

ANNUAL PLAN 2014/15

Your vision for Taranua's future



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

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

In the beginning...

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

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

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

European settlement within the District started in 1854 when the first sheep were driven up the coast from Wellington to establish coastal stations, but access to this area remained almost entirely by sea until well into last century.

There are some great communities waiting to be discovered in Tararua. Each has a unique identity, story to tell and experience to share. From the hardship tales of the Scandinavian settlers who felled the Seventy Mile Bush, to the pioneers who established farming on the region's rugged east coast at Herbertville and Akitio. These communities are one of the elements that make this region unique in New Zealand.

Around 95% of Tararua's 400,000 hectares is farmed and the region has a reputation for producing high quality stock. Sheep, beef and dairy are the most significant types of farming, representing 90% of all holdings and accounting for 99% of total stock units. Forestry is a growing industry and there are now more than 13,000 hectares planted in pinus radiata.

Pastoral farming continues to be the major economic sector within Tararua.

Tararua is a unique, proud and diverse region of rugged unspoiled landscape.



ANNUAL PLAN 2014/15

ⓂARARUA DISTRICT COUNCIL

This document is the Annual Plan of the Tararua District Council, for the period 1 July 2014 to 30 June 2015.

The Annual Plan 2014/15 was adopted by Council on 25 June 2014.

Tararua District Council
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Message from the Mayor and Chief Executive

The budgets and projects shown in this Annual Plan reflect year three of the 2012-2022 Long Term Plan, and the continued focus on core infrastructure and promoting economic development.

During the year, we will need to create a new 10-year plan. One of the key questions is whether your priority for Council remains "Tararua will be a growing and prosperous district providing a wide range of employment opportunities that is underpinned by highly efficient, capable and affordable infrastructure".

In our Long Term Plan, rates for the coming year had been projected to increase by an average of 4.55%. Councillors agreed with submitters that the forecast rate increases should be pared back, where feasible, balancing affordability concerns with the need to comply with central government imposed legislation. After consultation with the community the rates increase for the coming year is 3.41%.

We have achieved cost reductions namely in:

- water and wastewater operations from the targeted investment in renewing and improving separate schemes in the last three years; and
- solid waste services through amending contracts and the investments in facilities.

However, we had to increase expenditure in other areas:

- Administration work needed to retain and comply with our new Building Accreditation (required under the Building Act) requires more funding. The positive of this is that it will result in a higher level of service through residents and prospective property owners being able to access property/building information on-line in the near future.
- Increased maintenance for community assets – to comply with new legislative requirements imposed since the Long Term Plan was adopted.
- 2015-2025 Long Term Plan – the work required to prepare and to have the Plan audited has increased in scope and cost. For example, to expand the Asset Management Plans to 30-year mandatory timeframes.

After considering the submissions from the community, Council resolved to use \$75,000 from the Gratuity Reserves to help reduce the impact of the digitisation project on general rates.

As part of this planning process, we noted that the previous returns indicated in the Statement of Intent for Infracon Limited (Infracon), consulted with Council, were overly optimistic. To reflect actual performance of Infracon and the change in delivery of the road maintenance work, we did not budget for dividends and subvention revenue from Infracon for the 2014/15 financial year. This is to reflect the ongoing restructure that the Infracon's Board and Management are currently carrying out to improve the operations and financial performance of the company.



However, on a positive note we are starting to see the benefits from the restructure of our Group resulting in reduced complexity – the number of boards that sit between Council, and its investments in its subsidiaries. As a result, we now have improved communication and governance over the operations and performance.

The decision to bring the forest operation back into Council is reaping benefits. Council will be using \$150,000 from the forestry revenue to offset the loss of dividends from Infracon. This contribution from the forestry revenue will go towards offsetting the rates requirement for the roading activity – the activity that is most affected by the forestry harvesting operations.

Other significant issues will have an impact on Council funding requirements from 2015/16 onwards, hence the reason why Council cannot defer the increases in operating cost to later years. Two of the significant issues are:

- Government policy on road maintenance funding and management – We have received the initial decisions and the impact on Council is significant. Our funding envelop will reduce from 61% we receive currently by 1% each year, until we reach the determined funding rate of 53%. This will have a major impact on our funding and consequently the roading maintenance program.

We will continue to work alongside Local Government New Zealand, other Councils and with government Ministers to ensure that we get the right outcome for the District on the road maintenance funding review.

- Government policy around earthquake-prone buildings – Council is expected to carry out and fund the earthquake assessments of all commercial properties in the district. We will consult on the funds required, timing and options who will pay for this expenditure as part of our 2015-2025 Long Term Plan.

We would like to acknowledge the hard work staff and Councillors have put in to identify efficiencies and rates reduction options for 2014/15, without losing sight of what we still have to deliver on our vision, strategy and responsibilities to residents and ratepayers.

Roly Ellis
MAYOR

Blair King
CHIEF EXECUTIVE

Key Changes

Introduction

This Annual Plan sets out the Council budget for the 2014/15 year beginning on 1 July 2014. This is year three of the 2012-2022 Long Term Plan. The Long Term Plan was adopted by Council in June 2012 and sets out the vision, strategies and policies that the Council is aiming to achieve over the next decade. The direction of Council has not changed since then and this Annual Plan budget largely confirms the year three plans of the Long Term Plan.

"Many of these issues are the result of new or proposed legislation by central government."

There has been a number of changes to the timing of projects, and some new issues have arisen that Council is proposing to address. Many of these issues are the result of new or proposed legislation by central government. Some of these imposed changes will result in increased costs to Council and therefore the residents of Tararua.

Council is not consulting on the direction or timing of the strategies, policies and projects contained in the Long Term Plan. The Council will be working on the next Long Term Plan during 2014, and will fully consult on all aspects of Council operations and direction in early 2015 as part of the 2015-2025 Long Term Plan process.

Key Changes from the Long Term Plan

This year, Council continues to deliver on the strategies and outcomes set out in the Long Term Plan. The focus is again on core infrastructure – roads, water, and wastewater. This work included "business as usual" maintenance and improvements necessary for the district's future.

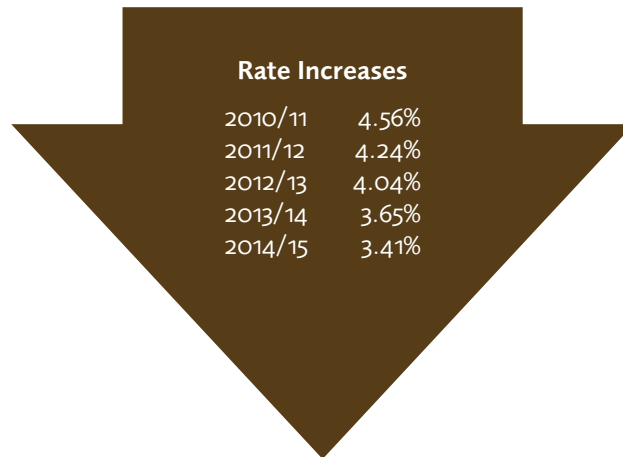
As usual there are a number of variations to the timing and overall cost of some projects. Council has a number of options around the timing and design of major projects (such as the Dannevirke wastewater treatment upgrade or possible options for town water storage choices in Woodville, Pahiatua and Eketahuna). Details on these are highlighted in this section and submissions are welcome.

Rating and Affordability

The average rate increase for the 2014/15 year is 3.41%. This is lower than the average rates increase of 4.55% indicated in the Long Term Plan for the 2014/15 year. Council has been striving to minimise rate increases over the last few years in response to difficult local economic conditions.

The rate increase continues the trend of declining, while delivering major improvements in infrastructure and complying with legislative changes. These include urban water and

wastewater, solid waste and recycling, mainstreet upgrades and digitising building and other Council records.



Council will be reviewing all future major projects and operating costs in 2014/15 as part of the 2015-2025 Long Term Plan process. Affordability will continue to play a major role as Council continues to balance the desire to keep rate increases low, while at the same time investing in our infrastructure and enabling the district to thrive by attracting more business and people. Council sees the continued investment in our infrastructure, innovation and cost efficiency, and economic growth, as vital to achieving our vision for the district.

Solid Waste and Recycling

During 2013/14 Council reduced the costs of waste disposal by utilising the capacity available at the Eketahuna Landfill. Waste from Pahiatua is now transported to the Eketahuna Landfill rather than trucked to the landfill at Waipukurau. Diverting waste to Eketahuna reduces trucking and disposal costs compared to using Waipukurau.

Costs have been further reduced by using glass as cover material at the Eketahuna Landfill. This reduces costs, as glass is an expensive material to transport and recycle. Other efficiency gains have been achieved by using local contractors in each town.

Council intends to maximise the value of the existing investment in the Eketahuna Landfill and reduce waste disposal costs where possible. Council has a consent to dispose up to 1,000m³ per annum (compacted and in landfill) at Eketahuna. This consent expires in June 2018. In 2011 it was estimated that 10 years capacity remained at Eketahuna. Council is not restricted by the capacity of the landfill, but by the life of the consent. In 2014/15, the remaining life will be re-assessed and a business case prepared for options including opening new cells, seeking a new consent or closing the landfill after June 2018.

"The success of recycling has also resulted in reduced volumes of waste disposed to landfills."

Council is continuing to be successful in meeting the targets contained in the Waste Minimisation Plan, including increasing the volume of recycled materials. The overall percentage increase in volumes of recycled materials in 2014/15 is expected to exceed the 16% target, when compared to 2010/11. Over the 2014/15 year Council will be focusing on more educational initiatives to increase the correct sorting of recycled material by the users of Council's bulk bins, and encouraging the use of the kerbside recycling service.

The success of recycling has also resulted in reduced volumes of waste disposed to landfills. This does provide funding difficulties as revenue from waste disposal fees is also declining. Higher volumes of recycled materials results in increased costs (to sort and transport) with no increase in revenue as there is no charge to drop off recycling. This double hit to costs cannot be made up by increasing waste disposal fees significantly as this would result in more fly-tipping and further reductions in waste disposal. In addition the glass market is still very depressed at present. Glass recycling remains a major cost area for Council.

Pahiatua Transfer Station

In 2012/2013, after consultation with the community, the Council reduced the number of hours that the Pahiatua transfer station was open to the public. There has been no noticeable increase in fly tipping as a result of this reduction. This reduction in hours resulted in operating cost savings to the general ratepayer with no noticeable reduction in fees collected. Council has reviewed the opening hours in effort to address concerns raised by some members of the community about the convenience of the current hours, in particular during the working week, as part of this Annual Plan.

The transfer station is currently open from 1pm-5pm on Wednesdays and Sundays. The hours and days compliment the Wednesday kerbside collections in Pahiatua, including commercial

wheelie bins and the Woodville transfer station which is open Wednesdays 9am-11am, and Saturdays 2pm-5pm. Under the terms of its resource consent, Council is required to remove all waste off site from Pahiatua within 48 hours of receiving it. Once the waste has been trucked to Eketahuna, the waste must be covered.

"There has been no noticeable increase in fly tipping as a result of this reduction."

Any change in operating hours at Pahiatua is complex, as it must allow for clearing and trucking waste to the Eketahuna landfill, and additional hours at the Eketahuna landfill to cover the waste. A change to the current opening hours would result in an increase in operating costs with no or very little anticipated increase in fees collected. Hence, any increase in costs would need to be funded through general rates.

In considering options and consulting with the community, it was not considered viable for Council to alter the Wednesday afternoon hours when 75-80% of the waste is received via Council and commercial kerbside rubbish collection services.

Fees and Charges

One of the many tasks that Council considers each year is the balance between rates funding and user pays through fees and charges. This is an ongoing balancing act that needs to reflect the benefits to the users of Council services, the legal ability to charge, and affordability.

Council is proposing to increase most fees and charges to cover inflation. This is a modest increase of around 1%. However, there are a few activities with higher increases and/or new fees proposed:

- **Liquor Licensing**

As a result of the new legislation, there has been changes to the fee structure for Liquor Licensing. These charges, that came into effect on December 2013, are set by central government and will result in higher charges for some licensed commercial premises.

Applicants for liquor licenses need to ensure they select the right licence category, as fees for low risk premises are lower than the previous charges imposed by Council.

- **Animal Control**

Currently the Tararua dog fees are among the lowest in the country. To enable better management of the risk associated with dangerous and wandering dogs, Council is proposing to change the structure of fees and charges for Animal Control – increase dog registration fees by \$5 for urban dogs and \$3 for rural dogs in 2014/15.

Gradual increases will also be introduced over the 2015/16 and 2016/17 years to bring our fees to match the cost of delivering the agreed levels of service and meeting new legislative requirements:

- An additional dog ranger and the ability to proactively seek unregistered dogs and respond more quickly to reports of wandering dogs,
- Upgrading of the dog pound in Dannevirke, and dog and stock holding facilities across the district.

Council is faced with upgrading the dog pound to meet proposed new animal health regulations. If dog fees are not increased, Council will have to increase rates to fund the upgrade or face probable prosecution by the Ministry of Primary Industries.

"Council is proposing to increase most fees and charges to cover inflation."

- **Resource Management and Building Consents**

Resource and building consent fees and charges are proposed to change to better reflect the actual time and cost to Council that different types of consent processes create. The processes are set by the Resource Management Act, Building Control Act and the Council's District Plan. Some fees and charges have been reduced, and others increased.

The fees are detailed in the Fees & Charges 2014/15 document available on the Council website, and at service centres and libraries.

Compliance with Revenue and Financing Policy

Council's Revenue and Financing Policy sets out how Council funds each activity it is involved in and why. This policy contains the following funding principles:

- User/beneficiary pays principle
- Intergenerational equity principle
- Exacerbator/polluter pays principle

Based on these principles the Council has determined the funding mechanism as follows:

Funding Mechanism	Basis
Uniform Annual General Charge	Recognises that most services are available to all properties regardless of value and that these properties should contribute a reasonable amount to running the district
General Rates	Where the benefits accrue to the whole district
Targeted Rates – differential and uniform	Where the benefits accrue to certain groups within the district
Fees and Charges	Where the benefits that accrue to individuals is greater than the benefit to the community

In setting the rates for this Annual Plan, four activities did not comply with the funding splits between public and private good as set in the Revenue and Financing Policy.

The following are the activities:

• Libraries

Activity/Funding	Rates	Grants	Fees & Charges
As in Policy	90-95%	0%	5-10%
As in Annual Plan	96%	0%	4%

As a result of the amalgamation of the Library and Service Centre in Woodville, there has been significant changes to the direct and overhead cost (staff and operating expenditure) allocated between these two activities. Council will review the funding split (between Rates and Fees & Charges) as part of the 2015-2025 Long Term Plan.

• Animal Control

Activity/Funding	Rates	Grants	Fees & Charges
As in Policy	5-10%	0%	90-95%
As in Annual Plan	4%	0%	96%

The registration fees for dogs have increased with no significant increase in operating cost, which has resulted in a lower rates funding requirement. The increase in registration fees is to allow for an increase in staff resources to be budgeted in the 2015/16 (Year 1 of the 2015-2025 Long Term Plan) financial year.

• Health and Safety

Activity/Funding	Rates	Grants	Fees & Charges
As in Policy	40-45%	0%	55-60%
As in Annual Plan	48%	0%	52%

The increase in rates requirement is due to the increase in staff resources (of \$124,000) and increased allocation of overheads for the administration work needed to retain and comply with our new Building Accreditation with no corresponding increase in revenue (via Fees and Charges).

This additional work is a project that Council anticipates will be completed within two years, after which the additional staff resources will be reduced significantly. Council will review the funding split (between Rates and Fees & Charges) and also the possibility of increasing the Fees & Charges as part of the 2015-2025 Long Term Plan.

• Solid Waste Management

Activity/Funding	Rates	Grants	Fees & Charges
As in Policy	55-65%	0-5%	30-40%
As in Annual Plan	67%	2%	31%

The slightly higher rates funding is due to higher cost incurred in Recycling and Refuse Collection and the inability to fully recover this additional cost through Fees & Charges. Council will review the funding split (between Rates and Fees & Charges) and also the possibility of increasing the Fees & Charges as part of the 2015-2025 Long Term Plan.

Forestry Activity

Council placed Tararua Forests Limited in voluntary liquidation, on 1 July 2013. The assets of Tararua Forests Limited have now been transferred into Council.

This decision by Council is reaping benefits. Council has more control over this activity and took a different approach to harvesting the matured logs. As of May 2014, total revenue recognised from logging of forests was about \$590,000 net of harvesting and capital improvements cost.

Council will be using \$150,000 from the forestry revenue to offset the loss of dividend from Infracon Limited. This contribution from the forestry reserves will be used to offset the rates requirement for the roading activity – the activity that is most affected by the forest harvesting operations.

"This decision by Council is reaping benefits."

Eketahuna Earthquake Impacts

The Eketahuna earthquake that struck on 20th January 2014 has caused moderate damage to the roading network and sewer pipes in the area close to the epicentre. There has also been damage to some houses and commercial buildings around the district and further afield. People who have suffered damage to their home, land or contents from the Eketahuna earthquake have until 22 April 2014 to lodge their claim with the Earthquake Commission.

Council roading staff (as at May 2014) have made claims totalling \$900,000 to the NZ Transport Agency for earthquake damages. These relate to cracked roads, unstable banks or slumping. Further claims will be made as more damages are identified. Council building inspectors were also busy helping ensure residential and commercial buildings were safe. A few buildings have been closed due to structural damage.

Council staff have carried out underground assessment of all sewer pipes in Eketahuna using a CCTV camera. This has revealed widespread damage to the network, largely in the form of misaligned pipes and movement at pipe junctions. Council will be making a claim for damages against its infrastructure insurance policy. The policy is for 100% cover for damages on the replacement value of assets with excess being \$250,000. As this work is a capital expenditure (renewal of assets), the excess and any additional cost will be funded from Council's depreciation reserves.

The Eketahuna swimming pool suffered moderate damage in the earthquake. The Junior Pool has cracked and does not hold water. Council is awaiting an assessors report on the damage costs and repair options. The filter shed wall has also collapsed and there are numerous cracks in the concrete pool surrounds. Council will consider the costs and options for repairing the pool by the end of 2013/14, and carry out the necessary repairs in the 2014/15 year.

Housing for the Elderly

In the Long Term Plan, Council had decided to sell the 13 Hovding Court flats and build 12 new units on the George Street Reserve. However, testing of the ground at George Street has confirmed that this site was unsuitable for building.

Council considered alternate options to rebuild units on the Hovding Court site. The Council has a pensioner housing reserve fund of \$734,000. Three options were considered to replace the 13 units at Hovding Court. Council's preferred option is:

Option Three

- Replace the 3 double units (6 flats) and rebuild 6 new flats. Estimated cost to rebuild 6 new units is \$600,000. This could be funded through the Pensioner Reserve Fund without raising a loan.
- Retain the 4 old flats in the front of the complex in the interim and the 3 newer flats on the southern side of the complex.
- Sell the 3 double flats for \$30,000 to be moved off site and return the sales proceeds to the Housing Reserves.
- Replace the 4 older flats when the Housing Reserves build up again.

► **Impact:** No additional Loan. Renewal of 4 older flats deferred until reserves are available.

All flats built will be charged a rental based on 25% of the Single Pension rate.

Council Building Records

In 2013/14 Council started to digitise all historical building records. This is a large project that is required to meet two service level changes:

1. The ability to offer services to people wanting information on properties, including original house plans, consent conditions and information on services (water,



KEY CHANGES

wastewater, roading and stormwater) in an electronic format. This is a major initiative of central government to encourage councils to digitise documents.

2. Requirements under the Building Act 2004 to meet the Building Consent Authority accreditation requirements for Council to continue to be able to issue building consents as an approved issuing authority. Council building consent team and processes were recently audited by International Accreditation New Zealand and received accreditation.

As part of the obtaining the accreditation, Council needs to continue to digitise all building records over the next few years. Additional costs of \$130,000 is included in the 2014/15 year budgets to enable this work to continue. Failure to complete this project would result in Council being unable to issue building consents in the future.

After considering the submissions from the community, Council resolved to use \$75,000 from the Gratuity Reserves to help reduce the impact of the digitisation project on general rates.

Major Issues and Focus for the Year 2014/15

Road Maintenance Management and Funding

The Roding activity delivers key infrastructure services that underpin the economic viability of the district. Because of past significant investment in the district, we now have a good quality roading network when compared to other councils and national averages.

"Our funding rate for maintenance will reduce by 1% each year, from the 61% we receive currently, until we reach the determined funding rate of 53%."

The roading network is jointly funded by ratepayers through roading rates, and by all local road users through central government's NZ Transport Agency. Significant changes are taking place in the way roads are managed, and in the funding formula operated by NZ Transport Agency that determines the level of grant funding to the Council. Funding from NZ Transport Agency to assist the Council to maintain the roading network has been at the same base grant level for the last three years. This is a slightly lower level compared to the previous three years.

Council reduced the length of roads to be resealed and renewed from 2012/13 onwards in order to fit within this constrained funding. In addition, there has been little allowance for road maintenance cost inflation in the NZ Transport Agency grant in the last six years.

Over the last year the NZ Transport Agency has undertaken a comprehensive review of their Funding Assistant Rate (FAR) model that determines the subsidy level councils receive on any particular type of road maintenance. This review will set the FAR that drives the amount of funding for road maintenance given to the Council from July 2015 onwards.

We received the initial decisions on this review and the impact on Council at this stage is significant. The new FAR model works on one subsidy level being applicable across all a council's roading activities including maintenance, operations, renewals, small to medium scale emergency works and Special Purpose Roads. Our funding rate for maintenance will reduce by 1% each year, from the 61% we receive currently, until we reach the determined funding rate of 53%. Final decisions on whether the Council is one of the few selected as an 'exception' for an increased FAR will not be made until later this year. If selected the impacts will be less, but may still be negative. Council at this stage has to start planning as if the final FAR will be 52%. The reductions in funding may take a few years to impact, but these changes will have a major impact on our funding and consequently the levels of service in the roading maintenance program.

Other initiatives from central government involve the way roading networks are managed and funded. Council is now expected to design local roads to cater for a standard service



level, and there is mounting pressure for more shared services with regional management and procurement clusters.

These changes have driven the way the local road maintenance contracts are currently being contracted by Council. Council is currently exploring the Alliance approach for the maintenance of our roading corridor network to achieve the following objectives:

- Maximise performance;
- Proactively share and manage risk;
- Reduce cost and inefficiencies, and maximise "value for money" outcomes; and
- Achieve optimal outcomes for our network.

Council has been investing more on its local infrastructure and economic development with the aim of making an even bigger contribution to the NZ economy by opening up the productive potential of our primary producers, forestry and tourism sectors, which are all dependent on having access to an efficient and effective road network and local infrastructure.

"This decision has not taken into consideration Tararua's unique geology, topography, or weather"

However, through its decisions on the FAR, the NZ Transport Agency seems to have rejected this thinking, which is especially difficult to reconcile given that the Government's own Policy Statement states that "economic growth and productivity is the primary objective for land transport expenditure".

Further compounding the issue, NZ Transport Agency has proposed to set the Emergency Works subsidy at the same level as the normal roadwork subsidy unless the level of damage to the Tararua roading network is substantial (around \$1 million or more from a single event). Major natural disasters (such as floods and earthquakes) that cause extensive damage to the roading network will receive enhanced funding for repairs, but smaller more regular damage from rainfall events will not. This decision has not taken into consideration Tararua's unique geology, topography or weather, and is a substantive departure from the historic FAR regime that recognised that different road networks in different parts of the country have different underlying costs.

Tararua had been enjoying up to 78% subsidy on Emergency Works and, as such, the new lower "across the board" FAR model of 52% could mean that situations such as large slips on remote rural roads may remain unworked on for some time.

Council will continue to have discussions with NZ Transport Agency, Central Government, Local Government NZ and councils on the new FAR framework that has been set.

Major Water Projects

The Health (Drinking Water) Amendment Act (2007) requires all councils to work towards meeting the current drinking water standards. The more people connected to each supply, the sooner these standards must be reached. Council is planning on meeting the majority of these deadlines but has a choice on the timing of the upgrade projects as long as risks are managed and progress is being made. Council water supplies have also been put under pressure by new resource consent conditions for river water extraction. In order to improve the health of our waterways, Council is able to take less water at times of low flow.

These new standards and consent conditions have driven a large investment in our urban water supplies. These upgrade projects address the storage and taste issues that have been longstanding sources of complaints, especially in low flow drought conditions. The Council is working to achieve urban water supplies that meet acceptable levels of the drinking water standards, do not exceed consent limits, provide adequate risk levels of storage, and good tasting water. All this has to be completed while still being affordable for each community.

"Each township has different options of water source, treatment and storage."

In July 2013, Council completed the Dannevirke impounded supply and cover. This project has dramatically improved the quality and risk management profile for the users of the Dannevirke water supply. The project has been successful in providing continuity of supply, reducing the risks of contamination of the water supply significantly and providing reliable quality water for commercial users.

Each township has different options of water source, treatment and storage. These choices reflect the trade-offs between risks and cost. The projects and options for 2014/15 are as follows:

• **Woodville**

Council completed the new Woodville water treatment plant in 2012/13. This has resulted in a large improvement in the taste and quality of the water supply. The issue of water storage is now being considered by Council.

“Council views these risks as being too high for security of supply, and work on costing options is underway.”

The main water source (stream) is subject to resource consent conditions that limit the water take in times of low flow.

Woodville has an impounded supply (pond) that could supply water for up to 30 days. However, currently the pond is not lined and has no cover which greatly impacts the quality of the water supplied, and increased treatment cost.

Council views these risks as being too high for security of supply, and work on costing options is underway. This project will be consulted on in the 2015-2025 Long Term Plan.

A number of rural users have a water supply connected to the Woodville urban system. Greater control and monitoring of this use is now required as part of meeting consent conditions. Council is also working on this issue. Options include more conditions on this rural use including storage tanks to ensure volumes can be restricted when river flows are low.

“Council was successful in obtaining a \$530,000 grant for the [second Pahiatua bore] upgrade projects that total \$1.6 million.”

• **Pahiatua**

Work on the second Pahiatua bore and storage facilities was delayed last year as Council made considerable effort to minimise the costs to ratepayers by applying for

funding from the Ministry of Health. Council was successful in obtaining a \$530,000 grant for the upgrade projects that total \$1.6 million.

This project is scheduled to start in the 2015/16 year.

Major Wastewater Projects

Council has a plan for a significant upgrade programme of all urban wastewater systems. This is driven by three major factors:

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

Council is continuing to work alongside Horizons Regional Council to achieve the required discharge quality for all urban wastewater networks. Council, with the help of Horizons, secured the funding of \$2.075 million from the Horizons led Ministry for the Environment Freshwater Clean-Up Fund. This funding greatly assisted the affordability of the significant cost for capital projects to upgrade our wastewater systems.

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

These projects are required to meet resource consent conditions and the latest standards.

“The [disposal to land] option has proven difficult with limited land supply options close to the treatment plant.”

Dannevirke

Council has been working on improving the treatment ponds at the Dannevirke Wastewater Treatment Plant. This is a major project that includes draining and removing the accumulated sludge in the four ponds, installing plastic liners and making sure that all the ponds have no leakages.

The sludge removal process at Pond No. 4 was completed in 2013 and liners will be installed in the 2013/14 year. Council has started the same process on Pond No. 3 and will commence Pond No. 2 in 2014/15.

Considerable planning work on the option of disposing treated wastewater to land was carried out in 2012/13 and into the current year. The option has proven difficult with limited land supply options close to the treatment plant. Council staff are now working on alternative options and further work with Horizons is needed before any proposal is finalised. A resource consent application is now expected in the 2014/15 year and the treatment plant upgrade will now be considered as part of the 2015-2025 Long Term Plan process.

Woodville

During 2013/14, Council has made major progress on upgrading the standard of wastewater discharge in Woodville. The work now completed, which includes the upgrading and lining the ponds and treatment plant processes, has helped Council meet the required discharge quality levels and to minimise the impact on the waterways.

Council is aiming to have the consent approved during 2014/15.

Pahiatua

The Pahiatua upgrade projects are part of the Horizons led Ministry for the Environment Freshwater Clean-up Fund. Work to date has focused on investigation into the options for disposal and treatment. This was completed and a discharge consent was lodged with Horizons. The treatment plant upgrade initially planned for 2012/13 will be designed in 2013/14 with completion now expected in 2014/15.

Eketahuna

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

"The cost is expected to be significant to Council."

Earthquake-Prone Buildings

The government has recently announced policy changes that will affect all commercial buildings and multi-unit (three or more) and/or multistory residential buildings (not single residential buildings). Legislation to make this law is currently in Parliament and is expected to be passed by the start of the 2014/15 year.

Commercial Properties

All non-residential and multi-unit, multistory residential buildings built before 2004 would have to have a seismic capacity assessment done within five years of the legislation taking effect. The Council is responsible for carrying out these assessments and funding for this will have to come from rates. The cost is expected to be significant to Council. How this will be funded (who should pay) will be considered by Council as part of the 2015-2025 Long Term Plan process.

"The cost to strengthen the Dannevirke Carnegie Centre is estimated at \$280,000."

Owners of buildings identified as earthquake-prone would then have up to 10 years from the date of assessment to strengthen or demolish these buildings. This means that all earthquake-prone buildings would be dealt with within a maximum of 15 years, compared with an average of 28 years under the current system, depending on individual council policies.

Council-Owned Buildings

Council owns and manages a number of older civic buildings on behalf of the community. These buildings have recently been assessed against the current structural standards. Council has received detailed cost estimates for the Pahiatua Service Centre, Dannevirke Domain Grandstand and the Dannevirke Carnegie Centre.

Council has resolved to bring the Pahiatua Service Centre and Dannevirke Domain Grandstand up to the minimum code (34% of current structural building code) and have budgeted for these costs in the current and 2014/15 year.

However, Council will wait for the new legislation to be passed before proceeding with upgrade works in case the requirements are changed at select committee stage.

Dannevirke Carnegie Centre

The cost to strengthen the Dannevirke Carnegie Centre is estimated at \$280,000.

Council resolved to consider in detail, through the forthcoming 2015-2025 Long Term Plan, the future of the earthquake-prone building the Dannevirke Carnegie Centre, including the option of establishing a charitable community trust to acquire the building for a pepper corn amount and to undertake its preservation and operation concerning its possible uses.

SH2 Manawatu Gorge Alternative Route – Saddle Road

The upgrade work on the Saddle Road is progressing with 100% of the funding coming from the NZ Transport Agency. The project is focused on providing an acceptable alternative route to the Manawatu Gorge, and \$4.5 million (plus professional fees) has been approved for the project. The work will include strengthening corners and road edges, smoothing some corners for traffic coming in from Ashhurst, and installing more passing lanes. Work will commence in 2013/14 (\$1.9 million budgeted) and be completed over 2014/15 (\$2.6 million budgeted).

This is a significant change from past NZ Transport Agency projects, as the management and professional services for this project are being carried out by the business unit of Council. Council staff are working closely with the NZ Transport Agency and the two other councils involved in this project (Palmerston North City and Manawatu District).

"The upgrade work on the Saddle Road is progressing with 100% of the funding coming from NZ Transport Agency."

Legislative Changes

These major project and policy issues are highlighted to inform residents of the challenges that the Council is having to deal with over the next year, and in the years ahead.

There are a number of significant issues that have emerged in the environment within which Council will operate in the year ahead, such as:

- government policy around earthquake-prone buildings and assessments of council-owned buildings;
- more legislative changes to the Local Government Act 2002; and
- government policy on road maintenance funding and management.

"Overall, the legislation changes are placing more importance on the financial impacts of decisions"

In addition, there are possible further legislative changes that may occur. These include:

- Resource Management Act 1991; and
- further changes to the way infrastructure services are delivered being considered as a result of the Local Government Infrastructure Efficiency Expert Advisory Group.

Overall, the legislation changes are placing more importance on the financial impacts of decisions, make it more difficult for councils to be involved in "non-core" activities, and have a focus on the delivery of activities efficiently. Rate increases above the average will attract more scrutiny from government. Your Council is already operating with these objectives and has been doing so for some time with the large majority of expenditure focused on core infrastructure delivery.

There is a greater emphasis on better planning and management of projects. Council has put in place improved project management processes and internal reporting during 2013. Improved business cases are required for projects to enable more informed decisions by both management and elected members before projects are approved.

There is a growing expectation that councils will collaborate, and in some cases amalgamate, to reduce costs. Local government structures and possible amalgamations are currently being considered for Hawkes Bay, Northland and the Wellington regions.

While the new legislation will not impact on Council spending much in the 2014/15 year, it will drive the policy development as part of the Long Term Plan process in the following areas:

- Develop an engagement policy that sets out how major decisions will be consulted on from 2015 onwards;
- Prepare a 30 year Infrastructure Strategy;



MAJOR ISSUES AND FOCUS FOR THE YEAR

- Prepare annual budgets out to 2045 for Water, Wastewater, Stormwater and Rooding;
- Begin to plan for the assessment of all commercial buildings in the district to determine whether any are earthquake-prone; and
- Respond to changes to the funding of local roads by the NZ Transport Agency that will take effect from 1 July 2015.

The above legislative changes do impact significantly on the budgets for the 2014/15 year, but will drive the policy work programme and may affect the strategic direction of the Council in the 2015-2025 Long Term Plan.

Submissions for the Draft Annual Plan and Council's Response

The Council for consultation on 26 March 2014 adopted the Draft Annual Plan; with a mock invoice detailing the proposed rates for each property and a Draft Annual Plan pamphlet and submission form being sent to all ratepayers.

Copies of the summary document were freely available at the Council's Service Centres and Community Libraries throughout the district, and at stands within the supermarkets in Dannevirke, Woodville, Pahiatua and Eketahuna.

Other methods used for communicating with the community regarding the Draft Annual Plan were:

- Bush Telegraph centre spread
- Letters to ratepayers outside the district
- Public meetings in Woodville, Pahiatua and Eketahuna
- Council website
- Council Facebook page

Council received 139 submissions, with the Council hearing 22 of these submissions in Pahiatua and Dannevirke on 20 May 2014.

Key submissions received were for:

• Pahiatua Service Centre/Library Project	87 submissions
• Strengthening of the Pahiatua Service Centre Building	31 submissions
• Pahiatua Library Toilets	16 submissions
• Dannevirke Carnegie Centre	16 submissions
• Pahiatua Transfer Station	8 submissions
• Smoke Free Environments Policy	8 submissions
• Housing for the Elderly – Hovding Court Flats	5 submissions
• Dog Registration Fees	4 submissions
• Woodville Water Supply	3 submissions
• Rangitane o Tamaki Nui a Rua Iwi	1 submission



Summary of Key Submissions

Pahiatua Service Centre/Library Project (87 submissions)

Eighty-seven submissions were received in respect of the proposal to combine the Service Centre/Library operation in Pahiatua. Of these submissions, 80 opposed the combining of the Service Centre/Library operation.

Council also received a petition containing 118 signatures supporting the Pahiatua Library remaining in its existing building, acknowledging this community resource, and opposing it being combined with other services.

Reasons stated for opposing the combining of the Service Centre/Library operation have focused on a community perception of downgrading the facility, and suggesting that Pahiatua is a bigger town than Woodville and Eketahuna where such joint functions are provided from the same building.

The responses conveyed support for the retention of the status quo and acknowledge the value placed in particular on maintaining the existing standalone library service.

Council resolved to operate the Pahiatua Library and the Pahiatua Service Centre as separate services provided from their existing buildings.

Strengthening of the Pahiatua Service Centre Building (31 submissions)

Council received 31 submissions concerning the strengthening of the Pahiatua, of which, 25 submissions support the strengthening of this building, as it is part of the town's heritage.

Council resolved to defer the strengthening of the Pahiatua Service Centre building until the Government's decisions are known on the earthquake-prone buildings standards and timeframes required to undertake this work.

When this information is available the strengthening of the Pahiatua Service Centre building will be further considered through the 2015-2025 Long Term Plan to assess all possible options and their estimated costs of taking any such approach to address this matter.

Pahiatua Library Toilets (16 submissions)

Council received 16 submissions concerning the proposed budget of \$40,000 to build toilet facilities at the present Library.

Eight submitters who supported the construction of toilets facilities felt it was necessary to provide such a facility, particularly for use by children using the library and at such events held as school holiday programmes.

Council accepted the need to build public toilet facilities at the Pahiatua Library, particularly to provide easy access to such conveniences for children and those using the Library. This project will be programmed in the 2014/15 financial year at a budgeted cost of \$40,000.

Dannevirke Carnegie Centre (16 submissions)

Council received 16 submissions regarding the Dannevirke Carnegie Centre earthquake-prone building.

Five submissions opposed the strengthening of the building due to the cost, and propose either replacing the building or finding alternate uses for the site. However, nine submissions supported the strengthening of the building recognising its importance as a community building for Tararua Youth Services, the Toy Library and the Highland Pipe Band. These submissions also acknowledged Dannevirke Carnegie Centre's heritage value to Dannevirke and the potential to increase its uses.

Council notes that the majority of the views expressed acknowledged the Dannevirke Carnegie Centre's heritage value and the strategic importance to the community.

Council resolved to consider in detail through the forthcoming 2015-2025 Long Term Plan the future of the earthquake-prone building the Dannevirke Carnegie Centre, including the option of establishing a charitable community trust to acquire the building for a pepper corn amount and to undertake its preservation and operation concerning its possible uses.

Pahiatua Transfer Station (8 submissions)

Of the eight submissions received, five submissions opposed increasing the current opening hours and incurring additional costs for extending the availability of this service.

Council noted the majority of the submissions received on the options for the operating hours of the Pahiatua Transfer Station did not support incurring additional costs to extend the existing arrangements.

Council resolved that the current opening hours of 1:00pm to 5:00pm on Wednesdays and Sundays continue as the basis to provide this service.

Smoke Free Environments Policy (8 submissions)

Council received eight submissions requesting the Council to extend its smoke free policy to include further outdoor public areas and Council-run events.

Council resolved to review its smoke free environments policy through the forthcoming 2015-2025 Long Term Plan.

Housing for the Elderly – Hovding Court Flats (5 submissions)

Of the five submissions Council received regarding the options for the replacement of the Hovding Court flats, four submissions supported the Council's preferred option (Option Three) that requires no additional loan and defers the renewal of the four older flats until the Tararua Housing Reserve (pensioner housing) can offset this cost.

One submitter suggests the flats would be better located in Woodville, as it is nearer to the Palmerston North Hospital.

Council resolved to:

- Sell the 3 double units (6 flats) to be moved off site, and rebuild 6 new flats at an estimated cost of \$600,000.
- Replace the 4 older flats when the Tararua Housing Reserve (pensioner housing) builds up again.
- And that, in adopting this option, the Council notes the impact is no additional loan being required, and the renewal of the four older flats is deferred until funding from the above reserves are available; and
- that the rental for the flats to be built is based on 25% of the Single Pension rate.

Dog Registration Fees (4 submissions)

Council received four submissions concerning the proposed dog registration fees. Of the four submissions received, three submissions supported the proposed increase in dog registration fees to meet the service levels of the community.

Council resolved that it will retain the proposed increase of dog registration fees, as in the consultation document.

Woodville Water Supply (3 submissions)

Council received three submissions requesting the Council to consider options for water storage in Woodville as the existing supply is severely impacted during periods of low flow during the summer.

Council through the forthcoming 2015-2025 Long Term Plan, will consider appropriate options to held address the issue of water storage for the Woodville community when the water take is limited by low river flows.

Rangitane o Tamaki Nui a Rua Iwi

Rangitane presented several concerns to the Council and their recommendations on these matters summarised as follows:

- Requests that environmental wellbeing is placed ahead of social and economic wellbeing.
- Proposes that the Council does an independent report into oil and gas extraction and all of its associated methods, in relation to its advantages and disadvantages in the Tararua district.
- Proposes that the entire Ruahine Range is placed under protection with a reserves status.
- Requests that the environmental health area is reviewed in terms of the proposed budget funding and the ongoing work to ensure it is appropriate.
- Requests that the Council looks at composting green waste for use in school and community gardens.
- Encourages the Council to research the use of wetlands around point source discharges and to naturally assist in the filtration of these discharges.
- Urges the Council to seriously consider a Maori representative or Maori Liaison Officer in consultation with Rangitane.
- Acknowledging the Council's memorandum of partnership with Rangitane it is proposed that time be taken to gain an understanding of their aspirations.

Council resolved that in the spirit of the partnership agreement entered into between the Council and Rangitane o Tamaki nui a Rua Iwi, the Council facilitates with Rangitane an appropriate forum to discuss the items raised in their submission, and to provide the opportunity for dialogue on the forthcoming 2015-2025 Long Term Plan.



A Guide to the Annual Plan

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

Part 1: Overview

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

Part 2: Activities

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

Part 3: Rates

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

Part 4: Financials

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

Part 5: General Information

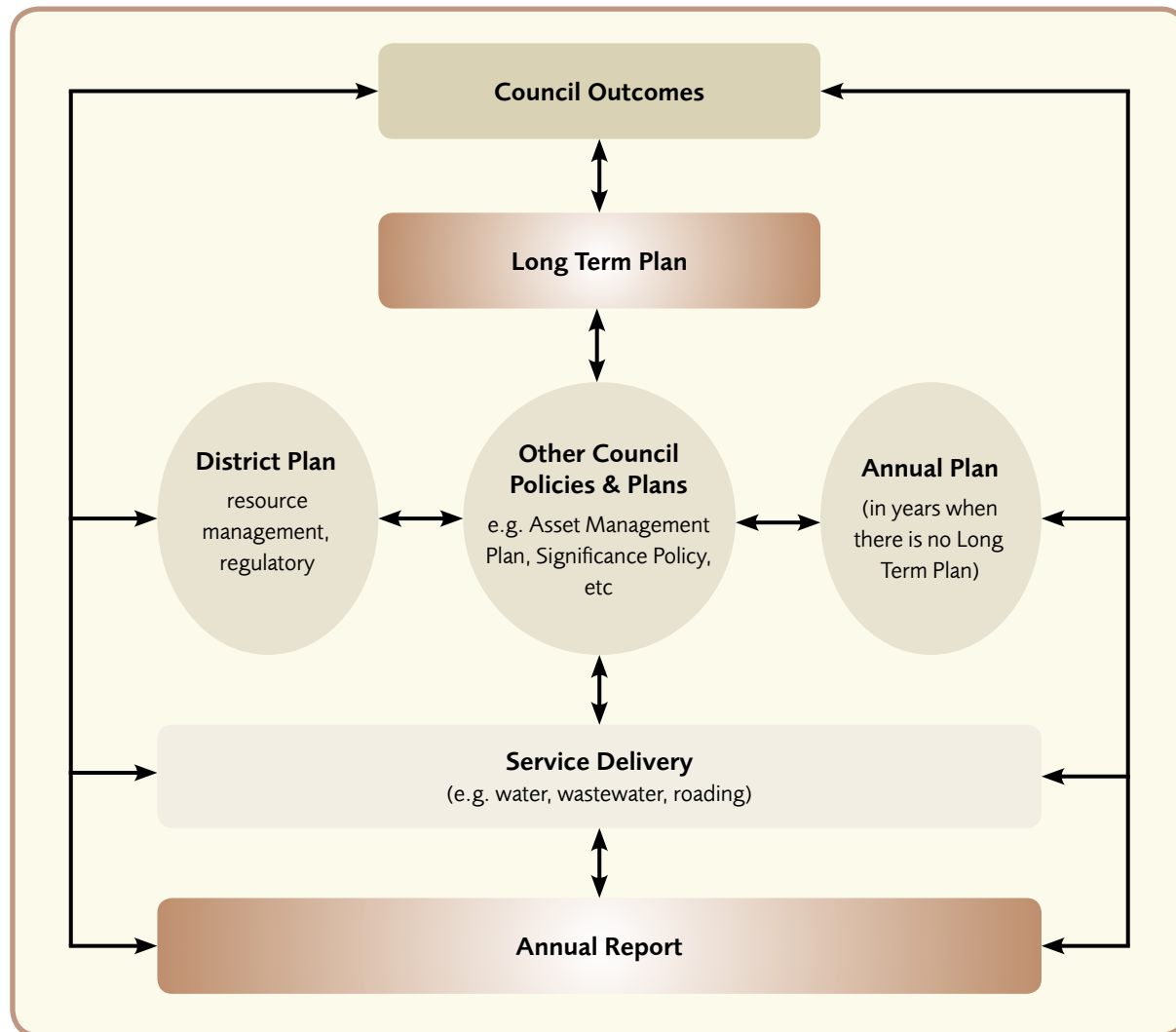
This section provides information on the elected persons that make up the Council and Community Boards, the Management Team, some Council statistics of the district, contact details, and a glossary of terms.

Associated Documents

A comprehensive list of fees and charges will be found in 'Fees & Charges 2014/15'.

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

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





Financial Strategy

Council has adopted the Financial Strategy as part of its 2012-2022 Long Term Plan. The Financial Strategy is aimed at responding to the needs of the current and future community in an affordable and prudent way.

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

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

Rates

In ensuring rates affordability, and to provide a degree of certainty to ratepayers, the Financial Strategy imposes restrictions on rates increases.

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

Graph 1 shows declining rates increases over time:

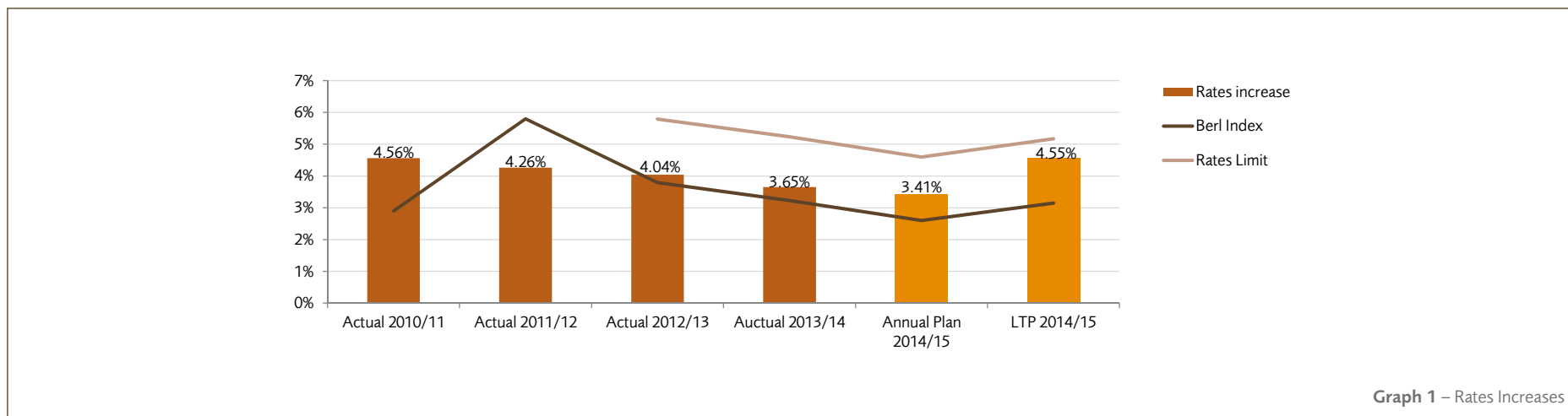
	Actual 2011/12	Actual 2012/13	Actual 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Rates increase	4.26%	4.04%	3.65%	4.55%	3.41%

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

Policy Limits

Policy Ratios	Long Term Plan	Annual Plan
Net Debt as a percentage of Equity will not exceed 10%	2.7%	0.4%
Net Debt as a percentage of Total Revenue will not exceed 100%	32%	10.8%
Net Interest as a percentage of Total Revenue will not exceed 15%	1.8%	0.8%
Net Interest as a percentage of Rates will not exceed 20%	2.8%	1.4%
Liquidity will be greater than 110%	140%	217.8%

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



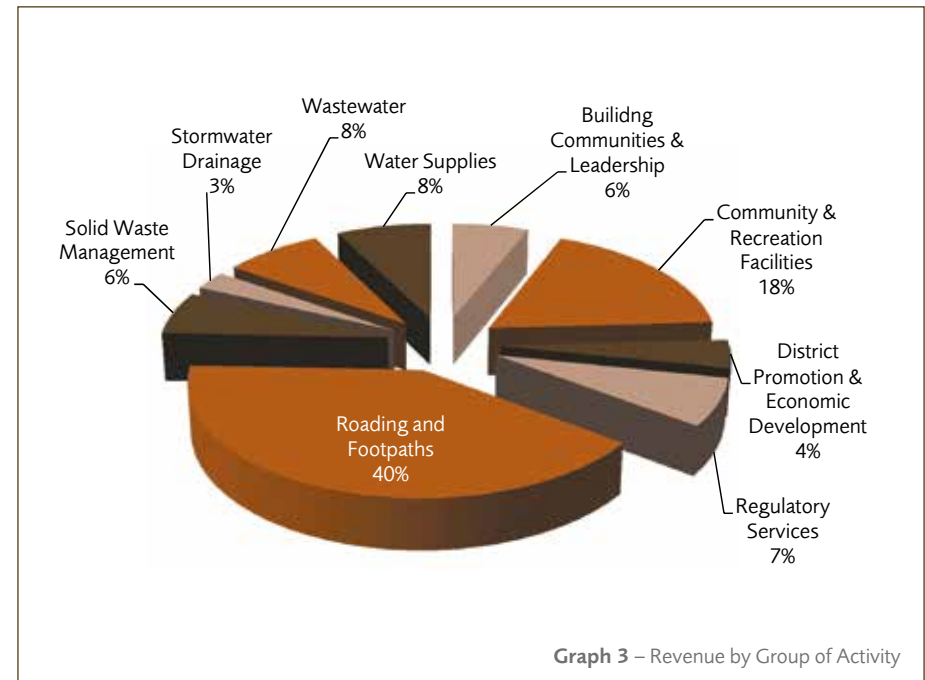
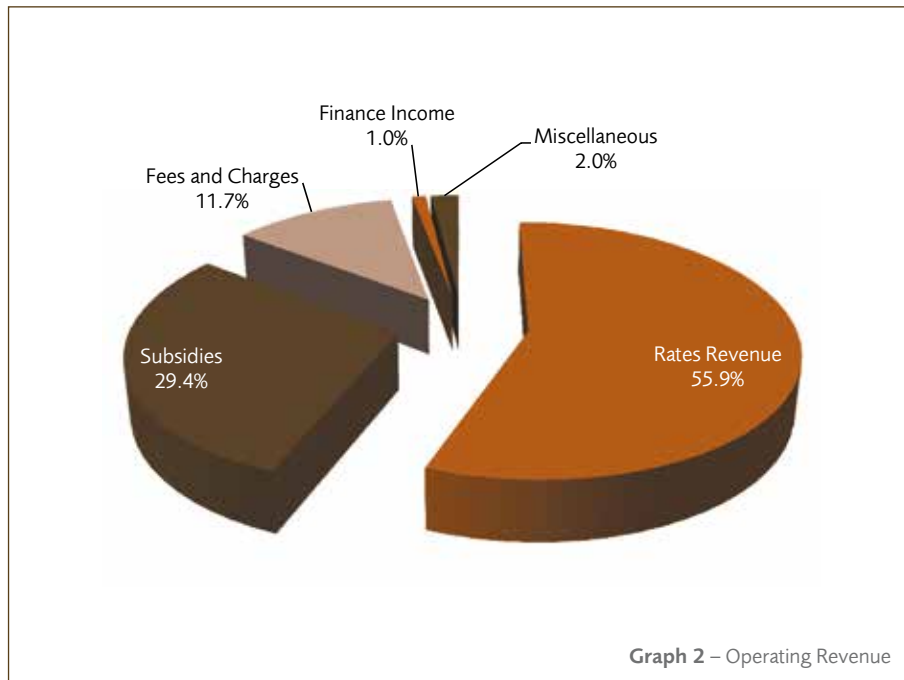
Graph 1 – Rates Increases



Funding and Operating Revenue

Council's operating revenue is \$35.9 million with rates revenue being 60% and subsidies 29% of total revenue, which is consistent with the Long Term Plan.

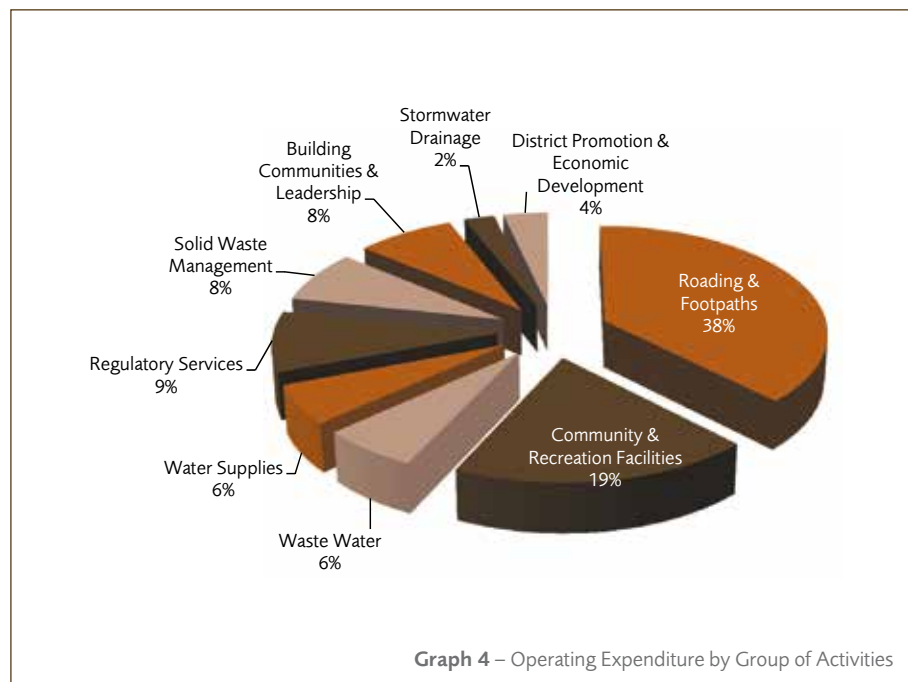
Overall rates requirements has decreased by 2% from the forecast in the Long Term Plan. We set our rates at the level required to balance our budgets after maximising efficiency savings, deducting revenue from subsidies, grants and investments, and ensuring we recover a fair and appropriate amount of our costs through user charges.



Operating Expenditure

Operating expenditure covers the Council's day-to-day operations and services and includes costs related to the capital expenditure programme such as interest, maintenance and depreciation.

Roading and Footpaths contributes 38% and Community and Recreation 19%, as these two group of activities make up 57% of Council's total operating expenditure.



Capital Programme

Council's capital programme for the 2014/15 year is \$15 million compared to \$14.2 million in the Long Term Plan. The increase in the capital programme budget is mainly due to prioritisation of 2013/14 projects. These projects have been carried forward to 2014/15.

The capital programme is driven by:

- Service level improvements and growth – new assets
- Renewal of existing assets – renewals

Group of Activities	New Assets	Renewals
Community & Recreation Facilities	744,000	1,797,059
District Promotion & Economic Development	61,000	14,000
Regulatory Services	8,000	80,000
Roding and Footpaths	2,148,000	5,990,000
Solid Waste Management	-	-
Stormwater Drainage	-	40,000
Wastewater	2,286,000	355,000
Water Supplies	1,509,390	362,000
Total	6,756,390	8,638,059



How We Spend Your Rates

The summary below shows where \$100 of your rates will be used in 2014/15 for various Council services.

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

Mandatory Activity		Core Activity		The average rates for a ratepayer in the district per day is \$5.13	
Footpaths	\$4.43	Animal Control	\$0.05	The targeted rate per day for Water is 72¢ and for Wastewater is \$1.00.	
Roading	\$31.36	Cemeteries	\$1.41	Compare these to items you may purchase daily*:	
Stormwater	\$3.76	Community Buildings	\$3.56	Average household electricity	\$5.95
Wastewater	\$10.19	Emergency Management	\$2.11	Cup of coffee	\$4.40
Water Supplies	\$7.59	Health and Safety	\$2.13	2 litres of milk	\$3.49
		Housing	Self funding	Loaf of bread	\$2.99
		Libraries	\$4.90	Litre of petrol	\$2.18
		Parks and Reserves	\$4.88	Newspaper	\$1.60
		Public Conveniences	\$1.25		
		Representation	\$6.51		
		Resource Management	\$1.68		
		Service Centres	\$2.80		
		Solid Waste Management	\$5.84		
		Swimming Pools	\$2.00		
		District Treasury	\$0.28		

Public Service and Social Infrastructure Activity	
Community Support	\$1.73
District Promotion and Development	\$2.39

Investment Activity	
Commercial Investment (contribution towards rates reduction)	(\$0.86)

*prices as at 28 February 2014

Groups of Activities

What the Council Does

Introduction

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

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

Explanation of Activity Pages

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

Groups of Activities

Building Communities & Leadership ..	29
Community & Recreation Facilities	38
District Promotion & Economic Development	77
Regulatory Services	86
Roading & Footpaths	105
Solid Waste Management	115
Stormwater	120
Wastewater	125
Water Supplies	131



How the Council Outcomes Relate to Council Services

Key: Strongly Related ✓ Related ● Partially Related ◇

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

Building Communities and Leadership

Activities in this Group

Community Support

AIM To support communities to support themselves.

Representation

AIM To enable democratic local decision-making on behalf of the community to promote the wellbeing of the Tararua district in the present and for the future.

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

- Further legislative changes to the Local Government Act 2002 are expected in 2014. This could change the way Council consults with the community, as well as the contents of the Long Term Plan and Annual Plan.
- No significant change to Levels of Service.



Community Support

Aim - to support communities to support themselves

Performance Measures

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Community Support				
Collaborative Council; and Great lifestyle	Public money is spent appropriately	Council funds and supports key community organisations in order to build district community capability	Percentage of residents rating Council's involvement in community support as "fairly satisfactory" or "very satisfactory" in the community survey All organisations receiving grants meet accountability requirements of Council	N/A 100%

Community Support Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	336	216	347	131
Targeted rates (other than a targeted rate for water supply)	-	97	-	(97)
Grants & Subsidies Operating	35	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	61	22	45	23
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	432	335	392	57
Applications of Operating Funding				
Payment to staff and suppliers	335	278	307	(29)
Finance costs	-	-	-	-
Internal charges and overheads applied	72	31	76	(45)
Total Applications of Operating Funding	407	309	383	(76)
Surplus/(Deficit) of Operating Funding	25	26	9	(17)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(13)	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	(13)	-	-	-



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	12	26	9	17
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	12	26	9	17
Surplus/(Deficit) of Capital Funding	(25)	(26)	(9)	17
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Targeted rates had been reclassified as general rates as per the Revenue and Financing Policy.

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

Increase in operating funding and payments to staff and supplier is due increase in grants to Community Boards and Community Committees, and Mainstreet Committees.

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Closed Circuit TV	10	6	7	(1)
Community Boards & Committees Discretionary	54	18	75	(57)
Community Grants	63	64	21	(43)
Eketahuna Money Exchange	3	3	3	-
Information Centres	59	71	84	(13)
Main Street Lighting Non-subsidised	28	16	19	(3)
Main Street Committees	19	29	34	(5)
Sports & Recreation	52	70	64	6
Youth Service	35	-	-	-
Total Payments to Staff and Suppliers	322	278	307	29



Representation

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Representation				
Collaborative Council; Great lifestyle; Prosperous Economy; Efficient Infrastructure; and Sustainable Environment	Good Governance	Providing leadership to contribute towards maintaining and improving their social, cultural, economic and environmental wellbeing	Percentage of residents rating the overall performance of the Mayor and Councillors as "fairly satisfactory" or "very satisfactory" in the community survey	N/A
			Percentage of residents rating the overall performance of the Community Boards and Community Committees as "fairly satisfactory" or "very satisfactory" in the community survey	N/A
	Ensuring correct public processes are followed	Provide processes and local community boards / committees through which the community can have its views heard	Percentage of Council committee meetings that meet the requirements the Local Government Official Information and Meetings Act	100%

Representation Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,025	784	1,107	323
Targeted rates (other than a targeted rate for water supply)	-	350	-	(350)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	15	4	11	7
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	1,040	1,138	1,118	(20)
Applications of Operating Funding				
Payment to staff and suppliers	565	559	609	(50)
Finance costs	-	-	-	-
Internal charges and overheads applied	475	575	498	77
Total Applications of Operating Funding	1,040	1,134	1,107	27
Surplus/(Deficit) of Operating Funding	-	4	11	7
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(10)	-	30	30
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	(10)	-	30	30



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(10)	4	41	(37)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	(10)	4	41	(37)
Surplus/(Deficit) of Capital Funding	-	(4)	(11)	(7)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Targeted rates had been reclassified as general rates as per the Revenue and Financing Policy.

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

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

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Community Board Dannevirke	8	10	28	(18)
Community Board Eketahuna	11	13	38	(25)
Community Committee Pahiatua	146	143	42	101
Community Committee Woodville	122	119	35	66
Council	142	136	437	(297)
Elections	153	138	28	110
Total Payments to Staff and Suppliers	582	559	609	(50)



Community and Recreation Facilities

Activities in this Group

Cemeteries

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

Community Buildings

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

Housing

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

Libraries

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

Parks and Reserves

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

Public Conveniences

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

Service Centres

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

Swimming Pools

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

Key Issues / Changes in the Annual Plan

- Council has assessed all major Council-owned community buildings against current and proposed structural standards for earthquake-prone buildings. A few of these buildings are considered earthquake-prone buildings, as they meet less than 34% of the current structural building code. These buildings are the Dannevirke Carnegie Centre, Pahiatua Service Centre, and Dannevirke Domain Grandstand. Council is considering detailed cost estimates to bring these buildings up to the minimum standards. Community input may be required to decide which of these buildings should be upgraded, and what the priorities are.
- Proposed government changes to the Building Act 2004 will reduce the time available for earthquake-prone buildings to be upgraded, and increase Council responsibilities for initial assessments.
- Swimming pools – There has been damage to the Eketahuna pool from the earthquake on 20 January 2014. Council is assessing the repairs and will firm up cost and remedial action required.
- No significant change to Levels of Service.

Contribution to Council Outcomes

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



Cemeteries

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Cemeteries				
Efficient Infrastructure	Well presented cemetery grounds and facilities	The cemetery grounds are presented to a high standard	Percentage of residents rating cemeteries as "fairly satisfactory" or "very satisfactory" in the Community Surveys	N/A
	Access to cemetery plots	Plots are available in all local cemeteries	Percentage of cemeteries in district with plots available for next 12 months – based on historical burial data	100%

Cemeteries Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	249	170	282	112
Targeted rates (other than a targeted rate for water supply)	-	76	-	(76)
Grants & Subsidies Operating	5	6	5	(1)
Fees, charges, and targeted rates for water supply	68	72	68	(4)
Local authorities fuel tax, fines, infringement fees, and other receipts	5	5	4	(1)
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	327	329	359	30
Applications of Operating Funding				
Payment to staff and suppliers	244	266	267	(1)
Finance costs	7	7	6	1
Internal charges and overheads applied	46	14	48	(34)
Total Applications of Operating Funding	297	287	321	(34)
Surplus/(Deficit) of Operating Funding	30	42	38	(4)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	108	23	29	6
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	108	23	29	6



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	84	41	14	27
- to improve the level of service	27	-	21	(21)
- to replace existing assets	-	-	10	(10)
Increase (decrease) in reserves	27	24	22	2
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	138	65	67	(2)
Surplus/(Deficit) of Capital Funding	(30)	(42)	(38)	4
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Targeted rates had been reclassified as general rates as per the Revenue and Financing Policy.

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

Decrease in debt required is due to the reprioritisation of capital projects.

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Dannevirke Rural	42	56	46	10
Dannevirke Urban	82	87	89	(2)
Eketahuna	37	38	41	(3)
Pahiatua	48	50	53	(3)
Woodville	35	35	38	(3)
Total Payments to Staff and Suppliers	244	266	267	(1)



Cemeteries Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Growth					
Eketahuna new berms	-	3	3	3	-
Mangatera develop new area	-	-	-	30	30
Mangatera new berms	-	8	8	8	-
Woodville new berms	3	-	3	-	-
Total Growth	3	11	14	41	30
Level of Service					
Pahiatua stillborn area	15	-	15	-	-
Woodville seal roadside carpark	-	6	6	-	(6)
Total Level of Service	15	6	21	-	(6)
Renewals					
Pahiatua sealing	-	10	10	-	(10)
Total Renewals	-	10	10	-	(10)
Total Capital Expenditure	18	27	45	41	14

Variance in Capital Expenditure

There is sufficient budget in the current year for the Mangatera develop new area, given the change in scope of the project.

Community Buildings

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Community Buildings				
Efficient Infrastructure	Facilities support a range of activities which enhance residents' lifestyle	Council provides community buildings which are fit for purpose	Percentage of residents rating community buildings as "fairly satisfactory" or "very satisfactory" in the Community Surveys	N/A
		Facilities are well-utilised	The total number of hours per annum facilities are booked through Council	> 3100



Community Buildings Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	689	596	745	149
Targeted rates (other than a targeted rate for water supply)	-	266	-	(266)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	39	40	39	(1)
Local authorities fuel tax, fines, infringement fees, and other receipts	64	69	153	84
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	792	971	937	(34)
Applications of Operating Funding				
Payment to staff and suppliers	360	389	345	44
Finance costs	20	29	26	3
Internal charges and overheads applied	85	149	90	59
Total Applications of Operating Funding	465	567	461	106
Surplus/(Deficit) of Operating Funding	327	404	476	72
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	316	239	588	349
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	316	239	588	349

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	330	307	602	(295)
- to replace existing assets	65	137	154	(17)
Increase (decrease) in reserves	248	199	308	(109)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	643	643	1,064	(421)
Surplus/(Deficit) of Capital Funding	(327)	(404)	(476)	(72)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Targeted rates had been reclassified as general rates as per the Revenue and Financing Policy.

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

Interest revenue for community buildings' depreciation reserves is allocated.

Increase in payments to staff and supplier is due to increases in general maintenance.



Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Facility management	299	389	281	108
Facility repainting	61	-	64	(64)
Total Payments to Staff and Suppliers	360	389	345	44

Community Buildings Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Woodville Library/i-Site doors	40	-	40	-	(40)
Pahiatua Service Centre - earthquake-prone work	305	-	305	-	(305)
Dannevirke Sports Centre Stadium toilet upgrade	-	42	42	42	-
Carnegie Centre - earthquake-prone work	-	-	-	-	-
Upgrade earthquake-prone buildings	-	215	215	265	50
Total Level of Service	345	257	602	307	50
Renewals					
Eketahuna Community Centre	-	-	-	15	15
Pongaroa drainage	-	10	10	11	1
Pahiatua Town Hall	-	42	42	42	-
Pongaroa Hall	-	-	-	37	37
Eketahuna Medical Centre	-	27	27	29	2
Dannevirke Town Hall	-	22	22	-	(22)
District new seating	-	3	3	3	-
Pahiatua Town Hall - toilet revamp	-	50	50	-	(50)
Total Renewals	-	154	154	137	(17)
Total Capital Expenditure	345	411	756	444	33

Variance in Capital Expenditure

Brought forward \$50,000 into the 2013/14 year to strengthen building identified as earthquake-prone.

The Eketahuna Community Centre and Pongaroa Hall projects have been deferred to 2015/16 due to prioritisation of projects.

The Pahiatua Town Hall toilet revamp is a new project identified to enable the Library to run children's programmes and for people booking the Town Hall.

Housing

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Housing				
Efficient Infrastructure	Council housing stock is fit for purpose	Housing units are maintained to a suitable standard	Percentage of housing units which achieve a performance grading 3 star or higher (NAMS property grading)	75%
	Council acts as a good landlord and provides a professional tenancy service	Council acts as a good caring landlord	Tenants' satisfaction with the landlord service received from Council	90%

Housing Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	348	356	353	(3)
Local authorities fuel tax, fines, infringement fees, and other receipts	96	63	65	2
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	444	419	418	(1)
Applications of Operating Funding				
Payment to staff and suppliers	303	312	297	15
Finance costs	1	-	1	(1)
Internal charges and overheads applied	53	5	56	(51)
Total Applications of Operating Funding	357	317	354	(37)
Surplus/(Deficit) of Operating Funding	86	102	64	(38)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(385)	344	55	(289)
Gross proceeds from sale of assets	515	-	30	30
Total Sources of Capital Funding	130	344	85	(259)



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	713	371	12	359
- to replace existing assets	12	13	672	(659)
Increase (decrease) in reserves	(509)	62	(535)	597
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	216	446	149	297
Surplus/(Deficit) of Capital Funding	(86)	(102)	(64)	38
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Interest revenue from special funds in the reserves is allocated.

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

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

Decrease in debt required is due to the change in the Hovding Court capital project, as disclosed in the 'Major Issues and Focus for the Year' section of this Annual Plan.

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Maintenance - to appropriate standard	303	312	297	15
Total Payments to Staff and Suppliers	303	312	297	15

Housing Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Build 12 new units at George Street	-	-	-	358	358
Mobility garaging	-	12	12	13	1
Total Level of Service	-	12	12	371	359
Renewals					
Hovding Court - rebuild of 6 units	-	600	600	-	(600)
Aluminium window	-	12	12	13	1
Aften Court - watermain renewal	-	10	10	-	(10)
Ballarat Court - new roof	-	50	50	-	(50)
Total Renewals	-	672	672	13	(659)
Total Capital Expenditure	-	684	684	384	(300)

Variance to Capital Expenditure

Variance due to change in the Hovding Court project from building new units at George Street to replacing existing units on the current site.



Libraries

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Library				
Great Lifestyle	Quality community space	Library facilities are clean, welcoming and open at times suited to the community	Percentage of residents rating libraries as "fairly satisfactory" or "very satisfactory: in the community survey	N/A
Prosperous Economy; Great Lifestyle	Providing books and items that people want to look at	Provide residents of the district access to a wide range of information and lifelong learning opportunities	Percentage of residents that are active* members of the library (*used library in last 3 years)	35%
			250 new items added per 1,000 residents to the collection yearly	4,425
			*LIANZA standard based on population	

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets
				Annual Plan 2014/15
	Great customer service	Staff are knowledgeable, helpful and friendly	Percentage of customers satisfied with staff service (biennial survey)	82%
Prosperous Economy	Support education of local children	Improve literacy and knowledge among the district's children	Percentage of customers satisfied with children's programmes (biennial survey)	90%



Libraries Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	938	950	-	(950)
Targeted rates (other than a targeted rate for water supply)	-	-	984	984
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	35	42	37	(5)
Local authorities fuel tax, fines, infringement fees, and other receipts	9	8	12	4
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	982	1,000	1,033	33
Applications of Operating Funding				
Payment to staff and suppliers	540	548	573	(25)
Finance costs	-	-	-	-
Internal charges and overheads applied	324	340	349	(9)
Total Applications of Operating Funding	864	888	922	(34)
Surplus/(Deficit) of Operating Funding	118	112	111	(1)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	-	-	-

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	110	116	190	(74)
Increase (decrease) in reserves	8	(4)	(79)	75
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	118	112	111	1
Surplus/(Deficit) of Capital Funding	(118)	(112)	(111)	1
Funding Balance	-	-	-	-

Variations to the Long Term Plan

General rates had been correctly reclassified as Targeted rates as per the Revenue and Financing Policy.

Payments to staff and suppliers have increased due to staff reallocation resulting from the amalgamation of the Woodville Library and Service Centre.

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Dannevirke Library	280	280	294	(14)
Eketahuna Library/Service Centre	73	84	87	(3)
Pahiatua Library	106	109	113	(4)
Woodville Library	81	75	79	(4)
Total Payments to Staff and Suppliers	540	548	573	(25)



Library Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Renewals					
Books	-	100	100	106	6
Furniture and fittings	-	10	10	11	1
Dannevirke Library - painting, carpet, air cond	-	65	65		
Pahiatua Library	-	15	15		
Total Renewals	-	190	190	117	7
Total Capital Expenditure	-	190	190	117	7

Parks and Reserves

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Parks and Reserves				
Great Lifestyle	People are proud of the city's parks and streetscapes.	Our parks, and park facilities are well presented	Percentage of residents rating parks and reserves as "fairly satisfactory" or "very satisfactory" in the community survey	N/A
Efficient Infrastructure	Facilities meet user needs	Playing fields and associated facilities are fit for purpose	Number of reported incidences of sports facilities not being suitable for their intended use	<5
Efficient Infrastructure	Playgrounds meet user needs	Playground equipment is safe to use and fit for purpose	Percentage of playgrounds in the district with all equipment meeting the AUS/NZ playground safety standards	85%



Parks and Reserves Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	839	655	980	325
Targeted rates (other than a targeted rate for water supply)	-	292	-	(292)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	6	6	6	-
Local authorities fuel tax, fines, infringement fees, and other receipts	142	208	155	(53)
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	987	1,161	1,141	(20)
Applications of Operating Funding				
Payment to staff and suppliers	750	871	858	13
Finance costs	18	18	18	-
Internal charges and overheads applied	59	57	62	(5)
Total Applications of Operating Funding	827	946	939	5
Surplus/(Deficit) of Operating Funding	160	215	202	(12)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	38	160	85	(75)
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	38	160	85	(75)

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	75	238	95	143
- to replace existing assets	73	97	125	(28)
Increase (decrease) in reserves	50	39	67	(28)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	198	374	287	87
Surplus/(Deficit) of Capital Funding	(160)	(214)	(202)	12
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Targeted rates had been reclassified as general rates as per the Revenue and Financing Policy.

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

Decrease in debt required is due to the reprioritisation of capital projects.



Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Camping Grounds Dannevirke	38	12	41	(29)
Camping Grounds Eketahuna	13	21	8	13
Camping Grounds Pahiatua	20	4	20	(16)
Camping Grounds Woodville	3	199	4	195
Coronation Park	53	29	33	(4)
Dannevirke Domain	44	141	161	(26)
Dannevirke Rural	30	50	57	(7)
Dannevirke Urban	142	52	59	(7)
Dannevirke Wildlife	22	24	27	(3)
District-wide Tree Planting	-	6	6	-
Domain Boards	127	42	120	(78)
Eketahuna Rural	26	28	32	(4)
Eketahuna Urban	21	22	25	(3)
Pahiatua Recreation	71	85	85	-
Pahiatua Rural	3	13	15	(2)
Pahiatua Town Square	66	70	80	(10)
Pahiatua Urban	19	19	22	(3)
Woodville Rural	7	6	14	(8)
Woodville Urban	46	49	49	-
Total Payments to Staff and Suppliers	750	871	858	13

Parks and Reserves Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Bush Multisport drainage*	-	-	-	-	(30)
Reserve Management Plans	-	-	-	21	21
Woodville new camping ground	-	-	-	106	106
Pahiatua Victory Park drainage	-	-	-	11	11
Eketahuna Domain drainage	-	30	30	32	2
District-wide walkway development	-	10	10	11	1
District-wide drainage	-	5	5	5	-
Norsewood Waterwheel Park play equipment	-	50	50	53	3
Total Level of Service		95	95	239	114
Renewals					
Dannevirke Domain playground	-	12	12	12	-
Dannevirke Camping Ground	-	9	9	10	1
Pahiatua Camping Ground	-	3	3	3	-
Eketahuna Camping Ground	-	52	52	55	3
Dannevirke Domain Grandstand	-	-	-	13	1
Eketahuna Domain	-	7	7	-	(7)
Dannevirke Domain store sheds	-	2	2	2	-
Woodville Band Rotunda	-	-	-	2	2
Woodville Camping Ground*	-	5	5	-	(5)
Pahiatua flagpole*	-	25	25	-	(25)
Eketahuna playground - replace matting*	-	10	10	-	(10)
Total Renewals	-	125	125	97	(40)
Total Capital Expenditure	-	220	220	336	74



Variance to Capital Expenditure

Reserve Management Plans are funded from operational budgets and not considered capital expenditure.

*These are new projects for the 2014/15 year. These have been included due to community's request and/or upkeep of grounds due to weather damage.

Public Conveniences

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets
				Annual Plan 2014/15
Activity – Public Conveniences				
Efficient Infrastructure	Public conveniences meet user needs	Public conveniences provided are fit for purpose	Percentage of residents rating public conveniences as "fairly satisfactory" or "very satisfactory" in the community survey	N/A
			The number of complaints received per annum about the condition of public toilets	51



Public Conveniences Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	227	163	250	87
Targeted rates (other than a targeted rate for water supply)	-	73	-	(73)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	3	4	1
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	230	239	254	15
Applications of Operating Funding				
Payment to staff and suppliers	162	175	175	-
Finance costs	4	4	4	-
Internal charges and overheads applied	29	22	31	(9)
Total Applications of Operating Funding	195	200	210	(9)
Surplus/(Deficit) of Operating Funding	35	39	44	6
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(5)	(5)	(5)	-
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	(5)	(5)	(5)	-

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	6	53	50	3
Increase (decrease) in reserves	24	(20)	(11)	(9)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	30	33	39	(6)
Surplus/(Deficit) of Capital Funding	(35)	(38)	(44)	(6)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Targeted rates had been reclassified as general rates as per the Revenue and Financing Policy.

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

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Building maintenance	32	33	41	(12)
Provision of clean safe facilities	130	142	134	12
Total Payments to Staff and Suppliers	163	175	175	-



Public Conveniences Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Renewals					
Eketahuna public toilets	-	50	50	53	3
Total Renewals	-	50	50	53	3
Total Capital Expenditure	-	50	50	53	3

Service Centres

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets
				Annual Plan 2014/15
Activity – Service Centres				
Collaborative Council	High quality customer service delivered	The Council provides friendly, professional and knowledgeable service to customers.	Percentage of customers who lodge faults/requests are satisfied with service provided	93%
			Percentage of customers who lodge faults/request are satisfied with after hours service received	90%
Efficient Infrastructure	The Council answers customer's phone calls promptly	The Council provides a 24 hours a day, 7 days a week phone service for customers	Percentage of calls answered where the average wait time is equal to or less than 20 seconds	95%
			Percentage of calls received by the afterhours call centre on a 24/7 basis are answered	90%



Service Centres Funding Impact Statement

	Annual Plan 2012/13	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	352	395	563	168
Targeted rates (other than a targeted rate for water supply)	189	176	-	(176)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	1	1	1	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1	1	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	542	573	565	(8)
Applications of Operating Funding				
Payment to staff and suppliers	356	373	352	21
Finance costs	-	-	-	-
Internal charges and overheads applied	186	199	212	(13)
Total Applications of Operating Funding	542	572	564	8
Surplus/(Deficit) of Operating Funding	-	1	1	-
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	-	-	-

	Annual Plan 2012/13	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	1	1	-
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	-	1	1	-
Surplus/(Deficit) of Capital Funding	-	(1)	(1)	-
Funding Balance	-	-	-	-

Variations to the Long Term Plan

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

Payments to staff and suppliers have decreased due to staff reallocation resulting from the amalgamation of the Woodville Library and Service Centre.

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



Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Dannevirke Service Centre	214	51	226	(175)
Eketahuna Service Centre	46	235	42	193
Pahiatua Service Centre	44	44	42	2
Woodville Service Centre	44	43	42	1
Total Payments to Staff and Suppliers	348	373	352	21

Swimming Pools

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Swimming Pools				
Efficient Infrastructure	Public pools provided meet community expectations	Public swimming pools provide a quality visitor experience	Percentage of residents rating swimming pools as "fairly satisfactory" or "very satisfactory" in the community survey	N/A
		Outdoor pools open during summer months, and Wai Splash all year around	The number of weeks each year Wai Splash is open for public use	52 weeks
	The district can afford to support public pools	Public swimming pools are financially sustainable in the long term	The number of weeks each year outdoor pools are open for public use	Percentage of rates spent funding public swimming pools (base – average household rate)



Swimming Pools Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	385	399	-	(399)
Targeted rates (other than a targeted rate for water supply)	-	-	402	402
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	5	12	7
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	385	404	414	10
Applications of Operating Funding				
Payment to staff and suppliers	294	290	303	(13)
Finance costs	2	2	2	-
Internal charges and overheads applied	55	77	58	19
Total Applications of Operating Funding	351	369	363	6
Surplus/(Deficit) of Operating Funding	34	35	51	16
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(2)	(2)	38	40
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	(2)	(2)	38	40

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	3	5	11	(6)
Increase (decrease) in reserves	29	28	78	(50)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	32	33	89	(56)
Surplus/(Deficit) of Capital Funding	(34)	(35)	(51)	(16)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

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

Payments to staff and suppliers have increased due to higher pool management fees (fees have been inflation adjusted).

General rates have been correctly reclassified as targeted rates as per the Revenue and Financing Policy.



Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Dannevirke Indoor Pool	192	207	214	(7)
Eketahuna Pool	29	25	26	(1)
Pahiatua Pool	35	30	32	(2)
Woodville Pool	38	28	31	(3)
Total Payments to Staff and Suppliers	294	290	303	(13)

Swimming Pools Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Renewals					
Woodville Swimming Pool	-	3	3	3	-
Pahiatua Swimming Pool	-	5	5	2	(3)
Eketahuna Swimming Pool filtration	-	3	3	-	(3)
Total Renewals	-	11	11	5	(6)
Total Capital Expenditure	-	11	11	5	(6)

District Promotion and Economic Development

Activities in this Group

Commercial Investments

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

District Promotion and Development

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

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

- Council forestry assets, previously managed by Tararua Forests Limited, are now managed in-house and included in the Commercial Investments activity. The forestry assets will continue to provide commercial returns to Council until a satisfactory sale price is obtained.
- In the Long Term Plan, a key strategy is to increase the resources put into Promotion and Economic Development. This year sees another moderate increase in the level of service, as indicated in the Long Term Plan. The outcome derived is to increase the population and employment in the district. This will underpin the viability of the investments in urban infrastructure.
- Council acts as a facilitator to grow economic development through specific projects that aim to increase the economic output of the district. Council encourages access to government support and business support services. Council considers this as the most cost effective option to encourage local businesses to grow, and for new businesses to be established. Council is considering setting up a business hub incubator in Dannevirke with support from private businesses.
- No significant changes from the Long Term Plan.



Commercial Investments

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Commercial Investments				
Prosperous Economy	Subsidising rates	Properties maximise returns to Council	Occupancy of commercial buildings each year	95%
			Net operating surplus each year	5%

Commercial Investments Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	(16)	(4)	(23)	(19)
Targeted rates (other than a targeted rate for water supply)	-	(2)	-	2
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	480	84	678	594
Local authorities fuel tax, fines, infringement fees, and other receipts	27	4	22	18
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	491	82	677	595
Applications of Operating Funding				
Payment to staff and suppliers	215	80	244	(164)
Finance costs	2	-	2	(2)
Internal charges and overheads applied	25	8	27	(19)
Total Applications of Operating Funding	242	88	273	(185)
Surplus/(Deficit) of Operating Funding	249	(6)	404	410
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(70)	1	(32)	(33)
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	(70)	1	(32)	(33)



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	16	(16)
- to replace existing assets	2	15	14	1
Increase (decrease) in reserves	177	(20)	342	(362)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	179	(5)	372	(377)
Surplus/(Deficit) of Capital Funding	(249)	6	(404)	(410)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Increase in Fees, charges, and targeted rates is due to Forestry assets and Aerodrome now included in this activity.

Payments to staff and suppliers has increased due to expenditure related to forestry activities.

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

Increase in reserves is due to retaining the surplus from the forestry activity in a special reserve for future funding of forestry related expenditure.

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Building maintenance	63	65	57	8
Forestry management	147	-	165	(165)
Planned maintenance	5	15	22	(7)
Total Payments to Staff and Suppliers	215	80	244	(164)

Commercial Investments Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Dannevirke Infracon depot	-	16	16	-	(16)
Total Level of Service	-	16	16	-	(16)
Renewals					
Woodville Infracon depot	-	14	14	15	1
Total Renewals	-	14	14	15	1
Total Capital Expenditure	-	30	30	15	(15)

Variance to Capital Expenditure

The Dannevirke Infracon depot is a new project related to stormwater drainage improvements



District Promotion and Development

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – District Promotion and Development				
Prosperous Economy; Collaborative Council	Community partnerships and collaboration	Assist businesses to apply for Government subsidies and grants	Referrals of Business Applications to Ministry of Science and Innovation Subsidy (while scheme is available)	5 per annum
Collaborative Council	Community partnerships and collaboration	Hold one or more business strategy meetings with businesses in the Tararua	Positive feedback on Business Strategy Meetings – Annual Survey	80%
Prosperous Economy	A district with a clear identity that promotes its lifestyle	Promote the Tararua at large events in and outside the district	Major Events that 'Tararua' is directly involved	3 per annum
Prosperous Economy; Great Lifestyle	A strong, growing, prosperous local economy that attracts, welcomes and retains businesses and residents	Measure ultimate success of economic development by the number of people that continue to choose to live in the Tararua	Exceed Statistics NZ Medium Population Projections in Annual Estimates and Census	Per Statistics NZ
Prosperous Economy	Access to a local service that assists visitors and supports local business	Customers receive friendly, professional and knowledgeable service from qualified i-SITE staff	Biannual Qualmark Assessment achieved	N/A

District Promotion and Development Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	358	140	192	52
Targeted rates (other than a targeted rate for water supply)	98	366	288	(78)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	11	12	11	(1)
Local authorities fuel tax, fines, infringement fees, and other receipts	2	2	1	(1)
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	469	520	492	(28)
Applications of Operating Funding				
Payment to staff and suppliers	385	369	405	(36)
Finance costs	1	-	1	(1)
Internal charges and overheads applied	74	84	79	5
Total Applications of Operating Funding	460	453	485	(32)
Surplus/(Deficit) of Operating Funding	9	67	7	(60)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	25	-	45	45
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	25	-	45	45



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	24	53	45	8
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	10	14	7	7
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	34	67	52	15
Surplus/(Deficit) of Capital Funding	(9)	(67)	(7)	60
Funding Balance	-	-	-	-

Variations to the Long Term Plan

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

Increase in Payments to staff and suppliers is due to increase in staff numbers. This has had a resulting increase in rates required.

Changes to funding from general and targeted rates is due to reallocation of staff cost to reflect the actual cost.

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Business Development	156	156	154	2
District Marketing	169	159	140	19
Tararua i-SITE	60	54	111	(57)
Total Payments to Staff and Suppliers	385	369	405	(36)

District Promotion and Development Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Info/i-SITE at Wind Farm centre	-	25	25	27	2
Fibre ducting	-	10	10	11	1
Computer hardware	-	-	-	16	16
Walkway/Cycleway	-	10	10	-	(10)
Total Level of Service	-	45	45	54	9
Total Capital Expenditure	-	45	45	54	9

Variance to Capital Expenditure

Computer hardware project is completed and future budgets will be looked into as part of the next Long Term Plan.

The walkway/cycleway is a new project. It is a seed money to help the Department of Conservation with this national project.



Regulatory Services

Activities in this Group

Animal Control

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

Emergency Management

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

Health and Safety

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

Resource Management

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

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

- A nationwide on-line building consent system has been prescribed by government in 2013/14 and Council has budgeted for resources to meet this new requirement.
- The Sale and Supply of Alcohol Act 2012 came into effect on 18 December 2013. Council is required to operate this activity differently and more resources have been allocated to this activity. Changes to licence fees and operation budgets have been made in this Annual Plan.
- Earthquake-prone building assessments of all commercial buildings are likely to be mandated by government in 2014. Council will probably be required to carry out these assessments from 2015 onwards.
- Proposed changes to the Resource Management Act 1991 have stalled in Parliament. These changes may still occur and impose additional costs on Council.
- Additional resources are required to comply with legal standards for Animal Control, and Health and Safety.
- No significant change to Levels of Service.

Animal Control

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Animal Control				
Collaborative Council; Great Lifestyle	Public safety	Animal control complaints and issues are resolved in a timely manner	Percentage of dog attacks responded to within 2 hours	99%
			Percentage of other complaints responded to within 1 day	95%
			Percentage of residents rate dog control as "quite satisfactory" or "very satisfactory" in community survey	N/A
Collaborative Council	Proactive education of animal owners	Promoting responsible animal ownership through public education	Number of animal related complaints received by Council	< 510
		Maintaining an efficient dog registration database	Percentage of known dogs registered each year.	99%



Animal Control Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	16	24	9	(15)
Targeted rates (other than a targeted rate for water supply)	-	11	-	(11)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	217	224	238	14
Local authorities fuel tax, fines, infringement fees, and other receipts	18	3	4	1
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	251	262	251	(11)
Applications of Operating Funding				
Payment to staff and suppliers	177	163	179	(16)
Finance costs	8	13	4	9
Internal charges and overheads applied	51	62	55	7
Total Applications of Operating Funding	236	238	238	-
Surplus/(Deficit) of Operating Funding	15	24	13	(11)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	196	(14)	(4)	10
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	196	(14)	(4)	10

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	201	-	-	-
- to replace existing assets	-	-	70	(70)
Increase (decrease) in reserves	10	10	(61)	71
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	211	10	9	1
Surplus/(Deficit) of Capital Funding	(15)	(24)	(13)	11
Funding Balance	-	-	-	-

Variations to the Long Term Plan

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

Increase in Fees and Charges is due to increase in dog registration fees. This has had a resulting decrease in rates required to fund this activity.

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



Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
After hours dog control	42	38	42	(4)
After hours stock control	3	3	3	-
Education	6	8	8	-
Maintain database	23	24	28	(4)
Monitor and enforce	103	90	98	(8)
Total Payments to Staff and Suppliers	177	163	179	(16)

Animal Control Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Renewals					
Dannevirke pound upgrade	-	70	70	-	(70)
Total Renewals	-	70	70	-	(70)
Total Capital Expenditure	-	70	70	-	(70)

Variance in Capital Expenditure

This is a new project to bring the existing Dannevirke dog pound to minimum standard.

Emergency Management

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Emergency Management				
Collaborative Council	Support the community to prepare for an emergency	Promote awareness of the impact of likely natural disasters to increase community readiness to cope with civil emergencies.	Percentage of households surveyed that have a maintained "preparedness" kit.	45%
Great lifestyle; Sustainable Environment; Prosperous Economy	Leadership and training	Provide trained civil defence management team staff and rural fire teams.	Percentage of operations centre staff internally assessed as having appropriate training and skills to perform Incident Management Team Role.	85%
			Percentage of volunteer rural fire forces that meet required competency standards.	85%
		Notified rural fires have a rural fire officer response upon notification.	Percentage of time Rural Fire Officers and trained crews respond within 30 minutes to notified incidents, as assessed by NZ Fire Service communications centre data.	90%



Emergency Management Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	189	128	122	(6)
Targeted rates (other than a targeted rate for water supply)	247	307	302	(5)
Grants & Subsidies Operating	10	21	5	(16)
Fees, charges, and targeted rates for water supply	-	5	-	(5)
Local authorities fuel tax, fines, infringement fees, and other receipts	3	6	5	(1)
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	449	467	434	(33)
Applications of Operating Funding				
Payment to staff and suppliers	307	309	279	30
Finance costs	7	7	6	1
Internal charges and overheads applied	55	58	59	(1)
Total Applications of Operating Funding	369	374	344	30
Surplus/(Deficit) of Operating Funding	80	93	90	(3)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	3	-	(3)
Increase (decrease) in debt	44	(8)	2	10
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	44	(5)	2	7

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	50	5	8	(3)
- to replace existing assets	3	3	-	3
Increase (decrease) in reserves	71	80	84	(4)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	124	88	92	(4)
Surplus/(Deficit) of Capital Funding	(80)	(93)	(90)	3
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Decrease in payments to staff and suppliers is mainly due to lower minor capital expenditure and vehicle maintenance cost.

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Civil Defence	62	60	85	(25)
Rural Fire	245	249	194	55
Total Payments to Staff and Suppliers	307	309	279	30



Emergency Management Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Purchase of radios	-	3	3	-	(3)
Tiraumea vehicle housing upgrade	-	5	5	5	-
Total Level of Service	-	8	8	5	(3)
Renewals					
Radio renewals	-	-	-	3	3
Total Renewals	-	-	-	3	3
Total Capital Expenditure	-	8	8	8	-

Health and Safety

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets
				Annual Plan 2014/15
Activity – Health and Safety				
Prosperous Economy; Collaborative Council	Public feels safe in public and commercial buildings	Ensure that the district built environment is safe	Percentage of Earthquake-prone buildings on public register strengthened or demolished	Public register released
			Percentage of buildings with building warrants of fitness's audited each year	5%
			Percentage of properties with swimming pool and/or spa fencing inspected	20%
Prosperous Economy	Business friendly Council service	Responsive and accurate building control service provided	Percentage of building consents issued within the statutory time frame (20 working days)	100%



Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Great lifestyle; Prosperous Economy	Public is safe utilising local businesses	Protect public health by regulating the sale of food, funeral parlours, offensive trades, hairdressing salons and camping grounds Protect public health by regulating the sale of liquor	Percentage of inspections carried out within two working days of request	70%
			Percentage of high risk licensed premises inspected twice a year	100%
			Percentage of low risk licensed premises inspected each year	100%
			Percentage of liquor licence applications processed and issued within 10 working days (where complete information is provided, i.e. public notice, police reports etc)	100%
Sustainable Environment	Ensuring people do not overly disturb other residents.	Control excessive noise through monitoring and enforcement	Percentage of on and off licence liquor outlets inspected annually Percentage of noise complaints responded to within 30 minutes in Dannevirke and Pahiatua, and 1 hour in Woodville and Eketahuna	100%

Health and Safety Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	386	227	428	201
Targeted rates (other than a targeted rate for water supply)	-	101	-	(101)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	463	435	461	26
Local authorities fuel tax, fines, infringement fees, and other receipts	7	7	8	1
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	856	770	897	127
Applications of Operating Funding				
Payment to staff and suppliers	657	576	765	(189)
Finance costs	-	-	-	-
Internal charges and overheads applied	183	177	196	(19)
Total Applications of Operating Funding	840	753	961	(208)
Surplus/(Deficit) of Operating Funding	16	17	(64)	(81)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	-	-	10	10
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	-	-	10	10



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	10	(10)
Increase (decrease) in reserves	6	17	(64)	81
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	6	17	(54)	71
Surplus/(Deficit) of Capital Funding	(16)	(17)	64	81
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Targeted rates had been reclassified as general rates as per the Revenue and Financing Policy.

Increase in Fees and Charges is due to the increases in the Liquor Licensing fees.

Increase in payments to staff and suppliers is due to the increase in staff numbers and operation cost for the digitisation project.

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

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Building consent processing	255	214	447	(233)
Environmental Health	147	152	91	61
Liquor Licensing	119	83	132	(49)
Noise callouts & other nuisances	136	127	95	32
Total Payments to Staff and Suppliers	657	576	765	(189)

Health and Safety Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Renewals					
Swimming pool kit*	-	3	3	-	(3)
Sound level meter*	-	7	7	-	(7)
Total Renewals	-	10	10	-	(10)
Total Capital Expenditure	-	10	10	-	(10)

* Both are new projects to enable compliance officers to effectively perform their jobs.



Resource Management

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Resource Management				
Sustainable Environment; Prosperous economy	Effective and relevant policies	Provide a district plan that provides certainty of land use and environmental outcomes	Percentage of Hearings Commissioners surveyed that think that the district plan is effective	90%
Great lifestyle	Keeping up to date with impacts on the environment	Undertake a monitoring programme that reports on the effectiveness of the district plan and individual consent conditions	Prepare a District-wide state of the environment monitoring report	N/A
			Percentage of residents rating resource management as satisfactory in community survey	N/A

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets
				Annual Plan 2014/15
Collaborative Council	Responsive customer service	Resource consents are administered effectively and efficiently	Percentage of resource consents processed within the statutory time frame.	100%
			<ul style="list-style-type: none"> • Non-notified: 20 working days • Notified: 70 working days • Notified and Limited Notified not requiring a hearing: 50 working days 	
			Percentage of complaints about non-compliance with the District Plan or consent conditions are investigated and resolved within 3 months of being received	90%



Resource Management Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	315	274	338	64
Targeted rates (other than a targeted rate for water supply)	-	122	-	(122)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	50	60	47	(13)
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	3	2
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	366	457	388	(69)
Applications of Operating Funding				
Payment to staff and suppliers	319	429	338	91
Finance costs	-	-	-	-
Internal charges and overheads applied	46	27	49	(22)
Total Applications of Operating Funding	365	456	387	69
Surplus/(Deficit) of Operating Funding	(1)	1	1	-
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(50)	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	(50)	-	-	-

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	51	1	1	-
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	51	1	1	-
Surplus/(Deficit) of Capital Funding	1	(1)	(1)	-
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Targeted rates have been correctly classified as general rates as per Council's Revenue and Financing Policy.

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

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

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



Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Coastal hazard assessment	48	4	3	1
District Plan review	61	201	156	45
Environmental monitoring report	71	82	64	18
Legal costs associated with hearings	80	72	56	16
Resource consent processing	34	33	29	4
RMA management & information	25	37	30	7
Total Payments to Staff and Suppliers	319	429	338	91

Roading and Footpaths

Activities in this Group

Roading

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

Footpaths

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

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

- Reducing funding for road maintenance in inflation adjusted terms is putting pressure on Council to continually find more efficiencies
- A complete review of the road funding system is currently underway. Council is involved in advocating for Tararua. Significant changes could impact on Council for 2015 and will be considered as part of the 2015-2025 Long Term Plan process.
- The upgrade work on the Saddle Road is progressing with 100% of the funding coming from NZ Transport Agency. The project is focused on providing an acceptable alternative route to the Manawatu Gorge and \$4.5 million (plus professional fees) has been approved for the project. The work will include strengthening corners and road edges, smoothing some corners for traffic coming in from Ashhurst, and installing more passing lanes. Work will commence in 2013/14 (\$1.9 million budgeted) and be completed over 2014/15 (\$2.6 million budgeted).
- Council has resolved to go out for tender for its Road and Bridge Maintenance contract. By tendering now, Council will have clear evidence on actual costs for the next five years when we negotiate the new block allocation of roading subsidies for the 2015–2018 years during 2014/15.
- No significant changes to levels of service.

Roading

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Roading				
Efficient Infrastructure	Ensure that our roading network is safe	Council ensures roads are safe for all road users	Number of fatal accidents due to road factors	Nil
Efficient Infrastructure	Roads are maintained to the appropriate standard	Council maintains Roads to an acceptable standard	Percentage of requests to fix road surface faults are completed within the timeframe specified in contracts	85%
			Percentage of residents rating Urban and Rural roading as "quite satisfactory" or "very satisfactory" in community survey	N/A
Efficient Infrastructure; Great Lifestyle; Collaborative Council	Maintained roading network provides a safe and comfortable ride quality	Council ensures quality of roads and safety of users	Percentage of sealed roads providing a smooth and comfortable ride as measured by RAMM Roughness Surveys for NAASRA counts lower than 220 for urban and 120 for rural	95%
Efficient Infrastructure	Clearance of damage by weather/emergency response	Council ensures that all roads remain available to users	Initial response to impassable roads be undertaken within 24 hours	99%

Roading Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	6,678	6,794	6,293	(501)
Grants & Subsidies Operating	3,653	4,026	3,865	(161)
Fees, charges, and targeted rates for water supply	150	160	150	(10)
Local authorities fuel tax, fines, infringement fees, and other receipts	219	234	252	18
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	10,700	11,214	10,560	(654)
Applications of Operating Funding				
Payment to staff and suppliers	6,186	6,813	6,359	453
Finance costs	38	37	37	-
Internal charges and overheads applied	1,163	975	1,175	(200)
Total Applications of Operating Funding	7,387	7,825	7,572	252
Surplus/(Deficit) of Operating Funding	3,313	3,389	2,987	(404)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	5,390	6,285	5,550	(735)
Increase (decrease) in debt	7	(6)	11	17
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	5,397	6,279	5,561	(718)



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,080	2,753	2,090	663
- to replace existing assets	5,581	5,955	5,840	115
Increase (decrease) in reserves	1,049	960	618	342
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	8,710	9,668	8,548	1,120
Surplus/(Deficit) of Capital Funding	(3,313)	(3,389)	(2,987)	402
Funding Balance	-	-	-	-

Variations to the Long Term Plan

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

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

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Emergency Reinstatement	1,120	1,205	1,120	85
Environmental Maintenance	450	473	460	13
Level Crossings	40	43	40	3
Network Asset Management Subsidised	510	617	525	92
Non-Subsidised Verges	139	138	170	(32)
Routine Drainage Maintenance	732	898	754	144
Sealed Pavement Maintenance	860	925	880	45
Structures Maintenance	710	759	715	44
Territorial Administration & Administration Support	141	175	166	9
Traffic Services Maintenance	454	480	455	25
Unsealed Pavement Maintenance	480	519	495	24
Unsealed Road Metalling - Maintenance Metal	550	581	580	1
Total Payments to Staff and Suppliers	6,186	6,813	6,359	454



Roading Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Associated improvements	-	90	90	85	(5)
Seal extension	-	-	-	-	-
Pahiatua Track route alignment (R Funded)	-	-	-	-	-
Manawatu/Hawkes Bay alternate route upgrades	-	2,000	2,000	2,668	-
Total Level of Service	-	2,090	2,090	2,753	(5)
Renewals					
Drainage renewals	-	510	510	523	13
Unsealed road metalling - heavy metal overlays	-	610	610	640	30
Traffic services renewal	-	95	95	96	1
Structures component replacements	-	206	206	101	-
Sealed roads resurfacing	-	2,260	2,260	2,294	134
Pavement rehabilitation	-	1,650	1,650	1,665	15
Minor safety improvements	-	509	509	529	20
Bridge renewals	-	-	-	107	2
Total Renewals	-	5,840	5,840	5,955	115
Total Capital Expenditure	-	7,930	7,930	8,708	110

Variance to Capital Expenditure

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

Footpaths

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Footpaths				
Efficient Infrastructure	Footpaths are safe for pedestrians	Council maintains footpaths to an acceptable level to customers	Percentage of residents rate footpaths as "fairly satisfactory" or "very satisfactory" in the community survey	N/A
			Percentage of footpath free from trip hazards e.g. bumps, depressions, settlement, cracking, deterioration, per 100 metres of footpath, measured by footpath condition surveys	95%
			Complaints regarding unsafe footpaths are rectified within 7 days	100%
Efficient Infrastructure; Great Lifestyle; and Collaborative Council	Town centre upgrades reflect the diversity, character and heritage of communities	Council ensures the needs of both local and visitors will be considered in the town upgrades	Percentage of resident and non-resident ratepayers rate Urban CBD upgrades as "fairly satisfactory" or "very satisfactory" in the community survey	N/A



Footpaths Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	128	66	105	39
Targeted rates (other than a targeted rate for water supply)	656	814	785	(29)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	10	23	13	(10)
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	794	903	903	-
Applications of Operating Funding				
Payment to staff and suppliers	58	60	61	(1)
Finance costs	100	94	99	(5)
Internal charges and overheads applied	265	255	283	(28)
Total Applications of Operating Funding	423	409	441	(34)
Surplus/(Deficit) of Operating Funding	371	494	460	(34)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(14)	(74)	(62)	12
Gross proceeds from sale of assets	-	-	-	-
Total Sources of Capital Funding	(14)	(74)	(62)	12

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	27	61	58	3
- to replace existing assets	-	160	150	10
Increase (decrease) in reserves	330	199	190	9
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	357	420	398	22
Surplus/(Deficit) of Capital Funding	(371)	(494)	(460)	34
Funding Balance	-	-	-	-

Variations to the Long Term Plan

Increase in general rates is mainly due to the footpath renewal project. Decrease in targeted rate is due to the lower loan balance for the repayment of the Dannevirke Town upgrade project.

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



Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Footpath maintenance rural	1	1	1	-
Footpath maintenance urban	57	59	60	(1)
Total Payments to Staff and Suppliers	58	60	61	(1)

Footpaths Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Footpath construction	-	28	28	29	1
Kerb & channel / footpath renewal Eketahuna	-	30	30	32	2
Total Level of Service	-	58	58	61	3
Renewals					
Footpath renewal	-	150	150	160	10
Total Renewals	-	150	150	160	10
Total Capital Expenditure	-	208	208	221	13

Solid Waste Management

Activities in this Group

Solid Waste Management

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

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

- There has been an overall increase in the cost of providing solid waste services within the district mainly due to:
 - extension of the kerbside and recycling services;
 - the overall increase in the volume of recycling recovered from the district, particularly glass; and
 - increases in transport and disposal fees.
- Waste from Pahiatua is now transported to the Eketahuna Landfill rather than trucked to the Landfill at Waipukurau. Diverting waste to Eketahuna reduces trucking and disposal costs compared to using Waipukurau. Costs have been further reduced by using glass as cover material at the Eketahuna Landfill. This reduces costs as glass is an expensive material to transport and recycle. Council is not restricted by the capacity of the landfill, but by the life of the consent. In 2014/15, the remaining life will be reassessed and a business case prepared for options including opening new cells, seeking a new consent or closing the landfill after June 2018.



Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Solid Waste Management				
Efficient Infrastructure; Sustainable Environment	Refuse and recycling services meet the needs of the district	Refuse and recycling services meet user needs	Percentage of residents rating rubbish collection service as "fairly satisfactory" or "very satisfactory" in the community survey	N/A
			Percentage of residents rating recycling as "fairly satisfactory" or "very satisfactory" in the community survey	N/A
			Percentage of residents rating landfills/transfer station management as "fairly satisfactory" or "very satisfactory" in the community survey	N/A
Collaborative Council	Ensuring our district has a healthy and pleasant environment for people	Council will promote and encourage recycling and reuse	Tonnage of waste sent to landfills by the district per annum	< 4,400
		Council open and closed landfills are well managed	All Horizons resource consent conditions are met	100%

Solid Waste Management Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	497	203	438	235
Targeted rates (other than a targeted rate for water supply)	710	786	733	(53)
Grants & Subsidies Operating	40	42	40	(2)
Fees, charges, and targeted rates for water supply	534	546	536	(10)
Local authorities fuel tax, fines, infringement fees, and other receipts	16	18	27	9
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	1,797	1,595	1,774	179
Applications of Operating Funding				
Payment to staff and suppliers	1,515	1,327	1,488	(161)
Finance costs	62	58	59	(1)
Internal charges and overheads applied	104	107	110	(3)
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	1,681	1,492	1,657	(165)
Surplus/(Deficit) of Operating Funding	116	103	117	14
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	73	(23)	-	-
Gross proceeds from sale of assets	-	-	(27)	(4)
Development and financial contributions	-	-	-	-
Lump sum contributions	-	-	-	-
Total Sources of Capital Funding	73	(23)	(27)	(4)



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	100	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	89	80	90	(10)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	189	80	90	(10)
Surplus/(Deficit) of Capital Funding	(116)	(103)	(117)	(14)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

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

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

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Solid Waste Management Akitio	21	7	8	(1)
Solid Waste Management Dannevirke	610	581	655	(74)
Solid Waste Management District-wide	251	203	229	(26)
Solid Waste Management Eketahuna	52	74	83	(9)
Solid Waste Management Herbertville	7	-	-	-
Solid Waste Management Ormondville	25	17	18	(1)
Solid Waste Management Pahiatua	349	278	312	(34)
Solid Waste Management Pongaroa	47	43	48	(5)
Solid Waste Management Woodville	153	123	135	(12)
Total Payments to Staff and Suppliers	1,515	1,327	1,488	(161)



Stormwater

Activities in this Group

Stormwater

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

Contribution to Community Outcomes

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

Key Issues / Changes in the Annual Plan

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

Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Stormwater				
Efficient Infrastructure	Protecting people and properties from flooding caused by stormwater runoff	An effective stormwater system that protects people and properties from flooding	The number of residential, industrial and business premises affected by flooding per year	< 40
	Having a reliable stormwater network that drains water away	A reliable stormwater network	Percentage of residents rating stormwater management as "fairly satisfactory " or "very satisfactory" in the community survey	N/A
			Number of surface flooding incidences on urban roads that persist for longer than 2 hours (as a percentage of total surface flooding service requests)	7%



Stormwater Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	741	-	(741)
Targeted rates (other than a targeted rate for water supply)	728	-	755	755
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	10	12	13	1
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	738	753	768	15
Applications of Operating Funding				
Payment to staff and suppliers	136	160	141	19
Finance costs	86	83	86	(3)
Internal charges and overheads applied	278	297	295	2
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	500	540	522	18
Surplus/(Deficit) of Operating Funding	238	213	246	33
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Increase (decrease) in debt	(81)	(22)	(98)	(76)
Gross proceeds from sale of assets	-	-	-	-
Development and financial contributions	-	-	-	-
Lump sum contributions	-	-	-	-
Total Sources of Capital Funding	(81)	(22)	(98)	(76)

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	10	65	-	65
- to replace existing assets	38	43	40	3
Increase (decrease) in reserves	109	84	109	(25)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	157	192	149	43
Surplus/(Deficit) of Capital Funding	(238)	(214)	(247)	(33)
Funding Balance	-	-	(1)	-

Variations to the Long Term Plan

Interest revenue as been allocated to this activity.

Overall decrease in payments to staff and suppliers is due to cost increases lower inflation adjusted estimates in Long Term Plan.

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

Decrease in debt required is due to the reprioritisation of capital projects.



Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Drain Maintenance	28	34	30	4
Maintenance	70	81	72	9
Reticulation	38	45	39	6
Total Payments to Staff and Suppliers	136	160	141	19

Stormwater Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Dannevirke pipe behind Mills Bros	-	-	-	65	65
Total Level of Service	-	-	-	65	65
Renewals					
Mains replacement	-	40	40	43	3
Total Renewals	-	40	40	43	3
Total Capital Expenditure	-	40	40	108	68

Variance to Capital Expenditure

Installation of stormwater pipe behind Mills Bros in High Street is deferred to 2016/17 due to reprioritisation of projects.

Wastewater

Activities in this Group

Wastewater

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

Contribution to Council Outcomes

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

Key Issues / Changes in the Annual Plan

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



Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Wastewater				
Efficient Infrastructure	Schemes can be relied to on to remove wastewater from properties	A reliable wastewater service	The number of incidences of unplanned loss of wastewater service	< 41
			Number of sewage overflows affecting properties per annum	< 22
			Percentage of residents rating wastewater management as "fairly satisfactory " or "very satisfactory" in the community survey	N/A
Sustainable Environment	The wastewater scheme protects people's health and our environment	Risks to public health and our natural environment are minimised	Number of schemes meeting all resource consent conditions	7

* estimated for 2011/12

Wastewater Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	64	-	(64)
Targeted rates (other than a targeted rate for water supply)	2,076	2,416	2,046	(370)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	110	109	110	1
Local authorities fuel tax, fines, infringement fees, and other receipts	52	57	72	15
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	2,238	2,646	2,228	(418)
Applications of Operating Funding				
Payment to staff and suppliers	803	887	736	151
Finance costs	322	386	313	73
Internal charges and overheads applied	283	350	299	51
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	1,408	1,623	1,348	275
Surplus/(Deficit) of Operating Funding	830	1,023	880	(143)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	963	484	563	79
Increase (decrease) in debt	1,824	1,363	-	-
Gross proceeds from sale of assets	-	-	1,411	48
Development and financial contributions	-	-	-	-
Lump sum contributions	-	-	-	-
Total Sources of Capital Funding	2,787	1,847	1,974	127



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	3,071	2,243	2,286	(43)
- to replace existing assets	481	354	355	(1)
Increase (decrease) in reserves	65	272	212	60
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	3,617	2,869	2,853	16
Surplus/(Deficit) of Capital Funding	(830)	(1,022)	(879)	143
Funding Balance	-	-	1	-

Variations to the Long Term Plan

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

Overall decrease in payments to staff and suppliers is due to cost increases lower than inflation adjusted estimates in Long Term Plan. Cost savings have been realised from using internal staff rather than consultants. This has resulted in lower rates requirement.

Increase in debt required is due to the reprioritisation of capital projects.

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Maintenance to minimise failures and blockages, infiltration of stormwater into sewerage systems	107	110	92	18
Planning & development renewals to ensure future capacity	149	142	118	24
Reticulation sewerage disposal for all connected properties	146	176	146	30
Telemetry system monitoring to prevent system failures	24	26	21	5
Treatment to provide effective treatment of wastewater	377	433	358	75
Total Payments to Staff and Suppliers	803	887	736	151

Wastewater Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Telemetry sewerage	-	10	10	11	1
Manhole rehabilitation	-	6	6	6	-
Norsewood disposal to land and resource consent	20		20	118	98
Dannevirke pond leak investigation/remedial work	-	1,800	1,800	1,936	136
Dannevirke disposal to land (aerodrome)	450	-	450	-	(450)
Dannevirke - Adelaide Road area investigation	-	-	-	11	11
Ormondville land based discharge	-	-	-	161	161
Total Level of Service	470	1,816	2,286	2,243	(43)



	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Renewals					
Mains replacement	-	257	257	276	19
Sewer pump replacement	-	2	2	2	-
Preventative mains renewals	-	50	50	54	4
Manhole replacements	-	12	12	6	(6)
Aerators	-	14	14	15	1
Dannevirke sewage treatment plant renewals	-	20	20	-	(20)
Total Renewals	-	355	355	353	(2)
Total Capital Expenditure	470	2,171	2,641	2,596	(45)

Variances to Capital Expenditure

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

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

Norsewood disposal to land and resource consent has been deferred to 2015/16 due to prioritisation of projects.

Water Supplies

Activities in this Group

Water Supplies

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

Contribution to Community Outcomes

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

Key Issues / Changes in the Annual Plan

- Council continues to make progress on meeting the Drinking Water Standards.
- New resource consent conditions for river water extraction means Council water supply systems must take less river water at times of low flow, normally in summer at times of peak demand.
- Council is continuing with the efforts to implement the water management strategy, introduced in 2013/14, that sets appropriate water meter fees, creates sufficient storage to reduce extractions during low flow and improve security of supply, reviews rural connections to urban supplies and reduces leakages in the piped supply networks.
- No significant change to Levels of Service.



Performance Measures

Objectives / Rationale

Community Outcome(s)	Major Aspect	Level of Service	Performance Measure	Targets Annual Plan 2014/15
Activity – Water Supplies				
Efficient Infrastructure	Water is available when it is needed	Council provides a reliable water supply	Percentage of customers satisfied with the availability of water in the community survey	N/A
		Water quality is suited to user needs	Council provides water at a consistent volume	Number of days per annum where users experience reduced flows
	Water looks and tastes good		Number of recorded issues with the taste of town water per annum	< 53
			Number of recorded issues with the clarity of town water per annum	< 26
			Number of schemes with a Public Health Management Plan in place	7
	Upgrade the water schemes to comply with NZ Drinking Water Standards and Health Act 1956	5		

Water Supplies Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	(5)
Targeted rates (other than a targeted rate for water supply)	1,532	1,615	1,523	(92)
Grants & Subsidies Operating	-	-	-	-
Fees, charges, and targeted rates for water supply	500	522	500	(22)
Local authorities fuel tax, fines, infringement fees, and other receipts	76	75	106	31
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding	2,108	2,217	2,129	(88)
Applications of Operating Funding				
Payment to staff and suppliers	801	955	726	229
Finance costs	278	257	285	(28)
Internal charges and overheads applied	224	181	238	(57)
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	1,303	1,393	1,249	144
Surplus/(Deficit) of Operating Funding	805	824	880	56
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	530	530
Increase (decrease) in debt	341	(242)	-	-
Gross proceeds from sale of assets	-	-	733	975
Development and financial contributions	-	-	-	-
Lump sum contributions	-	-	-	-
Total Sources of Capital Funding	341	(242)	1,263	1,505



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	618	32	1,509	(1,477)
- to replace existing assets	399	389	362	27
Increase (decrease) in reserves	130	161	272	(111)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding	1,147	582	2,143	(1,561)
Surplus/(Deficit) of Capital Funding	(805)	(824)	(880)	(56)
Funding Balance	-	-	-	-

Variations to the Long Term Plan

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

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

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

This has resulted in lower rates requirement.

Interest revenue from depreciation funds is allocated to this activity.

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

Additional Notes

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

Expenditure by Output	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Maintenance to minimise failures	208	245	53	192
Planning & development to ensure future capacity	201	272	258	14
Reticulation water to all connected properties	96	124	117	7
Telemetry system monitoring to prevent failures	21	25	24	1
Treatment to provide safe, potable water	275	289	274	15
Total Payments to Staff and Suppliers	801	955	726	229



Water Supplies Capital Expenditure

	Carry Forward	Annual Plan 2014/15	Total Budget	Long Term Plan 2014/15	Variance
Level of Service					
Demand management / zone metering	-	5	5	5	-
Leak detection work	-	25	25	27	2
Pahiatua second bore and storage	1,479	-	1,479	-	(1,479)
Total Level of Service	1,479	30	1,509	32	(1,477)
Renewals					
Mains replacement	-	295	295	317	21
Telemetry	-	14	14	15	1
Preventative renewals	-	50	50	54	4
Dose pump	-	3	3	3	-
Total Renewals	-	362	362	389	27
Total Capital Expenditure	1,479	392	1,871	421	(1,450)

Variance to Capital Expenditure

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

The Pahiatua second bore and storage is brought to 2014/15 due to prioritisation of projects.

Funding Impact Statement

Funding Impact Statement – Rating Policy

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

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

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

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

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

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

The resulting mix of general and targeted rates, user charges and other funding sources is covered in the sections above relating to operating and capital expenditure and the section on the rating system following. The actual amounts that result from the application of these various policies and practices are shown elsewhere in this document under the significant activity pages.

Property Valuations and Rates Distribution

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

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

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

Effect of new valuations on rates

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

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

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

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

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

Components of the Rating System

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

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

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

Legislation Local Government (Rating) Act 2002	Rate Subject to 30% Cap (S21)	Types of Rates	Properties to be Charged ("known as Rating Units")	Schedule 2 Category (Category Rated)	Schedule 3 – How it is Rated
Refuse & Recycling Targeted Differential Rate					
S16(3)(b) & S16(4)(b)	No	Refuse & Recycling - Rural	Rateable & Non-Rateable Properties	Situation, use of land, and provision of service	Per rating unit
S16(3)(b) & S16(4)(b)	No	Refuse & Recycling - Urban	Rateable & Non-Rateable Properties	Situation, use of land, and provision of service	Per rating unit
S16(3)(b) & S16(4)(b)	No	Refuse & Recycling - Industrial Commercial	Rateable & Non-Rateable Properties	Situation, use of land, and provision of service	Per rating unit
Roading Rate					
S16(3)(a) & S16(4)(a)	No	Roading Land Value Rate - District-wide	Rateable Properties	n/a	Land value
Roading Targeted Differential Uniform Rate					
S16(3)(b) & S16(4)(b)	No	Rural	Rateable Properties	Situation & use of land	Per rating unit
S16(3)(b) & S16(4)(b)	No	Urban	Rateable Properties	Situation & use of land	Per rating unit
S16(3)(b) & S16(4)(b)	No	Industrial Commercial	Rateable Properties	Situation & use of land	Per rating unit
Footpath Special Development Targeted Differential Uniform Rates					
Dannevirke Town Centre Refurbishment					
S16(3)(b) & S16(4)(b)	No	Dannevirke Town Centre Refurbishment North Ward	Rateable Properties	Situation of rating unit	Per rating unit
S16(3)(b) & S16(4)(b)	No	Dannevirke Town Centre Refurbishment South Ward	Rateable Properties	Situation of rating unit	Per rating unit
Woodville Town Centre Refurbishment					
S16(3)(b) & S16(4)(b)	No	Woodville Town Centre Refurbishment North Ward	Rateable Properties	Situation of rating unit	Per rating unit
S16(3)(b) & S16(4)(b)	No	Woodville Town Centre Refurbishment South Ward	Rateable Properties	Situation of rating unit	Per rating unit



Legislation Local Government (Rating) Act 2002	Rate Subject to 30% Cap (S21)	Types of Rates	Properties to be Charged ("known as Rating Units")	Schedule 2 Category (Category Rated)	Schedule 3 – How it is Rated
Urban Wastewater					
S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Uniform Rate - Full Charge	Rateable & Non-Rateable Properties	Provision of service	Separately used or inhabited parts of a rating unit
S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Uniform Rate - Half Charge	Rateable & Non-Rateable Properties	Availability of service	Per rating unit
S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Uniform Rate - For Connected Multiple Use	Rateable & Non-Rateable Properties	Provision of service	The number of water closets or urinals within the rating unit
Educational establishments and multi-unit residential properties					
S16(3)(b) & S16(4)(b)	No	Urban Wastewater Targeted Uniform Rate - Full Charge	Rateable & Non-Rateable Properties	Provision of service	The number of water closets or urinals within the rating unit
Stormwater					
S16(3)(b) & S16(4)(b)	Yes	Urban Stormwater Targeted Uniform Rate	Rateable Properties	Situation of land	Per rating unit
Water					
S16(3)(b) & S16(4)(b)	No	Urban Water Targeted Uniform Rate - Full Charge	Rateable & Non-Rateable Properties	Provision of service	Separately used or inhabited parts of a rating unit
S16(3)(b) & S16(4)(b)	No	Urban Water Targeted Uniform Rate - Half Charge	Rateable & Non-Rateable Properties	Availability of service	Per rating unit
S19	No	Pongaroa Water Targeted Uniform Rate	Rateable & Non-Rateable Properties	Situation and provision of service	n/a
	No	Water by Meter Rates	Rateable & Non-Rateable Properties	Availability of service	n/a

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

Sector	Rating Units	Current Year 2013/14	Long Term Plan 2014/15		Annual Plan 2014/15			
			Rates by Sector	% Change from Current Year	Rates by Sector	% Change from Long Term Plan	\$ Change from Current Year	% Change from Current Year
Rural	5,599	10,571,449	10,912,715	3.2%	10,955,805	0.39%	384,357	3.64%
Urban	4,499	7,518,796	8,128,184	8.1%	7,752,899	-4.62%	234,103	3.11%
Industrial/Commercial	615	1,318,071	1,421,618	7.9%	1,361,426	-4.23%	43,355	3.29%
Total Rates	10,713	19,408,316	20,462,517	5.43%	20,070,130	-1.92%	661,815	3.41%

Note: Rates are excluding GST



Examples of the Impacts of the Council's Rating Proposals

These examples are from the sample set of ratepayers used by Council in modelling impacts of rating scenarios. Four properties in each sector with high, medium and low land or capital values is extracted to show the impact on rates as required by Clause 20(5) Schedule 10, Local Government Act 2002.

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

Property Type	Land Value	Capital Value	Actual 2013/14	Annual Plan 2014/15	Difference (\$)	Percentage
Urban properties						
Urban - Settlement	16,000	126,000	1,667	1,703	35	2.1%
Urban - Low Land Value	30,000	136,000	1,904	1,959	55	2.9%
Urban - Medium Land Value	40,000	200,000	1,957	2,020	63	3.2%
Urban - High Land Value	90,000	399,000	2,253	2,356	103	4.6%
Rural Properties						
Rural - Settlement	53,000	190,000	1,155	1,245	90	7.8%
Rural - Lifestyle	170,000	335,000	1,488	1,523	35	2.3%
Rural - Medium Land Value	1,325,000	1,875,000	4,842	5,023	180	3.7%
Rural - High Land Value	3,775,000	4,500,000	11,941	12,430	488	4.1%
Industrial/Commercial Properties						
Industrial/Commercial - Urban Low - Land/Capital Value	9,500	54,000	2,177	2,161	-16	-0.7%
Industrial/Commercial - Urban High - Land/Capital Value	450,000	2,975,000	7,624	7,825	201	2.6%
Industrial/Commercial - Rural Low - Land/Capital Value	25,000	125,000	1,323	1,298	-25	-1.9%
Industrial/Commercial - Rural High - Land/Capital Value	600,000	30,100,000	32,190	32,862	671	2.1%
Industrial/Commercial - Rural	5,650,000	16,300,000	27,370	28,788	1,418	5.2%

How Council Rates

Introduction

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

These summaries identify the amounts being rated and the amount expected to be collected through each rate (as required by Schedule 10, Clause 20 of the Local Government Act 2002).

Explanation of Rates

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

These may be charged in two ways:

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

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

These categories are set out below.

General Rate

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

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

Targeted Rates

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

Council has targeted rates for:

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

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

Uniform Annual General Charge

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

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

Hence, Council considers a range from 27.5% to 29% of the rates requirement should be recovered by way of a UAGC charged to every rating unit in the district, which reflects the equal opportunity to access and use the assets and services.



Targeted Rates

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

Sector Rates

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

Ward Rates

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

The categories of Rateable Land for setting Targeted Rates are:

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

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

Solid Waste Targeted Differential Uniform Rate

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

Specified Services Targeted Differential Rate

Land Value Rate for Rural

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

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

Land Value in this instance has been used because:

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

Land Value Rate for Urban

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

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

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

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

Land Value in these instances has been used because:

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

Capital Value Rate for Industrial Commercial: Rural & Urban

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

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

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

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

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

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

Capital Value in these instances has been used because:

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

Roading (excluding special development targeted differential rate)

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

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

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

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



Roading Rate – Targeted Differential Uniform

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

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

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

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

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

Roothing Special Development Targeted Differential Uniform Rate

The Council is funding the Pahiatua-Palmerston North Route upgrade by way of a targeted rate set as a fixed amount per rating unit set differentially for the North and South Wards. Funding for Pahiatua-Palmerston North Route upgrade will have its loan repayments and interest costs funded through these rates. They will be charged with 10% of the costs allocated to the South Ward that is directly benefiting the area and the remaining cost allocated equally. The rate will be set so that 10% of the costs are first allocated to the South Ward and the remainder of the costs are allocated equally per rating unit across the North and South Wards.

Dannevirke Footpaths Special Development Targeted Differential Uniform Rate

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

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

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

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

Urban Water Rate

A targeted uniform rate is charged as follows:

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

Pongaroa Water Rate

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

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

A targeted uniform rate will be charged on each water closet/urinal connected to the wastewater system.

A remission policy applies to educational establishments.

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

Wastewater Targeted Differential Rate

A targeted differential rate for wastewater will be charged. This applies to all other connected properties (excluding multi-unit residential properties and educational establishments) and is a differential targeted rate on all other connected properties as follows:

- a fixed amount per separately used or inhabited part of a rating unit;
- for every rating unit with 4 or more water closets/urinals, a fixed amount* for each water closet/urinal excluding the first 3 and any over 12 (*calculated at 33% of a full charge per rating unit);
- 50% of the fixed amount on every rating unit to which wastewater is available but not connected. By "wastewater is available", it means a rating unit is within 100 metres of Council's wastewater system and could be effectively connected to the wastewater system.

A rating unit used primarily as a residence for one household will be treated as having only one water closet/urinal and pay a full charge. Other ratepayers will pay a full charge on the first water closet/urinal and 33% of the full charge for each water closet/urinal between 4 and 12 (inclusive) in number.

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

Urban Stormwater Rate

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

Fees and Charges

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

Water by Meter Rates

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

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

Several farming properties in Woodville are connected to the town supply and are charged with the Fixed Amount Targeted Rate plus a charge for water consumed through the meter in excess of the standard allowance.

The standardised charges for water supplied through a meter are:

- A Targeted Rate per rating unit.
- Plus a charge in excess of 100 cubic metres supplied during each consecutive three-month period per separately used or inhabited part of a rating unit.

The unit rate per cubic metre in excess of 100 cubic meters per quarter will be set by the Council annually based on the percentage change in the Urban Water Targeted Rate compared to the previous year.

Large volume users depicted as consumers using more than 2,000 cubic metres per quarter may be charged at a different rate for water supplied in excess of 100 cubic metres per quarter to other users and such rate will be set by the Council annually.

A finance charge of 10% will be added to any invoices that remain unpaid by the end of the invoice was issued.

Setting of Rates

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

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

- owned by the same person or persons; and
- used jointly as a single unit; and
- contiguous or separated only by a road, railway, drain, water race, river, or stream.

Utility Charges for Non-Rateable Properties

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



Rating Base

The rating base will be the database determined by the contracted rating service provider. Because this database is constantly changing due to change of ownership, subdivision, regular revaluations, change of status from rateable to non-rateable (and reverse), the rating base is not described in detail in this policy but annual attachments to the policy will describe the rating base for each rating year as and when it is determined.

This plan contains details of the rating base through summaries on a ward basis of rateable land value, rateable capital value, rateable area, number of rating assessments, number of assessments for uniform annual general charges and similar charges and policies covering collection of these.

Inspection of Rating Information Database or Rates Records

The Local Government (Rating) Act 2002 set out the right of ratepayers to inspect data on the rating information database (Section 28) and the rates records (Section 38).

Objection on Rating Information Database or Rates Records

The Local Government (Rating) Act 2002 set out the right of ratepayers to object to data on the rating information database (Section 29) and the rates records (Section 39). Ratepayers must make objections in writing and address them to Tararua District Council. It is at the sole discretion of the Council to uphold or decline changes to either the Rating Information Database or Rating Records.

Instalments

Rates and charges for the year ending on 30 June 2015 will be assessed in four instalments, which will become due and payable on the following dates:

Instalment	Due Date
Instalment 1	31 August 2014
Instalment 2	30 November 2014
Instalment 3	28 February 2015
Instalment 4	31 May 2015

Charges for Water by Meter Rates for the year ending on 30 June 2015 will be assessed in four instalments, which will become due and payable on the following dates:

Instalment	Due Date
Instalment 1	20 July 2014
Instalment 2	20 October 2014
Instalment 3	20 January 2015
Instalment 4	20 April 2015

Penalties

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

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

Due Date	Current Rates Penalty Date
31 August 2013	1 September 2014
30 November 2013	1 December 2014
28 February 2014	1 March 2015
31 May 2014	1 June 2015

For Water by Meter Rates, a penalty of 10% is added to all amounts of rates remaining unpaid a day after the due date, as listed above.

Rates in Arrears Penalty Date

A penalty of 10% is added to previous year's rates "rates in arrears" that remain unpaid as assessed on 8 July 2014, and again on 8 January 2015.

Discount

A 3% discount under the Local Government (Rating) Act 2002 Section 55(3) will be provided for full payment of the 2014/15 rates on or before 31 August 2014.

Rates Arrears Collection

- After penalty has been applied, ratepayers with unpaid rates and for which no arrangements have been made, are written to requiring payment within 14 days.
- Property titles are searched of those who do not respond to the letter.
- Where mortgagees are disclosed on title searches, demands are made of the mortgagees for settlement of the arrears.
- If Council is unable to enforce collection by way of making a demand of the mortgagee it should then, if the property is rented, require the occupier to pay the rent to the Council for credit of the ratepayer, or otherwise hand the account to Council's Solicitors for collection.
- Where the Council Solicitor advises that the rates are not collectable, the individual recommendations with a view to undertaking a sale of the property under the provisions of the Local Government (Rating) Act 2002 or other appropriate action will be submitted for Council consideration.

Appendix 1 – Definitions

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

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

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

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

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

(2) A general rate may be set—

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

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

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

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

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

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

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

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

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

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

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

Rating unit means either:

- one rating unit; or
- part of a rating unit where Council has created divisions for the purpose of remission or application of non-rateable status (for clarity the remaining part may receive a full charge for rates); or
- two or more rating units where they must be treated as one unit for setting a rate if those units are:
 - (a) owned by the same person or persons; and
 - (b) used jointly as a single unit; and



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

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

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

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

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

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

Forecast Council Funding Impact Statement

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	6,685	5,921	5,960
Targeted rates (other than a targeted rate for water supply)	12,724	14,541	14,110
Subsidies & grants for operating purposes	3,744	4,095	3,915
Fees, charges, and targeted rates for water supply	4,428	4,182	4,180
Interest and dividends from investments	662	540	353
Local authorities fuel tax, fines, infringement fees, and other receipts	259	187	715
Total Operating Funding	28,502	29,466	29,233
Applications of Operating Funding			
Payment to staff and suppliers	21,087	21,434	21,704
Finance costs	530	712	626
Other operating funding applications	-	-	-
Total Applications of Operating Funding	21,617	22,146	22,330
Surplus/(Deficit) of Operating Funding	6,885	7,320	6,903
Sources of Capital Funding			
Subsidies and grants for capital expenditure	6,352	6,771	6,642
Increase (decrease) in debt	1,214	875	972
Gross proceeds from sale of assets	-	-	30
Development and financial contributions	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	7,566	7,646	7,644

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Applications of Capital Funding			
Capital Expenditure:			
- to meet additional demand	84	41	14
- to improve the level of service	7,460	6,154	6,742
- to replace existing assets	7,431	8,026	8,638
Increase (decrease) in reserves	2,475	2,746	2,152
Increase (decrease) of investments	(3,000)	(2,000)	(3,000)
Total Applications of Capital Funding	14,450	14,967	14,546
Surplus/(Deficit) of Capital Funding	(6,885)	(7,320)	(6,903)
Funding Balance	-	-	-



Reconciliation Funding Impact Statement to Comprehensive Income

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Income			
Prospective Statement of Comprehensive Income			
Rates	19,408	20,463	20,070
Grants and subsidies	10,096	10,867	10,556
Fees and charges	4,428	4,182	4,180
Finance income	352	167	353
Dividend and subvention revenue	310	373	-
Other revenue	337	187	715
Total Operating Income	34,931	36,239	35,874
Summary Funding Impact Statement			
Sources of Operating Funding			
Total operating funding	28,502	29,466	29,233
Add sources of capital funding:			
- Subsidies and grants for capital expenditure	6,352	6,771	6,641
- Investment (gains/losses)	77	-	-
Total Revenue	34,931	36,239	35,874

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Expenditure			
Prospective Statement of Comprehensive Income			
Operating expenditure	33,553	33,633	34,050
Total application of operating funding	21,617	22,162	22,330
Add depreciation and amortisation expense	11,935	11,470	11,720
Add non-cash entries	-	-	-
Total Expenditure	33,553	33,632	34,050

Summary of Rates by Charges

Rates by the dollar (including GST)

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Limit on General Rates: 30% Cap of Total Rates	28.7%	28.92%	29.00%
Uniform Annual General Charge	460.00	488.00	482.43
General Land Value Rate In Dollar	0.00065035	0.00068226	0.00090301
Targeted Uniform Rate - Libraries & Swimming Pools	168.39	172.00	176.06
Specified Services Targeted Differential - Land Value Rate			
- Rural	0.00009763	0.00009887	0.00011961
- Urban	0.00291188	0.00315873	0.00346723
Specified Services Targeted Differential - Capital Value Rate			
- Industrial Commercial RURAL	0.00094444	0.00105943	0.00099636
- Industrial Commercial URBAN	0.00128644	0.00149205	0.00138471
Refuse & Recycling Targeted Differential Rate			
- Rural	38.10	37.00	39.16
- Urban	112.99	111.00	116.40
- Industrial Commercial	327.21	304.00	338.69
Roading Land Value Rate - District-wide	0.00212696	0.00217153	0.00200745
Roading Targeted Differential Uniform Rate			
- Rural	300.13	305.00	281.42
- Urban	46.96	48.00	44.33
- Industrial Commercial	104.59	106.00	98.75

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Footpath Special Development Targeted Differential Uniform Rate			
Dannevirke Town Centre Refurbishment			
- North Ward	17.87	19.00	16.94
- South Ward	14.55	15.00	13.79
Woodville Town Centre Refurbishment			
- North Ward	12.08	17.00	12.05
- South Ward	14.97	21.00	14.95
Urban Wastewater (95% of net cost including all loan costs) – includes residential, educational establishments and multi-unit residential properties			
Per connected water closet/urinal (residential households receive only one charge)			
Urban Wastewater Targeted Differential Rate			
- Full Charge	420.61	510.00	414.99
- Half Charge	210.30	255.00	207.50
- For Connected Multiple Use	138.80	168.00	138.32
Urban Stormwater Targeted Uniform Rate	174.73	178.00	181.36
Urban Water Targeted Uniform Rate			
- Full Charge	339.25	360.00	337.38
- Half Charge	169.63	180.00	168.69
Pongaroa Water Targeted Uniform Rate	93.00	96.00	92.80



Summary of Rates by Total

Total Rates for each Class of Rates (excluding GST)

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Uniform Annual General Charge	3,615,834	3,828,466	3,797,314
General Land Value Rate in Dollar	1,633,804	1,708,640	2,264,623
Targeted Uniform Rate - Libraries & Swimming Pools	1,323,656	1,349,378	1,385,808
Specified Services Targeted Differential - Land Value Rate			
- Rural	227,158	229,407	277,852
- Urban	434,517	470,171	516,465
Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial			
- Rural	93,728	104,640	99,929
- Urban	264,789	290,913	289,036
Refuse & Recycling Targeted Differential Rate			
- Rural	141,979	137,415	146,669
- Urban	425,936	419,581	440,007
- Industrial Commercial	141,979	139,841	146,669
Roading Land Value Rate - District-wide	5,342,737	5,438,283	5,034,414
Roading Targeted Differential Uniform Rate			
- Rural	1,115,296	1,130,888	1,050,934
- Urban	173,639	177,142	163,618
- Industrial Commercial	46,479	47,378	44,051
Footpath Special Development Targeted Differential Uniform Rate			
Dannevirke Town Centre Refurbishment			
- North Ward	48,897	51,830	46,555
- South Ward	42,000	43,188	39,858

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Woodville Town Centre Refurbishment			
- North Ward	50,739	71,238	50,861
- South Ward	54,524	76,204	54,406
Urban Wastewater Targeted Uniform Rate			
- Full Charge	1,912,478	2,309,193	1,885,504
- Half Charge	22,310	35,479	21,471
- For Connected Multiple Use	36,933	44,703	36,443
Urban Stormwater General Targeted Uniform Rate	728,172	740,945	754,692
Urban Water Targeted Uniform Rate			
- Full Charge	1,444,928	1,525,775	1,436,646
- Half Charge	20,503	25,045	20,536
Pongaroa Water Targeted Uniform Rate	65,029	67,117	65,768
Total to Fund (excluding GST)	19,408,315	20,462,860	20,070,130
Increase in Rates	3.65%	4.55%	3.41%

Rate Funding Requirements

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

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
District-wide General Activities			
Charged through the Uniform Annual General Charge + General Differential Land Value Rate In Dollar			
District & Treasury	(422,387)	(385,859)	106,208
Animal Control	15,851	35,245	9,032
Cemeteries	249,412	245,913	282,143
Commercial Property	(16,170)	(5,077)	(22,805)
Community Buildings	688,658	861,632	714,930
Community Support	335,842	312,991	347,327
District Promotion & Development (40% of net cost)	182,518	202,527	192,184
Emergency Management - Civil Defence	189,049	185,665	122,257
Footpaths (15% of net cost)	88,148	95,644	104,646
Health & Safety	385,626	328,445	428,081
Housing (Self Funding)	-	-	-
Parks and Reserves	838,869	946,740	979,723
Public Conveniences	227,384	235,385	250,163
Representation	1,024,911	1,133,745	1,107,163
Resource Management	315,007	396,795	337,801
Service Centres	544,193	571,854	562,678
Sewerage (5% of total cost excluding loan costs)	103,775	87,325	102,285

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Solid Waste Management: Solid Waste Disposal	496,783	288,136	438,121
Subtotal (excluding GST)	5,249,469	5,537,106	6,061,937
Plus GST	787,420	830,566	909,290
Total to Fund (including GST)	6,036,889	6,367,672	6,971,227
Uniform Annual General Charge			
Number of Chargeable Properties	9,040	9,022	9,058
Total to Fund			
District-wide General Activities - Uniform Annual General Charge - Subtotal (excluding GST)	3,615,834	3,828,466	3,797,314
Plus GST	541,985	574,270	569,597
Total to Fund (including GST)	4,155,219	4,402,736	4,366,911
General Land Value Rate in Dollar			
Total District Rateable Land Value	2,888,702,060	2,879,998,410	2,885,046,510
Total to Fund			
District-wide General Activities - General Land Value Rate in Dollar - Subtotal (excluding GST)	1,633,804	1,708,640	2,264,623
Plus GST	245,071	256,296	339,693
Total to Fund (including GST)	1,878,875	1,964,936	2,604,316



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Targeted Uniform Rate - Libraries & Swimming Pools			
Estimated Number of Rateable Properties	9,040	9,022	9,058
Total to Fund			
Libraries	938,116	950,272	983,761
Swimming Pools	385,540	399,106	402,047
Subtotal (excluding GST)	1,323,656	1,349,378	1,385,808
Plus GST	198,548	202,407	207,871
Total to Fund (including GST)	1,522,204	1,551,785	1,593,679
Specified Services Targeted Differential - Land Value Rate - Rural			
Total Rural Rateable Land Value	2,675,792,210	2,668,192,560	2,672,199,660
Total to Fund			
Emergency Management: Rural Fire Protection (92% of net cost)	227,158	229,406	277,852
Subtotal (excluding GST)	227,158	229,406	277,852
Plus GST	34,074	34,411	41,678
Total to Fund (including GST)	261,232	263,817	319,530

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Specified Services Targeted Differential - Land Value Rate - Urban			
Total Urban Rateable Land Value	171,605,650	171,175,150	171,589,650
Total to Fund			
Emergency Management-: Rural Fire Protection (7% of net cost)	17,284	17,454	21,141
Footpaths (71% of net cost)	417,233	452,717	495,324
Subtotal (excluding GST)	434,517	470,171	516,465
Plus GST	65,178	70,526	77,470
Total to Fund (including GST)	499,695	540,697	593,935
Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial RURAL			
Total Industrial Commercial Rateable Capital Value for Rural	114,128,600	113,585,100	114,394,600
Total to Fund			
Economic Development (20.17% of net cost) - New from 2012/13	91,259	102,147	96,909
Emergency Management-Rural Fire Protection (1% of net cost) - New from 2012/13	2,469	2,494	3,020
Subtotal (excluding GST)	93,728	104,641	99,929
Plus GST	14,059	15,696	14,989
Total to Fund (including GST)	107,787	120,337	114,918

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Specified Services Targeted Differential - Capital Value Rate - Industrial Commercial URBAN			
Total Industrial Commercial Rateable Capital Value for Urban	236,706,300	224,220,800	240,723,300
Total to Fund			
Economic Development (39.83% of net cost) - New from 2012/13	182,518	201,644	191,367
Footpaths (14% of net cost)	82,271	89,269	97,669
Subtotal (excluding GST)	264,789	290,913	289,036
Plus GST	39,718	43,637	43,355
Total to Fund (including GST)	304,507	334,550	332,391
Refuse & Recycling Targeted Uniform Rate - Rural			
Estimated Number of Rateable Properties	4,285	4,271	4,307
Total to Fund			
Solid Waste Management: Recycling (20% of net cost)	101,555	114,837	102,030
Solid Waste Management: Refuse (20% of net cost)	40,424	22,578	44,639
Subtotal (excluding GST)	141,979	137,415	146,669
Plus GST	21,297	20,612	22,000
Total to Fund (including GST)	163,276	158,027	168,669

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Refuse & Recycling Targeted Uniform Rate - Urban			
Estimated Number of Rateable Properties	4,335	4,347	4,327
Total to Fund			
Solid Waste Management: Recycling (60% of net cost)	304,664	351,844	306,089
Solid Waste Management: Refuse (60% of net cost)	121,272	67,737	133,918
Subtotal (excluding GST)	425,936	419,581	440,007
Plus GST	63,890	62,937	66,001
Total to Fund (including GST)	489,826	482,518	506,008
Refuse & Recycling Targeted Uniform Rate - Industrial Commercial			
Estimated Number of Rateable Properties	499	529	498
Total to Fund			
Solid Waste Management: Recycling (20% of net cost)	101,555	117,263	102,030
Solid Waste Management: Refuse (20% of net cost)	40,424	22,578	44,639
Subtotal (excluding GST)	141,979	139,841	146,669
Plus GST	21,297	20,976	22,000
Total to Fund (including GST)	163,276	160,817	168,669



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Roading Land Value Rate - District-wide			
Total District Rateable Land Value	2,888,702,060	2,879,998,410	2,885,046,510
Total to Fund			
Roading District-wide (excludes Footpaths)	6,678,421	6,793,691	6,293,017
Less % Charged through Rooding Fixed Amount Targeted Rates (% is rounded)	20%	20%	20%
Less Total \$ Amount Charged through Rooding Fixed Amount Targeted Rates	(1,335,684)	(1,355,408)	(1,258,604)
Subtotal (excluding GST)	5,342,737	5,438,283	5,034,414
Plus GST	801,411	815,742	755,162
Total to Fund (including GST)	6,144,148	6,254,025	5,789,576
Roading Targeted Differential Uniform Rate - Rural			
Estimated Number of Rateable Properties	4,274	4,264	4,297
Total to Fund			
Proportion of Capital Value for Sector	83.3%	83.3%	83.3%
Subtotal (excluding GST)	1,115,296	1,130,888	1,050,934
Plus GST	167,294	169,633	157,640
Total to Fund (including GST)	1,282,590	1,300,521	1,208,574

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Roading Targeted Differential Uniform Rate - Urban			
Estimated Number of Rateable Properties	4,252	4,244	4,248
Total to Fund			
Proportion of Capital Value for Sector	13.2%	13.2%	13.2%
Subtotal (excluding GST)	172,639	177,142	163,618
Plus GST	26,046	26,571	24,543
Total to Fund (including GST)	199,685	203,713	188,161
Roading Targeted Differential Uniform Rate - Industrial Commercial			
Estimated Number of Rateable Properties	514	514	513
Total to Fund			
Proportion of Capital Value for Sector	3.5%	3.5%	3.5%
Subtotal (excluding GST)	46,749	47,378	44,051
Plus GST	7,012	7,107	6,608
Total to Fund (including GST)	53,761	54,485	50,659
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment North Ward			
Estimated Number of Rateable Properties	3,146	3,137	3,165
Total to Fund			
Subtotal (excluding GST)	48,897	51,830	46,555
Plus GST	7,335	7,775	6,983
Total to Fund (including GST)	56,232	59,605	53,538

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Footpath Special Development Targeted Differential Uniform Rate - Dannevirke Town Centre Refurbishment South Ward			
Estimated Number of Rateable Properties	3,319	3,311	3,325
Total to Fund			
Subtotal (excluding GST)	42,000	43,188	39,858
Plus GST	6,300	6,478	5,979
Total to Fund (including GST)	48,300	49,666	45,837
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment North Ward			
Estimated Number of Rateable Properties	4,830	4,819	4,856
Total to Fund			
Subtotal (excluding GST)	50,739	71,238	50,861
Plus GST	7,611	10,686	7,629
Total to Fund (including GST)	58,350	81,924	58,490
Footpath Special Development Targeted Differential Uniform Rate - Woodville Town Centre Refurbishment South Ward			
Estimated Number of Rateable Properties	4,188	4,173	4,188
Total to Fund			
Subtotal (excluding GST)	54,524	76,204	54,406
Plus GST	8,179	11,431	8,161
Total to Fund (including GST)	62,703	87,635	62,567

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Urban Wastewater Targeted Uniform Rate - Full Charge			
Per connected water closet/urinal -			
For Residential households (by law only one charge applies); + Educational Establishments (before remissions) + Multi-Unit Residential Properties (one charge each for each unit: includes rating units used for separate purposes e.g. rental properties)			
Estimated Number of Rateable Properties	5,229	5,207	5,225
Total to Fund			
Subtotal (excluding GST)	1,912,478	2,309,193	1,885,504
Plus GST	286,872	346,379	282,826
Total to Fund (including GST)	2,199,350	2,655,572	2,168,330
Urban Wastewater Targeted Uniform Rate - Half Charge			
This rate was effective from 2012/13. It applies to properties that are within the proximity of the service but remain unconnected.			
Estimated Number of Rateable Properties	122	160	119
Total to Fund			
Subtotal (excluding GST)	22,310	35,479	21,471
Plus GST	3,347	5,322	3,221
Total to Fund (including GST)	25,657	40,801	24,692



	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Urban Wastewater Targeted Uniform Rate - For Connected Multiple Use			
Per connected water closet/urinal between 4 and 12 (inclusive) in number; & \$0 charge for 13 and above.			
Estimated Number of Rateable Units	306	306	303
Total to Fund			
Subtotal (excluding GST)	36,933	44,703	36,443
Plus GST	5,540	6,705	5,467
Total to Fund (including GST)	42,473	51,408	41,910
Urban Stormwater Targeted Uniform Rate			
Estimated Number of Rateable Properties to Receive Full Charges	4,789	4,787	4,781
Total to Fund			
Subtotal (excluding GST)	728,172	740,945	754,692
Plus GST	109,226	111,142	113,204
Total to Fund (including GST)	837,398	852,087	867,896
Urban Water Targeted Uniform Rate - Full Charge			
Estimated Number of Rateable Properties to Receive Full Charges	4,898	4,874	4,897
Total to Fund			
Subtotal (excluding GST)	1,444,928	1,525,775	1,436,646
Plus GST	216,739	228,866	215,497
Total to Fund (including GST)	1,661,667	1,754,641	1,652,143

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Urban Water Targeted Uniform Rate - Half Charge			
Estimated Number of Rateable Properties to Receive Half Charges	139	160	140
Total to Fund			
Subtotal (excluding GST)	20,503	25,045	20,536
Plus GST	3,075	3,757	3,080
Total to Fund (including GST)	23,578	28,802	23,616
Pongaroa Water Targeted Uniform Rate			
Estimated Number of Rateable Properties	804	804	815
Total to Fund			
Subtotal (excluding GST)	65,029	67,117	65,768
Plus GST	9,754	10,068	9,865
Total to Fund (including GST)	74,783	77,185	75,633
Total of all Rates			
Total to Fund (excluding GST)	19,408,315	20,462,859	20,070,130
Plus GST	2,911,247	3,069,429	3,010,520
Total to Fund (including GST)	22,319,562	23,532,288	23,080,650

Summary of Rates by Activity

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
District Treasury	(422,387)	(397,187)	106,208
Animal Control	15,851	35,245	9,032
Cemeteries	249,412	245,913	282,143
Commercial Investments	(16,170)	(5,077)	(22,805)
Community Buildings	688,658	861,632	714,930
Community Support	335,842	312,991	347,327
District Promotion & Development	166,901	144,377	174,654
Economic Development	289,394	361,941	305,805
Emergency Management - Civil Defence	189,049	185,665	122,257
Emergency Management - Rural Fire Protection	246,911	249,354	302,013
Footpaths	783,982	880,090	889,319
Health & Safety	385,626	328,445	428,081
Housing	-	-	-
Libraries	938,116	950,351	983,761
Parks and Reserves	838,869	946,740	979,723
Public Conveniences	227,384	235,385	250,163
Representation	1,024,911	1,133,745	1,107,163
Resource Management	315,007	396,795	337,801

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Roading	6,678,421	6,793,691	6,293,017
Service Centres	544,193	571,854	562,678
Solid Waste Management	1,208,676	989,162	1,171,467
Stormwater	728,172	741,240	754,692
Swimming Pools	385,540	399,106	402,047
Wastewater	2,075,496	2,480,741	2,045,704
Water	1,530,460	1,620,661	1,522,950
Subtotal	19,408,314	20,462,860	20,070,130
Rate Increase %	3.65%	4.55%	3.41%



Rating Remission Policy

1. Policy on Early Payment of Rates in Current Financial Year

Early payments accepted on the basis that payment must be for all components of the rates and therefore any payment received in advance will be spread pro-rata across all rate components.

2. Policy on Early Payment of Rates for Subsequent Financial Year

Early payments will be accepted for one subsequent year on the basis that payment must be for all components of the rates and any payment received in advance will be spread pro-rata across all rate components once the rates are set for the subsequent year.

3. Delegated Authority

Authority to consider and approve remissions is delegated to the Chief Executive, Chief Financial Officer, and Revenue Manager.

4. Policy on Rates Remissions

Remission of Penalty Charges

4.1 Objectives of the Policy:

4.1.1 To enable Council to remit penalties in certain circumstances that it considers to be fair and reasonable to do so.

4.2 Conditions and Criteria:

4.2.1 The Council grants to the Chief Executive or his nominee delegated authority in the following circumstances to approve on receipt of an application the remission of such penalty charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

4.2.2 Where there exists a history of regular punctual payment and payment is made within reasonable time of the ratepayer being expected to be aware of the non-payment.

4.2.3 Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment when the original account was issued in the name of the previous owner/lessee.

4.2.4 On compassionate grounds, i.e. where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type, and has been unable to attend to payment (elderly persons living on their own etc).

4.2.5 Rate account not received where it can be proved a genuine cause exists.

4.2.6 In situations where there are arrears from previous years, negotiation may be entered into over the amount of penalty that is ultimately to be paid on such accounts subject to the proviso that dispensations subsequently granted shall be conditional upon settlement being made of the total account due.

4.2.7 Where the first instalment has been penalised and the ratepayer agrees to pay the total balance of the year's rates at the second instalment.

4.2.8 In such instances where an error has been made on the part of Council staff or arising through error in the general processing or levying of same which has subsequently resulted in a penalty charge being imposed.

- 4.2.9 Where ratepayer has entered into arrears repayment agreement, penalties will be remitted from start of agreement to expiry date of agreement not exceeding three years and providing agreement conditions adhered to.
- 4.3 And that in implementing this policy the circumstances of each case be taken into consideration on their individual merits and it be conditional upon the full amount of such rates due having being paid.

5. Remissions – QEII Covenants

Objectives of the Policy

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

Conditions and Criteria

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

6. Remissions – School Sewerage Charges

Objectives

- 6.1 In recognition that schools may be disproportionately disadvantaged by Council's present "pan charge system" and to ensure schools are more fairly charged for sewerage services based on their staff and students numbers rather than number of connections.

Conditions and Criteria

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

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

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

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

Objectives of the Policy

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

Conditions and Criteria

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



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

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

Objectives

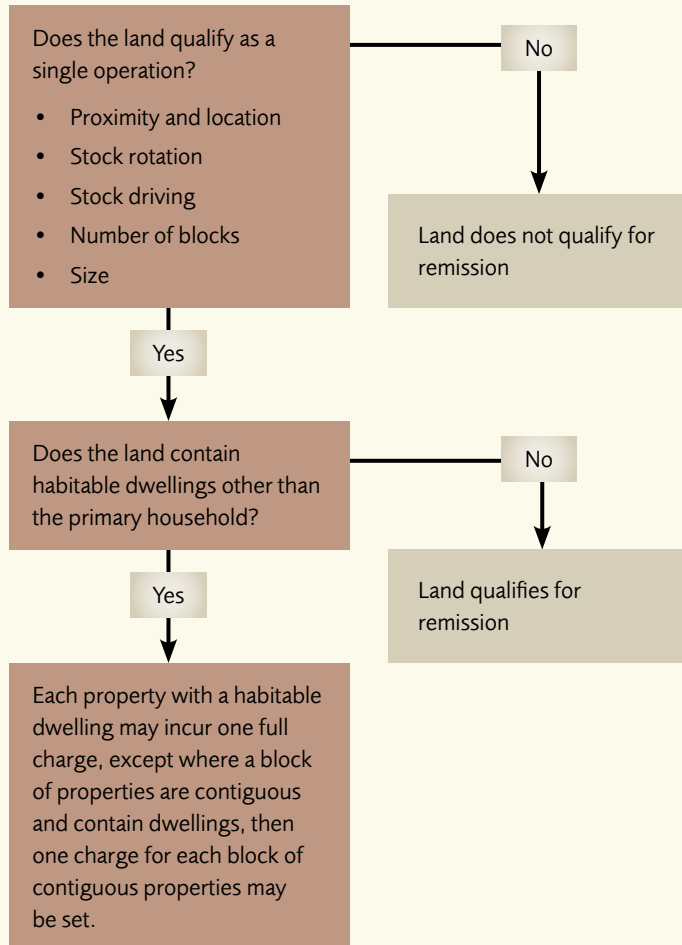
- 8.1 To provide for relief from uniform charges (UAGC, Roding UTR, libraries and swimming pools uniform charges and the refuse and recycling fixed amount

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

Conditions and Criteria

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

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



9. Rates Remission for Leases

Objectives

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

Conditions and Criteria

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

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

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

10. Rates Remission for Uneconomical Lots

Objectives

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

Conditions and Criteria

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

11. Rates Remission for Subdivisions

Objectives

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

Conditions and Criteria

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

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

12. Remission of Rates on Land Affected by Natural Calamity

Objectives of the Policy

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

Conditions and Criteria

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

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

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

13. Policy on Rates Postponements

Council does not provide rates postponements.

14. Policy on Remission of Rates on Maori Freehold Land

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

15. Policy on Postponement of Rates on Maori Freehold Land

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

Prospective Financial Statements

Guide to the Financial Statements

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

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

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

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

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

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

What the Funding Impact Statement attempts to do is:

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

- show the planned application of funds in each year.

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

Financial Statements

Prospective Statement of Comprehensive Income

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

Prospective Statement of Changes in Equity

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

Prospective Statement of Financial Position

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



Prospective Statement of Cash Flows

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

Statement of Capital expenditure

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

Statement of Reserves and Special Funds

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

Funding Impact Statement

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

Prospective Statement of Comprehensive Income

For the 2014/15 Financial Year

(\$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Planned Income / Expenditure				
Operating Transactions				
Rates	19,408	20,463	20,070	(393)
Subsidies	10,096	10,867	10,556	(311)
Fees & Charges	4,428	4,182	4,180	(2)
Finance Income	310	167	353	186
Dividend & Subvention Income	352	373	-	(373)
Miscellaneous Income	337	187	715	(528)
Total Income	34,931	36,239	35,874	(365)
Expenditure				
Operating Expenses	16,216	16,617	16,529	89
Depreciation and amortisation	11,935	11,470	11,720	(250)
Employee Benefit Costs	4,870	4,820	5,175	(355)
Finance Costs	530	712	626	86
Total Operating Expenditure	33,553	33,619	34,050	(430)
Other asset gains/(losses)	-	-	30	30
Operating Surplus/(Deficit)	1,378	2,619	1,854	(765)
Other Comprehensive Income				
Gains on assets revaluations	28,177	28,357	21,323	(7,034)
Other Comprehensive Income Subtotal	28,177	28,357	21,353	(7,004)
Total Comprehensive Income	29,555	30,976	23,177	(7,799)



Prospective Statement of Changes in Equity

As at 30 June for the 2014/15 Financial Year

(\$'000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Equity at 1 July	907,428	902,827	899,768	(3,059)
Total recognised Comprehensive Income for the period	29,557	30,977	23,177	(7,799)
Equity at 30 June	936,984	933,804	922,916	(10,888)
Detailed Changes				
Accumulated Funds				
Balance at 1 July	360,698	360,038	359,144	(935)
Net Surplus (Deficit) after Tax for the Year	1,380	2,620	1,824	(594)
Transfers from Equity to Special Reserves	(2,459)	(2,706)	(2,152)	(795)
Balance at 30 June	359,619	359,952	358,816	(1,136)
Asset Revaluation Reserves				
Balance at 1 July	528,377	524,147	518,657	(5,490)
Increase in Revaluation Reserves	28,177	28,358	21,323	(7,035)
Balance at 30 June	556,554	552,505	539,980	(12,525)
Special Funded Reserves				
Balance at 1 July	18,300	18,612	21,720	3,308
Increase in Special Reserves	2,459	2,705	2,152	(551)
Balance at 30 June	20,759	21,317	24,072	2,755
Trust Funds				
Balance at 1 July	52	30	48	18
Increase in Trust Funds	-	-	-	-
Balance at 30 June	52	30	48	18
Equity at 30 June	936,984	933,804	922,916	(10,888)

* Opening balances for the Annual Plan are different from 2013/14 Annual Plan closing balance because the opening balance takes into account actual balance as at May 2014 and the forecast expenditure and revenue to 30 June 2014.

Prospective Statement of Financial Position

As at 30 June for the 2014/15 Financial Year

(\$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Assets				
Current Assets				
Cash & Cash Equivalents	946	288	4,495	4,207
Debtors & Other Receivables	2,864	2,395	5,045	2,651
Other Financial Assets	6,675	5,519	3,089	(2,430)
Inventories	316	93	658	565
Assets held for sale	241	-	-	-
Total Current Assets	11,042	8,295	13,287	4,992
Non-Current Assets				
Other Financial Assets*	5,193	5,254	3,813	(1,441)
Investment Property	826	435	1,765	1,330
Biological Assets	1,846	-	1,271	1,271
Intangible Assets	802	592	892	300
Property, Plant & Equipment - Operational	31,387	30,838	32,512	1,674
Property, Plant & Equipment - Infrastructure	896,380	904,294	880,724	(23,570)
Property, Plant & Equipment - Restricted	5,178	5,178	5,178	-
Total Non-Current Assets	941,612	946,591	926,155	(20,436)
Total Assets	952,654	954,886	939,442	(15,444)

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



(\$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Liabilities				
Current Liabilities				
Trade & Other Payables	2,532	3,969	2,803	1,166
Borrowings - Current	2,000	4,000	-	4,000
Employee Benefit Liabilities	539	325	600	(275)
Total Current Liabilities	5,071	8,294	3,403	4,891
Non-Current Liabilities				
Borrowings - Non-current	9,214	11,337	11,719	(382)
Employee Benefit Liabilities	87	113	81	32
Provision for Landfill Aftercare	591	672	648	18
Tenant Contributions	707	666	675	(3)
Total Term Liabilities	10,599	12,788	13,123	(335)
Total Liabilities	15,670	21,082	16,526	4,556
Equity				
Retained Earnings	359,619	359,952	358,816	1,136
Asset Revaluation Reserves	556,554	552,505	539,980	12,525
Special Funded Reserves	20,759	21,317	24,072	(2,755)
Trust Funds	52	30	48	(18)
Total Equity	936,984	933,804	922,916	10,888
Total Liabilities & Equity	952,654	954,886	939,442	15,444

Prospective Statement of Cash Flow

For the 2014/15 Financial Year

(\$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Cash Flows from Operating Activities				
Cash is provided from:				
Rates	19,408	20,463	20,070	(393)
Grants & Subsidies	10,096	10,867	10,556	(311)
Fees and Charges	4,428	4,182	4,180	(2)
Finance Income	352	167	353	186
Dividend & Subvention Revenue	310	373	-	(373)
Other Revenue	259	187	715	528
Total	34,853	36,239	35,874	(365)
Cash is applied to:				
Payments Staff & Suppliers	21,087	21,452	21,704	(252)
Finance Costs	530	712	626	86
Total	21,617	22,164	22,330	(166)
Net cash from operating activities	13,236	14,075	13,544	(531)

(\$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Cash Flows from Investing Activities				
Sale of fixed assets	-	-	30	30
Proceeds from investments realised	3,000	2,000	3,000	1,000
Total	3,000	2,000	3,030	1,030
Cash is applied to:				
Purchase of fixed assets	14,975	14,221	15,394	(1,173)
Purchase of investments	2,475	2,746	2,152	594
Total	17,450	16,967	17,771	(804)
Net cash from investing activities	(14,450)	(14,967)	(14,516)	451
Cash Flows from Financing Activities				
Cash is provided from:				
Loans raised	4,214	4,875	6,034	1,159
Total	4,214	4,875	6,034	1,159
Cash is applied to:				
Repayment of loans	3,000	4,000	5,000	(1,000)
Total	3,000	4,000	5,000	(1,000)
Net cash from financing activities	1,214	875	1,034	(159)
Net (decrease)/increase in cash held	-	(17)	62	79
Total cash & cash equivalent resources at beginning	946	306	4,433	4,127
Total cash resources at Year End	946	289	4,495	4,206

* Cash and cash equivalent opening balances for Annual Plan are different from 2013/14 Annual Plan closing balance because the opening balance takes into account actual balance as at May 2014 and the forecast expenditure and revenue to 30 June 2014.

Note 1: Statement of Reserves and Special Funds

Reserves

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

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

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

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

These reserves are disaggregated into the following categories:

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

Depreciation Reserves

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

Description	Purpose of Fund	Opening Balance 2014/15 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2014/15 ('000)
Council Depreciation	To receive depreciation funded each financial year, less any outgoings to pay for capital renewal of assets or debt prepayment for amount borrowed to fund capital development. This is the only reserve that can be used to fund internal borrowing.	15,809	7,148	(5,142)	17,816
Makuri Water Scheme	To establish a depreciation reserve to fund the renewal of assets for this scheme.	7	-	-	7
Pongaroa Water Supply Depreciation	To establish a depreciation reserve to fund the renewal of assets for this scheme.	219	18	-	237
Tararua Aquatic Community Trust Wai Splash Depreciation	To establish a depreciation reserve to fund the renewal of major assets.	160	47	-	207
Bush Multisport Depreciation	To establish a depreciation reserve to fund the renewal of major assets.	56	33	-	89
Engineering Services (Consultancy) Depreciation	Depreciation fund to receive depreciation funded each financial year for the Engineering Services activity, less any outgoings to pay for capital renewal of assets or debt prepayment for amount borrowed to fund capital development.	119	66	-	185
Total		16,370	7,312	(5,142)	18,540

Special Funded Reserves

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

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

Description	Purpose of Fund	Opening Balance 2014/15 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2014/15 ('000)
Tararua General Purpose	<p>Created for financing specific projects which shall be determined at Council's discretion.</p> <p>This reserve is also to receive:</p> <ul style="list-style-type: none"> • Proceeds from sale or disposal of assets where a particular function is discontinued, and for property sales. • Insurance monies received when buildings or property are damaged and not reinstated. • Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest. • Residual of all existing reserves which have outlived their original purpose and could therefore be usefully merged as a general purpose fund and so classified. 	366	16	-	382
Tararua Emergency Roading	To provide funds to re-establish the district's infrastructural assets following a disaster, together with funds received from Central Government. There is no plan to use this reserve other than if a disaster occurs.	2,147	96	-	2,244
Tararua Gratuity	This reserve is for staff who have qualified or qualify for gratuities.	214	10	(75)	149

NOTE 1: STATEMENT OF RESERVES AND SPECIAL FUNDS

Description	Purpose of Fund	Opening Balance 2014/15 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2014/15 ('000)
Tararua Housing	To account for any surplus from the housing activity and proceeds from sales/disposal of housing assets. These reserves will be used solely for the Housing activity.	754	64	(600)	218
Dannevirke Airport Authority	To account for any surplus from Dannevirke Aerodrome and proceeds from sales/disposal of Dannevirke Aerodrome assets. This reserve will be used solely for operation and capital expenditure for Dannevirke Aerodrome.	4	1	(1)	4
District-wide Cemetery	To accumulate funds from the purchase of cemeteries plots in the district. This reserve will be used solely for operation and capital expenditure for the Cemeteries activity.	24	1	-	25
Recreation Grant	To accumulate funds to support recreational projects in the district.	70	23	(10)	83
Tenant Contribution (Debt Repayment)	To account for and refund tenant contributions for leasing of Council's housing properties.	687	31	-	718
Heritage Reserve	To accumulate funds to be used to further the district land use outcomes. The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 2: Schedule of Heritage Resources.	31	11	(5)	37
Engineering Services (Consultancy) General	To account for surplus or deficit for Engineering Service's operations and consultancy work. Balance is this reserve may be used to assist in funding this activity's operations cost, if required.	239	11	-	250

Description	Purpose of Fund	Opening Balance 2014/15 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2014/15 ('000)
Biodiversity Protection	To support: <ul style="list-style-type: none"> Sustainable management of the district's natural and physical environment Protection and enhancement of the community's environment values <p>The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 3: Schedule of Natural Features (significant tress, vegetation and habitats landscapes).</p>	3	10	(5)	8
Forestry	To account for surpluses for forestry related expenses, as this activity is self-funding.	199	373	-	572
Election	To account for elections funds rate funded each year to spread out election cost in each lection year.	(1)	20	-	19
Infrastructure Disaster Fund	This reserve is created to accumulate funds to pay for Council's share of the liability still outstanding after deducting all insurance claims in the event of a major event.	116	63	-	179
Water Development		48	2	-	50
Waste Management Fund	To account for the waste management levies received. This reserve will be solely used to fund specific projects for this activity.	127	46	-	173
Wastewater		77	3	-	80
Domain Boards Bank Balances	To account for the bank balances of the Domain Board in trust.	392	18	-	410
Total		5,497	800	(696)	5,601

Trust Funds

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

Description	Purpose of Fund	Opening Balance 2014/15 ('000)	Transfers in ('000)	Transfers out ('000)	Closing Balance 2014/15 ('000)
Arts Council of New Zealand	To account for the annual grant that we receive from Creative New Zealand for allocation to support arts and cultural projects.	(2)	-	-	(2)
Mayoral Storm Relief Fund	To account for government assistance that Council receives to provide support (mainly for the welfare of farmers and businesses) major disruption in the Manawatu/Wanganui region.	9	-	-	9
Ormondville Play ground	Funds held on behalf of the Ormondville community to purchase playground equipment in the town.	1	-	-	1
Pahiatua Heritage Trust	Funds left over from the old Pahiatua Arts Council that has since been wound up. Will be used towards Heritage assets in the district.	19	-	-	19
Dannevirke Fairbrother Trust	Funds bequest by the Trust for projects that benefit the Dannevirke community.	20	-	-	20
Dannevirke urban campsite	Funds held on behalf of Dannevirke community for the urban campsite.	1	-	-	1
Total		48	-	-	48

Note 2: Depreciation Expense by Group of Activity

(\$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Building Communities & Leadership	4	4	4	-
Community & Recreation Facilities	1,790	1,204	1,949	745
District Promotion & Economic Development	45	43	22	(21)
Regulatory Services	98	125	100	(25)
Roading & Footpaths	7,678	7,492	7,369	(123)
Solid Waste Management	320	340	317	(23)
Stormwater Drainage	228	216	234	18
Wastewater	802	994	760	(234)
Water Supplies	970	1,050	965	(85)
Total	11,935	11,470	11,720	250



Note 3: Capital Expenditure

3a: Capital Projects for Support Activities

	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Level of Service			
Computer software	25	-	(25)
Total	25	-	(25)
Renewals			
Business continuity - generator and UPS	21	-	(21)
Cabling	10	-	(10)
Motor vehicle ¹	256	220	(36)
Computer hardware	185	178	(7)
Computer software	37	142	105
Phone system	10	10	-
Photocopiers	16	15	(1)
Miscellaneous	97	20	(77)
Total	632	585	(47)
Total Capital Expenditure	657	585	(72)

Variance in Capital Expenditure

¹ Variance is due to change in vehicle replacement schedule.

Renewal for computer software refers mainly to the replacement of our Asset Management software.

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

3b: Total Capital Projects

	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Growth			
Community & Recreation Facilities	41	14	(27)
Total Growth	41	14	(27)
Level of Service			
Community & Recreation Facilities	916	730	(186)
District Promotion & Economic Development	53	61	8
Regulatory Services	5	8	3
Roading & Footpaths	2,814	2,148	(666)
Solid Waste Management	-	-	-
Stormwater Drainage	65	-	(65)
Sewerage	2,243	2,286	43
Support	25	-	(25)
Water Supplies	32	1,509	1,477
Total Level of Service	6,153	6,742	589

	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Renewals			
Community & Recreation Facilities	421	1,212	791
District Promotion & Economic Development	15	14	(1)
Regulatory Services	3	80	77
Roading & Footpaths	6,115	5,990	(125)
Stormwater Drainage	43	40	(3)
Support	632	585	(47)
Wastewater	354	355	1
Water Supplies	389	362	(27)
Total Renewals	7,972	8,638	666
Total Capital Projects	14,166	15,394	1,228



Note 4: Group Funding Impact Statement

4a: Building Communities and Leadership

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,541	1,000	1,655
Targeted rates (other than a targeted rate for water supply)	-	446	-
Grants & Subsidies Operating	35	-	-
Fees, charges, and targeted rates for water supply	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	79	26	56
Internal charges and overheads recovered	-	-	-
Total Operating Funding	1,652	1,472	1,711
Applications of Operating Funding			
Payment to staff and suppliers	1,071	837	1,106
Finance costs	-	-	-
Internal charges and overheads applied	556	606	584
Other operating funding applications	-	-	-
Total Applications of Operating Funding	1,627	1,443	1,690
Surplus/(Deficit) of Operating Funding	25	29	21

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Increase (decrease) in debt	(23)	-	30
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	(23)	-	30
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	2	29	51
Increase (decrease) of investments	-	-	-
Total Applications of Capital Funding	2	29	51
Surplus/(Deficit) of Capital Funding	(25)	(29)	(21)
Funding Balance	-	-	-



4b: Community and Recreation Facilities

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	3,872	3,328	2,820
Targeted rates (other than a targeted rate for water supply)	-	883	1,386
Grants & Subsidies Operating	5	6	5
Fees, charges, and targeted rates for water supply	496	517	503
Local authorities fuel tax, fines, infringement fees, and other receipts	323	363	406
Internal charges and overheads recovered	-	-	-
Total Operating Funding	4,696	5,097	5,120
Applications of Operating Funding			
Payment to staff and suppliers	3,004	3,226	3,169
Finance costs	53	60	57
Internal charges and overheads applied	847	882	906
Other operating funding applications	-	-	-
Total Applications of Operating Funding	3,904	4,148	4,132
Surplus/(Deficit) of Operating Funding	792	949	988
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Increase (decrease) in debt	473	758	791
Gross proceeds from sale of assets	515	-	30
Development and financial contributions	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	988	758	821

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	84	41	14
- to improve the level of service	1,144	916	730
- to replace existing assets	269	421	1,212
Increase (decrease) in reserves	284	325	(147)
Increase (decrease) of investments	-	-	-
Total Applications of Capital Funding	1,781	1,707	1,809
Surplus/(Deficit) of Capital Funding	792	(949)	(988)
Funding Balance	-	-	-



4c: District Promotion and Economic Development

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	342	137	169
Targeted rates (other than a targeted rate for water supply)	98	365	288
Grants & Subsidies Operating	-	-	-
Fees, charges, and targeted rates for water supply	492	96	688
Local authorities fuel tax, fines, infringement fees, and other receipts	29	6	24
Internal charges and overheads recovered	-	-	-
Total Operating Funding	961	604	1,169
Applications of Operating Funding			
Payment to staff and suppliers	600	449	650
Finance costs	-	-	3
Internal charges and overheads applied	100	92	106
Other operating funding applications	-	-	-
Total Applications of Operating Funding	700	541	759
Surplus/(Deficit) of Operating Funding	261	63	410
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Increase (decrease) in debt	(47)	1	13
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	(47)	1	13

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	25	53	61
- to replace existing assets	2	15	14
Increase (decrease) in reserves	187	(4)	348
Increase (decrease) of investments	-	-	-
Total Applications of Capital Funding	214	64	423
Surplus/(Deficit) of Capital Funding	(261)	(63)	(410)
Funding Balance	-	-	-



4d: Regulatory Services

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	906	654	897
Targeted rates (other than a targeted rate for water supply)	246	541	302
Grants & Subsidies Operating	10	21	5
Fees, charges, and targeted rates for water supply	729	724	746
Local authorities fuel tax, fines, infringement fees, and other receipts	30	17	20
Internal charges and overheads recovered	-	-	-
Total Operating Funding	1,922	1,957	1,970
Applications of Operating Funding			
Payment to staff and suppliers	1,461	1,479	1,559
Finance costs	14	20	10
Internal charges and overheads applied	335	323	359
Other operating funding applications	-	-	-
Total Applications of Operating Funding	1,811	1,822	1,928
Surplus/(Deficit) of Operating Funding	111	135	42
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	3	-
Increase (decrease) in debt	188	(22)	7
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	188	(19)	7

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	250	5	8
- to replace existing assets	3	3	80
Increase (decrease) in reserves	46	108	(39)
Increase (decrease) of investments	-	-	-
Total Applications of Capital Funding	299	116	49
Surplus/(Deficit) of Capital Funding	(111)	(135)	(42)
Funding Balance	-	-	-



4e: Roading and Footpaths

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	128	66	105
Targeted rates (other than a targeted rate for water supply)	7,335	7,608	7,078
Grants & Subsidies Operating	3,653	4,026	3,865
Fees, charges, and targeted rates for water supply	150	160	150
Local authorities fuel tax, fines, infringement fees, and other receipts	228	260	266
Internal charges and overheads recovered	-	-	-
Total Operating Funding	11,494	12,120	11,464
Applications of Operating Funding			
Payment to staff and suppliers	6,244	6,873	6,421
Finance costs	138	131	137
Internal charges and overheads applied	1,429	1,232	1,456
Other operating funding applications	-	-	-
Total Applications of Operating Funding	7,811	8,236	8,014
Surplus/(Deficit) of Operating Funding	3,685	3,884	3,450
Sources of Capital Funding			
Subsidies and grants for capital expenditure	5,390	6,283	5,550
Increase (decrease) in debt	(8)	(80)	(52)
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	-	-	-
Lump sum contributions	-	-	-
Total Sources of Capital Funding	5,382	6,205	5,498

	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15
Application of Capital Funding			
Capital Expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	2,107	2,814	2,148
- to replace existing assets	5,581	6,115	5,990
Increase (decrease) in reserves	1,378	1,160	810
Increase (decrease) of investments	-	-	-
Total Applications of Capital Funding	9,067	10,089	8,948
Surplus/(Deficit) of Capital Funding	(3,685)	(3,884)	(3,450)
Funding Balance	-	-	-

4f: Solid Waste Management

Refer to page 117.

4g: Stormwater

Refer to page 122.

4h: Wastewater

Refer to page 127.

4i: Water Supplies

Refer to page 133.



Statement of Accounting Policies

Reporting Entity

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

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity as defined under the Public Benefit Entities International Public Sector Accounting Policies (PBE IPSAS).

Basis of Preparation

Statement of Compliance

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity. The Council is adopting the PBE Standards for the first time. The prospective financial statements incorporated within the ten year plan have been prepared in compliance with 'Financial Reporting Standards (FRS) 42: Prospective Financial Statements'.

The preparation of prospective financial statements in conformity with PBE IPSAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates

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

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

Measurement Base

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

Functional and Presentation Currency

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

Changes in Accounting Policies

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

Significant Accounting policies

Revenue

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

Revenue may be derived from either exchange or non-exchange transactions.

Exchange Transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Rates Revenue

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

Contribution Revenue

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

Government subsidies

Council receives government grants from NZ Transport Agency, which subsidises part of Council's costs in providing the local roading infrastructure services. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of Goods

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

Vested Assets

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

Interest and Dividends

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

Interest revenue is recognised using the effective interest method.

Construction Contracts

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

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



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

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

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

Borrowing Costs

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

Grant Expenditure

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

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

Income Tax

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

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

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

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

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

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

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

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

Leases

Finance Leases

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

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

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

Operating Leases

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

Cash and Cash Equivalents

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

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

Trade and Other Receivables

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

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit.

When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Inventories

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

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

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

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Prospective Statement of Comprehensive Income.

Purchases and sales of financial assets are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories: fair value through profit or loss, held-to-maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through surplus or deficit

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

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

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

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

Derivative Financial Instruments

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

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



Loans and Receivables

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

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

Loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Prospective Statement of Comprehensive Income as a grant.

Held to Maturity Investments

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

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

Financial assets at fair value through equity

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

Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and

- shareholdings that it holds for strategic purposes.

Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost, whereas, this category is to be measured at fair value.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in equity except for impairment losses, which are recognised in the Prospective Statement of Comprehensive Income. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Prospective Statement of Comprehensive Income.

Fair value

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

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

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

Impairment of Financial Assets

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

Loans and Other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Prospective Statement

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

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

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

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Quoted and Unquoted Equity Investments

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

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

Non-Current Assets Held for Sale

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

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

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

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

Property Plant and Equipment

Property, plant and equipment consist of:

Operational Assets

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

Infrastructure Assets

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

Restricted Assets

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

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

Additions

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

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

Disposals

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

Subsequent Costs

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

Depreciation

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

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

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

Asset Category	Useful Life	Depreciation Rate
Operational & Restricted Assets		
Buildings	15–80	(1.3%–6.7%)
Computer equipment	3–5	(20%–33%)
Furniture and fittings	5–10	(10%–20%)
Landfill post closure	25–40	(2.5%–4.5%)
Leasehold development	3–20	(5%–33%)
Library books	1–10	(10%–100%)
Motor vehicles	5–10	(10%–20%)
Plant and equipment	3–25	(4%–33%)
Swimming pools	15–50	(2%–6.7%)
Infrastructural Assets		
Roading		
Top surface (seal)	15–18	(5.6%–6.7%)
Top surface (unsealed)	1	(100%)

Asset Category	Useful Life	Depreciation Rate
Pavement (seal base course)	30–90	(1.1%–3.33%)
Pavement (unsealed base course)	Not depreciated	
Sub-base (rural)	Not depreciated	
Sub-base (urban)	40	(2.5%)
Formation	Not depreciated	
Culverts	50–100	(1%–2%)
Kerbing	25–100	(1%–4%)
Footpaths	10–100	(1%–10%)
Signs	8	(12.5%)
Streetlights	12–30	(3.3%–8.3%)
Bridges	50–100	(1%–2%)
Sewerage Network		
Pipes and manholes	60–120	(0.8%–1.7%)
Treatment ponds	80	(1.3%)
Pumps	10	(10%)
Flow monitoring equipment	10	(10%)
Stormwater		
Pipes	80	(1.3%)
Manholes	100	(1%)
Water Network		
Monitoring equipment (hardware)	10–20	(5%–10%)
Monitoring equipment (software)	5	(20%)
Pipes, hydrants, valves	50–120	(0.8%–2%)
Treatment plants	10–100	(1%–10%)
Pumps	15–25	(4%–6.7%)
Tanks	40–100	(1%–2.5%)
Waste Management	2–17	(5.9%–50%)

Asset Category	Useful Life	Depreciation Rate
Items under construction	Non-depreciable	

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

Revaluations

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

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

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

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

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

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

Infrastructure assets are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. The most recent valuation was performed by Ray Cannon BTech Civil Engineering (UK), Council's Consultancy Roading Manager and engineer, and reviewed by Registered Valuers, John Vessey BE BA MIPENZ MACENZ at Opus, using optimised depreciated replacement cost. These assets are revalued annually as at 30 June.

Operational and Restricted Land and Buildings

These are revalued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Registered Valuer, Kerry Stewart BCom VPM PGDip(Com) SNZPI, Darrock Limited and the valuation is effective as at 30 June 2012. They are valued on a three yearly cycle.

Land Under Roads

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

Unformed or Paper Roads

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

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

Library Collections

The Library books were valued by "Bookseller" of Palmerston North prior to purchase by Council on 30 September 2003 and will be carried forward as deemed cost from 1 July 2005. These are depreciated on a straight line basis at lives of 1 to 10 years. The NZ Genealogical

Cemetery records are recorded at cost less aggregate depreciation and these are assumed to have a useful life of ten years.

Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Council's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets".

Goodwill on acquisition of associates is included in "investments in associates" and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

Software Acquisition and Development

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

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

Staff training costs are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in Prospective Statement of Comprehensive Income.

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

	Useful life	Depreciation Rate
Computer software	3 years	33%

Forestry Assets

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

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

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

Investment Property

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

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

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

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

Creditors and Other Payables

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

Impairment of Non-Financial Assets

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

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

The value in use for cash-generating assets is the present value of expected future cash flows. If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Prospective Statement of Comprehensive Income.

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

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Prospective Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Prospective Statement of Comprehensive Income.

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

Livestock

A small number of deer are kept for recreational purposes and are revalued each year according to Inland Revenue livestock values at national standard cost.

Employee Benefits

Short-Term Benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-Term Benefits

Long Service Leave and Retirement Leave

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

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

Superannuation Schemes

Defined Contribution Schemes

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

Defined Benefit Schemes

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



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

Provisions

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

Provisions are not recognised for future operating losses.

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

Financial Guarantee Contracts

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

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

Borrowing

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

Equity

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

The components of equity are:

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

Special Funded and Council Created Reserves

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

Council's Treasury Policies and Long Term Council Community Plan allow internal borrowing against these reserves on the basis they will be reimbursed over time or at time of need.

Trust Funds

Trust funds are those subject to specific conditions accepted as binding by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

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

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

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

Statement of Cash Flows

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

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

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

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

Critical Accounting Estimates and Assumptions

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

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

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

Landfill Aftercare Provision

The appropriate note discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Prospective Statement of Comprehensive Income.

To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.



Experienced independent valuers are used in performing or reviewing the Council's infrastructural asset revaluations.

Critical Judgements in Applying Council's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies for the periods ending 30 June 2012-2022.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's housing policy. These properties are accounted for as property, plant and equipment.

Group prospective Financial Statements are not Included

The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users.

The main purpose of prospective financial statements in the Long Term Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service.

The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distribution from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

Prospective Financial Information

Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. The purpose for which it has been prepared is to enable ratepayers, residents

and any other interested parties to obtain information about the expected future financial performance, position and cashflow of Council.

The actual results achieved for any particular financial year is also likely to vary from the information presented, and may vary materially depending on the circumstances that arise during the period.

No actual results have been incorporated within the prospective financial statements.

Cautionary Note

The forecast financial statements are prepared based on best estimates available at the time of preparing the accounts. Actual results are likely to vary from information presented and the variations may be material.

The purpose of this plan is to consult with the community on the spending priorities outlined within the plan, and may not be appropriate for any other purpose. Following the consultation period there may be changes made to the plan. The final plan will be adopted 25 June 2014.

Authorisation for Issue

The Council is responsible for these prospective financial statements, underlying assumptions and other related disclosures.

This document was authorised by Council and is dated 25 June 2014.

Rounding

There will be rounding of numbers in the Plan as the model used calculates to the dollar but the Plan is rounded to the nearest thousands.

Annual Plan Significant Forecasting Assumptions and Risks

The assumptions made by Council in preparing this Annual Plan form an important part of the financial forecasts. These assumptions include the number of properties requiring Council services, the cost of borrowing to fund new infrastructure, cost increases for a range of materials and services and other major factors outside of Council control such as climate change and government legislation. Schedule 10 (section 17) of the Local Government Act 2002 contains provisions relating to "significant forecasting assumptions". The Act requires that Council identifies the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

The Council has made a number of assumptions in preparing this Annual Plan. The assumptions ensure that all estimates and forecasts are made on the same basis across all Council activities. The assumptions underlying the prospective financial information are as at 30 June 2015.



Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Population growth - Council has projected that over the 10 years, the district population will increase slightly by 1% with the total population in 2022 at 17,800 compared to 17,634 estimated in 2012.	Population growth is significantly higher than assumed.	Low	Low	Significantly higher population growth will put pressure on existing infrastructure and Services. Council will need to find ways of raising additional extra revenue required to meet the increase level of service due to growth or consider lower levels of service.	Higher than expected population growth will mean Council's rating base will increase allowing Council to collect more rates while maintaining the same level of rates. Council's balance sheet also has sufficient capacity to meet increase levels of service due to growth.
	Population in the district will significantly decline.	Medium	Medium	A significant decrease in district population would mean a smaller ratepayer base will be expected to meet the increasing infrastructure cost or will Council will need to reduce the lower level of service to maintain rates at an affordable level.	Despite a trend of a reducing population, the number of rateable properties has not varied significantly over the past 18 years with the rating base being maintained. This is expected to continue. Council as part of its economic development activity has budgeted several projects to help bring businesses and people into the district.
	Population in particular sector may change significantly	Low	Medium	The demand for increased levels of service comes from a growth in population. An increase in either urban, rural or industrial/commercial sectors will put pressure on Council services and its ability to meet the additional demands.	Council has anticipated a slight increase in population and have incorporated this in the Plan. A shift in population growth or even decline in the three sectors would mean that Council will need to review its planned projects and their timing.
Societal changes – population is ageing faster than the national average.	Population will age significantly faster.	Low	Low	Demand on services for older people will increase.	Council has included in the Plan projects (for example, development and upgrading of housing units) to meet the increased demand where required.

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Natural disasters – There will be no natural disaster requiring emergency work that cannot be funded out of the budgetary provisions.	Natural disaster causing significant damage to infrastructure and disruption of service.	Low	High	An earthquake (1 in 500 years) may cause 10% destruction of Council's assets costing \$80 million-\$90 million. Damage to underground reticulation assets is estimated at \$4 million.	<p>Council provides funding for major disaster or civil emergency through Council's civil defence role, a funded provision for annual flood damage on roads, insurance of operational assets and utility assets, cash reserves and an emergency loan facility for infrastructure replacement.</p> <p>Council has insurance cover for above-ground assets. For underground reticulation assets, Council has cover for 40% of the cost from commercial insurance. The remaining 60% of the cost is from central government.</p> <p>Council has created a reserve to accumulate funds to pay for the access portion of the insurance.</p>
Climate Change – That any climate changes will not be significant during the Annual Plan.	That there will be increasing intensity of climate related event(s) requiring emergency work that cannot be funded out of normal budgetary provisions.	Low	Medium	<p>The effects of climatic change on the East Coast is likely to mean more intense periods of rain, and also more severe droughts; both of which may impact on rural ratepayers ability to remain profitable and afford the costs of Council.</p> <p>Unexpected pressures may come on infrastructure requiring new capital developments such as stormwater control. Pressure will increase to fund these works.</p> <p>The effect of climate change on the World may continue to make NZ an attractive place to immigrate to with possible increasing demand on Council Services.</p>	<p>Council is already providing for many climate related risks within existing budgets such as prevention of infiltration of stormwater into sewerage from heavy rainfall, installation of larger roading culverts, development of new stormwater systems, construction of water storage facilities and identifying new sources of water in the Plan.</p> <p>Current NIWA analysis is that the climate is changing consistent to their model forecasts.</p> <p>The underlying inflation assumptions in this plan factor increasing insurance, fuel and food costs that underpin costs charged to council.</p>



Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Pandemic – the possibility of an influenza pandemic has not been considered in this Plan other than as part of existing Civil Defence functions and business continuity plans.	A pandemic will affect the ability to fund and conduct Council services to varying degrees.	Low	Medium	The impact on Council's finances will depend on the scale of the pandemic event.	Council has business continuity plans in place to help mitigate the operational and financial effect of the pandemic event.
Sale of investments in subsidiaries materialises during the Annual Plan.	Council will sell its investment in subsidiaries.	Medium	Low	If Council sells its investment in subsidiaries it may use the proceeds to repay full or portion of the loan borrowed to fund the investment.	In the event subsidiaries are sold, there is no loss of income to Council. Money gained from the sale will be used to reduce debt thereby reduce interest cost.
Inflation – Council has adjusted financial projections to reflect the estimated impact of inflation. Council has used the Local Government Cost Index (LGCI) forecasts of price level changes to calculate a weighted average inflation rate for each year of the plan. See table of inflation rates that follow.	That actual inflation will be significantly different from the assumed inflation.	Medium	Medium	This will lead to misstatement in all financial statements. Council is particularly susceptible to imported oil price changes with about 50% of Council business being roading related and reliant on bitumen and diesel.	The LGCI figures are estimated to be almost 50% above the normal expected Consumer Price Index. While individual indices will at times vary from what has been included in the Plan. Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5% to 3.5%.
Asset life – useful lives of assets are as recorded in asset management plans or based upon professional advice. Refer to Accounting Policies for Depreciation Rates.	Assets wear out earlier or later than estimated	Years 1-3 Low; Years 4-10 Medium	Low	The financial effect of the uncertainty is likely to be immaterial. Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated.	Impact of increased depreciation and interest cost could be mitigated as capital projects could be reprioritised in the event of early expiration of assets or funded through use of internal borrowings.

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
<p>Revaluation of Property, Plant & Equipment – these are noted in the accounting policy. The following assumptions have been applied to projected asset revaluations:</p> <ul style="list-style-type: none"> the revaluations will reflect the changes predicted by BERL. depreciation impact of inflation will be in the year following revaluation. value of non-depreciable assets (e.g. land) is forecast to remain constant. 	That the BERL Forecasts will be materially incorrect, leading to misstatements, in particular in the depreciation charged and hence the rates levied.	Medium	Medium	<p>Increased valuations will increase depreciation and affect funding levels.</p> <p>A 10% increase in imported oil may increase construction prices by up to 4% resulting in an increase in depreciation cost of \$400,000 (year 1) to \$425,000 (year 10).</p>	The 10 Year Plan for each subsequent year is reviewed by way of the Annual Plan round and a new 10 Year Plan is produced every three years.
Contracts – there will be no significant variations in terms of price from the re-tendering of operation and maintenance contracts and renewal of service level agreements, other than those variations recognised in this plan.	There is a significant variation in price from re-tendering contracts and renewal of service level agreements.	Low	Medium	The financial effect of the uncertainty is likely to be immaterial.	<p>Contract have cost increase clauses included in the contract documents. Such cost increase are already factored in the financial forecast as inflation adjustments.</p> <p>Council is also able to review levels of service and budgets on an annual basis, either through the Annual Plan or Long Term Plan processes.</p>
Asset renewals – that the depreciation reserves will adequately fund the renewals of assets.	That there will be a shortfall in funds available to replace assets	Medium	Medium	The financial effect of the uncertainty is likely to be immaterial.	Council is able to access borrowings at levels forecast within the Plan.
NZ Transport Agency requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.	Changes in the subsidy rate and variation in criteria for inclusion in the subsidised works programme.	Medium	Medium	Variations in subsidy rates will increase/ decrease Council's subsidy revenue by \$100,000 for every 1% change in subsidy.	NZ Transport Agency current subsidy funding is at 61% and fixed for three years after each review. The next review is due in 2015. Council is able to review levels of service and community expectations through the Annual Plan and Long Term Plan processes.



Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Health and Environment subsidies will be available for Herbertville, Eketahuna and Akitio Sewerage and Herbertville, Eketahuna and Pongaroa water treatment developments	That the subsidy levels will not occur	Medium	Medium	<p>\$3.6 million worth of subsidies for projects may not proceed or deferred. Debt and subsidy levels would reduce, and operational and depreciation costs would reduce.</p> <p>Council can decide to proceed with projects that are critical if subsidy is not available. These projects will either be funded internal or external loans.</p>	Council is able to review levels of service and community expectations through the Annual Plan and Long Term Plan processes.
Development of wind farms will not have significant impact of Council renewals expenditure for the roading network.	Wind Farms will result in significant cost to Council in upgrades and renewals or their timing for the roading network.	Low	Low	<p>Depreciation reserves will be required to fund this renewals. However, financial contribution from the power generators are expected to cover the full cost of the development and renewals.</p> <p>Council will also consider bringing forward some renewals expenditure to take advantage of the required upgrades due to wind farm developments.</p>	Council through the resource consent application process will ensure that conditions of development include adverse impacts on existing infrastructure and the environment.
Legislative changes – there will be no unexpected changes to legislation or other external factors that alter the nature of services provided by Council.	There are unexpected changes that alter the services provided by Council.	Medium	Low	Proposed legislative changes are likely to effect Council's finances through increased costs and lowered revenue.	<p>It is difficult to adjust levels of service when they are driven by legislation, for example, new turnaround times for consent applications.</p> <p>Lower revenue within Building Services is likely to be off-set by less consents requiring processing. Increased cost can be recovered to increases fees and charges i.e. user pay.</p>

Assumptions	Risk	Level of uncertainty	Impact	Financial effect of uncertainty	Mitigation
Resource consents – conditions of existing resource consents held by Council will not be altered significantly. Any resource consents due for renewal during the 10 year period will be renewed accordingly.	<p>Conditions of resource consents are altered significantly.</p> <p>Council is unable to renew existing resource consents upon expiry.</p>	Medium	Low	The financial effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the Council needing to spend additional funds to enable compliance.	Council has a good working relationship with Horizons Regional Council and does not contemplate any material departure from these requirements over the next 10 years.
Forecast return on investments – Council has forecast the returns for significant investments. Refer to the schedule of indices.	Council will not achieve the forecast level of dividends.	Low	Low	That Council will not achieve the forecast rates of return leading to shortfalls in income.	The level of dividend is dependent on the financial performance of the company. The Council has utilised historical results and future projections of the company to determine the forecast return.
Expected interest rates on borrowings. Refer to the schedule of indices.	Prevailing interest rates will differ significantly from those estimated	Low	Medium	Based on Council projected borrowings levels, interest costs will increase/ decrease by between \$150,000 and \$100,000 per annum for every 1% movement in interest rates.	Interest rates are largely driven by factors external to the New Zealand economy. Council is not predicting a significant increase in borrowings over the 10 year period. Council has in place a interest rate strategy (swaps) to deliver greater certainty over the interest rate cost for the duration of the Long Term Plan.
Effect of Emissions Trading Scheme (ETS)	Impact of ETS on Council's operations will differ significantly from those estimated	Low	Low	<p>The council will face increased compliance and operating costs, which if significant enough may require higher fees and charges or increased rating requirements to fund them.</p> <p>The financial impact is not significant as Council's landfill operations have significantly reduced with the closure of Dannevirke and Pahiatua landfills.</p>	<p>Any direct impacts of the ETS through the potential price increase are assumed to be covered by the Council's inflation assumptions and thus factored into the forecasts.</p> <p>Specific ETS costs relating to Waste and landfill have been incorporated into those accounts and together with the adjusted revenue that will be received.</p>



Interest Rates on Borrowings

	Annual Plan 2014/15
Interest Rate (internal – based on interest income)	4.5%
Interest Rates (new external)	5.6%

Interest Income

	Annual Plan 2014/15
Cash (Investments)	3.9%

District Statistics

General Statistics

Description	Total
Population (June 2011)	16,854
Rateable Assessments	10,599
Non-Rateable Assessments	660
Total Assessments	11,179
Area (ha)	427,000
Net Capital Value (\$m)	5,351
Rateable Land Value (\$m)	2,889
Rural-Metal Roads (km)	773
Rural-Sealed Roads (km)	1,099
Urban-Metal Roads (km)	0.5
Urban-Sealed Roads (km)	84
Total Roads (km)	1,957

Resource Management

Description	Total
Resource consents*	41
Land use consents*	15
Subdivision consents*	26
Building consents issued*	358
Registered dogs as at 30 June 2012	6,630
Licensed food premises as at 30 June 2012	114

* Issued from 1 July 2012 to 30 June 2013

Utilities

Description	Total
Bridges	394
Water Supplies	
Urban	6
Independent	4
Sewerage Systems	7
Solid Waste Disposal Sites	5
Stormwater/Drainage Systems	4

Buildings

Description	Total
Major Halls	5
Sports Facilities	4
Public Conveniences	17
Libraries	3
Pensioner Flats	107

Recreation Facilities, Parks & Reserves

Description	Total
Camping Grounds	3
Swimming Pools	4
Cemeteries	20
Major Parks & Reserves	9

Vehicles

Description	Total
Cars	12
Utilities	13
Fire Appliances	4



Mayor and Councillors

His Worship the Mayor



R A (Roly) Ellis

PO Box 115
Dannevirke
06 374 4080
info@tararua.govt.nz

North Ward Councillors



Cr J E (Jim) Crispin

8 Stairs Street
Dannevirke
06 374 6768
027 717 8862
jim.crispin@tararua.govt.nz



Cr K R (Keith) Fenemor

92A Adelaide Road
Dannevirke
06 374 5450
027 374 2011
keith.fenemor@tararua.govt.nz



Cr C J (Carole) Isaacson

63 Umutaoroa Road
RD 8
Dannevirke
06 374 5577
027 307 5013
carole.isaacson@tararua.govt.nz



Cr D A (David) Roberts

PO Box 69
Dannevirke
06 374 6405
027 644 9459
david.roberts@tararua.govt.nz

South Ward Councillors



Cr T H (Tracey) Collis

674 Kakariki Road
RD 6
Eketahuna
06 376 6756
027 630 4057
tracey.collis@tararua.govt.nz



Cr W H (Warren) Davidson

RD 3
Eketahuna
06 375 8364
warren.davidson@tararua.govt.nz



Cr S (Shirley) Hull

Mangahao Road
RD 3
Pahiatua
06 376 7283
shirley.hull@tararua.govt.nz



Deputy Mayor Cr W H (Bill) Keltie

RD 1
Pahiatua
06 376 8996
bill.keltie@tararua.govt.nz



Community Boards and Council Committees

Community Boards

Dannevirke Community Board

Generally meets on the first Monday of the month at 3:00pm.

- **Chairperson**
Mr R A (Bob) Dresser
22 Ries Street, Dannevirke 4930
06 374 6270
dresser234@msn.com
- **Deputy Chairperson**
Mr W R (Ross) MacDonald
91 Piri Piri Road, RD 7, Dannevirke 4977
06 374 7996
gloriarossmacdonald@gmail.com
- **Councillor**
Mrs C (Carole) Isaacson
RD 8, Umutaoroa, Dannevirke 4978
06 374 5577
carole.isaacson@tararuadc.govt.nz
- **Councillor**
Mr E (Ernie) Christison
677 Laws Road, Dannevirke 4978
027 442 8099
ernie.contracting@extra.co.nz
- **Councillor**
Mr T (Tim) Delaney
41 Riverdale Road, Dannevirke 4930
06 374 5200
woollybuttskennel@gmail.com

Eketahuna Community Board

Generally meets on the first Friday of the month at 10:00am.

- **Chairperson**
Mr C C (Charlie) Death
Nireaha Road, RD 2, Eketahuna 4994
06 375 8503
deaths@inspire.net.nz
- **Deputy Chairperson**
Mrs D F (Diana) Eagle
1775 Mangaone Valley Road, RD 4,
Eketahuna 4993
06 376 8256 or 027 323 3570
eagleeketahuna@extra.co.nz
- **Councillor**
Mr W H (Warren) Davidson
RD 3, Eketahuna 4994
06 375 8364
warren.davidson@tararuadc.govt.nz
- **Councillor**
Ms T (Trudi) Hull
120 Priest Road, RD 2, Eketahuna 4994
06 375 8220
chris.trud@extra.co.nz
- **Councillor**
Ms S (Sharon) Shannon
125 Larsens Road, Eketahuna
06 375 8130
bevansharon@hotmail.com

Community Committees

Woodville operates its own autonomous community committee, Woodville Districts' Vision (Inc).

Pahiatua operates its own autonomous community committee, Pahiatua on Track (Inc).

Chief Executive's Performance Appraisal Committee

His Worship the Mayor, Mr R A (Roly) Ellis (Chairperson)

Cr S A (Shirley) Hull

Deputy Mayor, Mr W H (Bill) Keltie

Cr D A Roberts

Tribunal and Hearings Committee

Cr W H Davidson (Chairperson)

His Worship the Mayor, Mr R A (Roly) Ellis

Cr T H (Tracey) Collis

Cr S A (Shirley) Hull

Council Controlled Trading Organisation Committee

His Worship the Mayor – Mr R A (Roly) Ellis (Chairperson)

Deputy Mayor, Mr W H (Bill) Keltie (Deputy Chairperson)

Cr J E (Jim) Crispin

Cr D A (David) Roberts

Forestry Committee

His Worship the Mayor, Mr R A (Roly) Ellis (Chairperson)

Cr K R (Keith) Fenemor

Deputy Mayor, Mr W H (Bill) Keltie

Tararua District Licensing Committee

Mr David Lea (Chairperson)

Mr Nick Perry

Mrs Maureen Reynolds

Mr Kerry Sutherland



Management Team

Executive Staff

Blair King ME (Civil) MIPENZ
Chief Executive

Peter Wimsett CA, BBS
Manager Strategy & District Development

Raj Suppiah CA
Chief Financial Officer

Kathy Dever-Tod
Manager Assets Group

Ray Cannon
Engineering Services Manager

Staff Numbers (full time equivalent)

	Actual 2013/14	Annual Plan 2014/15
Council	59	62
Engineering Services	13	13
Total	72	75

Directory

Main Office and Council Chambers

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

Service Centre Locations

Dannevirke

26 Gordon Street, Dannevirke
(06) 374 4080

Woodville

42 Vogel Street, Woodville
(06) 376 1010

Pahiatua

136 Main Street, Pahiatua
(06) 376 0110

Eketahuna

31 Main Street, Eketahuna
(06) 375 8149

Other

Bankers

Westpac New Zealand Limited
Dannevirke

Bank of New Zealand
Dannevirke

Auditors

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

Solicitors

Cooper Rapley
Palmerston North

Insurance Brokers

Aon New Zealand Ltd
Wellington



Submissions

Submissions were received from the following organisations and individuals:

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| 1. Akkerman, Aiko | 16. Burlace, Christine | 31. Dannevirke Community Toy Library | 47. Fouhy, Pat |
| 2. Alderson, Teresa | 17. Carter, Shirley | 32. Daysh, Colleen | 48. Fountaine, Ian |
| 3. Altenburg, Nancy | 18. Carthew, Bill | 33. Daysh, Heidi | 49. Gaskin, Ray |
| 4. Archer, Chris | 19. Cass, Cynthia | 34. DeGraaff, Paula | 50. Girven, Damien |
| 5. Archer, Robyn | 20. Cave, Chris | 35. Democrats for Social Credit | 51. Girven, Trudi |
| 6. Archibald, Barry | 21. Challis, Harry | 36. Drake, Judith | 52. Gleeson, Judith |
| 7. Arthur, Samantha | 22. Challis, Margare | 37. Duxfield, Gordon | 53. Goeckel, Hermann |
| 8. Bailey, Ian | 23. Chase, Everlyne | 38. Eddie, Jean | 54. Greenall, Brian |
| 9. Bareham, Dawn and Kevin | 24. Checkley, Julia | 39. Eketahuna Community Board | 55. Greenall, Jennifer |
| 10. Biset, Donald | 25. Collinson, Joyce and Graham | 40. Eketahuna Swimming Pool Management Committee | 56. Heart Foundation Manawatu/ MidCentral Branch & Cancer Society Central Districts |
| 11. Boblea, Jonathan | 26. Connell, Rose | 41. Ferguson, Barbara | 57. Henderson, Graeme |
| 12. Boyden, Barbara | 27. Cornford, Gavin | 42. Fetch, Sybil | 58. Henderson, Jo |
| 13. Bridge, Eleanor | 28. Cotter, Colleen | 43. Field, Chelsea | 59. Hibberd, Dee |
| 14. Bright, Honor | 29. Cotter, Philip | 44. Fish and Game New Zealand | 60. Hickson, Rebecca |
| 15. Brown, Stuart | 30. Dannevirke Community Board | 45. Flitten, Kami | 61. Hislop, Teiana |
| | | 46. Fouhy, Helena | |

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| 62. Horizons Regional Council | 88. Milne, Jill | 113. Seator, Jenny | 138. Women's Section RSA |
| 63. Howell, Sarah | 89. Moffitt, Sarah | 114. Shilvock, Jennifer | 139. Woodville Districts' Vision |
| 64. Hunter, John | 90. Morrison, Georgina | 115. Southgate, Chris | 140. Yates, Lisa |
| 65. Hunter, Suzanne | 91. Mountfort, Ralph | 116. Stark, Danielle | |
| 66. Hunter, Vanessa | 92. Mudford, Peter | 117. Stephenson, Jearrad | |
| 67. Jackson, John | 93. Mulinder, David | 118. Stuart, Margaret | |
| 68. Karena, Christine | 94. Nicholson, Claudia and Tamai | 119. Sutton, Rose and Philip | |
| 69. Kennerley, Toni | 95. Nielsen, Mavis | 120. Tararua Aquatic Community Trust | |
| 70. Kerridge, Muriel | 96. O'Brien, Jeanne | 121. Tararua Federated Farmers | |
| 71. Kibblewhite, Donna | 97. O'Donnell, Shane | 122. Te Kete Hauora o Rangitane | |
| 72. Kiihfuss, Anna | 98. Paget, Lauren | 123. Te Kete Hauora o Rangitane/Te Ohu Auahi Mutunga | |
| 73. Knights, Beryl | 99. Pahiatua On Track | 124. Te Kete Hauora o Rangitane/Te Ohu Auahi Mutunga | |
| 74. Koornneef, Alex | 100. Parker, Graeme | 125. Tewake, Maureen | |
| 75. La Hood, Thelma | 101. Parker, Jill | 126. The Enviroschools Foundation | |
| 76. Le Gros, Marion | 102. Paton, Belinda | 127. The Renewables Motueka | |
| 77. Lea, Bronwyn | 103. Pattison, Shona | 128. Todd, Vincent and Marlina | |
| 78. Lea, Bruce | 104. Physicians and Scientists for Global Responsibility | 129. Treder, Raylene | |
| 79. Lucas, Mary and Ray | 105. Pocock, Raymond and Cheryl | 130. Tua, Hiria | |
| 80. Manawatu Gorge Biodiversity Project | 106. Poole, Mike | 131. Turner, Richard | |
| 81. Martin, Ri | 107. Powell, Rae | 132. Usherwood, Stella | |
| 82. Matthews, Patricia | 108. Ramage, Murray | 133. Wake, Adrienne | |
| 83. McCarthy, Glenis | 109. Rangitane o Tamaki nui a Rua Incorporated | 134. Watson, Terry | |
| 84. McDonald, Patricia | 110. Riley, Felisa | 135. Windelborn, Katrina | |
| 85. McFarland, Jean | 111. Robinson, Anthea | 136. Wolland, Christine | |
| 86. McKellar, Fiona | 112. Roelfs, Paula | 137. Wolland, Wendy | |
| 87. Mengel, Ray and Jan | | | |



Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

- a) a company-
 - i) in which equity securities carrying 50% or more of the voting rights at the meeting of the shareholders of the company are-
 - A) held by one or more local authorities; or
 - B) controlled, directly or indirectly, by one or more local authorities; or
 - ii) in which one or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
- b) an organisation in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons,-
 - i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the organisation; or
 - ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the organisation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenue Money received by Council.

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

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

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

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

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

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

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

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



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

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

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