improvements and plant upgrade work to increase the quality of the discharged effluent at a cost of \$4.5 million in 2012/13.

This work completes a \$6.5 million upgrade of the plant which commenced in 2011/12. Each year \$150,000 has been allowed for upgrades and renewals at the plant.

In addition, the new dual discharge resource consent for the Feilding plant will require a treated effluent storage reservoir to act as a buffer in times of low river flows and soil saturation. The engineer's estimate for the project is \$1.5 million and this reservoir is integral to the new resource consent. This work is programmed for 2012/13. (Enhanced Level of Service)

- iii. Feilding Wastewater Treatment Plant Upgrade – Treated Storage Reservoir. The new dual discharge resources consent for the Feilding plant will require a treated effluent storage reservoir to act as a buffer in times of low river flows and soil saturation. The engineer's estimate for the project is \$1,500,000 and this reservoir is integral to the new resource consent. This work is programmed for 2012/13. (Enhanced Level of Service)
- iv. Feilding Pipe Renewals: Stormwater infiltration issues will be investigated in the 2011/12 and 2012/13 financial year. \$410,000 increasing to \$550,000 has been allowed for pipe renewals for each year of the LTP. (Existing Level of Service)
- v. Rongotea Treatment: \$75,000 has been spent to date on upgrading treatment for the Rongotea scheme. Another \$200,000 is required to make an effective treatment solution. This work will include a new pump station, alum storage tank and aerator, electrical work and pipeline extensions and will be in the 2012/13 financial year. (Existing Level of Service)
- vi. Kimbolton Treatment: More work required to previous upgrade work. The key process problems being that the treatment plant is not removing suspended solids or phosphorus and requires an infiltration (polishing) system and ultraviolet treatment system. A subsidy application has been submitted to the Ministry for the Environment Freshwater fund. Council will need to commit \$150,000 (based on 50% cost share of the total cost of \$307,000), in 2012/2013. (Existing Level of Service)
- vii. Cheltenham discharge: The scheme drain, is an open channel within the adjoining local dairy farmer's paddock. A section of the drain needs realignment and fencing off. This is an issue that needs to be addressed with some urgency. An amount of \$75,000 has been set aside in 2012/2013. (Existing Level of Service)
- viii. Halcombe Wastewater Treatment Plant: A new aerator is required for the treatment pond - \$51,000 2012/2013 (Existing Level of Service)
- ix. Sanson: There is a need to implement a flow monitoring system to ensure that resource consent conditions are met. \$77,000 has been set aside in the 2012/13 financial year. (Existing Level of Service)

How we fund this activity

Not all residents in the District have access to a wastewater scheme. Rural and rural-residential residents largely make their own provisions for treatment and disposal of their own wastewater on site.

Where the community have access to a scheme, the level of service provided is different for each scheme, and is based on historical investment, the limitations of the scheme itself and affordability. Council decided the most appropriate means to fund this activity is through private funding. The mechanism for the private funding is a targeted rate to those who have the service available to them. Each scheme has an individual targeted rate. In addition to this, trade waste charges apply to large users, based on the volume and type of effluent.

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Wastewater	Wastewater	0:100	N/A	Targeted Rate (Scheme) and Trade Waste charges

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Wastewater								
Waste water services meet user needs	% customers satisfied with their wastewater services (Communitrak survey and email panel)		Target met – 99% recorded in the 2009/10 Communitrak Survey, the most recent undertaken (Existing Level of Service)	>95%	>95%	>95%	>95%	Outcome 1: Improve the natural environment
Waste water services are available for urban residences	% of urban residences within connection distance of a sewer lateral (GIS and Huefner records)		New measure (Enhanced Level of Service)	95%	95%	95%	95%	Outcome 6: MDC is an agile and efficient organisation
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.		New measure (Enhanced Level of Service)	±20% of peer group average	±20% of peer group average	±20% of peer group average	±20% of peer group average	Outcome 6: MDC is an agile and efficient organisation
A reliable wastewater service is provided	Number of unplanned events which disrupt the availability of waste water services (Customer service and contractor records)		New measure (Enhanced Level of Service)	1	1	1	1	Outcome 1: Improve the natural environment
	Affected users given 24 hours notice given of planned shutdowns		New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 6: MDC is an agile and efficient organisation


Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
	Complaints or issues responded to within 2 hours		New measure. Note: previous measures relate to response to high priority faults (within 1 hour) (Existing Level of Service)	90%	90%	90%	90%	Outcome 6: MDC is an agile and efficient organisation
Wastewater systems have minimal impact on the environment		Resource consent conditions met	Target not met. While most consent conditions were met during 2010/11, there were some non-compliance issues. These are being addressed with the upgrade of some treatment plants. (Existing Level of Service)	100%	100%	100%	100%	Outcome 1: Improve the natural environment

Funding Impact Statement

Wastewater	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	3,177		2,801	3,257	3,331	3,383	3,526	3,650	3,772	3,885	4,040	4,191
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	643		639	660	681	704	728	723	747	772	799	828
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	3,819		3,440	3,917	4,012	4,087	4,254	4,372	4,519	4,657	4,839	5,019

Wastewater	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of operating funding												
Payments to staff and suppliers	2,083		2,431	2,356	2,370	2,412	2,534	2,620	2,707	2,797	2,897	3,002
Finance costs	770		426	778	790	800	807	813	788	783	747	709
Internal charges and overheads applied	202		125	122	125	131	136	124	129	119	133	132
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	3,056		2,983	3,255	3,285	3,342	3,477	3,557	3,624	3,699	3,777	3,844
Surplus (deficit) of operating funding	764		457	662	728	745	776	816	895	958	1,062	1,175
Sources of capital funding												
Subsidies and grants for capital expenditure	2,000		3,215	0	0	0	0	0	0	0	0	0
Development and financial contributions	253		2,687	385	424	450	478	507	557	171	179	187
Increase (decrease) in debt	12,848		7,240	6,406	152	122	90	55	58	(510)	(528)	(515)
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	15,101		13,141	6,791	577	572	568	562	615	(339)	(349)	(328)
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		41	42	44	45	47	48	50	51	53	55
- to improve the level of service	15,412		10,211	6,786	563	565	567	568	598	73	75	77
- to replace existing assets	1,597		2,003	617	636	658	680	704	727	751	778	806
Increase (decrease) in reserves	(1,145)		1,344	7	61	50	51	58	135	(256)	(193)	(91)
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	15,864		13,598	7,453	1,304	1,317	1,344	1,378	1,510	619	713	847
Surplus (deficit) of capital funding	(763)		(457)	(662)	(728)	(745)	(776)	(816)	(895)	(958)	(1,062)	(1,175)
Funding balance	0		0	0	0	0	0	0	0	0	0	0



Water supply improves social wellbeing, and is important in enabling business and thus economic wellbeing.

Water Supply

What we do:

In order to supply drinking water to homes and businesses in the district, Council has five water schemes:

- Feilding
- Himatangi Beach
- Sanson
- Stanway/Halcombe Rural Water Scheme
- Waituna West Rural Water Scheme

In addition, Council has the following two Rural Water Supply Schemes that are community operated and administered:

- Kiwitea
- Oroua No.1

In all schemes, Council aims to provide water to New Zealand Drinking Water Standards.

Why do we do it?

The community benefits from the provision of water in rural and urban areas. Water is a basic requirement of life and necessary for a healthy community. Water supply improves social wellbeing, and is important in enabling business and thus economic wellbeing.

Council also has statutory obligations to provide water under the Local Government Act 2002, the Health Act 1956, Resource Management Act 1991 and the Health (Drinking Water) Amendment Act 2007.

How does this contribute to council outcomes?

The following outcomes are particularly relevant to the supply of water:

The Manawatu District will attract and retain residents

There are many community benefits attached to the provision of rural and urban water schemes. Robust water supply infrastructure will contribute towards Manawatu District attracting and retaining residents.

Activities within Water Supply group:

Water Supply, treatment and reticulation.

Significant negative effects of this activity

There are some negative effects, though none of these are considered significant:

- i. The costs of providing and improving water supply infrastructure in some areas of the district may be beyond the ability of the community to pay. Council promotes the best cost-efficient solution philosophy to water activities.
- ii. Extraction and the use of water resources may impact on the life-supporting capacity of ecosystems (e.g. river systems) and the environment generally. The Regional Council through the resource consent process manages environmental effects.

Council actively complies with resource consent conditions.

- iii. We live in a community with many different beliefs. One of these is the direct discharge of pollutants to the environment. Council works to minimise any cultural conflicts that may occur in the water activity, e.g. by consulting with affected groups through the Marae Consultative Committee, and by exceeding resource consent requirements. Council is also a party to the River Accord, a collaborative pathway to improving the region's rivers and waterways.

Key issues

- i. Much of the growth projected for Manawatu district is from urban and lifestyle blocks in the South. New sub divisional development is expected to continue over the coming years. This will mean a small increase in the total water assets vested in Council. This will also mean capital expenditure increases resulting from;
 - extensions to existing water schemes
 - the possibility of new scheme development in communities that do not benefit from existing water supplies

Council will monitor sub-divisional development over the coming years to ensure the correct level of service is delivered.

Population growth and industrial growth in Feilding will increase the demand on the existing systems. As a result, Council is currently undertaking a growth study which is looking at: identified areas of growth, existing pipe capacity and upgrading reservoir capacity. It is expected that any work from this will be funded from development contributions.

Population growth in Himatangi Beach will increase demand on the existing system. However, there is plenty of capacity in the system which means growth can be managed. In addition, a property has been purchased in anticipation of the expanded water treatment plant. It is expected that additional work will be funded from development contributions.

- ii. The over-65 age group is projected to more than double by 2031, while other age groups will remain static or decline. An ageing population presents a number of potential challenges. Key among these are questions around affordability, as there will be a sharp increase in the number of ratepayers on fixed incomes.

Major projects

- i. Renewal of Ageing Assets: each year Council replaces ageing water supply assets to ensure continuity of supply to the community. The budget for this is \$1,500,000 for the first three years of the LTP and \$670,000 per year for the remainder of the LTP. The increased

funding in years 1-3 is to remove known cast iron water mains, which will have a disproportionately high impact on the overall network capacity and functionality. (Existing Level of Service)

- ii. Metering and Backflow Protection: Council seeks ongoing improvements to the monitoring of water use and the protection of water reticulation from pollution at the Feilding Water Scheme. The annual budget for this is from \$37,000 to \$55,000. (Existing Level of Service)
- iii. Feilding pressure zone investigation: \$215,000 across 2013 and 2014 to investigate creation of even reticulation pressure zones. Benefit is providing similar level of service to all customers and increasing asset life. (Existing Level of Service)
- iv. New Reticulation Work: between 2015/16 and 2016/17/18 Council plans to install new reticulation in various parts of the District. The budget for this is \$2.4 million in 2015/16, and \$1.1 million between 2016 and 2018. The purpose of this is to cater for population growth. Funding will come from development contributions. (Enhanced Level of Service)
- v. Installation of a standby bore in 2015 at Himatangi Beach \$218,000. (Enhanced Level of Service)
- vi. An asset structure plan is required to support growth in alignment with the Urban Growth Strategy. \$100,000 is

budgeted in 2012/13. (Enhanced Level of Service)

- vii. The existing Stanway/Halcombe scheme is fully subscribed. Work is being done on flow modelling of the system to ascertain the viability of an extension of the current service to new users and a possible increase in the level of service by improving the water quality. (Enhanced Level of Service)
- viii. Council has carried over \$150,000 for Himatangi Beach water storage reservoir and added \$75,000 to the budget. This brings the total budget for 2012/13 to \$225,000.
- ix. In 2009, Council proposed a new water scheme for Rongotea, subject to Ministry of Health funding. Council subsequently secured funding of \$2.1 million – approximately 80% of the budgeted cost. In early 2010, Council held a poll of Rongotea residents to gauge interest in the scheme. Of those who voted, 62% were against it. The original proposal envisaged all Rongotea households, within a defined area, connecting to the scheme. This would mean all households contributing towards the non-subsidised costs. However, in light of the poll result, Council decided to make the scheme voluntary. Households will now have the option of opting in if they wish. The scheme is currently in the final design and procurement stage with construction

set to begin in late 2012. The budget for this in 2012/13 is \$2.9 million. (Enhanced Level of Service)

(e.g. water meters). Exacerbator costs should be recovered in full where possible.

How we fund this activity

Water Supply provides public benefits, such as:

- availability of water for public health and services (e.g. fire fighting) and recreational facilities (e.g. gardens, swimming pools)
- increased potential for enhanced community well-being and economic development
- conveyancing system for wastes

Once a unit of water is used, it is not possible to use it again without extra costs being incurred. It is possible to exclude people from a water supply through disconnection and charges. However, rural water supplies in their current format do not provide a measurable level of public good.

There are significant private benefits attached to urban and rural water supplies. Water is a basic necessity of life and therefore individuals, businesses and farms receive direct benefits from water used. A good water supply contributes to personal health and well-being.

Additional costs to Council are caused through illegal connections, leaks, excessive use and deliberate or unintentional damage to infrastructure.

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes and fees

Group	Activity	Funding Spilt (public/private)	Public Mechanism	Private Mechanism
Water Supply	Water Supply	0:100	N/A	Targeted Rate (Scheme) and User Fees and Charges - 'extra ordinary users' of the scheme

What level of service we are planning for

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Water Supply								
Reliable water supply service	Number of unexpected disruptions to service		Target met – there were no unexpected disruptions during 2010/11 (Existing Level of Service)	0	0	0	0	Outcome 6: MDC is an agile and efficient organisation
	Length of time customers are without water		Target met – no customer was without water for more than 8 hours (Existing Level of Service)	8 hours	8 hours	8 hours	8 hours	Outcome 6: MDC is an agile and efficient organisation
	Length of notice provided for planned shut downs		Target met – there were no disruptions without 24 hours notice (Existing Level of Service)	24 hours	24 hours	24 hours	24 hours	Outcome 6: MDC is an agile and efficient organisation
	Percentage of urgent requests for service responded to within one day (dirty, cloudy, smelly, bad tasting water, or no water at all)		Target not met – target in 2010/11 was within one hour: 28% of urgent requests responded to within one hour (Existing Level of Service)	100%	100%	100%	100%	Outcome 6: MDC is an agile and efficient organisation
	Water supply in Feilding complies with New Zealand Fire Service Fire Fighting Water Supplies Code of Practice*		New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 6: MDC is an agile and efficient organisation

Level of Service	Performance Measure		Current level of Service	Targets				Outcomes
	Customer	Technical		Year 1	Year 2	Year 3	Years 4 - 10	
Water supply extraction has a minimal environmental impact		Water extraction meets or exceeds resource consent requirements	New measure (Enhanced Level of Service)	100%	100%	100%	100%	Outcome 1: Improve the natural environment
Safe drinking water supply		Meet Drinking Water Standards 2005	Target not met – Council achieved compliance with the drinking water standards except for one scheme, which had a boiled water notice. (Existing Level of Service)	100%	100%	100%	100%	Outcome 1: Improve the natural environment

*Currently, Council does not meet this target within the Feilding area. This target should be met within five years, with the upgrade of the Feilding Water Scheme.

Funding Impact Statement

Water Supply	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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)	3,162		3,046	3,173	3,299	3,397	3,507	3,595	3,702	3,810	3,955	4,096
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	187		205	211	218	225	233	241	249	257	266	276
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	3,349		3,251	3,384	3,517	3,622	3,741	3,836	3,951	4,067	4,221	4,372

Water Supply	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Applications of operating funding												
Payments to staff and suppliers	1,650		1,760	1,869	1,932	2,000	2,072	2,144	2,218	2,296	2,381	2,471
Finance costs	387		294	332	509	514	548	525	502	475	454	435
Internal charges and overheads applied	260		141	131	136	143	150	136	141	132	146	145
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	2,297		2,195	2,332	2,577	2,657	2,769	2,805	2,861	2,903	2,981	3,051
Surplus (deficit) of operating funding	1,052		1,055	1,052	940	965	971	1,031	1,090	1,164	1,240	1,321
Sources of capital funding												
Subsidies and grants for capital expenditure	2,320		1,200	1,143	0	0	0	0	0	0	0	0
Development and financial contributions	282		379	163	170	177	185	196	205	214	225	236
Increase (decrease) in debt	802		673	309	2,344	55	456	(344)	(356)	(337)	(283)	(258)
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	3,404		2,251	1,615	2,513	232	641	(148)	(151)	(123)	(58)	(22)
Applications of capital funding												
Capital expenditure												
- to meet additional demand	0		290	53	2,379	335	775	0	0	0	0	0
- to improve the level of service	3,459		2,121	1,708	321	106	99	103	108	113	119	125
- to replace existing assets	1,184		2,016	1,758	1,805	881	846	865	839	866	932	964
Increase (decrease) in reserves	(188)		(1,121)	(852)	(1,052)	(126)	(108)	(85)	(8)	62	132	210
Increase (decrease) of investments	0		0	0	0	0	0	0	0	0	0	0
Total application of capital funding	4,456		3,307	2,667	3,453	1,197	1,612	883	939	1,041	1,183	1,300
Surplus (deficit) of capital funding	(1,052)		(1,055)	(1,052)	(940)	(965)	(971)	(1,031)	(1,090)	(1,164)	(1,240)	(1,321)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Prospective Financial Statements

Prospective Statement of Comprehensive Income

	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Revenue												
Rates Revenue (excluding water rates)	25,078		24,246	25,741	26,538	27,112	27,761	28,932	29,549	30,206	31,592	32,300
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		10,094	7,854	8,061	8,289	8,644	8,312	8,611	8,565	8,765	9,061
Other gains (losses)	22		0	0	1,453	0	108	0	0	0	0	0
Total revenue	44,226	1	45,681	42,726	43,266	43,102	44,335	45,588	49,045	47,375	49,242	50,536
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	2	11,991	12,686	13,133	13,320	13,712	14,207	14,632	14,970	15,740	16,307
Finance costs	1,810		1,737	2,439	2,657	2,604	2,518	2,390	2,299	2,193	2,099	1,982
Other operating expenses	18,241		17,848	17,410	17,977	18,688	18,982	19,579	20,124	20,694	21,722	22,233
Total operating expenditure	38,951	1	39,678	40,812	42,205	43,265	44,094	45,264	46,358	47,397	49,361	50,590
Operating surplus (deficit) before tax	5,275		6,004	1,913	1,061	(163)	241	324	2,687	(22)	(120)	(54)
Income tax expenses	0		0	0	0	0	0	0	0	0	0	0
Net surplus (deficit) after tax	5,275	3	6,004	1,913	1,061	(163)	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	18,756	20,043	17,517	18,298	19,957	24,093	23,563	22,843	23,632

Prospective Balance Sheet

	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012	Note	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets												
Current assets												
Cash and cash equivalents	459		1,135	1,192	334	1,138	1,479	1,810	43	594	1,487	2,472
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		8,095	8,332	7,725	8,068	7,792	8,348	6,814	7,601	8,753	10,002
Non-current assets												
Property, plant and equipment	593,331		611,494	642,085	665,956	683,318	700,976	719,838	744,837	766,227	786,908	808,551
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		622,149	650,637	673,730	689,987	707,140	725,515	750,006	771,056	791,100	812,386
Total assets	608,425		630,244	658,969	681,455	698,055	714,933	733,863	756,821	778,657	799,853	822,388
Liabilities												
Current liabilities												
Accounts payable	4,824		6,419	6,724	7,000	7,408	7,618	7,846	8,081	8,315	8,482	8,957
Provisions	46		54	56	57	58	59	61	63	65	66	68
Employee entitlements	332		665	686	708	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	9,973	10,464	11,293	10,333	10,612	10,944	11,067	11,298	12,009
Non-current liabilities												
Provisions	616		619	567	516	465	415	365	315	266	219	173
Borrowings	19,726		29,267	38,752	40,755	39,060	38,649	37,393	35,976	34,175	32,344	30,581
Total non-current liabilities	20,342		29,886	39,319	41,271	39,525	39,064	37,758	36,291	34,441	32,563	30,754
Total liabilities	25,544		39,322	49,292	51,735	50,817	49,397	48,370	47,235	45,508	43,860	42,763

	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012	Note	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity												
Retained earnings	469,120		471,263	473,409	474,732	474,626	474,942	475,278	478,169	478,172	478,083	478,070
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	609,678	629,721	647,238	665,536	685,493	709,586	733,149	755,992	779,625
Total Liabilities and Equity	608,425		630,244	658,969	681,455	698,055	714,933	733,863	756,821	778,657	799,853	822,388

Prospective Statement of Changes in Equity

	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012	Note	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening Equity Balance	561,213	4	566,700	590,922	609,678	629,721	647,238	665,536	685,493	709,586	733,149	755,992
Total comprehensive income for the year	21,669		24,222	18,756	20,043	17,517	18,298	19,957	24,093	23,563	22,843	23,632
Closing Equity Balance	582,882		590,922	609,678	629,721	647,238	665,536	685,493	709,586	733,149	755,992	779,625

Prospective Statement of Cash Flows

	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012	Note	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities												
Cash was provided from:												
Receipts from rates revenue	24,853		24,246	25,741	26,538	27,112	27,761	28,932	29,549	30,206	31,592	32,300
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		20,894	16,410	14,618	15,142	15,498	15,786	18,614	16,276	16,744	17,318
Cash was disbursed to:												
Payments to suppliers and employees	(25,887)		(25,864)	(25,596)	(26,345)	(27,266)	(27,833)	(28,668)	(29,427)	(30,234)	(31,522)	(32,301)
Interest paid	(1,810)		(1,737)	(2,439)	(2,657)	(2,604)	(2,518)	(2,390)	(2,299)	(2,193)	(2,099)	(1,982)
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		18,080	14,690	12,810	13,231	13,767	14,531	17,319	14,948	15,620	16,254
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)		(32,180)	(26,366)	(17,614)	(12,789)	(13,101)	(13,223)	(18,012)	(12,751)	(13,247)	(14,052)
Net cash from investing activities	(46,626)		(31,600)	(24,326)	(15,863)	(11,128)	(11,819)	(12,967)	(17,737)	(12,456)	(12,929)	(13,710)

	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012	Note	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows financing activities												
Cash was provided from:												
Proceeds from borrowing	27,564		14,876	11,991	4,702	1,400	1,488	666	574	50	52	324
Cash was disbursed to:												
Repayment of borrowings	(812)		(1,865)	(2,298)	(2,507)	(2,699)	(3,095)	(1,899)	(1,922)	(1,991)	(1,851)	(1,884)
Net cash from financing activities	26,752		13,011	9,693	2,195	(1,299)	(1,607)	(1,233)	(1,348)	(1,941)	(1,798)	(1,560)
Net (decrease) increase in cash, cash equivalents and bank overdrafts	(3,367)		(508)	57	(857)	804	341	330	(1,767)	551	893	985
Cash, cash equivalents and bank overdrafts at the beginning of the year	3,826		1,643	1,135	1,192	334	1,138	1,479	1,810	43	594	1,487
Cash, cash equivalents and bank overdrafts at the end of the year	459		1,135	1,192	334	1,138	1,479	1,810	43	594	1,487	2,472

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.

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Operating Revenue in the FIS	33,774	33,681	35,544	36,654	37,766	38,714	39,594	40,537	41,620	43,282	44,363
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
Net gain and losses not included in FIS	22	0	0	1,453	0	108	0	0	0	0	0
Total Revenue in the Statement of Comprehensive Income	44,226	45,681	42,726	43,266	43,102	44,335	45,588	49,045	47,375	49,242	50,536
Applications of Operating Funding in the FIS	27,697	27,686	28,127	29,072	29,945	30,382	31,058	31,726	32,427	33,621	34,283
Depreciation not included in the FIS	11,254	11,991	12,686	13,133	13,320	13,712	14,207	14,632	14,970	15,740	16,307
Total Operating Expenditure in the Statement of Comprehensive Income	38,951	39,678	40,812	42,205	43,265	44,094	45,264	46,358	47,397	49,361	50,590

Note 2

Depreciation and Amortisation Expense per Group of Activities

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Community Facilities	1,179	1,277	1,419	1,508	1,534	1,576	1,669	1,645	1,689	1,773	1,808
District Development	0	0	0	0	0	0	0	0	0	0	0
Emergency Management	1	3	3	3	3	3	3	3	4	4	4
Environmental and Regulatory	4	5	7	7	7	7	5	5	5	3	3
Governance and Strategy	0	0	0	0	0	0	0	0	0	0	0
Roading Network	6,744	7,301	7,523	7,794	8,037	8,273	8,543	8,840	9,164	9,481	9,811
Solid Waste	3	0	0	0	0	0	0	0	0	0	0
Stormwater and Drainage	419	425	444	460	478	498	520	545	573	605	639
Wastewater	867	812	1,065	1,151	1,187	1,236	1,291	1,354	1,424	1,502	1,588
Water Supply	1,149	1,151	1,251	1,332	1,374	1,427	1,477	1,529	1,588	1,653	1,721
Support Services	888	1,018	974	877	700	691	698	710	524	721	734
Total Depreciation and Amortisation	11,254	11,991	12,686	13,133	13,320	13,712	14,207	14,632	14,970	15,740	16,307

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.

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Net surplus/(deficit) after tax	5,275	6,004	1,913	1,061	(163)	241	324	2,687	(22)	(120)	(54)
The surplus/(deficit) consists of the following:											
Roading subsidy received from NZ Transport Agency to fund capital expenditure	4,720	4,031	3,985	4,044	4,170	4,293	4,716	7,150	4,755	4,919	5,091
Subsidies and Grants for capital expenditure	4,320	4,415	2,143	0	0	0	0	0	0	0	0
Capital contributions and connection fees used to fund capital expenditure	87	2,963	443	485	515	546	583	638	258	271	285
Development Contributions recognised as revenue but used to fund past or future capital expenditure in relation to growth	1,303	591	610	630	651	673	696	720	744	770	797
Depreciation not funded											
- Roading (renewal funded by NZTA subsidy)	(3,253)	(3,521)	(3,629)	(3,759)	(3,876)	(3,990)	(4,120)	(4,264)	(4,420)	(4,572)	(4,732)
- Parks (only 50% of depreciation is funded)	(184)	(199)	(204)	(230)	(237)	(245)	(274)	(282)	(291)	(326)	(336)
- Halls (depreciation is only funded on recreation complexes)	(325)	(195)	(204)	(211)	(211)	(221)	(232)	(232)	(242)	(252)	(252)
Loans principal repayments funded from rates (CBD redevelopment)											
- CBD Redevelopment Loans	48	52	67	75	88	98	108	113	124	133	143
Gain on Property recognised	22	0	0	0	0	108	0	0	0	0	0
Write back of the impairment of debt	0	0	0	1,453	0	0	0	0	0	0	0
Use of reserves and special funds	(1,464)	(2,134)	(1,299)	(1,425)	(1,263)	(1,022)	(1,152)	(1,156)	(950)	(1,063)	(1,050)
	5,275	6,004	1,913	1,061	(163)	241	324	2,687	(22)	(120)	(54)

Note 4 Opening Balances

The opening balances for year 1 (1 July 2012) do not agree with the closing balances for the 2012 Annual Plan (30 June 2012). The annual plan is approved by Council in June 2011 and the annual plan closing balances reflect the planned position at that time. Actual results for the 2011/12 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 year 1 we have reforecasted the closing balances at 30 June 2012 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

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Surplus (deficit) of operating funding	6,077	5,995	7,417	7,582	7,821	8,333	8,536	8,811	9,193	9,660	10,081
Surplus (deficit) of capital funding	(6,077)	(5,995)	(7,417)	(7,582)	(7,821)	(8,333)	(8,536)	(8,811)	(9,193)	(9,660)	(10,081)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0
Loan principal repayments funded by rates	48	52	67	75	88	98	108	113	124	133	143
Depreciation funded by rates but transferred to reserve to fund renewal (current and future years)	7,492	8,076	8,649	8,933	8,997	9,257	9,582	9,856	10,018	10,591	10,987
Operating items funded from the transfer of reserves included in the capital activities	(1,464)	(2,134)	(1,299)	(1,426)	(1,265)	(1,023)	(1,154)	(1,158)	(949)	(1,064)	(1,049)
	6,077	5,995	7,417	7,582	7,820	8,333	8,536	8,811	9,193	9,660	10,081

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	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000

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 separately accounted for and are applied in subsequent years to the specified activity.

Opening balances	3,968	4,500	896	544	105	(114)	(1,020)	(1,745)	(2,223)	(3,134)	(4,176)
Transfers to reserves	1,134		1,979	1,958	2,054	1,585	553	681	299	236	330
Transfers from reserves	(1,792)	(3,604)	(2,331)	(2,397)	(2,273)	(2,491)	(1,278)	(1,159)	(1,210)	(1,278)	(1,107)
Closing Balance	3,310	896	544	105	(114)	(1,020)	(1,745)	(2,223)	(3,134)	(4,176)	(4,953)

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	1,178	1,059	1,347	513	(576)	(765)	(995)	(1,503)	(1,688)	(1,853)	(1,992)
Transfers to reserves	661	591	610	630	650	673	396	720	743	770	797
Transfers from reserves	(780)	(303)	(1,444)	(1,719)	(839)	(903)	(904)	(905)	(908)	(909)	(911)
Closing Balance	1,059	1,347	513	(576)	(765)	(995)	(1,503)	(1,688)	(1,853)	(1,992)	(2,106)

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	2,500	4,440	4,462	5,018	5,667	6,887	8,316	9,421	8,585	10,036	11,929
Transfers to reserves	7,492	8,076	8,649	8,932	8,995	9,255	9,580	9,854	10,018	10,590	10,987
Transfers from reserves	(5,963)	(8,054)	(8,093)	(8,283)	(7,775)	(7,827)	(8,475)	(10,690)	(8,567)	(8,697)	(9,030)
Closing Balance	4,029	4,462	5,018	5,667	6,887	8,316	9,421	8,585	10,036	11,929	13,886

Retained Earning	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000

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, Childrens Welfare Trust, Robert Dickson Educational Trust, Museum Trust and the Feilding and District Relief Trust.

Opening balances	186	187	190	194	197	201	205	210	214	219	224
Transfers to reserves	9	11	11	11	11	12	12	12	12	13	13
Transfers from reserves	(8)	(8)	(7)	(8)	(7)	(8)	(7)	(8)	(7)	(8)	(7)
Closing Balance	187	190	194	197	201	205	210	214	219	224	230

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	2,800	2,999	2,138	1,901	1,637	1,576	1,496	1,482	1,272	1,243	1,206
Transfers to reserves	140	172	123	109	94	91	86	85	73	71	69
Transfers from reserves	(745)	(1,033)	(360)	(374)	(155)	(170)	(101)	(295)	(102)	(108)	(115)
Closing Balance	2,195	2,138	1,901	1,637	1,576	1,496	1,482	1,272	1,243	1,206	1,161

Revaluation Reserves

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

Opening balances	94,985	99,112	117,330	134,173	153,155	170,835	188,892	208,525	229,931	253,516	276,479
Transfers to reserves	16,394	18,218	16,843	18,982	17,680	18,057	19,633	21,406	23,585	22,963	23,686
Transfers from reserves	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	111,379	117,330	134,173	153,155	170,835	188,892	208,525	229,931	253,516	276,479	300,165

Total Other Reserves	113,761	119,659	136,268	154,989	172,612	190,594	210,216	231,417	254,978	277,909	301,555
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Part Three

Policies and other information



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 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 (PBEs) 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. All available reporting exemptions allowed under the framework for PBEs have been adopted.

The prospective financial statements have been developed for the purpose of reporting the Council's Long Term 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 Council is New



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

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.

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

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 statement of comprehensive income.

Income Tax

Income tax expense is charged in the statement of comprehensive income 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 profit or loss; held-to-maturity investments; loans and receivables; and financial assets at fair value through equity. 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 Profit or Loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss 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 statement of comprehensive income.

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 statement of comprehensive income.

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 statement of comprehensive income.

Financial Assets at Fair Value Through Equity

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

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

Non-Current Assets Held for Sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of comprehensive income. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. 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-tradable. 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 statement of comprehensive income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Work in Progress

All assets constructed by Council are initially recorded as work in progress. 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)		
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%)

Asset	Useful Life	Depreciation Rate
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.

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 to fair value on a depreciated replacement cost basis as determined by an independent valuer. At balance date, the Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. The most recent valuation was performed internally by engineering staff and certified by C H Jenkins of SPM Consultants Ltd as at 1 July 2010.

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

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 2010.

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

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).

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 and 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 statement of comprehensive income.

Costs of a capital nature are capitalised each year and the costs to maintain the forestry assets are included in the statement of comprehensive income.

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 statement of comprehensive income.

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 statement of

comprehensive income 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 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.

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.

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 15 March 2012. 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 long term 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.

Council Funding Impact Statement

Council	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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	3,735	3,803	3,960	4,007
Targeted rates (other than a targeted rate for water supply)	21,815		21,107	22,410	23,112	23,644	24,220	25,248	25,813	26,403	27,633	28,293
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		3,761	3,894	4,088	4,241	4,391	4,514	4,670	4,830	4,999	5,175
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	1	33,681	35,544	36,654	37,766	38,714	39,594	40,537	41,620	43,282	44,363
Applications of operating funding												
Payments to staff and suppliers	25,887		25,949	25,687	26,415	27,341	27,864	28,668	29,427	30,234	31,522	32,301
Finance costs	1,810		1,737	2,439	2,657	2,604	2,518	2,390	2,299	2,193	2,099	1,982
Other operating funding applications	0		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	27,697	1	27,686	28,127	29,072	29,945	30,382	31,058	31,726	32,427	33,621	34,283
Surplus (deficit) of operating funding	6,077	5	5,995	7,417	7,582	7,821	8,333	8,536	8,811	9,193	9,660	10,081
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		13,011	9,693	2,195	(1,299)	(1,607)	(1,233)	(1,348)	(1,941)	(1,798)	(1,560)
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		26,512	18,375	8,854	5,537	4,905	4,762	7,160	3,814	4,162	4,614

Council	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2012 \$000	Note	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	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		16,542	13,911	2,110	2,021	1,699	1,662	1,779	1,080	1,187	1,431
- to replace existing assets	13,092		12,964	11,387	10,988	10,500	10,581	11,514	16,183	11,620	12,007	12,566
Increase (decrease) in reserves	(4,296)		(1,268)	(996)	(1,094)	546	233	178	(1,931)	374	702	779
Increase (decrease) of investments	873		927	422	(84)	(90)	(96)	(103)	(111)	(119)	(127)	(136)
Total application of capital funding	43,281		32,507	25,792	16,436	13,357	13,239	13,298	15,971	13,007	13,822	14,695
Surplus (deficit) of capital funding	(6,077)	5	(5,995)	(7,418)	(7,582)	(7,821)	(8,333)	(8,536)	(8,811)	(9,192)	(9,661)	(10,081)
Funding balance	0		0	0	0	0	0	0	0	0	0	0

Rating System - LTP 2012

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 rooothing 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.

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

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.

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 has 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.

Differential Category	Basis	Differential	Cents in the \$	Estimated Revenue
1. Feilding Residential	CV	1.00	0.09494	\$1,262,045
2. Feilding Rural	CV	0.30	0.02848	\$72,993
3. Feilding CBD	CV	2.75	0.26109	\$325,312
4. Rural	CV	0.30	0.02848	\$1,354,740
5. Industrial and Commercial	CV	1.50	0.14241	\$178,221
6. Utilities	CV	1.75	0.16615	\$1,122,599

Total revenue to be generated 2012/13
\$3,315,909 (based on capital values as at
1 August 2010).

Parks and Reserves Targeted Rate

Council has 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 \$1,952,220.

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 unit. This is 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.

Differential Category	Basis	Differential	Cents in the \$	Estimated Revenue
1. Feilding Residential	CV	1.00	0.04702	\$625,053
2. Feilding Rural	CV	0.30	0.01411	\$36,151
3. Feilding CBD	CV	2.75	0.12931	\$161,117
4. Rural	CV	0.30	0.01411	\$670,962
5. Industrial and Commercial	CV	1.50	0.07053	\$88,267
6. Utilities	CV	1.75	0.08229	\$60,720

Total revenue to be generated 2012/13
\$1,642,270 (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 has been set.

Total revenue required for the roading activity is \$5,547,581

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 unit. 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.

Differential Category	Basis	Differential	Cents in the \$	Estimated Revenue
1. Feilding Residential	CV	1.00	0.09796	\$1,302,154
2. Feilding Rural	CV	0.65	0.06367	\$163,177
3. Feilding CBD	CV	2.75	0.26939	\$335,651
4. Rural	CV	0.65	0.06367	\$3,028,556
5. Industrial and Commercial	CV	1.50	0.14694	\$183,885
6. Utilities	CV	1.75	0.17143	\$126,495

Total revenue to be generated 2012/13 \$5,139,918 (based on capital values as at 1 August 2010).

Makino Aquatic Centre and Library Targeted Rate

Council has 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 \$247

Outside the Feilding Differential Rating Area \$162

Total revenue to be generated 2012/13 \$2,535,006

Feilding CBD Redevelopment Targeted Rate

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

- 0.16380 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 2012/13 \$192,352

Feilding CBD Security Targeted Rate

- Council has 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 \$265

Total revenue to be generated 2012/13 \$67,774

Feilding Kerbside Recycling Targeted Rate

Council has set a targeted rate to fund the kerbside recycling collection service per separately used or inhabited part of a rating unit that is situated within the 2009 Feilding Differential Rating Area and to which the kerbside recycling collection service is available

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

Feilding Kerbside Recycling \$52

Total revenue to be generated 2012/13 \$323,941

Uniform Targeted Rates

The following uniform targeted rates have been 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	Uniform Targeted Rate 2012/13	Estimated Revenue to be collected 2012/13
Animal Control	\$23	\$288,381
Cemeteries	\$21	\$265,039
Civil Defence	\$17	\$205,767
Governance and Strategy	\$113	\$1,403,754
Environmental and Regulatory Management	\$137	\$1,694,361
Local Halls and Recreation Complexes	\$29	\$359,083
Parks and Reserves	\$25	\$309,950
Public Conveniences	\$28	\$350,829
Recycling	\$12	\$143,358
Roading	\$100	\$1,239,800
Solid Waste Collection	\$15	\$182,586
Solid Waste Disposal	\$51	\$633,990

Rural Drainage Targeted Rates

Council has 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 2012/13 \$63,949

Category	Cents in the \$	Estimated Revenue
Bainesse drainage district		\$6,492
Bainesse Class A	0.03854	
Bainesse Class B	0.02174	
Bainesse Class C	0.01641	
Makowhai drainage district		\$6,602
Makowhai Class A	0.02322	
Makowhai Class B	0.01897	
Makowhai Class C	0.00330	
Maire drainage district		\$3,588
Maire Class A	0.01884	
Maire Class B	0.00904	
Maire Class C	0.01285	
Maire Class D	0.00999	
Oroua Downs drainage district		\$47,267
Oroua Downs Class A	0.06851	
Oroua Downs Class B	0.03595	
Oroua Downs Class C	0.01982	

Stormwater Targeted Rates

Council has 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:

Category	Targeted Rate
2009 Feilding Differential Rating area	\$96
Rongotea urban area	\$88
Sanson urban area	\$111

Total revenue to be generated 2012/13 \$613,057

Wastewater Disposal Targeted Rate

Council has 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 Mount Taylor.

“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.

Category	Targeted Rate
Wastewater disposal - connected	\$452
Wastewater disposal - serviceable	\$226
Restricted service - connected	\$362

Total revenue to be generated 2012/13 \$3,221,049

Water Supply Targeted Rates – Urban

Council has 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.

Category	Targeted Rate
Water supply - connected	\$476
Water supply - serviceable	\$238
Restricted supply - connected	\$381

Total revenue to be generated 2012/13 \$3,008,494

Extraordinary users of the water scheme under Council’s bylaw have their water consumption metered. As extraordinary users of the water scheme, users will be charged the annual serviced water supply targeted rate per water meter connected. This provides for normal water usage.

Should consumption exceed the quarterly

allocated water usage of 95 cubic metres, additional consumption charges of \$1.20 per cubic meter will apply .

Water Supply Targeted Rates - Rural

Council has 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.

Category	Targeted Rate
Stanway/Halcombe rural water supply area	\$210
Waituna West rural water supply area	\$273

Total revenue to be generated 2012/13 \$483,922

Category	Targeted Rate
Oroua Rural Water Supply Area.	\$65
Kiwitea Rural Water Supply Area	\$253
Kiwitea Rural Water Supply Area per unit of water supplied over and above the allocated entitlement.	\$405

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 2012/13 rating year.

Property

Write in your most recent Capital Value		_____	(a)
Write your general rate category cents in the dollar		_____	(b)
General rate	(a) x (b)/100 =	_____	(c)
Write your Parks and Reserves targeted rate category cents in the dollar		_____	(d)
Parks and Reserves Targeted Rate	(a) x (d)/100 =	_____	(e)
Write your Rooding Network targeted rate category cents in the dollar		_____	(f)
Rooding Network Targeted Rate	(a) x (f)/100 =	_____	(g)
Uniform Targeted Rate (per separately used or inhabited part)	\$571	_____	(h)
Community facilities (MAC and Library) (per separately used or inhabited part)			
	Feilding	\$247	(i)
	Rural	\$162	(j)
Feilding CBD redevelopment	(a) x 0.16380/100	_____	(k)
Feilding CBD security	\$265	_____	(l)
Feilding kerbside	\$52	_____	(m)
Water supply or Rural Water supply		_____	(n)
Wastewater disposal (per pan or urinal)		_____	(p)
Stormwater		_____	(q)
	Total	\$ _____	

Rating Property Examples

Rating Category	CV (at 1 August 2010)	2011/12 Total Rates (GST Incl)	2012/13 Total Rates GST (Incl)	Percentage Change
Feilding Residential	\$295,000	\$2,515	\$2,602	3.5
Feilding Residential (no water/wastewater)	\$910,000	\$2,976	\$3,149	5.8
Feilding Residential (multi –unit)	\$1,850,000	\$52,612	\$26,314*	-50.0
Feilding Rural	\$430,000	\$1,945	\$2,105	8.2
Feilding Rural	\$600,000	\$1,907	\$2,068	8.4
Feilding CBD	\$465,000	\$6,762	\$7,346	8.6
Feilding CBD	\$610,000	\$6,933	\$7,636	10.1
Rural (with wastewater)	\$240,000	\$1,381	\$1,440	4.3
Rural (with farming as one remission)	\$960,000	\$1,007	\$1,020	1.3
Rural (with farming as one remission)	\$3,700,000	\$3,881	\$3,932	1.3
Industrial/Commercial	\$1,250,000	\$6,237	\$6,393	2.5
Industrial/Commercial (previously Rural/ Industrial)	\$7,772,000	\$14,785	\$28,704	94.1

*Assumed that services calculated as volumetric
for 2012/13

Due instalment and penalty dates

All rates are to be set for the year commencing 1 July 2012 and ending 30 June 2013.

Rates will be payable in four instalments and must be paid by the fourth Friday of the month: August, November, February and May.

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 2012 and 1 January 2013. The following are the due dates for payment:

	Instalment One	Instalment Two	Instalment Three	Instalment Four
Invoice Date	01 August 2012	01 November 2012	01 February 2012	01 May 2012
Due Date	24 August 2012	23 November 2012	22 February 2013	24 May 2013
Penalty Date	27 August 2012	26 November 2012	25 February 2013	27 May 2013

*Instalment 1 penalty credited if total year of annual rates is received by 23 November 2012.

Rates Remission and Postponement Polices

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 mores '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 –

- owned by the same person or persons; and
- used jointly as a single unit; and
- 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 (new policy)

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

Remission of the Rates set for small dwellings (new policy)

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 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.

Objective 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.



This enables Council to match charges placed on the community against the period of benefits from capital expenditure.

Revenue and Financing Policy

The Local Government Act 2002 requires Council to adopt a Revenue and Financing Policy. This policy outlines how the expenditure needs of Council activities are funded. Council has developed this policy as part of the 2012-22 LTP.

Process

There are three main steps for the development of the Revenue and Financing Policy.

1 Identify activities

This step requires Council to determine the activities it will be involved with (e.g. libraries and archives, roading etc).

2 Analysis at activity level

Step two requires Council to identify the most appropriate funding sources for each activity. Council is required to consider:

- Council Outcomes – what are the council outcomes the activity primarily contributes toward
- User/Beneficiary Pays principle – how the benefits of the activity are spread – across the community or to particular groups or individuals
- Intergenerational Equity principle – who will benefit from the activity in the future and how should the costs be shared between present and future generations
- Exacerbator Pays principle – are there

parties whose actions or inactions contribute to the need for activities

- Costs and benefits of funding activities distinctly from other activities – are the funding sources for each activity efficient, transparent and accountable
- ### 3 Consideration of impact on wellbeing

In this step, Council must consider the collated results of Steps 1 and 2 and identify the impacts on the current and future social, economic, environmental and cultural wellbeing of the community. Changes to the selection of funding mechanisms may be made dependent on this analysis.

Council completed this process in July 2011. Individual policies for each activity are included in this section. Results are summarised below and in the Funding Impact Statement (FIS), which discloses information about all of the funding sources.

Sources of Funding

Funding of Operating Expenditure

Council funds operating expenditure from the following sources:

- General rates
- Targeted rates
- Lump sum contributions
- Fees and charges
- Interest and dividends from investments

- Grants and subsidies towards operating expenses (grants and subsidies towards capital expenditure are applied to the related capital expenditure only)
- Other operating revenue

Council may choose not to fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees or charges.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. Council will only budget for such an operating surplus if necessary to fund an operating deficit in the immediately preceding or following years, or to repay debt. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. This is contained in the summary on the next page.

Funding of Capital Expenditure

Council funds capital expenditure from borrowing and then spreads the repayment of that borrowing over several years. This enables Council to match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Liability Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets when practical.

Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Council reserves, including reserves comprising financial contributions under the Resource Management Act 1991
- Contributions towards capital expenditure from other parties such as Transfund (in relation to certain roading projects)
- Development contributions
- Annual revenue collected to cover depreciation charges
- Proceeds from the sale of assets
- Operating surpluses
- Any other sources

Group	Activity	Funding Split		Public Mechanism	Private Mechanism	
		(public)	(private)			
1	Community Facilities	Cemeteries	60	40 (over 10 years)	Uniform Targeted Rates	User Fees and Charges
		District Libraries	95	5	Targeted rate (Feilding 60%, Rural 40%)	User Fees and Charges
		Local Halls and Recreation Complexes	100	0	Uniform Targeted Rates	N/A
		Makino Aquatic Centre	65	35	Targeted rate (Feilding 60%, Rural 40%)	User Fees and Charges
		Parks and Reserves	95	5	Uniform Targeted Rates/ Targeted Rate (Capital Value)	User Fees and Charges
		Property	100	0	General Rate	N/A
		Public Conveniences	100	0	Uniform Targeted Rates	N/A
		Public Conveniences in Parks and Reserves	90	10	Uniform Targeted Rates	(Park) Fees and Charges
2	District Development	Community Funding and Development	100	0	General Rate	N/A
		Economic Development	100	0	General Rate	N/A
		Feilding CBD Security	20	80	General Rate	Targeted Rate (CBD Rating Differential Area)
3	Emergency Management	Civil Defence	100	0	Uniform Targeted Rates	N/A
		Rural Fire	100	0	General Rate	N/A
4	Environmental and Regulatory Management	Animal Control	45	55	Uniform Targeted Rates	User Fees and Charges
		Building Control	40	60 (over 10 years)	General Rate/Uniform Targeted Rates	User Fees and Charges
		District Planning	79	21	General Rate/Uniform Targeted Rates	User Fees and Charges
		Environmental Health	94	6	General Rate/Uniform Targeted Rates	User Fees and Charges
		Liquor Licensing	48	52	General Rate/Uniform Targeted Rates	User Fees and Charges
5	Governance and Strategy	Governance and Strategy	100	0	Uniform Targeted Rates	N/A
6	Roading Network	Feilding CBD Redevelopment	0	100	N/A	Targeted Rate (CBD Rating Differential Area)
		Roading Network	55	45	Uniform Targeted Rates/ Targeted Rate (Capital Value)	New Zealand Transport Agency Subsidy
7	Solid Waste	Feilding Kerbside Collection	0	100	N/A	Targeted Rate
		Recycling System and Centre	100	0	Uniform Targeted Rates	N/A
		Solid Waste Disposal	30	70	General Rate/Uniform Targeted Rates	User Fees and Charges
		Solid Waste Collection	30	70	General Rate/Uniform Targeted Rates	User Fees and rubbish bag sales
8	Stormwater and Drainage	Rural Land Drainage	0	100	N/A	Targeted Rate (direct to users by classification on degrees of benefit)
		Urban Stormwater	20	80	General Rate	Targeted Rate (Scheme)
9	Water	Water Supply	0	100	N/A	Targeted Rate (Scheme) Fees and Charges and 'extra ordinary users' of the scheme
10	Wastewater	Wastewater	0	100	N/A	Targeted Rate (Scheme) and Trade Waste Charges

1. Community Facilities

Cemeteries

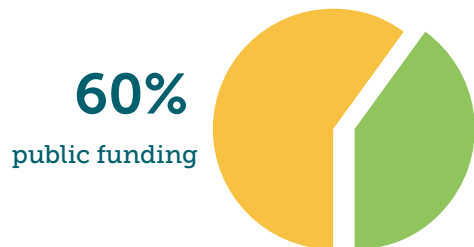
Funding Analysis

Cemeteries provide both public and private benefits. While the Burial and Cremation Act 1964 requires local authorities to provide cemeteries, public benefits include reduced risk to public health, provision of an important historical resource for the district and maintenance of human respect and dignity. Significant private benefits exist in the provision of individual gravesites as specific places for burial and remembrance. Certain groups or individuals may be excluded from these benefits due to cost. Benefits are ongoing to the community, families and individuals.

Income from cemeteries may not cover burial costs or contribute to ongoing maintenance and administration costs. Vandalism and the failure of families to maintain headstones are sources of exacerbator costs.

Identified Funding Sources and Mechanisms

Funding Split Public 60 – Private 40



The public expect provision of a cemetery service that everyone can use, while the

individual or family meet the costs of burial. Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district wide) (public funding) and user fees (private funding).

The use of these funding sources is transparent through the annual plan.

Recovery of exacerbator costs will be in full where possible.

Libraries and Archives

Funding Analysis

Libraries and archives represent a collective community resource. Significant community benefits are associated with the provision of library and archive services. These include access to information, opportunity for education, leisure and research, provision of a community centre for social gatherings, displays and learning and storage facilities for important historical and community information. A good library contributes to a sense of civic pride as well as protecting information for future generations.

Library services also provide private benefits through individual access to educational resources, research materials and leisure time reading. This can help increase personal knowledge and contribute to physical, mental, emotional and spiritual well-being. While the service is available to all, people can be excluded from its benefits through library hours, user charges and unavailability of particular books.

Benefits accrue constantly to the community. Some benefits, such as capital expenditure on library facilities and books accrue over their expected lifetime. Additional costs to Council are caused through overdue, lost and damaged resources.

Identified Funding Sources and Mechanisms

Funding Split Public 95 – Private 5

Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and fees (private funding). Due to the proximity of the library to Feilding residents, 60% of the expenditure will be recovered from ratepayers within the 2009 Feilding Differential Rating Area (FDRA), while 40% will be recovered from the remainder of the district.

The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees.

Recovery of exacerbator costs, through fines and other charges, will be in full.

Local Halls and Recreation Complexes

Funding Analysis

Local halls and recreation complexes provide significant public benefits through provision of multi-use venues for local communities and a hub for the community in the event of a natural disaster. Halls contribute to enhancing the social well-being and cohesion of a community and provide a source of community pride.

Local halls and recreation complexes provide private benefits through private events held in

halls.

While halls are available to all, people can be excluded from its benefits through user fees, bookings and locked doors. Benefits are immediate and ongoing to individual communities and particular user groups.

Misuse and vandalism can cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 100 – Private 0

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). The use of this funding source is transparent through the annual plan and rates assessment. Private funding (gathered through hall fees) is used at the discretion of the Hall Committee.

Recovery of exacerbator costs (e.g. vandalism, misuse) will be in full where possible.

Makino Aquatic Centre

Funding Analysis

The Makino Aquatic Centre provides public benefits such as:

- a facility available for water recreation
- educating about water safety and building confidence in the water
- contributing to community health and well-being
- adding to the attractiveness of the district for current and prospective residents

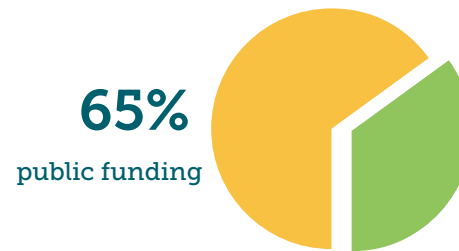
The Makino Aquatic Centre is available to all

and offers significant public benefit, whether members of the public choose to use the centre or not. Opening hours can exclude people from the venue. It also provides private benefits to individuals and groups such as relaxation, health and sports fitness, water confidence and water safety education. Council considers it is important that the Makino Aquatic Centre remains competitive with other pools in the region.

The benefits of the Makino Aquatic Centre are ongoing to the community and future generations. Vandalism and pool contamination cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 65 – Private 35



Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and user fees (private funding). Due to the proximity of the Makino Aquatic Centre to Feilding residents, 60% of the expenditure is recovered from ratepayers within the 2009 Feilding Differential Rating Area (FDRA), while 40% is recovered from the remainder of the district.

The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees and charges.

Recovery of costs for extra services, such as holiday programmes and swimming lessons will be in full from the participant.

Recovery of exacerbator costs (e.g. vandalism, pool contamination) will be in full where possible.

Parks and Reserves and Sports grounds

Funding Analysis

Parks, reserves and sports grounds provide significant public benefits, including:

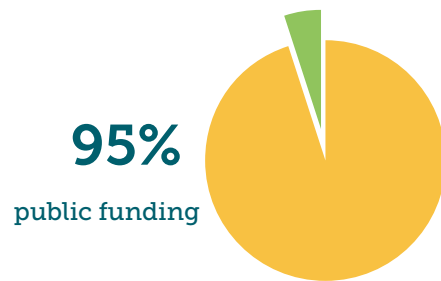
- resources for individuals and community groups to pursue active and passive leisure pursuits
- community pride
- contributing to community health and well-being
- adding to the beauty of the district
- education on the natural environment, including types of plants and wildlife

Parks, reserves and sports grounds provide some private benefits to individuals and groups, such as participation in leisure opportunities (e.g. flying kites, walking the dog, exercise). Parks, reserves and sports grounds are available the majority of the time. Benefits are ongoing to groups and individuals. Future generations will benefit in areas set aside for park, reserves and sports grounds. It is difficult to exclude people from enjoying the benefits of these

areas. Misuse by groups and individuals (e.g. motorbikes on sand dunes) can cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 95 - Private 5



Council decided the most appropriate means to fund the public portion of this activity is through a combination of uniform targeted rate (district wide) and a targeted rate (based on capital value with differentials) (public funding) and fees and charges as well as donations (private funding).

The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees.

Recovery of exacerbator costs (e.g. vandalism) will be in full where possible.

Property

Funding Analysis

Council owned houses, buildings and land throughout the district provide significant public benefits as these form part of Councils asset portfolio. It also allows individuals, businesses and non-profit organisations the opportunity to rent or lease properties throughout the district.

Council will only acquire and hold properties to assist in achieving the strategic objectives of Council. Accordingly, Council does not involve itself in acquiring properties for investment purposes.

The benefits of Council owned property is on-going, as long as facilities, and land are maintained and enhanced. Non-payment of leases or rent is an additional to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 100 – Private 0

Council decided the most appropriate means to fund this activity is through a general rate (based on capital value with differentials) (public funding).

The use of this funding source is transparent through the annual plan and rates assessment. Private funding (gathered through leases or rent) is used to off set the cost of the properties.

Recovery of exacerbator costs will be in full where possible.

Public Conveniences

Funding Analysis

Public conveniences provide significant public benefits such as maintaining appropriate standards in public health and provision of facilities for visitors. Quality public conveniences are a statement of district standards. Provision of public conveniences provides some private benefits, in the form of personal comfort.

These services are generally available to all,

although people can be excluded through facilities being closed. Benefits are immediate to the individual and ongoing for the community. Vandalism can be a major source of exacerbator costs.

Identified Funding Sources and Mechanisms

Funding Split Public 100 – Private 0

Public Conveniences in Parks and Reserves

Funding Split Public 90 – Private 10

The provision of public conveniences is an essential service for the community. Council policy seeks to encourage the use of public toilets to maintain community standards, hygiene and lessen anti-social acts. It is impractical to collect payment for the use of public conveniences without significant investment. Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding).

The use of this funding source is transparent through the annual plan and rates assessment.

Recovery of exacerbator costs will be in full where possible.

2. District Development

Community Funding and Development

Funding Analysis

Community funding and development is of significant public benefit to the district as a whole.

Most benefits occur in the year of expenditure. Others occur over a specific time period (e.g. surf patrol during summer) or are ongoing over several years.

Identified Funding Sources and Mechanisms

Funding Split Public 100 – Private 0

Grants benefit the whole district. Council decided the most appropriate means to fund this activity is through a general rate (based on capital value with differentials) (public funding). Extra funding may be given in the form of low interest loans or reserve funds.

These funding sources are transparent through the annual plan, annual report and contracts.

Economic Development

Funding Analysis

Economic Development benefits the whole community through support of urban and rural business, enhancing the economic potential of the district, promoting the district to potential investors and increasing the pride and well-being of the residents. Economic Development funding effectively represents an investment in the district's potential. A healthy district economy is vital to the present and future

viability of the community.

Benefits from Economic Development occur across the community now and in the future, depending on where funding support is applied. To maximise the potential of economic development funding, it is essential to provide and maintain a viable district infrastructure.

Some private benefits may accrue to private operators and businesses. It is difficult and illogical to recover the costs of these benefits, although indirect recoveries may occur through increases in the district's value, increased business activity, new opportunities for district residents and attractiveness to potential investors. No actions/inactions that cause additional costs to Council were identified.

Identified Funding Sources and Mechanisms

Funding Split Public 100 – Private 0

Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials) (public funding). Economic Development benefits the whole district and the community expects Council to be involved in economic development activities. Introduction of a charge for economic development funding is illogical, would exclude groups who most need support and defeats the purpose for which funding is set aside.

The use of this funding source is transparent through the annual plan and rates assessment.

Feilding Central Business District (CBD) Security

Funding Analysis

Feilding Central Business District (CBD) security has significant public benefits through protection of people and safety and peace of mind for residents. There is significant private benefits through the protection of property within the Feilding CBD identified area, although some individuals may benefit more than others. These benefits are ongoing in providing capacity to respond during and after an emergency.

There were no examples of actions or inactions identified that cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 20 – Private 80



Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials) (public funding) and a targeted rate on the defined CBD area (based on capital value) (private funding).

The use of these funding sources is transparent through the annual plan and rates assessment and improving property values.

3. Emergency Management

Civil Defence

Funding Analysis

Civil Defence provides significant public benefits through:

- increased preparedness for natural disasters
- helping minimise the effects of a natural disaster on people and property
- giving peace of mind for residents
- providing a system for recovery following a natural disaster.

The system aims to protect the whole community, although some individuals may benefit more than others. These benefits occur now through preparedness, awareness, in the future through response, and recovery during and after an emergency. These benefits are difficult to measure in dollar terms. Human actions, such as sabotage, may create Civil Defence emergencies.

Identified Funding Sources and Mechanisms

Funding Split Public 100 – Private 0

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). It is impossible to identify those who use the service more than others and impractical to recover costs. A system of Civil Defence provides a 'safety cover' for the community.

The use of this funding source is transparent

through the annual plan and rates assessment.

Recovery of exacerbator costs will be in full where possible.

Rural Fire

Funding Analysis

Rural Fire provides significant public benefits through protection of people, property and the environment, public health and safety and peace of mind for residents. The system aims to protect the whole community, although some individuals may benefit more than others. These benefits are ongoing in providing capacity to respond and in the future through response and recovery during and after an emergency. Deliberate lighting of fires or inadequate care and attention in managing scrub burn-offs can cause rural fires, causing additional costs.

Identified Funding Sources and Mechanisms

Funding Split Public 100 – Private 0

Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials) (public funding). It is important that the service is readily available to all district residents and there are no barriers to discourage use. Through minimising risk to the community significant public benefit is obtained.

The use of this funding source is transparent through the annual plan.

Exacerbator costs will be recovered in full where person(s) can be identified and proven to have started or be responsible for a fire.

4. Environmental and Regulatory Management

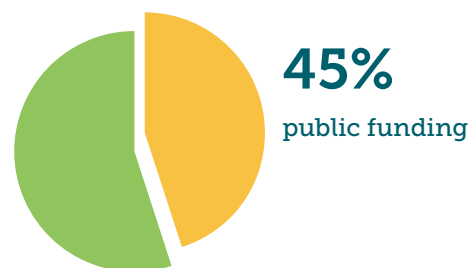
Animal Control

Funding Analysis

Animal Control provides some public good through enhancing public health and safety, controlling problem animals, and preventing nuisances, potential injury and distress. It ensures animal owners are educated about appropriate animal behaviour and are held accountable for dangerous animal behaviour. Benefits occur mainly in the short-term. Animal owners also receive significant private benefits, such as recovery of their animals if they stray and protection from dangerous animals. Council incurs significant extra costs due to people who fail to keep their animals under adequate control.

Identified Funding Sources and Mechanisms

Funding Split Public 45 – Private 55



Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district wide) (public funding) and user charges (private funding).

Council believes it is appropriate for Animal Control costs to be split between ratepayers and animal owners. The community expects an animal control system to exist and to contribute towards the costs of policy, running the system and unidentified ranging costs. Individuals, particularly dog owners, receive private benefit from dog ownership and should therefore pay for legal registration of dogs under the Dog Control Act 1996. In the event the animal control system is required to control or recover an animal, it is fair that the animal owner should pay.

The use of these funding sources is transparent through the annual plan and rates assessment.

Exacerbator costs will be recovered from animal owners.

Building Control

Funding Analysis

Public benefits of Building Control include safe and orderly development of the district, protection of the public and a consistency in building standards. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations. Private benefits may include increases in property values over time.

Benefits occur now and in the future, such as protection from poor building practices for future generations.

Non-compliance (e.g. people's actions creating a need for extra inspections) can cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 40 – Private 60

Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees and charges (private funding).

The use of these funding sources is transparent through the Annual Plan, schedule of fees and rates assessment.

Recovery of the costs associated with extra inspections and other costs will be in full where possible.

The development of environmental policy, such as policies on earthquake-prone buildings, monitoring and enforcement of building standards confers significant public benefits and funded through public funding.

District Planning

Funding Analysis

District Planning provides both public and private benefits. The Resource Management Act 1991 requires development to conform to particular standards. Public benefits include safe and orderly development of the district, enhancement of public health and safety, consistent district standards for current and future generations, protection for the environment and opportunity for neighbours to comment on development proposals which exceed the norm. Applicants for consents receive significant private benefits

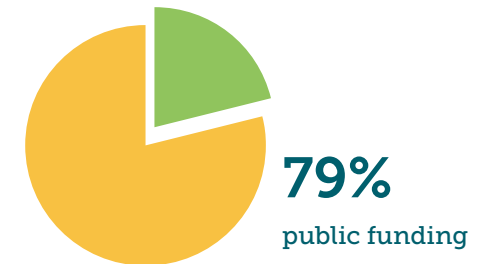
through meeting legislative requirements and community expectations, monetary gain and increases in property values.

Non-compliance (e.g. applicants prolonging consent processes, extra inspections) can cause additional costs to Council.

Benefits occur now and in the future, such as through protection of the environment for future generations and developments that meet legislative standards.

Identified Funding Sources and Mechanisms

Funding Split Public 79 – Private 21



Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees (private funding).

The use of these funding sources is transparent through the annual plan, schedule of fees and rates assessment.

Recovery of the costs associated with extra inspections and/or additional professional advice will be in full where possible.

Costs such as extra inspections should be recovered in full. Other costs, including fees for additional professional advice, should be fully recovered where possible.

The District Plan, monitoring the state of the environment and ensuring legislative compliance confer significant public benefits and public funding will meet the costs of the development and review of planning policies.

Environmental Health

Funding Analysis

Public benefits of Environmental Health include enhancing public health and meeting the community's expectation for safe food premises. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations. The consent provides a signal that food premises are of an acceptable standard to the consumer.

Benefits occur now and in the future.

Non-compliance (e.g. applications not meeting standards) may cause additional costs.

Identified Funding Sources and Mechanisms

Funding Split Public 94 – Private 6

Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees (private funding).

The use of these funding sources is transparent

through the annual plan, schedule of fees and rates assessment.

Recovery of the costs associated with extra inspections and exacerbator costs will be in full where possible.

Liquor Licensing

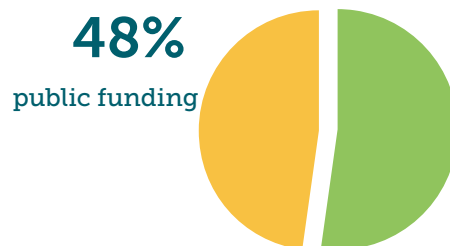
Funding Analysis

Public benefits of liquor licensing include consistent district standards. Applicants for consents receive significant private benefits through meeting legislative requirements, community expectations and the opportunity to serve and sell alcohol. Liquor licensing also sets standards for the liquor industry that help promote a safe community.

Additional costs can be caused to Council through non-compliance (e.g. applications not meeting standards).

Identified Funding Sources and Mechanisms

Funding Split Public 48 – Private 52



Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and

user fees (private funding).

Legislation sets liquor-licensing fees which impacts on funding recoveries.

The use of these funding sources is transparent through the annual plan and schedule of fees.

Recovery of exacerbator costs (e.g. vandalism) will be in full where possible.

Policy work in the liquor licensing area such as delivery of education initiatives will be met via public funding. Likewise, Council involvement in checking general legislative compliance confers significant public benefits.

5. Governance and Strategy

Governance and Strategy

Funding Analysis

Governance and Strategy provides significant benefits to all district residents. Council is a vehicle to make community decisions. Benefits may include organised development, maintenance of key infrastructure, response to local community needs, advocacy on community issues, and development of community pride and ownership.

Benefits occur now and in the future for district residents. There is value in passing a system to develop policy to future generations.

Councillors or Mayors who do not serve their terms, vexatious submitters, complainants and non-voters have been identified as sources of exacerbator costs.

Identified Funding Sources and Mechanisms

Funding Split Public 100 – Private 0

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). Of the available systems, use of a uniform targeted rate comes closest to ensuring all pay equally for Governance and Strategy.

The use of this funding source is transparent through the annual plan.

Reserves may be used as appropriate for capital expenditure.

6. Roading Network

Feilding Central Business District (CBD) Redevelopment

Funding Analysis

There are significant public benefits associated with the development of an attractive business centre. Feilding CBD provides the main retail business area in the Manawatu district. A redeveloped CBD contributes to a sense of civic pride, promotes the district, creates a positive atmosphere and is available to everyone. It helps maintain the attractiveness of the area for retail and provides business and employment opportunities.

CBD businesses clearly receive private benefits from upgrades to their street locations and services, drawing more customers and greater business.

Benefits are immediate and long-term, dependent on the life of the infrastructure.

There were no examples of actions or inactions

identified that cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 0 – Private 100

Council decided the most appropriate means to fund this activity is through reserves or loans. These would be repaid over twenty years by a targeted rate on the defined CBD area (based on capital value) (private funding).

The use of these funding sources is transparent through the annual plan and rates assessment and improving property values.

Roading Network

Funding Analysis

The roading and footpaths network provide significant public benefits to the community, including:

- connections to other transportation networks
- contributions to the social and economic well-being of the district
- access and mobility for people, goods and services
- locality and property identification
- separation of pedestrians from the main flow of traffic (i.e. footpaths)

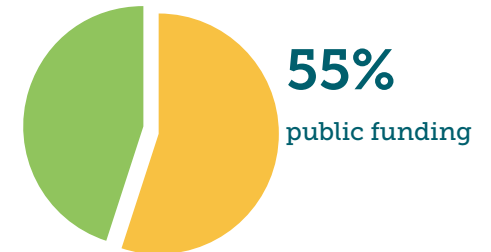
Road users also receive significant private benefits, through use of roads and footpaths, access to locations, mobility, and identification of properties and maintenance of property values.

Benefits are immediate to road users and

the community and long-term for future generations. Additional costs are caused to Council through examples such as use that goes beyond normal wear and tear (e.g. heavy vehicles, rally driving), vandalism, accidents and livestock movements.

Identified Funding Sources and Mechanisms

Funding Split Public 55 – Private 45



Council decided the most appropriate means to fund the public portion of this activity is through a combination of a targeted rate and a uniform targeted rate (district wide). The private component of the activity would be recovered through the New Zealand Transport Agency (NZTA) subsidy. The use of these funding sources is transparent through the annual plan and rates assessment.

Recovery of exacerbator costs (e.g. vandalism) will be in full where possible.

The use of loans and reserves are to fund Capital projects as appropriate.

7. Solid Waste

Feilding kerbside collection

Funding Analysis

Feilding kerbside collection provides significant private benefit to Feilding residents and businesses by way of reducing personal cost of solid waste disposal and private contributions to protection of the environment.

Benefits are immediate to the individual or business and long-term for the community in the future through environmental protection and extended landfill life.

The incorrect use of the recycling system can cause additional costs to Council. It is not practical to recover these costs.

Identified Funding Sources and Mechanisms

Funding Split Public 0– Private 100

Council decided the most appropriate means to fund this activity is through a targeted rate (private funding) on those properties serviced by the Feilding kerbside recycling scheme.

The use of these funding sources is transparent through the annual plan and rates assessment.

Recycling system and centre

Funding Analysis

Recycling provides significant public benefits through:

- preserving the environment
- saving landfill space
- meeting community expectations for waste minimisation

Recycling provides some private benefit by way of reducing personal cost of solid waste disposal and private contributions to protection

of the environment.

Benefits are immediate to the individual or business and long-term for the community in the future through environmental protection, extended landfill life and Council delivering on the objectives outlined in the Waste Minimisation Plan. Incorrect use of the recycling system can cause additional costs to Council. It is not practical to recover these costs.

Identified Funding Sources and Mechanisms

Funding Split Public 100– Private 0

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). This funding source would meet the costs of the system and recycling centres.

The use of these funding sources is transparent through the annual plan and rates assessment.

Solid Waste Disposal

Funding Analysis

Solid waste disposal provides public benefits through:

- maintaining a healthy and safe environment
- preventing health hazards for the public
- enabling appropriate disposal of solid waste in common locations

Private benefits of disposal services include provision of common locations for solid waste disposal by individuals or groups, health and environmental benefits.

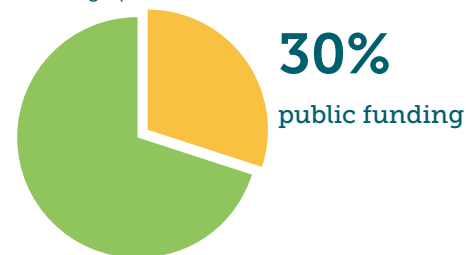
Facilities are available to all. The level of user charges can exclude people from using this service.

Inappropriate disposal of hazardous wastes (e.g. hot ash, mercury) and 'fly-tipping' cause additional costs to Council.

Excessive packaging by manufacturers takes up valuable landfill space.

Identified Funding Sources and Mechanisms

Funding Split Public 30– Private 70



Council decided the most appropriate means to fund this activity is through a combination of a general rate, a uniform targeted rate (district wide) (public funding) and fees (private funding).

The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees.

Recovery of exacerbator costs will be in full where possible.

Solid Waste Collection

Funding Analysis

Solid waste collection provides public benefits through:

- preventing and avoiding health hazards

- keeping the district tidy and attractive
- creating a cleaner environment for current and future generations
- helping to reduce congestion at the landfill

Private benefits of solid waste collection include removal of household solid waste and reducing potential health risks from 'stock-piling' of solid waste and Council delivering on the objectives outlined in the Waste Minimisation Plan. Collection also saves residents time and costs of travelling to landfills and reduces litter on roadsides. As the volume of solid waste increases, costs increase. It is possible to exclude people from the service through the level of bag charges or non-provision of the service.

Benefits are ongoing and instant to users of the service.

Inappropriate disposal of hazardous waste causes additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 30– Private 70

Council decided the most appropriate means to fund this activity is through a combination of a general rate, a uniform targeted rate (district wide) (public funding) and fees (private funding).

The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees.

Recovery of exacerbator costs will be in full where possible.

8. Stormwater and Drainage

Rural Land Drainage

Funding Analysis

Rural land drainage provides public benefits through decreasing risks from flooding, protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development.

There are significant private benefits from rural land drainage. Each person connected to a service uses a proportion of the available capacity. Rural land drainage provides direct benefits to land owners through increasing the productive capacity of their land. It is difficult to exclude properties from being part of a rural scheme.

Benefits are ongoing.

Deliberate actions to restrict water flow and inadequate maintenance may cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 0– Private 100

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes (private funding).

The use of this funding source is transparent through the annual plan and rates assessment.

Loan funding over time will meet capital expenditure, such as expansions to the system.

Recovery of exacerbator costs will be in full where possible.

Urban Stormwater

Funding Analysis

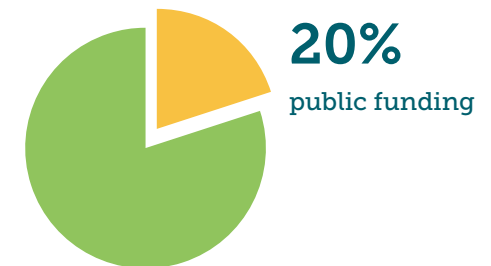
Urban stormwater provides public benefits through decreasing risks from flooding, protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development.

Urban stormwater provides significant private benefits to users with each connection using a proportion of the available capacity.

Benefits are ongoing. Incorrectly sized pipes installed by urban property owners cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 20– Private 80



Council decided the most appropriate means to fund this activity is through a combination of the general rate (based on capital value with differentials) (public funding) and targeted rates on areas served by the various schemes (private

funding).

The use of these funding sources is transparent through the annual plan and rates assessment.

Overt time capital expenditure, such as expansions to the system will be met.

Recovery of exacerbator costs will be in full where possible.

9. Water Supply

Funding Analysis

Water Supply provides public benefits, such as:

- availability of water for public health and services (e.g. fire fighting) and recreational facilities (e.g. gardens, swimming pools)
- increased potential for enhanced community well-being and economic development
- conveyancing system for wastes

It is not possible to reuse a unit of water without incurring extra costs. It is possible to exclude people from a water supply through disconnection and charges. However, rural water supplies in their current format do not provide a measurable level of public good.

There are significant private benefits attached to urban and rural water supplies. The benefits listed above also apply to private users. Water is a necessity of life and therefore individuals, businesses and farms receive direct benefits from water used. A good water supply contributes to personal health and well-being. Illegal connections, leaks, excessive use

and deliberate or unintentional damage to infrastructure cause additional costs to Council.

Benefits are immediate and ongoing to scheme users and long-term for the district and future generations.

Identified Funding Sources and Mechanisms

Funding Split Public 0 – Private 100

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes and user fees and charges (e.g. water meters) (private funding).

The use of this funding source is transparent through the annual plan and rates assessment.

Loans and /or depreciation funding over time will meet capital expenditure, such as the renewal of pipes or expansions to the system.

Recovery of exacerbator costs will be in full where possible.

10. Wastewater

Funding Analysis

Wastewater services provide public benefits, including:

- maintenance of a clean and healthy environment for present and future generations
- prevention of disease
- maintenance of public health standards.

A good quality and effective wastewater disposal system is a key service to attract

people and businesses to the district and to help sustain economic growth. Scheme users receive significant private benefits from provision of a collective wastewater disposal scheme, including the removal of human waste and protection against disease. Services remain available assuming the system has not reached design limits. Theoretically, individuals can be excluded from the service through requiring payment or disconnection.

Benefits are immediate and ongoing to scheme users, and long-term for future generations. Illegal stormwater connections, modifications to housing, disposal of toxic substances and overloading Illegal stormwater connections, modifications to housing, disposal of toxic substances and overloading can cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split Public 0– Private 100

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes and user fees and charges (e.g. trade waste charges) (private funding).

The uses of these funding sources are transparent through the annual plan and rates assessment.

Loans and /or depreciation funding over time will meet capital expenditure, such as the renewal of pipes or expansions to the system.

Recovery of exacerbator costs will be in full where possible.



This Financial Strategy explicitly sets the funding envelop within which Council expenditure and capital projects from 2012 -2022 needs to fit within.

Financial Strategy

Purpose of the financial strategy

The Local Government Amendment Act 2010 contained a new requirement to prepare a Financial Strategy as part of each Long Term Plan. The Financial Strategy ensures that the Council has a financial framework that allows activity based levels of service to be assessed against the overall 10 year total rate and borrowing requirements. This increases the transparency of the proposals for expenditure and funding by clearly stating the overall effects of those proposals on services, rates, debt and investments. It also requires Council to consider the affordability of the proposed rates requirements, both for the Council and for ratepayers in general. The Council has previously done this through a number of internal processes. This Financial Strategy explicitly sets the funding envelop within which Council expenditure and capital projects from 2012 -2022 needs to fit within.

The financial framework is to facilitate:

- the linking of expenditure priorities to the vision and desired outcomes of the Council,
- prudent financial management by providing a guide for considering proposals for expenditure and appropriate funding mechanisms,
- transparency of decisions on overall expenditure and funding.

Strategic direction

The Council has developed new vision statements to 2040 that sees a greater emphasis on environmental sustainability and making the District a more vibrant and attractive place to live.

For the 2012-22 LTP Council has decided to focus on the following Outcomes. These Outcomes drive any changes to levels of service and the priorities for capital investment and projects:

- Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.
- The Manawatu District will attract and retain residents.
- Manawatu District develops a broad economic base from its solid foundation in the primary sector.
- Manawatu and its people are connected via quality infrastructure and technology.
- Manawatu's built environment is safe, reliable and attractive.
- Manawatu District Council is an agile and effective organisation.

This Financial Strategy sets the overall desired debt limit and the level of rates and rate increases that have been determined as affordable for the community. The capital works and activity expenditure programmes in the LTP have been designed to fit within these targeted limits. These limits are set by

the Council as part of the LTP process and can be altered by Council in future LTP processes. Generally these self imposed limits will be lower than the generally accepted prudential limits. The Council intends to maintain a debt level significantly lower than the prudential limit in order to have the future flexibility to react to changes in Council direction, external shocks or natural disasters. This buffer will be at least \$8 million.

The Council has to balance any investment in new facilities and / or activities to achieve the desired Outcomes against the affordability of resultant rates and debt levels. The Council will ensure that overall rate income is limited to increases of the Local Government Cost Index plus 2% each year. This excludes major increases in levels of service such as new water and wastewater schemes.

Legislative principles

The overarching principles of financial management are set down in the Local Government Act 2002.

Section 101 - Financial management

1. A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Section 100 - Balanced budget requirement

1. A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

Section 102 - Funding and financial policies

1. A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies described in subsection (2) [being Revenue and Financing Policy, Liability Management Policy, Investment Policy, Development Contributions Policy and Remission and Postponement Policy for rates etc.]. Copies of these policies in full are available from www.mdc.govt.nz

Intergenerational Issues

The most significant portion of Council's activities relate to the provision of services by way of the ownership of assets that have a long life. The assets lives span multiple generations (e.g. pipes and bridges that have an estimated life of 60 to 100 years). In making any financial decisions Council must also take into account how this impacts on current and future community members, especially in relation to levels of service and how these assets are funded. In general, investments in additional long life assets will utilise at least some loan funding to spread the cost across current and future generations.

Prudency and the Balanced Budget

Generally, Council balances its operational costs

against the total funding available. Council must also consider affordability and prudence in setting rate levels. There are a number of circumstances where it is appropriate not to balance the budget. These include where some existing assets will not be replaced, or when adequate funds are available to ensure the desired level of service and the integrity and service capacity of assets can be maintained. Conversely, significant surpluses could indicate intergenerational inequities where the long term costs are being funded disproportionately by the current generation.

These details will be outlined in the appropriate asset management plans and the assumptions clearly stated in the LTP. An activity budget in deficit is a prime indicator of an unsustainable level of service, unless an appropriate rationale is set out in the asset or activity management plan.

In addition to ensuring we meet the balanced budget requirement, Council, in setting budgets, must also consider the resulting financial position in future years. In particular, the level of borrowings and investments need to be sustainable.

Depreciation

Depreciation represents the charge to the current ratepayers for the use of the asset during each year. If operating costs, including depreciation, are not covered by operating revenues, it can be argued that the current users of the service are not paying for the benefits they are receiving. Depreciation will

be charged on all assets by allocating the cost/ or valuation of the asset over the estimated remaining useful life of the asset.

Assets are being regularly revalued (operational assets at least every three years and infrastructural assets annually) with the depreciation expense based on the revalued amount. This ensures that the amount of depreciation reflects the current market values.

As depreciation is a charge for the use of the asset by current users, Council has elected not to create individual depreciation reserves.

There are a few groups of assets that, although we depreciate them in the balance sheet, we do not include their depreciation in the calculation of rates. This includes the depreciation on local halls and approximately 50% of parks and reserves assets. If these assets were to be replaced in the future, Council would work with the communities to determine the most appropriate funding mechanism. We also remove the proportion of depreciation on roading assets that are funded by the New Zealand Transport Agency (NZTA) subsidy from the rating calculation. Currently Council receives 53% of the maintenance and renewal expenses on the majority of roading assets. Including this in our rating calculation would be funding the expense twice.

Expenditure Classifications

To assist with identifying the reason for expenditure and therefore finding the most appropriate funding source, Council has split its expenditure into four classifications. This

reflects good practice and new legislative requirements for financial reporting.

Operational expenditure

Operating expenditure is the day to day costs associated with providing a service. It includes expenditure that is not linked to an asset. It also includes work required to keep an asset operating at the required level.

Capital – renewal expenditure

Renewal work is expenditure required to replace or refurbish an existing asset that will bring the asset back to the original service potential. E.g. replacing a water pipe that is nearing the end of its useful life with another pipe that will provide the same water capacity and pressure.

Capital - new works to improve the service level

In meeting desired Council Outcomes and working to achieve the Vision, Council may invest in additional facilities and / or upgrade existing assets. In addition, as time progresses there will be changing service level requirements because of new technology, changing legislative requirements and resource consent requirements.

Capital - new works to accommodate growth

Capital expenditure to accommodate growth in resident population and business activity.

Note: Capital work is the purchase and/ or construction of assets that are expected to provide a service to the Council or the

community (owned by Council) for more than one financial year.

Funding Mechanisms Available

Council has a number of funding mechanisms available to it. Council's revenue and financing policy details the funding mechanisms that are to be used for each activity. These need to take into account the contributions to community outcomes, who causes the costs to be incurred, who receives the benefit and when the benefit is likely to be enjoyed.

Funding mechanisms include but are not limited to those detailed in the table on the next page.

If targeted rates are used to fund an activity, any over or under spending in any one year is separately accounted for and not used to offset other activities. Surplus funds are then used in future years for the activity and deficits are also funded by future revenues from that activity.

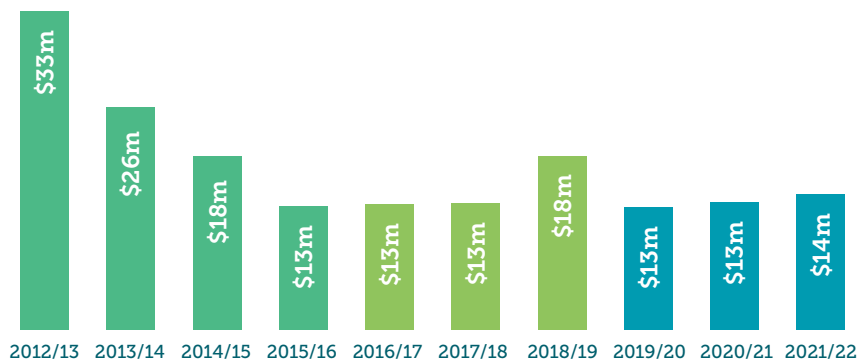
For the purposes of urban water and wastewater schemes, Council is now treating these as one District wide activity and if a ratepayer receives the same level of service across the district, they will pay the same rate.

	Operating	Renewal	New Work	Growth Work
User pays fees and charges	P			
Subsidies and grants	P	P *	P	P
Interest and dividends	P			
Rates	P	D C	C	C
Capital contributions		P	P	S
Development contributions				P
Funding from prior or future years' funds	S	S	S	
Loan funding		C	P	P

Key

- P** Primary source of funding if available
- S** Secondary source on a case by case basis
- C** Funding will be considered if necessary on a case by case basis
- *** Main source of revenue is from the New Zealand Transport Agency for roading
- D** Depreciation is charged through rates and is used to fund the renewal of assets

Capital Expenditure 2012-2022



The above chart shows the amount of capital expenditure required to maintain existing levels of service and meet any additional demand on Council’s network infrastructure. The first year of the LTP includes capital expenditure that, at \$33 million, is considerably higher than the rest of the plan. This is due to a number of large projects being completed in 2012/13. This has been carried forward from 2011/12 and includes Rongotea Water Supply, Himatangi Beach Sewerage Scheme and Feilding Wastewater Treatment Plant.

Council believes the resources made available in the long term plan give us the ability to meet levels of service requirements.

Rates

In setting rates, Council must balance what is affordable to both the Council and the community. We must balance the levels of service we provide, intergenerational issues, other sources of funds, legislative requirement,

external factors and what our ratepayer can afford. A minimal amount of investment income is generated by Council’s investment in forestry assets, and this is used to offset general rates.

Rates increases

The Council recognises that rates need to remain affordable to property owners in the District. While residents on average budget for cost increases that are represented by the Consumer Price Index (Statistics NZ), the Council faces a different mix of cost pressures. These include roading and pipeline costs that are influenced by commodity prices and the availability of specialist people. This issue has been recognised by Local Government New Zealand who commissioned BERL to develop a new cost index. The Local Government Cost Index (LGCI) examines the main cost drivers for local government activity and measures the degree to which these have changed year on year, creating a local government cost index to

parallel the household (consumer) price index. The LGCI is updated each year. The LGCI is not always growing faster than the CPI, in two out of the last 10 years it has had a lower annual increase. The Council has decided on the following target for rate increases:

Throughout the life of the long-term plan, Council has set a target to hold rate increases to the Local Government Cost Index (for the previous year), plus two percent in any one year.

Rate increases are on the total rates revenue for the previous year and will exclude increases that are a result of significant new levels of service provided (for example the Rongotea Water Scheme).

The change in rates on individual properties will be different from the average increase above. The rates for individual properties are dependent of valuation changes, the mix of rate charges and the combination of services provided.

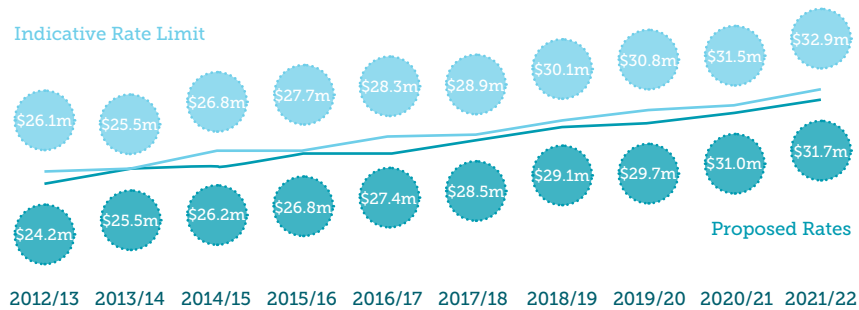
Rates limits

Currently Council has total rates revenue of \$24,853,000 (2011/12 Annual Plan) and \$225,000 for rates penalties. This strategy assumes that the boundary change will proceed, reducing rates from 1 July 2012 by \$1.57 million (excluding GST). The impact from this on Council’s total revenue in the short to medium term will be nil as this rates income is replaced by lower direct costs and a compensation package from the City.

Rates limits are also impacted by growth in the rating base. Additional properties result

in more rates to cover the additional costs of providing services. Household growth forecasts are used as an estimate of the future growth in the number of properties. The rates limit for the next 10 years includes the upper limit of targeted rates increases plus 75% of the forecast growth in households. The 75% scaling is because subdividing a property into two does not result in the doubling of rates. The base rates level is the budgeted 2011/12 rates income less the impact from the proposed boundary change.

Rates 2012-2022



The above chart shows the proposed rate levels over the next 10 years, together with Council's rate limit. (Total rates are a combination of targeted and general rates, which are shown in the next chart.) Proposed total rates go from \$24 million in 2012/13 to \$32 million in 2021/22. The indicative rates limit is based on the LGCI plus 2%. This is Council's policy on rates limits.

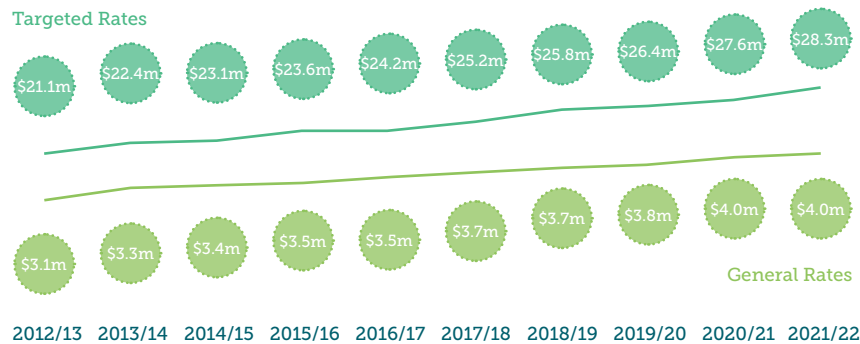
Rates Percentage Increases 2012-2022

Year	Proposed Rates % increase (from previous year)	Indicative limit for rates % increase (LGCI)
2012/13	-1.9%	5.6%
2013/14	5.1%	5.3%
2014/15	3.0%	5.3%
2015/16	2.1%	5.3%
2016/17	2.3%	5.5%
2017/18	4.1%	5.3%
2018/19	2.0%	5.4%
2019/20	2.1%	5.7%
2020/21	4.5%	5.9%
2021/22	2.1%	5.9%

The rates percentage increases are prepared on the basis of total rates revenue for comparative levels of service throughout the life of the long term plan, as noted in the financial strategy. The rates impacts of any higher levels of service are excluded, for example the Himatangi Beach wastewater and Rongotea water supply schemes are excluded as these are additional levels of service. Year 1 reflects the loss of rates due to the Boundary Change with PNCC.

* The above percentages do not reflect individual rates rises, but the percentage rise in total rates revenue for the district. In year 1 the average rate per property increases by 2.9%.

Rate Levels 2012-2022



The above chart shows proposed levels for targeted and general rates. 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. 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.

Borrowing Funds

Council utilises external borrowing to fund the acquisition of assets. Council's Liability Management Policy governs the borrowing mechanisms and current limits.

The term of borrowings is to be the lesser of the estimated useful life of the asset or thirty years. While a thirty-year ceiling does not fully address the intergenerational issues, it provides

a suitable timeframe to repay debts. The loan repayments are offset by lower maintenance requirements for newer assets.

Loans principal is to be repaid over the life of the loan by either regular principal repayments throughout the life of the loan or a contribution to a loan redemption fund.

Limits for Borrowing

The borrowing limits established in the Liability Management Policy are:

- Gross interest expense not to exceed 10% of operating revenue
- Gross interest expense not to exceed 20% of rates revenue
- Net cash flows from operating activities to exceed gross annual interest expense by 1.5 times
- Maximum level of debt is not to exceed

15% of total assets

Based on the 2010/11 annual report this provides a maximum debt limit of \$58 million in 2011 dollars. The Council's balance sheet can prudently sustain this level of debt. Council does not wish to impose this high level of debt for two primary reasons:

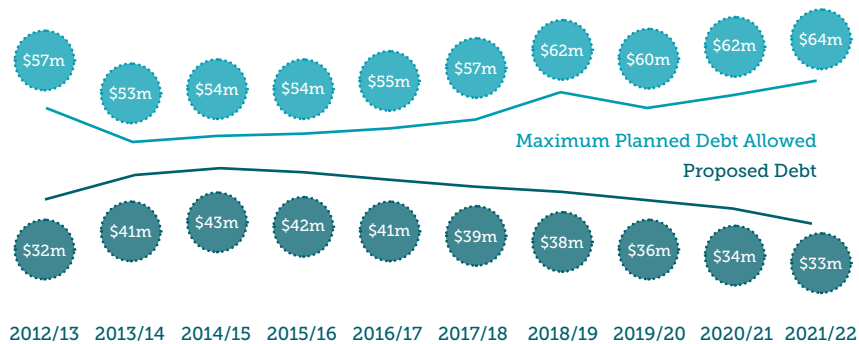
- The debt servicing charges will result in rates affordability issues for ratepayers, and
- To ensure borrowing facilities are available for unexpected circumstances such as a natural disaster,

As a result of the Christchurch earthquakes in 2010/11, the Council is carrying a higher level of financial risk. This is due to the availability of insurance cover for reticulated assets (pipelines) through the Civic Assurance Local Authority Protection Programme Disaster Fund (LAPP) and agreements with central government. While Council has many other assets such as roads and property, the majority of these are supported by other insurance contracts or subject to special government assistance funding for disaster damage (roads). The Council has assessed the maximum proportion of underground assets (currently valued at \$80 million) currently not covered by the LAPP Fund as 20% of the total value. It is highly unlikely that the entire reticulated network across the District would be lost in the event of a natural disaster. Allowing for 50% of the network to be at risk would be conservative. Once the LAPP Fund has again built up appropriate funds this risk will fall and Councils comfort in borrowing

more will increase.

Consequently, Council planned borrowing for the 2012 – 22 LTP will be the lower of the above ratios, less \$8 million. This implies a debt limit of around \$43 million in 2014/15, decreasing modestly over the life of the LTP. This limit assumes interest rates will not rise significantly, but provides a basis for setting out the capital spending programme in the 2012-22 LTP. As risk profiles, revenue and asset levels change in the future this debt limit will be reviewed as part of each LTP process.

Net Debt and Maximum Debt 2012-2022



The above chart shows Council’s proposed debt over the next 10 years, together with the maximum planned debt allowed. Council has assumed that all debt raised will be from external sources. The maximum debt allowed is based on the limit yielding the lowest debt. In this case it is interest being less than 10% of operating revenue, less the \$8 million emergency buffer.

Internal Borrowing

Internal borrowing is a mechanism available to manage both the level of funds available and external debt.

This facility enables an activity to borrow from the Council treasury function as opposed to borrowing externally, with an appropriate interest rate charged.

Utilising internal borrowing enables Council to manage its cash/investment portfolio to take advantage of the moving margins between interest rate receivable and interest rates payable. Internal borrowing is used when external borrowing costs are higher than allowed investment returns.

Security for Borrowing

Many of Council’s assets are not readily saleable so will be less attractive as security items. Council will secure borrows by a charge over our rating revenue either directly or through a debenture trust deed.

As a matter of course Council will not secure other assets unless circumstances show it to be appropriate (e.g. leased assets).

Investments

Council is a risk-averse entity. That is, Council will not undertake transactions where the level of return or benefit is dependent on an unacceptable level of risk. The Investment Policy expressly forbids any form of purely speculative activity.

Adequate liquid funds are to be kept to ensure

all expected payments can be made on the due date. Investment levels should also ensure that adequate funds are maintained to ensure special funds and reserves are backed by suitable investments.

Objectives for holding and managing investments:

Equity investments

Shares are held for strategic purposes that facilitate other activities within Council. Shares are not purchased solely for investment purposes.

While Council receives a dividend from these investments, the benefits of holding these shares are not always related to the dividend. Consequently, the target on these investments is a nil return.

The performance of these investments is reviewed regularly to ensure strategic and economic objectives are being met.

Treasury Investments

Treasury investments include cash investments such as government stock, local government stock, bank bonds, debentures, and bank deposits.

These are held:

- to ensure Council's specific reserves (separate, special and loan redemption funds) are backed up by realisable cash assets except where Council approves otherwise

- to manage Council's cash position in a manner that maximises interest returns and minimises operational cash deficits and the associated costs incurred
- to maximise interest returns from surplus funds

For these investments Council expects an average market return.

Community Loans

The main objective of providing loans to community organisations is social, economic, cultural and environmental benefits provided to the District.

While a market return is received from a number of these investments, others provide no return. Council individually approves this type of investment, with community benefits and the targeted return addressed at that time. The budgeted return on these investments (taken as a group) is nil.

Expected Changes in the District

The district is growing modestly and land uses changing gradually. There are a number of changes that are taken into account during our future financial planning period.

Population increases

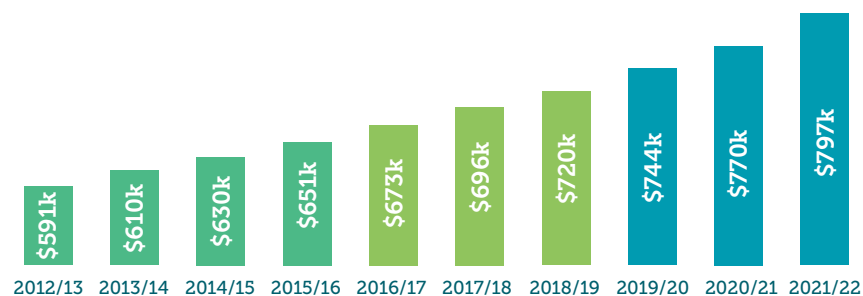
The population of the Manawatu District has grown steadily over the last 10 years at around 0.6% a year. This growth rate is forecast to increase to 0.8% a year from 2011 to 2021 and

then is forecasted to slow significantly after this.

In June 2011 our estimated population was 30,000. During the 10-year life of this long term plan our forecasting indicates that the current Council boundary area is likely to increase to 32,735 residents (June 2021). Forecasting to the year 2040 sees the population at 34,350. From 1 July 2012 the proposed boundary adjustment will shift an estimated 2,400 residents to Palmerston North City leaving the District with an estimated 27,600 residents. By 2021 the adjusted District is forecast to reach 30,000 residents.

The Council does not expect any significant impact to current ratepayers on the costs of providing current activities from the forecast growth. Additional costs to provide network services, including water, wastewater and stormwater, to cater for this growth will be recovered through development contributions. The costs of meeting higher standards have been more significant than the impact of forecast growth over the last 10 years.

Development Contributions 2012-2022



The above chart shows the revenue from development contributions Council expects as a result of growth over the next 10 years.

The boundary change proposal currently being consulted on would reduce the population of the District by 2,400 people. This will have a significant impact on the short-term rates funding for the District. The rationale for the boundary change is that future growth will be increased due to the efficiencies gained. Final impacts will not be known until the Local Government Commission makes a determination and any appeals have been decided on.

One of the major changes in the makeup of the forecast population is the increase in older people. This is a similar trend to many other areas and New Zealand overall. This will have an impact on the type of services delivered by the Council and the way to deliver these services.

Land use changes

Council is currently undertaking a review of the District Plan. This includes work on identifying urban growth requirements, particularly around Feilding. This review is not expected to result in any significant change to land use patterns. Urban growth is proceeding at a slow to modest level around Feilding. Himatangi Beach has potential for significant subdivision.

Zoning changes that double the urban area at Himatangi Beach have been approved but lack of demand currently has slowed this development. Household growth of 2% a year at Himatangi Beach have been allowed for as part of the new wastewater scheme. Palmerston North City has released the results of its urban growth strategy. This identifies land to rezone to residential but all of this is within their existing boundary. Overall, urban growth for the next 20 years can be accommodated within existing residential zones.

Rural land use has been shifting from sheep and beef to more intensive dairy over the last few years. The majority of these changes are in the North and West of the District. The resurgence of sheep prices this year may reduce this trend in the short term. Dairying has a greater impact on the roading network with significantly more truck movements per day.

Lifestyle block demand continues to drive a significant proportion of the growth in the District. This is concentrated in the south and west of the District.

Overall, any additional costs are likely to be offset by increased rates from increased capital values because of dairy conversions or lifestyle subdivisions.

Maintenance of Levels of Service

An assessment of our ability to provide and maintain existing levels of service and to meet additional demands for services with the limits set.

The expected capital expenditure on network infrastructure required to maintain the existing level of service

Throughout the life of the Long Term Plan Council expects to maintain or improve the existing levels of service.

The significant factors that affect our ability to maintain the existing levels of service are:

- Rising standards for water, wastewater and stormwater quality and management

(set by central government and Horizons),

- Costs increasing faster than CPI for a number of our key activities due to rising commodity prices,
- Compliance costs in the environmental and regulatory group of activities (set by central government),
- Retaining and attracting skilled staff, and
- Continuing to deliver savings through efficiencies, partnerships and collaboration.

Significant Forecasting Assumptions

A significant forecasting assumption is defined as “something you take as being true for the purposes of a future action(s)”.

The Local Government Act 2002 requires Councils to disclose the assumptions it has used to develop the LTP. Councils are required to show the assumptions, the level of uncertainty and quantify the potential effect of the uncertainty on the forecast financial estimates.

The following table lists the assumptions Council has made, including associated risks, in preparing its forecast financial statements for the 2012-22 LTP.

Explanation of following tables

In addition to the stated assumption, which appears at the top of each table

Risk

Level of uncertainty

Impact

Financial Effect of Uncertainty: comments on the financial effect of the alternative scenario on Council’s finances

Mitigating Factors: comments on mitigating factors which may lesson the impact of the alternative scenario.

Significant Non-Financial Assumptions

1. Population Growth

Assumption	That the district will remain viable after Boundary Change due to the predicted population growth and the compensation package negotiated with Palmerston North City Council.										
Detailed Forecasts	As at 30 June										
	Population Growth Projections	2006 Census Base	2010 Estimate	2011 Estimate	2012 Post Boundary Change	2016 Forecast	2021 Forecast	2026 Forecast	2031 Forecast	Population Change 2011-12	Population Change 2011-31
	High (Stats NZ)			30,700	28,499	29,551	30,920	32,353	33,852	1%	10%
	MDC Projections	29,000	29,700	30,002	27,742	28,806	30,028	30,564	30,986	0%	3%
	Medium (Stats NZ)			30,000	27,703	28,194	28,820	29,460	30,113	-4%	0%
	Low (Stats NZ)			29,400	26,939	26,767	26,553	26,342	26,132	-10%	-11%
	Boundary change proceeds (see assumption 15), bringing Longburn, the land north of Cloverlea through to and including Bunnythorpe and the area between Ashhurst and Bunnythorpe into Palmerston North City Council. There are an estimated 2418 residents in the proposed boundary change area. While the major expansion of Ohakea proposed in a defence white paper is not expected to occur during this LTP, the move by New Zealand Defence force to exit from providing property will see an increase in demand for rental or owner-occupied property and a high growth scenario for southern Area units. Himatangi growth of an additional 420 unoccupied houses. Steady Palmerston North City and Feilding urban growth. No growth in surrounding Districts. No changes to NZ migration patterns.										
	The population of the Manawatu District has grown steadily over the last 10 years at around 0.6% a year. This growth rate is forecast to increase to around 0.8% a year from 2011 to 2021 before easing to 0.4% between 2021 and 2026, and 0.3% a year to 2031. The bulk of this growth is expected in the southern area units. From 2006 to 2031, Feilding urban 13%, South east areas 20% (adjusting for boundary change), South west areas 19%, central areas 24% and northern areas 4%.										
Risk	Council's level of services, decisions on services provided and even its viability would be affected if there was not enough revenue to cover costs.										
Level of uncertainty	An agreement has been reached with Palmerston North City Council to provide a 10-year compensation package so this is unlikely to affect Manawatu in the life of this long-term plan. However, the projections on which population growth is predicted are based on estimates – no census has taken place as a result of the Christchurch earthquake										
Financial impact	A loss in revenue resulting from a declining ratepayer base the main impact would be to increase the costs per ratepayer of delivering an increasing range of Council services. Alternatively, decreases in service levels or non provision of some services could result.										
Mitigating factors	An agreement has been reached with Palmerston North City Council to provide a compensation package for the life of this long-term plan. During this time, population growth and service levels can be closely monitored and adjusted to ensure services and ultimately Council remains viable.										
Data source	Statistics NZ 2010 population forecasts update. Population and Household Projections 2011 to 2040, Manawatu District and Area Units, Community Services, MDC. ABC Project website										

2. Household Growth

Assumption	That a declining number of people per household and an increasing number of households can be serviced from existing council services and infrastructure.					
Detailed Forecasts	Households					
	Year	2011 Forecast MDC (2010 update base) Occupied Dwellings	Unoccupied dwellings MDC forecasts from 2006 census base	Total Households	% Change	
	2006	10,245	1,026	11,271		
	2011 estimate	10,782	1080	11,866	5.3%	
	2016 forecast	11,395	1209	12,604	6.2%	
	2021	12,084	1380	13,464	6.8%	
	2026	12,469	1522	13,991	3.9%	
	2031	12,871	1665	14,536	3.9%	
	2036	13,199	1752	14,951	2.9%	
	2041	13,458	1800	15,260	2.1%	
	Area unit analysis shows the same pattern as for population, with higher increases for Himatangi due to growth in unoccupied holiday homes.					
	Number of Households (including unoccupied dwellings)					
		2006	2041	% Change 2006 to 2041	% of District Households 2006	% of District Households 2041
	Feilding Urban	5,922	7,533	27%	53%	49%
	Northern	1,070	1,253	17%	10%	8%
	Central	1,055	1,632	55%	9%	11%
	South East	795	1,220	54%	7%	8%
	South West	2,426	3,781	56%	22%	25%
	Manawatu District	11,271	15,260	37%		
	Population forecasts as in assumption one. Declining number of people per dwelling to continue from 2.6 in 2006 to 2.3 in 2021. The total dwellings in the Manawatu District is forecast to increase by around 1.5% a year from 2011 to 2021. This is forecast to reduce to around 0.8% a year from 2021 to 2031.					
	Adjusted to reflect Boundary Change, 755 households in 2006 within area to be transferred and no growth in this affected area to 2011. This compromises 237 properties in Stony creek area unit, 258 properties in Kairanga, 188 in Longburn and a further 86 in parts of meshblocks around Bunnythorpe and Ashhurst.					
	Notes					
	Feilding Urban includes the following area units: Oroua Bridge, Maewa, Feilding North, Feilding West, Feilding Central, Feilding East and Rakiraki.					
	Northern includes the following area units: Kiwitea, Pohangina.					
	Central includes the following area units: Halcombe, Tokorangi-Hiwinui					
	South East includes the following area units: Himatangi Beach, Tangimoana, Oroua Downs, Rongotea, Sanson, Ohakea.					
	South West includes the following area units: Stony Creek, Kairanga, Kauwhata, Longburn. South West after 2012 and boundary change includes just Kauwhata.					
Risk	An increasing number of households could result in an increased demand for Council services and additional demand for infrastructure.					

Level of uncertainty	The projections on which population growth is predicted are based on estimates – no census has taken place as a result of the Christchurch earthquake.
Impact on Council Services	Demand for infrastructure services will increase, as will stormwater runoff from hard surfaces in urban areas. AMPs indicate that capacity is available and sufficient land is currently zoned for expected household growth. The roading network in general is easily able to cater for increased transport activity. The need for investment in the arterial roading network is being considered through the Strategic Roading Strategy with PNCC.
Financial impact	The risk of large financial impacts from an additional 300 - 500 households is low and can be met from existing services. A higher increase in population might require additional investment by council but this is considered extremely unlikely.
Mitigating factors	A census is expected in the first three years of this long-term plan and adjustments can be made to Council's modelling to ensure any arising additional demands are reflected in asset management and activity management plans and the next long-term plan.
Data source	Statistics NZ 2010 population forecasts update. Population and Household Projections 2011 to 2040, Manawatu District and Area Units, Community Services, MDC.

3. Infrastructural Capacity

Assumption	That forecast population and business growth can be catered for by current and planned capacity of assets.
Detailed Forecasts	The fall in the number of people per house will result in an increasing number of urban households. While this results in increased network connections and hard surface stormwater runoff there will be a trend to lower usage per connection. Current capacity is generally sufficient to cater for expected population changes. The majority of growth is likely to be in the southern rural areas and villages, particularly around Ohakea and Himatangi Beach. Upgraded Water / Wastewater networks in Rongotea and Himatangi Beach are underway to address the identified issues.
Risk	That Council cannot meet demand for its assets.
Level of uncertainty	As noted in population and household assumptions, predicted growth is based on projections. However asset managers have confirmed considerable existing capacity and additional planned capacity.
Impact on Council Services	Capacity exists to cater for forecast population and business growth. Growth significantly above this level may result in the need to expand the major infrastructure networks and would require funding.
Financial impact	Growth that required additional infrastructure capacity would require investment by council. This could be achieved through a combination of loan funding, reserves and by rating. Council operates within safe margins of borrowing and more borrowing could be undertaken should the need arise, although this is considered unlikely.
Mitigating factors	Significant growth above the current Statistics NZ high forecasts would be required before capacity levels in Feilding, villages and the roading network were reached. This is considered highly unlikely in the short term. Any major changes to the growth trend will be identified through census analysis and building consent figures.
Data source	Statistics NZ 2006 census and 2010 population forecasts update. Population and Household Projections 2011 to 2040, Manawatu District and Area Units, Community Services, MDC.

4. TLA Environment

Assumption	It is assumed that during the life of this LTP that no further boundary change will occur, Manawatu District Council will not pursue amalgamation initiatives and no significant change will be made to the statutory framework for operation. It is assumed existing shared service operation and collaboration will continue.
Detailed Forecasts	Manawatu District Council is bordered by Rangitikei District Council, with whom a shared service agreement is in place covering infrastructure and animal control. It is also a neighbour of Palmerston North City Council, and a shared service agreement exists for building regulatory services. Palmerston North City Council is a collaborator in the regional development strategy and the Boundary Change initiative covering the Longburn, Kairanga and Bunnythorpe areas. Manawatu District Council also works closely with Horizons Regional Council which is a provider of services including Civil Defence and Emergency Management. It is possible that the decreasing population in Rangitikei, will see amalgamation questions arise.
Risk	That the Manawatu District is affected by anything from a forced amalgamation to further boundary changes.
Level of uncertainty	Neighbouring TLAs are not predicting any further boundary change or amalgamation within their long-term plans. The life of the long-term plan could however see factors affecting the political environment such as a change in Government arise.
Impact on Council Services	Boundary change or amalgamation processes require intensive staff capacity both to proceed through the required process and in implementation. It is unlikely existing capacity exists to cover such an event, and further questions arise over staff capability to manage during change of this magnitude.
Financial impact	Financial impacts would include additional costs of an amalgamation process and implementation. Ultimately, the rating base, debt and reserve funding available to any new entity would determine financial impacts. Levels of service can be manipulated to minimise costs although this may not be palatable to the Manawatu ratepayer.
Mitigating factors	A stable and close working relationship and appropriate shared service agreements with neighbouring TLAs will mitigate from any urgent issues however a watching brief should be kept.

5. Climate Change

Assumption	It is assumed that although Manawatu District will be affected by long-term climate change in parallel with predicted national change, climate change will not impact during the life of this long-term plan.
Detailed Forecasts	Analysis of International Panel on Climate Change data has led NIWA to a number of conclusions on temperature changes. Further, Ministry for the Environment reports have identified predicted change in other weather patterns including wind and rainfall. These include: <ul style="list-style-type: none"> • Temperatures in the Manawatu-Wanganui region could rise up to 3°C over the next 70-100 years. • Manawatu-Wanganui could be up to 20% wetter with more varied rainfall patterns. • Flooding could become up to four times as frequent by 2070. • By 2040, NIWA predictions based on low, medium and high assumptions show a likely temperature increase of between 0.6 and 2.2°C. • NIWA (2008) projects an increase in westerly winds that will increase weather patterns affecting this coast, including increased storminess, heavy swells, strong winds and ex-tropical cyclones. • Predicted increases in temperature and rainfall lead to increased probability of landslides, which NIWA suggests will increase in probability likely to at least double this century. • MFE predictions also state however that there are benefits to a warming climate – principally that farmers may benefit from better stock-growing conditions and opportunity to grow new crops.
Risk	Any significant climate change would affect demand for Council services and could adversely affect infrastructure.
Impact on Council Services	Affects of climate change that are a concern for Council are primarily increased incidences of extreme weather. For example, increased rainfall causing flooding would impact on Council services, on stormwater and, potentially, civil defence and emergency management.

Financial impact	Costs from damages associated with extreme weather are likely to rise as the incidence of these events increases. Costs to the Council include repairing infrastructure or assets, while costs to the public and business include replacing stock units, homes and business premises.
Mitigating factors	Financial impacts will be mitigated by ensuring adequate insurance cover is used and appropriate maintenance is undertaken as a preventative measure. Climate change is not an exact science and unusual weather patterns are becoming more common at present. Much more rapid climate change is possible and could result in frequent storm damage from flooding and wind. There is no accepted evidence yet as to the likelihood or consequences of this happening in the short term. A watching brief will be maintained. Major flood protection works are continuing in the lower Manawatu in order to restore flood protection works to the levels of protection prior to the 2004 floods (Horizons 2011).
Data Source	NIWA and Ministry for the Environment.

6. Natural Disasters

Assumption	Manawatu District Council is prepared to cope with any natural hazards including floods, storms, earthquakes and volcanic activity that occur during the life of this long-term plan.
Detailed Forecasts	An increasing number of natural disasters including earthquakes, floods and volcanic events have occurred in New Zealand in the last decade. Insurance is becoming increasingly difficult to obtain at an affordable level.
Risk	Council may not be adequately prepared to respond to a major natural disaster, or to a succession of natural disasters.
Level of uncertainty	A high level of uncertainty exists around natural disasters. For this reason, considerable effort is placed on mitigating factors including the significant financial mitigating factors.
Impact on Council Services	Manawatu District and other district businesses could be subject to a break in business continuity in the event of a major natural event. Council services including water (treatment, drinking) and sewerage could be disrupted. Depending on the severity or timing of disasters, Council may not have either enough staff to manage recovery and response.
Financial impact	A major natural event would impact on council by demanding immediate funding.
Mitigating factors	The Council is however working on a detailed business continuity plan, which outlines both crisis response and recovery. Civil Defence emergency planning is in alignment with business continuity preparedness. The Council also continues to be part of the Manawatu-Wanganui Civil Defence and Emergency Management Group working to ensure preparedness for any natural disaster, co-ordinate a response and support recovery. The District experienced a major flood event in 2004. Climate change trends are increasing the risk that this will occur again on a more regular basis. Moderate earthquakes are likely to occur in the LTP period but damaging earthquakes are far less likely. However, there are a number of fault lines through or near the District and a major earthquake would cause significant damage. The recent Christchurch earthquake dictates that emergency preparedness for a natural disaster must be taken seriously. The sequence of earthquakes, in a region not known to face a threat from earthquakes, highlights the need for preparedness. Emergency reserves of approximately \$800,000 are currently held in contingency for such issues and Council ensures it is adequately insured. Loan facilities are also available should the need arise. Major natural disasters are attracting Government and private charitable sector support.
Data Source	MDC

7. Transport

Assumption	That Manawatu District is able to service increased demand for alternative modes of transport, including both public transport, cycling and walking, over the life of the ten-year period.
Detailed Forecasts	Regular petrol cost per litre has more than doubled since 2000 (New Zealand Land Transport Authority). In Manawatu-Wanganui region, 82% of journeys to work are undertaken by car at present (New Zealand Transport Agency), with 1% of journeys to work by public transport and 4% by bicycle. This high proportion of private car users is among the highest in New Zealand, with other primarily rural regions (Taranaki, Southland, West Coast and Otago) all also having a high percentage of private car trips. Statistics New Zealand data shows that of 6700 working people resident in Manawatu, 2100 travel to work in Palmerston North and 100 travel to work in Rangitikei District. In recent years traffic volumes have grown in the district – for example average daily traffic on Feilding’s Aorangi bridge has grown by 41% since 1990, from 10,8080 trips in 1990 to 13,725 trips in 2009 (Regional Land Transport strategy). The heaviest traffic volumes within the wider horizons region is the Feilding to Palmerston North traffic corridor, including via Rangitikei Line and Milson Line. The Regional Land Transport strategy has identified the need to provide cost-effective and appropriate public transport in small towns and rural areas as a key transport issue for the region.
Risk	Council will face demands from the population for previously unsupported services.
Level of uncertainty	Fuel prices have more than doubled since 2000, and it is considered unlikely this will change. No end is in sight for world issues affecting oil prices, and instability in oil-producing nations is unlikely to be solved in the life of the LTP.
Impact on Council Services	The council may face an increased demand for funding for public transport, footpaths, walkways and cycle-ways, or facilitating other attempts to solve transport challenges.
Financial impact	Provision of transport would incur additional costs for Council. Council would have to consider where to meet these costs – some redirection of existing revenue could occur if Council believed it should invest in transport. Part and user-pays charges could be used to ensure beneficiaries were contributing.
Mitigating factors	Public transport is not traditionally a district council function but Council is working closely with provider Horizons Regional Council to ensure best and most appropriate services for the Manawatu. Gains may be made in simply adapting timetables for example, or enabling car pooling from rural communities. It is also possible some existing resource could be used in developing cycleways for example.
Data Source	Regional Land Transport Strategy, Statistics New Zealand.

8. Resource Consents held by Council

Assumption	Existing and future resource consents will be issued without major changes to conditions.
Detailed Forecasts	Considerable impact would be felt if either consents were issued with stricter conditions or consents were not renewed. In both cases, Council would face additional financial cost. It is anticipated however that consents will be renewed without these additional impacts.
Risk	If consents are issued or there is a tightening of existing consents Council could find itself operating outside of consent conditions. This would leave it open to legal implications and potentially fines.
Impact on Council Services	If consents are renewed with conditions, changes to levels of service and model of operation may be necessary. If consents cannot be provided, new works could be delayed, impacting on provision of services. This is particularly relevant to both wastewater and water supply activities though also relevant to roading and stormwater.
Financial impact	If there were changes to conditions or consents not renewed or issued, Council would face additional costs either to meet consents or to continue a process to apply for new consents. Council is well-positioned to support additional consent requirements however there would be an opportunity cost of not undertaking other infrastructure works or services.

Sensitivity	Implementation of One Plan by Horizons Regional Council is the defining factor in this regard. Council will monitor and work with Horizons to ensure MDC has sufficient notice of and is well-placed to manage any change required. While Council can advocate on the community's behalf, there is little or no flexibility in terms of consent conditions.
Data Source	Horizons One Plan.

9. External (Government) Funding

Assumption	It is assumed that Manawatu District will be able to manage demand for Councils to pick up and fund new services and projects previously funded by Central Government.
Detailed Forecasts	A tightening of the Government purse is leading to change in the public sector. Staffing and spending in many public sector areas is being cut. This may lead to a demand for increased funding on a regional or district level for social, health and other public services. An example of this is the current Feilding Integrated Family Health Centre project which Council has agreed to support by provision of an interest-free and interest bearing loan. If Council chooses to support services and projects that have historically been provided by central Government, it will impact on funding available for existing Council services.
Risk	Council will have insufficient funds to deliver all of the services or support demanded.
Level of uncertainty	The National party is enjoying a second term and there is signalled a further round of funding cuts and efficiency projects. While Government change is possible, New Zealand's financial situation is unlikely to see additional funding into the public sector beyond levels we have seen in recent years. This means that even with a change in Government, the squeeze on funding is unlikely to diminish.
Impact on Council Services	The Council may face an increased demand for funding in new areas and be forced to prioritise spending accordingly. This could mean service cuts or re-evaluating which services should be provided.
Financial impact	An increased demand for regional or district funding for non-traditionally council funded activity would increase costs to Council. If funds were diverted from traditional core activities some other source of revenue or of cutting expenditure would be necessary to avoid impacting on levels of service. Alternatives could include increasing user charges or fees in some areas, service cuts or an increase in rates.
Mitigating factors	Demand for additional funding is not new and therefore can be planned for during the Long Term Plan. Council is not compelled to fund services such as health and if it chooses to do so it can be achieved in the most cost efficient way possible, and budgeted for.
Data Source	

Significant Financial Assumptions

10. Inflation

Assumption	It is assumed that different rates of inflation will apply across different years and to different expenditure types. Appendix one contains the BERL inflation adjusters (commissioned by the Society of Local Government Managers) used in producing this plan.
Detailed Forecasts	The inflation forecasts in appendix two have been used to prepare the financial information within the LTP.
Risk	It is possible that rates will vary from that budgeted for, resulting in variances.
Level of uncertainty	Council uses standard BERL adjusters however these are predictions.
Impact on Council Services	Significant (and unexpected) cost increases will raise questions over levels of service and affordability.
Financial impact	Council may face increased costs if inflation rates differ significantly from forecasts.
Mitigating factors	Council closely monitors its budget and performance against budget. Emerging trends in the economy affecting inflation can be identified at early stages and budgets and spending adjusted if necessary to ensure there are no sudden impacts. Council also utilises several sources of funds including borrowing, internal and rates so the risk of inflation is not to all sources of funding.
Data Source	BERL Adjusters.

11. Interest on Loans raised

Assumption	Council has budgeted for this long term plan that interest on loans raised will be 7%. This figure was derived in conjunction with our bankers BNZ, however this could vary.
Detailed Forecasts	
Risk	Council may face additional costs if interest rates rise.
Level of uncertainty	This could vary subject to market conditions however this is a conservative projection.
Impact on Council Services	Impact if significant increase in the cost of activity.
Financial impact	Higher interest rates will have an impact on Council's interest expense and consequently the affordability of the service provided.
Mitigating factors	The impact is likely to be manageable, as Council could absorb and increase in interest rates due to prudent levels of borrowing.
Data Source	Financial strategy and forecasts.

12. Interest Rates - return on investment

Assumption	It is assumed that return on investments made by MDC will be 5.75%. This figure was derived in conjunction with our banker BNZ.
Detailed Forecasts	The return on investments rate is used to calculate the interest revenue for the Council. There are a number of investments held for strategic purposes rather than being held purely for financial gain. These have been taken into account when assessing the rate above. Council has a number of fixed, long term investments that have also impacted on the rate used.
Risk	Interest rates are projected, not set, so some variation could occur.
Level of uncertainty	A reasonable amount of certainty is attached to Government and sector forecasts.
Impact on Council Services	Investment revenue is not significant so there would be minimal impact on Council Services.
Financial impact	Lower interest rates on Council's investments will lead to lower revenue.
Mitigating factors	Only a very small proportion of Council's revenue is from interest therefore impact, even from a large change in interest rate, is not material.
Data Source	

13. Useful life of significant assets

Assumption	It is assumed that assets will last as long as estimated in the asset management plans produced during this LTP process and that condition scores used were accurate.
Detailed Forecasts	Factors from an extraordinary event to increased demand can impact upon the life of an asset. Many different possible factors can affect different assets – so to calculate and mitigate against each is difficult.
Risk	Any unanticipated asset deterioration either due to external events or inadequate condition scoring.
Level of uncertainty	A reasonable amount of certainty exists.
Impact on Council Services	If an asset needed to be replaced earlier than forecast it would have an impact on the service – for example there may be an unplanned shutdown in the case of water services or a bridge failure may result in closure. It may be that unexpected costs from replacement of one asset could impact on other services from another. For example, council was forced to increase borrowing or to use more rates take.
Financial impact	Unbudgeted capital expenditure would impact on finances by requiring funding – this could be addressed in a number of ways from borrowing, using reserves or a rates increase. If borrowing was selected, there would be both repayments on capital and unbudgeted for interest payments. Borrowing would have to be within Council's financial policy.
Mitigating factors	Assets are sensitive to both external factors and events and, to some extent, to the life of other assets. Monitoring condition of assets on an ongoing basis and updating of asset management plans with condition scores should ensure there is little unanticipated replacement works required.
Data Source	Asset management plans, last LTP.

14. Capital works costs

Assumption	Capital works costs will not vary significantly from budget.
Detailed Forecasts	Financial budgeting is indicative and it is known projects will incur cost overruns and under-budget results. Major capital works programmes such as roading can manage this by reviewing levels of service, with budgets also monitored and updated annually for annual planning.
Risk	Council could face higher than budgeted costs.
Level of uncertainty	Low in the next three years but may increase in future years.
Impact on Council Services	Levels of service may be reduced to ensure budgets are met, or projects deferred.
Financial impact	Higher than anticipated costs can increase levels of debt and unbudgeted interest payments if loan funds are used. This can flow on to affect Council's total debt levels.
Mitigating factors	Levels of service can be revised annually to ensure budgets are met and multi-year contracts can provide a degree of certainty over major capital works projects.
Data Source	Last LTP.

15. NZTA funding assistance

Assumption	The roading subsidy received by Council will increase to 53% overall.
Detailed Forecasts	Subsidies for roading are calculated annually so there exists a possibility of variance in the rate however Council officers have been closely following NZTA subsidy changes and believe there is no reason for alarm.
Risk	A shortfall in subsidy.
Level of uncertainty	Low in the next three years but less certain during the life of this long term plan.
Impact on Council Services	Decreased subsidy could impact on level of service.
Financial impact	A 1% reduction in subsidy would result in a decrease in revenue of \$100,000 – and there are no guarantees a reduction would not be more than 1%.
Mitigating factors	Changes in Government funding would affect the total package available to all TLAs, however it has been agreed that Manawatu District will receive a subsidy of 53% from the 2013 year onwards. Regardless of fluctuations, Council is however able to review levels of service annually through the annual plan and the LTP process.
Data Source	Last LTP and Wayne Keightley, Roading Manager, New Zealand Transport Agency Financial Assistance Rate Review 2011: http://www.transport.govt.nz/ourwork/KeyStrategiesandPlans/Pages/GPsonLandTransportFunding.aspx

16. Valuations

Assumption	The value of infrastructure will increase at the same rate as inflation.
Detailed Forecasts	Recent valuation increases in infrastructure have been significant, with increased valuations increasing depreciation and affecting funding levels.
Risk	Increased valuations would require depreciation funding and this will impact on Council's other spending.
Level of uncertainty	The environment is stabilizing therefore there is a low level of uncertainty.
Impact on Council Services	No direct impact on Council services but an impact on spending could result from the direct financial impacts.
Financial impact	Increased funding to cover depreciation costs would be required.
Mitigating factors	The cost of building is stabilizing and it is unlikely valuations will continue to rise on this basis.
Data Source	Last LTP.

17. Renewability or otherwise of external funding

Assumption	Council will be able to borrow at the required level.
Detailed Forecasts	The economic picture in New Zealand remains uncertain. Indicators are that this will continue for some time. The Reserve Bank says while New Zealand's financial system is more resilient and positioned to support economic growth, it still faces a volatile and uncertain environment. The Christchurch earthquakes had affected household and business debt, and Government finances in supporting recovery. Rebuilding would boost the economy, though it would require access to credit. While it is likely Council will be able to secure loans, it cannot be guaranteed.
Risk	Inability to fund services or capital investment if Council is not able to borrow.
Level of uncertainty	New Zealand faces a volatile and uncertain environment, as noted above. There is a moderate amount of uncertainty.
Impact on Council Services	If Council's ability to borrow is affected then two options exist – defer capital works or increase rates to fund capital works.
Financial impact	If rates are used as an alternative source of funding for capital projects, rates take would rise.
Mitigating factors	The volatile and uncertain environment is a major factor, however the Council enjoys a strong relationship and loan facilities with BNZ which could be drawn down if the need arose. The new financial strategy is prudent in all regards with debt levels reflecting a prudent approach.
Data Source	Reserve Bank May 2011 Financial Stability Report.

18. Legislative changes

Assumption	Legislative changes will not have a significant effect on Council's finances or levels of service.
Detailed Forecasts	Key areas affected by potential legislative change are in regulatory and compliance areas including liquor licensing and building. Possible changes to the Building Act (2004) and the Sale of Liquor Act (1989) may increase levels of service required however, this is as yet unquantified. Activity management plans for building control and liquor licensing are assuming current levels of service and demand continue but officers are closely monitoring the situation.
Risk	Legislative changes will require levels of service higher than those budgeted for.
Level of uncertainty	Legislative change is possible around the contentious issue of alcohol sales and change in the building industry is underway. There is a moderate level of uncertainty to outcomes at this stage.
Impact on Council Services	Legislative change including proposed changes to the Sale of Liquor Act (1989) are likely to require increased monitoring and enforcement of new and existing applications including community impact assessments. Discussion on regulatory reform of the Building Control Act (2004) may also have implications for building control services. Any change in accreditation for building control functions would also impact on the service. However, both of these services are relatively discreet within Council and neither accounts for a significant budget.
Financial impact	Additional costs to meet levels of service would impact on rates support required.
Mitigating factors	Legislative changes have been signalled and officers have taken these into account when drafting activity and asset management plans. Neither of these statutory activities are very significant to the overall budget. Further, fees and charges could be adjusted to address changes in levels of service.
Data Source	Activity management plans, Building Control and Liquor Licensing.

Appendix One

BERL Inflation Adjusters 2011 base

Table 3 Adjustors: % per annum change

Year Ending	Road	Property	Water	Energy	Staff	Other	Earthmoving	Pipelines	Private sector wages
% pa changes									
June 2009	4.2	4.5	2.3	-2.6	3.2	4.5	5.9	10.2	3.2
June 2010	3.6	1.8	1.1	0.6	2.2	1.2	2.6	1.8	1.6
June 2011	2.6	1.7	3.7	0.3	1.6	2.7	2.0	4.9	1.9
June 2012	4.3	3.9	4.5	5.5	2.6	3.6	5.5	5.7	2.6
June 2013	3.8	3.0	4.2	4.8	2.5	2.4	4.1	5.2	2.4
June 2014	3.1	2.9	3.9	4.7	2.4	3.2	3.4	4.4	2.3
June 2015	3.5	2.9	3.5	4.7	2.4	3.2	2.9	3.7	2.3
June 2016	3.1	3.0	3.7	5.0	2.6	3.4	3.0	3.8	2.4
June 2017	3.0	3.1	3.8	5.1	2.6	3.5	3.3	4.2	2.5
June 2018	3.2	2.8	3.5	4.6	2.4	3.4	3.5	4.5	2.2
June 2019	3.5	2.8	3.5	4.5	2.3	3.3	3.8	4.8	2.2
June 2020	3.7	3.0	3.8	5.0	2.6	3.3	4.1	5.2	2.4
June 2021	3.4	3.3	4.1	5.4	2.7	3.6	4.3	5.5	2.6
June 2022	3.5	3.3	4.1	5.4	2.7	3.5	4.4	5.7	2.6

Table 4 Adjustors: cumulative % change from June 2011

Year Ending	Road	Property	Water	Energy	Staff	Other	Earthmoving	Pipelines	Private sector wages
cumulative % change from June 2011									
June 2012	4.3	3.9	4.5	5.5	2.6	3.6	5.5	5.7	2.6
June 2013	8.2	6.9	8.9	10.6	5.2	6.0	9.9	11.2	5.1
June 2014	11.5	10.0	13.1	15.9	7.7	9.4	13.7	16.0	7.5
June 2015	15.5	13.2	17.1	21.4	10.3	12.9	16.9	20.3	9.9
June 2016	19.1	16.6	21.4	27.5	13.1	16.7	20.4	24.9	12.6
June 2017	22.6	20.3	26.1	34.0	16.1	20.7	24.4	30.1	15.4
June 2018	26.6	23.6	30.5	40.2	18.8	24.8	28.8	35.9	18.0
June 2019	31.0	27.1	35.1	46.5	21.6	29.0	33.7	42.5	20.6
June 2020	35.8	30.9	40.3	53.9	24.7	33.3	39.1	49.9	23.6
June 2021	40.5	35.2	46.0	62.1	28.1	38.0	45.2	58.1	26.8
June 2022	45.4	39.6	52.0	70.8	31.6	42.9	51.6	67.1	30.1

Table 7 LG Cost Index, cumulative % change from June 2011

Quarter	LGCI % change from June 2011		
	LGCI	OPEX	CAPEX
June 2012	5.34	5.67	4.92
June 2013	9.33	9.25	9.44
June 2014	13.12	12.68	13.68
June 2015	16.71	16.10	17.48
June 2016	20.53	19.78	21.48
June 2017	24.64	23.67	25.88
June 2018	28.71	27.17	30.67
June 2019	33.06	30.80	35.94
June 2020	37.97	34.97	41.80
June 2021	43.33	39.48	48.24
June 2022	48.92	44.09	55.07

Table 1 Forecast of economic driver variables: % per annum change

Year Ending	Nominal GDP	Real GDP	Non-hsg invtmt	Employment	Oil prices	CPI
June 2011	5.3	1.3	4.3	1.7	8.6	5.3
June 2012	5.4	1.8	9.8	0.1	2.3	2.8
June 2013	5.9	3.4	8.4	1.9	2.8	2.4
June 2014	5.5	3.1	6.2	1.6	2.1	2.4
June 2015	4.8	2.9	2.9	1.6	2.3	2.4
June 2016	5.0	2.9	3.2	1.6	2.4	2.4
June 2017	5.2	2.9	3.4	1.7	2.5	2.5
June 2018	5.4	2.9	3.6	1.8	2.6	2.5
June 2019	5.6	2.9	3.8	1.9	2.7	2.6
June 2020	5.8	2.9	4.1	1.9	2.8	2.6
June 2021	6.0	2.9	4.3	2.0	2.9	2.7
June 2022	6.2	3.0	4.5	2.1	2.8	2.6

Summary of Significance Policy

The Significance policy sets out Council's general approach to assessing if a decision or proposal is significant.

Council must take into account the following when assessing significance:

- the future wellbeing of the district
- anyone within the Manawatu District who is likely to be affected by, or have an interest in, the decision; and
- the capacity of the Council to perform its role, and the financial and other costs of doing so.

It is Council's responsibility to assess the level of significance of a decision or proposal. Wherever possible, significant proposals, decisions etc. will be included as part of the relevant LTP or Annual Plan process. Compelling reasons must be given if this is not possible.

The policy also sets out the following criteria when assessing significance (please note: the policy does not include thresholds, financial or otherwise):

- The decision or proposal affects all or a large portion of the community in a way that is of some consequence
- The impact or consequences of the decision or proposal on persons affected by the decision or proposal will be substantial
- The financial implications of the decision

on the council's overall resources are substantial

Even if a decision or proposal does not meet the above criteria it may still be considered significant if it is thought it will generate a lot of interest. Council must exercise its judgement when deciding this.



A continuing focus for the Marae Committee will be to ensure that all Maori of the district are represented, and are able to have a say in Council decision-making.

Development of Maori Capacity to Contribute to Decision-Making

The Manawatu District is home to a number of Marae. In recognition of the important part they play within the community and as a result of a request from Tangata Whenua representatives, a Marae Consultative Committee was established in 1992. Its principal purpose is to liaise between Council and local Tangata Whenua.

Membership of the Committee comprises one member from each Marae: Aorangi, Kauwhata, Kotuku, Parewahawaha, Poupatate, Te Rangimarie, Taumata O Te Ra, Te Hiiri, Te Iwa and Te Tikanga, along with two elected members appointed by Council. The meetings are chaired by the Mayor.

Meetings are held on a bi-monthly basis, with items of business reflecting the Council's current activities and issues identified by committee members. The committee meetings provide a forum for regular communication and an effective avenue for Tangata Whenua to have input into the council's decision-making processes.

In 2011, members of the Marae Consultative Committee were given the opportunity to opt for a Maori ward. It was decided that such a ward was not necessary. However, the Committee did take the opportunity to review its terms of reference and re-confirmed them without change.

The Marae Consultative Committee continues

to represent the interests of Tangata Whenua – the people of the land. Tangata Whenua are those Maori who belong to the Iwi and Hapu of the Manawatu District. However, they do not represent all Maori, i.e. those who come from elsewhere or simply are unable to trace their whakapapa.

A continuing focus for the Marae Committee will be to ensure that all Maori of the district are represented, and are able to have a say in Council decision-making.

Council Controlled Organisations

The Council does some of its work through Council Controlled Organisations (CCOs).

A CCO is any organisation in which the Council owns or controls at least 50 percent of the voting rights or has the right to appoint at least 50 percent of the directors or trustees. CCOs are mostly set up to independently manage Council facilities or deliver specific services to local residents.

The Council has three CCOs

- The Feilding Civic Centre Trust
- The Manawatu Community Trust
- Heartland Contractors

CCOs operate at arms length to the Council. CCOs are run by Trust Boards, not by the Council. Every year the Trust provides the Council with a completed Statement of Intent which outlines its activities for the year ahead and describes how it will meet the Council's objectives.

The Council may choose to work through a CCO when they consider governance by a Trust Board with specialist skills in a specific area is required. CCOs can also attract funding from sources other than ratepayers.

Council, during deliberations for this long term plan, also agreed to form a fourth CCO, to oversee the development of the Kitchener Park Reserve. This new CCO will be exempted from being a Council-Controlled organisation by resolution of Council in accordance with section 7 of the Local Government Act 2002,

with terms of the Trust deed to be approved by Council.

The Feilding Civic Centre Trust

Manawatu District Council has agreed to lease the Feilding Civic Centre property in Stafford Street, Feilding to the Feilding Civic Centre Trust for a three year term under certain terms and conditions. Terms of the Trust Deed provide for the appointment of Trustees by the Council.

The Feilding Civic Centre Trust was exempted from being a Council-Controlled Organisation by resolution of Council on 21 July 2005, in accordance with section 7 (3) of the Local Government Act 2002.

The Manawatu Community Trust

As noted in the Trust documents, Manawatu District Council established the Manawatu Community Trust for the following purposes:

1. Any charitable purpose within the Manawatu district
2. To create a fund to be used for:
 - 2.1 The promotion of any purpose or purposes within the Manawatu district for the relief of poverty and for the benefit of the residents of the Manawatu district;
 - 2.2 The promotion of health services for the residents of the Manawatu district;
 - 2.3 The promotion of wellbeing services for residents of the Manawatu district

– these services shall include services promoting the improvement of the lifestyle, health and welfare of residents of the Manawatu district and creating a sense of community for the benefit of the residents of the Manawatu district;

- 2.4 The promotion of housing for the elderly and disabled residents of the Manawatu district; and to accept gifts and grants of whatever description Provided that any private benefit conferred on any individual is incidental to the above purposes.

The Trust will meet the following outcomes:

1. Housing provision
Provide affordable and sustainable housing to residents who meet the eligibility criteria set.
2. Housing maintenance
Review criteria used to assess units to a standard appropriate for housing the elderly and disabled.
Identify the housing stock which require major upgrades.
Be responsive to urgent maintenance requirements or resident health and safety needs.
3. Housing occupancy
Maintain a high occupancy level.
Keep a waiting list when housing is fully tenanted.

4. Health

Lead and facilitate the development and establishment of an Integrated Family Health Centre in Feilding.

5. Finance

The Trust will comply with current accounting policies.

Ensure that a positive financial return on investment in line with the nature and condition of the housing portfolio is achieved for re-investment in housing and repayment of Capital Loans.

Capital Loan reduction of \$125,000 paid to the Manawatu District Council by 30 June 2012.

Provide financial reporting to the Manawatu District Council as required.

Maintain the ratio of consolidated Trust funds to total assets to be no less than 70:1. This is defined as Total Equity/Total Liabilities and Equity.

During the Annual Plan process 2011, Council agreed to provide a loan to the Feilding Integrated Family Health Centre of up to \$2,500,000 over 2011/12 and 2012/13. This comprised half of the loan being provided interest free, with the other half subject to market rates available to Council. Money was to be made available over the years 2011-12 and 2012/13.

The total cost of this project is \$5.1 million, including purchase of the current buildings and construction of new buildings. Council did

however only agree to provide the funding if other funding sources were secured and the business case was favourable.

Heartland Contractors

The Council has a 100% shareholding in Heartland Contractors Ltd. The business of this company was sold on 1 March 2002 and has ceased to trade. Accordingly, no details of the company have been included in this long-term plan.

Audit Opinion

Independent Auditor's Report

To the readers of

Manawatu District Council's Long-Term Plan for the ten years commencing 1 July 2012

The Auditor General is the auditor of Manawatu District Council (the District Council). The Auditor General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP dated 21 June 2012 for the ten years commencing 1 July 2012.

The Auditor General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the District Council's LTP dated 21 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and
- the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 21 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 : Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;

- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing an LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of an LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with

or interests in the District Council or any of its subsidiaries.



Phil Kennerley

Audit New Zealand

On behalf of the Auditor General

Wellington, New Zealand



Governance Structure

Mayor



Margaret Kouvelis
Phone 323 0000 (CI)
323 0550 (Hm)

Feilding Ward



Cr Matt Bell
Phone 323 3147
(Deputy Mayor)



Cr Barbara Cameron
Phone 323 5332



Cr Steve Gibson
Phone 323 5533



Cr Tony Jensen
Phone 323 7569



Cr Wayne Ellery
Phone 323 4230

Kairanga Ward



Cr Margaret Giles
Phone 324 8987



Cr John Salmon
Phone 357 6910



Cr Howard Voss
Phone 356 9779



Cr John Baxter
Phone 328 7019



Cr Alison Short
Phone 328 8768

Kiwitea-Pohangina Ward

Executive Team



Chief Executive
Lorraine Vincent



Community Services
Group Manager
Brent Limmer




Infrastructure Group
Manager
Hamish Waugh



Support Services and
Environmental Group
Manager
Shayne Harris



Human Resources
Manager
Linda Gordon



Council Outcomes – outcomes that a local authority aims to achieve.

Glossary

Activity – a good or service provided by or on behalf of a local authority.

Annual Plan – a document adopted by a local authority which sets out the budget for the year, and the sources of funding for the year.

Annual Report – a document that a local authority prepares each year, which provides the public with information on the performance of the local authority during the year (both in financial and non-financial terms).

Asset – assets are land, buildings and facilities owned by Council.

Asset Management Plan – plans that detail the future development and maintenance of Council's infrastructural assets to a specified level of service.

Community – a network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identify (for example, a hapu, a voluntary organisation or society), an administrative community (such as a district).

Communitrak Survey - survey which measures satisfaction with Council services, and asks questions on Council policy and direction, rates issues, contact with Council, information and representation. The survey also compares Council performance against a peer group of councils and a national survey of 1,006 interviews.

Council Organisation (CO) – any organisation in which one or more local authorities own

or control any proportion of the voting rights or has the right to appoint one or more of the directors, trustees, etc.

Council Outcomes – outcomes that a local authority aims to achieve.

Council-Controlled Organisation (CCO) – any organisation in which one or more local authorities own or control 50 per cent or more of the voting rights or have the right to appoint 50 per cent or more of the directors of the organisation. The following organisations are specifically excluded from being CCOs: Local Government New Zealand; Civic Assurance; Infrastructure Auckland; Watercare Services; and port, energy or electricity companies.

Decision – a resolution or agreement to follow a particular course of action, including an agreement not to take any action in respect of a particular matter.

Email Panel – a randomly selected panel of district residents who answer questionnaires via email. Questionnaires are on satisfaction with Council services or residents' thoughts on Council proposals.

Exacerbator Costs – additional or unplanned costs incurred by Council through deliberate acts of vandalism and other forms of damage.

Funding Impact Statement (FIS) – written information that sets out the funding mechanisms that a local authority will use, their level, and the reason for their selection in terms of the principles of financial management. Funding impact statements must be included in a long term council community plan and in an

annual plan.

Generally Accepted Accounting Practice (GAAP) – approved financial reporting standards (as defined by section 2(1) of the Financial Reporting Act 1993) in so far as they apply to local authorities or CCOs, or statements that are not approved but which are appropriate to the local authority or CCO and have the authoritative support of the accounting profession in New Zealand.

Group of Activities – two or more related activities.

Long Term Plan (LTP) – a plan, covering at least 10 years, adopted under section 93 of the Local Government Act 2002, that describes the activities the local authority will engage in over the life of the plan, why the local authority plans to engage in those activities and how those activities will be funded.

Local Authority – a territorial authority or regional council as defined by the Local Government Act 2002.

Pavement – in the context of roads, pavement refers to the sealed part of the road that vehicles drive on. This is not to be confused with footpaths which some people refer to as pavements.

Service Levels – the defined service parameters or requirements for a particular activity or service areas against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

Significance – (in relation to any issue, proposal,

decision or other matter that concerns or is before a local authority) means the degree of importance of the issue, proposal, decision or matter, as assessed by the authority, in terms of its likely impact on, and likely consequences for the future social, economic, cultural and environmental well-being of the district.