



2022

PRE-ELECTION

**REPORT**



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# A WARM WELCOME TO YOU FROM THE CHIEF EXECUTIVE



Pre-Election Reports (PER's) are mandated by Central Government within the Local Government Act 2002 for Councils to publish their PER's three months before Local Government Elections. It is normally presented to you by the Chief Executive of a Council independently from the Mayor and Councillors who could be standing for re-election. It is also used as a tool whereby it encourages election participation.

The intention of this PER is to tell a clear, factual story about the successes achieved and issues facing Council and the community, and to summarise key issues such as rates increases or provide information on key projects that are underway or planned.

We are pleased to say that, on the whole, Tararua District Council is on track to deliver on the projects and programmes outlined in our 2021-2031 Long Term Plan (LTP). Many of our projects are in response to factors we have little or no control over, i.e., increasing regulatory pressures from Central Government, mitigating the impacts of climate change or building resilience in both our roading and three waters (wastewater, storm water and drinking water) networks.

Since our last PER we have had additional pressures placed upon us by the COVID-19 pandemic whereby global logistics are moving slower, supply and demand is in turmoil, prices of goods and services have risen and available workforce numbers in many professions has been disrupted as staff have been ill or isolating. Even though New Zealand is not directly involved in the war in Ukraine, that war is affecting the price and availability of commodities around the world. As an example, some of the steel that was produced at the Mariupol steel works will never arrive in New Zealand, because the steelworks, have, of course, been destroyed and new suppliers must be sourced.

Notwithstanding the myriad of challenges and pressures we have faced, great progress has been made in upgrading our urban water networks with the Eketāhuna and Pahiatua water treatment plant upgrades typical examples of the modernisation needed. Severe weather events continue to plague the district in the form of drought and storm. This has resulted in water restrictions and regular water boil notices, particularly in Eketāhuna.

We continue to improve the resilience of our road network, particularly on Route 52 and on our coastal areas which have

suffered a number of severe weather events. We are a partner on the Te ahu a Manawatū Tararua Gorge replacement road that will promote visitors and trade within our District when it is completed in 2024.

Earthquake-prone buildings have been a key focus area for Council and you will likely have seen affected Council buildings having the required work completed to comply with the Building Act legislation. A number of commercial properties throughout the district have been identified as earthquake-prone and notification is being passed to owners so that they can access the work required to meet legal standards.

We are working on our District Strategy that will help inform other key strategies that we are currently developing.

We continue to work with our key stakeholders and it has been important for Council to continue to respect our relationships with Rangitāne o Tamaki nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua. Importantly, this year we, as a nation, celebrate Matariki together for the first time and 2022 has seen the introduction of the first Māori ward in our District. For first time Māori voters yet to enrol to vote this is a significant opportunity to consider.

I sincerely hope that our PER stimulates discussion throughout the community and encourages you to vote. Our Long Term Plan, Annual Plan and Annual Report can all help inform you of the vision we have for our District.

A handwritten signature in black ink, appearing to read 'Bryan Nicholson'.

**Bryan Nicholson**  
Chief Executive

# WHY HAVE TARARUA DISTRICT COUNCIL PREPARED THIS PRE-ELECTION REPORT?

The provision of a PER was added to the Local Government Act 2002 as one of the 2010 *'transparency, accountability and financial management'* package of reforms. It requires that the Chief Executives of Councils prepare a PER in the lead up to a local election, this year the election is on 8 October 2022.

On a Local Government level, a PER allows us to engage with our communities to detail the progress that has been made since the previous election, showcase our plans for the next three years and to discuss the challenges that our District faces.

After communities have engaged with us and are better informed then we hope that the PER acts as a good stimulus to make residents vote or stand for election themselves in the local election and play a part in the future of our District.



## KEY DATES FOR THE 2022 ELECTIONS:

### Now until 12 August

Enrol to vote (if you will be 18 years or older by voting day)

### 1 July

Enrolment update packs are sent to all enrolled voters

### 15 July

Candidate nominations open

### 15 July - 12 August

Receipt of candidate nominations

### 12 August @ 12 noon

Candidate nominations close

### 17 August

Public notice of candidates' names

### 16 - 21 September

Voting documents delivered

### 16 September - 8 October

Voting period

### 8 October

Voting closes @ midday

**WANT BETTER?  
ENROL.**

[taruadc.govt.nz/your-council/local-elections](https://taruadc.govt.nz/your-council/local-elections)

**VOTE  
2022**  
LOCAL ELECTIONS



## ENROLLED TO VOTE?

Check or update your voting information at: [www.vote.nz](https://www.vote.nz)

For further information on the 2022 local election for the Tararua District, please contact our Electoral Officer on 06 374 4080 or 06 376 0110

# ELECTION INFORMATION

## Who is being elected?

Nominations for candidates for all our available positions are as listed below and open on 15 July 2022 and close on 12 August 2022. Nominations must be received at Council no later than 12pm (noon/midday) on 12 August 2022.

For further information on the 2022 Local Elections visit [www.tararua.govt.nz](http://www.tararua.govt.nz) or [www.vote.nz](http://www.vote.nz), or contact your local elections officers:

### Warwick Lampp

Electoral Officer

[elections@tararua.govt.nz](mailto:elections@tararua.govt.nz)

06 374 4080 or 06 376 0110

### Lizz Jenkins

Deputy Electoral Officer

[elections@tararua.govt.nz](mailto:elections@tararua.govt.nz)

06 374 4080 or 06 376 0110

## Who you can vote for or the positions you may stand as a candidate for:

### Tararua District Council

- Mayor
- Councillors in three wards, as follows:
  - North Tararua Ward (4 Councillors)
  - South Tararua Ward (4 Councillors)
  - Tamaki nui-a-Rua Māori Ward (1 Councillor)

### Community Board Members

- Dannevirke Community Board (4 members)
- Eketāhuna Community Board (4 members)

### Masterton Community Trust Members

- Masterton Community Trust\* (6 trustees)

### Horizons Regional Council (HRC)

- Tararua General Constituency (1 Councillor)
- Raki Māori Constituency (1 Councillor)

### Greater Wellington Regional Council (WRC)

- Wairarapa Constituency (1 Councillor)\*

*\* A small part of the Masterton Community Trust area extends into the Tararua District Council. Approximately 50 TDC electors will receive a voting entitlement for this election. If more information on Masterton Community Trust or the HRC and WRC candidates is required please contact our Electoral Officers.*

## USEFUL LINKS

### [www.vote.nz](http://www.vote.nz)

Information on how to enrol for the 2022 local elections

### [www.tararua.govt.nz](http://www.tararua.govt.nz)

Information for residents and ratepayers voting in the Tararua local elections

By emailing: [enquiries@elections.govt.nz](mailto:enquiries@elections.govt.nz) or [elections@tararua.govt.nz](mailto:elections@tararua.govt.nz)

By phoning: **0800 36 76 56** and ask for a form to be sent to you.

By texting: **3676** to get a form sent to you.

### Supporting Documents:

Tararua District Council 2021 – 2031 Long Term Plan

[www.tararua.govt.nz/\\_\\_data/assets/pdf\\_file/0023/5963/Tararua-District-Council-Long-Term-Plan-2021-2031.pdf](http://www.tararua.govt.nz/__data/assets/pdf_file/0023/5963/Tararua-District-Council-Long-Term-Plan-2021-2031.pdf)

Tararua District Council 2021/22 Annual Plan

[www.tararua.govt.nz/publications/plans-and-reports](http://www.tararua.govt.nz/publications/plans-and-reports)

Tararua District Council 2020/2021 Annual Report

[www.tararua.govt.nz/publications/plans-and-reports/annual-report](http://www.tararua.govt.nz/publications/plans-and-reports/annual-report)

Tararua District Council Meetings and Agendas

[www.tararua.govt.nz/publications/agendas-and-minutes](http://www.tararua.govt.nz/publications/agendas-and-minutes)



SO, WHAT EXACTLY IS

# THIS REPORT ABOUT?



## IT'S ABOUT OUR PERFORMANCE

We'll cover off our performance targets such as rates and debt limits within our financial strategy.



## IT'S ABOUT SHOWCASING OUR MAJOR PROJECTS

It will outline the needs, projects and plans we have forecast for the next three years



## IT'S ABOUT OUR CHALLENGES AND ISSUES

We'll help you understand the challenges and issues Council is facing in our current environment.



## INFORMING YOU OF THE FUTURE OF LOCAL GOVERNMENT

The way local government operates is going to change over the coming years – what will it look like?

## By law, what must we put in our Pre-Election Report?

The Local Government Act 2002 (LGA) stipulates the minimum content disclosures required for Pre-Election Reports

However, LGA does allow reduced disclosures for the Chief Executives of local authorities that, ordinarily, have a resident population fewer than 20,000 people. The Tararua District has just over 19,000 people and Tararua District has applied the reduced disclosures for 2022.

The disclosures required for the 2022 Pre-Election Report for Tararua District are summarised as follows:

### Information based on audited Annual Reports

2019/2020  
2020/21  
Summary balance of Financial Position

Funding Impact Statements

Rates, rates increases and borrowing with quantified limits

Major Projects

### Information based on our Annual Plans

2021/2022\*  
2022/2023  
Summary statement of Financial Position

Funding Impact Statements

Rates, rates increases and borrowing with quantified limits

Major Projects

### Information based on our audited Long Term Plan

2023/2024  
2024/2025  
2025/2026  
Summary statement of Financial Position

Funding Impact Statements

Rates, rates increases and borrowing with quantified limits

Major Projects

\*2021/2022 is year 1 of the 2021 – 2031 Long Term Plan

# STRATEGIC VISION

Our District is growing and local government is evolving. Quite simply, Tararua District will look, and be governed, differently in the future. It is Council's responsibility to manage these changes effectively and continue to provide good leadership, affordable services and management of our resources and environment for the benefit of all.

In our 2021 – 2031 Long Term Plan we shared our District and Council visions, Council outcomes and strategic objectives. They are:

## OUR DISTRICT VISION:

*“Vibrant, connected communities where our land and waters are nurtured and our people flourish”*

*Mā te whenua, mā te waiora tātou e ora ai hei hapori ngangahau hei hapori honohono hoki.*

## OUR COUNCIL VISION:

*“In partnership with tangata whenua and our communities, we will innovate and collaborate to enable a range of opportunities for the Tararua District”*

*Mā te wahi tahi mātou o kaunihera ki ngā tangata whenua, ka auaha aheinga mō tātou katoa o te rohe o Tamaki-nui-a-Rua.*

## COUNCIL OUTCOMES:

Our outcomes are tied to the 4 ‘Well-beings’ of the Local Government Act and our performance measures in our Long Term Plan, they are:



### Social well-being outcome

To enable our people to achieve the goals that are important to them.



### Environmental well-being outcome

Our natural environment is healthy, resilient and cared for.



### Cultural well-being outcome

Our people respect the beliefs, values, histories and languages of our communities.



### Economic well-being outcome

A vibrant economy that enables a range of opportunities for our people.



# STRATEGIC OBJECTIVES

Council will focus on infrastructure that requires more than just a ‘band aid’ approach that is no longer viable and to practice sound financial decisions.

Our 2021 – 2031 Long Term Plan outlined our new strategic objectives and has aligned them to the 4 well-beings as they are integral to our outcomes. It includes a diverse range of areas designed, overall, to prepare for the growth of our District, community development, the challenges of increasingly severe weather events that affect our infrastructure, and ensuring our spending is in line with our plans.

Progress against our strategic objectives in the 2021 – 2031 Long Term Plan will be reported in the 2021/2022 Annual Report due in August 2022.

The columns below summarise our strategic objectives:

## Objective 1: Delivering Resilient Infrastructure

- To ensure public roads and footpaths are safe, reliable and resilient.
- To ensure a reliable supply of safe drinking water to our communities.
- To ensure efficient and reliable wastewater treatment that meets environmental outcomes.
- To ensure efficient stormwater network capacity.
- To provide safe and functional public facilities.
- To support the improvement of digital connectivity within the District.

## Objective 2: Manageable Financial Management

- To ensure our rates reflect the services expected by our communities.
- To ensure debt is maintained within manageable levels.
- To optimise the amount of external funding received to reduce the financial burden on ratepayers.

## Objective 3: Growing Strong Communities

- To promote, support and facilitate safe, caring communities.
- To promote and develop resilience within communities.
- To provide community and recreation facilities to our communities.
- To promote and support our cultural histories.

## Objective 4: Building a Vibrant Economy

- To promote our District identity.
- To promote our District as a visitor destination.
- To support and promote business growth and diversity.
- To support and facilitate education and training opportunities.

# ISSUES FACING COUNCIL

## Climate Change

Climate change is becoming more evident in weather being experienced – in the frequent droughts and intense rainfall events residents will have experienced first-hand. Tararua, in recent years, has so far avoided the worst of the weather extremes being experienced across New Zealand. This is unlikely to continue, and it is certain that the chance of a significant local event is increasing over time. This is a difficult issue for Council as the financial implications are far from clear and it is hard to justify rates funding for the unknown.

Forecast sea level rise is still modest in the next 30 years, although this has to be considered alongside storm surges and other forces such as earthquakes. International and national models are indicating that climate change impacts are tracking at the higher end of outcomes. Overall Tararua has a modest exposure to sea level increases in the medium term but this could have huge impacts on Akitio and Herbertville in the longer term.

Government regulations and new climate change responses will increase costs for the Council and residents, and are already having major impacts on the Tararua District from energy and transport prices to forestry land use patterns. Council is developing a Climate Change Strategy that will inform the next Long Term Plan (2024) and Council's response to climate change. For Council services the biggest direct impacts are likely on the roading network and the urban water (source and storage) and wastewater (treatment plants and discharge requirements) activities.

The Council maintains an extensive roading network vulnerable to climate change, being the fourth largest network in New Zealand. The majority of these roads are in challenging terrain that is highly vulnerable to slips and drop outs, leading to expensive unplanned repair costs. Over the last ten years the District has seen an increase in frequency and intensity of rainfall events across the District.

Council increased funding in the 2021-31 Long Term Plan to improve the District's resilience to the impacts of climate change on infrastructure. This increased funding for roading is reliant on the level of subsidy from Waka Kotahi (NZ Transport Agency). The level of funding is subject to review every three years and there is considerable risk to Council funding in future years.

Council has significantly invested in water storage and higher treatment standards of water and wastewater over the past decade. Government and regional Council regulations have continued to be lifted however, and significant further investment is required to meet these standards. As rainfall becomes more unreliable, we will need to continue to manage water demand, and will need to investigate alternative water sources to ensure the needs of current and future residents are met.

In urban areas, the increasing severity and frequency of rainfall events is also likely to put increasing pressure on stormwater systems. This trend is likely to continue, and to maintain current levels of service will require the Council to respond with significant improvements to the stormwater network in the future.

Council needs to ensure it has capacity in its borrowing limits to have the ability to fund these currently unplanned improvements as the impacts of climate change intensifies. Additional debt repayment funded from rates was included in the 2021 Long Term Plan to reduce debt over time to achieve this.

The availability of lower cost raw materials with long lead times to establish supply, such as lithium ore and "greening" humanity's energy needs, are expected to be a constraining factor on the speed of adoption of new technologies and cost. The mining industry in Australia could be a significant beneficiary of this new demand and in their last mining boom, Tararua lost population with migration to Australia.

The government is pushing on with climate adaption policies. However, these have resulted in limited direct impacts on the farming sector to date. The recent announcements include significant new funding for research to reduce agricultural emissions, with agriculture being brought into the Emissions Trading Scheme in 2025. The Government's proposed removal of exotic forests from the Emission Trading Scheme for permanent carbon forest is already anecdotally affecting sales of farming land in the Tararua District.

There will be major costs to all residents and businesses in the medium term. This will challenge the affordability of required rates increases. Future Councils will need to consider these impacts as part of the 2024-34 Long Term Plan and beyond.

## Growth

After over 50 years of population decline Tararua started growing again from 2014. Growth increased after 2018 and soaked up the available housing stock. As a result, Council is now facing pressures to enable more urban housing, extend 3 waters services and provide new community facilities. The growth is focused on the urban and peri-urban lifestyle areas.

New house building in Tararua was very low with around 20 new houses

a year being consented from 2011 to 2019. From 2020 there has been a significant boost in consented dwellings with 67 in the 2020 calendar year, and 107 in the 2021 calendar year (including relocated houses). Development activity has reduced into 2022 as higher interest rates, construction cost increases and material shortages impact on consent applications. While significantly higher than the previous decade this level of house building is still modest compared to other Districts in New Zealand.

Growth forecasts were increased in the 2021-31 Long Term Plan compared to previous forecasts and have been revised upwards again for infrastructure planning purposes. The estimated June 2021 population is 19,050. In the Long Term Plan the population is forecast to be 20,500 by 2033. This population was last seen in 1970 and will likely exceed historical peak urban populations. The revised high growth scenario is for 21,600 residents in 2033. The 10 and 30 year population forecasts have been dramatically lifted since the 2015 LTP.

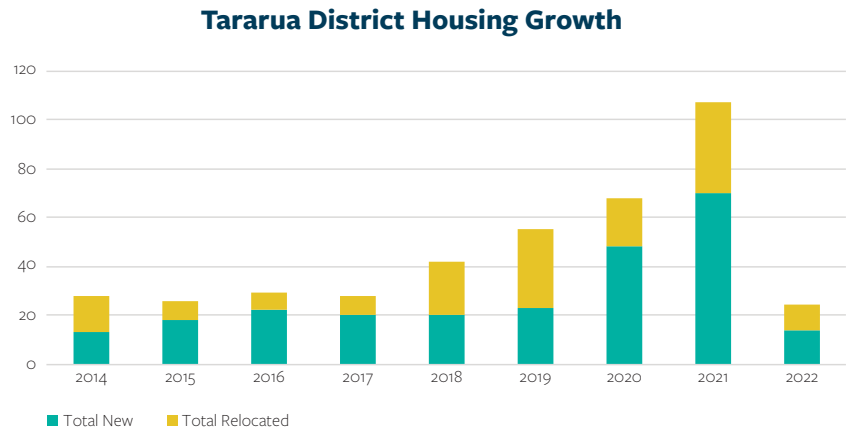
Growth after the many years of limited house building has caused a shortage of rental and family housing, and this has been a barrier to local businesses expanding. The urban residential areas all have large numbers of ¼ acre sections and undeveloped blocks. It is likely that we will see a process of infill that utilises some of these vacant land areas in the longer term. This infill development will have a major impact on current infrastructure which was not designed for more dense housing. Council has completed the first stage of an Infrastructure Masterplan that aimed to build a better understanding and modelling of these existing networks.

There is significant uncertainty in these forecasts – not least being international border rules around the pandemic and the short-term movement of residents to and from Australia and the rest of the World. We are now in a different economic environment. Inflation is the highest in 40 years and this, along with the resultant interest rate increases to rein it in, will fundamentally reprice assets and risk. Other trends include the shift to remote working and the movement of people out of the major cities for lifestyle and affordability reasons. Tararua could see net gains in population from these trends.

We expect to see people moving into Tararua as a result of the new road Te Ahu a Turanga: Manawatū Tararua Highway. This major government investment will forever change the transport links to the regional economic centre of Palmerston North. If Palmerston North continues to grow then Woodville, Pahiatua and Dannevirke could see substantial growth as commuting towns.

Growth is a major opportunity for our District, but it will require further investment in infrastructure to enable this growth. This will place increasing pressure on Council budgets and rates and is likely to be the major focus of the 2024-34 Long Term Plan. The review of the Tararua District Plan (currently being started) will look at the location and rules around where growth will be accommodated.

A major challenge for Council in the next few years is to identify the land required to enable the forecast growth, and to design, fund and provide the infrastructure to service it over the longer term. In the short term this is the focus of the District Strategy, Growth Strategy, infrastructure master planning and District Plan review projects. The 2024-34 Long Term Plan will bring this together and detail what is the affordable level of investment that the district can fund over the next 10 and 30 years.



## The Future of Local Government

On 23 April 2021 the Minister of Local Government set up the 'Review for Local Government' that seeks to reimagine the role and function of local government. In part this is due to technological and societal change that has occurred since the Local Government Act 2002 was enacted and, in part, due to longstanding calls for reform from Māori as well as recommendations from the Waitangi Tribunal to ensure the Treaty relationship is fully provided for through the local government system.

The overall purpose of the review is, as a result of cumulative changes being progressed as part of the current government's reform, to identify how our system of local government needs to evolve over the next 30 years, to improve the well-being of our communities and environment, and actively embody the Treaty partnership. We don't know what the review will look like at this stage but we do know that it includes many or all of the reforms being proposed by the government, including Three Waters and the Resource Management Act 1991.

The review's initial focus will be on how local government will be a key contributor to the well-being and prosperity of New Zealand and an essential connection to communities in the governance of New Zealand in the future.

This will enable scoping of the broader work to follow, including identifying the process and priority questions that will be of most benefit to furthering the outcomes outlined in the review's terms of reference.

The review draft report and recommendations will be available for public consultation from 30 September 2022.

### USEFUL INFORMATION

#### Key date

30 April 2023 Review presented to the Minister of Local Government

#### Links

<http://www.futureforlocalgovernment.govt.nz> for the interim report

<https://www.dia.govt.nz/Future-for-Local-Government-Review> for The Future of Local Government (Terms of Reference)

<https://legislation.govt.nz/act/public/1991/0069/latest/DLM230265.html> for the Resource Management Act 1991

## Three Waters Review

The Government is reviewing how to improve the regulation and supply arrangements of drinking water, wastewater and stormwater (three waters) to better support New Zealand's prosperity, health, safety and environment. Most three waters assets and services are currently owned and delivered by local Councils.

The Review was established in 2017, running alongside the latter stages of the Governments Havelock North Drinking Water inquiry. The initial findings of the Review were consistent with many of the Havelock North Inquiry's findings, and raised broader questions about the effectiveness of the regulatory regime for the three waters, and the capability and sustainability of water service providers throughout New Zealand.

The three waters reform programme states that New Zealand, as a nation, has not maintained and improved its water service infrastructure and that change is required.

In essence, the Government is proposing to transfer the responsibility of water services from local government to four new, statutory, publicly owned water service delivery entities. These entities will own and operate all three waters infrastructure on behalf of local government, including transferring ownership of three waters assets, having access to cost-effective borrowing from capital markets to make required investments and introducing a series of safeguards against future privatisation of the new water service delivery entities.

In order to assist Council pass ownership and responsibility to the new water service delivery entities a financial support package has been developed to support the transition of ownership. Tararua District Council is set to receive over \$15m if they can demonstrate that the funding supports three waters service delivery reforms objectives, other local well-being outcomes and aligns with the priorities of central and local government. This can be demonstrated by:

- supporting communities to transition to a sustainable, low emission economy that includes building resilience to climate change and natural hazards
- delivery of infrastructure and/or services that:
  - Enable housing development and growth, with a focus on brownfield and infill development opportunities where those are available
  - Support local place-making and improvements in community well-being

In addition to the \$15m support package, the Government will meet reasonable costs associated with the transfer of assets, liabilities and revenue to the new water service delivery entity. The Tararua District will fall into "Entity C".

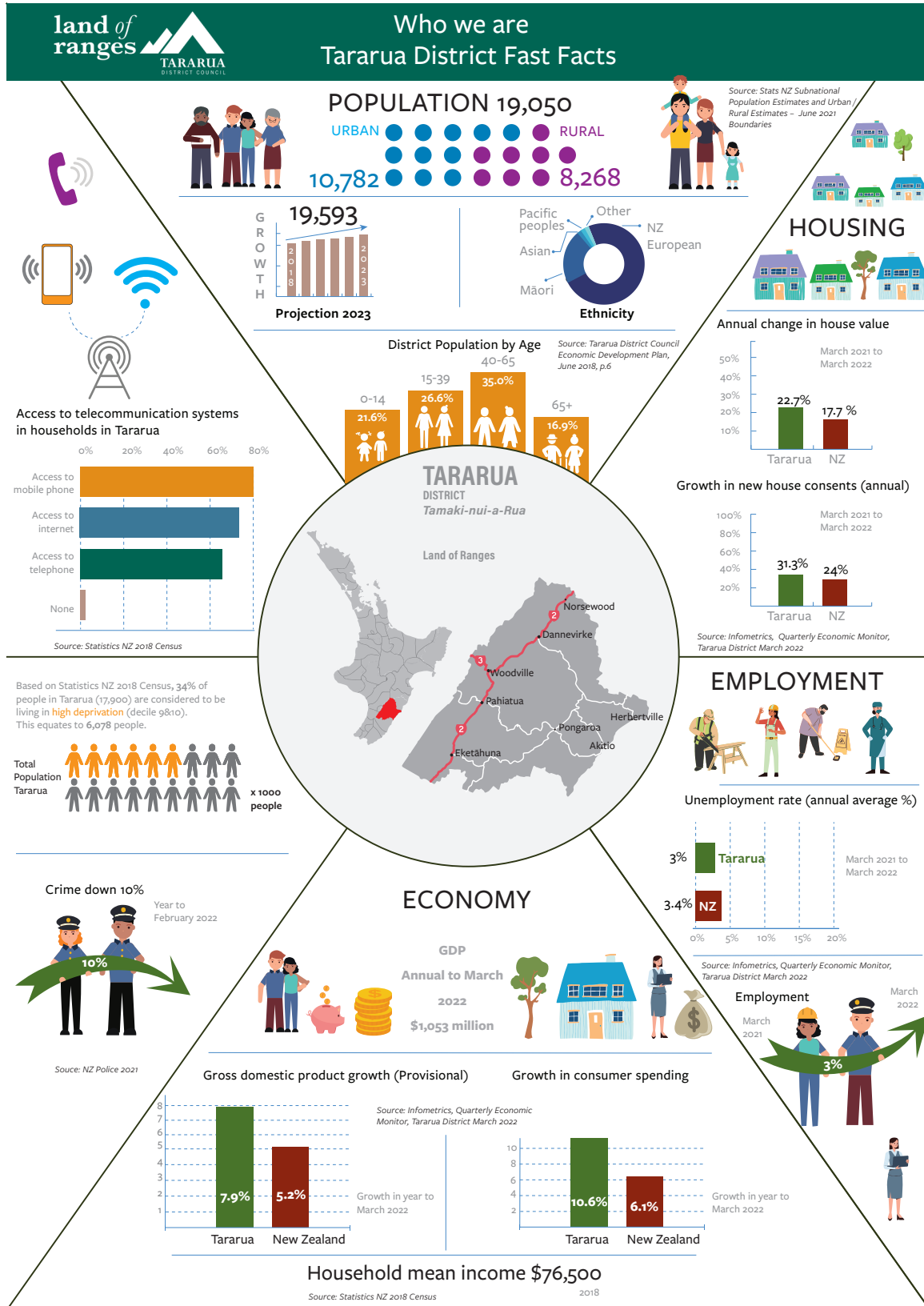
### USEFUL INFORMATION

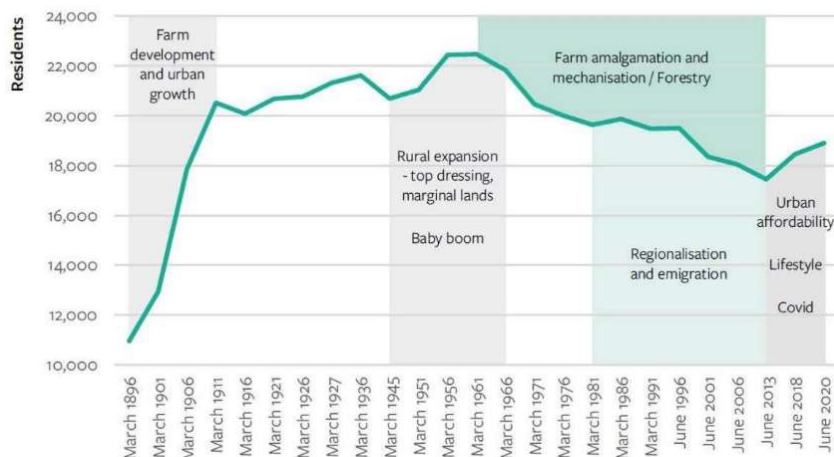
<https://www.dia.govt.nz/Three-Waters-Reform-Programme>

[https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/three-waters-reform-programme-overview-a3-30-june-2021.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/three-waters-reform-programme-overview-a3-30-june-2021.pdf)

# ENVIRONMENTAL SCAN

How is Tararua faring in comparison to the rest of New Zealand?





Economic trends and risks in New Zealand and internationally are changing rapidly. This environmental scan is intended to highlight the high-level risks and changes currently underway that may have an impact on the Tararua economy, as well as Council decisions.

We are now in a different economic environment. Inflation is at a 40 year high and this, along with the resultant interest rate increases to rein it in, will fundamentally reprice assets and risk. A much higher rate of return (profit, GDP gain etc.) is required in 2022 to deliver the same risk / reward result from 2019. Things are costing a lot more to do, and debt is far more risky / costly to repay.

In the 'old days' public infrastructure investment was seen as best to be done during recessions or slow times to keep businesses going and people employed. Increasing public infrastructure investment during times of constrained materials and labour shortages results in sky high project costs. Some politically difficult decisions may be required.

It seems likely that the retail sector and discretionary spending in general will be under pressure later this year. On-line spending is growing so mainstreet retail may be in for a rough year. Spending in Tararua is still very strong though, as you will see in the retail spending table, and the farming sector is performing well – this will support the local spending and Tararua is expected to continue to outperform (but this is relative and may still be a tough year).

## Retail Spending – Tararua has been strong but can it last?

### Tararua average weekly electronic card spending growth in May 2022

Location	% increase from same period in 2019
Horowhenua District	23%
Manawatū District	25%
Palmerston North City	8%
Rangitikei District	23%
Ruapehu District	24%
Tararua District	23%
Whanganui District	22%
<b>NEW ZEALAND</b>	<b>4%</b>

Source: MBIE weekly retail trade spending



## Inflation and Interest Rates

After a decade of historically low inflation and falling interest rates we are faced with rampant cost increases and all sorts of pressures on resources. This is a result of:

- government borrowing and spending and super low interest rates (common across the developed World)
- closed borders = no immigrants to fill job vacancies
- COVID-19 = changes to society and work patterns
- high international commodity prices and demand for food
- supply chain disruptions
- rampant asset price increases
- increase in oil prices.

The drivers above are often inter-related. In some respects there is a 'perfect storm' of events that are disrupting previous economic patterns. It should be noted though that the shift in government and consumer attitudes to debt post the global financial crisis in 2008-10 has led to the policy of ever-more 'stimulus' to support economic activity. This has resulted in rapidly increasing debt and interest rates forced down to artificially historically low interest rates. There was always a reckoning to be had – history is clear about this (even if many ignored this).

## Impacts - Probable

- Interest rates will increase significantly in the next year but are expected to be no more than average from a long-term view at around 6-7% for a house mortgage. More risky developments will be hard to finance and credit in general will tighten.
- Asset prices will fall. By how much nobody knows, but house prices could fall up to 30%.
- Savings interest rate increases significantly improves net savers incomes (especially older people). This will ease the cost impacts for many pensioners.
- Inflation will spike through 2022 and is forecast to drop back in 2023.
- Farm product prices will stay strong and could increase further. Supply chain issues, Ukraine war, adverse climate events and the compounding impacts of feed grain prices = higher meat prices.
- The cost of Council debt is increasing and directly impacts rates affordability and the Council's ability to borrow.
- Cost of materials and skilled labour for projects has spiked, and is likely to continue. Risks of major cost blowouts are high.
- Energy prices stay high through 2022 – more operational cost impacts. Expect these to ease in 2023 as production is increased (and / or if relations with Russia improve).
- Reduced development activity and lower growth – increased costs and risk normally = less development. Expected development may be deferred unless demand is strong.

## Unexpected Impacts

The supply chain issues facing New Zealand are having an upside for local manufacturing and the logistics sector. In order to reduce risk there appears to be a shift to more local manufacturing and a greater level of stock on hand. The result is more investment in manufacturing and much greater demand for modern warehousing. Palmerston North is well placed to capitalise on this, and opportunities for manufacturing in Taranaki are probably increasing.

# WHAT'S GOING ON IN COUNCIL

## Māori Ward

Council takes pride in continuing to strengthen our relationship with iwi. A highlight in 2021 includes the overwhelming vote in favour of establishing a Māori ward.

Council held a public forum as part of considering its position in response to Government passing the Local Electoral (Māori Wards and Māori Constituencies) Amendment Act 2021 regarding the option of establishing a Māori Ward for the district.

Following requests received from both Rangitāne o Tamaki Nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua, and after hearing from several speakers with a large attendance in the Council Chamber, Council resolved to propose the establishment of a Māori Ward for the Tararua District for the 2022 election, and this course of action be included in the 2022 representation review for consultation with the community.

Council after consultation and overwhelming support, adopted the resolution to confirm a Māori Ward (Tamaki nui-a-Rua) for the district able to elect one member, along with two General Wards (North and South) with four members each and a Mayor elected at large.

## Iwi Partnership

Council has a long-standing Memorandum of Partnership with Rangitāne o Tamaki Nui-ā-Rua. This covers processes for engagement in decision-making, and the relationship reached a milestone in 2020 through its 20th anniversary.

Engagement is taking place with Rangitāne o Tamaki Nui-ā-Rua through discussion with them on refreshing the Memorandum of Partnership and its meaning in terms of working together collaboratively.

A Memorandum of Partnership was signed with Ngāti Kahungunu ki Tāmaki nui-a-Rua Trust in September 2019 at a joint function held in the Council Chamber for that purpose.

Through entering into these agreements Council formalised the basis of providing closer working relationships with both of the district's iwi, thereby recognising the outcome of the Crown treaty settlement process which acknowledged both Rangitāne o Tamaki Nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua iwi distinctly and separately.

As part of Council's commitment to strengthening the relationship with both of its iwi partners for the betterment of the district's communities two committees have been established that will meet regularly.

These are joint committees involving both representatives of Rangitāne o Tamaki Nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua and Council. They are a governance level committee that meets six-weekly and an operational working group committee that meets four-weekly.

# Wellbeing

In 2019 the Government reintroduced the four well-beings, social, economic, environmental and cultural, into the Local Government (Community Well-being) Amendment Act 2019. This re-instatement mandates local authorities to promote community well-being through statutory planning and decision-making processes, based on community consultation.

While Gross Domestic Product (GDP) is a marker of economic activity, it doesn't measure human happiness, social connection, safety and security, or physical and emotional health. Nor does it factor in the negative impact of economic growth such as income inequality and the state of our natural environment.

The shift to well-being means that we can now measure our progress in lifting people's quality of life and reporting on the things that people care about, such as the environment, and the quality of social connection.



## Social

Involves individuals, their families, whanau, hapu, iwi, and a range of communities being able to set goals and achieve them, such as education, health, the strength of community networks, financial and personal security, equity of opportunity, and rights and freedoms.



## Economic

Looks at whether the economy can generate the employment and wealth necessary to provide many of the requirements that make for social well-being, such as health, financial security, and equity of opportunity.



## Environmental

Considers whether the natural environment can sustainably support the activities that constitute healthy community life, such as air quality, fresh water, uncontaminated land, and control of pollution. We cannot separate people from the natural environment when considering well-being – people and nature are innately connected and, as such, we have obligations and responsibilities that must be fulfilled.



## Cultural

Looks at the shared beliefs, values, customs, behaviours and identities reflected through language, stories, visual and performing arts, ceremonies and heritage that make up our communities.

Council intends to engage more regularly with our communities around the four well-beings in the years ahead that will help shape the future and identity of our District. We will partner with our various community boards and committees to support community-led development activities.

Quite simply, enabling well-being within our communities will allow our people to thrive and is essential to the present and future well-being of those who call Tararua their home.

## USEFUL INFORMATION

<https://www.legislation.govt.nz/act/public/2019/0017/latest/whole.html#LMS30978>

## District Strategy

Council is working on developing a new District Strategy that will set the long term aspirational goals and outcomes that Council and the community is wanting. This will include a vision for “Tararua 2050” as well as what it could look and feel like to live in Tararua in 2050.

The District Strategy will drive all other Council strategy and policy over time, and will be a key driver of the next Long Term Plan, as well as the review of the Tararua District Plan. A key outcome will be the development of infrastructure asset management and investment plans over time that will enable the vision for 2050 to be achieved.

A District Strategy sets out the activities that will “drive” our District forward and “adapt” to likely changes over the next 30 years.

Council worked with our iwi partners in 2021 to identify high level vision statements. In February 2022 Council undertook a pre consultation to gather the big ideas on the future of the Tararua District. Our communities really came through with some big picture thinking that addressed not only current issues but also expanded on the dreams of our residents for the Tararua District. Complimenting this, there have been workshops on the vision with our community leaders to see what our different sectors envision 2050 to look like.

The final draft of the District Strategy is being developed for adoption in the current term of Council. This will give the incoming Council a clear direction as to the tasks ahead. The District Strategy will be reviewed as part of the 2024-34 Long Term Plan process.



## District Plan Review

Section 73 of the Resource Management Act 1991 requires that a District Plan must be prepared for each District, with Tararua District Council last adopting one in 2012. This District Plan is set for a 10-year period and is now undergoing a review to ensure it is current, fit for purpose and meets the future needs of Tararua with long term sustainability in mind.

The District Plan provides the framework for managing the use, development and protection of the land resources of the district, and its rules have the effect of regulations in law.

Water and air resources are amongst the responsibilities of Regional Councils. There are a few exceptions to this general rule. For example, controlling the effects of activities on the surface of water is a function of the District Council. Similarly, the Regional Council is responsible for activities on land in some instances, as well as soil conservation and discharges to land that may affect water quality.

The District Plan sets out the significant resource management issues of the Tararua district and explains the objectives, policies and methods that the Council has adopted to achieve the sustainable management of the district's natural and physical resources.

Rules in the District Plan are not the only means of achieving the sustainable management of resources. Desired environmental outcomes may also be achieved by such measures as:

- the provision of information and education
- the provision of works or services by the Council or other public authority (for example, refer to the Council's Annual Plan)
- financial incentives and disincentives (such as rates)
- negotiation
- legal and economic instruments
- encouraging voluntary approaches and recognising good stewardship
- taking no action

In reviewing the District Plan, the Council will consider these alternative methods.

### USEFUL INFORMATION

<https://legislation.govt.nz/act/public/1991/0069/latest/DLM230265.html> - Resource Management Act 1991

## Housing Strategy

For many years Tararua had a declining population and housing was both available and affordable. As a result, very few new houses were built here, especially smaller houses for retirement living. Council continued to operate the pensioner units built in the 1960 – 1980’s period, government policy was to leave housing to the private sector and Council took a reactive stance to the limited development occurring.

With increased population, housing in general is harder to find and costs a lot more. Social and affordable housing issues have surfaced, made worse by having no government owned public / social housing in the district. The resulting shortage has seen huge price increases for housing – both to buy or rent. This is placing real hardship on many people in Tararua. Tararua now features for the first time on the Ministry of Social Development Public Housing Register (57 as at March 2022). There is no dedicated transitional or emergency housing in Tararua. As a result, Kainga Ora is now interested in re-entering the Tararua District to provide more public / social housing.

As a result of these housing issues Council has been regularly challenged by local residents and organisations as to its role in the wider housing supply and the adverse social impacts from them. Outside of pensioner housing Council has no strategy or funded activity to become actively involved.

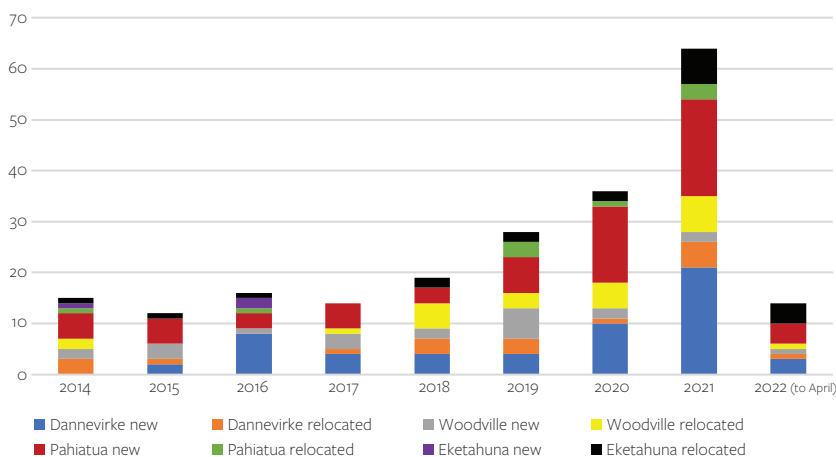
In response to this Council is developing a Housing Strategy that will clearly set out the issues and Council’s role in housing supply. The main impact Council has will always be in providing and maintaining infrastructure that enables urban housing (and rural housing through the roading network). Providing the infrastructure to unlock existing residential land development would have a major influence on future housing supply. The Housing Strategy will inform the District Plan review which will determine the location and rules around residential development. In New Zealand the biggest investment in housing by far comes from the private sector.

Council’s investment in pensioner housing, and its role in enabling development, facilitating, lobbying, and supporting private and government housing investment is the focus of the Housing Strategy.

Council has proposed taking a more proactive ‘enabler’ role in housing. The intention is to work to facilitate and enable local and other organisations to smooth the path of development and housing investment. There are also possible partnership opportunities with Council’s iwi partners.

Council has consulted on a draft Housing Strategy and is expected to adopt the final Strategy in August 2022.

### Tararua District Housing Growth - Calendar Years



*Note: The totals shown are based on properties connected to town water supplies and will include some rural properties*

### USEFUL INFORMATION

<https://msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/housing-register.html>

## Water/Wastewater Compliance

Adapting to disruptive change is a focus for our water, wastewater and stormwater (3-Waters) activities. Many of the changes – like droughts, floods and other climate events – could be rapid and disruptive requiring a different tact to long term planning. As our population grows, increasing demand for connection to and extension of 3-Waters networks create additional pressure on existing infrastructure and budgets.

Significant changes led by Central Government also create additional strain on existing resource levels and highlight issues within our current systems. These include:

- 3-Waters Reform programme, which presents many unknowns in terms of how water supplies will be managed from July 2024.
- numerous regulatory changes that Council needs to adapt to, such as
  - Water Services Act
  - New Zealand Drinking Water Standards,
  - Implementation of Taumata Arowai as the country’s water regulator
  - New National Policy Statement for Freshwater Management and implementation of Te Mana o Te Wai principles
  - Health (Fluoridation of Drinking Water) Amendment Bill
  - National Environment Standards for Sources of Human Drinking Water

Current regulatory compliance is a key issue, with significant deficiencies identified with regard to compliance with the NZ Drinking Water Standards, and compliance with resource consents for water abstraction and wastewater discharge.

The changing environment, internally and externally, has been a catalyst for reviewing the condition, capacity and performance of our water, wastewater and stormwater services and associated infrastructure.

Over recent years there has been significant investment to parts of the water supply network, this includes the recently completed water treatment plant upgrade in Pahiatua. However, other parts of our water infrastructure are aging and underperforming. A lot of our aging infrastructure is literally buried underground, out of sight and, as was often the case previously, out of mind.

Recent improvements to asset management maturity has highlighted significant future investment requirements that were previously not understood. This largely relates to the renewal and replacement of aging infrastructure which, if not renewed at the right time, will fail at an increasing rate resulting in disruption to services and increasing repair costs.

Ongoing under investment and the resulting lack of resources has resulted in a lack of robust strategic planning, band-aid solutions being applied when things break, rather than seeking long-term solutions, and poor levels of compliance in the heavily regulated environment Council operates.

We regularly see examples of infrastructure failing in the news. This has largely been due to the economic model adopted in the 1980’s and followed ever since and is a contributor to Central Government’s Three Waters Reform. Unfortunately, the outcome of this approach is becoming increasingly obvious and will require significant investment over many years to remedy.

Improvements to the understanding of 3-Waters network capacity has also highlighted that significant investment will be required if Council are to support urban development and growth without overwhelming already constrained systems.

Council are becoming increasingly aware that the quantum of investment required is unlikely to be affordable for ratepayers, and that we cannot fix everything before 3-Waters Reform is implemented in July 2024. In lieu of this, there has been a focus on understanding the true state of this core infrastructure (finding the facts). This better understanding as to what, how, when and where to maintain, repair, replace and improve the components of our 3-Waters infrastructure will support robust long term investment planning - whether the plans are implemented by the Tararua District Council or by a different entity.

### USEFUL INFORMATION

<https://www.taumataarowai.govt.nz/> - Taumata Arowai

<https://environment.govt.nz/acts-and-regulations/regulations/national-environmental-standard-for-sources-of-human-drinking-water/> - National Environmental Standards for Sources of Human Drinking Water

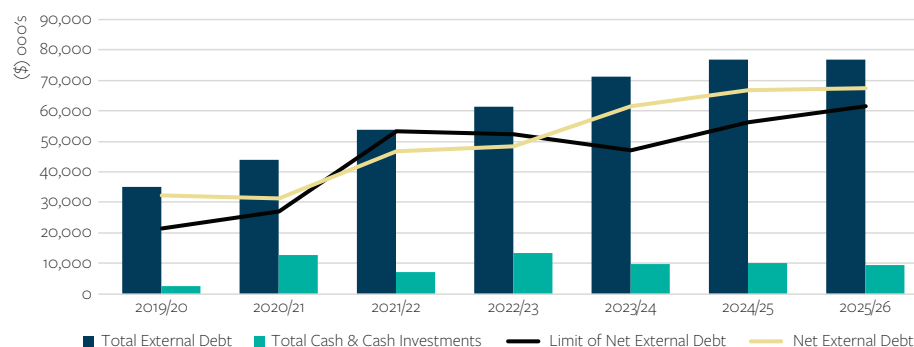


## FINANCIALS

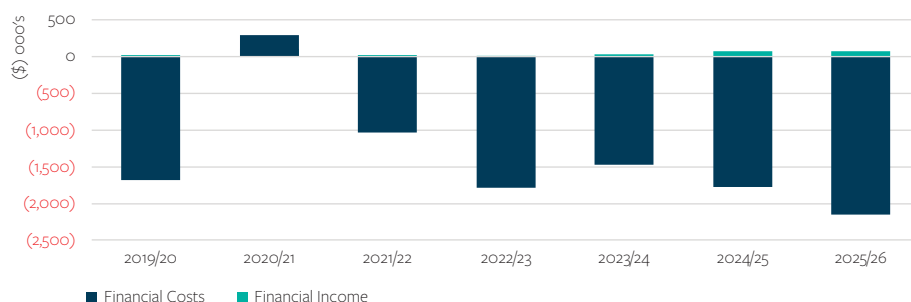
# DEBT & FINANCIAL RATIOS

	Limit	AR 2019/20	AR 2020/21	LTP Yr 1 2021/22	AP 2022/23	LTP Yr 3 2023/24	LTP Yr 4 2024/25	LTP Yr 5 2025/26
<b>Rates affordability benchmark</b>								
- Income Limit (\$'000's)		23,374	24,316	26,245	27,820	30,334	32,414	34,242
- Actual Income (\$'000's)		23,336	23,941	26,202	28,675	30,153	31,823	33,564
- Increases Limit		4.30%	4.20%	10.00%	7.90%	7.50%	7.50%	7.60%
- Actual Increases		4.13%	2.59%	9.82%	11.22%	6.86%	5.54%	5.47%
<b>Debt Affordability:</b>								
Net Debt as a Percentage of total income	less than 150%	80.74%	64.33%	88.22%	110.44%	131.99%	119.86%	110.12%
Net Interest as a percentage of total revenue	less than 7%	2.00%	1.71%	1.92%	3.39%	3.09%	3.05%	3.39%
Net interest as a percentage of annual rates income (debt secured under debenture)	less than 10%	3.64%	3.82%	3.74%	5.77%	4.58%	5.10%	5.83%
Liquidity (External, term debt + committed loan facilities + available liquid investments to existing external debt)	greater than 110%	136.23%	146.00%	122.47%	124.52%	120.80%	119.51%	118.78%
Balanced Budget Benchmark	greater than 100%	93.04%	120.39%	118.28%	107.37%	97.13%	112.77%	119.22%
Essential Services Benchmark	greater than 100%	225.20%	168.01%	222.70%	196.19%	135.97%	192.30%	185.18%
Debt Servicing Benchmark	less than 10%	2.08%	1.90%	1.96%	3.41%	2.23%	3.19%	3.51%

## Debt & Cash Investment Position



## Finance Income & Expense



## FINANCIALS

# STATEMENT OF CASHFLOWS

Cash from Operating Activities	AR 2019/20	AR 2020/21	LTP Yr 1 2021/22	AP 2022/23	LTP Yr 3 2023/24	LTP Yr 4 2024/25	LTP Yr 5 2025/26
<b>Cash was provided from:</b>							
Rates	23,313	23,883	27,028	29,935	30,821	32,693	34,798
Grants & Subsidies	15,612	26,200	22,093	17,477	11,467	18,481	21,660
Fees, Charges and other receipts (incl Donations)	3,230	4,902	3,977	4,783	4,213	4,337	4,467
Interest received	18	106	18	10	28	76	76
Dividends and subvention payments received	73	-	-	-	-	-	-
Other revenue	-	(44)	299	232	315	323	366
<b>Total</b>	<b>42,246</b>	<b>55,047</b>	<b>55,415</b>	<b>52,437</b>	<b>46,844</b>	<b>55,910</b>	<b>61,367</b>
<b>Cash was applied to:</b>							
Payments to staff & suppliers	26,715	28,982	29,175	31,477	30,314	30,728	31,886
Interest paid	856	987	1,038	1,786	1,470	1,777	2,149
GST payments	-	-	-	-	-	-	-
<b>Total</b>	<b>27,571</b>	<b>29,969</b>	<b>30,213</b>	<b>33,263</b>	<b>31,784</b>	<b>32,505</b>	<b>34,035</b>
<b>Net cash inflow (outflow) form operating activities</b>	<b>14,675</b>	<b>25,078</b>	<b>23,202</b>	<b>19,174</b>	<b>15,059</b>	<b>23,404</b>	<b>27,331</b>
<b>Cash from Investing Activities</b>							
<b>Cash was provided from:</b>							
Proceeds from sale of fixed assets	41	260	-	-	-	-	-
Proceeds from investments realised	-	1,340	(5,500)	(6,000)	(5,000)	(3,000)	(3,250)
<b>Total</b>	<b>41</b>	<b>1,600</b>	<b>(5,500)</b>	<b>(6,000)</b>	<b>(5,000)</b>	<b>(3,000)</b>	<b>(3,250)</b>
<b>Cash was applied to:</b>							
Payments to staff & suppliers	27,086	23,926	30,472	28,764	22,148	28,628	27,940
Interest paid	217	3,433	3,918	(6,132)	(3,019)	(3,069)	(3,858)
<b>Total</b>	<b>27,303</b>	<b>27,359</b>	<b>26,554</b>	<b>22,632</b>	<b>19,129</b>	<b>25,559</b>	<b>24,082</b>
<b>Net cash inflow (outflow) form operating activities</b>	<b>(27,262)</b>	<b>(25,759)</b>	<b>(3,205)</b>	<b>(28,632)</b>	<b>(24,129)</b>	<b>(28,559)</b>	<b>(27,333)</b>
<b>Cash from Financing Activities</b>							
<b>Cash was provided from:</b>							
Proceeds from borrowing	19,000	14,000	8,853	14,458	18,132	12,348	4,060
Tenant contributions received	-	-	-	-	-	-	-
<b>Total</b>	<b>19,000</b>	<b>14,000</b>	<b>8,853</b>	<b>14,458</b>	<b>18,132</b>	<b>12,348</b>	<b>4,060</b>
<b>Cash was applied to:</b>							
Repayment of borrowings	9,000	5,000	-	5,000	9,000	7,000	4,000
<b>Total</b>	<b>9,000</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>9,000</b>	<b>7,000</b>	<b>4,000</b>
<b>Net cash inflow (outflow) form financing activities</b>	<b>10,000</b>	<b>9,000</b>	<b>8,853</b>	<b>9,458</b>	<b>9,132</b>	<b>5,348</b>	<b>60</b>
Net increase (decrease) in cash held	(2,587)	8,319	1	-	62	193	58
Total cash at start of the year	3,921	1,334	2,018	9,669	2,151	2,213	2,406
<b>Total cash resources at end of the year</b>	<b>1,334</b>	<b>9,653</b>	<b>2,018</b>	<b>9,669</b>	<b>2,213</b>	<b>2,406</b>	<b>2,464</b>

## FINANCIALS

# SUMMARY STATEMENT OF FINANCIAL POSITION

ASSETS	AR 2019/20	AR 2020/21	LTP Yr 1 2021/22	AP 2022/23	LTP Yr 3 2023/24	LTP Yr 4 2024/25	LTP Yr 5 2025/26
<b>Current Assets</b>							
Financial Assets	9,019	17,307	13,600	17,723	16,768	17,125	16,842
Other Current Assets	309	550	110	132	110	110	110
<b>Total Current Assets</b>	<b>9,328</b>	<b>17,857</b>	<b>13,710</b>	<b>17,855</b>	<b>16,878</b>	<b>17,235</b>	<b>16,952</b>
<b>Non-Current Assets</b>							
Other Non-Current Assets	962,343	1,005,883	1,028,598	1,100,413	1,103,161	1,144,039	1,189,020
Financial Assets	669	970	650	-	650	650	650
<b>Total Non-Current Assets</b>	<b>963,011</b>	<b>1,006,853</b>	<b>1,029,248</b>	<b>1,100,413</b>	<b>1,103,811</b>	<b>1,144,689</b>	<b>1,189,670</b>
<b>TOTAL ASSETS</b>	<b>972,340</b>	<b>1,024,710</b>	<b>1,042,957</b>	<b>1,118,267</b>	<b>1,120,690</b>	<b>1,161,925</b>	<b>1,206,623</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Other Current Liabilities	7,889	7,063	7,072	6,490	7,729	8,169	8,513
Borrowings	5,000	2,000	3,000	11,000	7,000	4,000	2,000
<b>Total Current Liabilities</b>	<b>12,889</b>	<b>9,063</b>	<b>10,072</b>	<b>17,490</b>	<b>14,729</b>	<b>12,169</b>	<b>10,513</b>
<b>Non-Current Liabilities</b>							
Other non-current liabilities	747	1,332	911	923	919	923	927
Borrowings	30,000	42,000	50,853	50,495	64,365	72,714	74,774
<b>Total Non-Current Liabilities</b>	<b>32,558</b>	<b>43,322</b>	<b>51,764</b>	<b>51,418</b>	<b>65,284</b>	<b>73,637</b>	<b>75,701</b>
<b>TOTAL LIABILITIES</b>	<b>45,445</b>	<b>52,384</b>	<b>61,836</b>	<b>68,908</b>	<b>80,013</b>	<b>85,8096</b>	<b>86,214</b>
<b>EQUITY</b>							
Retained Earnings	348,243	354,457	368,331	378,031	376,155	385,381	399,039
Other Reserves	578,650	617,869	612,790	671,328	664,522	690,736	721,370
<b>TOTAL EQUITY</b>	<b>926,893</b>	<b>972,326</b>	<b>981,121</b>	<b>1,049,359</b>	<b>1,040,677</b>	<b>1,076,117</b>	<b>1,120,409</b>

## FINANCIALS

# FUNDING IMPACT STATEMENT

	AR 2019/20	AR 2020/21	LTP Yr 1 2021/22	AP 2022/23	LTP Yr 3 2023/24	LTP Yr 4 2024/25	LTP Yr 5 2025/26
<b>Sources of Operating Funding</b>							
General rates, uniform annual general charges, rates penalties	8,610	8,650	10,111	12,011	11,888	12,890	14,112
Targeted rates (other than a targeted rate for water supply)	15,727	16,073	16,917	17,924	19,144	20,034	20,952
Subsidies and grants for operating purposes	5,299	8,315	5,394	5,534	5,736	6,037	6,212
Fees, charges, and targeted rates for water supply	3,206	3,455	3,977	4,643	4,213	4,337	4,467
Interest and dividends from investments	90	105	18	10	28	76	76
Local authorities fuel tax, fines, infringement fees, and other receipts	645	1,196	299	372	315	323	366
<b>Total Operating Funding (A)</b>	<b>33,578</b>	<b>37,794</b>	<b>36,716</b>	<b>40,494</b>	<b>41,324</b>	<b>43,697</b>	<b>46,185</b>
<b>Applications of Operating Funding</b>							
Payments to staff and suppliers	28,105	29,202	29,176	31,477	30,588	31,152	32,213
Finance Costs	1,680	(297)	1,038	1,786	1,470	1,777	2,149
<b>Total applications of operating funding (B)</b>	<b>29,784</b>	<b>28,905</b>	<b>30,214</b>	<b>33,263</b>	<b>32,058</b>	<b>32,929</b>	<b>34,362</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,794</b>	<b>8,889</b>	<b>6,502</b>	<b>7,231</b>	<b>9,266</b>	<b>10,768</b>	<b>11,823</b>
<b>Sources of Capital Funding</b>							
Subsidies and grants for capital expenditure	8,996	16,475	16,699	11,943	5,731	12,443	15,448
increase (decrease) in debt	10,000	9,000	8,853	9,458	9,132	5,348	60
Gross proceeds from sale of assets	-	-	-	-	-	-	-
Other dedicated Capital funding	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>18,996</b>	<b>25,475</b>	<b>25,552</b>	<b>21,401</b>	<b>14,863</b>	<b>17,791</b>	<b>15,508</b>
<b>Applications of Capital Funding</b>							
Capital Expenditure:	-	-	-	-	-	-	-
- to meet additional demand	-	395	532	608	653	721	1,654
- to improve the level of service	10,333	8,034	9,465	6,744	8,418	7,941	3,078
- to replace existing assets	16,575	15,675	20,475	21,413	13,078	19,966	23,207
Increase (decrease) in reserves	(4,118)	10,258	(3,918)	(6,132)	(3,019)	(3,069)	(3,858)
Increase (decrease) of investments	-	-	5,500	6,000	5,000	3,000	3,250
<b>Total applications of capital funding (D)</b>	<b>22,790</b>	<b>34,362</b>	<b>32,054</b>	<b>28,633</b>	<b>24,130</b>	<b>28,559</b>	<b>27,331</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,794)</b>	<b>(8,888)</b>	<b>(6,502)</b>	<b>(7,232)</b>	<b>(9,266)</b>	<b>(10,768)</b>	<b>(11,823)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FINANCIALS

# MAJOR CAPITAL PROJECTS

GROWTH	Total	AR 2019/20	AR 2020/21	LTP Yr 1 2021/22	AP 2022/23	LTP Yr 3 2023/24	LTP Yr 4 2024/25	LTP Yr 5 2025/26
<b>Stormwater</b>								
Stormwater reticulation network extensions	691	85	50	70	93	127	131	135
<b>Stormwater Total</b>	<b>691</b>	<b>85</b>	<b>50</b>	<b>70</b>	<b>93</b>	<b>127</b>	<b>131</b>	<b>135</b>
<b>Wastewater</b>								
Wastewater reticulation network extensions	1,478	100	50	250	259	265	273	281
<b>Wastewater Total</b>	<b>1,478</b>	<b>100</b>	<b>50</b>	<b>250</b>	<b>259</b>	<b>265</b>	<b>273</b>	<b>281</b>
<b>Water Supplies</b>								
Water reticulation network extensions	1,201	70	70	200	207	212	218	224
<b>Water Supplies Total</b>	<b>1,201</b>	<b>70</b>	<b>70</b>	<b>200</b>	<b>207</b>	<b>212</b>	<b>218</b>	<b>224</b>
<b>Growth Grand Total</b>	<b>3,370</b>	<b>255</b>	<b>170</b>	<b>520</b>	<b>559</b>	<b>604</b>	<b>622</b>	<b>640</b>

## LEVEL OF SERVICE

<b>Stormwater</b>								
District Stormwater development	1,549	657	30	150	155	181	185	191
<b>Stormwater Total</b>	<b>1,549</b>	<b>657</b>	<b>30</b>	<b>150</b>	<b>155</b>	<b>181</b>	<b>185</b>	<b>191</b>
<b>Wastewater</b>								
Pahiatua Wetland Development	775	200	-	-	564	11	-	-
Pahiatua Treatment Plant upgrade	1,285	-	-	-	114	1,062	109	-
Dannevirke Land Disposal consent	168	-	-	-	-	-	-	168
Dannevirke Land Purchase/ Land Irrigation	3,359	-	-	-	-	-	3,359	-
Dannevirke Dewatering / Sludge press process	311	-	-	-	311	-	-	-
Dannevirke Waste Water Treatment Plant Upgrade	518	-	-	-	518	-	-	-
Woodville Wetland Development	1,551	-	-	-	83	945	523	-
Woodville Treatment Plant upgrade	1,059	-	-	-	114	945	-	-
Pongaroa Treatment Upgrade	140	140	-	-	-	-	-	-
<b>Wastewater Total</b>	<b>9,166</b>	<b>340</b>	<b>0</b>	<b>0</b>	<b>1,704</b>	<b>2,963</b>	<b>3,991</b>	<b>168</b>
<b>Water Supplies</b>								
Pahiatua Water Membrane treatment plant	4,000	4,000	-	-	-	-	-	-
Water Leakage Strategy and Implementation	450	300	50	100	-	-	-	-
Pongaroa Treatment Plant Stage 2	100	100	-	-	-	-	-	-
Dannevirke Water alternate source	104	-	-	-	104	-	-	-
Norsewood Treatment Plant and pipeline	1,604	-	-	-	-	1,168	436	-
<b>Water Supplies Total</b>	<b>6,258</b>	<b>4,400</b>	<b>50</b>	<b>100</b>	<b>104</b>	<b>1,168</b>	<b>436</b>	<b>0</b>

	Total	AR 2019/20	AR 2020/21	LTP Yr 1 2021/22	AP 2022/23	LTP Yr 3 2023/24	LTP Yr 4 2024/25	LTP Yr 5 2025/26
<b>Roading &amp; Footpaths</b>								
Minor Safety Improvements	8,960	1,200	1,812	700	1,547	1,041	1,311	1,349
Pahiatua Main Street Upgrade	4,707	2,145	2,562	-	-	-	-	-
<b>Roading &amp; Footpaths Total</b>	<b>13,667</b>	<b>3,345</b>	<b>4,374</b>	<b>700</b>	<b>1,547</b>	<b>1,041</b>	<b>1,311</b>	<b>1,349</b>
<b>Communities and recreations Facilities</b>								
Dannevirke Sports Centre extension	480	-	-	-	-	26	388	66
<b>Communities and recreations Facilities Total</b>	<b>480</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>388</b>	<b>66</b>
<b>Level of Service Grand Total</b>	<b>31,120</b>	<b>8,742</b>	<b>4,454</b>	<b>950</b>	<b>3,510</b>	<b>5,379</b>	<b>6,311</b>	<b>1,774</b>

## RENEWAL

### Wastewater

Wastewater Reticulation renewals	4,641	400	676	600	673	743	763	786
Dannevirke Inverted Syphon	1,242	-	-	-	1,242	-	-	-
Dannevirke Discharge consents	726	-	-	-	-	-	109	617
"Dannevirke STP Replacement inflow screen, roofing, fencing, mobile septic tank"	311	-	-	-	311	-	-	-
Infiltration Strategy and Implementation	3,995	903	25	50	725	743	763	786
Wastewater Total	10,915	1,303	701	650	2,951	1,486	1,635	2,189
<b>Wastewater Total</b>	<b>8,204</b>	<b>1,303</b>	<b>701</b>	<b>650</b>	<b>1,350</b>	<b>1,400</b>	<b>1,400</b>	<b>1,400</b>

### Water Supplies

Reticulation Water Mains Renewals	4,935	600	720	650	673	743	763	786
Dannevirke Intake pipeline between impounded supply & No2 Res	2,648	-	-	-	837	881	930	-
Dannevirke Intake pipeline - No2 reservoir and Adelaide Road	511	-	-	-	-	-	-	511
<b>Water Supplies Total</b>	<b>8,094</b>	<b>600</b>	<b>720</b>	<b>650</b>	<b>1,510</b>	<b>1,624</b>	<b>1,693</b>	<b>1,297</b>

### Roading & Footpaths

Route 52 Boundary to Weber	10,288	-	-	8,030	2,258	-	-	-
Drainage renewals	4,252	550	550	599	617	636	641	659
Pavement Rehabilitation	12,373	1,625	1,800	1,700	1,753	1,806	1,818	1,871
Sealed Roads Resurfacing	15,741	2,225	2,255	1,992	2,061	2,129	2,503	2,576
Unsealed Road Metalling	4,904	880	1,000	579	597	615	608	625
Emergency Reinstatement	6,579	900	900	900	928	956	983	1,012
Footpath renewals	2,338	325	392	255	263	271	410	422
Bridge renewals	2,220	250	250	213	306	210	710	281
Structures Component Replacements	1,992	200	200	277	309	312	342	352
<b>Roading &amp; Footpaths Total</b>	<b>60,687</b>	<b>6,955</b>	<b>7,347</b>	<b>14,545</b>	<b>9,092</b>	<b>6,935</b>	<b>8,015</b>	<b>7,798</b>

	Total	AR 2019/20	AR 2020/21	LTP Yr 1 2021/22	AP 2022/23	LTP Yr 3 2023/24	LTP Yr 4 2024/25	LTP Yr 5 2025/26
<b>Communities and recreations Facilities</b>								
Pahiatua pool replacement	602	2	500	100	-	-	-	-
Dannevirke Sports Centre Stadium renewals	245	-	-	-	-	245	-	-
<b>Communities and recreations Facilities Total</b>	<b>847</b>	<b>2</b>	<b>500</b>	<b>100</b>	<b>0</b>	<b>245</b>	<b>0</b>	<b>0</b>
<b>Support</b>								
Pahiatua Service Centre Building	1,382	466	900	-	-	-	-	16
<b>Support Total</b>	<b>1,382</b>	<b>466</b>	<b>900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>
<b>Renewal Grand Total</b>	<b>81,925</b>	<b>9,326</b>	<b>10,168</b>	<b>15,945</b>	<b>13,553</b>	<b>10,290</b>	<b>11,343</b>	<b>11,300</b>



# WHERE DO YOUR RATES GO?

Every \$100 collected is allocated to these services.

This graphic shows the range of services that the 2022/23 rates will go towards. Some of them may not be obvious to you. In total, rates make up about 60% of the Council's annual income.





**Dannevirke Service Centre**

26 Gordon St, Dannevirke  
PO Box 115, Dannevirke 4942  
Ph: 06 374 4080 (24 hours)

**Woodville Service Centre & Library**

45 Vogel St, Woodville  
Ph: 06 376 0200 (24 hours)

[info@tararua.govt.nz](mailto:info@tararua.govt.nz)

**Pahiatua Service Centre**

136 Main Street, Pahiatua  
Ph: 06 376 0110 (24 hours)

**Eketāhuna Service Centre & Library**

31 Main Street, Eketāhuna  
Ph: 06 376 0219 (24 hours)

[www.tararua.govt.nz](http://www.tararua.govt.nz)

