



ATTACHMENTS

**Ordinary Council Meeting
Under Separate Cover**

Wednesday, 26 June 2024

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TŌ WĀHI, TŌ MAHERE

YOUR PLACE, YOUR PLAN

Masterton District Council Long-Term Plan 2024-34



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MESSAGE FROM THE MAYOR Te Karere nā te Koromatua

Kia ora Masterton!

E ngā iwi, e ngā mātāwaka o Whakaoriori, tēnā koutou katoa.

Welcome to Masterton District Council's Long-Term Plan (LTP) for 2024-34 – *Your Place, Your Plan*.

The Plan sets out the key projects and 'business as usual' activities we have planned for the next 10 years.

As a Council, when finalising this plan, we were acutely aware of the financial pressures that many in our community are facing in the current economic climate.

That was highlighted by the number of submissions we received during consultation on the draft LTP – nearly 850, more than double our usual number.

Value for money was therefore front of mind as we deliberated on submissions and finalised the LTP.

Significant changes were made in response to submissions. The Council's preferred option during consultation was to spend \$42.6 million on demolishing the existing earthquake-prone Town Hall and Municipal Buildings, retaining the Municipal Building façade at a cost of nearly \$2 million, and expanding Waiata House.

The outcome of deliberations was to include the façade in the demolition, and limit expenditure on the new Town Hall building to \$25 million.

The Council's Waiata House office will be expanded, at a cost of \$8.7 million, to accommodate Civil Defence, customer services, a Council Chamber, public meeting rooms and a lab for use by environmental services staff.

Demolishing the façade was not an easy decision. Though the majority of submissions did not support its retention, we know some of the community put a high value on it. But the majority of councillors felt the cost was not justified.

We are aware of the need to limit the impact on ratepayers as much as possible, but at the same time we must keep Masterton moving to grow and attract residents and businesses with top quality infrastructure.

That approach will see us spending \$10.75 million to upgrade and expand our library.

The library is a key part of our community. We will deliver a modern library space, with room for programmes, community events, and activities, including a creative classroom, work room, and open-plan office space.

Again, we have taken steps to limit costs. Land will be retained to accommodate the Wairarapa Archive, if that is a decision in the future.

Of course, the bulk of Council expenditure in the next 10 years will be spent on road and water infrastructure – our 'business as usual'.

That includes nearly \$400 million on roading, \$7.4 million on footpaths, \$135 million on water supply, \$123 million on wastewater, and \$28 million on stormwater.

Masterton has been growing steadily, with an increasingly diverse population, creating opportunities and challenges that need careful planning.

This Council is committed to focusing on ensuring essential infrastructure is up to scratch, but we also want to provide opportunities for growth and innovation.

The future holds uncertainties too. Climate impacts, global economics, and regional migration that will impact Masterton and stretch our resources.

Our LTP puts in place actions to allow us to adapt to future challenges as we need to, such as building more water storage, while also keeping front of mind that it is essential we provide value for money for our ratepayers.

Thank you to those who have had their say to help us deliver your plan for your place.

Ngā mihi

PURPOSE OF THE LONG-TERM PLAN Te Aronga o Mahere Tautini

The Long-Term Plan 2024-34 (LTP) outlines what we intend to do over the next 10 years to work toward our long-term vision and the outcomes that we want to achieve for our community.

It includes details about the services we will deliver, the projects we will undertake, how much we will spend, how we will pay for everything and how we will measure success. This information provides the basis of our accountability to the community.

The LTP is a key part of our planning and reporting cycle. We prepare a new LTP every three years, providing a blueprint for the following 10 years.

In the two years between each LTP, we produce an Annual Plan. The Annual Plan provides an opportunity to review our work programme and respond if change is needed.

At the end of every year we will produce an Annual Report. As our key accountability document, the Annual Report will let you know how well we performed against what was set in the LTP and our Annual Plans.

We deliver a wide range of services for our community, and this plan will affect all residents and ratepayers.

This LTP is for you, our community: Tō Wāhi, Tō Mahere - Your Place, Your Plan.



OUR FUTURE DIRECTION

Ahutahi ki Mua



What this looks like in practice		
Focus area	Priorities	Related projects/actions
OUR PEOPLE - living their best lives	Partnering with mana whenua	<ul style="list-style-type: none"> Iwi appointees to Council committees and working groups Reviewing Memoranda of Partnerships Developing our cultural competency Mana Whenua/Climate Resilience Project Mākoura Stream Eco-Corridor Project
	Community led, council supported	<ul style="list-style-type: none"> Community grants and funding Supporting community-led projects and events
	Embracing social and cultural inclusivity	<ul style="list-style-type: none"> Rangatahi Strategy implementation Positive Aging Strategy facilitation Community development activities and events Library programmes and activities Celebrating diversity Including and involving our community - Disability Advisory Group, Rural Advisory Group, Youth Council, Climate Advisory Group.
OUR PLACE - getting the basics right	Delivering efficient and effective services	<ul style="list-style-type: none"> Section 17A reviews for solid waste, Trust House Recreation Centre, Mawley Park and our parks operations and maintenance Roading Prioritisation Strategy Review of Customer Services
	Improving our infrastructure	<ul style="list-style-type: none"> Roading Prioritisation Plan Wastewater and stormwater improvements Increasing water storage Implementing the Wairarapa Water Resilience Strategy Developing the Storm and Wastewater Strategy Hood Development Three waters/roading renewals and maintenance programmes
	Valuing our community and open spaces	<ul style="list-style-type: none"> New Town Hall Library expansion Town Centre improvements Trust House Recreation Centre maintenance and improvement Future of Henley Lake and the Lake of Remembrance Sports and Facilities Strategy
OUR FUTURE - achieving our potential	Realising our strengths and opportunities	<ul style="list-style-type: none"> Promoting our district via funding for Destination Wairarapa Dark Skies Project Economic Development/Wairarapa Economic Development Strategy (WEDS) Wellington Regional Leadership Committee (WRLC) economic, growth and climate workstreams Hood Aerodrome development Advocating for improved transport links.
	Enabling positive growth and development	<ul style="list-style-type: none"> Growth Strategy/Spatial Plan Roading Prioritisation Plan Coastal Management Plan Wairarapa District Plan review Wastewater and stormwater improvements Increasing water storage
	Responding to climate change and building resilience	<ul style="list-style-type: none"> Increasing our water storage capacity Wairarapa Water Resilience Strategy Wastewater and stormwater improvements Climate Change Action Plan Emissions Reduction Plan WRLC Climate Action and Adaptation Plan Coastal Management Plan Street Tree Strategy review Roading Prioritisation Strategy

KEY STRATEGIES

Our strategic direction is centred around our people, our place and our future and will be achieved by working together.

Three key strategies provide direction for our Long-Term Plan (LTP). These strategies focus on our infrastructure, our finances and the wellbeing of our people.

Our Wellbeing Strategy *He Hiringa Tangata, He Hiringa Whenua - Our People, Our Land* has provided direction to support social, cultural, environmental, and economic development since it was adopted in 2018. This strategy has had a tangible impact on the wellbeing of our people, now and for the future. In this LTP cycle we will be reviewing this Strategy to ensure it keeps delivering for our community.

Sitting alongside, and at the same time supporting, *He Hiringa Tangata, He Hiringa Whenua* are our Infrastructure and our Financial Strategies.

We are working toward building a better Masterton/Whakaoriori. We want our people to live their best lives. We want to get the basics right. And we want to be looking to the future to achieve our potential and enhance the wellbeing of our community.

Our LTP outlines what we are going to do in the next ten years to implement these strategies and progress toward our community outcomes and vision.

New strategies that we are currently developing and/or will be developing in the first three years of this Plan include:

- Growth Strategy/Spatial Plan - to consider and shape how we grow and develop as a district.
- Roading Prioritisation Strategy - to help us prioritise roading maintenance and renewals across the district.

Stormwater and Wastewater Strategy for Cockburn/Taranaki Streets - to provide a roadmap for improving stormwater and wastewater infrastructure in this area of town.

- Sports and Facilities Strategy - to consider usage and needs, and explore the potential for sports 'hubs'.
- Parking Strategy - to guide us in managing parking in the CBD.

Strategies that are scheduled for review in the first three years of this Plan include:

- Our wellbeing strategy - *He Hiringa Tangata, He Hiringa Whenua - Our People, Our Land* - the review will help inform our Growth Strategy/Spatial Plan and our 2027-37 LTP.
- Arts, Culture and Heritage Strategy
- Positive Ageing Strategy
- Cycling Strategy.

Our Financial Strategy and our Infrastructure Strategy are included in this document on [page 18](#) and [page 31](#). Our Wellbeing Strategy, *He Hiringa Tangata, He Hiringa Whenua*, is available on our website [here](#).

HIGHLIGHTS FROM OUR LONG-TERM PLAN

Ngā Tīpako Matua o Te Mahere Tautini

CONVERSATIONS WITH OUR COMMUNITY

This plan is the result of ongoing conversations that we have had as a community since the adoption of the last Long-Term Plan (LTP) in 2021.

In mid-2022 and again in mid-2023 we asked for your feedback on Council services to help shape our LTP. Your feedback was considered when we set our service levels and confirmed projects to be included in the Consultation Document that was adopted on 3 April 2024.

Formal consultation began on Friday 5 April 2024 and closed on Monday 6 May 2024. All submissions received were taken into consideration, along with feedback from our community through 'kanohi ki kanohi' (face to face) engagement sessions, social media and via the submission hearings.

During the consultation period there were:

- A range of 'kanohi ki kanohi' (face to face) engagement activities attended or hosted by elected members and staff. These included weekly 'Mayor in the Chair' sessions, 'pop-ups' in the Library and at the Thursday night Food Trucks, regular 'town crier' appearances around the CBD over busier lunch time periods, presentations at a range of community meetings, hosted targeted meetings including a dedicated session for Iwi/ Māori and a Town Hall session that attracted close to 50 attendees.
- Direct emails sent to our ratepayer email database (5,767 people), local clubs and organisations, and local schools with year 9-13 students; and targeted communications with Iwi/ Māori.
- Visual 'what on this spot' signposting on the Town Hall, Library and in Queen Street, posters promoting participation were distributed to iwi organisations, a series of posters aimed at younger audiences were co-designed and distributed by Masterton Youth Councillors to their schools, and handy 'Have your Say' cards pointing people to the online LTP resources were distributed alongside one-page A3 flyers and a hard-copy full Consultation Document.
- Media advertisements in the Wairarapa Midweek and Wairarapa Times Age, across all local commercial radio stations, on digital platforms and apps, and on TVNZ+ for local audiences.
- Key statistics include:
 - 62,700 Facebook impressions, with 18,300 reach, and 248 content interactions
 - 931 Instagram impressions, with 119 content interactions.
 - 2,593 MDC LTP webpage visits
 - 217,278 Google Display impressions, generating 1,091 clicks (0.5% CTR)
 - 79,337 YouTube impressions, generating 22,830 full video views of the in-house created LTP advert.
- Targeted emails were also sent to community groups that had previously received funding through the LTP process to advise them of the proposed change to funding arrangements and engagement was undertaken with residents at Panama Village regarding the proposal to increase senior housing rents.

We received 836 submissions with 89 submitters requesting to speak with Council and 78 participating in the Hearings held over 22 - 24 May 2024. Feedback from the hearings and submissions received were considered when Council finalised this plan.

Two broad themes emerged in the submissions:

Affordability

We have heard growing concern about the current economy and impact the cost of living crisis is having on our community. Affordability was a broad theme across submissions, and has been a key consideration in this LTP.

Submitters noted the current economic environment and cost of living crisis people in our community are facing, with specific references to pensioners, disabled people, people with mortgages (noting high interest rates) and people on lower and/or fixed incomes. Many of the outcomes associated with a lack of affordability, such as not being able to access good housing or enough food, are recognised as 'social determinants of health' in that they can have long lasting and compounding impacts on the health and wellbeing of individuals and whānau.

Council recognised affordability challenges for both our community and Council services/activities as the options and budgets for the 2024-34 LTP Consultation Document were developed. Some submitters acknowledged Council's efforts to scale back projects and/or identify areas of cost saving.

Planning for the Future including Growth and Climate Change/Resilience

Conversations about community resilience and climate change were heightened in the period following Cyclone Gabrielle. Our collective knowledge and understanding of these challenges continues to grow.

Submitters advocated for planning for the future, for growth, climate change and resilience, especially in relation to three waters; roading infrastructure; and our parks, reserves and other public spaces.

The Growth Strategy/Spatial Plan Council has committed to commencing in Year 1 will consider where and how we grow and develop, including consideration of infrastructure needs, green spaces and recreational facilities. Policy development on service prioritisation and climate change adaptation is also in progress; and Council will take climate change and resilience into consideration through its operational delivery.

FINAL OUTCOME OF THE 'BIG DECISIONS'

Four key proposals were outlined in the Consultation Document. We referred to them as the four 'Big Decisions'. Final decisions on these proposals were made at the Council's deliberations meeting held on 5 June 2024.

Big Decision One: TOWN HALL, LIBRARY AND ARCHIVE - TE HŌRO NUI, TE WHARE PUKAPUKA ME TE PŪRANGA KŌRERO

We consulted on options for the future of the Town Hall, Library and Archive and have made the decision to demolish the existing Town Hall and Municipal Buildings, including the façade, and build a new multi-purpose Town Hall on the current site, with a total budget of no more than \$25 million. We acknowledge it is a difficult decision to demolish the façade but the cost to maintain it at \$2 million is substantial. We will work with the architects to ensure we incorporate elements of the old Town Hall in the new Town Hall facility, including salvaging materials during the demolition phase that can be re-used in the new build.

Council's Waiata House office will be expanded, at a cost of \$8.7 million, to accommodate Civil Defence, customer services, a Council Chamber, public meeting rooms and a lab for use by environmental services staff.

In line with the Council's preferred option for consultation, we will upgrade and expand the library at a cost of \$10.75 million. We will consider a further extension to include the Archive in the future.

Big Decision Two: TOWN CENTRE IMPROVEMENTS - NGĀ WHANAKETANGA KI TE POKAPŪ TĀONE

We will progress the Council's preferred consultation option and complete essential work to improve water and roading infrastructure (including footpaths) in the Town Centre, with no other improvements to Queen Street. The 'look and feel' of the Town Centre will essentially remain as it is now.

Big Decision Three: CHANGES TO COUNCIL FUNDING - NGĀ PANONITANGA KI NGĀ TAHUA KAUNIHERA

We consulted on a proposed change to community funding which would have seen all funding considered as part of one annual contestable funding round. Having considered submissions Council agreed to maintain the current approach for the 2024-34 LTP. The current 'mixed model' approach allows for requests for single or multi-year funding to be considered in alignment with the LTP cycle, as well as having an annual contestable funding round.

Big Decision Four: CHANGES TO SERVICES - NGĀ PANONITANGA KI NGĀ RATONGA

We consulted on a range of proposed changes to services. Having considered feedback from our community we agreed to:

- Reduce Wairarapa Economic Development Strategy (WEDS) funding by 20 per cent compared to 2023/24 - this reduces funding from \$100,000 to \$80,000, saving \$20,000.
- Cease funding for regional Walking and Cycling facilitation, saving \$35,000 per year.
- Continue funding for regional Positive Ageing facilitation at a cost of \$40,500 per year.
- Seek further external funding for Welcoming Communities facilitation beyond 2025 when current funding expires.
- Increase the Community-Led Climate Initiatives Fund from \$50,000 to \$100,000, rather than funding climate activation facilitation beyond April 2026 when external funding ceases.

OTHER CHANGES

A number of changes were made through Council's deliberations process in response to community feedback and/or new information that emerged after the Consultation Document was finalised. Key changes includes:

- The roading budget assumes a 56% co-funding subsidy from Waka Kotahi/NZTA on all work submitted in the 3 year subsidised roading programme. However Waka Kotahi/NZTA have only endorsed the allocation of \$43.4 million, leaving \$14.9 million worth of work yet to be endorsed. Confirmation of any additional subsidy is not expected until August 2024, but for the purposes of completing our LTP and delivering our roading asset management plan we have assumed the full subsidy will be confirmed. If the Waka Kotahi/NZTA funding is less than we have anticipated we will reduce our roading programme in year 1 by some \$900k and reassess what can be delivered in Years 2 and 3 via the Annual Plans. Specific items not currently confirmed as being subsidised are the Mataikona Road upgrading project (Years 2 & 3), the regional road safety programme, local safety improvements and the footpath renewals and maintenance budgets.
- Insurance premiums are forecast to increase more than allowed for in the draft LTP budgets, particularly LAPP disaster cover and material damage insurance. An average of 15% increase on premiums has been allowed for in the proposed budgets.
- A number of capex projects have been moved into 2024/25 with associated reductions in interest and depreciation costs in Year 1. This includes:
 - Solid Waste Transfer Station concrete pad renewal \$250,000
 - Youth Hub and Skatepark Toilets \$200,000
 - Animal Shelter \$2,200,000
 - Henley Lake Playground \$250,000
 - Hood Aerodrome - the timing of the airport upgrade project has changed due to construction delays. A total of \$5.2 million project cost has been carried forward from 2023/24 and added to Year 1. The capital budget is now planned as Year 1 \$8.74 million and Year 2 \$3.21 million. External funding of \$7.78 million will be utilised, with the balance funded by debt as signalled in the draft LTP budget.
 - Rural Roding Cyclone Recovery works that carry over into Year 1 need to increase by \$0.53m to a new total \$6.711m. NZTA subsidy on this work has been confirmed.
 - Pool Vehicle Replacement - due to late delivery of the preferred model, a portion of the 2023/24 budget is carried forward (\$55,000 in the capex budget, funded ex depreciation reserves).

RESPONDING TO KEY CHALLENGES

Te Hiki Roa

Affordability

Affordability was a key theme in submissions received on the 2024-34 LTP. The current economic environment and cost of living crisis is impacting our community. This was considered during the development of the 2024-34 LTP with Council reducing the scope of many key projects that had been included in the 2021-31 LTP including reducing the scope of the Town Hall and Town Centre Improvement projects. The intent of the reduced scope for these projects has been to keep rates across the ten years as affordable as possible while still making progress and improving our town and district. Through the decisions made we have achieved an average rates increase of 9.6% in Year 1 which comes after taking account of 1.85% growth in the rating base. This is amongst the lowest rate increases in the Wellington region.

The Statement of Revenue and Expense shows an accounting surplus in all years of the LTP. This achieves the requirement for a balanced budget. The surplus in the first five years of the LTP includes a number of one-off revenue items that will fund capital expenditure. The Balanced Budget benchmark graph on page 152 of the Long-Term Plan excludes revenue from financial contributions and some other one-off revenue and it shows the balanced budget is still achieved.

The last LTP saw Council smooth rates increases by internally borrowing from reserves and building in repayment of those reserves in later years. This approach has been scaled right back for the 2024-34 LTP to the extent that only Years 1 & 2 feature any borrowing from reserves to suppress the rates increases. In Year 1 it amounts to 1.15% of total rates and is eliminated by Year 3. The repayment of the reserves is allowed for in Years 5 to 10.

Climate Change and Resilience

A broad theme amongst submissions was the need to plan for our future, including for climate change and resilience. We know our community see climate change as one of the biggest challenges facing us now and for our future generations. Cyclone Gabrielle raised awareness of the potential implications of climate change and heightened the need for climate action and to build our resilience as a community. One of the five strategic directions in our Wellbeing Strategy, *He Hiringa Tangata, He Hiringa Whenua*, is to "Address current and future impacts of climate change". Some of our key actions include:

- Progressing our climate work programme that includes actions to better respond to local opportunities, challenges, and requirements of the Climate Change Response (Zero Carbon) Amendment Act 2019.
- Implementing the Climate Action Plan (CAP) that we developed with a community forum. The CAP was adopted by the Council in 2022 and includes 76 actions that we can do together as a community to respond to climate change challenges.
- Implementing our Corporate Carbon Emissions Reduction Plan, which sets out a range of actions to decrease the Council's carbon footprint.
- Working with the Community Advisory Group (CAG) established in 2023 to provide advice and guidance to Council on climate related matters, and to make recommendations to Council on applications to the Community Climate Fund.

- Our infrastructure asset management plans, and infrastructure strategy, have considered climate change when planning for the future. Key immediate responses are the Growth Strategy/Spatial Plan scheduled for Year 1 and improving our water resilience. The Roding Prioritisation Strategy and Storm and Wastewater Strategy will also help us better plan and prioritise related work.
- Through the District Plan review, we have also considered options and tools to support climate change resilience. The proposed plan includes actions such as requiring water storage tanks that have been suggested by our community in previous consultation processes.
- Through our Community Climate Fund, and other community funding, we also support organisations that support environmental education and outcomes for our community, such as Enviroschools.

Water Resilience

We know having enough water to meet our basic needs is vital for our community. Water resilience was discussed in submissions on this LTP and has also been raised in previous engagement and submission processes. We continue to receive feedback that supports Council taking action to make sure our community is resilient when it comes to water, and we are acting on that:

- The three Wairarapa councils have jointly developed a Water Resilience Strategy and we are working together with Greater Wellington Regional Council to implement this.
- We have included funding in the LTP to provide for more water storage by constructing larger raw water storage ponds at the Kaituna water treatment plant in years 2 to 4 (\$8.4 million) and through the addition of more treated water storage (a new reservoir) in years 3 and 4 (\$7.9 million).
- Leak detection and remediation will continue through our water renewals programme. We will also be renewing the trunk mains that carries bulk water into the urban area; and the water main in the CBD as part of the Town Centre Improvement Plan.
- Water meters have been installed on properties in the urban area and the information these provide will help to encourage users to identify leaks on private property and encourage responsible water use. We will be starting work on the development of an equitable charging regime for the water meters in Year 1.
- Through the District Plan review, we have also considered options and tools to support water conservation and resilience. For example, the proposed plan includes domestic water storage requirements.

Cyclone Gabrielle Recovery

Cyclone Gabrielle and other severe weather events had a big impact on our community over the three years since we adopted the 2021-31 LTP. We have taken action to support recovery for our community and continue to work towards building our resilience. In the 2024-34 LTP we have included provision for:

- Completing restoration work on roads that were impacted by Cyclone Gabrielle and earlier weather events.
- Rebuilding our Roding Storm Damage Fund.
- Developing a Roding Prioritisation Strategy.
- Developing a Stormwater and Wastewater Strategy to provide a roadmap for improving infrastructure in the Cockburn and Taranaki Street areas.
- Ongoing work by our shared Wairarapa Recovery Office to support the region's resilience and complete the buy-out process of the houses and land that were severely affected by the 2023 weather events.

MĀORI PARTICIPATION IN DECISION MAKING

Te Hononga Whakahaere ki te Iwi Māori

Masterton District Council is committed to strengthening and maintaining opportunities for greater decision-making between Council and mana whenua that go beyond legislative requirements. Council has iwi representation at the governance table and will continue to work with Rangitāne o Wairarapa and Ngāti Kahungunu ki Wairarapa to strengthen relationships and increase opportunities for meaningful partnerships and more co-governance. Council is also committed to maintaining and improving mechanisms to encourage, enable and support broader Māori involvement in our decision-making processes.

What we do now:

- We established a Māori Ward in 2021 with Councillor Marama Tuuta elected as our first Māori Ward Councillor in October 2022.
- Iwi representatives are also appointed to council committees to provide an iwi/mana whenua perspective on Council decision making and to further enhance the ways in which we work together with iwi and our Māori communities. Iwi representatives from Rangitāne o Wairarapa and Ngāti Kahungunu ki Wairarapa were first appointed in 2016. In October 2022 appointments to the Infrastructure and Services Committee, Audit and Risk Committee and Awards and Grants Committee were reconfirmed for the current triennium. Iwi representatives have full speaking and voting rights on these committees. Representatives also participate in Council meetings with speaking rights.
- Council proactively seek advice from iwi on matters of particular interest to Māori, including resource consent processes and the development of community strategies and policies. Council working groups include iwi and/or Māori representation and iwi/Māori have been part of the working group planning for the new Town Hall.
- We acknowledge the importance of water and the environment for Māori and are working with mana whenua on two projects funded through the Three Waters Better Off Funding that deliver on environmental outcomes: the Mana Whenua Climate Change Project and the Eco Corridor Project (biodiversity planting and fish passage installation) on the Makoura Stream. Council's Homebush Working Group and the District Plan review also include iwi representation.
- We are continuing to progress work with Iwi, Hapū, Marae, and Hapori Māori on an engagement framework to strengthen relationships, increase the potential for co-design opportunities, enable better outcomes/quality of advice/quality of decisions, build internal capability, give effect to our community outcomes and support the implementation of some of Council's key strategies.
- We are committed to ensuring that there are staff at Council with expertise and knowledge of Māori world views. We have a dedicated Pou Ahurea (Māori Director/Advisor) who is a member of our Executive Leadership Team who has responsibilities for contributing to the development of the Council's capacity to engage with Māori, include Māori and facilitate Māori involvement and participation in decision making processes.
- Annual funding is provided to mana whenua to support capacity building.

We intend to continue building on what we do now over the 10 years of this LTP. Actions and initiatives in this LTP include:

- Continuing to develop and progress Iwi, Hapū, Marae, and Hapori Māori Engagement to better involve and engage Māori in our decision-making processes.
- Exploring and pursuing opportunities for partnership and collaboration on social, cultural, environmental, and economic development related projects such as housing, climate change action, and other projects identified as part of the implementation of Council strategies.
- Building the cultural capacity of elected members and staff through actions such as Te Tiriti o Waitangi (Treaty of Waitangi) workshops, te reo Māori classes, development of a te reo Māori policy and development of bilingual signage guidelines; and implementing a new cultural competency framework.
- Providing funding for marae improvements through Council's Marae Development Fund.

FINANCIAL STRATEGY

Introduction

This financial strategy sets the overall direction for the Council's finances over the next ten years. The approach is consistent with the financial management of the Council outlined in previous Long Term Plans. Our approach for prudent financial management includes:

- spreading the cost across today's and tomorrow's users (inter-generational equity)
- having capacity to fund our future capital expenditure programme
- responsibly managing our reserves and investments to meet the inter-generational equity principle
- funding the costs of growth.

We prepare detailed plans every year and a 10-year plan and review of our funding and financial policies every three years. We produce summary versions of those plans for our community and ratepayers, and we consult about what we plan to do. We report against those plans every year through our Annual Report which is audited by Audit New Zealand.

The goal of this financial strategy is to 'maintain service delivery while ensuring financial sustainability'. To deliver our services we need to maintain and renew the assets they depend on. To that end, asset management plans have been prepared and are the basis for the forecast renewal expenditure programmes.

The Council's Financial Management Responsibilities

PRUDENCE AND SUSTAINABILITY

The Council will manage its finances prudently and in a way that promotes the current and future interests of the community.



FINANCIAL STRATEGY

The Council's financial strategy informs and guides the assessment of funding and expenditure proposals.



INFRASTRUCTURE STRATEGY



FUNDING AND FINANCIAL POLICIES

The Council adopts a set of funding and financial policies to provide predictability and certainty over the sources and level of funding.



BALANCED BUDGET REQUIREMENT

Unless it is prudent not to, operating revenues will be set at a level that meets operating expenditure.

This financial strategy includes the limits on rates, rate increases and borrowing and describes our ability to provide and maintain service levels within these limits. It also outlines the Council's policy on giving security for borrowing and financial investments.

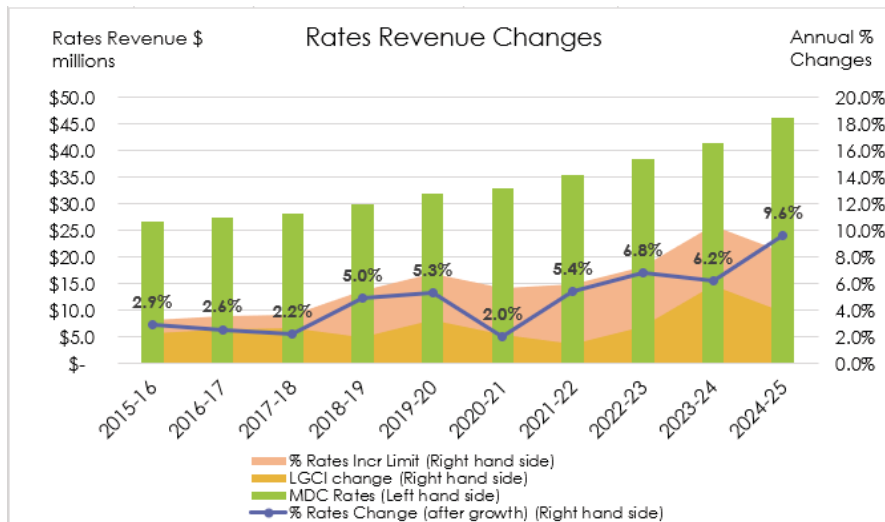
This financial strategy is closely linked to the Council's Infrastructure Strategy. The Infrastructure Strategy details the capital and operational budgets and specific projects in the areas of transportation and roads, water supply, stormwater, wastewater, solid waste management and community facilities.

Overview

Over the last three years the Council has continued to deliver services to the Masterton community while our local economy has bounced back from the impacts of the COVID-19 pandemic that disrupted our lives in 2020 and 2021. Masterton’s economic recovery has had many positives, but there are also signs of slow-down as the inflationary aspects of the recovery have impacted our resident’s willingness to invest and spend – the things that keep the wheels of the local economy moving.

On top of that, there has been an economic impact of two years of wet weather that included at least four significant storm events. The Council’s ability to respond to those events and reinstate assets and service levels (particularly for roading and wastewater) has been a key focus of 2022 and 2023. The on-going investment in recovery and resilience and the costs of servicing the associated debt incurred is a factor in the Council’s current financial position and strategy over the next ten years.

The drivers of our economy remain heavily influenced by the primary sector, the rural service sector and the government sector (education and health). We are less reliant on tourism than many regions. We have seen strong growth in population and new residential housing over the last five years. Council’s revenue from rates has been held within the limits that were set by the Long Term Plans and Annual Plans.



Council’s regulatory revenue streams from development and construction activity have held up well and are expected to remain steady. We have based our forward planning on the assumption that our economic recovery will continue on a slow, but positive trajectory.

Our financial performance and position over the last 15 years has been dominated by infrastructure expenditure, particularly on the Homebush wastewater treatment plant. Over the next ten years we have scheduled some high value infrastructure spending (renewals and service level increases) as well as construction projects to address areas of community well-being. The proposed library extension and new town hall are significant projects that increase the level of service to our community. We are committed to cyclone recovery roading works, an airport runway project and new animal shelter, all factored in before considering new projects for the 2024-34 Long Term Plan. The new debt associated with these projects will result in increasing rates in year 1 to pay for the increased levels of service.

We are looking to respond to the needs identified in our asset management plans, with a step change increase in maintenance and renewal spending on our roading assets to maintain the current level of service. Water resilience is also a major driver for expenditure as we look at water storage, reducing water losses (leaks), charging for water by usage and improvements to urban drainage and flood protection.

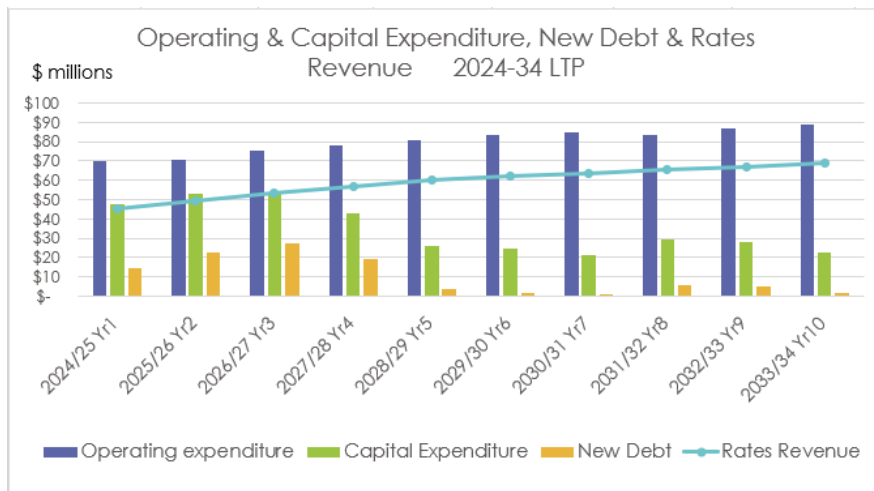
All of the above have contributed to the need to increase rates revenue by an average of 9.6% (after factoring growth in the rating base). This will breach the Council's policy of keeping rate increases below the rate of Local Government inflation (LGCI) plus 4.5%. Beyond year 1, the projected rate increases remain within this limit.

The level of net external debt is projected to increase from \$37.7 million to a maximum of \$102.7 million by Year 4 and then decline down to \$25.7 million by Year 10.

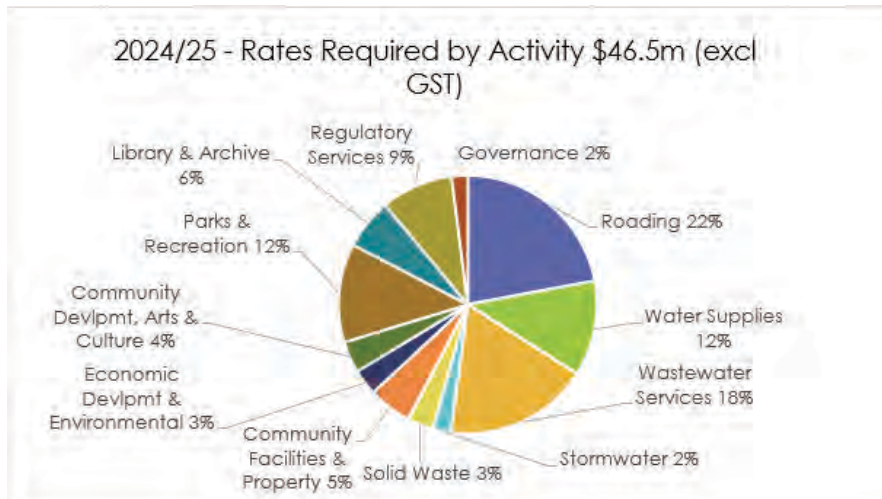
Beyond 2033/34 significant investment in wastewater treatment is included in the asset management plan at the time when the resource consent for the plant is due to expire. Other capital expenditure on water and stormwater infrastructure is planned and we will be in a good position to fund this work from both depreciation reserves and debt.

In the 2021-31 LTP, the Council smoothed rates increases by utilising reserve funds in the early years and building in the repayment in the later years. The unwinding of this smoothing mechanism also contributes to the need to increase rates in year 1 by more than the limit.

The graph below represents the financial picture of the forecast activity over the next 10 years. Some large capital projects are funded by new debt and the additional cost associated with those projects is the prime driver for the increasing rates required.



Where is the money spent?



Where does the money come from?



Our District

We expect to see population average annual growth of 1.5% per annum over the life of the plan. Masterton district's population is projected to grow from 28,900 in 2022 to 33,900 by 2032 (+17.3% over that ten years or +1.73% average growth per annum). Projections through to 2052 see the population increase to 42,100 by 2052 (+45.6% over the 30 year forecast or +1.52% average growth per annum) compared to the 2022 base.

Our population will continue to age faster than the NZ average. Infometrics data shows Masterton currently (at 30 June 2023) has more people aged 65+ (22.7% compared to 16.5%); similar numbers of people aged under 15 (18.2% compared to 18.5%) and a smaller proportion of 'working age' (15-64 years - 59.1% compared to 64.9%). Statistics NZ 2022 forecasts growth in the Masterton population aged 65+, from an estimated 6,600 people in 2023 to 8,900 in 2048 - an increase of approximately 35%. Youth (under 15 years of age) and 'working age' groups are expected to remain at similar levels throughout this period (a small decrease in under 15s and a small increase in 'working age' people). The combined effect is that the proportion of people aged 65+ will increase and Masterton's population will age, projected to move from an average age of 42.2 in 2023 to 47.7 in 2048.

We are currently working to ensure we balance demand at both ends of the demographic pyramid, providing services and opportunities that engage and contribute to the wellbeing of both our younger and older populations. We are also becoming more diverse and we are reflecting this diversity in all that we do.

Household numbers are forecast to grow from 12,352 in 2022 to 18,902 in 2054. This equates to average annual growth of 1.66% to 2054, with higher growth of approximately 1.95% expected in the first ten years and lower growth in the latter years.

Masterton has capacity for growth within its key infrastructure and services. Our 2021 Asset Management Plans indicated we could accommodate housing growth up to 1.8% per annum over the ten years from 2021-31 without significant impacts. We will test and reassess this as we develop the spatial plan scheduled for Year 1 of the 2024-34 LTP, noting also, that there are high levels of uncertainty regarding forecasts in the current environment.

Our Services

We are planning to provide the same services at the same standard in most of our activities, but there are some areas where we are investing in assets and adding to operating costs. This investment will mean we need to collect more money (in the form of rates) over the period of the plan.

The proposed library extension, new town hall and water assets investment, including increasing water storage are projects that will increase the level of service to our community. We are funding these projects with new debt and we will be increasing rates to pay for that increased level of service. Apart from year 1, rates increases will be kept below the limits defined in this strategy. We are responding to the needs identified in our asset management plans and increasing our operating spend on our water supply and roading assets to maintain the level of service delivered with those assets. Water resilience remains a major driver for expenditure, as is wastewater reticulation renewals with the aim of significant reduction of stormwater inundation into the network.

The Council is planning for regular and consistent renewal expenditure on roading, water, sewer and stormwater assets as well as 'business as usual' for all other Council services. We will keep debt below the borrowing limits defined in this strategy.

Water and Wastewater Infrastructure

Over the last 15 years finances have been dominated by the capital expenditure and associated loan funding needed for the \$46 million upgrade of our wastewater treatment plant at Homebush. The completion of that project in 2015 and its subsequent successful operation have greatly improved environmental outcomes. We have progressively repaid the debt relating to Homebush with the intention that it be fully repaid by 2034 to enable further borrowing to invest in meeting expected higher environmental standards.

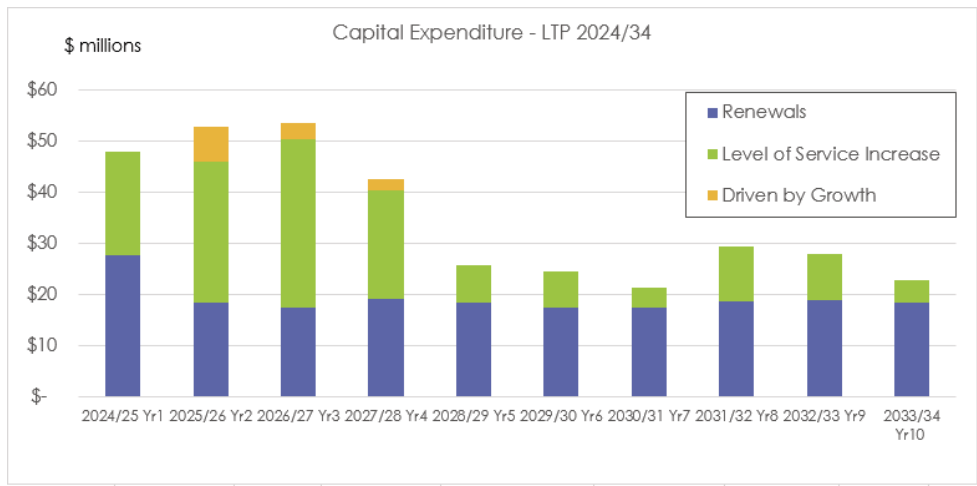
The Council has taken a proactive approach to the renewal of water and wastewater pipes over the last ten years. Since 2014, 11.5% of the water pipe network (25.2km) and 16% of the sewer pipe network (30.6km) have been renewed or relined. This has cost \$18.1m and has been funded mainly by current revenue (from our depreciation reserves).

The Infrastructure Strategy indicates ongoing annual expenditure on renewal of our pipe networks. This financial strategy allows for those renewals to be funded by a combination of depreciation reserves, external funding and current rates revenue (via depreciation funding). Where planned capital renewals exceed the money in our depreciation reserve, the Council will borrow to fund the work (eg water trunk main renewals). The extent of new debt required to fund these renewals programmes is included in the projection of debt shown in the graphs on the following pages.

Investment on Masterton urban water supply infrastructure was a focus of the 2021-31 LTP. Three years on and the installation of water meters is nearly completed and we will start a regime of charging for water used from 1 July 2025. Still on our work programme is building more water storage, renewing the Upper Plain trunk main, building an additional reservoir in Upper Plain and continuing to invest in the water main renewal programme over the ten years of the LTP. The cost of the programme of work is a step increase and requires increases in rates to fund the renewals programme, matching the increasing depreciation expense that is driven up by increased costs of replacement (construction inflation).

Growing our Assets

Most capital expenditure over the next 10 years is driven by renewal of assets or increased levels of service from our assets. Where there is a need to invest because growth has caused additional demand, we will first use the financial contributions that we have collected from developers. These financial contributions are paid to councils under the requirements of the Wairarapa Combined District Plan.



Financial Position

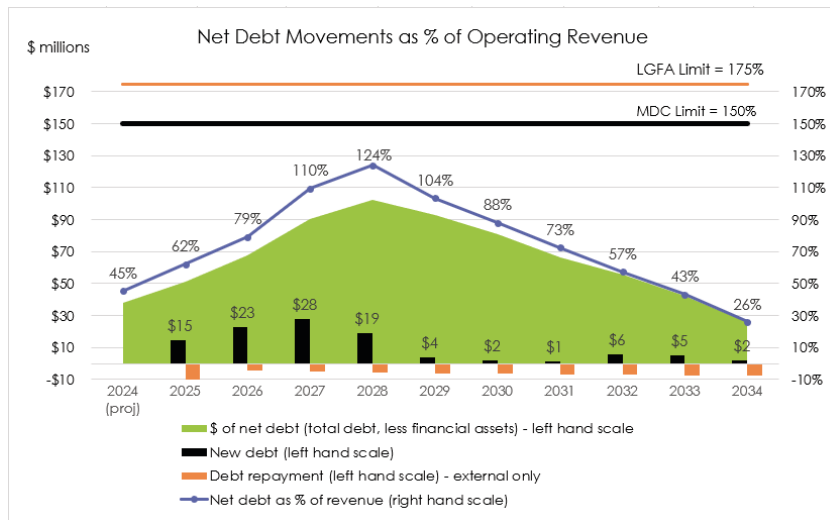
Council's debt

The level of external debt at 30 June 2024 is expected to be \$62.6 million (including \$7.6 million of pre-funding). Net Debt (external debt offset by cash and financial assets) is expected to be \$37.7 million at 30 June 2024 and will increase to \$102.7 million by 2028 before reducing to \$25.7 million by 2034 (see graph below under 'Debt Limits' section).

We are spreading the loan repayments on the Homebush debt over 25 years (the term of the consent). As described earlier, this will allow for further borrowing when additional investment is expected to be required in the mid 2030s. Funding asset upgrades with debt allows the cost to be spread across current and future ratepayers. We have set prudent policy limits on our borrowing to ensure our community is not over-indebted (see graph below under 'Debt Limits' section). We use interest rate risk management policies to protect against interest rate movements and provide a predictable cost of debt. We are assuming an average interest rate of 4.8% on current debt and 5% on all new debt across the 10 years of the plan.

Our ability to borrow is based on our ability, via a Debenture Trust Deed, to offer rates revenue as security. We have invested in the NZ Local Government Funding Agency (LGFA) as a shareholding council and this enables us to borrow from them and take advantage of their access to favourable debt funding costs.

We are expecting little need for new infrastructure driven by growth in the district, however, where this does occur, financial contributions are taken from developers. These are both general and specific to areas where the growth is driving the need for a specific piece of infrastructure. Our Financial Contributions Policy is based on charging under the provisions of the Resource Management Act and the District Plan. The principle that 'growth funds growth' is one that up-coming revisions to the Wairarapa Combined District Plan (and the financial contributions set under it) will embed. We have assumed the level of contributions will remain constant under a new financial contributions scheme under a revised District Plan.



The chart above shows the net external debt increasing through to 2028, then reducing as loan repayments and financial assets increase. New debt and repayment of debt are separately budgeted and shown on the chart above.

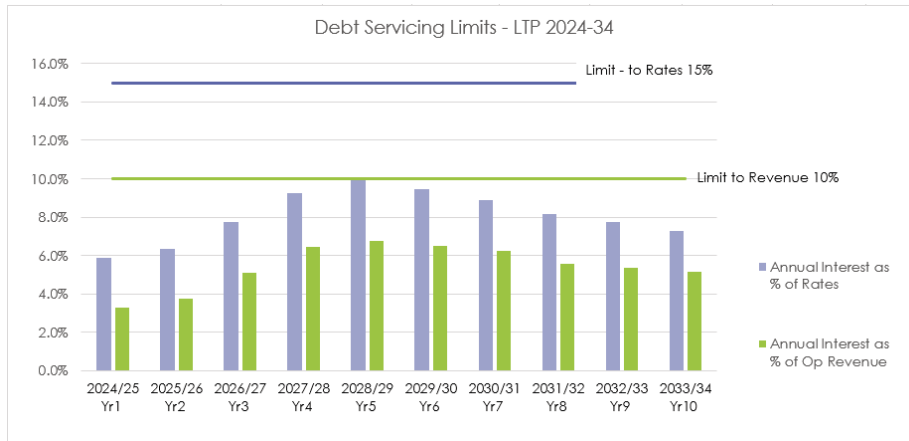
The limit of net debt being below 150% of Operating Revenue is considered prudent. There remains room to borrow more and stay below the debt servicing limit.

If interest rates increase, the liability management policy of maintaining a prudent proportion of fixed interest (using hedging) protects against those movements.

Debt limits

The level of debt forecast over the next 10 years is represented in the previous graph, alongside the limit we have set as maintaining a prudent level of debt. We have also set a limit on how much debt servicing costs will be as a percentage of rates income and operating income. The limits are:

- Net debt not to exceed 150% of Operating Revenue
- Interest on external debt not to exceed 10% of Operating Revenue
- Interest on external debt not to exceed 15% of Rates Income



Reserve Funds and Investments

We have modest reserve funds built up from asset sales and depreciation on assets, which are expected to be \$24 million (to be confirmed) at 30 June 2024. The funds are invested in fixed interest instruments such as bond funds and term deposits and allow for internal borrowing/investment. The interest earned on funds invested is used to offset debt servicing costs for specific projects.

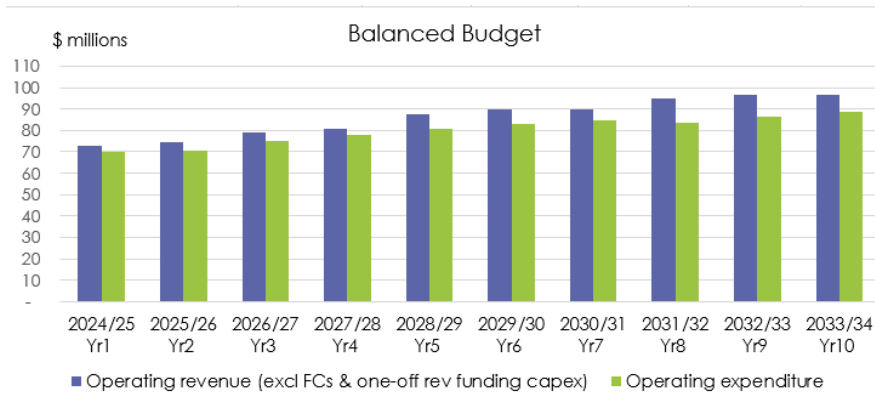
In the first five years of this LTP the roading and 3 waters reserve funds will be drawn down for renewals expenditure faster than they are replenished from depreciation, but not significantly. Across the balance of the 10 years there are projected funding surpluses that will build up the reserve fund balances. There is potential to repay debt earlier or utilise more internal borrowing but the LTP model assumes all debt required over the 10 years will be borrowed externally.

The rates smoothing that was allowed for in the 2021-31 LTP (borrowing from reserves to suppress the rates increase) has been allowed to be unwound by the end of year 2 and the borrowed reserve funds returned progressively over the next eight years. The extent of that borrowing is expected to total \$4.0 million. The Net Debt position takes account of cash funds building up in the later years of the LTP.

Financial investments are administered within the guidelines of the Treasury Management Policy. The primary objective of investing is the protection of the investment capital, with a prudent approach to risk and return. In preparing the LTP, the Council has assumed an average return on fixed interest investments of 4.5% in year 1 and 4.0% pa from 2025.

Depreciation and the balanced budget

We have achieved a 'balanced budget' as per the statutory requirement across the life of the LTP. The first two years of this LTP includes provision for grant funding coming from central Government and other sources as one-off revenue to fund capital expenditure. These include 3-waters 'better off funding, airport expansion funding and external resilience grants tied to cyclone recovery projects. In the graph below, this one-off revenue that funds capital expenditure has been excluded. Revenue from financial contributions is also excluded.



Over the 10 years of the LTP, revaluations of assets have been allowed for. In general revaluations increase the value of the asset and this generates an increased need for funding of the depreciation associated with the asset. We have built in consistent increases in the funding of depreciation, except on assets we do not expect to replace, allowing us to consistently achieve a surplus budget and remain financially sustainable.

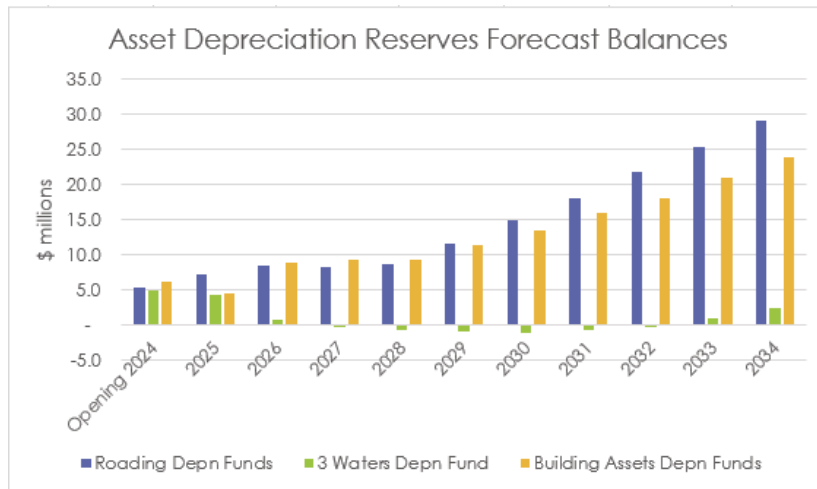
Full depreciation on Council assets has been recognised as an expense, but we have decided not to fully fund all depreciation on a number of specific assets (i.e. not fully allow for revenue to match the expense).

In the roading activity, the renewals programme is designed to maintain the road network in a constant state. Depreciation expense is recognised and renewals are capitalised. The value of the capital programme is funded by way of subsidies from the Waka Kotahi/NZTA and rates revenue. Those assets in the roading activity that are not renewed on an annual programme will have funding from the depreciation reserves to cover our share (after the NZTA subsidy is received). Building up that depreciation reserves to achieve this will be done across the ten years of the LTP.

Other assets where the depreciation expense is not fully funded and the reasoning for each are as follows:

- Housing for the Elderly – to hold rents low and have no rates input, not all depreciation is covered by rental income. We have covered renewing components as required but full replacement of the homes at the end of their anticipated life will require external income assistance (e.g. government subsidies or more debt to be taken on). We have allowed to maintain and renew parts of the buildings appropriately, so we expect to extend the useful life of these assets and delay their replacement.
- Rural Halls – there is no intention to replace at least half of these buildings. This has been Council's policy for some time.

- Recreation Centre – the redevelopment of this facility in 2003/04 was half-funded with external contributions of approximately \$3.5 million. We are funding sufficient depreciation to cover replacement of plant and equipment. Not all depreciation is funded as we have assumed the future replacement of the facility will again attract external funding when it is required.
- Water, sewerage and stormwater assets – we have chosen to increase rates revenue to fund the renewal programme. Debt repayment is also funded directly from rates revenue in order to ensure the cost of upgrades is allocated and paid for by the ratepayers who benefit from those assets. Where loan repayments are funded by rates revenue, full depreciation from rates will not be funded as well.



The depreciation reserves for roading (including bridges) assets and building assets build up over the ten years of the LTP. There is the potential for more capital renewal expenditure drawing on these funds, particularly in years 6 to 10 than shows currently.

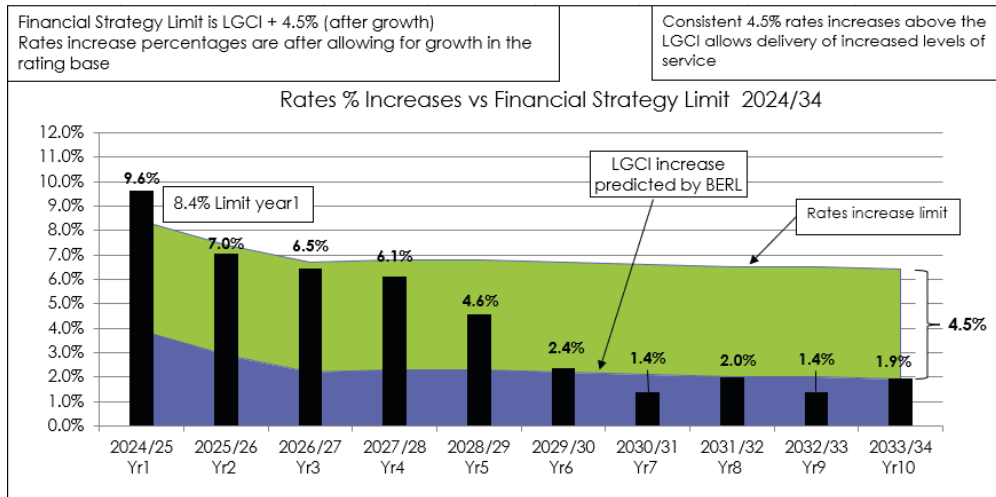
The 3 Waters depreciation fund shows an over-allocation of the available depreciation funding through the middle years of the LTP, but the funds are predicted to have returned to a positive balance by year 9 and 10. The fact that these funds are not building up is a reflection of the renewals programme being funded as much as possible from depreciation (funded by current revenue) rather than by debt. The over-allocation of this funding source for 3 waters renewals is off-set by the increasing funds held for the other main asset classes.

Rates increases

Rates revenue makes up between 60% and 70% of council’s operating revenue. Rates are levied on the property owners of the district and keeping changes in rates affordable is a key aspect of our decision making framework. There are many drivers for the need to increase our rates revenue. Increases vary each year, with lower increases required in the later years of this LTP. In years 1-3 our roading programme has seen a step change in expenditure. In Years 2 - 5 the impact of the proposed investment in a library extension and new town hall are factors in the rates increases.

We have set a limit on how much rates revenue can increase – that limit is the LGCI movement plus 4.5%, plus growth in the rating base. For the year 2023-24 the LGCI is forecast to increase by 3.9%, so the Council would normally look to stay below an 8.4% increase in its rates revenue. The LGCI is the rate of inflation of Council costs, calculated independently by Business and Economic Research Ltd (BERL).

As noted above, unavoidable cost increases have seen the need for an average increase of 9.6% in 2024/25. Apart from the breach in year 1, we believe we can achieve rates increases within the limit the Council has set. The number of properties that we can levy rates on and the capital values of those properties is predicted to grow annually over the course of the 10 years. We believe that growth will generate an additional 1.85% of rates income in year 1, 1.2% in year 2 and 1% there-after. The extra revenue from this growth is taken up when comparing to the rates increase limits.



Risk and resilience

Waka Kotahi/NZTA provide funding at the rate of 56% on the Council's programme of roading work. Every three years the Council submits a 3 year programme to NZTA for co-funding from the National Land Transport Programme (NLTP) and approval of the programme is often out of synchronization with the LTP cycle. For 2024-27, the Council's programme of work totals \$58.3 million, but NZTA have only endorsed the allocation of \$43.4 million to qualify for their subsidy. They will advise in August 2024 how much of the balance will be subsidised. This has left \$14.0 million of work potentially not eligible for subsidy (the subsidy value yet to be confirmed is \$8.35 million over three years).

The Council has a plan if, in August, not all of the subsidy is available. That plan involves not proceeding with the proposed Mataikona Road upgrades (\$7.6 million) and reducing other programmes of footpath renewals, regional road safety and local road safety improvements to the level funded by the Council's rates-funded share. This means the programmed \$7.3 million spend for these items over three years would drop to \$3.2 million meaning Council would deliver less footpath renewals, less road safety education and fewer safety improvements. This will be subject to Annual Plan decisions in 2025/26 and 2026/27 where the Council may elect to restore the programme back closer to the level our asset management plan indicates is needed. The subsidy 'at risk' in 2024/25 is \$0.895 million and if not received, will not have a significant impact on the delivery of the overall roading programme in year 1 of the LTP.

Our financial resilience in the face of unexpected costs is based on having financial assets of at least \$18 million (and growing each year) to meet the initial costs of an event. Those funds are a mixture of term deposits and bond fund investments and are easily accessible if required. We carry material damage insurance cover on all buildings and significant above-ground assets. We also cover our underground network assets - the Council is a member of the Local Authority Protection Programme Fund (LAPP) which is designed to meet our obligation

to pay 40% of the costs to restore our underground infrastructure in the event of a disaster. The balance of 60% is expected to be met by central Government's Disaster Recovery Fund. Insurance products for our 40% of cover remain an option if the LAPP fund is not the most appropriate vehicle to cover MDC's share of the risk.

Damage to roads and bridge assets in the event of a natural disaster (including flooding) will be funded by our annual roading budget, NZTA subsidies and our roading and flood damage reserve funds (which are part of the \$18 million noted above). We have assumed that the NZTA share of the costs will increase depending on the severity of the event. Flood damage reserve funds have been drawn on extensively in 2022 and 2023 and have a negative balance of -\$1.6 million as at 30 June 2023. From 2023/24, subsequent budgets have allowed for the rebuilding of those funds at \$500k per year from rates.

INFRASTRUCTURE STRATEGY

Introduction

Purpose

This Infrastructure Strategy outlines how we intend to manage our infrastructure assets over the next 30 years. Infrastructure is an important community asset accounting for 88% of operating expenditure and 98% of capital expenditure, with assets grouped within the following activity areas:

- Water supply
- Wastewater
- Stormwater
- Solid waste
- Transport (roads, streets, footpaths and parking areas)
- Parks, Open Spaces and Community Facilities

Good infrastructure enables businesses and communities to flourish. It is essential to health, safety and transport and has a significant impact on the physical environment. Planning and programming infrastructure spending right is a pre-requisite to determining how much we can spend on services that enhance the quality of life of our residents and attract people to live in Masterton.

This strategy sets out the significant issues and risks relating to our infrastructure assets over the next 30 years and:

- Our main options for dealing with those issues;
- Cost and service delivery implications for residents and businesses of those options; and
- The Council's current preferred scenario for infrastructure provision.

Summary of Assets

Valuation Summary 2023	Optimised Replacement Cost	Base Life (Ave)
Roading	\$578,926,016.00	80
Bridges & Culverts	\$211,119,876.00	82
Water Reticulation	\$123,000,617.00	68
Rural Water Schemes	\$10,575,141.00	57
Water Treatment Headworks	\$21,916,888.00	41
Sewage Reticulation	\$157,978,860.00	81
Sewage Treatment Works	\$66,756,121.00	55
Stormwater Reticulation	\$59,452,570.00	94
Rural Stormwater Schemes	\$3,608,235.00	100
Castlepoint Assets	\$3,043,742.00	80
Resource Consents	\$9,663,261.00	24
Miscellaneous; airport sealed runway and transfer stations	\$8,765,179.00	43
Total	\$1,254,806,507.00	75

Table based on WSP financial valuation of 3 waters and roading, 30 October 2023

Context

The place - Masterton (Whakaoriori) - Wairarapa

Wairarapa is said to have been named by the Māori explorer Haunui as he stood on a peak in the Remutaka Range, looking down over the extensive valley. As he looked, the sun sparkled on the waters of the rivers and lakes, and he called the area Wairarapa-Glistening Waters.

The land was settled by successive waves of Māori. By the time Captain Cook became the first European to see Wairarapa in 1770, members of the Rangitāne and Kahungunu iwi were the tangata whenua of Wairarapa.

During the disruption caused by the Musket Wars many Wairarapa Māori left the district for sanctuary of Hawkes Bay and the East Coast, returning in 1841, following 10 years exile. They set about rebuilding their villages and re-establishing cultivations on their traditional sites. Sites near Masterton included Kaikokirikiri near today's Mahunga golf course, Mangaakuta at Homebush, and Kaitekateka at Te Ore-Ore.

In 1841 the first European explorers were also making their way through the interior of the valley, searching for grazing areas for the recently arrived Wellington settlers. By the late 1840s the first large run holders were established, leasing their substantial holdings from local Māori, grazing their stock on largely unaltered pasture.

In 1853, a group of Wellington and Hutt Valley workingmen, led by cooper Joseph Masters, formed the Small Farms Association, and petitioned Governor Grey for land upon which to establish their settlement. Following negotiations with local chief Te Retimana Te Korou, a piece of land on the banks of the Waipoua River was

purchased, and on May 21, 1854, the first settlers from the Association arrived on the site of the new township of Masterton. The town grew slowly but as the rural areas surrounding it were more intensively farmed, Masterton grew to be the major town in the valley. It was declared a borough in 1877.

The rural areas were first administered as part of Wairarapa East and Wairarapa West Counties, then as part of Wairarapa North County. In 1899 the Mauriceville County was formed, then in 1900 Masterton and Castlepoint Counties were established. Masterton and Castlepoint Counties amalgamated in 1958 and were joined by Mauriceville County in 1966. Masterton County and Masterton Borough united, and following minor boundary adjustments, the current Masterton District was constituted on 1 November 1989, as part of a nation-wide reorganisation of local government.

Masterton is the largest township in the Masterton district and the Wairarapa region. Ninety minutes north of Wellington city, Masterton offers an escape from the hustle and bustle. The Wairarapa region is becoming famous for its wine, historical aircraft, and as one of the earliest inland European settlements the area has many historical sites to discover.

The Wairarapa railway line allows many residents easy commuting access to work in the cities of Wellington, Lower Hutt and Upper Hutt.

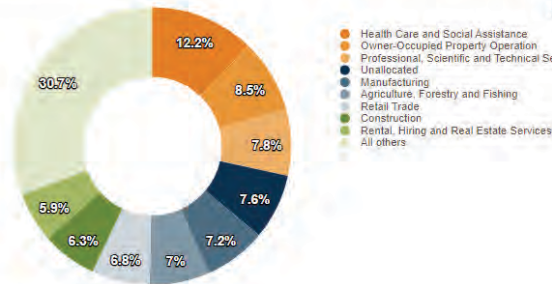
Local industries are predominantly service industries for the surrounding farming community, with industrial development growing in new industrial parks being developed at Waingawa (a services agreement with Carterton District), Solway and Upper Plain.

The five largest industry sectors in the district are Health Care and Social Assistance (12.2%), Owner Occupied Property Operation (8.5%) Professional, Scientific and Technical Services (7.8%) Manufacturing and Agriculture (7.2%), Forestry and Fishing (7%)*

Infometrics eco profile

<https://ecoprofile.infometrics.co.nz/Masterton%20District/Gdp>

Proportion of GDP by ANZSIC 1-digit industries, 2023



Biggest contributors to economic growth, 2013-2023

Health Care and Social Assistance	\$70m
Professional, Scientific and Technical Services	\$58m
Construction	\$36m
Retail Trade	\$31m
Electricity, Gas, Water and Waste Services	\$27m
All other industries	\$167m
Total increase in GDP	\$388m

The town is the headquarters of the annual Golden Shears sheep-shearing competition, and the “Wings over Wairarapa” Air Show.

Masterton has Sister City relationships with Hatsukaichi in Hiroshima, Japan; Changchun, China; and Armidale in New South Wales, Australia. Masterton District Council governs the Masterton district as a territorial authority. It is made up of an elected mayor, and eight Councillors. These positions are elected within the Masterton Whakaoriori General Ward, Masterton Whakaoriori Māori Ward, and at-large, every three years. Responsibility for Council activities sits with the Mayor and Councillors.

They are elected under the ‘First Past the Post’ system in triennial elections, with the last election being held in October 2022.

The 2022 Local Government election included, for the first time, a Māori ward, which enhances representation at the Council table for Māori in our community.

Iwi representatives from our two Iwi (Kahungunu ki Wairarapa Iwi and Rangitāne o Wairarapa Iwi) are appointed to the Council and have speaking rights at all meetings but only voting rights at committee meetings.

Geography

The Masterton district comprises of 229,500ha of land located between the Tararua Range to the west and the Pacific Ocean to the east. The main urban area is Masterton located on the Wairarapa valley between the Ruamāhanga, Waipoua and Waingawa Rivers. The Masterton district has 218km of water pipes, 279km of sewer pipes, 55km of stormwater pipes and 811km of roads. It has two water treatment plants and four sewerage treatment plants.

Population

The population of the district increased slightly during the 1980s, rising from about 22,000 in 1981 to about 22,600 in 1991. The population was then relatively stable through until approximately 2014/15. The most recent 2018 census data showed an increase in population to 25,557. The Statistics NZ 2023 estimated population was 29,100. At the time of the 2018 Census, there were 22,600 urban and 6500 rural and semi-rural residents ((stats NZ*)).

The Masterton district includes the following census area units:

Rural and semi-rural: Homebush-Te Ore Ore; Opaki (part); UpperPlain (part); Kopuaranga and Whareama.

- Urban: Masterton Central; Kuripuni; Cameron & Soldiers Park; McJorow Park; Solway North; Solway South; Ngaumutawa (part); Douglas Park and Lansdowne West and East.

Key characteristics of this population base include:

- 78% of the population lives in the urban area of Masterton.
- Those who identify as Māori make up approximately 21.3% of the population (compared with the national average of 16.2%).
- Overall, 25.7% of the population was aged under 19, and 27% were aged 60 years and over, compared with 24.6% and 19.8% respectively for New Zealand.
- As illustrated by the table below, the total population in Masterton was almost unchanged for approximately 15 years, but the proportion of people aged over 60 years has been increasing by approximately 1-2% at each census count since 1991. The number/proportion of single occupant houses is steadily increasing and was 28.5% at the last census.

Future Growth

We expect to see population average annual growth of 1.5% per annum over the life of the plan. Masterton district's population is projected to grow from 28,900 in 2022 to 33,900 by 2032 (+17.3% over that ten years or +1.73% average growth per annum). Projections through to 2052 see the population increase to 42,100 by 2052 (+45.6% over the 30 year forecast or +1.52% average growth per annum) compared to the 2022 base.

Our population will continue to age faster than the NZ average. Infometrics data shows Masterton currently (at 30 June 2023) has more people aged 65+ (22.7% compared to 16.5%); similar numbers of people aged under 15 (18.2% compared to 18.5%) and a smaller proportion of 'working age' (15-64 years - 59.1% compared to 64.9%). Statistics NZ 2022 forecasts growth in the Masterton population aged 65+, from an estimated 6,600 people in 2023 to 8,900 in 2048 - an increase of approximately 35%. Youth (under 15 years of age) and 'working age' groups are expected to remain at similar levels throughout this period (a small decrease in under 15s and a small increase in 'working age' people). The combined effect is that the proportion of people aged 65+ will increase and Masterton's population will age, projected to move from an average age of 42.2 in 2023 to 47.7 in 2048.

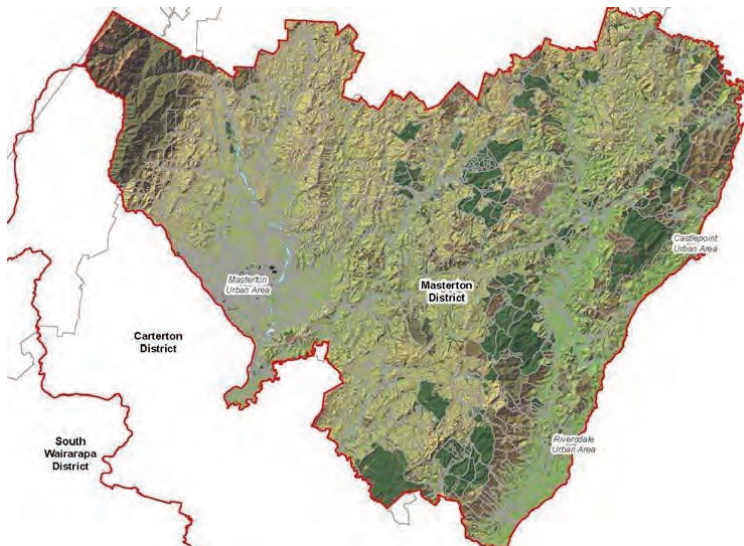
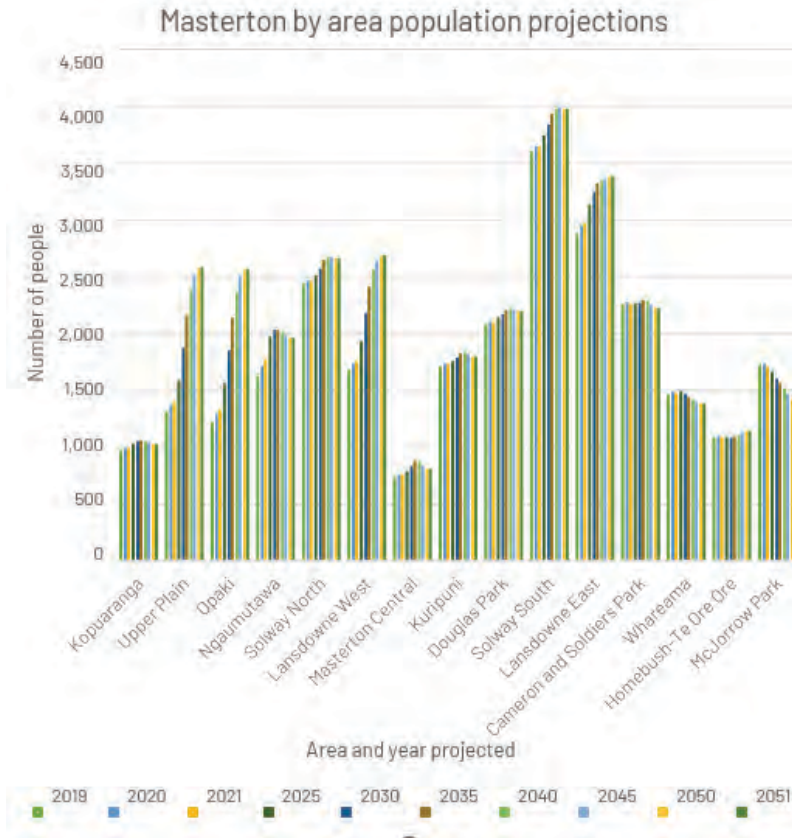
We are currently working to ensure we balance demand at both ends of the demographic pyramid, providing services and opportunities that engage and contribute to the wellbeing of both our younger and our more mature populations.

We are also becoming more diverse and we are reflecting this diversity in all that we do.

Household numbers are forecast to grow from 12,352 in 2022 to 18,902 in 2054. This equates to average annual growth of 1.66% to 2054, with higher growth of approximately 1.95% expected in the first ten years and lower growth in the latter years.

Masterton has capacity for growth within its key infrastructure and services. Our 2021 Asset Management Plans indicated we could accommodate housing growth up to 1.8% per annum over the ten years from 2021-31 without significant impacts. We will test and reassess this as we develop the spatial plan scheduled for Year 1 of the 2024-34 LTP, noting also, that there are high levels of uncertainty regarding forecasts in the current environment.

Masterton population aged over 65					
	1996	2006	2013	2018	2023 Estimated Population
Total Population	23,200	23,000	24,100	26,400	29,700
Population aged 65+	3,200	3,800	4,600	5,500	6,600
% of population aged 65+	(13.8%)	(16.5%)	(19.1%)	(20.8%)	(22.2%)



Strategic Alignment

Alignment with other documents

This Infrastructure Strategy has been developed in alignment with other key documents, including Asset Management Plans for each group of assets and the 2024-34 Financial Strategy.

Vision

This strategy recognises the Council's vision: Working Together - Our People Our Place Our Future

It also acknowledges the community outcomes that flow from our My Masterton: Our People Our Land strategy (He Hiringa Tangata, He Hiringa Whenua) and aims to deliver efficient, safe and effective infrastructure that:

- supports a socially engaged and empowered community.
- recognises cultural pride in our identity and heritage.
- is environmentally sustainable and healthy; and
- is economically thriving and resilient.

Evolving community expectations

Community expectations change and evolve over time and future generations want to see current thinking challenged and debated. More and more people are environmentally aware and readily embrace technological advancement. The Council acknowledges the following community expectations/aspirations within this strategy. These are themes that have been heard over time through various engagement and consultation processes, and generally align with Council's Community Outcomes:

- Increasing desire for 'green' thinking and approaches within the community, noting environmental, climate change and resilience drivers.
- Increased Iwi representation and participation in decision making.
- A desire for resilient networks and communities.
- Recognition of future generations and intergenerational equity.
- Managing urban growth well; and
- Responding to and utilising technology where appropriate.

Regional Spatial Planning

Over the past 18 months Masterton District Council has participated in the Wellington Regional Leadership Committee (WRLC) led project to develop Te Rautaki Whanaketanga ki tua a Wairarapa-Wellington-Horowhenua Future Development Strategy (the FDS). The FDS prioritises housing and business development, as well as investment in infrastructure to support this development. The FDS guides regional policy development, including Regional and District Plan changes in the future, as well as Land Transport Plans, infrastructure strategies, councils' budgets (Long Term Plans) and other policies.

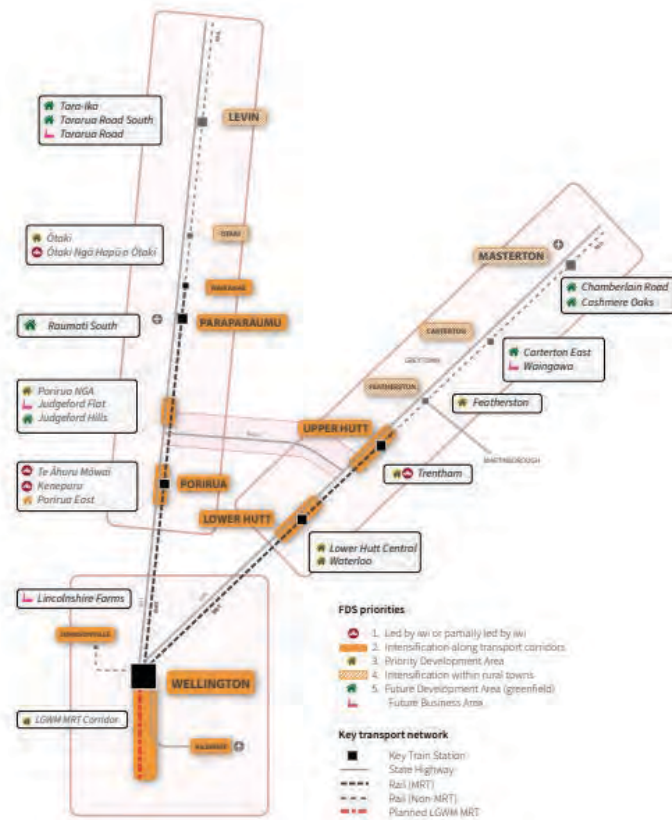
The FDS builds on and replaces the previous Wellington Regional Growth Framework. Consultation on the FDS took place over October/November 2023. The hearings and deliberations were held in December 2023, and the FDS was adopted in March 2024. More information on the FDS is available here:

The FDS strategic direction is:

- Providing for affordable housing that meets our needs, and for compact, well-designed towns and cities.
- Realising iwi and hapu values and aspirations
- A flourishing zero-emissions region
- Protecting what we love
- We have the infrastructure we need to thrive
- Productive, resilient, inclusive and sustainable employment.

A draft Implementation Plan is being developed and will be finalised in June 2024 once participating Council's Long-Term Plans are finalised.

A corridor view of where the Wellington region will develop:



Prioritised development within the Wairarapa:



Three Waters Reform

In February 2024, the Government passed legislation that repealed the affordable waters reform legislation passed into law by the previous Government.

The Government intends implementing its "Local Water Done Well" programme through the passing of two further bills through Parliament.

The first bill will set out provisions relating to council service delivery plans and transitional economic regulation. It will also provide for streamlining the establishment of council controlled organisations to deliver water should councils desire to do so.

A second bill will set out provisions relating to long-term requirements for financial sustainability, provide for a complete economic regulation regime, and a new range of structural and financing tools, including a new type of financially independent council-controlled organisation.

The first and second bills are expected to be passed by mid 2024 and mid 2025 respectively.

Until the content of the bills is known, the impact on the Council is unclear. Council will assess the impacts of the legislative change once details are confirmed.

The Three Waters activities are included in our financial strategy and the infrastructure strategy. These strategies, along with other supporting information like our forecasting assumptions and disclosures, give a complete and accurate set of information on the medium-term and long-term financial situation for these services.

National Policy Statement for Freshwater Management

The National Policy Statement (NPS) for Freshwater Management (FM) provides direction to local authorities on managing the activities that affect the health of freshwater.

The Coalition Government has commenced work on the NPS-FM replacement, this process is expected to take between 18 to 24 months and will include consultation with all stakeholders including iwi and the public.

Council has reviewed the Freshwater NPS along with the Natural Resource Plan (NRP) and Whaitua chapters relevant to Masterton District Council and we have captured the NPS requirements for planning our work and upgrading works.

Information about the Natural Resource Plan and Whaitua Chapters can be found in Masterton District Councils 3 Water asset management plans.

More information on the Government's Freshwater National Policy Statement is available at <https://www.mfe.govt.nz/fresh-water/freshwater-acts-and-regulations/national-policy-statement-freshwater-management>

AIMS OF THE INFRASTRUCTURE STRATEGY

Understanding Levels of Service

This strategy intends to match the level of service the asset provides with the expectations of customers given financial, technical and legislative constraints. We use formal asset management systems and practices, which provide the Council with key benefits, such as:

- improved understanding of service level options and requirements;
- minimum life cycle (long term) costs for an agreed level of service;
- better understanding and forecasting of asset related management options and costs;
- managed risk of asset failure;
- improved decision making based on costs and benefits of alternatives;
- clear justification for forward works programmes and funding requirements;
- improved accountability over the use of public resources; and
- improved customer satisfaction.

There has been an economic impact resulting from two years of wet weather that included four storm, or heavy rainfall events. The Council's ability to respond to those events and reinstate service levels (particularly for roading and wastewater) has been a key focus of 2022 and 2023. The on-going investment in recovery and resilience and the costs of servicing the associated debt, incurred as a result of the weather events, is a factor in the Council's current financial position and strategy over the next ten years.

This strategy enables the Council, as owners of a comprehensive range of assets, to demonstrate to our customers and other stakeholders that services are being delivered in the most effective manner over at least a 30-year time period.

Catering for growth and demand

This strategy aims to create, operate, maintain, rehabilitate and replace assets at the required level of service for present and future customers and residents in a cost-effective and sustainable manner. Therefore, we must forecast the needs and demands of the community now and in the future, and outline strategies to develop the assets to meet those needs.

The following factors have been considered in order to predict future demand, noting Council's 2023 Environmental Scan and 202-34 Assumptions provide additional context:

- demographics and population;
- economic development and commercial influences;
- climate and environmental changes; and
- demand for improvements in levels of service from other various sources including:
 - advances in available technology;
 - improving standards of living;
 - a greater understanding of customers' perceptions and expectations;
 - changing legislative requirements;

- changes in the Council's strategic asset management; and
- changing customer expectations.
- Population growth, including changes in our demographics, is considered the key factor for predicting the future demand for services and assets. Population growth is strongly aligned with economic development.

Minimising the risks increasing the resilience

Risk management is as much about identifying opportunities as avoiding or mitigating losses. Risk management in asset management planning is a requirement of the Local Government Act 2002 (LGA). Risk management will be used when there are:

- large potential damages/losses;
- changing economic conditions;
- varying levels of demand for services;
- investments that lie outside the ability to fund;
- important political, economic or financial aspects;
- environmental or safety issues; or
- threats or changes to service levels.

The range and complexity of issues addressed in this section are a clear indication of the increasing challenges facing our communities. We are not alone in facing these challenges. Many of these issues are national or global in their scope and impact. However, many of the most difficult challenges to resolve are new to us all, resource and energy constraints, and good models of how to deal with them are lacking.

Local government has a role and responsibility in addressing these issues as many of their impacts will be felt locally. Vital infrastructure, which underpins the daily functioning of our communities, is often wholly or partly provided by councils e.g., pipes and roads.

The community's ability to deal with increased flooding risk, wastewater challenges or possible transport fuel shortages is critically dependent on how the council manages its assets and these networks.

These issues could mean that there will be a periods of uncertainty and change for the district.

The Masterton district is particularly vulnerable to the impacts of global economic pressures given its high proportion of people on low, fixed incomes and high number of young people on low wages. Possibly correlated is the higher incidence of single occupant households, many of whom are over 65. As a result, many people's range of choice is restricted which in turn limits their ability to respond to change and build resilience

The large land mass of our district, especially relative to our metro counterparts, also means we have more dispersed communities who may be – depending on the scenario – more isolated, more at risk, less able to respond and more or less resilient.

There is a need for communities to cope with these multiple pressures and be able to adapt to new technologies and ways of life – in other words, to become more resilient. We acknowledge that the Council has a role in helping to build local resilience to potential shocks. How we plan to manage and maintain our assets is one of the ways we fulfil this role.

We do this through:

- trying to anticipate risks;
- engaging with the community as early as possible to develop options; and
- making decisions about infrastructure systems and design in such a way that possible improvements are included and choices are kept open as much as possible – adaptability is built in.
- engaging with Regional and Central Government to ensure that information and support – both financial and operational – are provided where appropriate.

A number of risks common to all key activities have been identified.

Some of these common risks have different responses and mitigation measures in the different activities. Where this is the case, the risks are included in the activity specific risk registers associated with each activity asset management plan.

Identifying, analysing, evaluating, treating, monitoring, and communicating risks associated with any activity, function, or process in a way that will enable organisations to reduce losses and maximise opportunities is known as risk management. Identification of opportunities is a key component of risk management, along with preventing or minimising losses.

The Local Government Act of 2002 mandates the inclusion of risk management in asset management planning. It ought to be applied when:

- Significant potential losses/damages.
- Important political, economic, or financial considerations.
- varying levels of service demand.
- investments that are outside of funding capabilities.
- environmental or safety concerns.
- Threats or modifications to service standards

The systematic application of management policies, procedures, and practices to the tasks of identifying, assessing, treating, and monitoring those risks that could prevent a local authority from achieving its strategic or operational objectives, or plans, or from adhering to its legal obligations is referred to as the risk management process.

MDC approved a Corporate Risk Management Policy in September 2022. According to the policy, the key goals are to:

- enhance MDC's ability to achieve business objectives.
- maintain the integrity of services.
- safeguard assets, people, finances, and property
- create a culture where all employees accept responsibility for managing risk.
- ensure that MDC can adequately and appropriately deal with risk and issues as they occur.
- demonstrate transparent and responsible risk management processes which align with and demonstrate good governance.
- identify opportunities and promote innovation and integration.

- record and maintain a risk management framework aligned with the AS/NZS ISO 31000:2018 standard.
- utilize risk management process outputs as inputs into MDC decision-making processes.

The Masterton District Council Policy provides a framework to effectively manage risks inherent to the Council's operations which can affect the achievement of its goals and objectives by:

- Ensuring risk-based information is available to support good decision-making
- Providing assurance that risks are being appropriately addressed and managed
- Ensuring compliance with legislation and regulations.

Managing the life of our assets

Managing the life of our assets to ensure our assets are fit for purpose. All assets will eventually reach the end of their useful life and need to be replaced or retired. We manage each asset to ensure it's working at its optimum level. Our assets are measured on:

- what the asset is and what is its purpose (description);
- asset capacity and performance;
- asset condition (including age);
- asset current valuation; and
- asset maintenance.

The activity of asset management is a continual, cyclic process that incorporates the concept of continual improvement. Over time it is intended that the asset management plans and processes will be improved with better information, better management systems and a more holistic, lifecycle approach to the long-term management of the infrastructural assets.

Council has installed an asset Management system called "Assetic" which is a central strategic register and asset management system for all asset classes. It includes in-built reporting, works tracking and life-cycle costing. It is integrated with 'Assetic Predictor' for a complete Strategic Asset Management planning and operational system capable of holding asset information.

Council has also developed an Engineering Lifelines plan, which identifies vulnerable components of assets and ways of mitigating the degree of disruption likely to be incurred in a civil emergency. Mitigating work identified in the plan will be progressively implemented.

WATER INFRASTRUCTURE ASSETS

Water assets are grouped by each population centre in the Masterton district into water aggregated communities for analysis. The different water communities identified are:

- Urban fully served. Masterton and Tinui are the only communities in this group to date.
- Semi-served (non-potable water only). Taueru, Castlepoint toilets and Wainuioru are the only communities in this group to date.
- Unserved (roof water) includes Whakataki, Mataikona, rural schools (e.g. Mauriceville and Whareama), rural halls, and private rural facilities (e.g. Ararangi Camp, Camp Anderson, Riversdale Motor Camp).
- Unserved (ground/surface water). See above – Unserved (roof water)
- Unserved limited population. Not applicable to Masterton.
- Industrial communities with Building Act requirements for water and wastewater.
- Private water supplies. This includes Castlepoint, Fernridge, Upper Plain, Mauriceville, Opaki and Taueru (Tauweru), and lastly the Wainuioru scheme which is a non-potable supply owned by the Council but operated by a User Committee.

The total optimised replacement cost of water assets inclusive of supply, reticulation & rural supplies as of 30th October 2023 was \$155,492,646. With an optimised depreciated replacement cost of \$70,626,968 (Source - WSP/Opus valuations Oct 2023)

Critical assets

Critical assets can be defined as those that are especially significant to societal wellbeing and that therefore merit priority attention by utilities in emergency response and recovery. They are also defined as those which have a high consequence of failure. For example, a transport route may be critical because it carries high volumes of traffic, or if it is the only access route to a hospital.

The critical assets that are identified in the asset management plan are:

- The Kaituna Water Treatment Plant;
- The trunk main from Kaituna to the Masterton urban area;
- Urban storage reservoirs, Upper Plain, Titoki Street, and Manuka Street; and
- Tinui reservoir and treatment plant.

Risks

Risks, at a strategic level, relevant to the water supply assets were identified and assessed by both Council staff and Waugh Consultants Ltd.

Risks, at an operational level, relevant to the water supply assets have been identified as a result of this work, the 2023 WSP review, Leak Detection Studies, council workshops and Condition Assessment.

Operational risks identified through these projects have been assessed and incorporated into the 2024 Water Supply Asset Management Plan.

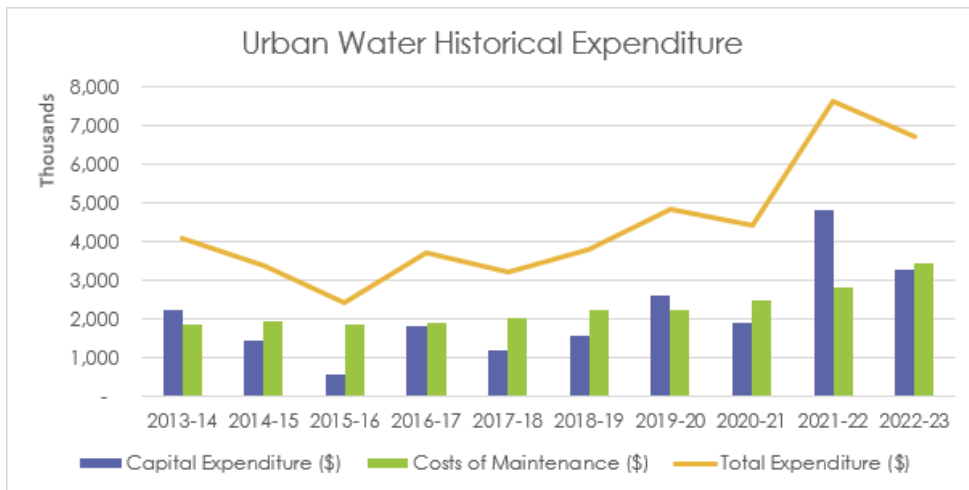
Levels of service

Levels of service were reviewed as part of the development of the 2024-34 Long-Term Plan. The community were asked for feedback on Levels of Service as part of the 2022/23 Annual Plan process to feed into the review. The 2023 Community Satisfaction Survey was also taken into consideration. Water supply levels of service are summarised as:

- Providing efficient and effective water supply systems.

Historical expenditure

The graph below shows the historical expenditure on water assets.



WASTEWATER INFRASTRUCTURE ASSETS

The main wastewater systems in the Masterton district are located in Masterton, Riversdale, Castlepoint and Tinui. They comprise the following:

- Masterton – utilises an urban wastewater reticulation network and a treatment plant with waste stabilisation ponds that dispose primarily to border strips and supporting infrastructure and then to the Ruamāhanga River.
- Riversdale – a wastewater reticulation system and a treatment plant with land disposal via an irrigation scheme.
- Castlepoint – a wastewater reticulation system and a waste stabilisation pond followed by three wetland cells.
- Tinui – a wastewater reticulation system, then discharge to constructed wetland.

The total optimised replacement cost of water assets inclusive of reticulation & treatment as of 30 Oct. 2023 was \$234,333,597. With an optimised depreciated replacement cost of \$140,773,399. (Source – WSP/Opus valuations Nov 2020).

Critical Assets

Critical assets can be defined as those that are especially significant to societal wellbeing and that therefore merit priority attention by utilities in emergency response and recovery. They are also defined as those which have a high consequence of failure. For example, a transport route may be critical because it carries high volumes of traffic, or if it is the only access route to a hospital.

The critical assets that are identified in the asset management plan are:

- The Colombo Road pump station
- Homebush Wastewater treatment facility (Inclusive of the wetlands and settling pond areas)
- Castlepoint Wastewater treatment plant
- Riversdale Wastewater treatment plant
- The Wastewater trunk mains network
- Pump stations

Risks

Risks, at a strategic level, relevant to the wastewater assets were identified and assessed by both Council staff and Waugh Consultants Ltd.

Risks, at an operational level, relevant to the Wastewater assets have been identified as a result of this work, the 2014 PHRMP review, 2020 risk workshops, Leak Detection Studies and Condition Assessment. Operational risks identified through these projects have been assessed and incorporated into the 2024 Wastewater Asset Management Plan.

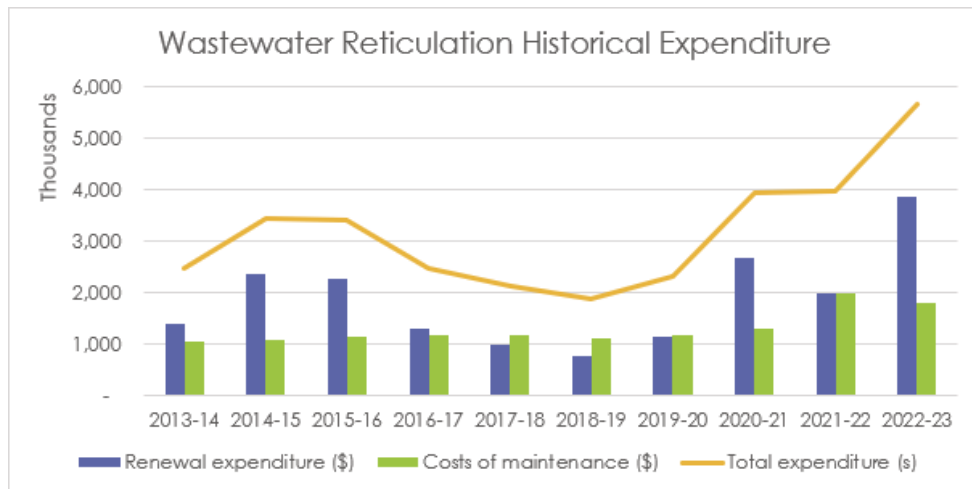
Levels of service

Wastewater levels of service are summarised as:

- Providing efficient and effective wastewater systems for the collection, transfer and disposal of wastewater.

Historical operating expenditure

The graph below shows the historical operating expenditure on wastewater assets.



STORMWATER INFRASTRUCTURE ASSETS

The stormwater system consists of approximately 55km of pipes and approximately 734 manholes/sumps stop banks, and a retention dam. The Council also contributes to designated stop bank protection works on the Waingawa and Ruamāhanga Rivers.

The total optimised replacement cost of stormwater assets as of 30th October 2023 was \$63,060,805. With an optimised depreciated replacement cost of \$36,819,933. Possible new stormwater assets are also funded from private developments. Source - WSP/Opus valuations Oct 2023)

Critical assets

Critical assets can be defined as those that are especially significant to societal wellbeing and that therefore merit priority attention by utilities in emergency response and recovery. They are also defined as those which have a high consequence of failure. For example, a transport route may be critical because it carries high volumes of traffic, or if it is the only access route to a hospital. The critical assets that are identified in the asset management plan are:

- the Chapel Street (Town) drain; and stormwater connections to the Waipoua stop bank.
- Fifth Street retention pond.

Risks

There are risks associated with the collection of stormwaters and those stormwater assets, and the main risk identified that may pose a threat to the Councils stormwater assets is both possible climate changes and the resulting GWRC predictions for flooding extents.

Risks, at a strategic level, relevant to the wastewater assets were identified and assessed by both Council staff and Waugh Consultants Ltd.

Risks, at an operational level, relevant to the Wastewater assets have been identified as a result of this work, the 2014 PHRMP review, 2020 risk workshops, Leak Detection Studies, and Condition Assessment. Operational risks identified through these projects have been assessed and incorporated into the 2024 Stormwater Asset Management Plan.

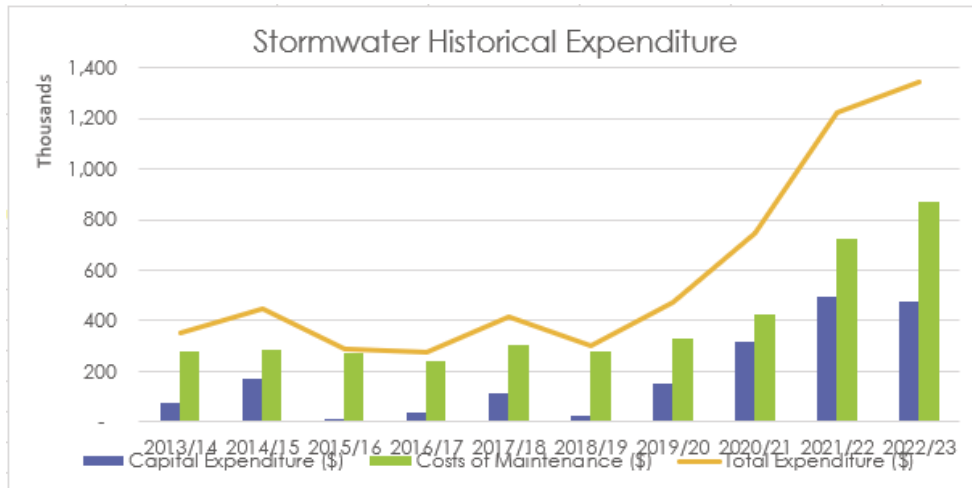
Levels of service

Stormwater waste levels of service are summarised as:

- Providing an efficient and effective stormwater system to minimise the impact of heavy rainfall and reduce flooding risk.
- This level of service aims to reduce the impact of heavy rainfall and the risk of flooding and consequent impacts, such as public health risks and damage to private and public property, industry, roads and infrastructure. This contributes to both the public health of the community; and the community's capacity for growth and economic development, now and in the future.
- Delivering stormwater services in a manner that is acceptable, safe and where possible enhances the environment.
- This level of service aims to ensure that services are provided in a way that is equitable and culturally acceptable, whilst maximising public health opportunities and minimising environmental impact.
- Percentage of stormwater renewal completed.

Historical operating expenditure

The graph below shows the historical operating expenditure on stormwater assets.



SOLID WATER INFRASTRUCTURE ASSETS

Masterton District Council provides, maintains, and manages solid waste management services to offer a dependable, safe, and affordable collection and disposal service that promotes recycling, encourages responsible trash disposal, and fosters a cleaner, greener environment.

Solid waste assets facilitate the collection and transportation of solid waste. Assets are located at the following locations:

- Solid waste assets include the following:
 - Nursery Road Transfer Station
 - Nursery Road Landfill (closed)
 - Clean fill Area (for Landfill cover)
 - Hazardous Wastes Temporary Storage
 - Special Waste Disposal Facility
 - Hastwell Landfill (closed)
 - Tinui Landfill (closed)
 - Castlepoint Transfer Station
 - Riversdale Transfer Station
 - Mauriceville Transfer Station (closed)
 - Recycling wheelie bins

Total solid waste assets optimised replacement valuation as at 2020 was \$1,595,590 Source - WSP/Opus valuations Nov 2020)

The Regional Waste Minimisation Plan (WMMP) 2023- 2029 has been adopted. This is a crucial document for figuring out how the Masterton District Council's solid waste asset management plans will impact the level of service in the future.

Critical assets

Critical assets can be defined as those that are especially significant to societal wellbeing and that therefore merit priority attention by utilities in emergency response and recovery. They are also defined as those which have a high consequence of failure. For example, a transport route may be critical because it carries high volumes of traffic, or if it is the only access route to a hospital.

There are no critical assets identified in the asset management plan.

Risks

A strategic level risk assessment has been completed via a review of Masterton District Council's Asset Management Procedures and Risk Management (Waugh Consultants, 2006), in collaboration with asset managers, and through the creation of new asset management procedures at Masterton District Council (Waugh Consultants, 2011)

The impact of the Waugh Update (2011, 2014 & 2020) was reviewed at a strategic level in conjunction with the risk assessments carried out by Council staff. The risk management analysis is now consistently incorporated into all respective asset management plans, including the 2024 Solid Waste Asset Management Plan.

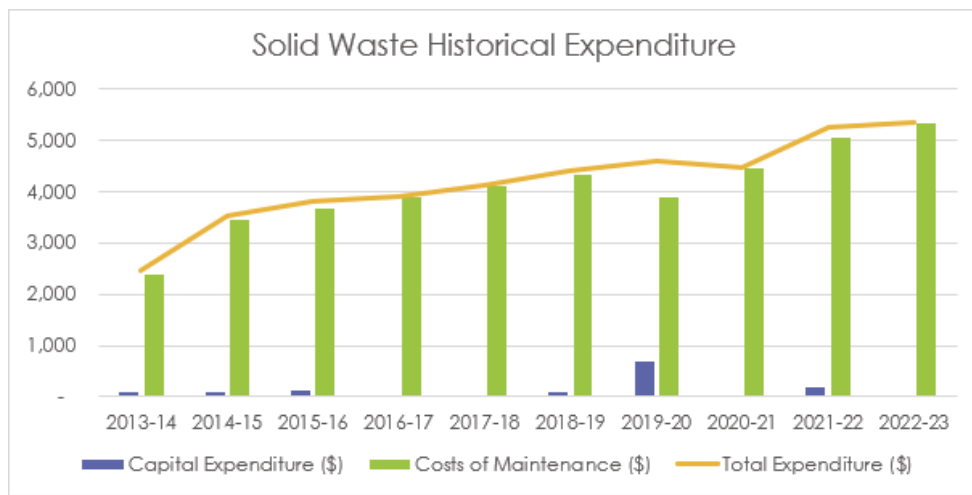
Levels of service

Solid waste levels of service are summarised as:

- Provide solid waste management facilities and solutions across the district in accordance with the solid waste management plan for the Wairarapa.

Historical operating expenditure

The graph below shows the historical operating expenditure on solid waste assets.



TRANSPORT (ROADING) INFRASTRUCTURE ASSETS

There are approximately 281km unsealed and 521km of sealed carriageway in the roading network. The network also includes approximately 208km of footpaths, 2800 streetlamps, 4832 signs, 40km of drainage culverts as well as 202 km of kerbing, channels and associated drainage structures. Hood Aerodrome has a 1250m sealed runway, three grass runways, a terminal and multiple privately-owned hangers and buildings. There are 5,87km of cycle lanes and shared paths and 267 bridges.

The total optimised replacement cost of roading assets as at 30 June 2022 was \$840,740,319. With an optimised depreciated replacement cost of \$651,957,155. Annual depreciation (a measure of asset consumption) for 2023/24 was calculated \$7,810,387.

Currently the annual cost for the maintenance and renewals activity is approximately \$10.6 per km of network per year. Compared to our peers of other provincial centres we are currently at the lower end of the investment scale in all areas.

Critical assets

An assessment of Critical Assets has been undertaken in line with the process developed by AECOM and used by NZTA and several other local authorities.

Critical assets can be defined as those that are especially significant to societal wellbeing and that therefore merit priority attention by utilities in emergency response and recovery. They are also defined as those which have a high consequence of failure. For example, a transport route may be critical because it carries high volumes of traffic, or if it is the only access route to a hospital.

In determining critical roading assets, a criticality framework has been proposed which incorporates three elements:

1. ONRC/ONF classification.
2. Access to lifeline utilities or a lifeline evacuation route.
3. Access to essential services

The table below summarises the key critical roading assets and is taken from the AECOM and NZTA study listed in the Roding Asset Management Plan.

Road (and extent)	Criteria	Area in District
Akura Road	SH Detour	Masterton
Blackhill Road to 11 Blackhill Road	Fire station - Tinui	Tinui
Chapel Street	Fire Station - Masterton Resthome - Wairarapa Village	Masterton
Church Street to Columbo Road	Police Station - Masterton	Masterton
Cole Street	Resthome - Lyndale Manor Resthome -Lyndale Villa	Masterton
Colombo Road	Resthome - Kandahar Court	Masterton
Cornwall Street to 3 Cornwall Street	Resthome -Cornwall Rest Home	Masterton

Road (and extent)	Criteria	Area in District
High St Solway	School - Hadlow Preparatory School	Masterton
Homewood Road to Waiorongō Road	District Road	Riversdale
Lincoln Road	SH Detour	Masterton
Manaia Road	SH Detour Flight - Hood Aerodrome	Masterton
Manawa Road to Alfredton Tinui Road	District Road	Masterton
Main Road	Hall - Taueru	Masterton
Masterton Stronvar Road	School - Wainuioru	Wainuioru
Ngaumutawa Road	SH Detour	Masterton
Opaki Kaiparoro Road	SH Detour Fire station - Mauriceville	Mauriceville
Oxford Street to 15 Oxford Street	Resthome - Ultimate Care Lansdowne Court	Masterton
Paierau Road	SH Detour	Masterton
Pownall Street	School - Wairarapa College	Masterton
Roberts Road to Lansdowne Crescent	Resthome - Kandahar Home	Masterton
South Belt	SH Detour	Masterton
South Road to Manaia Road	School - Masterton Primary School	Masterton
Te Ore Ore Road	Hospital - Wairarapa Hospital	Masterton
Te Whiti Road	SH Detour	Masterton
Titoki Street	Resthome - Lansdowne Park Village	Masterton
Totara Street to Titoki Street	Resthome - Kandahar Home	Masterton
Upper Plain Road to 767 Upper Plain Road	WTP - Masterton, Hospital - Glenwood Masonic Hospital	Masterton
Villa Street	SH2 Detour	Masterton
Whangaehu Valley Road	District Road - (Route 52)	Whangaehu

Risks

Key risks addressed in the 2024 Roothing Asset Management Plan include:

- A lack of business continuity planning
- Lack of Succession Planning
- Poor quality of vested assets
- Inadequate insurance

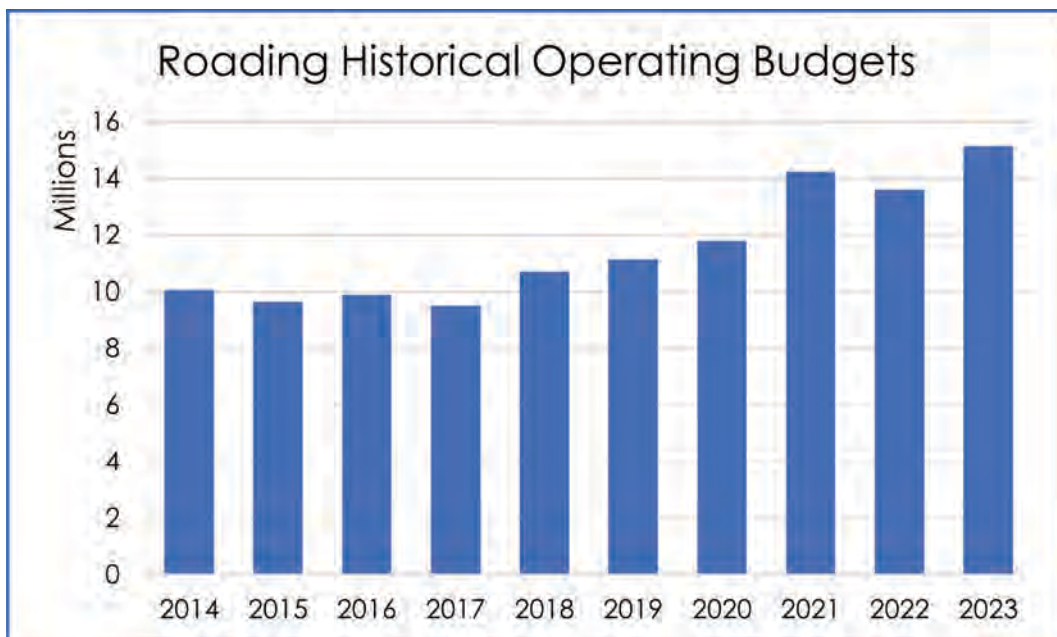
Section 8.5 of the Roothing AMP 2024 - 2034 details the Roothing risks and Council response to those risks.

Levels of service

Roothing levels of Service are summarised as:

- Road safety
- Road condition
- Road maintenance
- Footpaths

Historical operating expenditure



The graph below shows the historical operating expenditure on rooothing assets

PARKS, OPEN SPACES AND COMMUNITY FACILITIES INFRASTRUCTURE ASSETS

In February 2021 Council adopted its first Parks and Open Strategy (POSS). Council is committed to using the POSS and the recommendations as a framework and guide for planning, maintenance and investment decisions for planning including the Annual Plan and Long-Term Plan processes, as well as Asset Management.

Council owns, maintains and manages diverse property and community facilities. These include assets such as Waiata House, Masterton Airport (Hood Aerodrome), the Library and Archive, Mawley Park camping ground, senior/community housing, other housing, rural halls, public toilets, sports clubs/facilities, fields, and leased land. Assets also include the Trust House Recreation Centre which comprises the War Memorial Stadium, fitness gym and indoor/outdoor swimming pools and the all-weather athletics track and associated facilities the town hall, cemeteries and reserves.

Parks and Open Spaces assets optimised replacement valuation as of 2020 was \$21,000,000.

Total community building assets optimised replacement valuation as at 2020 was \$36,300,000.

Hood Aerodrome runway assets optimised replacement valuation as of 2023 was \$6,314,327. Source - WSP/Opus valuations Oct 2023).

Critical assets

Critical assets can be defined as those that are especially significant to societal wellbeing and that therefore merit priority attention by utilities in emergency response and recovery. They are also defined as those which have a high consequence of failure. For example, a transport route may be critical because it carries high volumes of traffic, or if it is the only access route to a hospital.

There are no critical assets identified in the asset management plan for Parks and Open Spaces or for Property and Facilities. We acknowledge that some assets that may not meet our definition of critical are considered to be of significant value to the community.

Asset Management

Council has installed an asset management system called 'Assetic' which is a central strategic register and asset management system for all asset classes. It includes in-built reporting, works tracking and life-cycle costing. It is integrated with 'Assetic Predictor' for a complete strategic asset management planning and operational system capable of holding all asset information. As of February 2024, property and community facility assets have not transferred onto Council Asset management System (Assetic) but will be one of the next Council asset groups to do so.

Risks

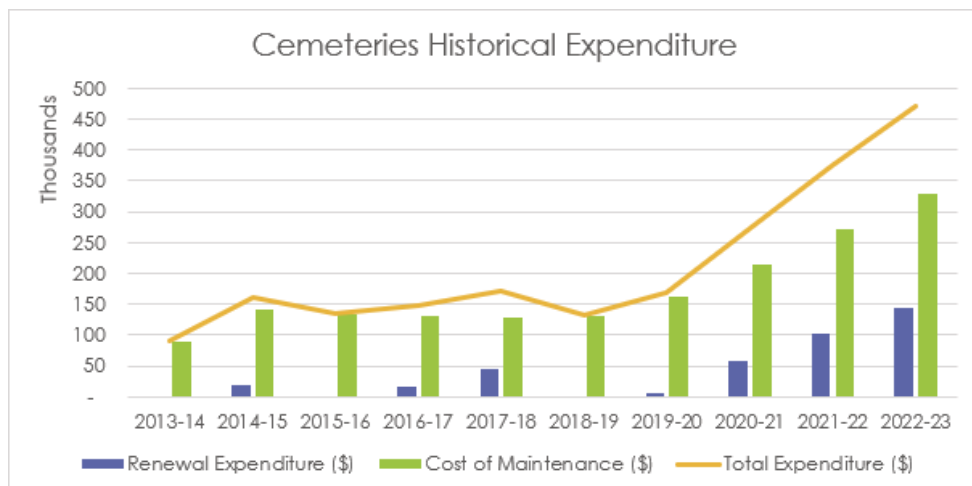
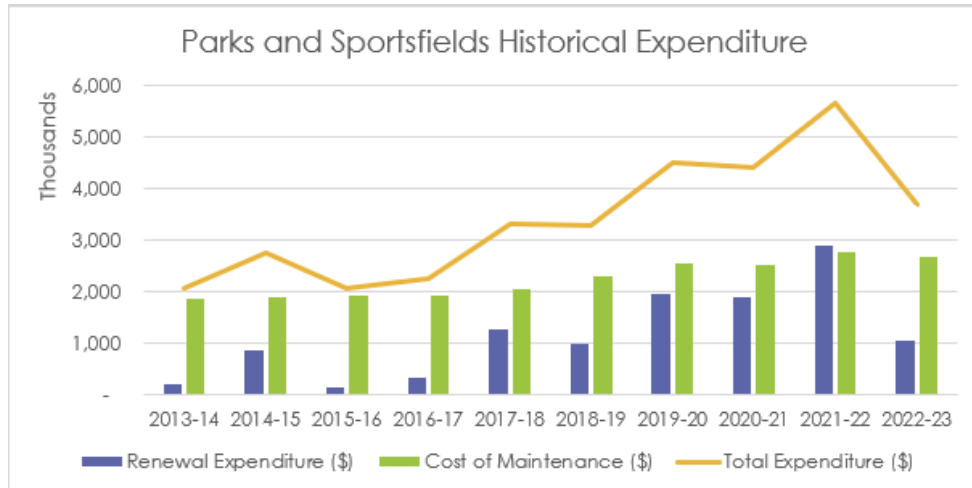
There are risks associated with Parks and Open Spaces assets, and the main risk identified is possible changes to climate. Climate change affects how council manages its parks and reserves assets both now and in the future and how these assets are affected by associated activities due to climate change, in particular the availability of water for our sports fields and gardens

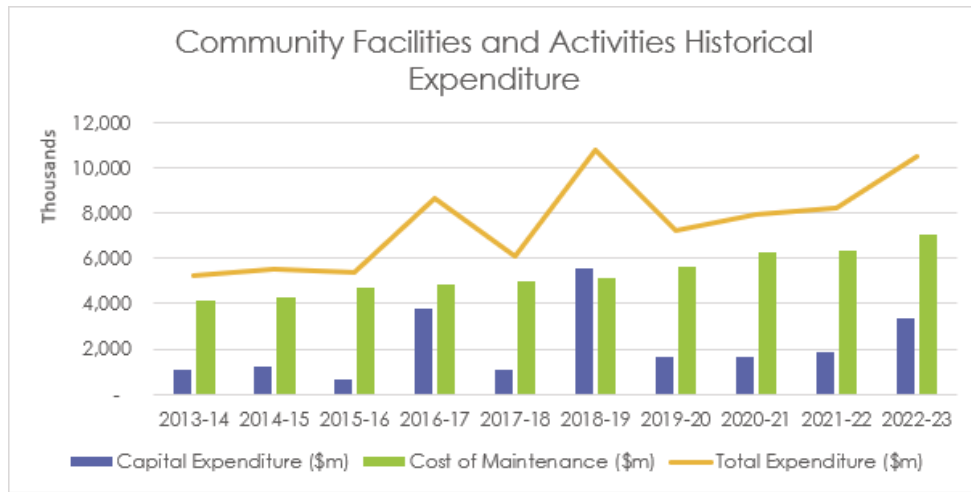
Current operational risks associated with Property and Facilities include:

- Health and Safety
- Constant compliance with Standard Operating Procedures
- Legislative requirements.

Historical operating expenditure

The graphs below shows the historical operating expenditure on parks and community facilities assets.





MAINTENANCE STRATEGIES

Maintenance strategies have been developed to achieve cost effective maintenance to maintain assets to meet the intended levels of service. We have determined that the most effective way to achieve this objective is to contract out the network maintenance works to commercial contractors.

We will review the cost-effectiveness of the current arrangements for meeting the needs of the community within the district for good- quality local infrastructure, local public services, and the performance of regulatory functions according to Council's review schedule in accordance with Section 17a of the LGA.

OUR APPROACH TO ASSET MANAGEMENT

The following principles and issues set out the long-term approach used to manage the Council’s infrastructure.

Data confidence

Data confidence is rated for all asset streams in the Asset Management Plans and is summarised the table below.

Data Confidence				
Attribute	D	C	B	A
Physical parameters				
Asset capacity				
Asset condition				
Valuations				
Historical expenditures				
Design standards				

Renew or replace assets

The objective of asset management is to create, operate, maintain, rehabilitate and replace assets at the required level of service for present and future customers in a cost effective and sustainable manner. Capital investment decisions are determined by the following considerations:

- When should existing infrastructure be replaced?
- When should the Council invest in improving the existing service?
- How much needs to be invested to provide infrastructure for a growing community?

The Asset Management Plans for each infrastructure activity provide the details of the renewal programme.

Response to community growth or decline

Projections suggest that, without intervention, Masterton’s population will increase by 1.5% per annum.

Existing Council systems and services (such as Kaituna water supply and the Homebush wastewater treatment plant) have the capacity and capability to accommodate increasing development or demand resulting from economic or population growth demands that are beyond the current projected growth forecasts.

Lifecycle renewals

The Optimised Renewal Decision Making process is the primary basis for making lifecycle renewal decisions. This process is a risk-based methodology which assesses the probability of each failure mode (including structural, capacity, performance, age, operational and performance) and the consequence (or damages) of the failures.

A scoring system of 1 to 5 is employed to quantitatively assess the risk components e.g., structurally failed sections will attract a failure mode probability of 5. The risks of failure (for each failure mode) of each section are assessed and calculated by quantifying the product of their probability and consequence of failure.

Assets with a high risk of failure are then ranked and the top group is included in the priority 1 list. The ongoing programme of collecting further asset information and variation of market prices for asset renewal/replacement, as well as new technology advances in the associated industries, mean that the priority list is provisional and will be subject to change with new information. Lifecycles of renewed assets vary depending on type but are typically 18 years for road reseals, 25 years for footpaths and 60 to 80 years for pipework.

Planned increase or decrease in the levels of service

Levels of service were reviewed through the 2024-34 LTP process. A programme of work relevant to this Strategy has been scheduled as a result of that review. This includes:

- Review Mawley Park
- Rural Halls and other asset divestment
- Redevelopment of public library
- Henley and Remembrance Lakes

If other level of service changes are made, these will be incorporated in future Long-term Plans (LTP). Key factors in determining any changes to the current levels of service are affordability, user expectations and the willingness of the community to pay.

Maintain or improve public health

Our focus is to maintain Masterton's high drinking water quality. Due to nature of our water supply operations, substantial changes are not necessary.

The Ministry of Health has an ongoing programme of improving standards for small and rural drinking water suppliers. Ongoing infrastructure investment is required to achieve compliance with these standards. This will raise affordability challenges for users of small supplies into the future. The Council has acknowledged, within the water supply asset management plan, assistance for rural water schemes to meet future drinking water standard compliance. How this provision will be spent is dependent on any changes to the Drinking Water Standards.

Natural Resources Plan

Greater Wellington Regional Councils (GWRC) Natural Resources Plan (NRP) became fully operative on 28 July 2023

The NRP for the Wellington region is an integration and replacement of five regional plans for soil; fresh water; air; discharges to land; and the coastal marine area.

The NRP sets targets and rules for all activities in the Wellington region that have the potential to affect the natural environment, biodiversity and landscape values.

Demand drivers

It is possible that factors in the future could change the demand on the Council's infrastructure assets. The asset management plans provide an analysis of these drivers and possible impacts and are summarised in the table below.

Demand drivers		
Demand drivers	Future Impact	Future possible operational demands
Population	Low/Med	Minor impact on demand
Commercial Influences	Low/Med	Demand is expected to increase at the Waingawa Industrial area
Climate	Med/High	Demand likely to increase in hotter/drier periods and more severe storm events
Tourism	No/Low	Unlikely to impact significantly on demand
Land Use	Low/Med	Demand may increase from large wood processing sites supplied by Kaituna and/or Tinui
Improvement in the level of service	Med	Although demand for quantity is not expected to change, demand for improvement in water quality is anticipated
Changes in customer expectations	Low/moderate	Outcomes from public consultation
Water standards	Moderate/High	More stringent standards applied to water production and to rural water schemes.
Wastewater Volume/ Mix	Low	Negligible
Solid waste Volume/Mix	Low/moderate	Minor impact on demand
Transport traffic volumes	Moderate	Increased maintenance and renewal program
Heavy Class Vehicles	Moderate	Lifting weight restriction from rural bridges
Pastoral Farming practices	Low	Minor impact on demand
Land use (Forestry)	Moderate/High	Construction of an eastern bypass for Masterton was investigated in 2011 and found not economically viable. The report is to be reviewed in 2019.

Demand drivers		
Demand drivers	Future Impact	Future possible operational demands
Footpath's (ageing population)	Moderate	Footpath surfaces and widths will increasingly need to be upgraded to accommodate growing numbers of mobility scooters
The usage of walkways and other passive parks facilities	Medium	Review of the trails network
Parks playing surfaces	Low/Medium	Review the requirements of each park facility

Risk and resilience for infrastructure

The Council carries material damage insurance cover on all its buildings and significant above-ground assets. We are also a member of the Local Authority Protection Programme fund (LAPP) which is a mutual fund scheme designed to cover our 40% contribution to meet the costs of restoring underground infrastructure in the event of a disaster. The balance of 60% is expected to be met by central government's Disaster Recovery Fund. Damage to roads and bridge assets in the event of natural disaster events (including flooding) will be funded by way of our annual roading budget, reserve funds and the NZ Transport Agency (NZTA) share of the damage incurred.

The financial resilience of the Council in the face of unexpected costs is also supplemented by having cash reserves of based on having cash reserves of \$16 million. These funds are available to meet immediate recovery costs and would be expected to be reimbursed once appropriate funding sources are confirmed.

Our asset management practices also need to include a stronger understanding of the resilience of our infrastructure networks, especially key pinch-points and the degree to which different parts of networks are critical to overall performance.

There is a need to increase the sophistication of how we think about resilience, shifting beyond a narrow focus on shock events or infrastructure failure and thinking more about interdependencies, levels of service and community preparedness.

A longer-term view needs to be taken with increased focus on adapting to slower changes over time, including climate change.

Importantly, increased resilience is not necessarily about making things stronger or investing more and is quite often achieved by operational changes. Some key elements of resilience attributes are:

- organisational performance;
- community preparedness;
- service delivery;
- adaptation;
- financial sustainability;
- interdependencies; and
- responsibility.

OPERATIONAL RISKS

The key identified operational risks that would affect the performance of our infrastructure assets are detailed below.

Water Supply Assets

- Contamination to Masterton district drinking supplies. Given recent drinking water contamination in supplies around the country, our focus is to ensure Masterton's drinking water quality remains at the highest possible level. The nature of Masterton water supply operations mean substantial changes are not envisioned and the Council has developed a Water Safety Plan to manage this risk.
- Future "water take" consents from the Waingawa River being reduced. Options for additional water storage and demand management with meters are included in this strategy.

Wastewater Assets

- Wastewater treatment plant capacity. Options to increase treatment capacity at Homebush are included in this strategy.
- Pipe capacity and wastewater overflows. Blockages and stormwater inflows can cause overflow. We have an Inflow and Infiltration strategy to minimise these events. The direction of further work will be guided by independent engineering advice. Council has received some one-off funding from central government to assist this work as a way of improving the resilience of the wastewater network.

Stormwater Assets

- Blockages to the stormwater network. Blockages can cause localised flooding. Maintaining the network and associated waterways and enforcing bylaws will help us keep the stormwater network performing.
- Severe Tropical Cyclone Gabrielle was a severe tropical cyclone that devastated parts of the North Island of New Zealand and affected parts of Vanuatu and Australia in February 2023.
- Cyclone Gabrielle followed closely timed severe weather events, including floods. Cyclone Gabrielle had a significant impact on Masterton, NZ, in February 2023. Tinui homes were flooded, leading to discussions between affected owners and Masterton Council. Coastal communities in Wairarapa faced isolation due to slips and flooding, prompting support from the Horowhenua District Council. The aftermath prompted the Wairarapa mayors to establish a Relief Fund for those impacted by Gabrielle.

Solid Waste Assets

- Recycling processing and solid waste transportation. Being able to recycle more and having to transport less waste will benefit our community.

Roading Assets

- Slips and flood damage. Work on rural roads and pavement drainage will aid in the prevention of slips and flood damage. This work will also assist out stormwater network.

Parks, Property and Community Facilities Assets

- Earthquakes and water supply to parks. Earthquake strengthening or alternative options for public and council owned buildings has started. The Council is aware that water supply to our parks will be a challenge in future years. Future work may include sewer mining, water harvesting and increased planting of drought-tolerant species.

OTHER RISKS

Climate change and stormwater protection

Climate change will increase the risks from natural hazard events that already occur within the district, particularly as a result of:

- sea level rise, exacerbating the effects of coastal erosion and inundation and of river flooding in low lying areas, especially during storm surge;
- increased frequency and intensity of storm events, adding to the risk from floods, landslides, severe wind, storm surge, coastal erosion and inundation; and

More frequent droughts may also affect the security of water supply. Currently we rely on adequate water flows from the Waingawa River and have no stored water for a prolonged drought.

We therefore reduce the causes and adapt to the effects of climate change. Our policies and responses will need to be robust to a range of possible futures, rather than relying on a single 'forecast'.

Climate change is projected to have the impacts shown in the table below on the Masterton district coast. These are expressed as a range, as there are several scenarios considered when making projections.

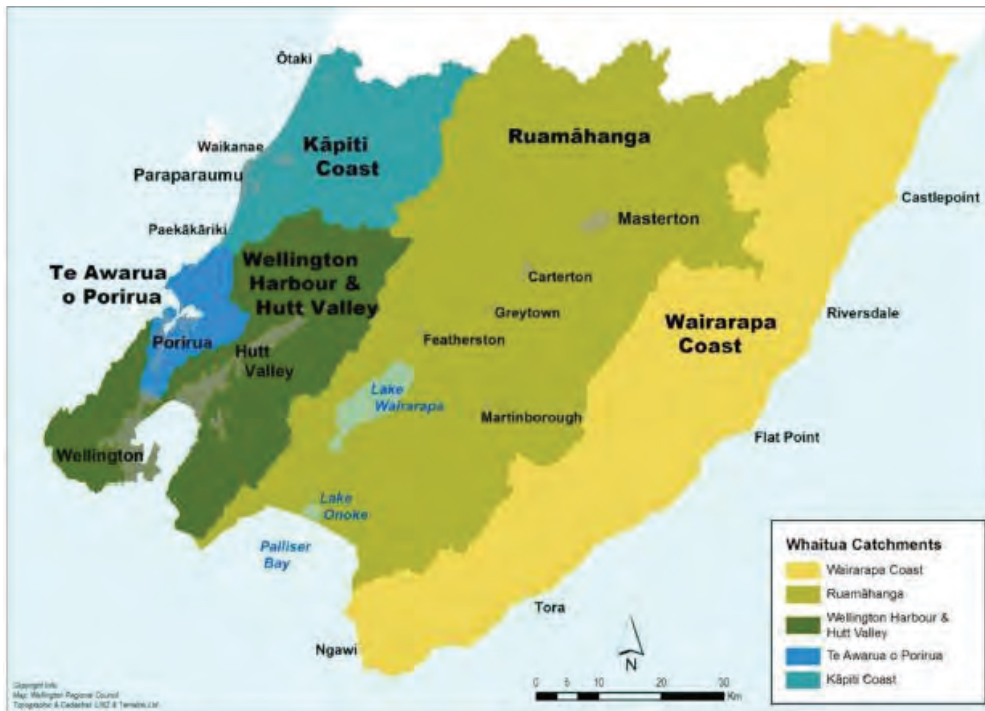
We have based our planning on the NIWA modelled regional climate change projections (known as the Whaitua tables). The scenarios are expressed as a range, from higher emissions to lower emissions for a number of climate related parameters.

Council is taking a two-plan approach to addressing the impacts of climate change:

1. The Corporate Carbon Emission Reduction Plan (CCERP 2021) guides the Council's journey to become a net zero carbon organisation. It is about reducing our organisational greenhouse gas emissions (GHG). These are the emissions that are a result of the day-to-day operations of our organisation.
2. The development of the Masterton District's Climate Action Plan (CAP 2022) created a set of 76 actions that the wider district could implement collectively to reduce emissions and adapt to climate change impacts.

Our Asset Management Plans and Infrastructure Strategy have considered the impacts on our infrastructure over the next 30 years. They consider:

- the scenarios and projections expressed in the Whaitua tables.
- Regional Climate Change Risk Assessment
- Regional Emissions Reduction Plan
- Regional Food System Strategy
- Participating in the National Climate Change Network
- Developing an organisational carbon footprint
- Focusing on energy efficiency
- Increasing our EV fleet
- Promoting waste minimisation
- Council's corporate carbon emissions reduction plan
- Masterton's climate action plan



Climate Change Wairarapa				
By 2040, seasonally the region could expect*:			Impacts	
Ruamahanga	<ul style="list-style-type: none"> 0.7°C to 1°C temperature rise Up to 30 Increased hot days over 25° 	<ul style="list-style-type: none"> Between 5 % less rain, to 5 % more rainfall 0.12 to 0.24 metres above present 	<ul style="list-style-type: none"> Increased human heat stress and mental health issues, rurally and in urban centres Increased temperatures in urban centres due to human activities, large areas of concrete, buildings and vehicles Increased risks of pests (such as wasps, rodents and fruit flies) and diseases (including risks to human health) and biodiversity losses Increased air pollution and seasonal allergies Higher demand for drinking water at times when water is likely to be scarcer Stress on ecosystems and associated impacts on health and economy Range and habitat of native plants and animals will change-extinction of some species 	<ul style="list-style-type: none"> Increased prevalence of drought delivering urban and rural water shortages, and increased pressure on water infrastructure, including water storage Saltwater intrusion on groundwater Decreased water quality and increased levels of toxic algae which impacts biodiversity, recreation and drinking water sources Increased flooding, slips and landslides affecting land, houses, roads and other assets, public transport and rural productivity Flood protection infrastructure Levels of Service reduced overtime Impacted rural community due to reduced agricultural production Reduced soil fertility
Wairarapa Coast	<ul style="list-style-type: none"> 0.5°C to 1°C temperature rise Up to 30 Increased hot days over 25°C 	<ul style="list-style-type: none"> Between 0 % less rain, to 5 % more rainfall 0.12 to 0.24 metres above present 		
By 2090, seasonally the region could expect*:				
Ruamahanga	<ul style="list-style-type: none"> 1.2°C to 3°C temperature rise Up to 80 Increased hot days over 25°C 	<ul style="list-style-type: none"> Between 0 % less rain, to 10 % more rainfall 0.68 to 1.75 metres above present 		
Wairarapa Coast	<ul style="list-style-type: none"> 1°C to 3°C temperature rise Up to 60 Increased hot days over 25°C 	<ul style="list-style-type: none"> Between 10 % less rain, to 5 % more rainfall 0.68 to 1.75 metres above present 		

Climate Change Wairarapa				
			<ul style="list-style-type: none"> Higher temperatures may allow for different crops to be grown. Timing of seasonal activities such as flowering, breeding and migration will change. Several fold increase in urban and rural wildfire risk – a particular concern for water supply 	<ul style="list-style-type: none"> Regional parks negatively affected by both drought and flooding Higher stress on indigenous ecosystems, plants and animals, especially with drought Reduced workplace productivity

Source: MFE , GWRC and NIWA climate change summaries. Updated 2020*Projected changes are relative to 1995 levels. The numbers provided are mid-range estimates of what the change is projected to be and should not be taken as definitive values.

Increased flood risk

As well as the main township of Masterton, our district has other smaller communities such as Castlepoint, Taueru, Tinui, Mauriceville and Riversdale. Two of these communities are situated along the district’s coastal edge. These urban developments are subject to flooding from the many streams and rivers which drop fast out of the ranges and then slow down and spread out on the plain on their way to the sea. In high rainfall events, the volume and rate of flow of the water coming down the waterways rises quickly and residual ponding, once the waterway levels have dropped, can be significant.

Severe Tropical Cyclone Gabrielle was a severe tropical cyclone that devastated parts of the North Island of New Zealand and affected parts of Vanuatu and Australia in February 2023.

Cyclone Gabrielle followed closely timed severe weather events, including floods. Cyclone Gabrielle had a significant impact on Masterton, NZ, in February 2023. Tinui homes were flooded, leading to discussions between affected owners and Masterton Council. Coastal communities in Wairarapa faced isolation due to slips and flooding, prompting support from the Horowhenua District Council. The aftermath prompted the Wairarapa mayors to establish a Relief Fund for those impacted by Gabrielle.

The climate change projections suggest that very heavy rainfall events are likely to become more frequent, especially in the Taranaki ranges during north-westerly storms and the Wairarapa during southerly storms. This will present very significant challenges in how we manage our assets.

Stormwater eventually finds its way to the sea. The level of the sea at the time the stormwater is flowing down the rivers influences how fast and how much of the stormwater can drain away. If the sea level is high enough, it can prevent the water flowing away out to sea causing it to back up and overflow inland. The rise in base sea level is caused in part by rising ocean temperatures – heated water expands.

In addition to this effect, rising ocean temperatures mean that storms generated at sea will contain more energy, for example be more intense. This in turn means that storm surges and wave heights will be higher. All these factors combine to significantly increase the risk of inland flooding on the district's coastal plains.

GWRC has collated data gathered from 20 years' research and data using aerial photos, electronic flood mapping tools and a range of analytical techniques to identify hundreds of Masterton properties as being at potential increased risk of flooding.

We are working with GWRC to confirm predictions for flood events. The overriding issue is to ensure timely protection measures are in place against a 1 in 100-year flood to preserve our community and our economy. Until levels are confirmed, and any mitigation required is in place, there may be implications for any proposed developments in the town centre, the library project and the town's overall economic development.

Earthquake resilience risks

Parts of Masterton are built on old flood plains that could be subject to liquefaction in a major earthquake. Part of the Council's bridge and reticulation renewals programme involves using different construction methods and materials to provide greater earthquake resilience in pipelines.

We do not consider that this risk is so great that the renewals programme should be brought forward. Instead, we will address resilience at the time pipes and bridges are replaced.

WHAT WORK IS PLANNED

Significant Infrastructure

Significant Council infrastructure is identified in each Asset Management Plan. The expected asset lives are set out in detail in our statement of accounting policies. The asset management programme is focused on the most critical parts of the network servicing large numbers of properties, essential services and businesses.

Work programmes assumptions

The Asset Management Plans also detail the projected work programme associated with the management and renewal of assets. This work programme is based on the following assumptions:

There are no significant proposed changes to current levels of service.

Inflation is based on projections by BERL for the local government cost index.

The lifecycle of assets, demand forecast, resilience and regulatory compliance are based on the principles detailed in this strategy.

All necessary resource consents will be obtained for proposed major projects. Consent risks have been included in the option assessment and project selection.

The NZTA funding assistance rate remains at 56% and that NZTA will continue to provide funding to maintain the network at its existing condition. The timing of NZTA decisions about confirmed programme funding does not always align with Council's legislative planning obligations, so some funding budgeted may not be confirmed at the time of adoption of the plans.

The current state of engineering technology remains unchanged. The Council has already adopted developments that both lower the cost of replacing pipes, for example by using trenchless construction technologies, and allow pipes to be treated in ways that extend their lives for several decades such as by inserting new linings in existing pipes. Future technological developments have not been factored into this strategy but opportunities for innovation will be explored as they become available.

No natural hazard events that impact on planned business as usual in a major way have been factored into the work programme. However, the Council continues to improve asset resilience and to plan and prepare for hazard events.

Treaty of Waitangi settlements will not significantly affect current governance arrangements of infrastructure assets.

We will ensure the network renewal programme is adequate to, at a minimum, maintain the asset condition rating and to improve it over 30 years.

These assumptions have all been assessed with a low level of uncertainty based on information collected. Particular risks associated with individual projects are included in the option assessment.

SIGNIFICANT PROJECTS REQUIRED

Over the next ten years we have scheduled some high value infrastructure spending (renewals and service level increases) as well as construction projects to address areas of community well-being. The proposed library extension and new town hall are significant projects that increase the level of service to our community. We are committed to cyclone recovery roading works, an airport runway project and new animal shelter, all factored in before considering new projects for the 2024-34 Long Term Plan. The new debt associated with these projects will result in increasing rates to pay for the increased levels of service.

We are looking to respond to the needs identified in our asset management plans, with a step change increase in maintenance and renewal spending on our roading assets to maintain the current level of service. Water resilience is also a major driver for expenditure as we look at water storage, leaks, charging by usages and improvements to urban drainage and flood protection.

Significant decisions about capital expenditure will be required over the life of this plan or LTP plan life. The tables below provide a summary of these decisions.

Major Projects					
Project	Date and Category	Est Cost \$	Preferred option	Other options	
3 Water Renewals	2024 - 34 Growth/Renewals LOS	\$3.6m p/a. +\$1M for Year 1 as a catch up.	Continue with proactive approach to renewal programme. Targeting older and underperforming assets.	Reduce renewal plan but this will increase the asset failure risk. Assets will continue to age and deteriorate	Increase renewal spend. Affordability issues for community versus potential condition gains.
Trunk Main Renewal	2024 - 26 LOS/Rosk	\$3.7M (Year 1&2)	Replacement of trunk main from Kaituna WTP.	Do not replace – not appropriate as main is at end of life.	
Roading Programme	2024-34 Growth/LOS & Renewals	\$9.9M p/a (includes subsidized and non-subsidised expenditure)	Continue with proactive approach to renewal programme. Programme designed to bring Roothing asset up to prescribed LOS	Reduce renewal plan. This will increase the asset failure risk. Assets will continue to age and deteriorate.	Increase renewal spend. Affordability issues for community versus potential asset condition gains.
Urbanisation	2024-27 Growth/Renewals	\$7.5M Millard \$2.2M Chamberlain	Included within 3 water and roading programmes to enable growth around Masterton urban fringes and infill	Do nothing and let developers cover all costs.	
Masterton Raw Water Storage	2025-28 Risk/LOS	\$7.5M over 3 years	Increase Masterton urban raw water storage capacity to 40 days.	Restrict water use to the community to match our current and future water take consent and storage capability	

Major Projects					
Project	Date and Category	Est Cost \$	Preferred option	Other options	
Potable Water Storage	2027-28 Risk/LOS	\$7M	Construction of new reservoir to provide resilience with network. Currently less than 12 hours storage available in network.	Accept less resilience to the supply	
Town Hall/ Municipal Building	2024-26 LOS	Town Hall \$3.3M to \$25M Library/ Archives \$2.2M to \$14.1M	Expand Waiata House; \$8.7M Demolish Town Hall and Municipal buildings, build new Town Hall; \$25M Upgrade and expand library only: \$10.7M	Town Hall/Municipal <ul style="list-style-type: none"> Option 1: Demolish Town Hall and Municipal Buildings, retain Waiata House and Queen St premises. \$3.3M Option 2: Demolish Town Hall and refurbish Municipal Buildings. \$45.5M Library/Archive <ul style="list-style-type: none"> Option 1: Essential repairs and maintenance to library only. \$2.2M Option 2: Upgrade and expand library and archives. \$14.1M 	
Masterton Revamp	2024-27 LOS	\$6.5M	Reduced programme of work, focusing on replacement of water infrastructure and resurfacing of road and footpath in CBD only	Enhanced CBD option to improve pedestrian access and reduced on street car parking. Cost Est \$14.5M. Focus on the CBD from Jackson Street to Park Street.	Do nothing: this option would see no investment made in the Centre. This is deferring a decision on the infrastructure in the Town Centre that is end of life and overdue for renewal.

Major Projects				
Project	Date and Category	Est Cost \$	Preferred option	Other options
Hood Aerodrome Upgrades	2024-26 Risk/LOS and Growth	\$17M (\$10M of this budget has been funded by the NZ Govt PGF/Kanoa	Current focus is on the delivery of Stage 1 Infrastructure, runway widening and resurfacing.	The signed contract with Kanoa outlines Council and Government obligations to the project and funding sources, based on the application we put forward in 2020.
Mataikona Road Access	2024-34 LOS	\$22.8M (\$7.6M in years 2 & 3)	Mataikona business case has been developed with a hybrid preferred option. Further work required to confirm Councils direction.	TBC
Stopbank / Flood Control	2024-25 LOS/Risk	\$2M	To provide flood protection to the Masterton urban area	Note – awaiting GWRC policy and plans to inform this work.
Homebush Water Treatment Plant Upgrades	Before 2034 Renewals	\$25M for plant upgrade	Upgrades to meet current and future consent requirements for 2034.	Homebush strategy will require amendments if changes to its implementation are agreed. These amendments may be brought about by changes to policies and/or technology. Note that we are still awaiting clear policy guidance from GWRC which will inform any future treatment options.
Clean Fill Site	2028 LOS	\$400K for developing new clean fill site	Council provides a clean fill site to support waste management in accordance with the WMMP	Council does not develop clean fill site and allows private sector to provide instead

More information on each of these projects including most likely scenarios, timings and options is provided below.

Renewal of existing 3 water assets

The proposed scenario for the renewal work programme for the three waters network has an estimated cost of \$8.3M in year one. These costs do not include any enhancements, maintenance or operational expenditure.

The principle alternative is to reduce or defer the renewal spends resulting in a reduction in asset condition and performance, risking a reduction in the levels of service provided by the three water networks.

Renewal and upgrades of existing roading assets

The proposed scenario for the renewal work programme for the roading network has an estimated cost of \$7.7M in year one, excluding Cyclone recovery/reinstatement. These costs do not include any enhancements, maintenance or operational expenditure.

The transportation maintenance, operational and renewals programme is the largest of MDC activities. Together it constitutes around 14 million dollars of annual spending. The three major areas within the programme and their forecast spend for the next 10 years are shown below. The detail programme case is for the funding outlined in section 9.

In 2021, it was anticipated that investment in maintenance and operations would remain relatively constant for the foreseeable future. This investment in renewals proposed was in response to MDC deterioration modelling scenarios, Waka Kotahi (NZTA) audit recommendations and the increased activity in the forestry sector, which is applying additional demand loading on pavements.

Over the past three years the impact of cyclones Gabrielle and Hale along with other storms has refocused efforts. While rebuilding and recovery of storm damaged assets is an immediate focus, it is important that we do not allow other assets to fall into disrepair. Accordingly, the focus will remain on timely asset renewal outside of the recovery works.

The principal alternative is to reduce or defer the renewal spends resulting in a reduction in asset condition and performance, risking a reduction in the levels of service provided by the Roding networks. It would also have implications for rural roads and bridges with the forecast increased in the forest harvest and the increase in truck capacity currently being implemented by the central government's HMPV and 50 max programmes. The financial impact of deferring renewals is difficult to quantify for an entire network but inevitably the disruption and renewal costs of a failed asset are greater than if the work was undertaken in a timely manner.

Network expansion and upgrades

To meet growing demand for more housing project are required to expand or upgrade areas on the urban fringes of Masterton. These upgrades mainly include Roding and 3 Water upgrades to meet the required demand.

Town Hall and Municipal Building

Since the closure of the Town Hall in 2016 there has been much time spent engaging with the community, investigating, and analysing options to help shape what a new Civic facility for Masterton looks like. Through the 2024-34 Long Term Plan, Council will consider options for a dynamic and adaptable venue that can support a wide range of cultural events and provide a point of difference to other venues in the district, as well as a fit for purpose Civic Defence facility and a modern, safe workspace for staff while providing an "accessible 'front door' to Council services and community meeting facilities.

The LTP includes two projects. The first is to expand the existing Waiata House to accommodate Civil Defence, customer services, a Council Chamber, public meeting rooms and a lab. \$8.7 million has been allocated through Years 1-3 of the LTP.

The second project is to demolish the Town Hall and Municipal Buildings (including the façade) and build a new Town Hall on the current Town Hall site including a multi-purpose space for performances or functions. \$25m has been allocated through Years 1-4 of the LTP.

Library and Archives

Council will provide a modern Library that is a centre of literacy, knowledge and documentary heritage that connects people to each other, services, and information to create a thriving and sustainable community.

Masterton Revamp (Town Centre Upgrade)

We want people to enjoy spending time in Masterton, and for visitors to want to come back, so we have had discussions with the community to understand the aspirations, desires and requirements to help Masterton thrive. Those discussions led to the development and adoption of a Town Centre Strategy in 2018 which helped shape the objectives for our Town Centre and the areas that we should start to invest in.

The Council has since pulled back on the scope and ambition of the strategy. The current LTP includes provision to renew assets in Queen Street, including the water main, footpath and road surfaces.

All other work associated with the Town Centre Strategy, including entrances to the town, linkages within the town centre and developing our connection to the Waipoua river remain available for a future Council to re-prioritise.

The previous LTP included an allocation of \$35.4 million dollars over the 10-year period to deliver the project. This provision has largely been removed from the 2024-34 LTP.

Water supply resilience

Urban 40-day raw water reservoir

We need to be able to store more water in order to meet increased demand from a growing population, provide safeguards against any future changes to resource consent conditions and provide greater resilience in times of drought. To address this, we will investigate options for reservoirs for urban raw water. The LTP includes a provision of \$7.3 million over 2023-25 to complete the work. The consequence of not undertaking projects to increase our water supply resilience is that Masterton will not have a secondary drinking water supply that is separate to our main supply. Causes of using a secondary supply could be a natural event e.g., earthquake, infrastructure failure, or water supply contamination.

Homebush wastewater treatment plant upgrade/consent review

The Natural Resources Plan requires the Council to further reduce treated wastewater discharged into the river. The most likely scenario and timing of this will be subject to further consultation with Iwi, GWRC and the community.

The Council's Wastewater Strategy is outlined with the following objectives:

Objective 1 – Project Plan: Establish an overall project plan with clear timelines.

Objective 2 – Engagement: Have the community understand the importance of, and actively manage, their water and wastewater solutions.

Objective 3 – Land Identification: Identification of land suitable for treated wastewater irrigation (and available for purchase, lease or collaboration with owners).

Objective 4 – Flow and Volume Characteristics: Gather comprehensive data and information on flow and volume characteristics of water to be available to farmers/owners.

Objective 5 – Develop Market: Develop means of on-selling available water.

Objective 6 – Develop Infrastructure: Develop plan and implement infrastructure.

Objective 7 – Reduce River Discharge: Over time reduce river discharges and ideally eliminate and direct river (piped) discharge, particularly during lower flows.

Objective 8 – High Flow Land Passage: Any (reduced) discharge to river is via land passage.

A budget provision of \$2.5 million is allowed for in the work programme in year 8 for the implementation of the selected option, \$643K for preparation of a Resource Consent application and a further \$1.9 million provision in year 10 (2033/34) allowed to commence a plant upgrade to stop treated wastewater discharges to the river when the current consent expires in 2034. Further funds are anticipated in the 30-year infrastructure strategy, but outside the scope of this LTP cycle. It is noted that until the Natural Resources Plan is fully implemented, the Homebush upgrade timetable and scope creates significant uncertainty. The impact of not implementing this strategy could potentially incur higher costs in the future.

Hood Aerodrome

Hood Aerodrome is a prized asset in the Wairarapa – home to the world-famous Wings over Wairarapa show and rare vintage aircraft – but it is not meeting current demands or realising its strategic potential as a critical contributor to building and developing the local economy. To meet current demand for an efficient, connective transport system, and enable further economic growth through business investment, critical infrastructure improvements need to be made. This infrastructure upgrades will transform Hood Aerodrome into a modern, functional airport, with capacity for growth beyond its current usage. An airport with greater capacity, functionality, and enhanced safety will support a high-value economy, facilitate freight, trade, and further business development within New Zealand.

Improving the accessibility to the Wairarapa through an air service option made possible by extended and upgraded infrastructure will increase social connectivity and enhance Hood Aerodrome's already strong local, national, and international reputation.

In July 2020, the Government announced it was contributing \$10 million to make the critical investments in our strategic asset. The LTP includes how the \$17 million will be spent over Y0 – Y5 (2021-2026).

Building a new animal shelter

The current animal shelter does not fully meet legislative requirements and upgrades are required for the welfare of the staff, the animals under their care, and visiting public. The existing facility is temporary and is not suitable for renovation. A new purpose-built facility has been designed and a construction contract tendered for the Council-owned site on Ngaumutawa Road. This facility will accommodate the current and future needs of Masterton in the delivery of a crucial service. The investment will include specialists' areas to care for and protect the animals in the Council's care and will also provide an improved service with the ability for the public to pay for the release of their dogs on site.

The work is expected to start in early 2024 and be completed within the first year of the 2024-34 LTP. The expected budget for the whole project sits at \$2.5 million.

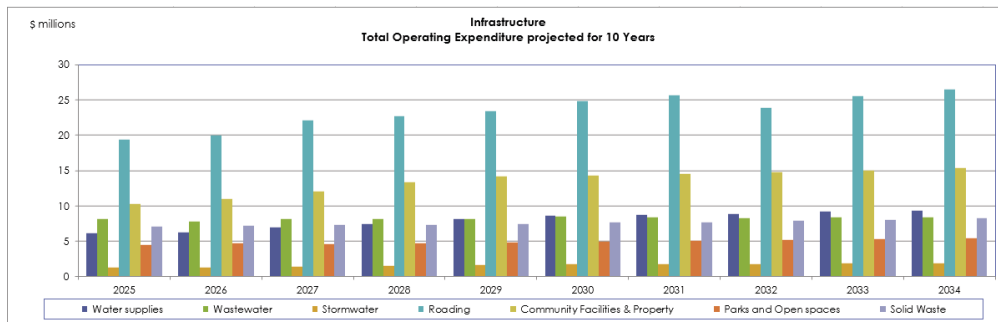
FUNDING OF OPERATING AND CAPITAL EXPENDITURE

The Council's policy with regard to the funding of capital expenditure is to:

- fund roading renewal expenditure from NZTA subsidies and annual rates.
- fund the replacement programme of other assets from depreciation reserve funds to the extent that those funds are available. Where depreciation reserves are insufficient, loan funding will be used.
- fund assets which increase levels of service with loan funding.
- fund assets needed because of growth, from developers, either by the developer providing the infrastructure or developers making financial contributions at the outset of the development. The early identification of the need for new assets driven by growth allows a long lead time for more developments to contribute and funds to accumulate prior to the upgrade being needed.

The operating expenditure for services can be funded by rates, user charges, subsidies or reserve funds. For the majority we are aiming at sustaining current service levels over the next 10 years however in a number of areas we are investing in improvements and additions to services that will increase operating costs and require additional rates funding.

These policies are further detailed in our financial strategy.

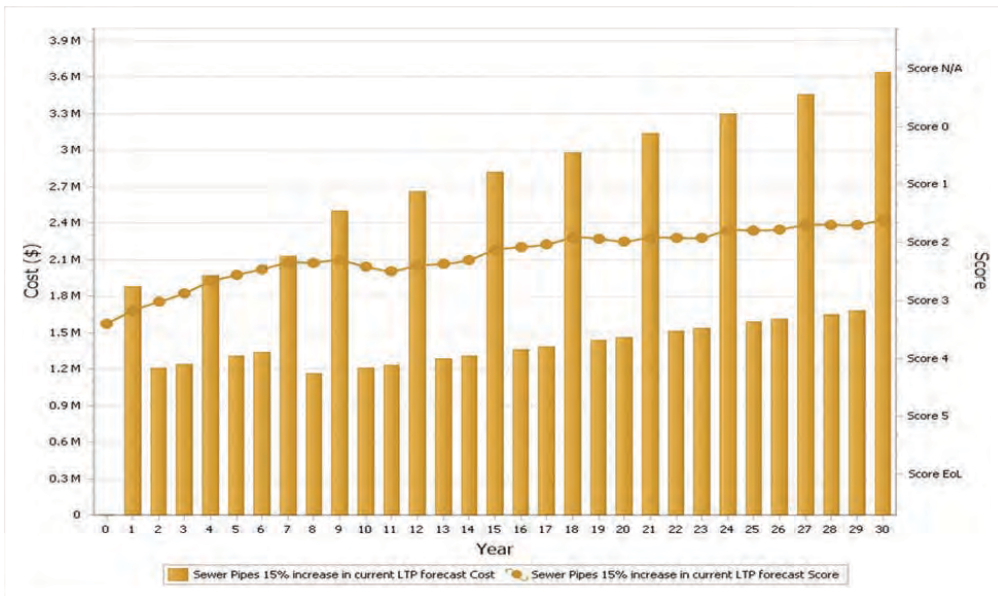
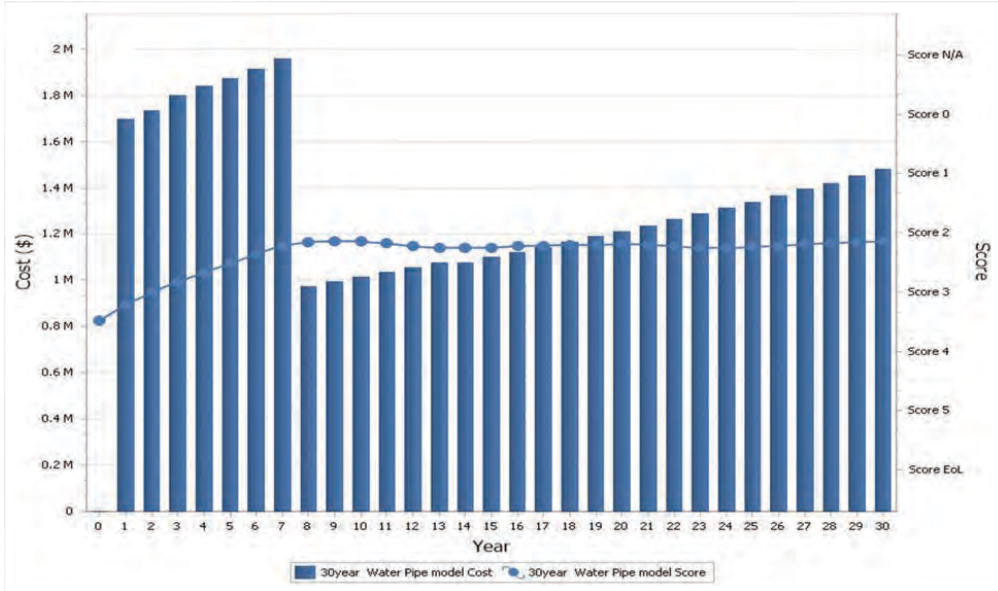


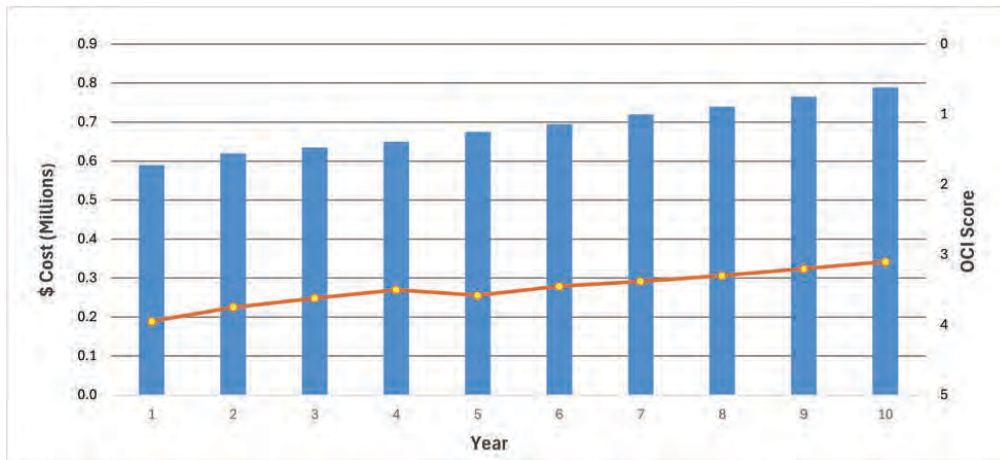
10 Year Infrastructure Expenditure Forecast – Renewal and maintenance programmes

The graphs below show the forecast asset condition for the Council's water, sewer, and stormwater networks, with the proposed network renewal spend over the next 30 years. The performance of the network typically deteriorates gradually over time. Therefore, it is not critical that any particular asset is replaced in the specific year shown.

We will smooth the planned renewal programmes based on the optimised renewal decision process to achieve a balance between optimal timing of maintenance and replacement, keeping funding demands on ratepayers even, and ensuring that work that affects street surfaces is integrated with our street resealing programme. There are no plans to differ or delay the renewals programme specified in the asset management plans for any infrastructure assets. (NB: All graphs include an assumed inflation rate source BERL mid scenario cost adjustors 2020).

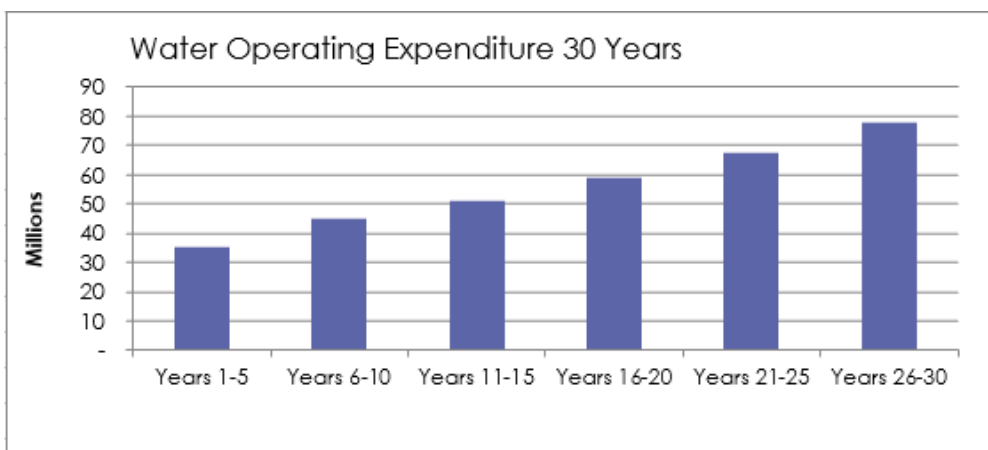
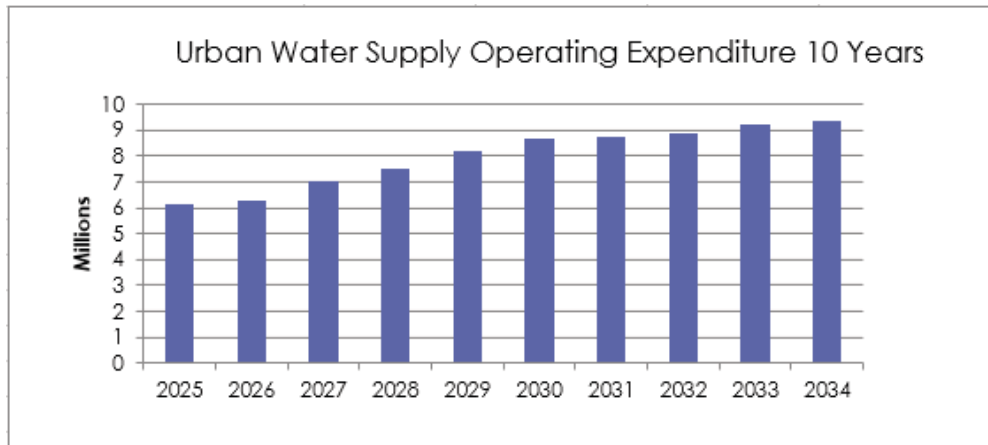
10 and 30-Year Infrastructure 3 Water infrastructure expenditure v condition Forecast

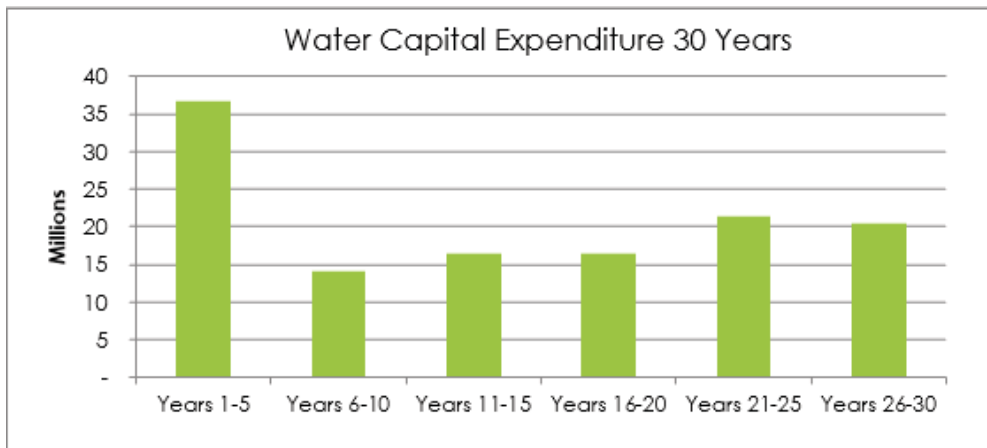
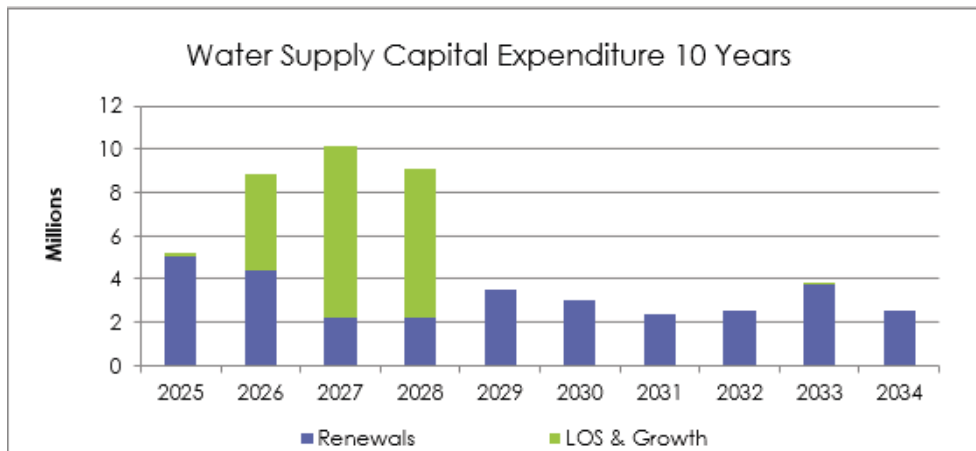




Planned expenditure – water assets

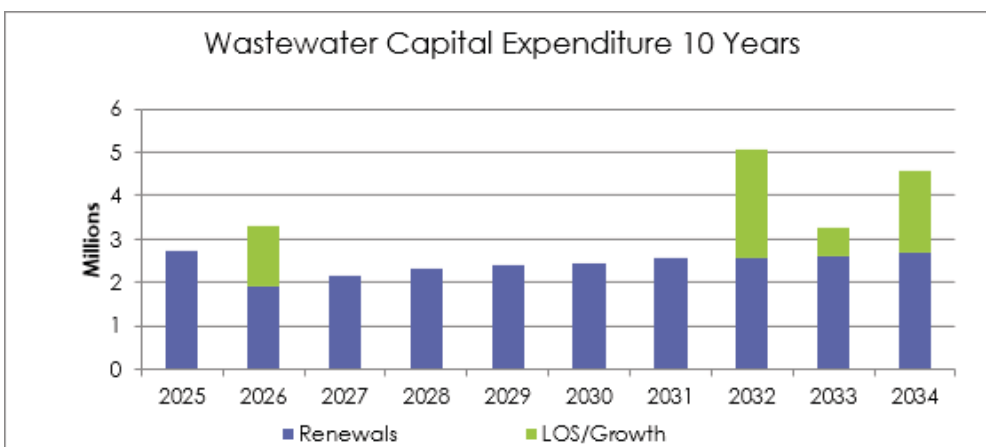
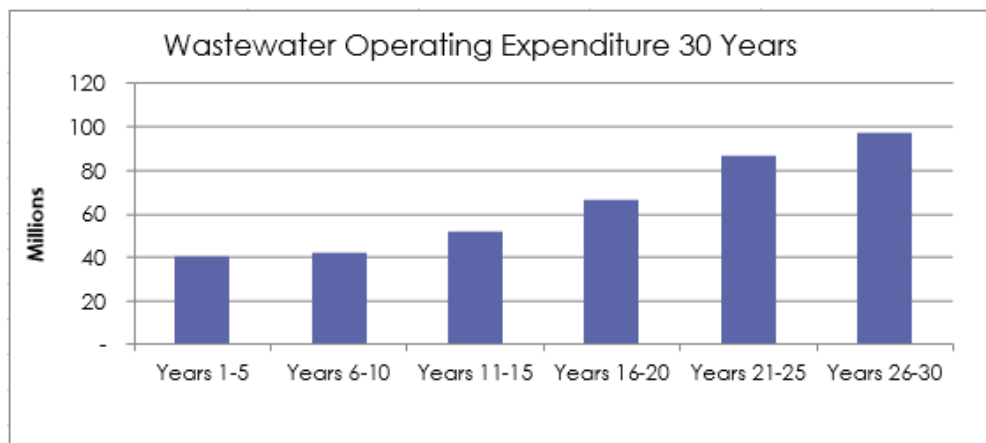
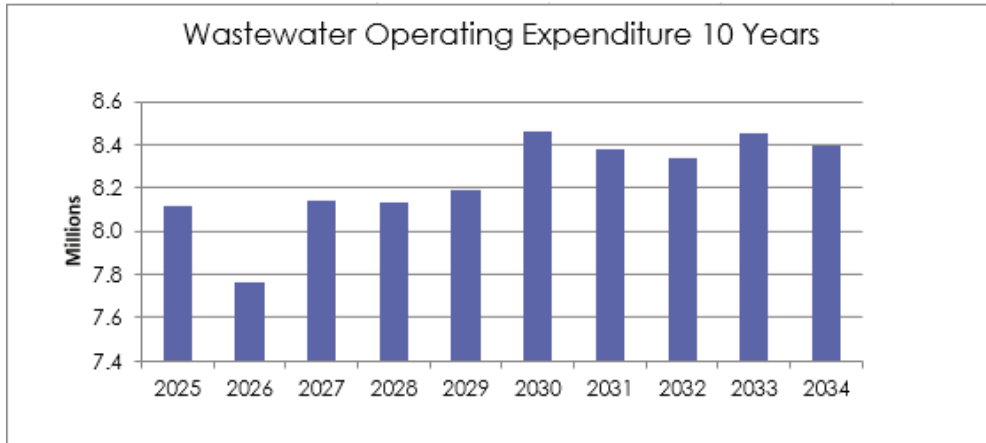
The graphs below show the projected expenditure on water assets over the next 10 to 30 years.

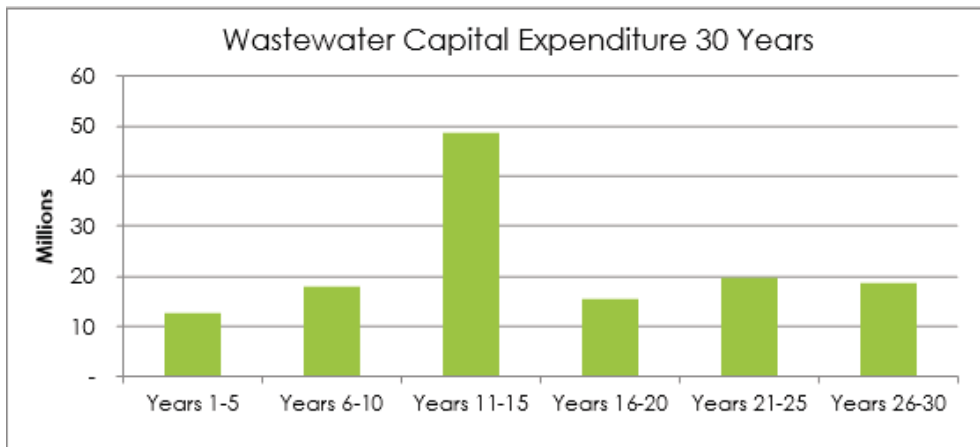




Planned expenditure – wastewater assets

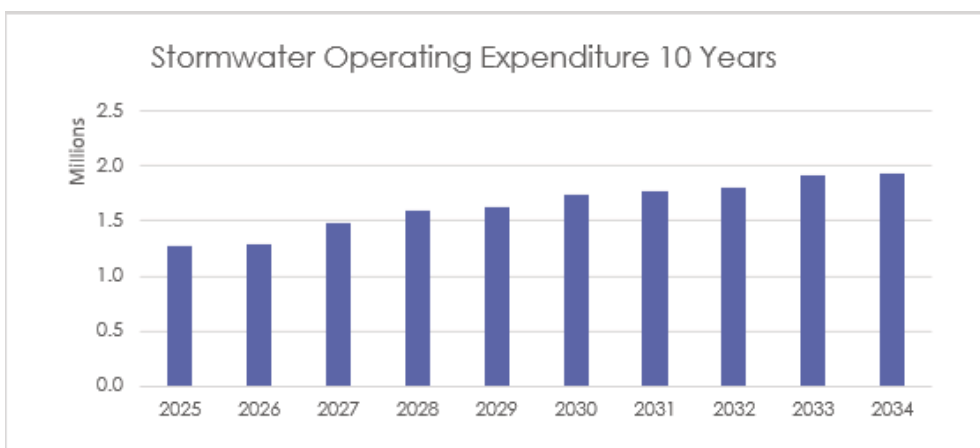
The graphs below show the projected expenditure on wastewater assets over the next 10 to 30 years.

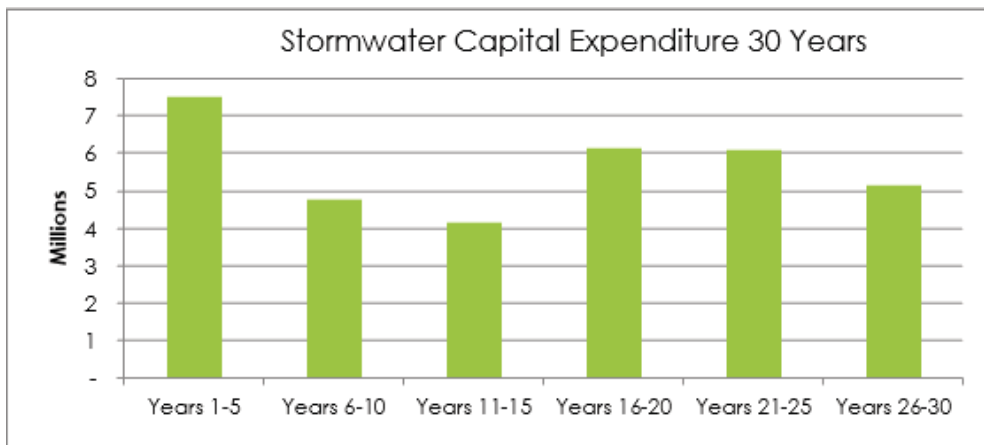
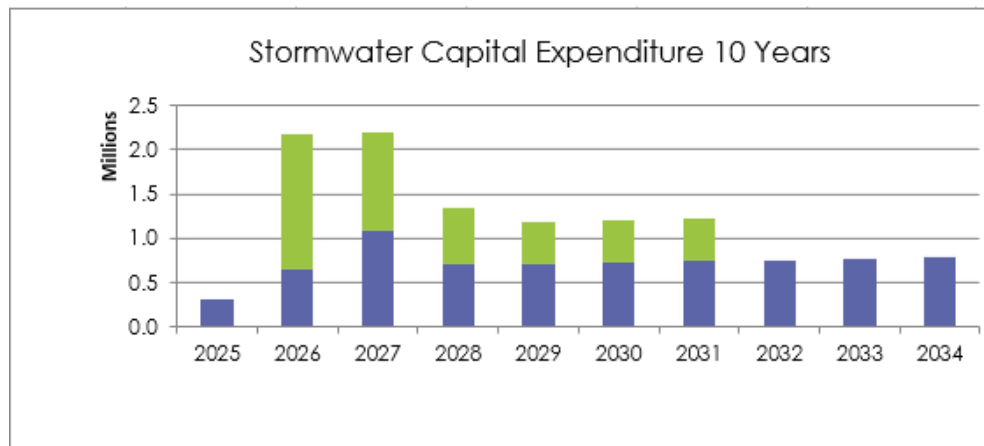
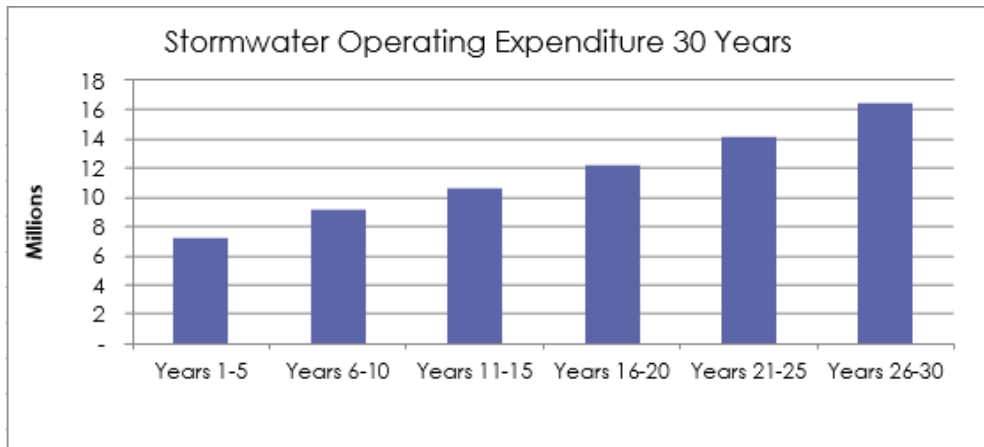




Planned expenditure – stormwater assets

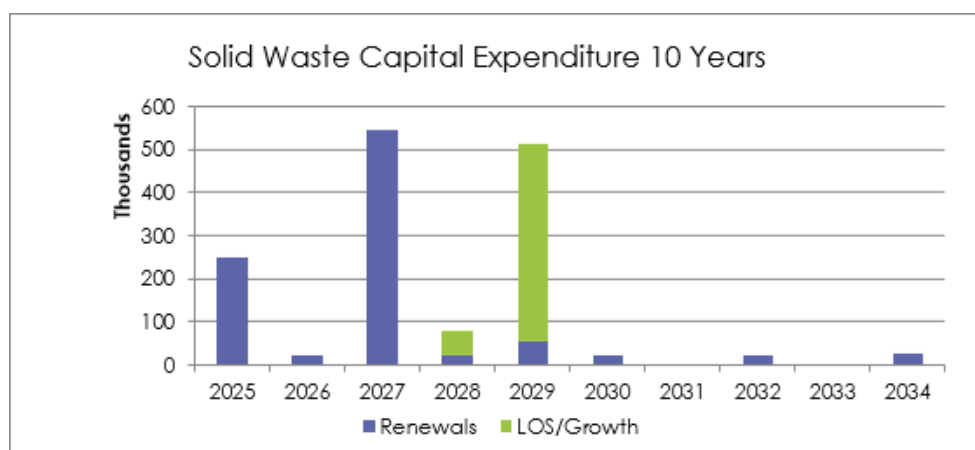
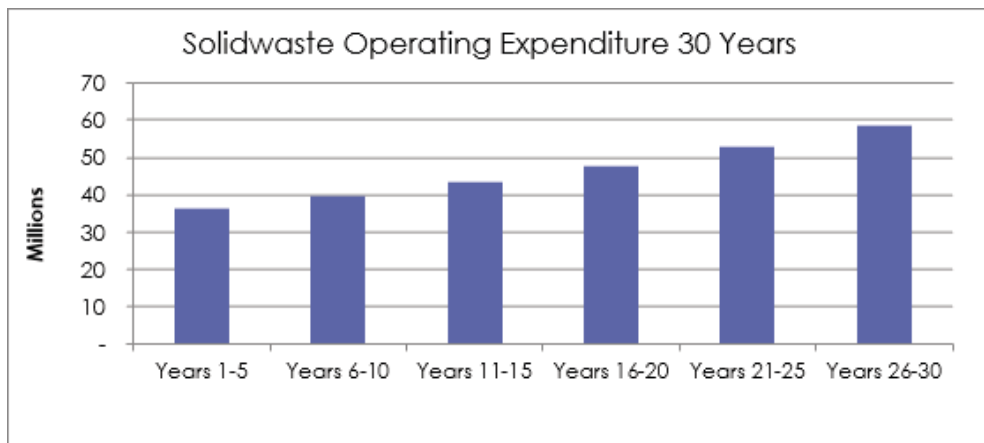
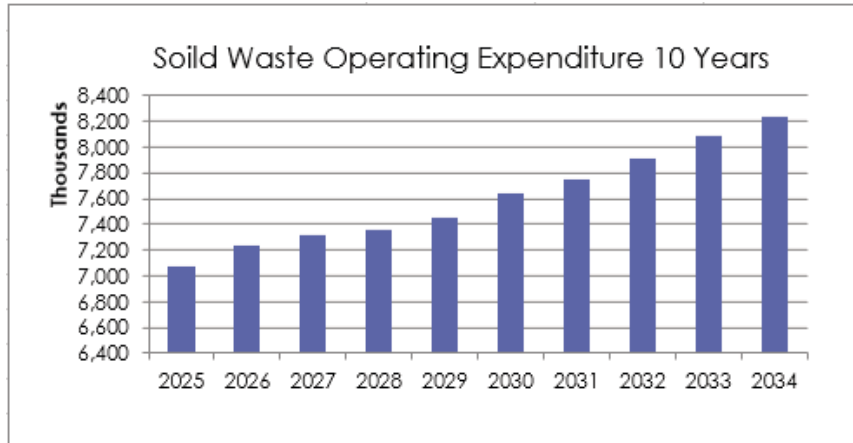
The graphs below show the projected expenditure on stormwater assets over the next 10 to 30 years.

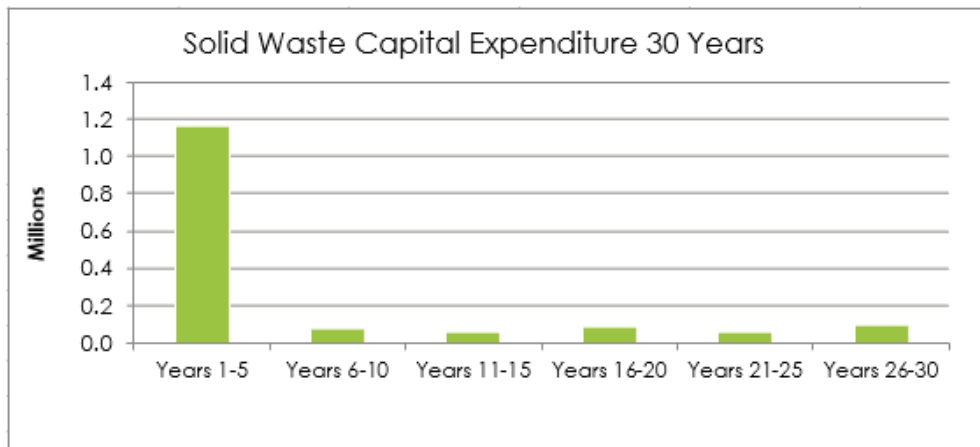




Planned expenditure – solid waste assets

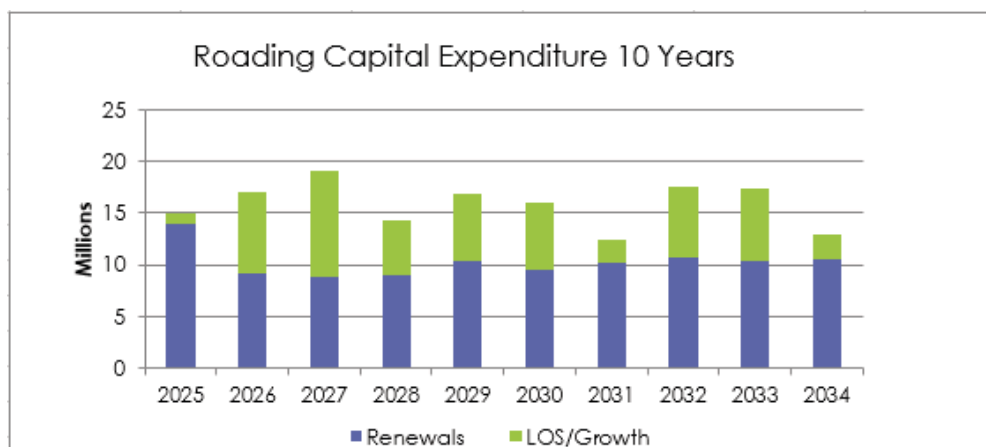
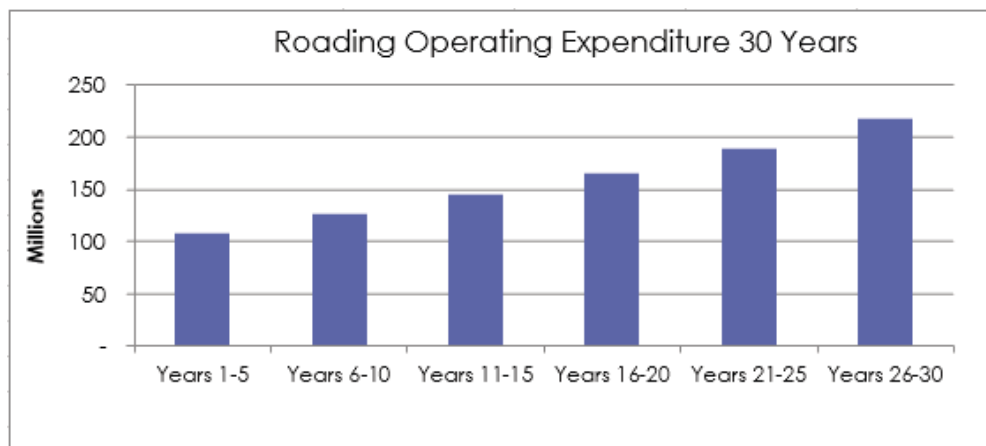
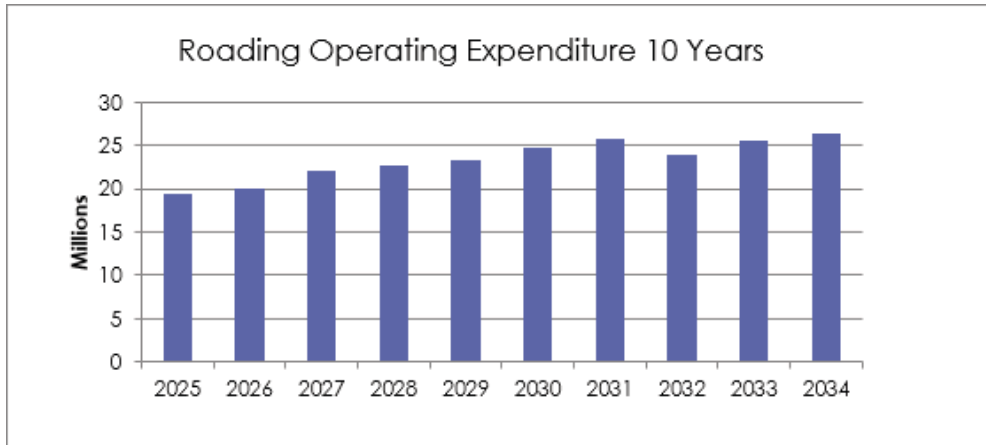
The graphs below show the projected expenditure on solid waste assets over the next 10 to 30 years.

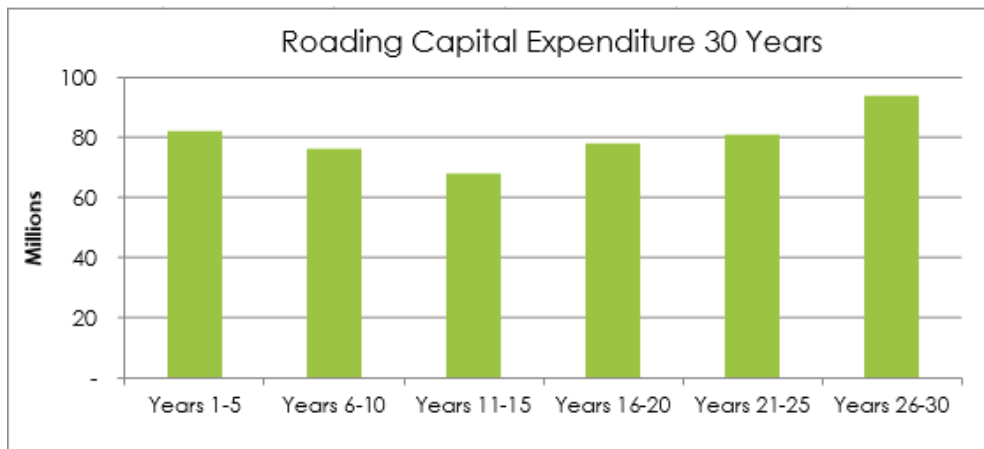




Planned expenditure – roading assets

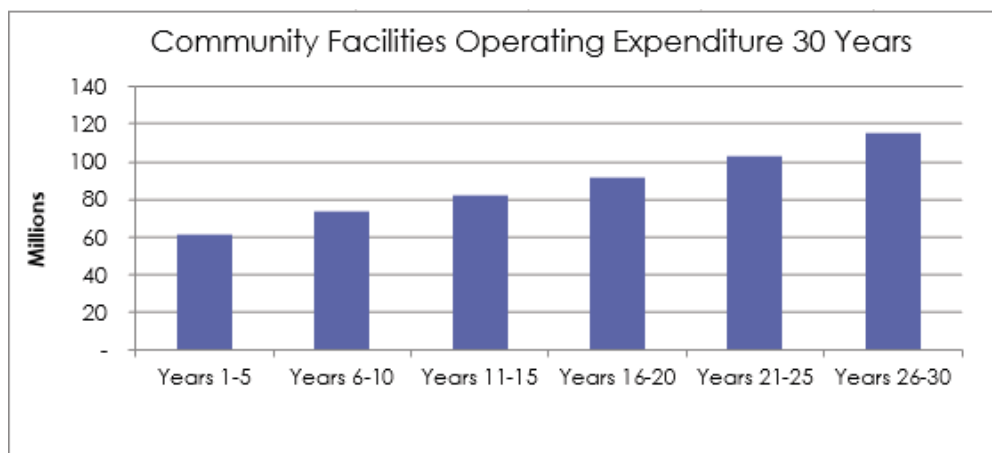
The graphs below show the projected expenditure on roading assets over the next 10 to 30 years.

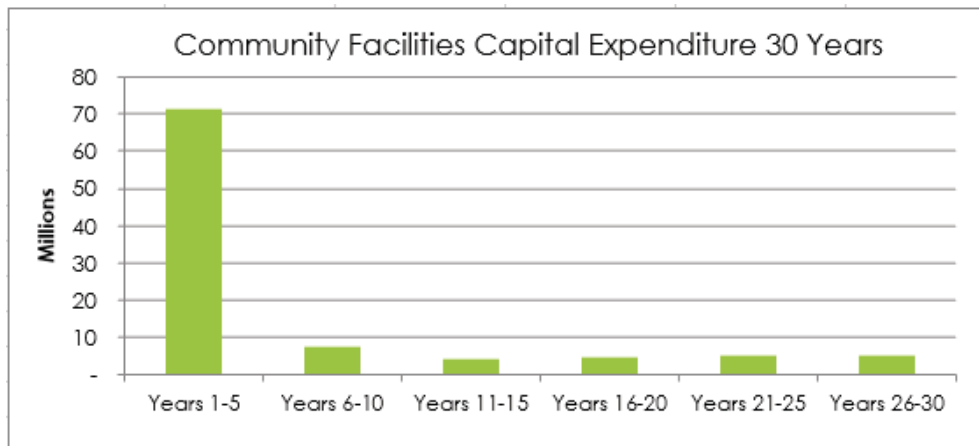
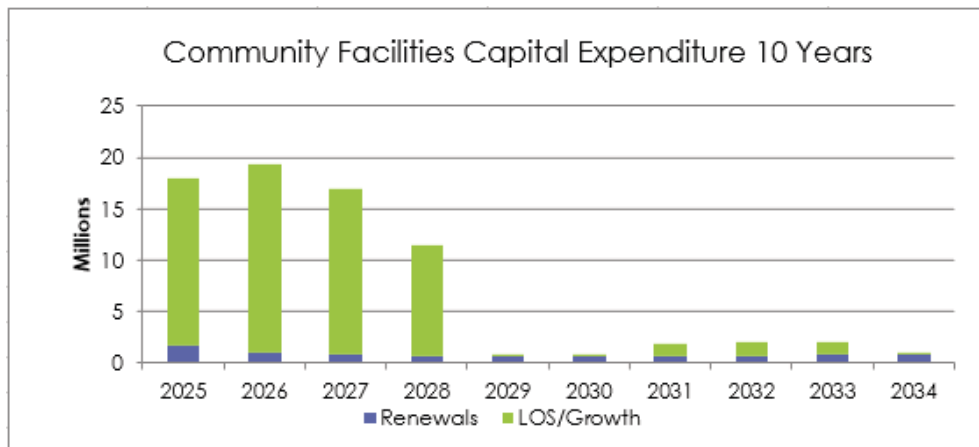




Planned expenditure – community facilities and property assets

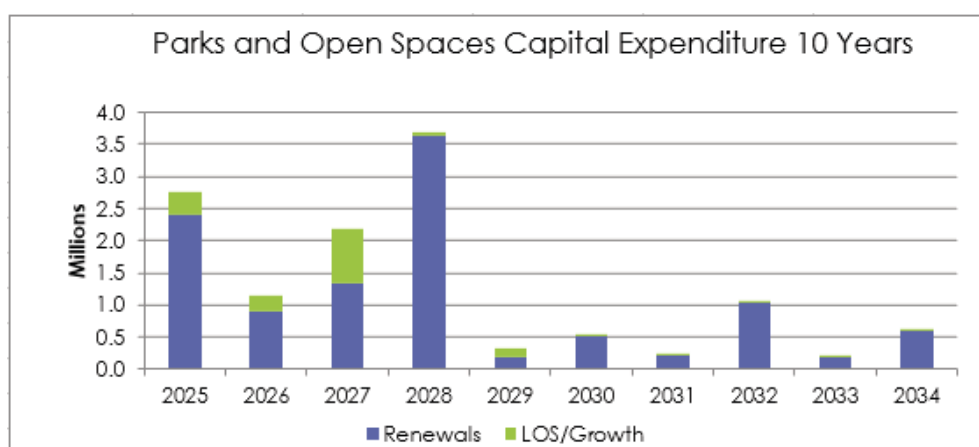
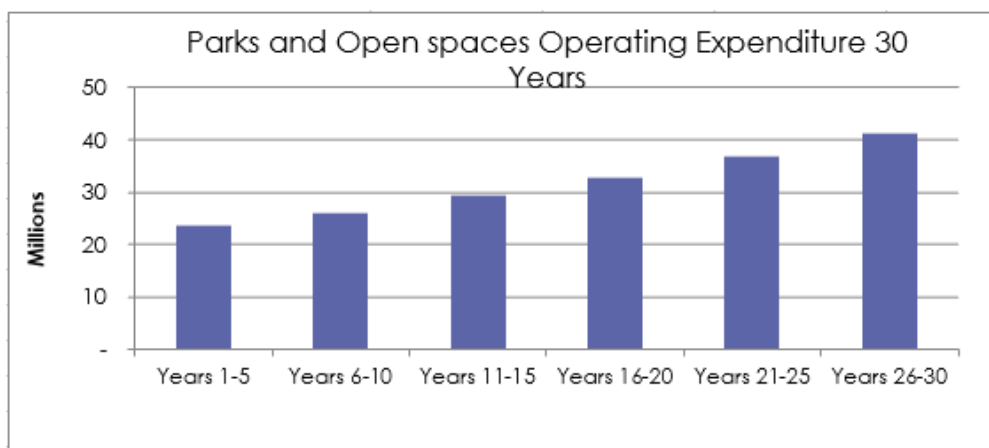
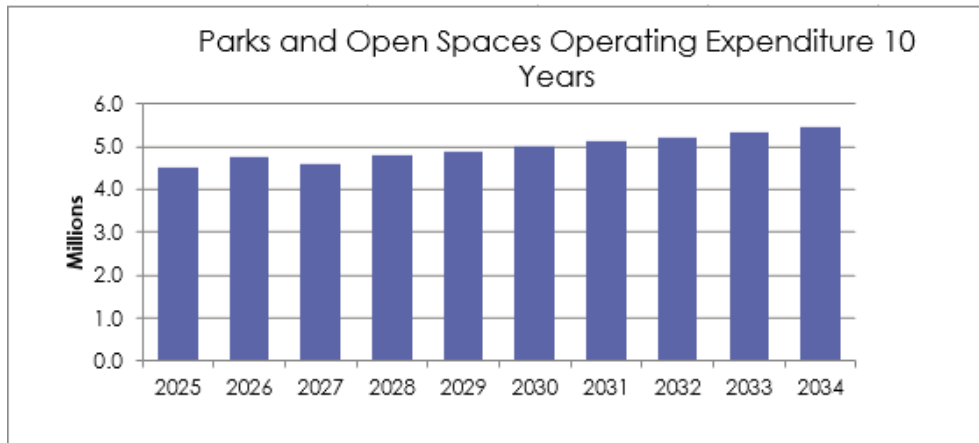
The graphs below show the projected expenditure on community facilities and property assets over the next 10 to 30 years.

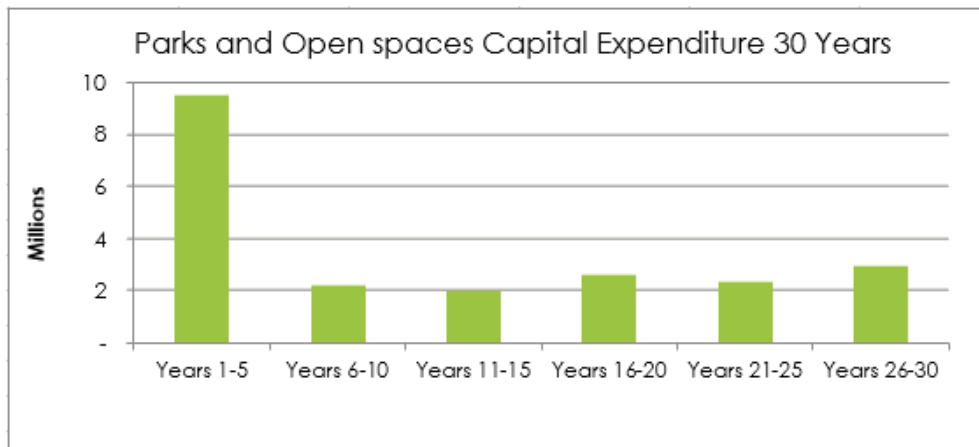




Planned expenditure – parks assets

The graphs below show the projected expenditure on parks assets over the next 10 to 30 years.





OUR WORK IN DETAIL

Te Whakanikoniko o Ngāmahi

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Roads and Footpaths

We provide a safe and efficient local transport network throughout the Masterton district. This involves the construction, management and maintenance of road, street and footpath networks including pavements, bridges, traffic services, on and off-street parking and streetlights.

For more information on local transport network assets, refer to the Infrastructure Strategy on [page 31](#) or the Asset Management Plan via our website.

Why do we do it?

Our roads and footpaths activity ensures that the Masterton district has a local transport network that meets the current and future needs of our community.

The network supports the social and cultural wellbeing of our people, allowing them to move freely and safely around the district, providing easy access to employment, services, recreational and cultural activities. The network also supports economic wellbeing by enabling efficient transportation of goods and provides access for critical services such as power, telecommunications, water supply and waste disposal. Our footpaths and cycling lanes support environmental wellbeing by enabling people to move about the district on bicycles or on foot.

This activity contributes to the following community outcomes:

- An Engaged and Empowered Community
- A Thriving and Resilient Economy
- Efficient, Safe and Effective Infrastructure

Our 10-year priorities

Key priorities for roads and footpaths over the next 10 years include:

- Progressing work on a Road Prioritisation Framework to consider how we best manage roads into the future. The growth strategy/spatial plan we have scheduled for Year 1 will also assist in planning for our roading infrastructure.
- Renewing our roads to improve condition and safety. Over the 10 years of the Long-Term Plan we are investing \$18.5 million in road improvement projects and \$88.5 million in urban and rural road renewals. Funding from Waka Kotahi for the maintenance and renewals amounts to \$83.9 million over the 10 years. This includes renewing roads and footpaths in the Town Centre as part of the Town Centre Improvement Plan.
- Improving Mataikona Road. We have included provision of \$25.7 million over the 10 years, commencing in Year 2, to protect Mataikona Road from coastal erosion to maintain access to this area of our district. However, the NZTA/Waka Kotahi share of funding for resilience improvements on Mataikona Road is not yet confirmed and may not be approved. This uncertainty means that any further improvements, outside of emergency work reinstatement, may not proceed unless the Council fully funds the work. Alternative strategies may be required.
- Continuing with the reinstatement work following the damage caused by Cyclone Gabrielle, with \$6.2 million to be invested in Year 1.
- Improving our footpaths to meet community expectations. We are investing \$7.4 million over 10 years to achieve this. In the early years of the plan, this will primarily be in the Town Centre, in alignment with the Town Centre Improvement Plan.

Delivery of the projects above will result in an improved level of service over time as the additional work is completed, providing a higher standard of footpaths and roads.

A full list of planned capital expenditure projects is provided under 'Our Costs in Detail'.

Potential negative effects

The potential negative effects of providing this activity are:

- contribution to accident and injury rates through road use,
- air, climate and water pollution due to vehicle emissions,
- traffic noise as a result of vehicle use, and
- temporary noise, dust and traffic congestion as a result of road construction and maintenance.

We mitigate these effects through our ongoing maintenance and improvement programme which aims to deliver a safe and reliable transport network. All construction and maintenance activity is planned to minimise disruption during works.

We also support initiatives that promote environmentally-friendly transportation and road safety; and will address water pollution from vehicles via our Stormwater Management Plan.

How do we measure success?

What we do: Provide safe and well-maintained roading, footpath and on-road cycling networks

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
Meeting our commitment to delivering safe, well-maintained roads and footpaths that meet the needs of our community	Number of fatalities and serious injury crashes on the local road network.	Achieved: No fatalities and nine serious injury crashes.	No more than the 5 year average
	Average quality of ride on a sealed local road network, measured by smooth travel exposure.	Achieved: 94%	Maintain or improve on 90%
	Percentage of sealed local road network that is resurfaced.	Not Achieved: 1.9%	Maintain within 5-7%
	Percentage of footpaths where the condition falls within the level of service defined in the Asset Management Plan.	Achieved: 91.7%	90% of footpaths are rated Excellent, Good or Average
	Percentage of urgent customer service requests responded to within two days.	Achieved: 98.9%	95% within specified timeframe

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
	<p>Percentage of non-urgent customer service requests responded to within the timeframes specified in the Asset Management Plan and placed on appropriate maintenance programme. (Specified response times for non-urgent requests vary by category, ranging from 7 days to 30 days).</p>	<p>Achieved: 82.9%</p>	<p>70% within specified timeframe</p>
	<p>Why this is important:</p> <p>These measures have been developed by the Department of Internal Affairs - Te Tari Taiwhenua (DIA) and all councils must report on these. They reflect a range of information about our asset condition and responsiveness to service requests that assists us in managing these assets and our service delivery. They also enable us to benchmark against other councils.</p>		

Cost of service statement

ROADING											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Operating Costs										
6,476,049	Road maintenance - subsidised	7,551,170	8,080,947	8,572,937	8,385,747	8,607,360	8,848,495	9,031,094	9,253,778	9,485,802	9,663,775
1,407,636	Road maintenance - non-subsidised	1,756,462	1,768,141	1,908,258	2,072,771	2,149,528	2,274,804	2,388,166	2,408,383	2,529,241	2,640,319
8,752,342	Depreciation	10,119,178	10,119,355	11,671,475	12,252,691	12,636,368	13,686,110	14,288,674	12,206,510	13,488,954	14,144,510
16,636,027		19,426,810	19,968,443	22,152,670	\$ 22,711,209	\$ 23,393,256	\$ 24,809,409	\$ 25,707,834	\$ 23,868,671	\$ 25,503,997	\$ 26,448,604
	Operating Income										
3,095,638	Waka Kotahi subsidy (on maint)*	3,689,482	3,931,070	4,169,498	4,050,399	4,145,730	4,238,989	4,328,319	4,419,326	4,514,924	4,603,449
200,000	Local authority petrol tax	200,000	206,200	210,400	215,200	220,400	225,400	230,200	235,000	240,000	244,800
696,000	Other recoveries - incl financial contributions	696,000	2,498,976	1,700,992	703,296	705,792	708,192	710,496	712,800	715,200	717,504
3,991,638		4,585,482	6,636,246	6,080,890	\$ 4,968,895	\$ 5,071,922	\$ 5,172,581	\$ 5,289,015	\$ 5,367,126	\$ 5,470,124	\$ 5,565,753
	Appropriations										
(180,000)	Transfers from reserves	(340,000)	(340,000)	(290,000)	(180,000)	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)
1,100,000	Transfers to reserves	1,100,000	2,900,000	2,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
67,212	Provision for loan repayments	144,769	189,463	226,417	298,308	323,119	382,768	446,308	471,833	541,974	602,694
(8,172,410)	Reverse depreciation**	(9,350,000)	(9,300,000)	(10,400,000)	(10,400,000)	(10,700,000)	(11,400,000)	(12,100,000)	(9,500,000)	(11,000,000)	(11,400,000)
\$5,459,191	Rates Requirement	\$6,396,097	\$6,781,660	\$ 7,708,197	\$ 8,560,622	\$ 8,884,453	\$ 9,559,596	\$ 9,725,227	\$ 10,413,378	\$ 10,515,847	\$ 11,025,545

* Further subsidy income is shown in the Capital Expenditure Summary
 ** Most depreciation is reversed to arrive at the rates requirement. Renewals expenditure (shown in the Capital Expenditure Statement) is funded from current revenue.

Water Supply

We provide treated water that is safe to drink through the Masterton urban reticulation system, Tinui and the Waingawa industrial area. In rural areas, we provide non-drinking water to rural schemes and water race supplies.

We own and maintain a network of water mains, trunk mains, tanks, reservoirs and water treatment facilities at Kaituna and Tinui.

For more information on water supply assets, refer to the Infrastructure Strategy on page 45 or the Asset Management Plan via our website.

Why do we do it?

Our water supply activity contributes to wellbeing by ensuring residents and visitors have access to clean, safe water, and by providing that water with minimal environmental impact. Through this activity we contribute to our community's health and safety, support residential and commercial water needs and protect the environment.

This activity contributes to the following community outcomes:

- A Sustainable and Healthy Environment
- A Thriving and Resilient Economy
- Efficient, Safe and Effective Infrastructure

Our 10-year priorities

Key priorities for water supply over the next 10 years include:

- Renewing our oldest water pipes to prevent water loss through leakage. A total of \$29.3 million has been allowed over the 10 years of the Long-Term Plan for urban water infrastructure renewals. This includes renewing the trunk mains carrying bulk water into the urban area and renewing the water main in the CBD as part of the Town Centre Improvement Plan.
- Increasing water resilience is a feature of our 10 year plan. We will provide for more water storage by constructing larger raw water storage ponds at the Kaituna water treatment plant in years 2 to 4 (\$8.4 million) and through the addition of more treated water storage (a new reservoir) in years 3 and 4 (\$7.9 million) We are also working with Greater Wellington Regional Council, Carterton and South Wairarapa District Councils to implement the Wairarapa Water Resilience Strategy.
- Urbanisation of the Millard Avenue water supply. \$863,002 has been allowed for this in Year 2.
- Developing an equitable charging regime for water use following the installation of water meters on all residential properties in Masterton. \$200,000 has been allocated in Year 1 to complete the water meter project. The water meters will enable improved leak detection and raise awareness of water usage that will enhance water conservation.
- Maintaining a safe water supply by meeting all legal requirements and working alongside private/rural water suppliers to ensure long-term water quality.

Delivery of the projects above will result in an improved level of service, as our water supply becomes more secure and resilient.

A full list of planned capital expenditure projects is provided under 'Our Costs in Detail'.

We mitigate the potential for contaminated water supply through our operational procedures, which include regular monitoring and treatment, in accordance with New Zealand Drinking Water Standards.

Potential negative effects

The potential negative effects of providing this activity are:

- delivery of contaminated water through our system, and
- over-extraction of water.

We mitigate the potential for contaminated water supply through our operational procedures, which include regular monitoring and treatment, in accordance with New Zealand Drinking Water Standards.

Potential over-extraction is mitigated through compliance with resource consent conditions on water- take and the use of water restrictions when required.

How do we measure success?

What we do: Deliver safe drinking water efficiently and effectively to urban households

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
Meeting our commitment to providing a safe, effective and efficient water supply	Number of complaints received about drinking water clarity, taste, odour, pressure or flow, continuity of supply or the Council's response to any of these issues.	Achieved: 4.88 complaints per 1,000 connections	Less than or equal to 6 complaints/1,000 connections
	Response time to call-outs to a fault or unplanned interruption to the Council's networked reticulation system:		
	a. attendance at urgent call outs (from notification to arrival on site).	Achieved: 50 minutes	60 minutes or less
	b. resolution of urgent call outs (from notification to confirmation of resolution).	Achieved: 113 minutes	480 minutes or less
	c. attendance at non-urgent call outs (from notification to arrival on site).	Achieved: 69 minutes	7 days or less
	d. resolution of non-urgent call outs (from notification to confirmation of resolution).	Achieved: 108 minutes	3 months or less
	Council's drinking water supply complies with:		
	a. Drinking Water Quality Assurance Rules (DWQAR) - Bacterial Compliance.	Not achieved	Fully compliant
	b. Drinking Water Quality Assurance Rules (DWQAR) - Protozoal Compliance	Fully compliant	Fully compliant

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
	Percentage of real water loss from the Council's reticulation system (calculated using minimum night flow).	Achieved: 32.4%	Year 1: No more than 32.4% From Year 2: Establish the target as part of the Annual Plan process taking water meter trial data into consideration.
	Average consumption of drinking water per day per resident within the district.	Not Achieved: 586 litres/person/day	Year 1: No more than 578 litres/person/day From Year 2: Establish the target as part of the Annual Plan process taking water meter trial data into consideration.
<p>Why this is important:</p> <p>These measures have been developed by the DIA and all councils must report on these. They reflect a range of information about our asset condition, compliance matters and responsiveness to service requests that assists us in managing these assets and our service delivery. They also enable us to benchmark against other councils.</p>			

Cost of service statement

URBAN WATER SUPPLY											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,742,975	Water treatment costs	1,806,244	1,855,841	2,029,063	2,212,093	2,385,926	2,429,450	2,435,214	2,475,357	2,489,223	2,515,747
1,444,008	Water reticulation costs	1,863,041	1,906,886	2,059,605	2,284,638	2,530,258	2,624,005	2,634,006	2,660,413	2,684,743	2,752,265
2,093,372	Depreciation	2,464,501	2,516,020	2,920,950	3,008,250	3,263,760	3,592,087	3,670,351	3,713,451	4,061,573	4,091,920
5,280,355		6,133,786	6,278,747	7,009,618	7,504,981	8,179,944	8,645,542	8,739,571	8,849,221	9,235,539	9,359,932
	Operating Income										
313,478	User charges	350,624	363,948	237,095	243,772	250,452	256,908	263,142	269,375	275,385	281,620
130,800	Internal Recoveries	88,000	90,640	92,664	94,864	97,064	99,264	101,376	103,488	105,600	107,712
444,278		438,624	454,588	329,759	338,636	347,516	356,172	364,518	372,863	380,985	389,332
	Appropriations										
291,117	Provision for loan repayments	367,578	451,479	573,817	748,851	917,895	996,952	1,055,440	1,116,170	1,181,588	1,183,956
(605,000)	Reverse depreciation	(690,000)	(750,000)	(995,000)	(1,200,000)	(1,300,000)	(1,440,000)	(1,450,000)	(1,500,000)	(1,700,000)	(1,550,000)
\$4,522,194	Rates Requirement	\$5,372,740	\$ 5,525,638	\$ 6,258,676	\$ 6,715,196	\$ 7,450,323	\$ 7,846,322	\$ 7,980,493	\$ 8,092,528	\$ 8,338,142	\$ 8,604,556

RURAL WATER SUPPLIES											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
283,355	Rural water supplies & races	295,687	305,057	312,119	319,622	327,086	334,359	341,360	348,408	355,335	362,272
194,589	Depreciation	161,591	162,591	182,011	183,126	184,653	193,890	195,495	196,727	214,875	216,162
477,944		457,278	467,648	494,130	502,748	511,739	528,249	536,855	545,135	570,210	578,434
	Operating Income										
236,600	Rural water scheme charges	250,000	258,462	265,185	272,655	280,125	287,346	294,318	301,290	308,013	314,985
	Appropriations										
5,928	Provision for loan repayment	6,553	6,963	7,392	7,833	8,313	8,807	9,326	9,864	10,435	11,031
(94,456)	Reverse depreciation	(40,255)	(38,023)	(50,415)	(48,350)	(46,317)	(49,124)	(47,454)	(45,814)	(57,294)	(55,707)
\$152,816	Rates Requirement	\$173,576	\$ 178,126	\$ 185,922	\$ 189,576	\$ 193,810	\$ 200,566	\$ 204,409	\$ 207,895	\$ 215,338	\$ 218,773

Wastewater Services

Wastewater services are provided to approximately 9,600 separate connected residential, commercial and industrial properties in the urban area, Waingawa industrial area, Riversdale, Castlepoint and Tinui. The services include maintaining our network of pipes, pump stations, treatment plants, wetland cells and a waste stabilisation pond. The system provides for efficient and safe collection, treatment and disposal of wastewater, which drains from things like our toilets, showers, baths, sinks, washing machines and dishwashers.

For more information on wastewater assets, refer to the Infrastructure Strategy on page 47 or the Asset Management Plan via our website.

Why do we do it?

Our wastewater activity contributes to wellbeing by protecting the health and safety of our community, supporting residential and business development, and ensuring that wastewater disposal has minimal impact on the natural environment.

This activity contributes to the following community outcomes:

- A Sustainable and Healthy Environment
- A Thriving and Resilient Economy
- Efficient, Safe and Effective Infrastructure

Our 10-year priorities

Key priorities for wastewater over the next 10 years include:

- Preparing for the Homebush Wastewater Treatment Plant consent renewal. A total of \$2.5 million has been allowed in Year 8 to increase irrigation areas at Homebush, which will reduce the amount of treated wastewater that is discharged to water, enhancing performance. In Years 9 and 10 we will invest in resource consent renewal options development.
- Ongoing renewal work on wastewater infrastructure in the urban area, and at Castlepoint and Riversdale. Across the 10 years of this Long-Term Plan, \$23.2 million has been allowed for reticulation renewals work.
- Developing a Storm and Wastewater Strategy for Cockburn/Taranaki Street that will provide a roadmap for improving wastewater and stormwater infrastructure in this area of town.
- Improving wastewater services in the Millard Avenue area to urban standards. \$1.4 million has been allowed in Year 2 for this work.

Delivery of the projects above will maintain or improve the level of service provided, in particular as we urbanise Millard Avenue and provide greater environmental protection through enhancements at the Homebush Wastewater Treatment Plant.

A full list of planned capital expenditure projects is provided under 'Our Costs in Detail'.

Potential negative effects

The potential negative effects of providing this activity are:

- pollution of rivers and streams,
- overflows or breakages that may have localised negative effects on the environment and public health, and
- odour.

We mitigate these potential effects by ensuring our infrastructure is fit for purpose. A major upgrade to the Homebush Wastewater Treatment Plant was completed in 2015/16. The plant is actively managed and monitored to ensure compliance with resource consent requirements. Our maintenance and renewal programme ensures that the plant, sewer pipes and other wastewater infrastructure remain effective.

How do we measure success?

What we do: Deliver safe and acceptable systems for the collection, transfer and disposal of wastewater

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
Meeting our commitment to providing a safe and reliable wastewater service and minimising environmental impacts of this service	Number of complaints received about sewerage odour, system faults, system blockages and the Council's response to issues with its sewerage system.	Not Achieved: 26.56 complaints/ 1,000 connections (257 complaints)	Less than or equal to 8 complaints/1,000 connections
	Median response time to sewerage overflows resulting from a blockage or other fault to the Council's sewerage system:		
	a. attendance (from time of notification to the time service personnel arrive onsite).	Achieved: 52 minutes	6 hours or less
	b. resolution (from time of notification to the time service personnel confirm resolution).	Achieved: 102 minutes	12 hours or less
	Number of dry weather sewerage overflows from the Council's sewerage system.	Achieved: 0.41 complaints/ 1,000 connections (4 complaints)	Less than or equal to 2/1000 connections
	Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of abatement notices, infringement notices, enforcement orders or convictions received by MDC in relation to those consents.	Not Achieved. One abatement notice served.	100% compliance
<p>Why this is important:</p> <p>These measures have been developed by DIA and all councils must report on these. They reflect a range of information about our asset condition, compliance matters and responsiveness to service requests that assists us in managing these assets and our service delivery. They also enable us to benchmark against other councils.</p>			

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
Meeting our commitment to continuity of service	Alternative system provided where loss of service exceeds 24 hours.	Not Achieved: 16.53/1,000 connections. One hundred and sixty portaloos provided.	Less than or equal to 1 per 1,000 connections
	<p>Why this is important:</p> <p>We have committed to supplying wastewater services to households connected to our wastewater systems. Our community relies on this service so when there are extended service disruptions, we will provide an alternative supply.</p>		

Cost of service statement

WASTEWATER SERVICES - URBAN											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,612,534	Sewerage reticulation	2,169,890	1,876,255	1,911,775	1,932,472	1,971,958	2,000,309	2,009,332	2,030,575	2,048,392	2,054,988
2,824,260	Wastewater treatment	2,672,863	2,577,809	2,547,879	2,480,702	2,463,717	2,396,657	2,294,989	2,206,181	2,231,374	2,130,556
3,411,153	Depreciation	3,271,270	3,309,581	3,681,759	3,718,344	3,756,873	4,065,697	4,076,495	4,104,924	4,169,557	4,213,755
7,847,947		8,114,023	7,763,645	8,141,413	8,131,518	8,192,548	8,462,663	8,380,816	8,341,680	8,449,323	8,398,299
	Operating Income										
540,993	User Charges & lease income	905,000	584,490	598,355	613,755	629,155	644,050	658,430	672,810	686,685	701,065
	Appropriations										
-	Transfers from reserves	-	-	-	-	-	-	-	-	-	-
2,373,438	Provision for loan repayments	2,579,502	2,744,349	2,801,239	2,934,406	3,034,032	3,229,393	3,435,031	3,649,842	3,931,983	3,851,623
(2,123,441)	Reverse depreciation	(1,850,000)	(1,500,000)	(1,450,000)	(1,600,000)	(1,600,000)	(1,750,000)	(1,700,000)	(1,700,000)	(1,750,000)	(1,300,000)
\$7,556,951	Rates Requirement	\$7,938,525	8,423,504	8,894,297	8,852,169	8,987,425	9,298,006	9,457,417	9,618,712	9,944,621	10,249,857

WASTEWATER SERVICES - RURAL											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
134,601	Castlepoint sewerage scheme	148,081	152,872	156,611	160,515	164,413	168,240	171,945	175,684	179,401	183,111
212,207	Riversdale Beach sewerage scheme	206,334	201,391	200,075	198,087	196,433	191,205	191,493	195,707	199,863	204,040
21,814	Tinui sewerage scheme	24,284	24,938	25,417	25,964	26,543	27,065	27,574	28,119	28,724	29,324
547,856	Depreciation	464,962	467,362	524,023	526,699	529,447	579,637	582,527	588,440	640,557	643,646
916,478		843,681	846,563	906,126	911,265	916,836	968,147	973,539	987,950	1,048,545	1,080,121
	Operating Income										
30,155	User charges & other income	40,155	41,361	42,285	43,290	44,294	45,299	46,263	47,228	48,192	49,156
170,000	Riversdale Beach capital contributions	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
200,155		210,155	211,361	212,285	213,290	214,294	215,299	216,263	217,228	218,192	219,156
	Appropriations										
(50,000)	Transfers from reserves	(130,000)	-	-	-	-	-	-	-	-	-
170,524	Provision for loan repayments	254,304	131,381	138,305	144,871	153,465	78,757	1,846	-	-	-
(395,277)	Reverse depreciation	(287,032)	(292,032)	(334,327)	(334,327)	(327,327)	(267,327)	(169,327)	(167,327)	(160,327)	(127,327)
\$441,570	Rates Requirement*	\$470,778	474,561	497,819	508,519	528,680	562,278	589,795	603,395	670,026	713,638

* Note includes Riversdale Beach Sewerage Scheme capital contributions that are being paid off over 20 years via rates. Currently 32 properties.

Stormwater

We provide stormwater systems, including the use of natural channels and streams, to collect and dispose of surface water run-off from residential, commercial and industrial properties in the urban area. The stormwater system in rural areas is primarily open drains.

We own and maintain a network of pipes, manholes and river stopbanks along the Waipoua and Ruamāhanga Rivers. We also contribute to designated stopbank protection works on the Waipoua, Waingawa and Ruamāhanga Rivers.

For more information on stormwater assets, refer to the Infrastructure Strategy on page 49 or the Asset Management Plan via our website.

Why do we do it?

Our stormwater system contributes to wellbeing by minimising the impact of significant events, such as flooding, protecting the health and safety of our community.

This activity contributes to the following community outcomes:

- A Sustainable and Healthy Environment
- A Thriving and Resilient Economy
- Efficient, Safe and Effective Infrastructure

Our 10-year priorities

Key priorities for stormwater over the next 10 years include:

- Stormwater renewal work to maintain our stormwater infrastructure. \$6.8 million has been allowed over the 10 years of this Long-Term Plan for renewals work.
- Investigating and implementing improved stormwater treatment methods. Funding of \$1.9 million has been allocated across Years 3 to 7.
- Developing a Storm and Wastewater Strategy for Cockburn/Taranaki Street that will provide a roadmap for improving wastewater and stormwater infrastructure in this area of town (also noted as a priority under our Wastewater activity).
- Contributing to flood protection work with GWRC over Years 1-4, including clearing weed and sediment in urban streams and upgrading stopbanks in Years 2-3. This work will decrease the likelihood of flooding impacting our urban area. \$456,750 has been allowed across Years 1 to 4, and an additional \$2.2 million has been allowed as our contribution to stopbank upgrading in years 2 and 3.

Delivery of the projects above will maintain or improve the level of service, lessening the impact of significant flooding events on our community.

A full list of planned capital expenditure projects is provided under 'Our Costs in Detail'.

Potential negative effects

The potential negative effects of providing this activity are:

- flooding of property, and
- discharge of polluted stormwater.

We mitigate these effects by operating stormwater activities within resource consent criteria. This ensures any environmental impact is minimised. We also undertake a maintenance and renewals programme to minimise any flooding caused through failure or blockages of the system.

How do we measure success?

What we do: Deliver stormwater systems efficiently and effectively to protect public health and private property

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
Meeting our commitment to providing a reliable stormwater service	Number of flooding events that occur in the district.	Achieved: 5 flooding events	10 events or less
	For each flooding event, the number of habitable floors affected.	Achieved: 0/1,000 connections. No habitable floors affected.	Less than or equal to 1/1000 connections
	Compliance with Councils resource consents for discharge from its stormwater system measured by the number of abatement notices, infringement notices, enforcement orders or convictions received by the Council in relation to those consents.	100% compliance	100% compliance
	Number of complaints received about the performance of the Council's stormwater system	Not Achieved: 10.11 complaints /1,000 connections (91 complaints)	No more than 3/1000 connections
	Median response time to attend a flooding event (from time of notification to the time service personnel arrive onsite).	Achieved: 21 minutes.	60 minutes or less
	<p>Why this is important:</p> <p>These measures have been developed by the DIA and all councils must report on these. They reflect a range of information about our asset condition, compliance matters and responsiveness to service requests that assists us in managing these assets and our service delivery. They also enable us to benchmark against other councils.</p>		

Cost of service statement

STORMWATER											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Operating Costs										
561,334	Stormwater	658,670	673,392	762,461	828,045	840,925	863,148	868,307	880,825	905,219	912,363
594,302	Depreciation	609,538	614,705	722,598	759,300	787,246	877,891	897,957	918,491	1,007,675	1,020,545
1,155,636		1,268,208	1,288,097	1,485,059	1,587,345	1,628,171	1,741,039	1,766,264	1,799,316	1,912,894	1,932,908
	Operating Income										
-	User charges & other income	-	-	-	-	-	-	-	-	-	-
	Appropriations										
39,567	Provision for loan repayments	42,897	46,212	75,154	102,747	107,922	113,984	120,357	62,147	65,254	68,516
(272,987)	Reverse depreciation	(250,000)	(150,000)	(200,000)	(100,000)	(120,000)	(120,000)	(120,000)	(90,000)	(90,000)	(90,000)
\$922,216	Rates Requirement	\$1,061,105	1,184,309	1,360,213	1,580,092	1,616,093	1,735,023	1,766,621	1,771,463	1,888,148	1,911,424

Solid Waste Management

We provide a reliable, environmentally-safe and cost-effective rubbish collection and disposal service. We also work to promote the adoption of sustainable waste minimisation practices.

The current refuse collection and transfer station operations, gate fee collection, composting, and recycling services at Nursery Road and in rural areas are carried out under performance-based contracts let by competitive tender to the private sector.

We own, maintain and manage a main transfer and recycling station at Nursery Road, Masterton and two rural transfer stations (Castlepoint and Riversdale), including associated buildings and the weighbridge at the urban landfill.

For more information on solid waste assets, refer to the Infrastructure Strategy on page 50 or the Asset Management Plan via our website.

Why do we do it?

Our solid waste service contributes to wellbeing by supporting our community to manage waste and promoting waste minimisation. Together this protects our community's health and natural environment.

This activity contributes to the following community outcomes:

- A Sustainable and Healthy Environment
- A Thriving and Resilient Economy
- Efficient, Safe and Effective Infrastructure

Our 10-year priorities

Key priorities for solid waste management over the next 10 years include:

- Undertaking renewal work at the Nursery Road Transfer Station. \$912,720 has been allowed across the 10 years of the Long-Term Plan for renewals work.
- Undertaking landfill capping. \$55,900 has been allowed for this in Year 4 of the plan.
- Implementing the Waste Minimisation and Management Plan 2023-29, including the requirement to introduce kerbside food/organic waste collections by 2030.
- Progressing what is known as a Section 17A (S17A) review of waste services. S17A reviews consider options for delivering services in the most cost effective and efficient way.

Delivery of the projects above will maintain levels of service that are currently provided for waste management.

A full list of planned capital expenditure projects is provided under 'Our Costs in Detail'.

Potential negative effects

The potential negative effects of providing this activity are:

- leachate discharge from the Nursery Road landfill, and
- community disturbance from smell, vermin, debris and dust.

We mitigate these potential effects through the management of transfer stations and closed landfill sites in accordance with resource consent conditions.

We also minimise the impact of our kerbside collection service through the provision of wheelie bins with lids for recycling, and by providing information to our community on how best to use these services.

How do we measure success?

What we do: Provide solid waste solutions across the district.

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/24 to 2034/35
Improving service delivery	Number of call backs due to non-collection of official rubbish bag in each weekly collection.	Achieved: 8 call-backs.	No more than 52 call-backs per annum.
	<p>Why this is important:</p> <p>We have committed to weekly kerbside collections of waste in the urban area to support our community to safely dispose of their waste.</p>		
Minimising waste	Tonnage of waste transferred to landfill per head of population.	<p>Achieved: 0.513 tonne per head of population</p> <p>14,882 tonnes of waste transferred</p> <p><i>(Estimated Population at 30/6/22: 29,000)</i></p>	<p>A reduction in the total quantity of waste sent to class 1 landfills (baseline 0.513 tonne per head of population in 2022/23):</p> <p>Year 1 – 3.3% reduction by 30 June 2025.</p> <p>Year 2 – 6.6% reduction by 30 June 2026.</p> <p>Year 3 – 10% reduction by 30 June 2027.</p>
	<p>Why this is important:</p> <p>Waste minimisation is one of the priorities for our Environmental Development. We aim to reduce the amount of waste going to landfill through our efforts to encourage and enable reduction, reuse or recycling.</p>		
Meeting our consent commitments	Urban and rural transfer stations, recycling, composting facilities and landfills operate within approved resource consent conditions.	Achieved. 100% compliance.	100% compliance
	<p>Why this is important:</p> <p>We have resource consents which specify certain conditions that we must meet when delivering solid waste services. Meeting our resource consent conditions minimises the impact of this service on our environment.</p>		

Cost of service statement

SOLID WASTE MANAGEMENT											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Operating Costs										
327,803	Urban refuse collection costs	383,577	395,874	406,391	416,131	426,627	437,665	446,742	457,191	467,736	476,698
4,062,671	Transfer station operation & refuse disposal	4,119,308	4,264,439	4,379,128	4,352,264	4,377,298	4,514,646	4,612,576	4,708,029	4,826,297	4,906,891
1,798,576	Waste minimisation (incl recyc & composting)	2,190,751	2,191,230	2,133,453	2,179,515	2,222,681	2,260,250	2,244,869	2,290,253	2,339,121	2,389,386
334,277	Rural waste operations	379,938	391,945	402,238	412,439	422,929	434,342	443,712	453,002	460,045	469,095
6,523,327		7,073,574	7,243,488	7,321,210	7,360,349	7,449,535	7,646,903	7,747,899	7,908,475	8,093,199	8,242,070
	Operating Income										
4,435,400	User charges - external	4,592,200	4,722,602	4,828,058	4,765,838	4,876,363	4,986,888	5,092,992	5,199,096	5,305,200	5,411,304
180,400	User charges - internal	167,250	172,267	176,114	180,295	184,477	188,657	192,672	196,685	200,700	204,715
430,000	Recoveries - waste levy	652,000	671,560	684,450	700,700	716,950	733,200	748,800	764,400	780,000	795,600
240,000	Recoveries from bag sales	268,400	276,452	282,625	289,335	296,045	302,755	309,197	315,639	322,080	328,522
5,285,800		5,679,850	5,842,881	5,971,247	5,936,168	6,073,835	6,211,500	6,343,661	6,475,819	6,607,980	6,740,141
	Appropriations										
(30,000)	Transfers from reserves	-	-	-	-	-	-	-	-	-	-
197,711	Provision for loan repayments	212,892	233,205	232,396	228,917	205,314	227,405	147,525	39,558	41,622	43,784
(92,261)	Reverse depreciation	(102,281)	(100,000)	(100,000)	(95,000)	(40,000)	(20,000)	-	-	-	-
\$1,312,957	Rates Requirement	\$1,504,335	\$ 1,533,812	\$ 1,482,359	\$ 1,558,098	\$ 1,541,014	\$ 1,642,808	\$ 1,551,763	\$ 1,472,214	\$ 1,526,841	\$ 1,545,713

Community Facilities and Parks

We provide and support a wide range of facilities and parks throughout the district for use by the community, including:

- the Library and Archive,
- property (74 senior housing units, 13 public toilets, seven rural halls, rural holding paddocks, small roadside forestry blocks, Mawley Park camping ground and other rental properties),
- 215 hectares of urban and rural parks, reserves and sports fields,
- the Recreation Centre (including a stadium and a range of indoor and outdoor pools),
- four cemeteries, and
- Hood Aerodrome.

We are also responsible for the municipal building and town hall, although these are currently closed to the community due to risks associated with the buildings' low earthquake rating.

For more information on community facilities and activities assets, refer to the Infrastructure Strategy on page 53 or the Asset Management Plan via our website.

Why do we do it?

We provide community facilities and activities to support wellbeing and contribute to making Masterton an enjoyable place to live.

The Library and Archive service provides a learning environment where people can access resources that increase their skills and knowledge and preserves and promotes the historical records of the Wairarapa. This empowers the community and allows greater connection to our culture and heritage.

The properties we own and/or manage support the community through providing an accessible location for the Council's operations, enabling residents to meet and participate in social, cultural and leisure activities, and ensuring low-cost, well-maintained rental accommodation is provided for older members of our community who have limited financial resources. In addition, community health is protected by the provision of public toilets throughout the district and tourism is encouraged through Mawley Park, which provides temporary accommodation for visitors to the area.

Our parks, reserves and sports fields provide recreational opportunities for residents and visitors, while also protecting, preserving and enhancing the natural environment. In addition, the Recreation Centre provides a facility where people can learn to swim and engage in physical activity. It also hosts key events like the Golden Shears. Through offering attractive environments for exercise and sport, we encourage active and healthy lifestyles and promote community health and wellbeing.

Cemeteries are provided to give the community an attractive and respectful environment for the remembrance of the deceased. This service ensures that burials and cremations are socially and culturally appropriate and do not pose a risk to public health. Through this service we also maintain cemetery records, which provides a valuable resource to people researching their family history.

Hood Aerodrome provides a strategic air facility for small private passenger flights, freight and air ambulance services to the Wairarapa. The aerodrome also encourages economic development through provision of facilities for pilot training, recreational aviation, aviation-related businesses and major air events.

This group of activities contributes to the following community outcomes:

- An Engaged and Empowered Community
- Pride in our Identity and Heritage
- A Sustainable and Healthy Environment
- A Thriving and Resilient Economy
- Efficient, Safe and Effective Infrastructure

Our 10-year priorities

Key priorities for community facilities and activities over the next 10 years include:

- Demolishing the Town Hall and Municipal Buildings, including the facade. We will build a new Town Hall, that will be a multi-use facility, on the current site with a total budget of no more than \$25 million. We will work with architects to ensure we incorporate elements of the old Town Hall in the new multi-use facility, including salvaging materials during the demolition phase that can be re-used in the new build. Provision of \$25m has been allocated for this project over Years 1 to 4 of the LTP.
- Expanding Waiata House to accommodate Civil Defence, customer services, a Council Chamber, public meeting rooms and a lab for use by environmental services staff. \$8.7 million has been allowed for this project over Years 1 to 3 of the LTP.
- Upgrading and extending the library. This will address the immediate issues with the existing building, provide additional library space for programmes and activities and ensure the community has access to a modern library. \$10.7 million has been allowed for this project over Years 1 to 3 of the LTP. A further extension to include the Archive will be considered in the future.
- Continuing to upgrade and renew the Council stock of pensioner housing, with \$1.7 million allocated over the 10 years of the LTP.
- Supporting resilient air transport infrastructure for the Wairarapa. We will continue with the programme to improve Hood, future-proofing its role in our community's resilience. Work includes improvements to the runways and infrastructure on the airfield, with a key component being upgrading and widening the runway. We were successful in our application for central government funding to support progression of this work, receiving \$10 million. Council has allowed a further \$11.9 million over Years 1 and 2 of this plan.
- Undertaking renewal work at the Trust House Recreation Centre and War Memorial Stadium. Some of the machinery and equipment that run the pools needs to be renewed. We are also looking to make improvements to the Recreation Centre building, such as improving energy efficiency to meet carbon emission targets, and improving accessibility for all facility users. We will also investigate and develop options for the refurbishment or replacement of some of the older parts of the complex to meet evolving community need and to keep the asset in good condition for the future. \$7.8 million has been allowed for this work. This includes provision of \$1.1 million in Year 2 subject to final plans to contribute to Golden Shears towards upgrading the War Memorial Stadium.
- Continuing work to improve our parks and open spaces. We have allowed capital budgets of \$12.5 million and operating budgets of \$48.0 million for parks, reserves, sports fields and open spaces in the 2024-34 LTP. This includes provision of \$1.7 million (subject to final plans) allocated in Years 1 and 4 to support the upgrade of Kidz Own Playground; and \$389,536 over Years 1 to 4 to expand our recreation trails network.

- Continuing to improve our sports facilities. We are continuing with plans to improve sports facilities, including the Queen Elizabeth II Park cricket grandstand and the renewal of the of the all-weather athletics track surface at Colin Pugh sports bowl. We will also be developing a Sports Facilities Strategy that will consider usage and needs, and explore the potential for sports 'hubs'.
- Reviewing our Street Tree Maintenance Programme and Policy to consider what we might need to do differently in response to climate change, water resilience challenges, community preferences and affordability.
- Exploring options for the future of Henley Lake and the Lake of Remembrance as consent changes will require us to find alternative water intakes for these lakes, or change the 'look and feel' of these sites in the future.
- Reviewing our Street Tree Maintenance Programme and Policy to consider what we might need to do differently in response to climate change, water resilience challenges, community preferences and affordability.
- Progressing what are known as Section 17A (S17A) reviews for Mawley Park, Trust House Recreation Centre and our Parks. S17A reviews consider options for delivering services in the most cost effective way. We will also be reviewing public toilet utilisation and provision.

Delivery of the projects above will result in an improved level of service as new (or renewed) and enhanced facilities will enable Council to deliver more activities and services to the community.

A full list of planned capital expenditure projects is provided under 'Our Costs in Detail'.

Potential negative effects

The potential negative effects from providing these activities are:

- Injuries or accidents resulting from use of these facilities.
- Recreation Centre – potential injuries or drownings resulting from use of this facility.
- Hood Aerodrome - aircraft noise, particularly outside normal working hours, which may impact people living near the aerodrome or under the approach paths for the runways.
- Increased aviation activity across a broad range of aircraft types increases the risk of accidents and/or collisions in the flight circuits, or during take-offs, landings and taxiing activities.

Potential accidents, injuries and drownings are mitigated by ensuring appropriate health and safety policies and measures are in place and complied with.

Airport noise is mitigated through the District Plan which includes defined air noise boundaries, which regulates on-aerodrome noise, and restricts development around the aerodrome.

Hood Aerodrome is transitioning to being a certified Airport, which involves introducing robust Safety Management Systems that will enhance the Airports safety culture. Implementation of these systems mitigates the risk of accidents or collisions on the Airport.

How do we measure success?

What we do: Deliver a library and archive service with engaging and relevant activities

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
<p>Engaging with our community; promoting literacy; enabling access to information (in person and online); and promoting our history and heritage.</p>	<p>Number of people using our Library and Archive reflected by: overall Library usage and number of visits to the Library and Archive.</p>	<p>Achieved: Library usage: 324,662 Made up of: - Physical issues: 187,344 - Digital issues: 52,431 - Computer/Wi-Fi sessions: 84,887</p> <p>Achieved: Library visits: 329,929 Made up of: - In person visits: 99,132 - Digital visits: 229,709 - Housebound visits: 1,088</p>	<p>Library Usage: No less than 5 year average for overall Library usage.</p> <p>Usage consists of:</p> <ul style="list-style-type: none"> • Physical issues • Digital issues • Computer/ Wi-Fi sessions <p>Visits: No less than 5 year average for number of visits to the Library and Archive.</p> <p>Visits consists of:</p> <ul style="list-style-type: none"> • In Person Visits • Digital (website, OPAC, social media) • Housebound
	<p>Why this is important:</p> <p>The Library and archive are community hubs where we can engage with our community, face to face and online. The Library provides a 'space' for our community to learn, study, connect with others, access information, participate in programmes and borrow items. The Archive is a place our people can undertake research, share stories and learn about our history and heritage. Improved literacy supports learning and education and access to information for a range of purposes (from individual or family support to job vacancies to information that supports study) Together, these elements all contribute to improved wellbeing for our community.</p>		

What we do: Provide community facilities and open spaces that support a range of cultural and recreational needs for our community and visitors

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
Responding to urgent issues quickly	Percentage of Council parks and open spaces urgent customer service requests that are responded to within 4 work hours.	Achieved: 93.8% responded to within 4 hours. 49 urgent requests received and 46 were responded to within 4 hours.	90% responded to within 4 work hours.
<p>Why this is important:</p> <p>We want our parks and open spaces to be safe, accessible and well-maintained for our community and visitors to use.</p>			
People use and enjoy our community facilities.	Number of people using the Trust House Recreation Centre.	Achieved: Trust House Recreation Centre Usage: 152,095 Usage consists of: - Swim: 106,191 - Gym: 27,687 - Stadium Sports: 5,830 - Stadium Events: 12,387	No less than 5 year average for overall Trust House Recreation Centre usage total Usage consists of: <ul style="list-style-type: none"> • Swim • Gym • Stadium Sports • Stadium Events
<p>Why this is important:</p> <p>We want our facilities and green spaces to be used for activities and events that support the needs of our people and attract visitors; that provide opportunities for people to connect, exercise, celebrate and have fun. The level of use of our recreational trails and the recreation centre also reflects the appropriateness and effectiveness of these spaces for our community and whether we are actually meeting our community's needs.</p>			

Cost of service statements

PARKS, RESERVES & SPORTSFIELDS											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2,477,122	Parks & reserves maintenance	2,628,676	2,802,483	2,595,910	2,694,583	2,751,298	2,818,751	2,873,528	2,932,526	2,991,187	3,045,386
540,723	Sportsfields maintenance	557,958	573,918	577,255	591,899	605,189	619,452	632,477	646,226	659,970	672,989
816,151	Depreciation	932,978	997,122	1,029,197	1,111,109	1,125,455	1,142,826	1,179,616	1,189,130	1,230,819	1,277,228
3,833,996		4,118,612	4,373,523	4,202,362	4,397,591	4,481,942	4,581,029	4,685,621	4,767,882	4,881,976	4,995,603
	Operating Income										
31,670	Miscellaneous parks income	31,670	135,620	33,349	34,141	34,933	35,725	36,483	37,244	38,003	38,764
31,614	Sportsground rentals	31,614	32,563	33,290	34,080	34,870	35,661	36,420	37,177	37,936	38,697
63,284		63,284	168,183	66,639	68,221	69,803	71,386	72,903	74,421	75,939	77,461
	Appropriations										
(135,000)	Transfers from reserves	(160,000)	(135,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
125,717	Provision for loan repayments	136,228	146,886	154,927	67,575	50,624	56,165	59,601	63,155	67,008	71,005
(218,166)	Reverse depreciation	(176,166)	(139,166)	(123,166)	(71,000)	(49,000)	(49,000)	(49,000)	(49,000)	(39,000)	(39,000)
\$3,543,263	Rates Requirement	\$3,856,390	\$4,078,060	\$4,147,484	\$4,305,945	\$4,393,763	\$4,496,808	\$4,603,319	\$4,687,616	\$4,814,045	\$4,830,147

TRUST HOUSE RECREATION CENTRE											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,260,783	Recreation centre operating costs**	1,239,500	1,271,425	1,355,854	1,387,882	1,416,631	1,447,561	1,475,601	1,564,938	1,654,154	1,741,453
554,771	Depreciation	612,663	632,220	669,915	742,316	750,265	727,520	791,250	850,540	919,447	1,038,655
1,815,554		1,852,163	1,903,645	2,025,769	2,130,198	2,166,896	2,175,081	2,266,851	2,415,478	2,573,601	2,780,108
	Operating Income										
152,000	Grants & recoveries	34,000	35,020	35,802	36,852	37,502	38,352	39,168	39,984	40,800	41,616
	Appropriations										
(15,000)	Transfers from reserves	(10,000)	-	-	-	-	-	-	-	-	-
30,313	Provision for loan repayments	15,867	-	22,398	23,518	24,694	25,928	27,225	53,562	81,718	111,806
(175,000)	Reverse depreciation	(200,000)	(180,000)	(160,000)	(150,000)	(120,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
\$1,503,867	Rates Requirement	\$1,624,030	\$1,688,625	\$1,862,365	\$1,967,084	\$2,034,088	\$2,062,657	\$2,154,908	\$2,329,056	\$2,514,519	\$2,750,298

** Costs are net of user charge recoveries which go to the facility management contractor.

CEMETERIES											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
290,770	Cemeteries operating and maintenance	378,740	378,535	385,911	398,981	405,908	415,019	424,389	433,802	442,519	451,920
94,955	Operating Income										
	Burial fees and sale of plots	123,835	125,490	128,188	124,870	125,560	128,405	131,138	133,870	134,202	136,886
(30,000)	Appropriations										
	Transfers from reserves	-	-	-	-	-	-	-	-	-	-
2,126	Provision for loan repayments	5,912	6,799	7,076	7,557	7,531	8,085	8,670	9,264	9,936	10,618
\$187,941	Rates Requirement	\$258,817	257,844	266,801	279,848	287,879	294,699	301,921	309,196	318,253	325,852

LIBRARY & ARCHIVE											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,931,439	Operating costs - Library	2,027,210	2,145,532	2,516,902	2,731,783	2,778,516	2,826,399	2,856,797	2,906,120	2,954,381	2,983,899
622,187	Operating costs - Archive	581,250	623,998	632,284	646,397	662,789	677,518	688,878	704,435	720,033	731,127
216,576	Depreciation - books	184,562	172,456	168,559	147,891	190,264	160,171	162,249	165,843	169,365	172,884
130,545	Depreciation - bldg, furniture & equip	211,654	183,832	187,191	347,053	273,450	276,401	290,736	292,457	287,875	305,839
2,900,747		3,004,676	3,125,818	3,504,936	3,873,124	3,905,019	3,940,489	3,998,660	4,068,655	4,131,654	4,193,749
26,000	Operating Income										
	Grants & donations	25,200	25,956	26,536	27,166	27,796	28,426	29,030	29,635	30,240	30,845
21,323	User charges & other recoveries	28,019	28,860	29,502	30,203	31,565	32,281	32,970	33,656	34,343	35,030
47,323		53,219	54,816	56,038	57,369	59,361	60,707	62,000	63,291	64,583	65,875
27,871	Appropriations										
	Provision for loan repayments	32,948	56,799	187,246	262,421	274,302	288,830	304,098	320,041	336,977	354,669
(40,000)	Reverse depreciation	(44,500)	(147,400)	(142,600)	(117,000)	(101,400)	(46,500)	(33,500)	(40,000)	(46,400)	(33,700)
\$2,841,295	Rates Requirement	\$2,939,905	\$2,980,401	\$3,493,544	\$3,981,176	\$4,018,560	\$4,122,112	\$4,207,258	\$4,285,605	\$4,357,648	\$4,448,843

Analysis of Rates Requirement											
2,190,117	Library	2,259,193	2,254,778	2,760,560	3,207,862	3,338,270	3,425,796	3,498,188	3,559,690	3,614,619	3,693,675
651,178	Archive	680,712	725,623	732,984	753,314	680,290	696,316	709,070	725,915	743,029	755,168
\$2,841,295		\$2,939,905	\$2,980,401	\$3,493,544	\$3,981,176	\$4,018,560	\$4,122,112	\$4,207,258	\$4,285,605	\$4,357,648	\$4,448,843

PROPERTY											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Operating Costs										
961,830	District Building	1,057,098	1,263,978	1,603,576	2,296,454	2,791,577	2,777,316	2,749,246	2,727,379	2,702,729	2,666,214
631,222	Housing for the Elderly	652,234	650,401	662,647	682,486	699,942	724,153	738,554	760,265	782,253	796,098
576,393	Mawley Holiday Park	566,353	577,639	589,046	599,044	608,990	620,420	627,375	637,701	651,023	662,980
1,126,337	Other Property	1,253,240	1,315,844	1,338,366	1,331,310	1,358,841	1,391,298	1,407,151	1,434,349	1,461,339	1,474,747
832,309	Depreciation	983,972	988,192	967,326	992,556	1,285,457	1,245,234	1,244,464	1,231,163	1,237,164	1,247,569
4,128,091		4,512,897	4,796,054	5,160,961	5,801,850	6,744,807	6,768,421	6,786,790	6,790,857	6,834,508	6,847,808
	Operating Income										
775	Rental income - Halls & Dist. Bldg	775	799	816	835	33,944	57,274	58,493	59,711	60,930	62,149
464,310	Rental income - Housing for Elderly	544,000	667,749	682,660	698,868	715,076	731,283	746,841	762,401	777,960	793,519
274,399	Rental income - Other Property	294,399	282,632	288,943	295,803	302,661	309,521	316,108	322,693	329,279	335,865
560,000	Mawley Holiday Park	480,000	494,400	505,440	517,440	529,440	541,440	552,960	564,480	576,000	587,520
0	Forestry harvest proceeds	-	-	-	-	-	-	-	-	-	-
37,500	Internal recoveries - forestry	45,000	46,350	47,385	48,510	49,635	50,760	51,840	52,920	54,000	55,080
751,348	Internal recoveries - offices rental	810,899	815,711	821,647	841,155	860,662	880,169	898,896	917,623	936,350	955,077
2,088,332		2,175,073	2,307,641	2,346,891	2,402,611	2,481,418	2,570,447	2,625,138	2,679,828	2,734,519	2,789,210
	Appropriations										
(115,000)	Transfers from reserves	(235,000)	(320,000)	(300,000)	(300,000)	(200,000)	-	-	-	-	-
311,095	Provision for loan repayments	349,646	490,199	651,712	955,547	1,228,355	1,295,772	1,366,572	1,359,565	1,375,788	1,449,440
(347,759)	Reverse depreciation	(469,000)	(525,000)	(514,000)	(513,000)	(780,000)	(610,000)	(440,000)	(210,000)	(168,000)	(115,000)
\$1,888,095	Rates Requirement	\$1,983,470	\$2,133,612	\$2,651,782	\$3,841,786	\$4,501,744	\$4,873,746	\$5,068,224	\$5,260,594	\$5,307,777	\$5,392,838

MASTERTON AIRPORT (HOOD AERODROME)											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Operating Costs										
617,702	Airport operation & maintenance	728,845	918,392	1,007,466	1,039,877	1,035,365	1,058,941	1,056,544	1,088,730	1,084,094	1,092,214
146,304	Depreciation	181,809	278,122	373,094	374,263	373,356	404,563	404,603	404,560	431,160	433,759
764,006		910,654	1,196,514	1,380,560	1,414,140	1,408,721	1,463,504	1,461,147	1,493,290	1,515,254	1,525,973
	Operating Income										
301,821	Leases and other income	330,500	347,975	362,438	409,855	436,447	469,180	485,120	491,060	517,000	522,940
	Appropriations										
(40,000)	Transfers from reserves	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
85,992	Provision for loan repayments	99,014	173,679	205,707	221,565	221,658	180,937	191,542	202,513	214,407	226,739
(80,622)	Reverse depreciation	(87,622)	(150,000)	(180,000)	(150,000)	(120,000)	(75,000)	(80,000)	(80,000)	(80,000)	(80,000)
\$427,755	Rates Requirement	\$551,546	832,218	1,003,829	1,035,850	1,033,832	1,060,261	1,047,569	1,084,743	1,092,661	1,109,772

Regulatory Services

We plan for Masterton's future by ensuring development is sustainable, our natural and physical heritage is protected, and public health and safety is preserved and promoted. This activity involves delivering on our responsibilities under legislation, including:

- resource management and planning,
- building control,
- environmental health, alcohol licencing and parking control,
- animal control, and
- financial contributions and staffing support for civil defence and emergency management provided by the Wellington Region Emergency Management Office (WREMO). For further information on civil defence and emergency management, refer to GWRC's Long-Term Plan.

Why do we do it?

Regulatory services contribute to community wellbeing in a number of ways.

We provide regulatory services to support sustainable development and to promote public health and safety.

Through the District Plan we support the management, appropriate use, development and protection of the district's natural and physical resources, including our heritage.

Our building and planning activities contribute to economic development by facilitating development outcomes, planning ahead for future growth and supporting the safety of buildings in our district.

Our support for Civil Defence and Emergency Management contributes to planning for resilience, responding in an emergency and recovery after an event.

Our regulatory services also support community health and safety through a mix of education, community engagement and enforcement activities.

This contributes to the following community outcomes:

- An Engaged and Empowered Community
- Pride in our Identity and Heritage
- A Sustainable and Healthy Environment
- A Thriving and Resilient Economy
- Efficient, Safe and Effective Infrastructure

Our 10-year priorities

Key priorities for regulatory services over the next 10 years include:

- Delivering a new Animal Shelter. The new shelter will ensure we meet current standards for animal welfare providing a safer and more comfortable facility for both animals and staff. It will have an increased number of kennels and office space that will enable us to offer a better level of service to dog owners. Funding of \$2.2 million is allowed for this project in Year 1.
- Completing the review of the Wairarapa Combined District Plan.
- Supporting the review of the Dog Policy and Dangerous and Insanitary Buildings Policy
- Ensuring we continue to meet our legislative requirements:

- The Building (Earthquake-prone Buildings) Amendment Act 2016 provided a methodology for councils to identify and manage earthquake-prone buildings, focusing on those that pose a high risk to life safety or are critical for emergency recovery. In April 2024 the government agreed to amend the legislation, providing an additional four years for building owners to remediate their building so it is no longer earthquake prone. Before the change Council had completed the process to identify buildings that were potentially earthquake prone, and owners had been notified of the necessary actions. When the amendments to the legislation are made, Council will inform owners of the new deadline for strengthening their building/s.
- The Building (Pools) Amendment Act 2016 came into effect in January 2017. This amendment requires all residential pools to be inspected every three years and allows councils greater ability to enforce requirements to restrict access to residential pools. This work is ongoing.

Delivery of the new Animal Shelter will result in an improved level of service for Animal Services. Other priorities will maintain the level of service that is currently provided for our regulatory activity.

A full list of planned capital expenditure projects is provided under 'Our Costs in Detail'.

Potential negative effects

We do not anticipate any significant negative effects from providing of these activities.

How do we measure success?

What we do: Deliver fair, appropriate and customer-friendly regulatory services that support community health and safety.

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
Responding to urgent issues quickly	Response time to attend Priority 1 urgent call outs (e.g. dog attacks).	Achieved: 95.3% 162 of 170 urgent call-outs attended on time	90% attended within one hour
	Response time to attend noise control call outs.	Achieved: 93% 573 of 616 complaints attended within one hour	90% attended within one hour
	<p>Why this is important:</p> <p>The faster staff can respond to a dog attack, the more likelihood there is of being able to apprehend the offending dog and deal with the matter appropriately. Equally, the faster we respond to noise complaints, the more likelihood there is of being able to deal with the matter appropriately.</p>		

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
Engaging with and educating our community about dog ownership responsibilities.	Number of animal control community education and engagement activities.	Achieved: 8 Education/Engagement Activities	A minimum of 6 per annum related to high priority issues or concerns
	<p>Why this is important:</p> <p>It is important for dog owners to understand their responsibilities as a dog owner so they can look after their pet properly and ensure it doesn't create a nuisance for, or present a risk to, anyone else in our community. Taking actions, such as adequate fencing, keeping dogs on a lead and picking up after dogs all help to keep our community safe for everyone.</p>		
Delivering timely consenting services	Percentage of building consents processed within statutory timeframes.	Not Achieved: 83% 538 of 649 consents were processed within statutory timeframes.	90%
	Percentage of code compliance certificates processed within statutory timeframes.	Achieved: 90% 520 of 577 certificates were processed within statutory timeframes	90%
	Percentage of resource consents processed within statutory timeframes.	Achieved: 92.2% 142 of 154 resource consents were processed within statutory timeframes	90%
	<p>Why this is important:</p> <p>We know 'time is money' when it comes to building and development, and we want to provide a timely and responsive service.</p>		
Supporting community safety	Percentage of commercial Building Warrant of Fitness' (BWOFs) that have been reviewed within 20 days of their due date.	Achieved 100%	At least 90% of BWOFs have been reviewed within 20 days of their due date.

Our Goal	Measure	Latest Result 2022/23 (Baseline)	Performance Targets 2024/25 to 2034/35
	<p>Proportion of known residential swimming pools that have been inspected.</p>	<p>Not Achieved 48% inspected 39% of total pools compliant 508 inspections undertaken</p>	<p>Year 1: 33% Year 2: 66% Year 3: 100% Years 4-10: cycle to be repeated but ensuring 100% of pools have been re-inspected by the end of Years 6 and 9. This reflects councils obligation to inspect all swimming pools every three years.</p>
	<p>Why this is important: Working with our community to support compliance with requirements for commercial buildings and swimming pools helps to create a safer environment for our community.</p>		

Cost of service statements

RESOURCE MANAGEMENT & PLANNING											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,477,909	Resource management & planning	1,511,269	1,472,418	1,545,055	1,583,476	1,623,280	1,660,045	1,691,513	1,734,099	1,867,742	1,827,368
425,000	Wairarapa Combined District Plan development (MDC share)	350,000	51,500	52,650	53,900	55,150	28,200	28,800	29,400	150,000	520,200
160,971	River scheme contributions	168,670	173,730	177,610	181,827	186,043	190,260	194,307	198,356	202,404	206,452
2,063,880		2,029,939	1,697,648	1,775,315	1,819,203	1,864,473	1,878,505	1,914,620	1,961,855	2,220,146	2,554,020
	Operating Income										
323,222	User charges - incl consent fees	323,207	332,903	340,337	348,433	356,514	364,594	372,351	380,109	387,866	395,623
1,353,500	Reserves & Infrastructure Contributions	873,000	973,000	1,173,000	1,273,000	1,353,500	1,353,500	1,353,500	1,353,500	1,353,500	1,353,500
1,676,722		1,196,207	1,305,903	1,513,337	1,621,433	1,710,014	1,718,094	1,725,851	1,733,609	1,741,366	1,749,123
	Appropriations										
(581,500)	Transfers from reserves	(400,500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(100,500)	(400,500)
1,453,500	Transfers to reserves - incl Contributions	1,003,000	1,103,000	1,303,000	1,403,000	1,483,500	1,483,500	1,483,500	1,483,500	1,483,500	1,483,500
\$1,259,158	Rates Requirement	\$1,436,232	\$1,494,245	\$1,564,478	\$1,600,270	\$1,637,459	\$1,643,411	\$1,671,769	\$1,711,246	\$1,861,780	\$1,887,897

BUILDING DEVELOPMENT											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2,364,631	Building development operating costs	2,357,375	2,387,511	2,524,084	2,543,531	2,649,077	2,657,774	2,754,799	2,771,976	2,884,092	2,887,838
10,000	Earthquake building assessments	10,000	10,300	10,530	10,780	11,030	11,280	11,520	11,760	12,000	12,240
2,374,631		2,367,375	2,397,811	2,534,614	2,554,311	2,660,107	2,669,054	2,766,319	2,783,736	2,896,092	2,900,078
	Operating Income										
1,229,791	Consent fees & charges	1,134,341	1,065,371	1,089,162	1,115,020	1,140,879	1,166,738	1,191,561	1,216,385	1,241,209	1,266,033
-	Recoveries - Eq building owners (2018/19)	-	-	-	-	-	-	-	-	-	-
1,229,791		1,134,341	1,065,371	1,089,162	1,115,020	1,140,879	1,166,738	1,191,561	1,216,385	1,241,209	1,266,033
	Appropriations										
\$1,144,840	Rates Requirement	\$1,219,034	\$1,332,440	\$1,445,452	\$1,439,291	\$1,519,228	\$1,502,316	\$1,574,758	\$1,567,351	1,654,883	1,634,045

ENVIRONMENTAL SERVICES & LICENSING											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
959,268	Environmental Health other operating costs	1,157,576	1,236,195	1,261,157	1,295,380	1,330,666	1,361,936	1,375,740	1,410,606	1,446,622	1,472,495
239,826	Alcohol Act enforcement activities	293,405	300,817	307,843	314,344	320,846	327,624	334,110	340,596	347,358	353,845
1,199,094		1,450,981	1,537,012	1,569,000	1,609,724	1,651,512	1,689,560	1,709,850	1,751,202	1,793,980	1,826,340
	Operating Income										
71,306	License fees & charges	72,306	74,476	76,139	77,947	79,752	81,561	83,296	85,031	86,766	88,501
77,820	Alcohol licensing fees & charges	87,820	80,155	81,944	83,890	96,865	87,781	89,649	103,276	93,384	95,252
322,406	Internal recoveries	348,567	359,024	367,041	375,756	384,469	393,183	401,549	409,914	418,281	426,646
471,532		508,693	513,655	525,124	537,593	561,086	562,525	574,494	598,221	598,431	610,399
	Appropriations										
(15,000)	Tsf from reserves	(15,000)	(15,000)	(15,000)	-	-	-	-	-	-	-
\$712,562	Rates Requirement	\$927,288	\$1,008,357	\$1,028,876	\$1,072,131	\$1,090,426	\$1,127,035	\$1,135,356	\$1,152,981	\$1,195,549	\$1,215,941

PARKING CONTROL											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
223,089	Parking control costs	223,588	234,324	242,825	250,350	256,920	263,743	270,185	278,053	255,984	260,773
18,140	Depreciation - meters	18,213	18,213	18,213	18,213	18,213	18,213	17,917	17,917	1,109	766
241,229		241,801	252,537	261,038	268,563	275,133	281,956	288,102	295,970	257,093	261,539
	Operating Income										
238,500	Parking meters and fines	238,500	245,655	251,140	257,103	263,066	269,028	274,752	280,476	286,200	291,924
	Appropriations										
\$2,728	Rates Requirement	\$3,301	\$6,882	9,898	11,460	12,067	12,928	13,350	15,494	(28,107)	(30,385)

ANIMAL SERVICES											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
722,181	Animal services & pound costs	848,500	1,023,969	1,089,776	1,115,437	1,135,948	1,149,437	1,170,779	1,189,822	1,208,185	1,229,390
	Operating Income										
582,350	Dog registration fees & fines	583,850	660,076	713,774	760,907	778,555	796,199	813,139	830,080	847,020	863,960
	Appropriations										
(8,000)	Transfers from reserves	-	-	-	-	-	-	-	-	-	-
11,624	Provision for loan repayments	16,847	49,798	63,461	66,958	69,655	73,576	77,697	81,972	86,574	91,354
(5,000)	Reverse depreciation	(7,500)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)
\$138,455	Rates Requirement	\$263,997	\$381,691	\$407,463	\$389,488	\$395,048	\$394,814	\$403,337	\$409,714	\$415,739	\$424,784

EMERGENCY MANAGEMENT											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
166,011	CD/EM - Wairarapa Costs	185,712	193,459	201,973	207,014	212,934	219,757	224,042	229,840	236,206	240,447
141,000	WREMO CD/Emergency Mgmt (MDC share)	202,000	208,060	212,706	217,756	222,806	227,856	232,704	237,552	242,400	247,248
307,011		387,712	401,519	414,679	424,770	435,740	447,613	456,746	467,392	478,606	487,695
	Operating Income										
25,978	Misc recoveries - CD/EM Wairarapa	52,000	51,500	52,850	53,900	55,150	56,400	57,600	58,800	60,000	61,200
	Appropriations										
3,000	Tsf to reserves - self insurance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
\$284,033	Rates Requirement	\$338,712	\$353,019	\$365,029	\$373,870	\$383,590	\$394,213	\$402,146	\$411,592	\$421,606	\$429,495

WEATHER EVENTS RECOVERY											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	Weather Events Recovery Operating costs	643,592	-	-	-	-	-	-	-	-	-
-		643,592	-	-	-	-	-	-	-	-	-
	Operating Income										
-	Government Subsidy	643,592	-	-	-	-	-	-	-	-	-
	Appropriations										
\$284,033	Rates Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Leadership, Strategy and Corporate Services

Our Leadership, Strategy and Corporate Services activity provides strategic direction and leadership to the Council and our community, enables democratic decision-making that is open, transparent and accountable, and supports the effective and efficient operation of all Council activities.

This includes working with iwi, consulting with the community on key decisions, running the local body election process every three years and pursuing strategic objectives for our community.

The corporate activity supports the organisation through various professional services including human resources, communications, finance, IT, policy and strategic planning, corporate planning and reporting, project management, elected member support, general administration and senior management.

Why do we do it?

Leadership, Strategy and Corporate Services gives long-term strategic direction to Council, ensuring all activities are working towards the common goal defined in our vision and our community outcomes. This is also the mechanism by which the community can engage in decision-making and hold Council accountable. Corporate services provides advice and support that enables the efficient delivery of all activities. These services combined contribute to the following community outcomes:

- An Engaged and Empowered Community
- Pride in our Identity and Heritage
- A Sustainable and Healthy Environment
- A Thriving and Resilient Economy
- Efficient, Safe and Effective Infrastructure

Our 10-year priorities

Key priorities for Leadership, Strategy and Corporate services over the next 10 years include:

- Continuing implementation of the Masterton District Climate Change Action Plan adopted in 2022 and Council's Corporate Carbon Emissions Reduction Plan adopted in 2021.
- Reviewing Memorandum's of Partnership (MOPs) with Rangitāne o Wairarapa and Kahungunu ki Wairarapa and developing MOPs with Rangitāne Tū Mai Rā Trust and Kahungunu ki Wairarapa Tāmaki Nui ā Rua Settlement Trust (the two PSEs or Post Settlement Governance Entities).
- Facilitating and supporting Council's Climate Advisory Group, Rural Advisory Group and Youth Council; and establishing the new Disability Advisory Group.
- Completing a Growth Strategy/Spatial Plan to better understand and guide growth and development in our district, with work commencing in Year 1.
- Continuing to participate in Wellington Regional Leadership Committee (WRLC) work programmes including the Regional Deal and work on Future Development, Climate Change and Economic Development.
- Continuous improvement. We are continuing to work on improving our systems and processes to work towards best practice, being more customer focussed and achieving greater efficiencies.
- Ensuring our policies and strategies are relevant and current. We maintain a schedule of policies and strategies, most of which need to be reviewed on a three to five year cycle, to ensure they are valid and remain relevant giving changing circumstances.

- Key policies that are scheduled for review in the first three years of this Plan include the Wairarapa Local Alcohol Policy; Dog Policy; and Dangerous and Insanitary Buildings Policy. We will also be developing a Water Meter Charging Policy and exploring Forestry differentials for the Revenue and Finance Policy.
- Strategies that are scheduled for review in the first three years of this Plan include Council's Wellbeing Strategy He Hiringa Tangata He Hiringa Whenua; the Arts, Culture and Heritage Strategy; Positive Ageing Strategy; and Cycling Strategy. The ongoing need for these strategies will be assessed as part of the review process. We are also developing a Parking Strategy; Sports and Facilities Strategy and Roding Prioritisation Strategy.
- Replacing pool vehicles. Provision of \$2.1 million has been allowed over the 10 years of the Long-Term Plan.
- Supporting local democracy through the elections in 2025, and every three years thereafter.

A full list of planned capital expenditure projects is provided under 'Our Costs in Detail'.

Potential negative effects

We do not anticipate any significant negative effects from providing these activities.

How do we measure success?

Every year Council produces an Annual Report that informs our community about what has been achieved and how well we performed against the plans and budgets that were set for that year. In addition, there is regular reporting to the Senior Leadership Team and Council on progress with work and projects in this activity group, and once every three years Council undertakes a Community Satisfaction Survey that includes questions about Council's leadership and reputation.

Cost of service statements

REPRESENTATION											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
657,564	Mayor & councillors remuneration	711,370	729,280	746,327	762,052	777,778	794,189	809,889	825,589	841,975	857,676
35,000	Reporting & consultation	15,000	51,500	15,795	53,900	16,545	56,400	17,280	58,800	18,000	61,200
25,000	Election costs	30,000	30,900	31,590	32,340	33,090	33,840	34,560	35,280	36,000	36,720
863,783	Operating expenses	851,186	912,789	952,757	979,227	1,017,399	1,025,584	1,045,227	1,084,578	1,102,193	1,120,804
1,581,347		1,607,556	1,724,469	1,746,469	1,827,519	1,844,812	1,910,013	1,906,958	2,004,247	1,998,168	2,076,400
	Operating Income										
612,539	Internal allocation of governance	623,022	689,788	698,588	731,008	737,925	764,005	762,782	801,699	799,267	830,560
0	Misc Income (election recoveries) (per Funding Policy 40% internal)	-	-	-	-	-	-	-	-	-	-
612,539		623,022	689,788	698,588	731,008	737,925	764,005	762,782	801,699	799,267	830,560
	Appropriations										
(50,000)	Transfers from reserves	(50,000)	-	-	-	-	-	-	-	-	-
0	Transfers to reserves (election costs)	-	-	-	-	-	-	-	-	-	-
\$918,808	Rates Requirement	\$934,534	\$1,034,681	\$1,047,881	\$1,096,511	\$1,106,887	\$1,146,008	\$1,144,174	\$1,202,548	\$1,198,901	\$1,245,840

ROADING ADVISORY SERVICES											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,289,469	Professional staff & operating costs	1,301,933	1,343,865	1,383,561	1,416,541	1,449,767	1,479,518	1,507,770	1,541,944	1,577,031	1,605,559
15,316	Depreciation	15,751	14,102	14,102	10,492	2,750	3,143	3,143	3,143	6,487	3,344
1,304,785		1,317,684	1,357,967	1,397,663	1,427,033	1,452,517	1,482,661	1,510,913	1,545,087	1,583,518	1,608,903
	Operating Income										
1,294,361	Prof. services - Roading	1,307,260	1,347,220	1,386,697	1,415,817	1,441,030	1,470,913	1,498,915	1,532,839	1,571,009	1,596,144
10,424	External income	10,424	10,747	10,966	11,216	11,487	11,748	11,998	12,248	12,509	12,759
1,304,785		1,317,684	1,357,967	1,397,663	1,427,033	1,452,517	1,482,661	1,510,913	1,545,087	1,583,518	1,608,903
	Appropriations										
\$0	Rates Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

ASSET & PROJECT MANAGEMENT											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2,015,008	Professional staff & operating costs	2,469,713	2,551,501	2,624,984	2,687,008	2,748,299	2,798,748	2,852,152	2,914,982	2,978,941	3,033,619
	Operating Income										
1,994,344	Internal charges	2,449,049	2,530,052	2,602,977	2,664,381	2,725,052	2,774,901	2,827,727	2,889,978	2,953,380	3,007,479
20,664	External recoveries	20,664	21,449	22,007	22,627	23,247	23,847	24,425	25,004	25,561	26,140
2,015,008		2,469,713	2,551,501	2,624,984	2,687,008	2,748,299	2,798,748	2,852,152	2,914,982	2,978,941	3,033,619
\$0	Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Rates Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

DEVELOPMENT (Social, Cultural, Economic & Environmental)											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,464,086	Community development	1,726,449	1,785,246	1,843,026	1,876,915	1,922,178	1,964,556	2,002,665	2,048,840	2,095,451	2,133,878
639,002	Arts & culture	548,867	599,142	616,855	599,447	615,030	632,357	645,506	661,234	676,939	689,937
989,575	Economic development	1,055,516	940,135	967,734	991,103	1,027,718	1,055,978	1,078,004	1,103,891	1,129,973	1,151,564
1,158,708	Environmental initiatives	844,337	1,081,234	819,408	699,648	718,360	737,334	752,346	771,284	790,314	805,127
36,725	Depreciation	50,782	78,436	76,121	72,599	79,307	82,446	82,833	69,985	72,109	72,315
4,288,098		4,225,951	4,464,193	4,323,144	4,239,712	4,362,593	4,472,671	4,541,354	4,655,234	4,764,786	4,852,821
	Operating Income										
2,436	Government grants	2,436	2,509	2,565	2,626	2,687	2,748	2,806	2,865	2,923	2,982
30,957	Creative NZ grants	30,957	31,886	32,598	33,372	34,146	34,919	35,662	36,405	37,148	37,891
644,341	Events grants & other recoveries	193,000	422,293	197,964	61,446	60,665	62,040	63,360	64,680	66,000	67,320
40,000	Internal Recoveries	381,351	392,792	296,263	303,296	310,330	317,364	324,116	330,869	337,621	344,374
717,734		607,744	849,480	529,390	400,740	407,828	417,071	425,944	434,819	443,692	452,567
	Appropriations										
(522,500)	Transfers from reserves	(281,500)	(164,000)	(64,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
4,909	Provision for loan repayments	5,561	6,176	4,369	4,660	4,683	5,020	5,374	5,736	6,140	6,555
-	Reverse depreciation	-	-	-	-	-	-	-	-	-	-
\$3,052,771	Rates Requirement	\$3,342,268	\$3,476,889	3,734,123	\$3,839,632	\$3,955,448	\$4,056,820	\$4,116,784	\$4,222,151	\$4,323,234	\$4,402,809

CORPORATE SERVICES											
Annual Plan 2023/24	Cost of Service Statement	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Operating Costs										
1,904,264	Management & administration	1,676,516	1,681,177	1,732,075	1,773,094	1,812,382	1,844,081	1,879,577	1,919,294	1,959,884	1,996,173
2,357,804	Financial management	2,328,343	2,385,298	2,555,254	2,488,575	2,538,859	2,707,649	2,622,248	2,672,446	2,863,988	2,772,346
1,537,645	Strategic planning	1,755,882	1,795,661	1,858,337	1,896,331	1,942,671	1,969,906	2,013,429	2,049,026	2,097,145	2,130,043
1,306,402	Information systems	1,369,723	1,589,137	1,639,629	1,711,699	1,737,804	1,596,335	1,604,481	1,639,202	1,659,298	1,691,469
867,437	Communications & engagement	875,103	897,888	910,020	932,325	950,484	971,274	991,097	1,010,922	1,031,225	1,051,044
711,328	Human Resources	994,646	943,884	962,058	982,101	1,002,143	1,022,781	1,042,541	1,062,307	1,082,668	1,102,433
172,485	Council vehicle fleet costs	162,286	198,034	224,260	233,830	253,581	285,145	317,586	333,312	336,390	348,922
8,857,365		9,162,499	9,491,079	9,881,633	10,017,955	10,237,924	10,397,171	10,470,959	10,686,509	11,030,598	11,082,430
	Operating Income										
494,943	Miscellaneous income & recoveries	555,450	567,993	580,677	594,463	608,249	622,035	635,271	648,505	661,740	674,975
1,173,500	Interest income (external)	953,500	1,003,500	1,066,000	1,110,500	1,178,500	1,278,500	1,313,500	1,403,500	1,493,500	1,628,500
420,165	Interest income (on internal loans)	341,133	314,461	289,935	269,684	248,380	227,898	206,171	183,586	159,392	136,155
6,316,272	Support services allocated internally	7,210,130	7,702,091	8,275,761	8,539,478	8,929,214	9,313,593	9,478,431	9,897,606	10,359,576	10,483,878
172,485	Council Vehicle Fleet Recovery	162,286	198,034	224,260	233,830	253,581	285,145	317,586	333,312	336,390	348,922
8,577,365		9,222,489	9,786,079	10,436,633	10,747,955	11,217,924	11,727,171	11,950,959	12,466,509	13,010,598	13,272,430
	Appropriations										
(855,000)	Transfers from reserves	(465,000)	(280,000)	(70,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
25,000	Transfers to reserves	25,000	25,000	25,000	75,000	225,000	375,000	525,000	725,000	825,000	925,000
550,000	Transfers to reserves - interest	500,000	550,000	600,000	700,000	800,000	1,000,000	1,000,000	1,100,000	1,200,000	1,300,000
\$0	Rates Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

OUR COSTS IN DETAIL

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Cautionary Note

The financial statements set out below have been prepared for the purposes of supporting the Council's Long-term Plan 2024-34. The Long-term Plan that has been produced as a requirement of the Local Government Act 2002. The information contained in these statements may not be appropriate for purposes other than as described here.

The financial statements in this document and the figures presented are Masterton District Council's best estimate of the costs and income needed to provide the services in the period reported. The actual financial results achieved for the period covered are likely to vary from the information presented and the variations may be material. There may be minor errors in the figures displayed due to rounding differences. Variations from the planned figures and performance measures will be reported in the Council's Annual Reports for the future years. No updates or corrections will be made to the statements after adoption by the Council.

Prospective Financial Statements

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2024-2034												
PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE												
OPERATING REVENUE		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
NZ \$	Notes	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rates revenue		40,840,994	45,594,048	49,379,808	53,084,191	56,877,017	60,067,730	62,119,098	63,534,242	65,420,149	66,962,707	68,918,704
Rural sewerage schemes capital contrib.		50,303	50,303	50,303	50,303	50,303	44,341	-	-	-	-	-
Financial contributions		2,123,500	1,643,000	3,543,000	2,943,000	2,043,000	2,123,500	2,123,500	2,123,500	2,123,500	2,123,500	2,123,500
Roading subsidies - Waka Kotahi		22,022,968	13,011,704	12,137,509	12,569,281	10,214,906	13,534,935	13,164,834	11,240,772	14,190,159	14,173,390	11,763,619
Fees and charges		10,244,186	10,919,348	11,022,225	11,069,012	11,223,053	11,546,513	11,844,685	12,105,015	12,367,103	12,622,386	12,872,674
Interest and dividends		1,184,750	965,750	1,015,128	1,077,906	1,122,713	1,191,019	1,291,320	1,326,610	1,416,900	1,507,185	1,642,475
Other revenue		6,547,093	10,375,083	3,658,658	1,377,117	1,268,898	1,295,890	1,325,701	1,354,446	1,379,017	1,407,846	1,436,517
Gain on sale of assets		4,333,300	20,000	4,353,300	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Operating Revenue	2	87,347,095	82,579,236	85,159,932	82,190,811	82,819,890	89,823,928	91,889,138	91,704,585	96,916,828	98,817,014	98,777,489
OPERATING EXPENDITURE												
Personnel costs		14,723,796	15,492,421	15,500,405	15,768,904	16,099,610	16,430,328	16,776,066	17,106,777	17,437,492	17,783,233	18,113,950
Finance costs		2,965,665	2,721,778	3,187,641	4,170,912	5,329,557	6,089,923	5,958,783	5,728,978	5,394,243	5,270,529	5,101,475
Depreciation & amortisation		18,946,210	20,929,378	21,433,960	24,120,366	25,191,708	26,204,894	27,800,465	28,634,511	26,728,717	28,712,518	29,681,204
Other Operating costs		27,537,524	30,567,371	30,541,981	31,181,361	31,183,149	31,749,370	32,604,571	33,059,394	33,612,530	34,850,929	35,738,533
Total Operating Expenditure		64,173,195	69,730,948	70,663,987	75,241,543	77,804,024	80,474,505	83,139,885	84,529,660	83,372,982	86,617,209	88,635,162
Net Surplus / (Deficit)**		\$ 23,173,900	\$ 12,848,288	\$ 14,495,945	\$ 6,949,267	\$ 5,015,866	\$ 9,349,424	\$ 8,749,253	\$ 7,174,924	\$ 13,543,846	\$ 12,199,805	\$ 10,142,327
Revaluations		21,172,877	-	88,598,692	14,994,140	-	81,369,819	17,242,505	-	84,072,963	17,265,119	-
Total Comprehensive Revenue & Expenses		\$ 44,346,777	\$ 12,848,288	\$ 103,094,637	\$ 21,943,407	\$ 5,015,866	\$ 90,719,243	\$ 25,991,758	\$ 7,174,924	\$ 97,616,809	\$ 29,464,924	\$ 10,142,327
**Note: Income Tax is nil												
Note: value of rates on Council Properties assumed		737,700	804,200	836,368	869,823	904,616	940,800	978,432	1,017,570	1,058,272	1,100,603	1,144,827

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2024-2034												
PROSPECTIVE STATEMENT OF FINANCIAL POSITION												
NZ \$	Notes	Forecast to 30 June 2024	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3	2027/28 Year 4	2028/29 Year 5	2029/30 Year 6	2030/31 Year 7	2031/32 Year 8	2032/33 Year 9	2033/34 Year 10
CURRENT ASSETS												
Cash & Bank Accounts		7,093,236	6,727,187	6,881,332	7,038,160	7,197,727	7,359,983	7,525,284	7,693,387	7,864,456	8,038,544	8,215,716
Financial Assets - Current		12,710,305	7,019,466	7,168,051	7,677,521	7,907,846	8,145,082	8,389,434	9,147,668	9,397,334	9,679,254	9,969,632
Inventories		674,122	676,622	679,122	681,622	684,122	686,622	689,122	691,622	694,122	696,622	699,122
Debtors & Other Receivables		9,171,304	8,111,443	7,121,594	7,264,026	7,409,306	7,557,493	7,708,642	7,862,815	8,020,072	8,180,473	8,344,082
Total Current Assets		29,648,967	22,534,718	21,850,099	22,661,329	23,199,001	23,749,179	24,312,482	25,395,492	25,975,984	26,594,893	27,228,552
NON-CURRENT ASSETS												
Property, Plant & Equipment		167,243,059	179,052,038	193,375,219	224,143,827	235,439,132	232,297,070	247,054,585	245,324,531	244,358,014	259,745,428	256,928,165
Infrastructural Assets		975,497,212	991,105,029	1,097,301,619	1,111,389,828	1,117,811,829	1,202,348,766	1,201,851,313	1,196,626,410	1,284,650,661	1,285,746,706	1,281,729,499
Intangible Assets		2,733,442	2,322,822	1,971,363	1,716,548	1,563,913	1,235,194	906,474	577,754	309,835	289,290	268,745
Forestry assets		433,901	331,784	307,942	323,339	339,506	356,482	374,306	393,021	324,090	340,294	357,309
Investment Property Assets		-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments		1,320,603	1,170,596	1,320,603	1,320,603	1,320,603	1,320,603	1,320,603	1,320,603	1,320,603	1,320,603	1,320,603
Investments in CCO's & other similar entities		214,507	227,381	229,655	231,951	234,271	236,613	238,979	241,369	243,783	246,221	248,683
Other Non-current financial assets		12,194,836	7,810,368	10,090,801	9,760,863	10,543,577	17,409,631	24,658,286	32,777,437	42,274,156	52,754,031	63,794,997
Total Non-Current Assets		1,159,637,560	1,182,020,018	1,304,587,202	1,348,886,959	1,367,252,831	1,455,204,359	1,476,404,546	1,477,261,125	1,573,481,142	1,600,442,573	1,604,648,001
TOTAL ASSETS		1,189,286,527	1,204,554,736	1,326,447,301	1,371,548,288	1,390,451,833	1,478,953,538	1,500,717,028	1,502,656,618	1,599,457,126	1,627,037,466	1,631,876,553
CURRENT LIABILITIES												
Creditors & Other Payables		13,596,265	12,424,131	12,734,733	13,011,285	13,295,361	13,580,367	13,872,126	14,167,568	14,468,230	14,777,256	15,090,391
Employee Benefits - Current Portion		1,293,352	1,319,219	1,345,603	1,372,515	1,399,966	1,427,965	1,456,524	1,485,655	1,515,368	1,545,675	1,576,589
Provisions - Current Portion		20,000	20,000	10,000	-	-	-	-	-	-	-	-
Financial liabilities - current portion	3	11,200,000	11,800,000	8,000,000	6,400,000	6,183,120	8,000,000	6,751,910	6,910,812	7,442,350	7,544,791	4,341,574
Total Current Liabilities		26,109,617	25,563,350	22,090,336	20,783,800	20,878,447	23,008,331	22,080,560	22,564,035	23,425,948	23,867,722	21,008,555
NON-CURRENT LIABILITIES												
Financial liabilities	3	51,420,003	54,425,340	76,695,660	101,151,826	114,944,858	110,597,436	107,296,940	101,578,130	99,899,916	97,573,559	95,129,486
Derivative financial instruments		2,500	-	-	-	-	-	-	-	-	-	-
Employee benefits		12,428	11,428	2,050	-	-	-	-	-	-	-	-
Provisions & other liabilities		118,292	82,643	92,643	102,643	102,643	102,643	102,643	102,643	102,643	102,643	102,643
Total Non-Current Liabilities		51,553,223	54,519,411	76,790,353	101,254,469	115,047,501	110,700,079	107,399,583	101,680,773	100,002,559	97,676,202	95,232,129
NET ASSETS		\$ 1,111,623,687	\$ 1,124,471,975	\$ 1,227,566,612	\$ 1,249,510,019	\$ 1,254,525,885	\$ 1,345,245,128	\$ 1,371,236,885	\$ 1,378,411,810	\$ 1,476,028,619	\$ 1,505,493,543	\$ 1,515,635,870
EQUITY												
Ratepayers' Equity		484,628,495	500,939,979	513,563,798	520,823,503	525,286,176	527,977,260	529,707,696	528,506,601	532,835,236	534,781,564	534,129,107
Asset Revaluation Reserves		601,331,236	601,331,236	689,929,928	704,924,068	704,924,068	786,293,887	803,536,392	803,536,392	887,609,355	904,874,474	904,874,474
Special funds & restricted reserves	4	25,663,956	22,200,760	24,072,886	23,762,448	24,315,641	30,973,981	37,992,797	46,368,817	55,584,028	65,637,505	76,632,289
TOTAL EQUITY		\$ 1,111,623,687	\$ 1,124,471,975	\$ 1,227,566,612	\$ 1,249,510,019	\$ 1,254,525,885	\$ 1,345,245,128	\$ 1,371,236,885	\$ 1,378,411,810	\$ 1,476,028,619	\$ 1,505,493,543	\$ 1,515,635,870

TREASURY POLICY CHECK											
Net External Debt	37,500,355	51,168,125	67,436,808	90,113,442	102,676,555	93,042,723	81,001,130	66,563,837	55,670,776	42,685,065	25,706,431
Operating Revenue (excl Gain on Sale)	83,013,795	82,559,236	80,806,632	82,170,811	82,799,890	89,803,928	91,869,138	91,684,585	96,896,828	98,797,014	98,757,489
Rates Revenue	40,840,994	45,594,048	48,379,808	53,084,191	56,877,017	60,067,730	62,119,098	63,534,242	65,420,149	66,962,707	68,918,704
Net Interest on Net Debt	1,780,915	1,756,028	2,172,513	3,093,006	4,206,844	4,898,904	4,667,463	4,402,368	3,977,343	3,763,344	3,459,000
Net Debt as a % of Operating Revenue (limit = 150%)	45.2%	62.0%	83.5%	109.7%	124.0%	103.6%	88.2%	72.6%	57.5%	43.2%	28.0%
Interest expense as a % of Operating Revenue (limit = 10%)	2.1%	3.3%	3.9%	5.1%	6.4%	6.8%	6.5%	6.2%	5.8%	5.3%	5.2%
Interest expense as a % of Rates Revenue (limit = 15%)	4.4%	6.0%	6.5%	7.9%	9.4%	10.1%	9.6%	9.0%	8.2%	7.9%	7.4%
Number of rateable properties (estimated)	13,498	13,628	13,730	13,833	13,937	14,041	14,147	14,253	14,360	14,467	14,576
Average rates per property (excl GST)	\$ 3,080	\$ 3,405	\$ 3,657	\$ 3,900	\$ 4,081	\$ 4,278	\$ 4,391	\$ 4,468	\$ 4,556	\$ 4,629	\$ 4,728

Operating Revenue = revenue/earnings from rates, government grants and subsidies, user charges, interest, recoveries, financial contributions and all other revenue.
Net External Debt = Gross External debt (aggregate borrowings of the Council, including any capitalised finance leases) less any financial assets including cash and both current and term treasury investments held.

MASTERTON DISTRICT COUNCIL LONG TERM PLAN 2024-2034												
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY												
NZ \$	Notes	2023/24 Forecast	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3	2027/28 Year 4	2028/29 Year 5	2029/30 Year 6	2030/31 Year 7	2031/32 Year 8	2032/33 Year 9	2033/34 Year 10
Ratepayer's Equity		472,929,962	484,628,495	500,939,979	513,563,798	520,823,503	525,286,176	527,977,260	529,707,696	528,506,601	532,835,236	534,781,564
Special Funds & Reserves		24,763,138	25,663,956	22,200,760	24,072,886	23,762,448	24,315,641	30,973,981	37,992,797	46,368,817	55,584,028	65,837,505
Revaluation Reserves		574,738,111	601,331,236	601,331,236	689,929,928	704,924,068	704,924,068	786,293,887	803,536,392	803,536,392	887,609,355	904,874,474
EQUITY AT START OF YEAR		1,072,431,211	1,111,623,687	1,124,471,975	1,227,566,612	1,249,510,019	1,254,525,885	1,345,245,128	1,371,236,885	1,378,411,810	1,476,028,619	1,505,493,543
Comprehensive Revenue & Expenses for the year		39,192,476	12,848,288	103,094,637	21,943,407	5,015,866	90,719,243	25,991,758	7,174,924	97,616,809	29,464,924	10,142,327
Total recognised revenue & expenses for the period		\$ 39,192,476	\$ 12,848,288	\$ 103,094,637	\$ 21,943,407	\$ 5,015,866	\$ 90,719,243	\$ 25,991,758	\$ 7,174,924	\$ 97,616,809	\$ 29,464,924	\$ 10,142,327
Ratepayer's Equity		484,628,495	500,939,979	513,563,798	520,823,503	525,286,176	527,977,260	529,707,696	528,506,601	532,835,236	534,781,564	534,129,107
Special Funds & Reserves		25,663,956	22,200,760	24,072,886	23,762,448	24,315,641	30,973,981	37,992,797	46,368,817	55,584,028	65,837,505	76,632,289
Revaluation Reserves		601,331,236	601,331,236	689,929,928	704,924,068	704,924,068	786,293,887	803,536,392	803,536,392	887,609,355	904,874,474	904,874,474
EQUITY AT END OF YEAR		1,111,623,687	1,124,471,975	1,227,566,612	1,249,510,019	1,254,525,885	1,345,245,128	1,371,236,885	1,378,411,810	1,476,028,619	1,505,493,543	1,515,635,870

MASTERTON DISTRICT COUNCIL													
PROSPECTIVE STATEMENT OF CASHFLOWS													
LONG TERM PLAN 2024-2034													
	NZ \$	Notes	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Annual Plan		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
CASH FLOWS FROM OPERATING ACTIVITIES													
Cash was received from:													
Rates			40,891,298	45,507,701	49,321,271	53,027,994	56,818,276	60,020,338	62,060,121	63,493,556	65,365,929	66,918,358	68,862,469
Grants, subsidies & donations			27,950,537	22,986,955	15,391,543	13,533,227	11,060,520	14,397,954	14,047,412	12,142,128	15,110,294	15,112,303	12,721,311
Petrol tax			200,000	200,000	206,200	210,400	215,200	220,400	225,400	230,200	235,000	240,000	244,800
Other revenue			12,409,594	13,925,389	15,830,366	14,146,305	13,404,140	13,791,985	14,058,538	14,301,491	14,577,966	14,824,169	15,087,072
Regional council rates													
Interest on investments			1,184,750	965,750	1,015,128	1,077,906	1,122,713	1,191,019	1,291,320	1,326,610	1,416,900	1,507,185	1,642,475
			82,636,178	83,595,795	81,764,509	81,995,832	82,620,850	89,621,696	91,682,791	91,493,985	96,706,088	98,602,016	98,558,127
Cash was applied to:													
Payments to suppliers and employees			42,828,610	47,262,708	45,714,777	46,648,852	46,971,233	47,866,692	49,060,318	49,841,599	50,919,646	52,294,829	53,508,434
Interest paid			2,965,665	2,721,778	3,187,641	4,170,912	5,329,557	6,089,923	5,958,783	5,728,978	5,394,243	5,270,529	5,101,475
			45,594,275	49,984,486	48,902,418	50,819,764	52,300,790	53,956,615	55,019,101	55,570,577	56,313,889	57,565,358	58,609,909
Net cash flow from operating activities			37,041,903	33,611,309	32,862,090	31,176,068	30,320,060	35,665,081	36,683,689	35,923,408	40,392,189	41,036,658	39,946,218
CASH FLOWS FROM INVESTING ACTIVITIES													
Cash was received from:													
Sale of fixed assets			5,365,000	20,000	5,365,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Term investments, shares & advances			461,701	4,384,468	-	329,938	-	-	-	-	-	-	-
Forestry/investment property proceeds			-	117,916	38,506	-	-	-	-	-	84,364	-	-
			5,826,701	4,522,384	5,403,506	349,938	20,000	20,000	20,000	20,000	104,364	20,000	20,000
Cash was applied to:													
Purchase of fixed assets			50,464,217	47,773,044	52,968,148	53,713,581	42,741,282	25,886,654	24,474,428	21,335,620	29,430,019	27,894,423	22,809,949
Term investments, shares & advances			12,369	12,874	3,465,037	2,297	785,034	6,868,397	7,251,021	8,121,541	9,499,133	10,482,313	11,043,428
			50,476,586	47,785,918	56,433,184	53,715,877	43,526,316	32,755,051	31,725,449	29,457,161	38,929,152	38,376,736	33,853,377
Net cash flow from investing activities			(44,649,885)	(43,263,534)	(51,029,678)	(53,365,939)	(43,506,316)	(32,735,051)	(31,705,449)	(29,437,161)	(38,824,788)	(38,356,738)	(33,833,377)
CASH FLOWS FROM FINANCING ACTIVITIES													
Cash was received from:													
Drawdown of public debt			11,673,800	14,863,092	22,643,026	27,714,400	19,193,150	3,652,580	1,947,880	1,192,000	5,764,136	5,218,436	1,897,500
			11,673,800	14,863,092	22,643,026	27,714,400	19,193,150	3,652,580	1,947,880	1,192,000	5,764,136	5,218,436	1,897,500
Cash was applied to:													
Repayment of public debt (incl Finance Leases)			3,073,993	11,257,755	4,172,707	4,858,232	5,617,001	6,183,120	6,496,466	6,751,910	6,910,812	7,442,350	7,544,791
			3,073,993	11,257,755	4,172,707	4,858,232	5,617,001	6,183,120	6,496,466	6,751,910	6,910,812	7,442,350	7,544,791
Net cash flow from financing activities			8,599,807	3,605,337	18,470,319	22,856,168	13,576,149	(2,530,540)	(4,548,586)	(5,559,910)	(1,146,676)	(2,223,914)	(5,647,291)
NET INCREASE/(DECREASE) IN CASH HELD			991,825	(6,056,888)	302,731	666,297	389,893	399,490	409,654	926,337	420,735	456,008	467,550
Add cash at start of year (1 July)			8,516,393	19,803,541	13,746,653	14,049,384	14,715,681	15,105,574	15,505,064	15,914,718	16,841,055	17,261,790	17,717,798
BALANCE AT END OF YEAR (30 JUNE)			9,508,218	13,746,653	14,049,384	14,715,681	15,105,574	15,505,064	15,914,718	16,841,055	17,261,790	17,717,798	18,185,348
REPRESENTED BY:													
Cash & bank			4,502,967	6,727,187	6,881,332	7,038,160	7,197,727	7,359,983	7,525,284	7,693,387	7,864,456	8,038,544	8,215,716
Short term deposits			5,005,251	7,019,466	7,168,051	7,677,521	7,907,846	8,145,082	8,389,434	9,147,668	9,397,334	9,669,632	9,969,632
BALANCE AT END OF YEAR (30 JUNE)			9,508,218	13,746,653	14,049,384	14,715,681	15,105,574	15,505,064	15,914,718	16,841,055	17,261,790	17,717,798	18,185,348

The closing balance of 2023/24 is the Plan position. An updated forecast position has been used as the opening balance for 2024/25

NOTE 1 RATES REQUIREMENT STATEMENT											
Prior Year Plan 2023/24		LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
7,368,578	Roading										
1,466,143	Subsidised Rooding	8,512,102	10,104,117	10,266,648	10,952,328	11,786,942	11,816,856	12,188,138	12,967,076	12,784,224	13,189,610
	Non-subsidised Rooding	1,735,866	1,783,459	2,039,378	2,451,836	2,568,665	2,808,023	2,968,302	3,095,251	3,250,482	3,461,784
4,522,194	Water Services										
152,816	Urban Water supply	5,372,740	5,525,638	6,258,676	6,715,196	7,450,323	7,846,322	7,980,493	8,092,528	8,336,142	8,604,556
	Rural Water supplies & races	173,576	178,126	185,922	189,576	193,610	200,586	204,409	207,895	215,338	218,773
7,556,951	Wastewater Services										
441,570	Urban Sewerage system	7,938,525	8,423,504	8,894,297	8,852,169	8,997,425	9,298,006	9,457,417	9,618,712	9,944,621	10,249,857
	Rural Sewerage systems	470,778	474,551	497,819	508,519	528,680	562,278	589,795	603,395	670,026	713,638
922,216	Stormwater Services										
	Urban Stormwater System	1,061,105	1,184,309	1,360,213	1,590,092	1,616,093	1,735,023	1,766,621	1,771,463	1,888,148	1,911,424
260,442	Solid Waste Services										
1,052,515	Solid Waste Management	377,138	429,732	451,965	500,611	440,037	501,680	515,228	527,681	560,904	556,975
	Waste Minimisation Services	1,127,197	1,104,080	1,030,394	1,057,487	1,100,977	1,141,128	1,036,535	944,533	965,937	988,738
3,543,263	Community Facilities/Activities										
1,503,867	Parks, Reserves & Sportfields	3,856,390	4,078,060	4,147,484	4,305,945	4,393,763	4,496,808	4,603,319	4,687,616	4,814,045	4,930,147
167,941	Trust House Recreation Centre	1,624,030	1,688,825	1,852,365	1,967,064	2,034,088	2,062,657	2,154,908	2,329,056	2,514,519	2,750,298
2,841,295	Cemeteries	258,817	257,844	266,801	279,648	287,879	294,699	301,921	309,196	318,253	326,652
1,734,124	Library & Archive	2,939,905	2,980,401	3,493,544	3,961,176	4,018,560	4,122,112	4,207,258	4,285,605	4,357,648	4,448,843
427,755	Property	1,759,266	1,901,103	2,403,240	3,377,009	4,232,929	4,590,696	4,772,490	5,007,992	5,107,193	5,185,279
153,971	Airport	551,546	832,218	1,003,829	1,035,850	1,033,932	1,060,261	1,047,569	1,084,743	1,092,661	1,109,772
	Mawley Park	224,204	232,509	248,542	264,777	268,815	283,050	295,734	252,602	200,584	207,559
1,259,158	Regulatory Services										
712,562	Resource Management & Planning	1,436,232	1,494,245	1,564,478	1,600,270	1,637,459	1,643,411	1,671,769	1,711,246	1,861,780	1,887,897
1,144,840	Environmental Services	927,288	1,008,357	1,028,876	1,072,131	1,090,426	1,127,035	1,135,356	1,152,981	1,195,549	1,215,941
2,729	Building Development	1,219,034	1,332,440	1,445,452	1,439,291	1,519,228	1,502,316	1,574,758	1,567,351	1,654,883	1,634,045
138,465	Parking Control	3,301	6,882	9,898	11,460	12,067	12,928	13,350	15,494	(29,107)	(30,385)
284,033	Animal Services	263,997	381,691	407,463	389,488	395,048	394,814	403,337	409,714	415,739	424,784
	Emergency Management	338,712	353,019	365,029	373,870	383,590	394,213	402,146	411,592	421,606	429,495
	Weather Events Recovery	-	-	-	-	-	-	-	-	-	-
918,808	Leadership, Strategy & Corporate Services										
	Representation	934,534	1,034,681	1,047,881	1,096,511	1,106,887	1,146,008	1,144,174	1,202,548	1,198,901	1,245,840
1,126,373	Internal Functions (net)	-	-	-	-	-	-	-	-	-	-
562,232	Community Development	1,335,637	1,449,607	1,532,940	1,591,877	1,632,224	1,668,697	1,701,231	1,740,956	1,782,034	1,814,963
912,958	Arts and Culture	492,934	512,280	559,281	571,501	586,310	602,864	615,688	630,673	644,454	657,050
451,208	Economic Development	1,031,054	994,135	1,016,493	1,035,896	1,079,219	1,109,765	1,110,879	1,143,918	1,172,432	1,192,989
	Environmental Initiatives	482,643	520,867	625,409	640,358	657,695	675,294	688,986	706,604	724,314	737,807
\$ 41,626,998	Total Rates Requirement	\$ 46,448,551	\$ 50,266,480	\$ 54,004,317	\$ 57,831,936	\$ 61,052,872	\$ 63,097,530	\$ 64,551,811	\$ 66,478,421	\$ 68,063,310	\$ 70,063,331
41,528,998	MDC Rates Revenue*	46,283,551	50,097,355	53,830,964	57,654,249	60,870,742	62,910,847	64,360,462	66,282,288	67,862,274	69,857,269
(50,303)	less rural sewerage capital contributions	(50,303)	(50,303)	(50,303)	(50,303)	(50,303)	(44,341)	-	-	-	-
41,478,694		46,233,248	50,047,051	53,780,661	57,603,945	60,820,439	62,866,506	64,360,462	66,282,288	67,862,274	69,857,269
8.6%	% Change (pre growth) from prior year	11.5%	8.2%	7.5%	7.1%	5.6%	3.4%	2.4%	3.0%	2.4%	2.9%
8.8%	% Change (after growth) from prior year**	9.8%	7.0%	6.5%	6.1%	4.6%	2.4%	1.4%	2.0%	1.4%	1.9%
275,000	Penalty Revenue	350,000	358,750	367,719	376,912	386,335	395,993	405,893	416,040	426,441	437,102
(175,000)	Rates Remissions	(185,000)	(189,625)	(194,366)	(199,225)	(204,205)	(209,311)	(214,543)	(219,907)	(225,405)	(231,040)
\$ 41,578,694	Net Rates Revenue	\$ 46,398,248	\$ 50,216,176	\$ 53,954,014	\$ 57,781,632	\$ 61,002,568	\$ 63,053,189	\$ 64,551,811	\$ 66,478,421	\$ 68,063,310	\$ 70,063,331

* Rates Revenue includes the rates charged on Council properties.

** Growth in the rating base allows rates to be spread across the larger pool, benefiting all ratepayers.

NOTE 2											
PROSPECTIVE SUMMARY OF REVENUE											
OPERATING INCOME	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
REVENUE FROM NON-EXCHANGE TRANSACTIONS											
Targeted Rates (including penalties)	40,841	45,594	49,380	53,084	56,877	60,068	62,119	63,534	65,420	66,963	68,919
Rural sewerage schemes capital contrib.	50	50	50	50	50	44	-	-	-	-	-
Financial Contributions	2,124	1,643	3,543	2,943	2,043	2,124	2,124	2,124	2,124	2,124	2,124
Waka Kotahi Subsidy	22,023	13,012	12,138	12,569	10,215	13,535	13,165	11,241	14,190	14,173	11,764
Other Government Grants	5,839	8,903	3,213	922	800	819	837	855	873	891	908
Other Grants	89	1,072	41	42	45	44	45	46	47	48	49
Other Non Exchange Revenue	746	788	810	723	742	761	779	797	814	832	850
Revaluation Gains	55	31	29	30	31	32	33	34	31	32	33
REVENUE FROM EXCHANGE TRANSACTIONS											
Interest	1,181	962	1,012	1,074	1,119	1,188	1,288	1,323	1,413	1,504	1,639
Dividends	4	4	4	4	4	4	4	4	4	4	4
Fees & User charges	9,863	10,500	10,587	10,729	10,873	11,187	11,476	11,728	11,981	12,227	12,469
Other Income	200	-	-	-	-	-	-	-	-	-	-
Other Gains/(losses)- Profit on Sale of Assets	4,333	20	4,353	20	20	20	20	20	20	20	20
TOTAL OPERATING REVENUE	87,347	82,579	85,160	82,191	82,820	89,824	91,889	91,705	96,917	98,817	98,777
RATES REMISSIONS											
Rates revenue is shown net of rates remissions.											
Rates remissions estimated per year:	(175)	(185)	(190)	(194)	(199)	(204)	(209)	(215)	(220)	(225)	(231)

NOTE 3 PROSPECTIVE STATEMENT OF PUBLIC DEBT (EXTERNAL)											
	Forecast as at 30-Jun-24 (\$ 000)	Year 1 2024/25 (\$ 000)	Year 2 2025/26 (\$ 000)	Year 3 2026/27 (\$ 000)	Year 4 2027/28 (\$ 000)	Year 5 2028/29 (\$ 000)	Year 6 2029/30 (\$ 000)	Year 7 2030/31 (\$ 000)	Year 8 2031/32 (\$ 000)	Year 9 2032/33 (\$ 000)	Year 10 2033/34 (\$ 000)
Opening Balance	51,700	62,620	66,225	84,696	107,552	121,128	118,597	114,049	108,489	107,342	105,118
Loans raised during the year	14,020	14,863	22,643	27,714	19,193	3,653	1,948	1,192	5,764	5,218	1,898
Less repayments during the year	(3,100)	(11,258)	(4,173)	(4,858)	(5,617)	(6,183)	(6,496)	(6,752)	(6,911)	(7,442)	(7,545)
Balance as at 30 June	62,620	66,225	84,696	107,552	121,128	118,597	114,049	108,489	107,342	105,118	99,471
Less current borrowings repayable in 12 months	(8,658)	(4,173)	(4,858)	(5,617)	(6,183)	(6,496)	(6,752)	(6,911)	(7,442)	(7,545)	(4,342)
Closing balance for non-current borrowings	\$ 53,962	62,053	79,837	101,935	114,945	112,101	107,297	101,578	99,900	97,574	95,129
Note: loan repayments shown here differ from the financial stmt which recognises actual loan maturities which are expected to be partially refinanced.											
SCHEDULE OF EXTERNAL LOAN END OF YEAR BALANCES BY GROUPS OF ACTIVITIES											
Roading	3,823	5,482	6,666	9,238	9,756	11,377	12,983	12,579	14,181	15,758	15,206
Water Services	8,389	10,051	14,437	20,587	26,744	27,039	26,082	25,070	23,999	24,153	23,020
Sewerage Services	41,315	31,150	28,495	25,705	22,743	19,661	16,465	13,148	12,144	8,965	7,152
Stormwater Services	362	320	1,535	2,575	2,473	2,365	2,251	2,130	2,068	2,003	1,934
Solid Waste Services	1,226	1,312	1,131	1,486	1,272	1,528	1,305	1,163	1,128	1,091	1,053
Leadership & Strategy	121	117	113	108	104	99	94	89	83	77	70
Community Facilities/ Activities	6,963	15,911	29,944	45,537	55,782	54,337	52,744	52,257	51,760	51,171	49,217
Regulatory Services	422	1,884	2,374	2,316	2,255	2,191	2,124	2,054	1,979	1,901	1,818
	\$ 62,620	\$ 66,225	\$ 84,696	\$ 107,552	\$ 121,128	\$ 118,597	\$ 114,049	\$ 108,489	\$ 107,342	\$ 105,118	\$ 99,471
PUBLIC DEBT (INTERNAL)											
	Forecast as at 30-Jun-24 (\$ 000's)	Year 1 2024/25 (\$ 000's)	Year 2 2025/26 (\$ 000's)	Year 3 2026/27 (\$ 000's)	Year 4 2027/28 (\$ 000's)	Year 5 2028/29 (\$ 000's)	Year 6 2029/30 (\$ 000's)	Year 7 2030/31 (\$ 000's)	Year 8 2031/32 (\$ 000's)	Year 9 2032/33 (\$ 000's)	Year 10 2033/34 (\$ 000's)
Opening Balance	8,548	7,756	7,143	6,583	6,089	5,630	5,182	4,706	4,201	3,667	3,158
Loans raised during the year	-	-	-	-	-	-	-	-	-	-	-
Less repayments during the year	(792)	(613)	(561)	(493)	(459)	(448)	(476)	(505)	(534)	(509)	(539)
Closing Balance as at 30 June	\$ 7,756	\$ 7,143	\$ 6,583	\$ 6,089	\$ 5,630	\$ 5,182	\$ 4,706	\$ 4,201	\$ 3,667	\$ 3,158	\$ 2,619
SCHEDULE OF INTERNAL LOAN END OF YEAR BALANCES BY GROUPS OF ACTIVITIES											
Roading	641	602	570	536	500	462	422	378	333	285	233
Water Services	858	822	783	742	699	652	603	551	496	437	375
Sewerage Services	1,857	1,589	1,367	1,218	1,101	995	882	763	638	504	363
Solid Waste Services	199	150	97	56	41	37	32	28	23	17	12
Leadership & Strategy	4	2	-	-	-	-	-	-	-	-	-
Community Facilities/ Activities	4,056	3,843	3,634	3,411	3,171	2,923	2,660	2,381	2,086	1,831	1,560
Regulatory Services	141	136	131	125	120	113	107	99	92	84	75
	\$ 7,756	\$ 7,143	\$ 6,583	\$ 6,089	\$ 5,630	\$ 5,182	\$ 4,706	\$ 4,201	\$ 3,667	\$ 3,158	\$ 2,619

NOTE 4 PROSPECTIVE STATEMENT OF SPECIAL FUNDS & RESERVES				
<p>The Council maintains special funds and reserves as a sub-part of its equity. Schedule 10, Part 2(21) of the LG Act requires certain information to be included in the Annual Plan relating to these reserves. The following presents a summary of reserve funds movements as projected over the term of the LTP. The management of financial reserves forms an integral part of meeting the obligations of prudent financial management. The Council tracks some 30 separate reserve accounts, but many have similar purposes and have been grouped together here.</p>				
	Forecast Opening Balance 2024	Transfers In 2024/34	Transfers Out 2024/34	Forecast Closing Balance 2034
	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Council Created Reserves				
Purpose and application				
General Capital Reserves				
These funds have been set aside from the sale of assets. They can be utilised for new asset purchases and to fund one-off Council projects and grants.	4,928	241	1,028	4,141
Investment Interest Fund				
These funds are generated by receiving the proceeds of interest earnings on investments. The LTP financial model allocates to this fund, all interest income from operating activities. The funds have been applied to offset debt servicing costs on specific projects including the CBD upgrading, Chapel St stormwater line, Castlepoint seawall and rural transfer stations.	996	8,710	3,540	6,166
Reserves & Development Funds				
These funds represent reserves and development contributions that are generated from the District Plan provisions for financial contributions on development and subdivision. The funds can only be applied to the purpose for which they were taken i.e. development of assets on reserves and general district development.	2,986	5,913	2,560	6,338
Plant & Equipment Depreciation Funds				
These funds are built up from depreciation on plant and equipment and are used to fund replacements.	1,425	7,183	8,661	(53)
Buildings Depreciation Funds				
The Council has a series of specific depreciation reserve accounts for assets such as senior housing, Trust House Recreation Centre, Waita House, the Library and parks & reserves buildings. Depreciation funds on these assets are accumulated in these funds and used for renewal expenditure as required.	6,134	37,073	19,240	23,967

PROSPECTIVE STATEMENT OF SPECIAL FUNDS & RESERVES (CONTINUED)				
	Forecast Opening Balance 2024	Transfers In 2024/34	Transfers Out 2024/34	Forecast Closing Balance 2034
	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Council Created Reserves				
Purpose and application				
Roading, Bridges & Flood Damage Funds				
Most roading renewal expenditure is funded from rates and NZTA subsidies, but some funding for Council's share of bridge renewals and street furniture is being built up in this fund. Roothing contributions taken as per the District Plan financial contributions are accumulated in this fund and a separate fund for responding to road flood damage is also part of this group. Use of these funds can be for roading and bridge renewals, upgrades and flood damage repairs.	5,425	32,755	9,071	29,109
Urban Infrastructure Depreciation Funds				
Depreciation on urban infrastructural assets is accumulated in this fund and applied to renewal of those assets. Infrastructure contributions taken as per the District Plan financial contributions are accumulated in this fund and utilised on renewing and upgrading the network assets.	4,914	55,636	58,183	2,368
Miscellaneous Funds				
These funds are made up of surpluses and deficits of various distinct entities under Council's control. Separate balances are maintained for a number of rural water and sewerage supplies and the Animal Services carry forward surpluses. A separate Special Funds account represents a balance of funds carried forward. They are generally rated for specific items, but not spent. The sums are identified at year end and carried forward so they can be applied to the expenditure for which they were raised. The Council has also utilised, or borrowed from these funds to advance projects and repay back to the fund, e.g. Wairarapa Combined District Plan project.	(1,259)	10,129	4,389	4,481
Crematorium Fund - ex Mrs Smart bequest				
To manage a bequest made to establish a crematorium.	115	-	-	115
	\$ 25,664	\$ 157,640	\$ 106,672	\$ 76,632

NOTE 5											
PROSPECTIVE SUMMARY OF REVALUATION RESERVE MOVEMENTS											
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Forecast Annual Plan	Annual Plan	Year 3 LTP	Year 3 LTP	Year 4 LTP	Year 5 LTP	Year 6 LTP	Year 7 LTP	Year 8 LTP	Year 9 LTP	Year 10 LTP
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Revaluation Reserve											
Opening balance	574,738	601,331	601,331	689,930	704,924	704,924	786,294	803,536	803,536	887,609	904,874
Revalue Movements	26,593	-	88,599	14,994	-	81,370	17,243	-	84,073	17,265	-
Closing Balance	601,331	601,331	689,930	704,924	704,924	786,294	803,536	803,536	887,609	904,874	904,874
	2023/24	2024/25	2024/25	2028/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Forecast Annual Plan	Annual Plan	Year 3 LTP	Year 3 LTP	Year 4 LTP	Year 5 LTP	Year 6 LTP	Year 7 LTP	Year 8 LTP	Year 9 LTP	Year 10 LTP
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Revaluation Movements by groups											
Infrastructure											
Roading	-	-	57,144	-	-	53,059	-	-	55,951	-	-
Water Services	-	-	9,016	-	-	9,141	-	-	8,941	-	-
Sewerage Services	-	-	16,017	-	-	13,408	-	-	13,391	-	-
Stormwater Services	-	-	4,576	-	-	4,142	-	-	4,235	-	-
Solid Waste Services	-	-	163	-	-	167	-	-	168	-	-
	-	-	86,915	-	-	79,917	-	-	82,666	-	-
Other Asset Revaluation Reserve Movements											
Building	8,604	-	-	6,277	-	-	8,181	-	-	8,013	-
Land	17,989	-	-	8,717	-	-	9,061	-	-	9,252	-
Other	-	-	1,683	-	-	1,453	-	-	1,406	-	-
Financial Assets	0	-	-	-	-	-	-	-	-	-	-
	26,593	-	1,683	14,994	-	1,453	17,243	-	1,406	17,265	-
Total revaluation movements	26,593	-	88,599	14,994	-	81,370	17,243	-	84,073	17,265	-

Capital Projects

PROSPECTIVE CAPITAL SUMMARY STATEMENT											
Prior Year Plan 2023/24		LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Roading										
27,041,659	Subsidised Rooding	14,938,253	14,654,356	14,999,612	11,008,049	16,766,438	15,939,008	12,343,665	17,447,916	17,247,261	12,786,019
977,420	Non-subsidised Rooding	62,121	2,418,207	4,100,712	3,256,015	70,818	72,371	73,862	75,353	76,906	78,397
	Water Services										
2,550,400	Urban Water supply	5,200,000	8,853,118	10,120,025	9,063,540	3,442,865	3,024,000	2,358,240	2,472,080	3,775,500	2,515,800
37,275	Rural Water supplies & races	30,000	38,080	33,450	40,075	35,250	42,140	36,960	44,100	38,610	46,025
	Sewerage Services										
6,372,250	Urban Sewerage system	2,670,000	3,282,100	2,116,200	2,287,300	2,346,800	2,404,400	2,460,000	5,035,600	3,189,900	4,522,500
42,600	Rural Sewerage systems	40,000	43,520	44,600	45,800	47,000	48,160	123,200	50,400	51,480	52,600
	Stormwater Services										
692,250	Urban Stormwater System	310,000	2,176,000	2,202,125	1,341,325	1,175,000	1,204,000	1,232,000	756,000	772,200	789,000
	Solid Waste Services										
420,920	Solid Waste	250,000	21,380	546,000	78,260	514,350	23,360	-	24,320	-	25,300
	Community Facilities/Activities										
916,489	Parks & Reserves	1,516,878	910,521	1,442,468	2,138,906	321,510	544,664	198,266	567,068	206,437	589,939
1,263,406	Sportsfields	1,056,340	230,904	746,928	1,527,188	11,430	2,920	11,920	498,560	12,410	12,650
500,000	Trust House Recreation Centre	884,850	1,512,101	400,731	237,910	285,750	292,000	1,490,000	1,520,000	1,551,250	316,250
330,000	Cemeteries	195,000	-	-	22,360	-	-	23,840	-	-	25,300
195,766	Library & Archive	1,176,000	6,607,489	3,462,732	220,246	201,168	205,568	209,792	214,016	218,416	222,640
1,111,185	Property	7,162,425	8,097,048	13,082,706	11,011,182	243,459	268,640	286,080	291,840	307,148	303,600
3,802,500	Airport	8,742,663	3,207,000	-	-	22,860	-	-	-	24,820	-
	Regulatory Services										
2,000	Environmental Services	58,500	8,552	8,736	8,944	9,144	9,344	9,536	9,728	9,928	10,120
15,000	Building Development	-	-	-	-	-	-	-	-	-	-
2,530,000	Animal Services	2,205,600	536,210	1,747	6,261	1,829	1,869	6,675	1,946	1,986	7,084
	Leadership, Strategy & Corporate Services										
456,000	Corporate Services	1,070,000	384,840	382,200	396,890	354,330	362,080	423,160	376,960	384,710	449,075
347,070	Development	340,920	26,725	21,640	50,290	22,860	29,185	47,680	30,385	24,820	56,910
-	Rooding Advisory Services	11,000	-	-	-	12,573	-	-	13,376	-	-
\$ 48,604,190	Total Capital expenditure	\$ 47,920,550	\$ 52,988,150	\$ 53,712,812	\$ 42,740,540	\$ 25,885,434	\$ 24,473,709	\$ 21,334,878	\$ 29,429,847	\$ 27,893,781	\$ 22,809,208
	Funded by										
(18,927,329)	Waka Kotahi subsidy (rooding)	(9,322,222)	(8,206,439)	(8,399,783)	(6,164,507)	(9,389,205)	(8,925,845)	(6,912,453)	(9,770,833)	(9,658,466)	(7,160,170)
(10,772,531)	Transfers from reserves	(11,466,134)	(14,948,218)	(13,000,800)	(12,539,341)	(7,372,496)	(8,534,701)	(7,799,211)	(8,245,731)	(7,498,019)	(8,125,889)
(11,673,800)	Loan funds	(14,863,092)	(22,643,026)	(27,714,400)	(19,193,150)	(3,652,580)	(1,947,880)	(1,192,000)	(5,764,136)	(5,218,436)	(1,897,500)
(3,375,530)	Rates	(3,851,871)	(5,105,916)	(4,597,829)	(4,843,542)	(5,471,153)	(5,065,284)	(5,431,213)	(5,648,947)	(5,518,859)	(5,825,848)
(4,855,000)	Other (External funding)	(8,417,231)	(2,084,550)	-	-	-	-	-	-	-	-
\$ (49,604,190)		\$ (47,920,550)	\$ (52,988,150)	\$ (53,712,812)	\$ (42,740,540)	\$ (25,885,434)	\$ (24,473,709)	\$ (21,334,878)	\$ (29,429,847)	\$ (27,893,781)	\$ (22,809,208)

ROADING												
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Subsidised Roading											
3,201,160	Roading renewals - rural	Rates & Subsidy	5,952,742	5,559,914	6,313,711	6,631,196	7,955,433	6,934,779	7,612,691	8,012,047	7,616,919	7,764,581
2,398,332	Roading renewals - urban	Rates & Subsidy	1,194,492	2,879,969	1,679,315	1,625,994	1,663,944	1,700,434	1,794,914	1,831,145	1,868,885	1,905,115
565,777	Footpath upgrading [incl reseals]	Rates & Subsidy	633,167	677,487	718,137	719,087	735,870	752,008	767,500	782,992	799,129	814,621
1,741,210	Rural/Urban - Improvement projects	Rates & Subsidy	973,852	2,486,985	1,738,450	1,786,691	1,828,391	1,868,488	1,906,980	1,945,472	1,985,569	2,024,061
-	Mataikona Road upgrade	Loan & Subsidy	-	3,050,000	4,550,000	-	4,332,000	4,427,000	-	4,609,400	4,704,400	-
18,920,000	Cyclone Damage Reinstatement	Loan & Subsidy	6,184,000	-	-	-	-	-	-	-	-	-
215,180	Cycleways	Rates & Subsidy	-	-	-	245,080	250,800	256,300	261,580	266,860	272,360	277,640
27,041,659	Total Subsidised Roading		14,938,253	14,654,356	14,999,612	11,008,049	16,766,438	15,939,008	12,343,665	17,447,916	17,247,261	12,786,019
	Non-subsidised Roading											
62,120	Carpark reseals	Depn Reserve	62,121	66,407	67,712	69,203	70,818	72,371	73,862	75,353	76,906	78,397
-	Urbanisation of Millard Ave - Roading	Dev Contributions	-	2,138,000	3,270,000	-	-	-	-	-	-	-
-	Judds Road Level Crossing	Loan	-	-	763,000	779,800	-	-	-	-	-	-
105,300	Queen Street Refresh	Depn Reserve	-	213,800	-	-	-	-	-	-	-	-
360,000	What's Our Welcome- South Entrance	Loan	-	-	-	-	-	-	-	-	-	-
-	Chamberlain Rd upgrade	Dev Contributions	-	-	-	2,407,012	-	-	-	-	-	-
450,000	Kitchener to Gordon - link road	Dev Contributions	-	-	-	-	-	-	-	-	-	-
977,420	Total Non-subsidised Roading		62,121	2,418,207	4,100,712	3,256,015	70,818	72,371	73,862	75,353	76,906	78,397
28,019,079	Total		15,000,374	17,072,563	19,100,324	14,264,064	16,837,256	16,011,379	12,417,527	17,523,269	17,324,167	12,864,415
	Capital Funding											
(18,927,329)	Waka Kotahi subsidy (roading)		(9,322,222)	(8,206,439)	(8,399,783)	(6,164,507)	(9,389,205)	(8,925,845)	(6,912,453)	(9,770,833)	(9,658,466)	(7,160,170)
(710,120)	Transfers from reserves		(62,121)	(2,418,207)	(3,337,712)	(2,476,215)	(70,818)	(72,371)	(73,862)	(75,353)	(76,906)	(78,397)
(5,006,100)	Loan funds		(1,764,160)	(1,342,000)	(2,765,000)	(779,800)	(1,906,080)	(1,947,880)	-	(2,028,136)	(2,069,936)	-
(24,643,549)	Total other funding		(11,148,503)	(11,966,647)	(14,502,495)	(9,420,522)	(11,366,103)	(10,946,095)	(6,986,314)	(11,874,322)	(11,805,308)	(7,238,567)
\$3,375,530	Rates Requirement (Capital)		\$3,851,871	\$5,105,916	\$4,597,829	\$4,843,542	\$5,471,153	\$5,065,284	\$5,431,213	\$5,648,947	\$5,518,859	\$5,625,848

WATER SUPPLIES												
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Urban water treatment											
-	WTP Consent Renewal - take	Depn Reserve	-	-	54,600	-	-	-	-	60,800	-	-
163,900	WTP - plant & equipment renewals	Depn Reserve	200,000	106,900	109,200	111,800	114,300	233,600	119,200	121,600	149,840	126,500
75,000	WTP - plant & equipment upgrades	Depn Reserve	80,000	85,520	87,360	89,440	91,440	93,440	95,360	97,280	99,280	101,200
25,000	WTP - building renewals	Depn Reserve	50,000	21,760	22,300	22,900	23,500	24,080	24,640	25,200	25,740	26,300
-	Raw water storage dams	Loan	-	2,720,000	2,787,500	2,862,500	-	-	-	-	-	-
-	Filter Refurbishment	Depn Reserve	-	-	-	-	-	602,000	-	-	-	-
-	Reseal Access Road WTP	Depn Reserve	-	-	-	-	17,625	-	-	-	-	-
263,900	Total Urban water treatment		330,000	2,934,180	3,060,960	3,086,640	246,865	953,120	239,200	304,880	274,860	254,000
	Urban water reticulation											
1,500,000	Water mains renewals (reticulation)	Loan/Depn Reserve	4,470,000	3,902,656	1,862,050	1,912,150	3,137,250	2,010,680	2,057,440	2,104,200	3,436,290	2,196,050
106,500	Water connections replacements	Depn Reserve	200,000	217,600	55,750	57,250	58,750	60,200	61,600	63,000	64,350	65,750
500,000	Water meters project completion	Loan	200,000	-	-	-	-	-	-	-	-	-
180,000	Urbanisation of Millard Ave	Dev Contributions	-	863,002	-	-	-	-	-	-	-	-
-	Reservoir upgrades	Loan	-	-	3,902,500	4,007,500	-	-	-	-	-	-
-	Water main - CBD	Depn Reserve	-	935,680	1,238,765	-	-	-	-	-	-	-
2,286,500	Total Urban water reticulation		4,870,000	5,918,938	7,059,065	5,976,900	3,196,000	2,070,880	2,119,040	2,167,200	3,500,640	2,261,800
	Rural water supply											
31,950	Wainuioru water supply renewals	Depn Reserve	30,000	32,640	33,450	34,350	35,250	36,120	36,960	37,800	38,610	39,450
5,325	Tinui water supply upgrades	Depn Reserve	-	5,440	-	5,725	-	6,020	-	6,300	-	6,575
37,275	Total Rural water supply		30,000	38,080	33,450	40,075	35,250	42,140	36,960	44,100	38,610	46,025
2,587,675	Total		5,230,000	8,891,198	10,153,475	9,103,615	3,478,115	3,066,140	2,395,200	2,516,180	3,814,110	2,561,825
	Capital Funding											
(1,637,675)	Transfers from reserves		(3,230,000)	(4,085,502)	(3,463,475)	(2,233,615)	(2,303,115)	(3,066,140)	(2,395,200)	(2,516,180)	(2,527,110)	(2,561,825)
(950,000)	Loan funds		(2,000,000)	(4,805,696)	(6,690,000)	(6,870,000)	(1,175,000)	-	-	-	(1,287,000)	-
(2,587,675)	Total capital funding		(\$5,230,000)	(\$8,891,198)	(\$10,153,475)	(\$9,103,615)	(\$3,478,115)	(\$3,066,140)	(\$2,395,200)	(\$2,516,180)	(\$3,814,110)	(\$2,561,825)
\$0	Rates requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

WASTEWATER SERVICES												
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Urban Sewerage system											
3,286,500	Sewer reticulation renewals	Depn Reserves/External	2,570,000	1,740,800	2,007,000	2,175,500	2,232,500	2,287,600	2,340,800	2,394,000	2,445,300	2,498,500
1,300,000	Millard Ave sewer extension	Dev Contributions	-	1,414,400	-	-	-	-	-	-	-	-
53,250	Homebush plant & equipment renewals	Depn Reserve	100,000	106,900	109,200	111,800	114,300	116,800	119,200	121,600	124,100	126,500
1,200,000	Colombo Road sewer pump station	Loan	-	-	-	-	-	-	-	-	-	-
-	Homebush consent renewal & plant upgrade	Loan	-	-	-	-	-	-	-	-	620,500	1,897,500
532,500	Homebush irrigation extension	Loan	-	-	-	-	-	-	-	2,520,000	-	-
6,372,250	Total Urban Sewerage system		2,670,000	3,262,100	2,116,200	2,287,300	2,346,800	2,404,400	2,460,000	5,035,600	3,189,900	4,522,500
	Rural Sewerage schemes											
10,650	Castlepoint sewerage scheme renewals	Reserves	10,000	10,880	11,150	11,450	11,750	12,040	86,240	12,600	12,870	13,150
31,950	Riversdale Beach scheme renewals	Depn Reserve	30,000	32,640	33,450	34,350	35,250	36,120	36,960	37,800	38,610	39,450
42,600	Total Rural Sewerage system		40,000	43,520	44,600	45,800	47,000	48,160	123,200	50,400	51,480	52,600
6,414,850	Total		2,710,000	3,305,620	2,160,800	2,333,100	2,393,800	2,452,560	2,583,200	5,086,000	3,241,380	4,575,100
	Capital Funding											
(1,732,500)	Loan funds		-	-	-	-	-	-	-	(2,520,000)	(620,500)	(1,897,500)
(2,115,000)	External funds		(1,270,000)	-	-	-	-	-	-	-	-	-
(2,567,350)	Transfer from reserves		(1,440,000)	(3,305,620)	(2,160,800)	(2,333,100)	(2,393,800)	(2,452,560)	(2,583,200)	(2,566,000)	(2,620,880)	(2,677,600)
(\$6,414,850)	Total capital funding		(\$2,710,000)	(\$3,305,620)	(\$2,160,800)	(\$2,333,100)	(\$2,393,800)	(\$2,452,560)	(\$2,583,200)	(\$5,086,000)	(\$3,241,380)	(\$4,575,100)
\$0	Rates Requirement (Capital)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

STORMWATER												
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Stormwater											
319,500	Stormwater renewal & upgrades	Depn Reserve	300,000	652,800	669,000	687,000	705,000	722,400	739,200	756,000	772,200	789,000
213,000	Stopbank - associated pipe work upgrade	Loan	-	1,088,000	1,115,000	-	-	-	-	-	-	-
-	Urbanisation of Millard Ave	Dev Contributions/Loan	-	435,200	-	-	-	-	-	-	-	-
-	Stormwater consent	Depn Reserve	-	-	-	167,700	-	-	-	-	-	-
159,750	Improve flood protection	Depn Reserve	10,000	-	418,125	28,625	-	-	-	-	-	-
-	Stormwater treatment	Loan	-	-	-	458,000	470,000	481,600	492,800	-	-	-
882,250	Total Stormwater		310,000	2,176,000	2,202,125	1,341,325	1,175,000	1,204,000	1,232,000	756,000	772,200	789,000
	Capital Funding											
(213,000)	Loan funds		-	(1,262,080)	(1,115,000)	-	-	-	-	-	-	-
(479,250)	Transfer from reserves		(310,000)	(913,920)	(1,087,125)	(1,341,325)	(1,175,000)	(1,204,000)	(1,232,000)	(756,000)	(772,200)	(789,000)
(\$882,250)	Total capital funding		(\$310,000)	(\$2,176,000)	(\$2,202,125)	(\$1,341,325)	(\$1,175,000)	(\$1,204,000)	(\$1,232,000)	(\$756,000)	(\$772,200)	(\$789,000)
\$0	Rates Requirement (Capital)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

SOLID WASTE SERVICES												
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Solid Waste Management											
20,920	Nursery Road landfill capping	Depn Reserve	-	-	-	55,900	-	-	-	-	-	-
400,000	Nursery Road transfer station renewals	Depn Reserve/Loan	250,000	21,380	546,000	22,360	-	23,360	-	24,320	-	25,300
-	Cleanfill/hardfill site	Loan	-	-	-	-	457,200	-	-	-	-	-
-	Recycling Wheely Bins	Depn Reserve	-	-	-	-	57,150	-	-	-	-	-
420,920	Total Solid Waste Management		250,000	21,380	546,000	78,260	514,350	23,360	-	24,320	-	25,300
	Capital Funding											
-	Loan funds		(250,000)	-	(546,000)	-	(457,200)	-	-	-	-	-
(200,000)	External funds		-	-	-	-	-	-	-	-	-	-
(220,920)	Transfer from reserves		-	(21,380)	-	(78,260)	(57,150)	(23,360)	-	(24,320)	-	(25,300)
(\$420,920)	Total capital funding		(\$250,000)	(\$21,380)	(\$546,000)	(\$78,260)	(\$514,350)	(\$23,360)	\$0	(\$24,320)	\$0	(\$25,300)
\$0	Rates Requirement (Capital)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

COMMUNITY FACILITIES / ACTIVITIES												
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Parks & Reserves											
12,029	Queen Elizabeth Park Upgrades	Dev Contributions	182,000	-	-	-	-	-	-	-	-	-
-	Upgrade Kidz Own Playground	Loan / Depn Reserves	100,000	-	-	1,565,200	-	-	-	-	-	-
180,000	Urban Playgrounds	Depn Reserve /Dev contributions	-	320,700	-	335,400	-	350,400	-	364,800	-	379,500
-	Henley Lake Playground	Depn Reserve/ Reserves/External	250,000	-	-	-	-	-	-	-	-	-
30,000	Recreation trails network (urban & rural)	Dev Contributions/ Loan	55,000	42,760	152,880	24,596	114,300	-	-	-	-	-
22,500	Street trees renewals & new	Reserves	16,750	17,906	18,258	18,660	19,095	19,514	19,916	20,318	20,737	21,139
-	Castlepoint furniture renewals	Depn Reserve	-	10,690	-	-	-	-	-	-	-	-
75,000	Parks & Open Spaces - Signage	Depn Reserve	125,000	80,175	16,380	16,770	-	-	-	-	-	-
409,200	Henley Lake - lake level management	Loan	-	-	655,200	-	-	-	-	-	-	-
-	Waipoua Cycle/Pedestrian Bridge	Depn Reserve/ Dev Contributions	10,000	-	-	-	11,400	-	-	-	-	-
-	QE Park Swingbridge Upgrade	Depn Reserve	-	-	299,750	-	-	-	-	-	-	-
20,920	Henley - landscape development	Reserves	38,628	-	21,840	5,590	-	-	-	-	-	-
5,230	Henley Lake buildings upgrades	Depn Reserve	5,000	26,725	5,460	5,590	5,715	-	-	-	-	-
25,000	QE Park lake alt water source	Loan	23,500	-	-	-	-	-	-	-	-	-
-	Carpark Reseals Urban Reserves	Depn Reserve	200,000	213,800	163,500	167,100	171,000	174,750	178,350	181,950	185,700	189,300
-	Henley Lake power supply upgrade	Reserves	-	90,865	-	-	-	-	-	-	-	-
136,610	Urban reserves upgrades (Te Korou Reserve)	Depn Reserve/Dev Contributions	100,000	106,900	109,200	-	-	-	-	-	-	-
-	Riversdsale Nthn Reserve Rock Protection	External	411,000	-	-	-	-	-	-	-	-	-
916,489	Total Parks, Reserves & Sportsfields		1,516,878	910,521	1,442,468	2,138,906	321,510	544,664	198,266	567,068	206,437	589,939
	Sportsfields											
1,196,336	Sportsfield buildings & facilities renewals	Depn Reserve	986,340	115,452	37,128	1,397,500	11,430	2,920	11,920	12,160	12,410	12,650
1,046	Netball facility renewals	Depn Reserve	10,000	16,035	27,300	-	-	-	-	486,400	-	-
20,000	Colin Pugh Sports Bowl - track renewal	Depn Reserve	20,000	-	655,200	-	-	-	-	-	-	-
25,104	South Park Sports Facilities Provision	Depn Reserve	15,000	-	-	-	-	-	-	-	-	-
-	Skatepark upgrade	Depn Reserve	15,000	94,072	16,380	-	-	-	-	-	-	-
20,920	Cricket grandstand upgrade	Depn Reserve	10,000	5,345	10,920	129,688	-	-	-	-	-	-
1,263,406	Total Sportsfields		1,056,340	230,904	746,928	1,527,188	11,430	2,920	11,920	498,560	12,410	12,650

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COMMUNITY FACILITIES / ACTIVITIES continued												
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Trust House Recreation Centre		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
500,000	Building & Services renewals	Depn Reserve	244,850	400,341	400,731	237,910	285,750	292,000	1,490,000	1,520,000	1,551,250	316,250
-	Golden Shears Conference Space Upgrade	Loan	-	1,069,000	-	-	-	-	-	-	-	-
-	Other Plant & Equip	Depn Reserve	640,000	42,760	-	-	-	-	-	-	-	-
500,000	Total Trust House Recreation Centre		884,850	1,512,101	400,731	237,910	285,750	292,000	1,490,000	1,520,000	1,551,250	316,250
330,000	Cemeteries											
	Cemetery renovations & extensions	Reserves/Loan	195,000	-	-	22,360	-	-	23,840	-	-	25,300
100,000	Building upgrades	Depn Reserve	200,000	133,625	109,200	39,130	34,290	35,040	35,760	36,480	37,230	37,950
10,000	Queen Street bldg leasehold improv.	Depn Reserve	-	-	-	-	-	-	-	-	-	-
300,000	Civic facility	Loan	2,800,000	1,069,000	10,374,000	10,760,750	-	-	-	-	-	-
-	Waiata House Extension	Loan	1,000,000	5,345,000	2,347,800	-	-	-	-	-	-	-
410,000	Total District Buildings		4,000,000	6,547,625	12,831,000	10,799,880	34,290	35,040	35,760	36,480	37,230	37,950
	Housing for the Elderly		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
98,000	Pensioner housing upgrades & renewals	Depn Reserve	208,600	234,553	161,616	138,632	152,019	110,960	178,800	182,400	186,150	189,750
350,000	Panama land - stormwater & other	Sale proceeds/ Reserves	-	1,069,000	-	-	-	-	-	-	-	-
448,000	Total Pensioner Housing		208,600	1,303,553	161,616	138,632	152,019	110,960	178,800	182,400	186,150	189,750
	Other Property											
15,000	Public conveniences	Depn Reserve	140,000	-	-	-	-	-	-	-	-	-
-	Castlepoint Toilets upgrade	Depn Reserve	12,000	-	16,380	-	-	-	-	-	-	-
15,845	Rural halls upgrades	Depn Reserve	20,000	-	8,190	-	-	8,760	-	-	9,308	-
11,500	Riversdale Beach toilets upgrade	Reserves	-	138,970	-	5,590	-	-	-	-	-	-
-	Flood-prone property buy-outs - Buildings & Land	Loan/External Funds	2,575,000	-	-	-	-	-	-	-	-	-
155,690	Rental Property upgrades	Depn Reserve /Loan	85,000	53,450	54,600	55,900	57,150	58,400	59,600	60,800	62,050	63,250
5,000	Mawley Park - Playground	Depn Reserve	-	-	-	-	-	-	-	-	-	-
50,150	Mawley Park facility upgrades	Depn Reserve	121,825	53,450	10,920	11,180	-	55,480	11,920	12,160	12,410	12,650
253,185			2,953,825	245,870	90,090	72,670	57,150	122,640	71,520	72,960	83,768	75,900

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COMMUNITY FACILITIES / ACTIVITIES continued												
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
	Airport		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,500,000	Precinct infrastructure & services upgrades	Loan/External Funds	3,520,000	3,207,000	-	-	22,860	-	-	-	24,820	-
-	Runway lighting upgrades	Loan/External Funds	1,429,350	-	-	-	-	-	-	-	-	-
2,500	Airport equipment upgrades	Depn Reserve	10,000	-	-	-	-	-	-	-	-	-
2,300,000	Runway widening & reseal	Loan/External Funds	3,706,313	-	-	-	-	-	-	-	-	-
-	Certification & safety management system	External Funds	77,000	-	-	-	-	-	-	-	-	-
3,802,500	Total Airport		8,742,663	3,207,000	-	-	22,860	-	-	-	24,820	-
	Library & Archive											
152,880	Book stock renewals	Depn Reserve	140,000	149,660	147,420	150,930	154,305	157,680	160,920	164,160	167,535	170,775
31,380	Computer & equipment replacements	Depn Reserve	25,000	32,070	27,300	57,018	34,290	35,040	35,760	36,480	37,230	37,950
11,506	Renew furniture/fitting	Depn Reserve	11,000	11,759	12,012	12,298	12,573	12,848	13,112	13,376	13,651	13,915
-	Library Extension	Depn Reserves/Loan	1,000,000	6,414,000	3,276,000	-	-	-	-	-	-	-
195,766	Total Library & Archive		1,176,000	6,607,489	3,462,732	220,246	201,168	205,568	209,792	214,016	218,416	222,640
8,119,346	Total		20,734,156	20,565,062	19,135,565	15,157,792	1,086,177	1,313,792	2,219,898	3,091,484	2,320,480	1,470,379
	Funding											
(3,307,146)	Transfers from reserves		(4,211,993)	(3,781,762)	(2,537,165)	(3,614,442)	(971,877)	(1,313,792)	(1,027,898)	(1,875,484)	(1,079,480)	(1,470,379)
(2,272,200)	Loan funds		(9,374,932)	(14,698,750)	(16,598,400)	(11,543,350)	(114,300)	-	(1,192,000)	(1,216,000)	(1,241,000)	-
(2,540,000)	External funding		(7,147,231)	(2,084,550)	-	-	-	-	-	-	-	-
(\$8,119,346)	Total capital funding		(\$20,734,156)	(\$20,565,062)	(\$19,135,565)	(\$15,157,792)	(\$1,086,177)	(\$1,313,792)	(\$2,219,898)	(\$3,091,484)	(\$2,320,480)	(\$1,470,379)
\$0	Rates requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

REGULATORY SERVICES												
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Regulatory Services											
2,000	Environmental Health testing equip.	Depn Reserve	58,500	8,552	8,736	8,944	9,144	9,344	9,536	9,728	9,928	10,120
30,000	Animal Services - equipment	Depn Reserve	5,600	1,710	1,747	6,261	1,829	1,869	6,675	1,946	1,986	7,084
2,500,000	Animal Services - new animal shelter	Loan/Reserves	2,200,000	534,500	-	-	-	-	-	-	-	-
15,000	Building Development - equipment	Depn Reserve	-	-	-	-	-	-	-	-	-	-
2,547,000	Total Regulatory		2,264,100	544,762	10,483	15,205	10,973	11,213	16,211	11,674	11,914	17,204
	Capital Funding											
(1,047,000)	Transfers from reserves		(790,100)	(10,262)	(10,483)	(15,205)	(10,973)	(11,213)	(16,211)	(11,674)	(11,914)	(17,204)
(1,500,000)	Loan Funds		(1,474,000)	(534,500)	-	-	-	-	-	-	-	-
(\$2,547,000)	Total capital funding		(\$2,264,100)	(\$544,762)	(\$10,483)	(\$15,205)	(\$10,973)	(\$11,213)	(\$16,211)	(\$11,674)	(\$11,914)	(\$17,204)
\$0	Rates Requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

LEADERSHIP, STRATEGY & CORPORATE SERVICES												
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Corporate Services											
50,000	Document mgmt. system	Depn Reserve	-	-	-	-	-	-	-	-	-	-
100,000	IT equipment replacement	Depn Reserve	150,000	128,280	131,040	134,160	137,160	140,160	143,040	145,920	148,920	151,800
40,000	IT upgrades & Innovation Projects	Depn Reserve	630,000	96,210	43,680	-	-	-	-	-	-	-
36,000	GIS aerial photos & data capture	Depn Reserve	45,000	-	-	50,310	-	-	53,640	-	-	56,925
190,000	Pool Vehicle replacement	Depn Reserve	235,000	149,660	196,560	201,240	205,740	210,240	214,560	218,880	223,380	227,700
10,000	Audio Visual Equipment	Depn Reserve	10,000	10,690	10,920	11,180	11,430	11,680	11,920	12,160	12,410	12,650
30,000	Meeting Room & Communication Technology	Depn Reserve	-	-	-	-	-	-	-	-	-	-
456,000	Total Corporate Services		1,070,000	384,840	382,200	396,890	354,330	362,080	423,160	376,960	384,710	449,075
	Development											
20,920	CBD Security Cameras	Depn Reserve	20,000	21,380	21,840	22,360	22,860	23,360	23,840	24,320	24,820	25,300
20,920	Christmas Decorations	Depn Reserve	120,920	-	-	22,360	-	-	23,840	-	-	25,300
300,000	Youth Hub Building at Skatepark	Reserves	200,000	-	-	-	-	-	-	-	-	-
5,230	Decorative Lighting	Reserves	-	5,345	-	5,570	-	5,825	-	6,065	-	6,310
347,070	Total Development		340,920	26,725	21,840	50,290	22,860	29,185	47,680	30,385	24,820	56,910
	Roading Advisory Services											
-	Engineers Survey Equipment	Depn Reserve	11,000	-	-	-	12,573	-	-	13,376	-	-
803,070	Total		1,421,920	411,565	404,040	447,180	389,763	391,265	470,840	420,721	409,530	505,985
	Capital Funding											
(803,070)	Transfers from reserves		(1,421,920)	(411,565)	(404,040)	(447,180)	(389,763)	(391,265)	(470,840)	(420,721)	(409,530)	(505,985)
(803,070)	Total capital funding		(\$1,421,920)	(\$411,565)	(\$404,040)	(\$447,180)	(\$389,763)	(\$391,265)	(\$470,840)	(\$420,721)	(\$409,530)	(\$505,985)
-	Rates Requirement		-	-	-	-	-	-	-	-	-	-

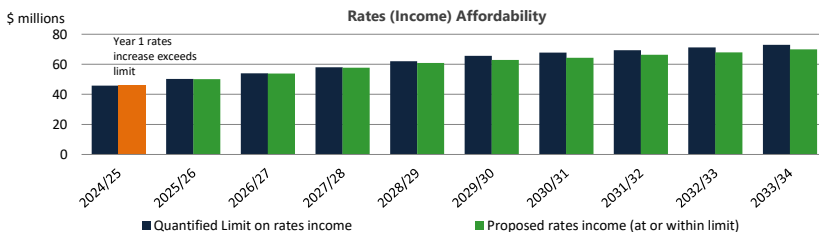
Financial Prudence Benchmarks

The Local Government Act 2002 (LGA) sets out a number of disclosure requirements for Councils over and above the generally accepted accounting practice (GAAP) information. Local Government (Financial Reporting and Prudence) Regulations 2014 sets out specific requirements in terms of the information to be reported and the format in which it is to be reported.

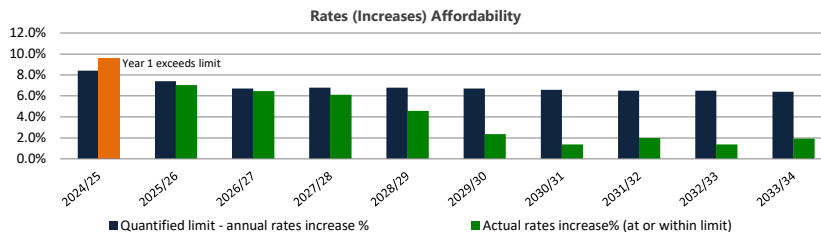
Benchmarks – per Local Government (Financial Reporting and Prudence) Regulations 2014

Rates affordability benchmarks

The Council has quantified its rates income increase limits as Prior Year rates plus % cost increase (based on LGCI), plus 4.5% plus for Level of Service Growth. The graph below compares the value of rates income projected in the LTP to the value derived from the quantified limit. Growth in the rating base is forecast at 1.4% in year one, 1.2% in year two and then 1% per annum.



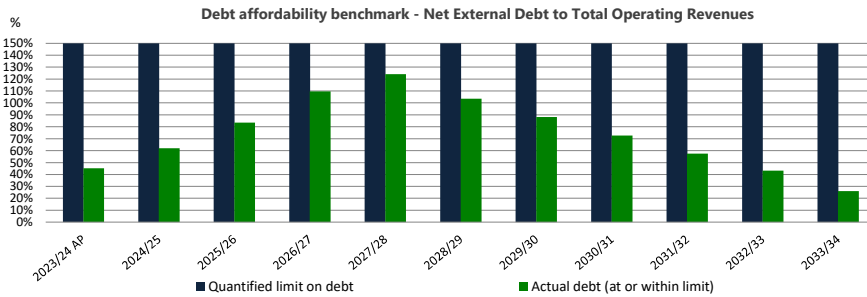
As per above, the Council's quantified rates income increase limits (black bars) as a percentage each year is based on LGCI plus 4.5%. The planned percentage rates increases (after growth) are compared to the limit in the graph below. Year 1 rates increase exceeds the limit for reasons noted elsewhere in this document.



Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within the Council's quantified limits for borrowing, as set in the Long Term Plan.

The quantified limit is: Net External Debt (1) not to exceed 150% of Total Operating Revenue (2).



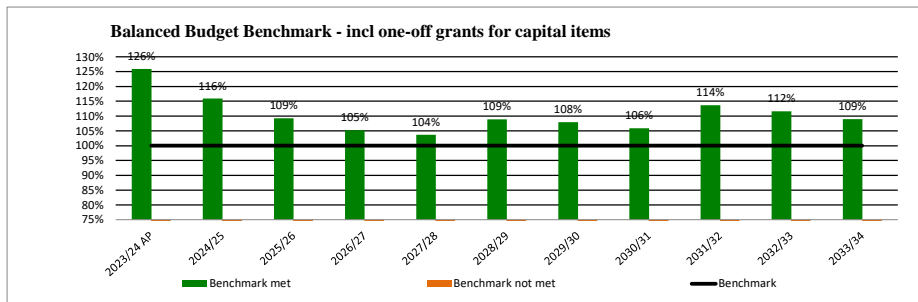
(1) Net External Debt is defined as gross external debt less all financial assets, including cash in bank.

(2) Operating Revenue is defined as all operating revenue as reported in the Prospective Statement of Comprehensive Income.

Balanced budget benchmark

The graph below shows the Council's forecast operating revenue as a proportion of operating expenses. The Council meets this benchmark if its operating revenue equals or is greater than its operating expenses.

As per the regulations, Operating Revenue definition excludes financial contributions and revaluations of assets.

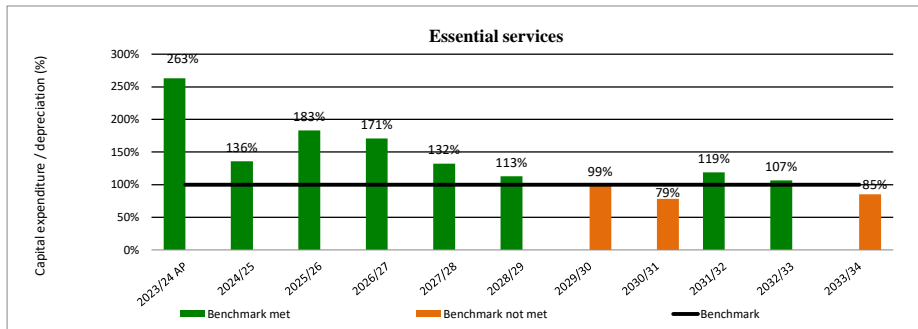


Note: across all years of this LTP the Council will achieve a balanced budget. Reflected in this result is the expectation that the subsidy income on the roading programme (provided by Waka Kotahi/NZTA) is achieved. There are cyclone reinstatement works in year 1. The Mataikona Road upgrades assume subsidy will be available, but it has yet to be confirmed. The surpluses the Council projects achieving will be used to fund capital expenditure and debt repayment.

Essential services benchmark

The graph below shows the Council’s capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on those network services.

Essential services are: roading, water supplies, sewerage systems and stormwater systems.

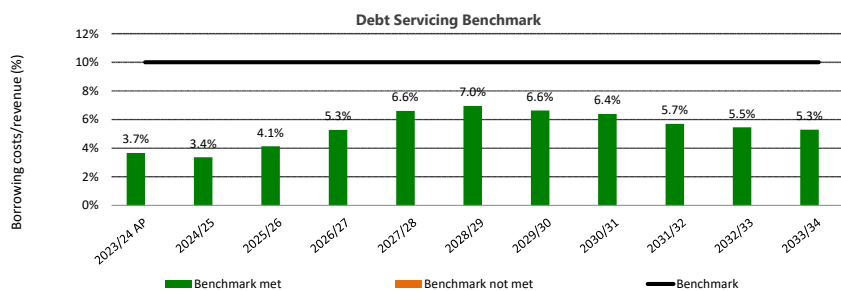


Note: many essential services assets have long lives and are at various stages through those lives. The Council’s replacement and renewal expenditure does not automatically follow the accounting measure of decline in service (depreciation). The Council’s asset management plans for each service outline the renewal and replacement programmes for each component of the assets employed to deliver the services. Capital expenditure in 2023/24 AP year includes cyclone damaged rural roading reinstatement of \$18.9 million. Without that spend, the result would be 131%.

Debt servicing benchmark

The graph below shows the Council’s borrowing costs as a proportion of operating revenue, as required by the regulations. To meet the benchmark the Council must stay within 10%.

This measure uses Operating Revenue definition which excludes financial contributions, vested assets, one-off grants for Capital Expenditure, gains on derivative financial instruments and revaluations of assets.



Funding Impact Statements

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
COUNCIL	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	275	350	359	368	377	386	396	406	416	426	437
Targeted rates	40,616	45,294	49,071	52,767	56,550	59,726	61,723	63,128	65,004	66,536	68,482
Subsidies and grants (for operating)	4,368	5,248	5,101	5,133	4,896	5,009	5,122	5,230	5,339	5,454	5,561
Fees & charges	10,244	10,919	11,022	11,069	11,223	11,547	11,845	12,105	12,367	12,622	12,873
Interest & dividends	1,185	966	1,015	1,078	1,123	1,191	1,291	1,327	1,417	1,507	1,642
Other receipts (incl petrol tax & fines)	364	369	375	383	392	401	410	419	428	437	446
Total operating funding (A)	57,052	63,146	66,943	70,798	74,561	78,260	80,787	82,615	84,972	86,983	89,441
Applications of Operating Funding											
Payments to staff and suppliers	42,261	46,080	46,042	46,950	47,283	48,180	49,381	50,166	51,250	52,634	53,852
Finance costs	2,966	2,722	3,188	4,171	5,330	6,090	5,959	5,729	5,394	5,271	5,101
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	45,227	48,802	49,230	51,121	52,612	54,270	55,339	55,895	56,644	57,905	58,954
Surplus/(Deficit) of operating funding (A-B)	11,825	14,344	17,713	19,677	21,949	23,990	25,448	26,720	28,327	29,078	30,487
Sources of Capital Funding											
Subsidies & grants for capital expenditure	23,582	17,739	10,291	8,400	6,165	9,389	8,926	6,912	9,771	9,658	7,160
Development & financial contributions	2,124	1,843	3,543	2,943	2,043	2,124	2,124	2,124	2,124	2,124	2,124
Increase/(decrease) in debt	8,600	3,605	18,470	22,856	13,576	(2,531)	(4,549)	(5,560)	(1,147)	(2,224)	(5,647)
Gross proceeds from sale of assets	5,365	138	5,404	20	20	20	20	20	104	20	20
Lump sum contributions	200	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	39,871	23,126	37,708	34,219	21,804	9,002	6,521	3,496	10,852	9,578	3,656
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	2,280	-	6,989	3,270	2,407	-	-	-	-	-	-
- to improve level of service	12,954	20,255	27,593	33,056	21,228	7,529	7,100	3,926	10,627	8,920	4,276
- to replace existing assets	34,371	27,666	18,407	17,387	19,106	18,357	17,374	17,409	18,803	18,974	18,533
Increase/(decrease) in reserves	1,421	(3,463)	1,872	(310)	553	6,658	7,019	8,376	9,215	10,253	10,795
Increase/(decrease) in investments	671	(6,987)	561	493	459	448	476	505	534	509	539
Total application of capital funding (D)	51,696	37,470	55,421	53,896	43,752	32,992	31,968	30,216	39,179	38,656	34,143
Surplus/(deficit) of capital funding (C-D)	(11,825)	(14,344)	(17,713)	(19,677)	(21,949)	(23,990)	(25,448)	(26,720)	(28,327)	(29,078)	(30,487)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Reconciliation											
- between FIS & Financial Statements											
Operating Funding (revenue) - per FIS	57,052	63,146	66,943	70,798	74,561	78,260	80,787	82,615	84,972	86,983	89,441
Capital Funding (revenue)- per FIS	25,906	19,382	13,834	11,343	8,208	11,513	11,049	9,036	11,894	11,782	9,284
	82,958	82,528	80,777	82,141	82,769	89,772	91,836	91,651	96,866	98,765	98,724
Operating Revenue - per Stmt of Comp. Revenue & Expense	87,347	82,579	85,160	82,191	82,820	89,824	91,889	91,705	96,917	98,817	98,777
Less Other Gains/(losses)- on revaluation & disposal	4,389	51	4,383	30	31	32	33	34	31	32	33
	82,958	82,528	80,777	82,161	82,789	89,792	91,856	91,671	96,886	98,785	98,744
Operating Expenditure - per FIS	45,227	48,802	49,230	51,121	52,612	54,270	55,339	55,895	56,644	57,905	58,954
Add depreciation	18,946	20,929	21,434	24,120	25,192	26,205	27,800	28,635	26,729	28,713	29,681
	64,173	69,731	70,664	75,242	77,804	80,475	83,140	84,530	83,373	86,617	88,635
Operating Expenditure - per Stmt of Comp. Revenue & Expense	64,173	69,731	70,664	75,242	77,804	80,475	83,140	84,530	83,373	86,617	88,635
Capital Expenditure - per FIS	49,604	47,921	52,988	53,713	42,741	25,885	24,474	21,335	29,430	27,894	22,809
Capital Expenditure - per Cost of Service Statements	49,604	47,921	52,988	53,713	42,741	25,885	24,474	21,335	29,430	27,894	22,809
Transfer to/(from) Reserves - per COSS	(10,268)	(10,976)	(11,662)	(9,769)	(9,848)	(4,230)	(4,843)	(3,957)	(4,104)	(3,256)	(3,984)
Depreciation transferred to reserves - per COSS	6,324	7,375	8,130	9,439	10,381	10,869	11,842	12,313	13,215	13,489	14,758
Proceeds from sale of assets - Tsf to reserves	5,365	138	5,404	20	20	20	20	20	104	20	20
	1,421	(3,463)	1,872	(310)	553	6,658	7,019	8,376	9,215	10,253	10,795
Increase/(Decrease) in Reserves - per FIS	1,421	(3,463)	1,872	(310)	553	6,658	7,019	8,376	9,215	10,253	10,795

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ROADING	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	8,835	10,248	11,888	12,306	13,404	14,356	14,625	15,156	16,062	16,035	16,651
Subsidies and grants (for operating)	3,096	3,689	3,931	4,169	4,050	4,146	4,239	4,328	4,419	4,515	4,603
Fees & charges	96	96	99	101	103	106	108	110	113	115	118
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	200	200	206	210	215	220	225	230	235	240	245
Total operating funding (A)	12,226	14,233	16,124	16,787	17,773	18,828	19,197	19,825	20,829	20,905	21,617
Applications of Operating Funding											
Payments to staff and suppliers	6,256	7,479	7,872	8,356	8,160	8,356	8,546	8,728	8,910	9,099	9,281
Finance costs	33	182	258	321	450	486	567	647	627	707	786
Internal charges and overheads applied	1,594	1,646	1,719	1,804	1,848	1,914	2,010	2,044	2,125	2,209	2,238
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	7,884	9,308	9,849	10,481	10,459	10,757	11,123	11,419	11,662	12,015	12,304
Surplus/(Deficit) of operating funding (A-B)	4,343	4,926	6,275	6,306	7,315	8,071	8,074	8,406	9,167	8,890	9,313
Sources of Capital Funding											
Subsidies & grants for capital expenditure	18,927	9,322	8,206	8,400	6,165	9,389	8,926	6,912	9,771	9,658	7,160
Development & financial contributions	600	600	2,400	1,600	600	600	600	600	600	600	600
Increase/(decrease) in debt	4,939	1,619	1,153	2,539	481	1,583	1,565	(446)	1,556	1,528	(603)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	24,466	11,542	11,759	12,538	7,246	11,572	11,091	7,066	11,927	11,786	7,157
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	450	-	2,138	3,270	2,407	-	-	-	-	-	-
- to improve level of service	2,422	974	5,751	7,051	2,812	6,411	6,552	2,169	6,822	6,962	2,302
- to replace existing assets	25,147	14,027	9,184	8,779	9,045	10,426	9,460	10,249	10,702	10,362	10,563
Increase/(decrease) in reserves	790	1,467	961	(256)	296	2,806	3,154	3,055	3,571	3,352	3,606
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	28,809	16,467	18,034	18,844	14,561	19,643	19,165	15,472	21,094	20,676	16,471
Surplus / (deficit) of capital funding (C-D)	(4,343)	(4,926)	(6,275)	(6,306)	(7,315)	(8,071)	(8,074)	(8,406)	(9,167)	(8,890)	(9,313)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
WATER SERVICES	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	4,675	5,546	5,704	6,445	6,905	7,644	8,047	8,185	8,300	8,551	8,823
Subsidies and grants (for operating)	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	545	595	617	497	511	525	538	552	565	577	590
Internal charges & overheads recovered	131	88	91	93	95	97	99	101	103	106	108
Interest & dividends	5	6	5	5	5	6	6	6	6	6	6
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	5,356	6,235	6,417	7,040	7,516	8,272	8,690	8,844	8,975	9,240	9,528
Applications of Operating Funding											
Payments to staff and suppliers	2,094	2,398	2,378	2,424	2,496	2,545	2,616	2,661	2,730	2,774	2,843
Finance costs	376	399	466	694	1,004	1,332	1,346	1,298	1,248	1,193	1,202
Internal charges and overheads applied	1,001	1,168	1,224	1,282	1,317	1,366	1,426	1,451	1,506	1,562	1,586
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,470	3,965	4,068	4,401	4,816	5,243	5,388	5,411	5,484	5,529	5,630
Surplus/(Deficit) of operating funding (A-B)	1,886	2,270	2,349	2,639	2,700	3,028	3,303	3,433	3,490	3,711	3,897
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	653	1,626	4,347	6,109	6,113	249	(1,006)	(1,065)	(1,126)	95	(1,195)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	653	1,626	4,347	6,109	6,113	249	(1,006)	(1,065)	(1,126)	95	(1,195)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	180	-	863	-	-	-	-	-	-	-	-
- to improve level of service	564	200	3,656	7,929	6,870	-	-	-	-	26	-
- to replace existing assets	1,844	5,030	4,373	2,225	2,234	3,478	3,066	2,395	2,516	3,788	2,562
Increase/(decrease) in reserves	(49)	(1,334)	(2,195)	(1,406)	(291)	(201)	(769)	(27)	(152)	(8)	141
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	2,539	3,896	6,696	8,748	8,813	3,277	2,297	2,368	2,364	3,806	2,702
Surplus / (deficit) of capital funding (C-D)	(1,886)	(2,270)	(2,349)	(2,639)	(2,700)	(3,028)	(3,303)	(3,433)	(3,490)	(3,711)	(3,897)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
WASTEWATER SERVICES	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	7,999	8,409	8,898	9,392	9,361	9,526	9,860	10,047	10,222	10,615	10,963
Subsidies and grants (for operating)	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	532	895	574	588	603	618	633	647	661	675	689
Internal charges & overheads recovered	39	50	52	53	54	55	57	58	59	60	61
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	8,570	9,354	9,524	10,033	10,018	10,200	10,550	10,752	10,942	11,350	11,714
Applications of Operating Funding											
Payments to staff and suppliers	1,637	2,165	1,904	1,947	1,995	2,041	2,087	2,131	2,175	2,218	2,261
Finance costs	1,782	1,587	1,403	1,307	1,177	1,100	941	779	612	558	400
Internal charges and overheads applied	1,387	1,470	1,526	1,587	1,626	1,682	1,755	1,785	1,849	1,912	1,941
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	4,806	5,221	4,833	4,842	4,798	4,823	4,783	4,695	4,636	4,688	4,602
Surplus/(Deficit) of operating funding (A-B)	3,764	4,133	4,691	5,191	5,220	5,376	5,766	6,057	6,306	6,662	7,112
Sources of Capital Funding											
Subsidies & grants for capital expenditure	2,115	1,270	-	-	-	-	-	-	-	-	-
Development & financial contributions	170	170	170	170	170	170	170	170	170	170	170
Increase/(decrease) in debt	(811)	(10,434)	(2,876)	(2,940)	(3,079)	(3,187)	(3,308)	(3,437)	(1,130)	(3,311)	(1,954)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,474	(8,994)	(2,706)	(2,770)	(2,909)	(3,017)	(3,138)	(3,267)	(960)	(3,141)	(1,784)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	1,300	-	1,414	-	-	-	-	-	-	-	-
- to improve level of service	1,733	-	-	-	-	-	-	-	2,520	621	1,898
- to replace existing assets	3,382	2,710	1,891	2,161	2,333	2,394	2,453	2,583	2,566	2,621	2,678
Increase/(decrease) in reserves	(1,177)	29	(1,321)	261	(22)	(35)	175	206	260	279	752
Increase/(decrease) in investments	-	(7,600)	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	5,238	(4,861)	1,985	2,421	2,311	2,359	2,628	2,790	5,346	3,520	5,328
Surplus / (deficit) of capital funding (C-D)	(3,764)	(4,133)	(4,691)	(5,191)	(5,220)	(5,376)	(5,766)	(6,057)	(6,306)	(6,662)	(7,112)
Funding balance (A-B)+(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
STORMWATER SERVICES	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	922	1,061	1,184	1,360	1,590	1,616	1,735	1,767	1,771	1,888	1,911
Subsidies and grants (for operating)	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	922	1,061	1,184	1,360	1,590	1,616	1,735	1,767	1,771	1,888	1,911
Applications of Operating Funding											
Payments to staff and suppliers	204	274	277	290	293	299	313	316	321	335	338
Finance costs	21	17	14	75	128	123	118	112	107	103	100
Internal charges and overheads applied	336	368	383	397	407	419	432	440	453	466	474
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	561	659	673	762	828	841	863	868	881	905	912
Surplus/(Deficit) of operating funding (A-B)	361	402	511	598	762	775	872	898	891	983	999
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	173	(43)	1,216	1,040	(103)	(108)	(114)	(120)	(62)	(65)	(69)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	173	(43)	1,216	1,040	(103)	(108)	(114)	(120)	(62)	(65)	(69)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	435	-	-	-	-	-	-	-	-
- to improve level of service	213	-	1,088	1,115	626	470	482	493	-	-	-
- to replace existing assets	479	310	653	1,087	716	705	722	739	756	772	789
Increase/(decrease) in reserves	(158)	50	(449)	(565)	(682)	(508)	(446)	(454)	72	145	142
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	534	360	1,727	1,638	659	667	758	778	828	918	931
Surplus / (deficit) of capital funding (C-D)	(361)	(402)	(511)	(598)	(762)	(775)	(872)	(898)	(891)	(983)	(999)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
SOLID WASTE SERVICES	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,313	1,504	1,534	1,482	1,558	1,541	1,643	1,552	1,472	1,527	1,546
Subsidies and grants (for operating)	430	652	672	684	701	717	733	749	764	780	796
Fees & charges	4,675	4,861	4,999	5,111	5,055	5,172	5,290	5,402	5,515	5,627	5,740
Internal charges & overheads recovered	180	167	172	176	180	184	189	193	197	201	205
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	6,599	7,184	7,377	7,454	7,494	7,615	7,854	7,895	7,948	8,135	8,286
Applications of Operating Funding											
Payments to staff and suppliers	5,672	5,758	5,880	5,906	5,940	5,992	6,184	6,258	6,388	6,519	6,649
Finance costs	71	57	59	52	70	61	74	64	58	56	55
Internal charges and overheads applied	534	942	984	1,030	1,056	1,096	1,149	1,170	1,215	1,261	1,280
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,277	6,757	6,923	6,988	7,067	7,149	7,407	7,492	7,661	7,836	7,984
Surplus/(Deficit) of operating funding (A-B)	322	427	454	466	428	466	448	404	287	299	302
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(198)	37	(233)	314	(229)	252	(227)	(148)	(40)	(42)	(44)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	200	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	2	37	(233)	314	(229)	252	(227)	(148)	(40)	(42)	(44)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve level of service	21	-	-	-	56	457	-	-	-	-	-
- to replace existing assets	400	250	21	546	22	57	23	-	24	-	25
Increase/(decrease) in reserves	(97)	214	199	233	120	203	197	256	223	257	233
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	324	464	221	779	199	717	220	256	247	257	258
Surplus / (deficit) of capital funding (C-D)	(322)	(427)	(454)	(466)	(428)	(466)	(448)	(404)	(287)	(299)	(302)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
COMMUNITY FACILITIES / ACTIVITIES	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	10,372	11,214	11,971	13,416	15,191	16,270	16,910	17,383	17,957	18,405	18,958
Subsidies and grants (for operating)	165	44	45	46	47	49	50	51	52	53	54
Fees & charges	1,775	1,861	2,112	2,058	2,142	2,240	2,336	2,392	2,438	2,501	2,547
Internal charges & overheads recovered	808	875	882	889	910	931	953	973	993	1,013	1,034
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	13,120	13,994	15,010	16,410	18,291	19,490	20,249	20,799	21,439	21,972	22,592
Applications of Operating Funding											
Payments to staff and suppliers	7,646	8,122	8,401	8,274	8,520	8,637	8,823	9,001	9,248	9,460	9,712
Finance costs	361	329	764	1,473	2,256	2,745	2,673	2,593	2,510	2,425	2,336
Internal charges and overheads applied	3,008	3,196	3,323	3,486	3,589	3,698	3,846	3,899	4,040	4,180	4,230
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	11,016	11,647	12,489	13,234	14,365	15,081	15,342	15,493	15,798	16,065	16,278
Surplus/(Deficit) of operating funding (A-B)	2,104	2,347	2,521	3,176	3,926	4,410	4,907	5,305	5,641	5,907	6,314
Sources of Capital Funding											
Subsidies & grants for capital expenditure	2,540	7,147	2,085	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	1,689	8,735	13,824	15,369	10,005	(1,693)	(1,856)	(766)	(792)	(845)	(2,224)
Gross proceeds from sale of assets	5,345	118	5,384	-	-	-	-	-	84	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	9,574	16,000	21,292	15,369	10,005	(1,693)	(1,856)	(766)	(708)	(845)	(2,224)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	350	-	2,138	-	-	-	-	-	-	-	-
- to improve level of service	5,162	16,667	16,553	16,950	10,849	179	55	1,248	1,273	1,299	59
- to replace existing assets	2,608	4,067	1,874	2,186	4,309	907	1,259	972	1,819	1,022	1,411
Increase/(decrease) in reserves	3,559	(2,387)	3,248	(590)	(1,227)	1,631	1,738	2,320	1,842	2,742	2,619
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	11,678	18,347	23,813	18,545	13,931	2,717	3,051	4,540	4,933	5,062	4,089
Surplus / (deficit) of capital funding (C-D)	(2,104)	(2,347)	(2,521)	(3,176)	(3,926)	(4,410)	(4,907)	(5,305)	(5,641)	(5,907)	(6,314)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REGULATORY SERVICES	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	3,542	4,189	4,577	4,821	4,887	5,038	5,075	5,201	5,268	5,520	5,562
Subsidies and grants (for operating)	-	644	-	-	-	-	-	-	-	-	-
Fees & charges	2,379	2,327	2,335	2,426	2,514	2,583	2,630	2,686	2,754	2,798	2,854
Internal charges & overheads recovered	322	349	359	367	376	384	393	402	410	418	427
Interest & dividends	6	6	6	7	7	7	7	7	7	8	8
Other receipts (incl petrol tax & fines)	164	169	169	173	177	181	185	189	193	197	201
Total operating funding (A)	6,413	7,683	7,446	7,793	7,959	8,193	8,290	8,485	8,632	8,941	9,051
Applications of Operating Funding											
Payments to staff and suppliers	4,741	5,620	4,629	4,791	4,854	5,006	5,045	5,191	5,251	5,589	5,936
Finance costs	16	20	92	117	115	113	109	106	103	99	95
Internal charges and overheads applied	2,106	2,288	2,473	2,611	2,694	2,772	2,827	2,881	2,966	3,054	3,109
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,863	7,928	7,194	7,519	7,662	7,890	7,981	8,178	8,320	8,741	9,140
Surplus/(Deficit) of operating funding (A-B)	(449)	(245)	252	275	297	303	309	307	312	200	(89)
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	1,354	873	973	1,173	1,273	1,354	1,354	1,354	1,354	1,354	1,354
Increase/(decrease) in debt	1,488	1,457	485	(63)	(67)	(70)	(74)	(78)	(82)	(87)	(91)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	2,842	2,330	1,458	1,110	1,206	1,284	1,280	1,276	1,272	1,267	1,262
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve level of service	2,500	2,204	535	-	4	-	-	5	-	-	5
- to replace existing assets	47	60	10	10	11	11	11	11	12	12	12
Increase/(decrease) in reserves	(154)	(179)	1,165	1,374	1,488	1,576	1,578	1,567	1,572	1,455	1,156
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	2,393	2,085	1,710	1,384	1,503	1,587	1,589	1,583	1,584	1,467	1,173
Surplus/(deficit) of capital funding (C-D)	449	245	(252)	(275)	(297)	(303)	(309)	(307)	(312)	(200)	89
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
LEADERSHIP, STRATEGY & CORPORATE SERVICES	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties											
Targeted rates	3,972	4,277	4,512	4,782	4,936	5,062	5,203	5,261	5,425	5,522	5,649
Subsidies and grants (for operating)	678	218	453	233	97	97	100	102	104	106	108
Fees & charges	242	286	286	288	295	302	309	316	322	329	336
Internal charges & overheads recovered	11,134	12,783	13,493	14,100	14,491	14,986	15,502	15,772	16,333	16,887	17,126
Interest & dividends	1,174	954	1,004	1,066	1,111	1,179	1,279	1,314	1,404	1,494	1,629
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	17,199	18,517	19,746	20,469	20,930	21,627	22,392	22,764	23,588	24,338	24,847
Applications of Operating Funding											
Payments to staff and suppliers	14,087	14,721	15,156	15,327	15,387	15,706	16,200	16,358	16,729	17,157	17,377
Finance costs	306	131	130	130	130	130	130	130	129	129	129
Internal charges and overheads applied	3,311	3,581	3,799	3,984	4,111	4,229	4,293	4,367	4,496	4,625	4,703
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	17,704	18,433	19,086	19,442	19,628	20,065	20,623	20,855	21,355	21,911	22,208
Surplus/(Deficit) of operating funding (A-B)	(505)	85	661	1,027	1,302	1,562	1,769	1,909	2,233	2,427	2,638
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(5)	(6)	(6)	(4)	(5)	(5)	(5)	(5)	(6)	(6)	(7)
Gross proceeds from sale of assets	20	20	20	20	20	20	20	20	20	20	20
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	15	14	14	16	15	15	15	15	14	14	13
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve level of service	340	210	11	11	11	11	12	12	12	12	13
- to replace existing assets	463	1,212	401	393	436	378	380	459	409	397	493
Increase/(decrease) in reserves	(1,293)	(1,323)	263	639	870	1,187	1,393	1,453	1,826	2,031	2,146
Increase/(decrease) in investments											
Total application of capital funding (D)	(490)	99	675	1,043	1,317	1,577	1,784	1,924	2,247	2,441	2,652
Surplus / (deficit) of capital funding (C-D)	505	(85)	(661)	(1,027)	(1,302)	(1,562)	(1,769)	(1,909)	(2,233)	(2,427)	(2,638)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

Rating Funding Impact Statement

1. Introduction

1.1 A Funding Impact Statement must be prepared pursuant to Schedule 10 of the Local Government Act 2002.

1.2 Various sections of the Local Government (Rating) Act 2002 refer to the Funding Impact Statement. Those sections require:

- The basis of setting the general rate, i.e. land or capital value (Section 13).
- Any category or categories that will be used for differentiating the general rate (Section 14).
- The function or functions for which a targeted rate will be set (Section 16).
- Any category or categories of land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate (Section 17).
- Any factor that will be used to calculate liability for a targeted rate (Section 18).
- An indication that Council wishes to set a charge for water supply by volume of water consumed if Council is intending to do so (Section 19).

1.3 Important

Throughout this statement a level of rate or charge is specified for the 2024/25 financial year. These are indicative figures included to give ratepayers an estimate of what their level of rates is likely to be and are based on the rating requirements of year 1 of the Long-Term Plan. These figures are as close an estimate as possible to the actual rates that will be assessed in the coming year. The actual figures will be determined on adoption of the Long-Term Plan and Rates Resolution prior to 30 June 2024.

1.4 All figures for Rates and Charges as shown are inclusive of GST (unless stated). The revenue raised in each instance is the total revenue required by the Council before accounting for GST to central government.

1.5 The net operating expenses (net of user charges, subsidies and other external revenue) of the Council for 2024/25 totals \$53.2 million (incl. GST) and will be provided by the various rating mechanisms outlined within the Revenue & Financing Policy (which was adopted by the Council on 3rd April 2024). The Policy is included in the supporting documentation to the Long-term Plan.

1.6 The Policy has been through a full review and public consultation process during the second half of 2023. The changes to the Policy were incorporated into the proposed rating impact data that was included with the LTP consultation document. The table on the following page illustrates the application of the policy to the funding requirements in the first three years of the Long-term Plan.

1.7 In addition to operating expenditure, the Council has a significant capital works programme scheduled for 2024/34 Long-term Plan. The funding sources for that programme are noted in the Capital Expenditure Statements in this document.

1.8 Separately Used or Inhabited Part of a Rating Unit.

The following definition applies to the assessing of all targeted rates by the Masterton District Council where the Council has determined that the rate shall apply to each separately used or inhabited part of a rating unit:

- A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner, or person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.
- For clarity, a separately used or inhabited portion of a dwelling will have as a minimum, a kitchen sink, bathroom and toilet.

1.9 Except as set out in part 12 below, the Council intends to set each of the rates set out below in each year covered by this LTP.

1.10 The Council is not inviting any new lump sump contributions in respect of any targeted rate in 2024/25. Existing lump sump contributions being paid off over time include Riversdale Beach sewerage scheme and Tinui sewerage scheme.

RATING FUNDING IMPACT STATEMENT SUMMARY - LTP 2024-34 Year 1 2024-25						
DISTRICT VALUES						
(ESTIMATED for 30-6-24)	U1	U2	Total Urban	Total Rural	Total District	
Differential (on urban value-based rates)	1.0	2.0				
District Land Value	2,139,955,000	362,664,500	2,502,619,500	3,253,498,700	5,756,118,200	
District Capital Value	4,866,746,500	751,501,000	5,618,247,500	4,941,021,800	10,559,269,300	
Targeted Uniform Charges (no.)	9,564	749	10,313	4,031	14,344	
Water Charges (no.)	9,591	677	10,267	-	10,267	
Sewerage Charges (no.)	9,406	691	10,096		10,096	
Recycling Charges (no.)	9,430	686	10,116		10,116	
Note: the valuation figures and numbers of charges listed above are an estimate of the values and numbers as at 30 June 2024						
All Rates INCLUDING GST at 15%						
	Rating Requirement			UNIFORM CHARGES AND RATES IN \$		
	Urban	Rural	Total	Residential U1	Non-residential U2	Rural R1
TARGETED CHARGES	\$ 40,002,043	\$ 13,224,041	\$ 53,226,084			
Uniform Charge	5,621,958	2,713,351	8,335,309	\$ 545.00	\$ 545.00	\$ 673.00
Roading Charge	876,563	2,164,647	3,041,210	\$ 85.00	\$ 85.00	\$ 537.00
Recycling Collection Charge	1,062,128	-	1,062,128	\$ 105.00	\$ 105.00	
sub total	7,560,648	4,877,998	12,438,646			
	18.9%	36.9%	23.4%			
Urban Water Supply Charge	1,848,060	-	1,848,060	\$ 180.00	\$ 180.00	
Urban Wastewater Charge	2,715,824	-	2,715,824	\$ 289.00	\$ 289.00	
sub total	4,563,884	-	4,563,884	\$ 1,184.00	\$ 1,184.00	\$ 1,210.00
	11.5%	-	8.6%			
TARGETED LAND VALUE RATES						
Roading Rate*	3,645,809	5,056,280	8,702,090	0.001273	0.002548	0.001554
	9.11%	38.2%	16.6%	0.001273	0.002548	0.001554
TARGETED CAPITAL VALUE RATES						
Representation & Developmt Rate**	2,665,545	708,563	3,374,107	0.000418	0.000836	0.000143
Regulatory Services Rate**	3,549,815	943,622	4,493,437	0.000557	0.001114	0.000181
Sundry Facilities Rate**	3,101,966	898,965	4,000,931	0.000487	0.000974	0.000182
Civic Amenities Rate	4,224,684	-	4,224,684	0.000683	0.001328	-
Urban Water Rate	4,308,642	-	4,308,642	0.000658	0.001316	-
Urban Wastewater Rate	6,343,650	-	6,343,650	0.000885	0.001930	-
sub total	24,194,302	2,551,149	26,745,451	0.003748	0.007498	0.000516
	60.5%	19.3%	50.2%			
OTHER TARGETED RATES (rural)						
Beach refuse & recycling collection	Targeted Chrg	136,170		\$ 255.00	Beach collections	
Opaki water race	Targeted LV rate	79,098		0.001488	per SLV of serviced properties	
Tinui water supply	Targeted Chrg	17,759		\$ 573.00	per connection	
Castlepoint sewerage	Targeted Chrg	138,587		\$ 670.00	per connection	
*RBCSS - connected charge	Targeted Chrg	297,352		\$ 714.00	per property using the system	
RBCSS - service available	Targeted Chrg	9,840		\$ 184.00	per servicable, but not connected property	
RBCSS - Capital TP Yr 15 of 20	Targeted Chrg	52,424	time payments	\$ 1,843.40	31.9 paying off capital	
Tinui sewerage - TP stage I	Targeted Chrg	213	time payments	\$ 212.50	1 paying off stage I	
Tinui sewerage - TP stage I & II	Targeted Chrg	4,467	time payments	\$ 744.50	6 paying off stage I & II	
Tinui Wastewater	Targeted Chrg	10,714	operating	\$ 584.00	per connection	
Sewerage tmt charge (liquid only)		37,400		\$ 550.00	per equivalent connection	
Total Rates	\$ 40,002,043	\$ 13,232,051	\$ 53,234,094			
TP = time payment	*RBCSS = Riversdale Beach Community Sewerage Scheme					
	* Effective differential on LV Rooding Rate 1 : 2 : 1.22					
	** Effective differential on three CV Rates 1 : 2 : 0.343					

REVENUE & FINANCING POLICY - Allocation Table

The table below is a summary of how the 2024/25 Rates Requirement is allocated based on the 2024 Revenue & Financing Policy.

C Targeted uniform charge (TUC)
CV Capital value rate LV Land value rate

2023/24 Allocation				URBAN RATES			RURAL RATES			TOTAL		
Urban	Rural	Urban	Rural	Type	Rate Name	Amount	Type	Rate Name	Amount			
79.0%	21.0%	\$ 846,008	\$ 224,888	CV	Representation & Development	\$ 846,008	CV	Representation & Development	\$ 224,888	\$ 1,070,896		
79.0%	21.0%	\$ 1,209,116	\$ 321,411	CV	Representation & Development	\$ 1,209,116	CV	Representation & Development	\$ 321,411	\$ 1,530,526		
79.0%	21.0%	\$ 446,240	\$ 118,621	CV	Representation & Development	\$ 446,240	CV	Representation & Development	\$ 118,621	\$ 564,860		
79.0%	21.0%	\$ 1,373,297	\$ 365,054	CV	Representation & Development	\$ 1,373,297	CV	Representation & Development	\$ 365,054	\$ 1,738,351		
79.0%	21.0%	\$ 3,491,085	\$ 928,010	CV	Civic Amenities rate	\$ 3,491,085	C	TUC	\$ 928,010	\$ 4,419,095		
79.0%	21.0%	\$ 1,470,190	\$ 390,810	C	TUC	\$ 1,470,190	C	TUC	\$ 390,810	\$ 1,861,000		
79.0%	21.0%	\$ 234,300	\$ 62,282	C	Civic Amenities rate	\$ 234,300	C	TUC	\$ 62,282	\$ 296,582		
79.0%	21.0%	\$ 418,505	\$ 111,248	CV	Sundry facilities rate	\$ 418,505	CV	Sundry facilities rate	\$ 111,248	\$ 529,753		
79.0%	21.0%	\$ 309,156	\$ 82,181	CV	Sundry facilities rate	\$ 309,156	CV	Sundry facilities rate	\$ 82,181	\$ 391,337		
79.0%	21.0%	\$ 513,965	\$ 136,624	CV	Sundry facilities rate	\$ 513,965	CV	Sundry facilities rate	\$ 136,624	\$ 650,589		
5.0%	95.0%	\$ 7,803	\$ 148,248	CV	Sundry facilities rate	\$ 7,803	CV	Sundry facilities rate	\$ 148,248	\$ 156,051		
79.0%	21.0%	\$ 185,462	\$ 49,300	CV	Sundry facilities rate	\$ 185,462	CV	Sundry facilities rate	\$ 49,300	\$ 234,762		
79.0%	21.0%	\$ 202,966	\$ 53,953	CV	Sundry facilities rate	\$ 202,966	CV	Sundry facilities rate	\$ 53,953	\$ 256,919		
79.0%	21.0%	\$ 2,045,186	\$ 543,657	C	TUC	\$ 2,045,186	C	TUC	\$ 543,657	\$ 2,588,843		
79.0%	21.0%	\$ 616,230	\$ 163,808	C	TUC	\$ 616,230	C	TUC	\$ 163,808	\$ 780,038		
79.0%	21.0%	\$ 499,300	\$ 132,725	CV	Civic Amenities rate	\$ 499,300	CV	Sundry facilities rate	\$ 132,725	\$ 632,025		
79.0%	21.0%	\$ 1,300,182	\$ 345,618	CV	Regulatory services rate	\$ 1,300,182	CV	Regulatory services rate	\$ 345,618	\$ 1,645,800		
79.0%	21.0%	\$ 1,943,007	\$ 516,495	CV	Regulatory services rate	\$ 1,943,007	CV	Regulatory services rate	\$ 516,495	\$ 2,459,502		
79.0%	21.0%	\$ 238,989	\$ 63,529	C	TUC	\$ 238,989	C	TUC	\$ 63,529	\$ 302,518		
79.0%	21.0%	\$ 306,627	\$ 81,508	CV	Regulatory services rate	\$ 306,627	CV	Regulatory services rate	\$ 81,508	\$ 388,135		
100.0%	0.0%	\$ 6,156,702	\$ -	C/ CV	Water supply rate and Charge	\$ 6,156,702				\$ 6,156,702		
0.0%	100.0%	\$ -	\$ 79,098				LV	Opaki water race	\$ 79,098	\$ 79,098		
0.0%	100.0%	\$ -	\$ 17,759				C	Tinui water supply charge	\$ 17,759	\$ 17,759		
0.0%	100.0%	\$ -	\$ 127,921				CV	Sundry facilities rate	\$ 127,921	\$ 127,921		
100.0%	0.0%	\$ 9,096,874	\$ -	C/ CV	Sewerage rate & Charge	\$ 9,096,874				\$ 9,096,874		
100.0%	0.0%	\$ 1,215,936	\$ -	CV	Sundry facilities rate	\$ 1,215,936				\$ 1,215,936		
0.0%	100.0%	\$ -	\$ 138,587				C	Castlepoint sewerage charge	\$ 138,587	\$ 138,587		
0.0%	100.0%	\$ -	\$ 359,617				C	Riversdale sewerage charges	\$ 359,617	\$ 359,617		
0.0%	100.0%	\$ -	\$ 15,393				C	Tinui sewerage charges	\$ 15,393	\$ 15,393		
100.0%	0.0%	\$ 1,057,116	\$ -	C	Kerbside recycling charge	\$ 1,057,116				\$ 1,057,116		
79.0%	21.0%	\$ 213,543	\$ 56,765	CV	Sundry facilities rate	\$ 213,543	CV	Sundry facilities rate	\$ 56,765	\$ 270,308		
10.0%	90.0%	\$ 39,642	\$ 356,774	CV	Sundry facilities rate	\$ 39,642	C	TUC	\$ 356,774	\$ 396,415		
30.0%	70.0%	\$ 2,926,243	\$ 6,827,901	L/ VC	Roading rate and Charge	\$ 2,926,243	L/ VC	Roading rate and Charge	\$ 6,827,901	\$ 9,754,144		
100.0%	0.0%	\$ 1,596,128	\$ -	LV	Roading rate	\$ 1,596,128				\$ 1,596,128		
0.0%	100.0%	\$ -	\$ 393,027				L/ VC	Roading rate and Charge	\$ 393,027	\$ 393,027		
\$ 40,002,043				2024/25 Total			\$ 40,002,043	2024/25 Total			\$ 13,224,041	\$ 53,226,084
Notes				Actual - 2023/24 LTP Yr3			\$ 36,113,661	Actual - 2023/24 LTP Yr3			\$ 11,644,686	\$ 47,758,347
1. The above rates include GST at 15% and allowance for rates penalty income and rates remissions.				Other increases			\$ 3,888,382	Rural sewerage charges			\$ -	\$ -
2. Specific rural water & sewer schemes rates are applied only to those properties serviced by the schemes.				Net Increase (before growth)			\$ 3,888,382	Other increases			\$ 1,579,355	\$ 5,467,737
3. Land and capital value rates in the Urban Rating Area are subject to the differential (see the funding policy).				Estimated effect of growth in rating base			\$ 769,221	Net Increase (before growth)			\$ 1,579,355	\$ 5,467,737
4. Urban/Rural population split is 79/21 (as per extrapolation on Census 2018 and growth data).				% Change (after growth)			8.6%	Estimated effect of growth in rating base			\$ 116,447	\$ 885,668
5. Rural halls charge of 95% to rural area, to charge ward where largest portion of benefit arises.				% Change (after growth)			12.6%	% Change (after growth)			9.6%	
6. Subsidised roading urban/rural split is based on expected spend in each rating area.												
7. Rural solid waste costs charged largely in the area they are incurred.												

RATING FUNDING IMPACT STATEMENT - RATES REVENUE BY RATE TYPE										\$000's	
(All figures exclude GST)											
(NZ\$ 000's)											
		2024/25 LTP Year 1			2025/26 LTP Year 2			2026/27 LTP Year 3			
		Amount to be Collected by Ward			Amount to be Collected by Ward			Amount to be Collected by Ward			
		Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	
Targeted Differential Rates across the District											
Roading Rate	LV rate	3,171	4,395	7,566	3,527	5,189	8,716	3,708	5,345	9,053	
Representation & Development Rate	CV rate	2,317	616	2,933	2,417	642	3,059	2,567	682	3,250	
Regulatory Services Rate	CV rate	3,086	821	3,907	3,298	877	4,175	3,475	922	4,397	
Sundry Facilities & Services Rate	CV rate	2,698	782	3,480	2,881	927	3,808	3,413	1,082	4,495	
Targeted Uniform Charge	Chrg	4,885	2,359	7,244 *	5,154	2,485	7,639 *	5,772	2,677	8,449 *	
Targeted Roading Charge	Chrg	762	1,884	2,646 *	905	2,226	3,131 *	923	2,293	3,216 *	
		16,919	10,856	27,775	18,182	12,348	30,528	19,859	13,003	32,860	
Targeted Rates											
Recycling Collection Charge	Chrg	923	-	923 *	950	-	950 *	932	-	932 *	
Civic Amenities Rate	CV rate	3,674	-	3,674	4,070	-	4,070	4,268	-	4,268	
Urban Water Supply Rate	CV rate	3,747	-	3,747	3,856	-	3,856	4,366	-	4,366	
Urban Water Supply Charge	Chrg	1,606	-	1,606	1,651	-	1,651	1,874	-	1,874	
Urban Sewerage Rate	CV rate	5,517	-	5,517	5,854	-	5,854	6,185	-	6,185	
Urban Sewerage Charge	Chrg	2,360	-	2,360	2,510	-	2,510	2,650	-	2,650	
Beach Collections Charge	Chrg	-	118	118	-	118	118	-	118	118	
Rural water & sewerage rates**	Chrg	28	481	510	31	490	521	31	519	551	
		17,856	600	18,455	18,921	608	19,529	20,306	638	20,944	
Total Rates**		34,775	11,456	46,231	37,103	12,956	50,057	40,164	13,641	53,803	
Percentage Change (after growth)		8.6%	12.6%	9.6%	5.4%	12.1%	7.0%	7.3%	4.3%	6.5%	
* Charges (per sec 21(2)(b)) as % of Total Rates not to exceed 30%				23.4%	23.4%				23.4%		
** Note: figures above exclude Riversdale & Tinui capital contributions											
Riversdale Beach sewerage capital contributions			46	46		46	46		46	46	
Tinui sewerage capital contributions			4	4		5	5		5	5	

Rating Funding Impact Statement – Setting the Rates

2. DIFFERENTIAL RATES ACROSS THE DISTRICT

2.1 The Council will continue its practice of not having one 'General Rate' but instead having a number of targeted rates charged across the district, set on a differential basis (see urban/rural cost allocations by service) and levied on either land value or capital value, as described in the Revenue & Financing Policy.

2.2 The separate targeted rates will be set on a differential basis using rating areas (urban and rural) and land use to determine the categories.

2.3 Rating areas are defined as:

Urban rating area – all rating units within the urban area of Masterton as defined by the District Plan.

Rural rating area – all rating units in the rural area of Masterton district, including beach settlements.

2.4 The differential categories are explained as follows:

- Category 1 U1 (Differential 1.0 applied to urban value-based rates)

Urban Residential – all rating units in the urban rating area used primarily for residential purposes, or for public halls, for sporting purposes or are vacant land

- Category 2 U2 (Differential 2.0 applied to urban value-based rates)

Non-residential urban – all rating units in the urban rating area used for purposes other than residential use (as defined in above)

- Category 3 R1 (Based on allocations defined in Revenue & Financing Policy that result in effective differentials of: LV rate = 1.22, CV rates (x3) = 0.343)

Rural – all rating units in the rural rating area.

2.5 Properties which have more than one use (or where there is doubt on the relevant primary use) will be split with a rating unit division so that each division allows the rates to be levied according to the relevant use of the property. Note that subject to the rights of objection to the rating information database set out in Section 28 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories.

2.6 The four targeted rates charged on all rateable properties, with costs allocated between urban and rural wards as per the Revenue and Financing Policy allocation table and charged on a differential basis will be as follows:

Roading Rate – estimated per dollar of Land Value for 2024/25 will be:

U1	\$0.001273 per dollar of land value raising	\$2,724,000
U2	\$0.002546 per dollar of land value raising	\$923,000
R1	\$0.001554 per dollar of land value raising	\$5,056,000
	Total	\$8,703,000

The Roothing rate will be used to provide the following services:

- Subsidised road maintenance and renewals programme on the district roading network.
- Non-subsidised roading maintenance in the urban area.
- Non-subsidised roading maintenance in the rural area.

Representation & Development Rate – estimated per dollar of Capital Value for 2024/25 will be:

U1	\$0.000418 per dollar of capital value raising	\$2,037,000
U2	\$0.000836 per dollar of capital value raising	\$628,000
R1	\$0.000143 per dollar of capital value raising	\$709,000
	Total	\$3,374,000

The Representation and Development Rate will be used to provide the following services:

- Governance and Representation
- Environmental Initiatives
- Arts and Culture
- Economic Development
- District Amenities (security cameras, under-verandah lighting)

Regulatory Services Rate – estimated per dollar of Capital Value for 2024/25 will be:

U1	\$0.000557 per dollar of capital value raising	\$2,712,000
U2	\$0.001114 per dollar of capital value raising	\$837,000
R1	\$0.000191 per dollar of capital value raising	\$944,000
	Total	\$4,493,000

The Regulatory Services rate will be used to provide the following services:

- Resource Management and District Planning
- Environmental Health and Building Control Services
- Civil Defence and Emergency Management

Sundry Facilities & Services Rate – estimated per dollar of Capital Value for 2024/25 will be:

U1	\$0.000487 per dollar of capital value raising	\$2,370,000
U2	\$0.000974 per dollar of capital value raising	\$732,000
R1	\$0.000182 per dollar of capital value raising	\$899,000
	Total	\$4,001,000

The Sundry Facilities and Services rate will be used to provide the following services (see Allocation Table in the Revenue and Financing Policy for urban/rural share of each service cost):

- Waste, Recycling and Composting (excluding specific rural waste services)
- Urban Stormwater (urban ward only)
- Public Conveniences
- District Buildings
- Mawley Park

- Airport
- Rural halls
- Other property costs and other rural services (eg water supply testing)

3. DIFFERENTIAL TARGETED CHARGE - TARGETED ANNUAL CHARGE (TAC)

3.1 In addition to the district-wide rates collected on a differential basis, the Council proposes to set a targeted annual charge, differentiated between urban and rural rating areas and levied on each separately used or inhabited part (SUIP) of a rating unit in the district. The urban/rural differential is the result of the cost allocations decided on in the Revenue and Financing Policy. The costs are allocated between urban and rural areas and then divided by the number of SUIPs in each area.

3.2 The estimated Targeted Annual Charges for 2024/25 will be:

U1 and U2	\$545.00 per part of rating unit raising	\$5,622,000
R1	\$673.00 per part of rating unit raising	\$2,713,000
	Total	\$8,335,000

3.3 The Targeted Annual Charge will be used to provide the following services:

- Library and Wairarapa Archive
- Recreation Centre
- Sports Fields (rural rating area only)
- Parks and Reserves (rural rating area only)
- Community Development
- Cemeteries (rural rating area only)
- Animal Control
- Rural Refuse and Transfer Stations (excluding beach collections rate)

4. DIFFERENTIAL TARGETED ANNUAL CHARGE - ROADING CHARGE

4.1 In addition to the roading rate collected on a differential basis, Council proposes to set a differential targeted annual roading charge on each separately used or inhabited part (SUIP) of a rating unit in the district. The urban/rural differential is the result of the cost allocations decided on in the Revenue and Financing Policy. The roading costs are allocated between urban and rural areas and then divided by the number of SUIPs in each area.

4.2 The estimated roading charge for 2024/25 will be:

U1 and U2	\$85.00 per part of rating unit raising	\$876,000
R1	\$537.00 per part of rating unit raising	\$2,165,000
	Total	\$3,041,000

4.3 The Roading Charge will be used to fund a portion of the roading costs allocated to each ward – as per the Revenue and Financing Policy.

5. DIFFERENTIAL TARGETED RATES

5.1 Civic Amenities (urban only), Water, Sewerage, Urban Recycling collection and Beach collections.

Differential based on costs allocated to rating area and location of service.

6. CIVIC AMENITIES RATE

Civic Amenities Rate – estimated per dollar of Capital Value for 2024/25 will be:

U1	\$0.000663 per dollar of capital value, raising	\$3,228,000
U2	\$0.001372 per dollar of capital value, raising	\$ 997,000
	Total	\$ 4,225,000

The Civic Amenities rate will be used to fund the urban share of the following services:

- Parks and Reserves
- Sports fields
- Cemeteries
- Aerodrome

7. SERVICES RATES

The Council proposes to use the following descriptions of land liable, to assess rates on rating units for water supply, wastewater and the recycling collection services.

Availability of Service for:

Urban Water Supply Rates

Definitions for the proposed urban water supply rates are:

Connected – any separately used or inhabited part of a rating unit that is connected to the Masterton urban water supply.

Serviceable – any separately used or inhabited rating unit that is not connected to the Masterton urban water supply but is within 100 metres of such water supply and within the urban rating area and not charged by metered usage:

Urban Wastewater (Sewerage) Rate

The terms 'Sewerage' and 'Wastewater' are interchangeable and describe services delivered using the network of wastewater pipes and the plant that treats and disposes of wastewater.

Definitions for the proposed wastewater rates are:

Connected – any separately used or inhabited part of a rating unit that is connected to the Masterton public wastewater system.

Serviceable – any separately used or inhabited part of a rating unit that is not connected to the Masterton public wastewater system but is within 30 metres of such a service and within the urban rating area.

Urban Recycling Collection Rate

Urban – on every separately used or inhabited part of a rating unit situated within the urban area of Masterton to which the Council is prepared to provide the service.

Rural – on every separately used or inhabited part of a rating unit situated in the rural periphery area of Masterton, to which the Council is prepared to provide a service.

Beach Refuse and Recycling Collection Rate

In the defined settlement areas of Riversdale Beach and Castlepoint – on Residential Equivalents (Riversdale Beach Sewerage) and per separately used or inhabited part of a rating unit in those areas serviced by Castlepoint Sewerage and the Council's beach refuse and recycling collection services.

Riversdale Beach Sewerage Rate

Residential Equivalents (REs) were established during the development of the Riversdale Beach Sewerage Scheme in order to allocate the shares of capital contribution. This RE unit will be the basis of charging annual operating rates as per the Local Government (Rating) Act 2002, schedule 3, clause 8.

8. URBAN WATER SUPPLY RATES

Targeted using a Uniform Basis and a Capital Value Rate, differentiated as per clause 2.4.

8.1 The Council proposes to set a targeted Capital Value rate on a differential basis, and a targeted uniform charge to recover the net costs of the urban water supply.

The targeted uniform charge will be assessed on each separately used or inhabited part (SUIP) of a rating unit throughout the serviced area, including rural properties that are connected to the urban water supply scheme. Rating units that are not connected will not be liable for the uniform charge.

8.2 A Capital Value rate will be assessed on properties where there is a service connection or the service is available (i.e. they are 'serviceable' per definition in clause 7).

The Capital Value rate will be set on a differential basis on U1 and U2 properties (U2 differential = 2x) where the property is connected or serviceable.

8.3 The estimated rates for 2024/25 are:

Urban Water Supply

Connected	\$180.00	raising \$1,847,000
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Urban Water Supply Rate charged on connected and serviceable - estimated per dollar of capital value for 2024-25 will be:

U1+R1	\$0.000658 per dollar of capital value raising	\$ 3,238,000
U2	\$0.001316 per dollar of capital value raising	\$1,072,000
	Total	\$ 4,310,000

Raising a total of \$6,157,000

Urban (Metered) Water Supply on metered properties

8.4 The Council proposes to set a targeted rate for water supplied to metered rural properties that are connected to the urban water supply, based on volumes of water supplied through water meters. The Urban Water Supply Charge will also apply to these properties.

8.5 The estimated rates for 2024/25 are as follows:

Price per cubic metre for between 50 and 100m ³ per quarter	\$2.00
Price per cubic metre for consumption over 100m ³ per quarter	\$2.60

Minimum charge per quarter of \$82.80 for 50m³ per quarter or below

9. URBAN WASTEWATER RATES

Targeted using a uniform charge and a Capital Value rate, differentiated as per clause 2.4.

9.1 The Council proposes to set a targeted capital value rate and a uniform charge for urban wastewater. The uniform charge will be levied on each separately used or inhabited part of a rating unit throughout the district where properties are connected to the Masterton urban wastewater scheme. The capital value rate will be set on properties where connection is available (i.e. they are 'serviceable' as per the definition in clause 7).

9.2 The Capital Value rate will be set on a differential basis based on the availability of service (all 'connected' or 'serviceable' as per the definition in clause 7). Rating units not connected to the scheme will not be liable for the urban wastewater charge.

9.3 The estimated rates for 2024/25 are:

Urban Wastewater Charge

Connected	\$269.00	raising \$2,714,000
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The Capital Value rate will be set on a differential basis on U1 and U2 properties (U2 differential = 2x) and R1 properties where the property is connected or serviceable.

Urban Wastewater Rate charged on connected and serviceable rating units - estimated per dollar of capital value for 2024/25 will be:

U1 + R1	\$0.000965 per dollar of capital value raising	\$4,775,000
U2	\$0.001930 per dollar of capital value raising	\$ 1,569,000
	Total	\$ 6,344,000

Raising a total of \$9,058,000

10. RECYCLING COLLECTION RATE

10.1 The Council proposes to set a targeted rate for the urban recycling collection costs on the basis described in clause 7.

10.2 The rate for 2024/25 is proposed as:

Serviced Property **\$105.00** raising \$1,062,000.

11. RURAL TARGETED SERVICES RATES

11.1 The Council proposes to set a targeted rate for **Beach Refuse and Recycling Collection** services on the basis of each separately used or inhabited part (SUIP) of a rating unit, at Castlepoint and Riversdale Beach to which the collection services are available.

The uniform charge per SUIP for 2024/25 is: **\$255.00**

Raising a total of \$136,000.

11.2 The Council proposes to set a targeted rate for the **Opaki Water Race** on the basis of land value of the properties serviced by the water race. The rate for 2024/25 is **\$0.001468** per dollar of Land Value

Raising a total of \$79,000.

11.3 Council proposes to set a targeted rate for the **Tinui Water Supply** on the basis of connected residential rating units.

The uniform charge per connected rating unit for 2024/25 is: **\$573.00.**

Raising a total of \$17,800.

11.4 The Council proposes to set a targeted rate for the **Castlepoint Sewerage Scheme** on the basis of separately used or inhabited part (SUIP) of a rating unit that is connected. The uniform charge per SUIP connection for 2024/25 is: **\$670.00**.

Raising a total of \$138,600.

11.5 The Council proposes to set two targeted rates for the operation of the **Riversdale Beach Community Sewerage Scheme (RBCSS)**. These are:

- A connected rate based on a rating unit's residential equivalent connections to the scheme (as was assessed through the scheme development phase).
- A serviceable rate (i.e. empty sections yet to have a dwelling built) will be charged on each rating unit which is within 30 metres of the service.

Connected - the uniform charge per residential equivalent connection for 2024/25 will be: **\$714.00** raising a total of approximately \$297,000.

Serviceable - the uniform charge per serviceable, but not connected rating unit for 2024/25 will be: **\$164.00** raising a total of approximately \$10,000.

11.5A **RBCSS Capital Contributions** - as per the Amendment to the LTCCP for 2009/19 and the Capital Project Funding Plan for the Riversdale Beach Sewerage Scheme, the capital costs of the scheme could be spread over 5 years or 20 years, to be levied as separate targeted rates, charged per residential equivalent (RE). The following payment option remains relevant for Riversdale Beach property owners who are still paying off their capital contributions over time:

RBCSS Time Payment, Year 15 of 20 - where each RE connection that has elected this targeted rate will be **\$1,643.40**

11.6 The Council proposes to set three targeted rates for the **Tinui Sewerage Scheme** for the 2024/25 year, on the basis of residential connections and their elected capital contributions for stages I and II of the scheme's upgrade. One rate will cover the annual operating costs of the scheme. The other rates will be levied on the connected properties as per their elected capital contribution payment options.

The Operating Costs rate per connection (including Tinui School as 5 connections) for 2024/25 is: **\$564.00** raising a total of approximately \$10,700.

The Part Capital Contribution Stage I, per connection, for year 19 of 20 (1 property) for 2024/25 is: **\$212.50**.

The Part Capital Contribution Stage I & II, per connection, for year 19 of 20 (7 properties) for 2024/25 is: **\$744.50**.

11.7 The Council proposes to set a targeted rate called the **Sewage Treatment Charge** on the basis of those connected, rural properties which are allowed to discharge septic tank outflows (liquid effluent) to the urban sewerage system. One charge per residential equivalent (RE - assumed to be 600 litres/day). Properties assessed as having multiple residential equivalents will be charged multiple charges based on assessed volume of discharge (including Rathkeale College).

The uniform charge per RE property for 2024/25 is: **\$550.00** raising a total of \$37,400.

12. FUTURE TARGETED RATES - FLAGGED FOR INFORMATION

12.1 Private costs recovered

The Council may set a targeted rate in 2025/26 or future years in order to recover the costs of work the Council has had done relating to private property. This work may include undertaking earthquake assessments on commercial buildings or repairing faults in the sewer network on private property. The basis of the rates will

be the recovery of costs incurred by the Council in order for an owner to comply with Council requirements e.g. supply of information under the Council's earthquake building assessment policies, stormwater maintenance or sewer repairs on private property to reduce inflow and infiltration in the sewer network.

12.2 Water-by-meter charging

The Council has signaled in its 2024/34 Long-term Plan and Revenue and Financing Policy that it intends implementing a charging regime that includes utilising the smart meters that have been installed on the Masterton urban connected properties. The policy basis of this regime will be developed over 2024/25.

12.3 Differential on Land Value Roding Rate

The Council has signaled in its Long-term Plan and Revenue and Financing Policy that intends investigating the justification for future introduction of a differential on land used for forestry purposes, on the basis that forestry land use is an exacerbator of damage to rural roads.

13. OUT-OF-DISTRICT WATER & WASTEWATER CHARGES

13.1 The Council proposes to charge for non-metered water supply and wastewater services which are supplied or the service is available to properties in the Carterton District on the following basis:

Water supply – A \$180.00 targeted water charge per connected property and metered connections will be required to pay the water meter charges noted in 8.5 above or as set by Carterton District Council.

Sewerage – \$0.001930 per dollar of Capital Value on 'serviceable' properties (as per definition in 7 above), plus \$269.00 targeted sewerage charge per connected property, plus any charges under the Trade Waste bylaw regime. All rates and charges set and collected by Carterton District Council.

14. DUE DATES FOR PAYMENT OF RATES

All rates will be payable in four instalments with due dates as follows:

1st instalment 20 August 2024

2nd instalment 20 November 2024

3rd instalment 20 February 2025

4th instalment 20 May 2025

15. PENALTY CHARGES

Arrears Penalties will be charged as follows:

There will be a 10% penalty charged on any rate arrears as at 5 July 2024.

Instalment Penalties will be applied as follows:

10% charged on the balance of the first instalment of rates remaining unpaid after 20 August 2024.

10% charged on the balance of the second instalment of rates remaining unpaid after 20 November 2024.

10% charged on the balance of the third instalment of rates remaining unpaid after 20 February 2025.

10% charged on the balance of the fourth instalment of rates remaining unpaid after 20 May 2025.

Roundings

Rates statements may be subject to roundings. The rates due will be calculated to the nearest cent, but rounded to the nearest 10 cents.

Calculate Your 2024-25 Rates

The rates below are indicative only. Actual rates-in-the-dollar and charges will be set as part of the adoption of the Long Term Plan at the end of June 2024. The result you calculate will not include the Greater Wellington Regional Council (GWRC) rates. Further assistance in explaining the effects of the policy changes, 2023 revaluation and rates increases on your individual properties can be obtained from the Council's Rates Department.

Rural Property

Write in your most recent Land Value(a)
 Write in your most recent Capital Value(b)
 Land Value (LV) Rates 0.001554 X (a) =
 Value (CV) Rates 0.000516 X (b) =
 Targeted Annual Charge (where applicable) \$675.00
 Targeted Roding Charge (where applicable) \$539.00
 Beach collections (where application) \$255.00
 Castlepoint Sewerage (where applicable) \$670.00
 Riversdale Sewerage (where applicable) \$714.00
 Tinui Sewerage (where applicable) \$564.00
 Tinui Water Supply (where applicable) \$573.00
 Sewage treatment (liquid waste to urban sewer) \$525.00
 (Note: result excludes GWRC rates)

\$_____

Urban (residential)

Write in your most recent Land Value(a)
 Write in your most recent Capital Value(b)
 Land Value (LV) Rates 0.001273 X (a) =
 Capital Value (CV) Rates 0.003749 X (b) =
 Targeted Annual Charge \$545.00
 Targeted Roding Charge \$85.00
 Recycling Collection Charge \$105.00
 Water Supply Charge (where applicable) \$180.00
 Sewerage Charge (where applicable) \$269.00

\$_____

Urban (non-residential)

Use the Urban (residential) figures above, but double the LV & CV Rates (i.e. LV x 2 x (a) and CV x 2 x (b)). Then add the charges where applicable.

Rates Examples

RATES EXAMPLES INCLUDING GST	NEW CAPITAL VALUE (AT SEP 2023)	% change in CV	2023/24 MDC RATES ONLY	2024/25 MDC RATES - OLD VALUES	Budget & Policy % Change	2024/25 MDC RATES - NEW VALUES	% Change Due to Revaluation	Overall \$ Change	Overall % Change
Masterton - residential example 1	\$ 380,000	7%	\$ 2,617	\$ 2,899	10.8%	\$ 2,838	-2.3%	\$ 221	8.4%
Masterton - residential example 2	\$ 500,000	6%	\$ 3,243	\$ 3,542	9.2%	\$ 3,434	-3.3%	\$ 192	5.9%
Masterton - residential example 3	\$ 660,000	12%	\$ 3,677	\$ 3,988	8.4%	\$ 3,977	-0.3%	\$ 300	8.2%
Masterton - residential example 4	\$ 760,000	12%	\$ 4,038	\$ 4,358	7.9%	\$ 4,326	-0.8%	\$ 289	7.1%
Masterton - residential example 5	\$ 1,090,000	11%	\$ 5,435	\$ 5,793	6.6%	\$ 5,710	-1.5%	\$ 275	5.1%
Masterton - central, small area	\$ 540,000	2%	\$ 3,507	\$ 3,814	8.7%	\$ 3,546	-7.6%	\$ 39	1.1%
Riversdale Beach	\$ 880,000	29%	\$ 3,043	\$ 3,394	11.5%	\$ 3,410	0.5%	\$ 367	12.1%
Castlepoint	\$ 850,000	31%	\$ 2,802	\$ 3,089	10.2%	\$ 3,227	4.9%	\$ 424	15.1%
Rural - lifestyle	\$ 1,180,000	19%	\$ 2,471	\$ 2,777	12.4%	\$ 2,674	-4.2%	\$ 203	8.2%
Rural - forestry	\$ 2,340,000	43%	\$ 4,513	\$ 5,157	14.3%	\$ 5,868	15.8%	\$ 1,355	30.0%
Rural - hill country farm	\$ 6,840,000	27%	\$ 12,687	\$ 14,397	13.5%	\$ 15,011	4.8%	\$ 2,324	18.3%
Rural - dairy farm	\$ 3,880,000	18%	\$ 8,043	\$ 9,106	13.2%	\$ 8,976	-1.6%	\$ 933	11.6%
Commercial - industrial	\$ 1,000,000	25%	\$ 8,554	\$ 9,005	5.3%	\$ 9,927	10.8%	\$ 1,373	16.1%
Commercial - motel	\$ 1,200,000	18%	\$ 11,177	\$ 11,703	4.7%	\$ 11,859	1.4%	\$ 683	6.1%
Commercial - large retail	\$ 7,680,000	38%	\$ 53,013	\$ 54,714	3.2%	\$ 64,940	19.3%	\$ 11,927	22.5%
Commercial - Queen St shop	\$ 475,000	6%	\$ 5,405	\$ 5,767	6.7%	\$ 5,483	-5.3%	\$ 78	1.5%

Note: All rates exclude Wellington Regional Council rates. Percentage changes are subject to roundings.

Statement of Accounting Policies

Reporting Entity

Masterton District Council (the Council) is a Territorial Authority within the definition of the Local Government Act 2002 (LGA).

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

Reliance is placed on the fact that the Council is a 'going concern' and that sufficient funds are available, or will be received, to allow MDC to operate at the levels of activity estimated.

The financial statements contained within this Long-Term Plan follow the appropriate legislative requirements of the LGA, and generally accepted accounting practices recognised as appropriate and relevant for the reporting of financial information in the public sector.

The Council is a Public Benefit Entity whose primary objective is to provide goods and services for community or social benefit and objective rather than for a financial return. All available reporting exemptions allowed under the framework for Public Benefit Entities have been adopted.

The financial statements are in full compliance with Financial Reporting Standard 42 (PBE FRS 42) 'Prospective Financial Statements'.

The Consultation Document and Supporting Information were authorised by the Council on 3 April 2024 and issued for consultation on 5 April 2024. The Supporting Information comprises an Infrastructure Strategy, a Financial Strategy, financial statements, activity statements and a range of policies that will form the basis of the Councils Long Term Plan for 2024/34. That plan is expected to be adopted before the end of June 2024.

Accounting Policies

Accounting Standards issued but not yet Effective

* 2022 Omnibus Amendments to PBE Standards, issued June 2022. The 2022 Omnibus Amendments include several general updates and amendments to several Teir 1 and Teir 2 PBE accounting standards. The revised standards are effective from the year ending 30 June 2024. They are not expected to have any significant impact on the Council's financial statements.

* PBE IFRS 17 Insurance Contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. The new standard makes a fundamental shift in how insurers account for their contracts. Council have assessed the effects of the new standard and they are not expected to have any significant impact on the financial statements.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be measured. Revenue is recognised at fair value. The following specific criteria must also be met before revenue is recognised.

Subsidy Revenue

Subsidy revenue is recognised in the period when expenditure to which the subsidy relates has been incurred.

Rates

Rates revenue is recognised when payable. Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Fees and Charges

Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence. Expenditure is recognised when the service has been provided or the goods received.

Other Revenues

Other revenues are recognised when the service is provided. Other grants, bequests and assets vested in the Council are recognised as revenue when control over the asset is obtained.

Interest

Interest revenue is recognised as the interest accrues (using the effective interest method). Dividends are recognised when the right to receive payment has been established.

Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Roading subsidies from the New Zealand Transport Agency (NZTA) towards costs of maintaining local roading infrastructure, are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Plans assume the subsidised roading programme put forward to NZTA, will be approved before expenditure of those funds.

Financial Contributions

Financial contributions are recognised when invoiced. Any difference in timing between receipt of the contribution and the completion of the assets they relate to is not considered material.

Expenditure

Expenditure is recognised when the Council is deemed to have been supplied with the service or has control of the goods supplied.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

Accounts Receivable

Accounts receivable are stated at expected realisable value after providing for doubtful debts and uncollectable debts. Rates and water rates are invoiced quarterly with payment due within 20 days. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Inventories

Inventories are valued at the lower of cost (determined on a weighted average basis) and fair value after making adequate provision for obsolescence.

Investments

Share investments are valued at market value at 30 June 2023 for the purposes of the Prospective Statement of Financial Position. Other investments are also stated at market value (as per PBE IPSAS). Some of the Council's property assets are regarded as investment properties (under PBE IPSAS).

Properties Held for Sale

There are no properties currently held by Council in this asset category and none expected over the course of this Plan.

Property Plant and Equipment

Operational Assets

Motor vehicles, plant, computer equipment and software, furniture and fittings are valued at cost less accumulated depreciation.

Land, buildings and improvements are based on the market valuation dated 30 June 2021, plus/minus additions, disposals & depreciation and an estimated revaluation on 30 June 2024. Fair value for buildings and improvements has been determined to be the depreciated replacement cost. The Council's policy is to revalue every three years. Additions to assets between valuations are recorded at cost.

The Library collection is valued using the depreciated replacement method.

Forestry assets will be valued annually (as biological assets under NZ IFRS) using the discounted net present value method.

Infrastructural Assets

These are the utility systems that provide a continuing service to the community and are not generally regarded as tradeable. They include roads, bridges, water and wastewater services and stormwater systems. Each asset type includes all items that are required for the network to function. The infrastructural assets were revalued using the Depreciated Replacement Value method, as at 30 June 2023. An estimate of the value with 2023/24 additions has been included in the forecast position.

Renewals and extensions of service capacity between valuations are capitalised. For roading assets, this renewals expenditure includes the rehabilitation and resealing programme. Landfills do not have a specific asset value, other than within the land and buildings category, but a provision is recognised to reflect the future costs of closure and aftercare.

Land under the roading network was valued at 30 June 2000 and this valuation is considered deemed cost. The land under roads was valued by determining the average value of the land adjoining the roading network using a series of localities within the district.

Additions to assets between valuations are recorded at cost.

Impairment

For those network assets where there is no intention that there be an end to their useful life, the provision of depreciation on a straight line basis over the remaining life of the asset is regarded as appropriate. The Council's Asset Management Plans contain detailed component listings to which National Asset Management Manual (NAM) asset life and condition factors are applied and replacement years derived. The depreciation is derived from the depreciated replacement value spread over the remaining economic life of each component.

The Council's engineers design the roading programme of general maintenance, reseals and rehabilitation in order to maintain the roading network in a constant condition. The physical condition is regularly audited by Waka Kotahi and the roading Asset Management Plans provides sufficient detailed information on the network to enable ongoing programme design. The decline in service potential of the roading network, although assumed to be rectified by the annual roading programme, has been calculated on a straight line depreciation basis on the estimated lives of the depreciable components of the network.

Revaluations

Following initial recognition at cost, operation land and buildings and infrastructural assets are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and infrastructural assets and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount which the assets could be exchanged between a willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Where no market exists for assets, for example for infrastructural assets, the fair value is the depreciated replacement costs.

Any revaluation surplus is credited to the appropriate asset revaluation reserve included in the equity section of the Statement of Financial Position unless it reverses a revaluation decrease of the same class of asset previously recognised in the Statement of Financial Performance. Revaluation changes are recorded on a class of assets basis.

Any revaluation deficit is recognised in the Statement of Financial Performance unless it directly offsets a previous surplus in the same asset class in the asset revaluation reserve. In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is re-stated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date. An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Depreciation and Decline in Service Potential

Depreciation is provided on all fixed assets other than land, road formation, stopbanks and items under construction, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their remaining useful lives. Straight line depreciation is calculated on the following assets:

Asset	Depreciation Rate	Useful Life
Fixed Assets		
Buildings	1.4% to 20%	5 to 70 years (depending on component life)
Vehicles and plant	10% or 15%	10 years plant, 6.67 years vehicles
Computer hardware and software	25%	4 years
Furniture, fittings and equipment	20%	5 years
Library books	14.3% or 33%	3 to 7 years (depending on type of collection)
Infrastructural Assets: Roading		
Pavement (15% sub-base, 50% basecourse)	2.5% or 1.25%	(40 years rural, 80 years urban)
Seal (2 nd coat and 1 st coat)	5.9% and 2.5%	(17 years and 40 years)
Kerb and channel	1%	(100 years)

Asset	Depreciation Rate	Useful Life
Seal on carparks and footpaths (chip/AC/concrete)	6.67%	(6.67%, 5.55%, 2%)
Streetlighting (lamps, fittings, poles)	20%, 6.67%, 2%	(5/15/50 years)
Street furniture and pavers	3.33% and 2%	(30 years furniture, 50 years pavers)
Bridges	1.25% to 1%	(base life 80 to 100 years, modified by NAMs factors)
Infrastructural Assets: Water Supply		
Pipes	1.25% to 1.6%	60-80 years (base life 60 years, modified by NAMs factors)
Hydrants, valves, connections	2%	50 years
Treatment plant	1.25% to 10%	10-80 years (depending on components)
Infrastructural Assets: Sewerage		
Reticulation	1.25% to 1.67%	60 to 80 years (base life 60 years, modified by NAMs factors)
Treatment	10% to 80%	10 to 80 years (on plant and equipment and structures)
Infrastructural Assets: Stormwater		
Pipes and culverts	1%	100 years (base life 100 years, modified by NAMs factors)
Stopbanks	not depreciated	
Weirs	1%	100 years
Rural Water and Sewage systems	1% to 2%, 10%	50 to 100 years reticulation, 10 years plant

Goods and Services Tax (GST)

All amounts in the financial statements are stated exclusive of GST except receivables, contract retentions, and payables, which are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the Inland Revenue Department - Te Tari Taake is included as part of receivable or payable in the Statement of Financial Position.

Landfill Aftercare Provision

The Council has a legal obligation under the resource consents to provide ongoing maintenance and monitoring services at its former landfill sites. A provision for post-closure costs has been recognised as a liability. The provision is based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the Council.

Financial Instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Employee Entitlements

Provision is made in respect of the Council's liability for annual leave and retirement gratuities. Annual leave has been calculated on an actual entitlement basis at current rates of pay while the other provisions have been calculated on an actuarial basis at current rates of pay. There is no long service leave. Accumulated sick leave carried forward, which is anticipated to be taken in future periods, is low in value and not considered to change significantly from the 2020 level. A review of accumulated sick leave and past take-up of prior period balances is completed annually so materiality can be considered.

Leases

The Council as a lessor - Leases where the Council effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Revenue under these leases is recognised as income in a straight-line basis over the term of the lease.

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The lease assets and corresponding lease liabilities are recognised in the Statement of Financial Position.

The Council as a lessee - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenditure on a straight-line basis over the term of the lease. Leases which effectively transfer to the Council substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The lease assets and corresponding lease liabilities are recognised in the Statement of Financial Position.

The leased assets are depreciated over the period the Council is expected to benefit from their use.

Equity

Equity is the community's interest in the Council as measured by total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses.

The components of equity are:

- ratepayers Equity,
- restricted reserves (Special Funds),
- the Council-created reserves (Special Funds), and
- asset revaluation reserves.

Special Funds

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Special Funds may be legally restricted or created by the Council. Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which the Council may not revise without reference to the Courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

The Council-created reserves are reserves established by Council decision. The Council may alter them without reference to any third parties or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves represent unrealised gains on assets owned by the Council.

The gains are held in the reserve until such time as the gain is realised and a transfer can be made to accumulated funds.

Cost of Service Statements

The Cost of Service Statements, as provided in the Activity Statements in the supporting information, show the cost of services for the activities and services of the Council, and any revenue earned or allocated to those activities.

Cost Allocations

Where costs are identifiable, support departments charge out the cost of their services direct to activities using those services. The remaining costs of administrative and financial service type activities are allocated to operational activities. Operational activities are those which provide a service direct to the public. The basis of the corporate overhead allocation is "estimated use of service" which is reviewed each year, based on transaction samples and levels of expenditure and rates required.

Inflation

The projected net costs of service for the 10 years shown in the financial statements have been adjusted for inflation. The inflation rate assumptions are listed in the supporting documents.

Changes in Accounting Policies

There are no changes to accounting policies, which result in any significant items.

SIGNIFICANT ASSUMPTIONS

Ngā Matapae Matua

PART 1 – Growth and Demand Assumptions

Population Growth

<p>Our Assumption - The Most Likely Scenario:</p>	<p>Average 1.5% growth per annum to 2054 (50th percentile) with higher growth of approximately 1.7% expected in Y1-10, and lower average growth in later years.</p> <p>This is based on Sense Partners growth projections (50th percentile). For the 3 decades from 2018-2048 Sense forecast median growth at 1.47% per annum. For 2022-2054 this is forecast at 1.48% per annum. The 50th percentile is considered the most likely scenario based on current data and most recent trends, noting a high level of uncertainty surrounding migration.</p> <p>Mean Growth</p> <p>Sense Partners 2023¹ projections forecast mean population change of +1.7% for Masterton for the 10 years from 2022-2032; and +1.4% per annum for the period from 2022-2047.</p> <p>Median Growth</p> <p>Sense Partners 2023 median projections (from a 2018 base) forecast growth of 2.0% for the 10 years from 2018-2028, with slower rates of growth in later years: 1.3% growth for 2028-2038; and 1.1% growth for 2038-48. For 2022-2054 an average 1.48% per annum growth is forecast.</p> <p>Masterton has seen consistent growth over the past 10 years, with peak annual growth of 3% in 2020 aligning with the emergence of the COVID-19 pandemic. During the period that borders were closed, the regions continued to see growth as people moved from the cities to surrounding areas. However, since borders have re-opened, there has been a slowing of growth in rural-provincial areas where growth tends to be influenced by internal rather than international migration. With the borders open, younger people and families have been relocating overseas, and new migrants have tended to 'land' in our biggest cities. This has seen regional growth slow, and growth in our cities begin to increase again².</p>
<p>High Growth Scenario:</p>	<p>Average 2.0% growth per annum to 2054 (75th percentile) Average 2.88% growth per annum (95th percentile)</p> <p>2.0% is based on Sense Partners median-higher growth projections (75th percentile) for 2022-2054.</p> <p>2.9% is based on Sense Partners high growth projections (75th percentile) for 2022-2054.</p>

¹ Sense Partners March 2023 Update – Demographic forecasts for the Wellington region

² Infometrics 31 October 2023 Rising Tide of Net Migration Doesn't Lift All Boats <https://www.infometrics.co.nz/article/2023-10-regional-population-estimates>.

<p>Low Growth Scenario:</p>	<p>Average 0.45% growth per annum to 2054 (5th percentile) Average 0.85% growth per annum to 2054 (25th percentile)</p> <p>0.45% is based on Sense Partners low growth projections(5th percentile)for 2022-2054. 0.85% is based on Sense Partners median-low growth projections (25th percentile) for 2022-2054.</p>
<p>Level of Uncertainty</p>	<p>High Uncertainty</p> <p>Uncertainty is assessed as high as it is still too early to fully ascertain the impacts of COVID-19 border closures and subsequent re-opening on growth. Sense Partners (P7) state <i>“There is considerable uncertainty about what will happen to immigration now that the borders have reopened”</i>.</p> <p>In September 2023 changes to immigration settings were announced including adding roles to the ‘green list’ and increasing seasonal employer caps³. A simplified Skilled Migrant Category Resident Visa process also applies from 9 October 2023⁴. These changes may also influence trends.</p>
<p>Risk</p>	<p>Given the level of uncertainty, there is a high risk that population growth across the district will occur at a rate that is higher or lower than we have assumed.</p>
<p>Financial Implications if we get it wrong:</p>	<p>A higher growth scenario:</p> <p>Masterton has capacity for growth within its key infrastructure and services. Our 2021 Asset Management Plans indicated we could accommodate growth of up to 1.8% per annum over the ten years to 2028 without significant impacts. We will reassess this as we develop the spatial plan scheduled for Year 1 of the 2024-34 LTP.</p> <p>If there was a significant and sustained rise in population beyond 1.8% per annum, that could have adverse effects on our ability to deliver some services to existing service levels – e.g. if demand was higher than the capacity of the service or asset. This could result in reduced levels of service or, worst case scenario, asset failures and/or a need to rapidly and heavily invest in assets to accommodate the growth. This in turn could result in much higher than planned debt or significant increases in rates (or both).</p> <p>If we were to experience higher growth than we have planned for, Council services that could be most affected are:</p> <ul style="list-style-type: none"> • Roading – greater congestion could be experienced on our roads, especially at peak times of the day. There could be a need to expand roads and/or introduce new traffic management controls. • Water Supply – given consent conditions, demand for water can exceed our capacity to supply over hot, dry summer periods. Rapid growth could add to this. To help mitigate water demand Council have introduced water meters, however the water charging

³ <https://www.immigration.govt.nz/about-us/media-centre/news-notifications/changes-to-immigration-settings-announced>

⁴ <https://www.immigration.govt.nz/about-us/media-centre/news-notifications/skilled-migrant-category-to-open-on-9-october-2023#:~:text=From%209%20October%202023%2C%20there,Skilled%20Migrant%20Category%20Resident%20Visa.&text=These%20changes%20will%20see%20a,to%20demonstrate%20their%20skill%20level>

	<p>regime has been deferred. The full effect of water meters will not be seen until the charging regime is introduced. We have purchased land and have provision for water storage reservoirs in Year 2-4 of the 2024-34 LTP.</p> <ul style="list-style-type: none"> • Community Facilities e.g. the Library and Recreation Centre may not have the capacity to meet demand from an increased population. A library expansion, which would take population growth into consideration, has been included in Year 1 and 2 of the 2024-34 LTP. • Community Services e.g. our regulatory functions like Animal and Noise Control could see increased demand as 'nuisance' related requests for service tend to be concentrated in more densely populated areas. <p>A lower growth scenario:</p> <p>If there was significant and sustained decline in population, this would ultimately impact our rating base and may affect our ability to set rates at a level that is affordable for our community. This could result in higher than planned rates increases to maintain infrastructural assets (such as roads, water, and wastewater) and/or assets with greater capacity than required. It could also reduce demand for some services. This could increase the 'cost per use' for those services making them less affordable, whether that is due to increased fees and charges or increased rates to support the cost of service.</p> <p>However, in the short to medium term, lower growth than we have assumed, or even declines in our population, would not necessarily result in a lower number of rating units given the rating base relies on the number of rateable properties versus people. As projections for households indicate fewer people per household, the number of rateable properties is likely to decline at a slower rate than the population. That noted, one of the drivers for more but smaller households is our aging population, and an aged population also means more people on fixed incomes. So while the rating base may not decline as rapidly, those paying the rates may have less capacity to absorb future rate increases.</p>
<p>What are we doing to reduce that risk? (Mitigation)</p>	<p>We need to balance the risk of over-investing to expand infrastructure and services that may not ultimately be required against the alternative risk of not being adequately prepared for growth.</p> <p>Our 2021 Asset Management Plans indicated we could accommodate growth up to 1.8% per annum over the ten years to 2028 within existing infrastructure and services. We will reassess this as we develop the spatial plan scheduled for Year 1 of the 2024-34 LTP.</p> <p>Where growth requires additional infrastructure (e.g. subdivisions), Council can currently require financial contributions for this work. Any costs beyond the level funded by financial contributions could result in additional Council expenditure, which would likely be loan funded.</p> <p>The financial implications for Council should be limited and able to be managed in the short to medium term but may need longer term responses if growth is substantially more or less than assumed.</p>

To help mitigate the risk of over or under investing in infrastructure, Council has included provision for a Spatial Plan in Year 1 of the 2024-34 LTP. This plan will help inform our planning for growth, where that is most likely to occur and what infrastructure will be needed to support that growth. The proposed WCDP also includes increased cost recovery from development.

Council will also continue to closely monitor population change in the District. By monitoring trends we can adjust and respond accordingly if we do need to revise our plans and approach.

Supporting Information

Growth Projections

Sense Partners produce annual updates of population projections for all Councils in the Wellington Region.

Sense Partners 2023 Projections to 2052⁵

Percentile	Population in 2022	Population in 2025	Population in 2032	Population in 2052	Change 2022-2025	Change 2025-2032	Change 2032-2052
5th percentile	28,900	30,100	32,000	33,300	1,200	1,900	1,300
25th percentile	28,900	30,300	33,100	36,700	1,400	2,800	3,600
50th percentile	28,900	30,500	33,900	42,100	1,600	3,400	8,200
75th percentile	28,900	30,600	35,000	47,000	1,700	4,400	12,000
95th percentile	28,900	30,800	36,000	54,000	1,900	5,200	18,000

Sense Partners 2023 Median Projections (50th Percentile) for Masterton

	2021	2030	2040	2050	2054	% Change 2021-2054
Growth	28,403	33,060	37,416	41,546	42,984	+51%
		+16.4%	+31.7%	+46.3%	+51.3%	

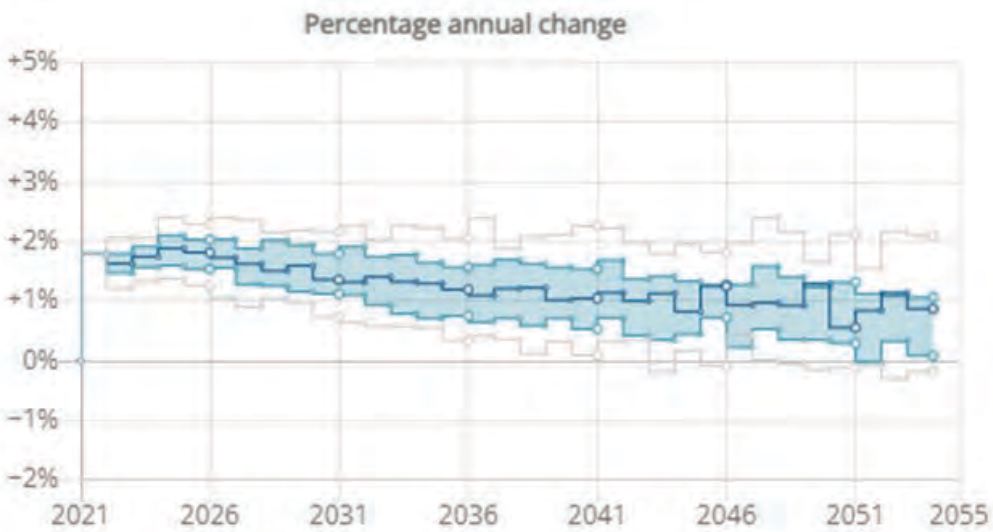
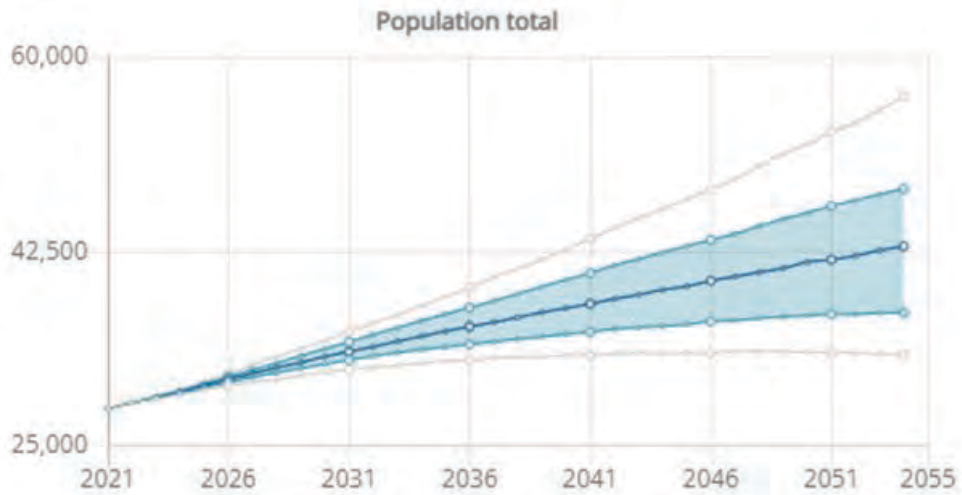
	2021	2024	2027	2030	2033
Annual % Growth	28,403	1.75	1.73	1.59	1.41

Annual average population growth

Area	Historical	Stats NZ medium projections			Sense median projections		
	1998-2018	2018-2028	2028-2038	2038-2048	2018-2028	2028-2038	2038-2048
Horowhenua	0.6%	1.2%	0.5%	0.3%	1.5%	1.0%	0.9%
Kapiti Coast	1.5%	0.7%	0.3%	0.2%	1.2%	1.2%	1.0%
Porirua	0.9%	0.9%	0.5%	0.3%	1.1%	1.0%	0.9%
Upper Hutt	0.9%	1.0%	0.5%	0.3%	1.2%	1.0%	0.8%
Lower Hutt	0.4%	0.7%	0.4%	0.2%	0.9%	1.0%	0.9%
Wellington City	1.2%	0.2%	0.5%	0.4%	0.4%	0.9%	0.8%
Masterton	0.6%	1.5%	0.4%	0.1%	2.0%	1.3%	1.1%
Carterton	1.7%	1.2%	0.5%	0.3%	1.6%	1.3%	1.1%
South Wairarapa	1.0%	1.3%	0.5%	0.2%	1.5%	1.2%	0.9%

⁵ Sense Partners Website - accessed 24/10/23

Tables from Sense Partners website for Masterton District



Components of population change, by district next 10 years (2022-2032)



Components of projected mean population change¹

Area	Horowhenua	Kapiti	Porirua	Upper Hutt	Lower Hutt	Wellington	Masterton	Carterton	Wairarapa	Region	NZ
2022 population	36,952	57,551	61,564	47,689	112,422	212,849	28,910	10,258	11,758	543,001	5,118,207
Net natural change	-0.2%	-0.2%	1.1%	0.5%	0.8%	0.7%	0.2%	0.2%	0.4%	0.6000%	0.5%
Births	1.3%	1.1%	1.7%	1.4%	1.5%	1.2%	1.5%	1.3%	1.4%	1.3%	1.4%
Deaths	-1.5%	-1.3%	-0.6%	-0.9%	-0.7%	-0.5%	-1.3%	-1.1%	-1.0%	-0.7%	-0.8%
Net migration change	1.5%	1.5%	0.0%	0.7%	0.3%	0.1%	1.6%	1.4%	1.0%	0.5000%	0.8%
Net domestic change	1.4%	1.1%	0.0%	0.6%	0.0%	-0.6%	1.4%	1.1%	0.8%	0.0%	0.0%
In-migration	7.2%	6.7%	6.4%	6.2%	5.3%	5.5%	7.9%	8.9%	8.8%	6.0%	0.0%
Out-migration	-5.8%	-5.6%	-6.4%	-5.6%	-5.3%	-6.1%	-6.5%	-7.9%	-8.0%	-6.0%	0.0%
Net international change	0.1%	0.4%	0.0%	0.1%	0.3%	0.7%	0.2%	0.3%	0.2%	0.4%	0.8%
Immigration	1.2%	1.6%	1.7%	1.3%	1.9%	3.7%	1.3%	1.0%	1.4%	2.5%	2.7%
Emigration	-1.1%	-1.2%	-1.7%	-1.2%	-1.6%	-3.0%	-1.1%	-0.8%	-1.1%	-2.0%	-1.9%
2032 population	41,763	65,310	68,287	53,447	124,321	229,368	34,052	11,890	13,450	600,124	5,276,572
10 year change	4,811	7,759	6,723	5,758	11,899	16,519	5,142	1,632	1,692	57,123	658,370
10 year growth	1.2%	1.3%	1.0%	1.1%	1.0%	0.8%	1.7%	1.5%	1.4%	1.0%	1.2%
Prior 10 years growth	1.7%	1.3%	1.4%	1.5%	1.1%	0.8%	1.8%	2.1%	2.0%	1.1%	1.5%
Growth vs Region	1.2	1.3	1.0	1.1	1.0	0.8	1.7	1.5	1.4	1.0	1.2
Growth vs NZ	1.0	1.1	0.8	0.9	0.8	0.7	1.4	1.3	1.2	0.8	1.0

¹ Overall growth at the mean does not align with growth at the median. Means are provided here because they allow for consistent comparisons of the contributions across the components of population change.

12

Sense Partners compared to Statistics New Zealand Forecasts

Projected population growth rates, comparison with Stats NZ projections



Annual average population growth

Area	Historical	Stats NZ medium projections			Sense median projections		
	1998-2018	2018-2028	2028-2038	2038-2048	2018-2028	2028-2038	2038-2048
Horowhenua	0.6%	1.2%	0.5%	0.3%	1.5%	1.0%	0.9%
Kapiti Coast	1.5%	0.7%	0.3%	0.2%	1.2%	1.2%	1.0%
Porirua	0.9%	0.9%	0.5%	0.3%	1.1%	1.0%	0.9%
Upper Hutt	0.9%	1.0%	0.5%	0.3%	1.2%	1.0%	0.8%
Lower Hutt	0.4%	0.7%	0.4%	0.2%	0.9%	1.0%	0.9%
Wellington City	1.2%	0.2%	0.5%	0.4%	0.4%	0.9%	0.8%
Masterton	0.6%	1.5%	0.4%	0.1%	2.0%	1.3%	1.1%
Carterton	1.7%	1.2%	0.5%	0.3%	1.6%	1.3%	1.1%
South Wairarapa	1.0%	1.3%	0.5%	0.2%	1.5%	1.2%	0.9%

- Our projections for population growth are substantially higher than Stats NZ's projections released on 12 December 2022.
- The substantial difference between these two sets of projections is due to differing views on migration. Our median projections include long-run positive net migration rates of similar magnitude to trends observed in the past 10 years pre pandemic. Stats NZ is projecting a substantial decline in net migration.

13

Past Growth Trends

Since 2013, Masterton’s population has increased by approximately 5,000 people, or 20.1%. That equates to average annual growth of around 2.0%.

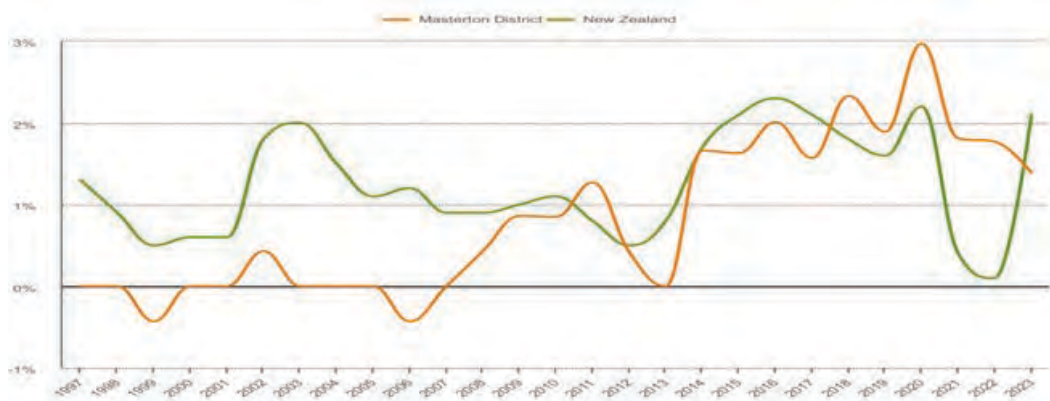
Just over half of that growth (54% of the 5,000 increase) has occurred in the last five years, with Masterton’s population growing by 2,700 since 2018. That equates to an average annual growth rate of 2.18%.

Peak growth over this period occurred in 2020 and 2021 and aligns with trends of New Zealanders returning ‘home’ in response to the COVID-19 pandemic. Growth slowed slightly in 2022 compared to the previous two years, and in 2023 growth is at the lowest rate experienced since 2013. This is likely to be associated with borders re-opening following the closure during the COVID-19 pandemic. Areas that are influenced more by internal than international migration, like Masterton, have seen growth begin to slow since the borders have re-opened. This is influenced by NZ residents heading overseas and new migrants tending to ‘land’ in the cities first⁶.

In the last ten years the lowest annual growth has been 1.4% in 2023 and the highest was 3.0% in 2020.

Past Growth - Infometrics⁶

Year	Population		Change
2023	29,100	+100	+1.4%
2022	29,000	+600	+2.1%
2021	28,400	+700	+2.5%
2020	27,700	+800	+3.0%
2019	26,900	+500	+1.9%
5Y Baseline - 2018	26,400	+600	+2.3%
2017	25,800	+400	+1.6%
2016	25,400	+500	+2.0%
2015	24,900	+400	+1.6%
2014	24,500	+400	+1.7%
2013	24,100		
Growth Over 10Y from 2013:		+5000	+20.1%

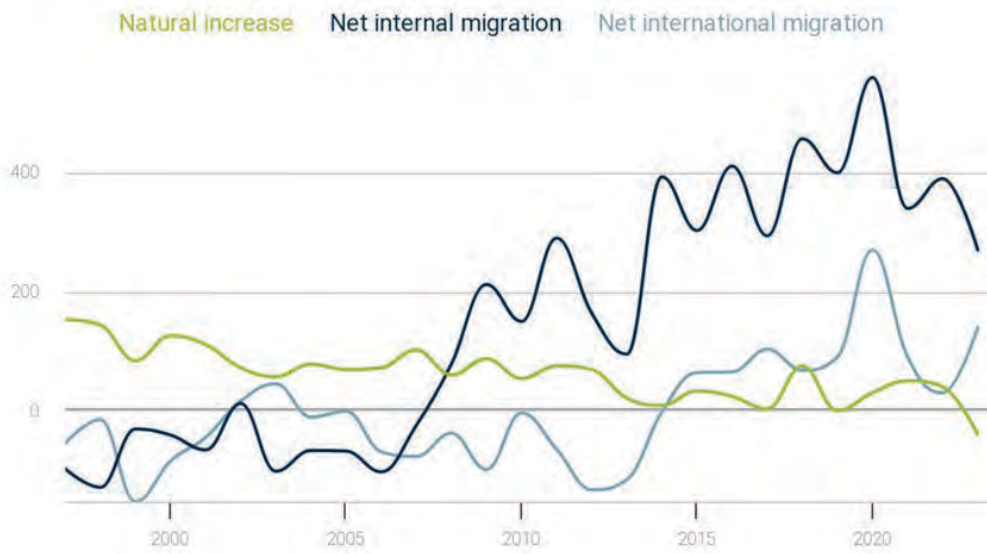


⁶ Infometrics 2023 downloaded from <https://ecoprofile.infometrics.co.nz/Masterton%20District/Population> on 14 November 2023

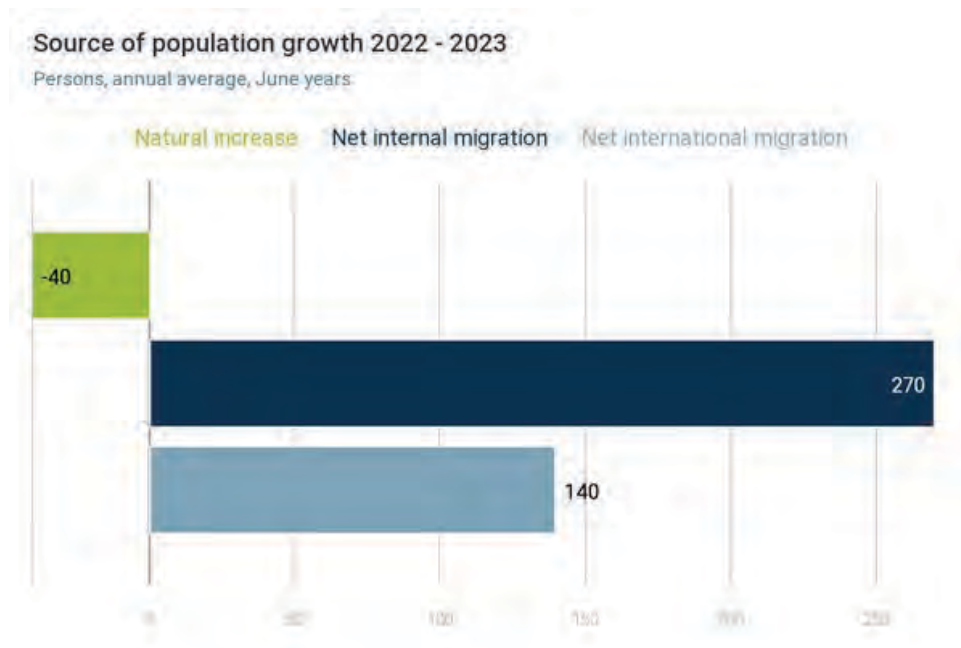
Masterton District's population increased by 370 people in the year to June 2023. This was made up of an internal net migration of 270, an international net migration of 140 and a natural increase of -40⁷.

Source of population growth

Persons, June years



⁷ Infometrics 2023 – accessed 17/11/23



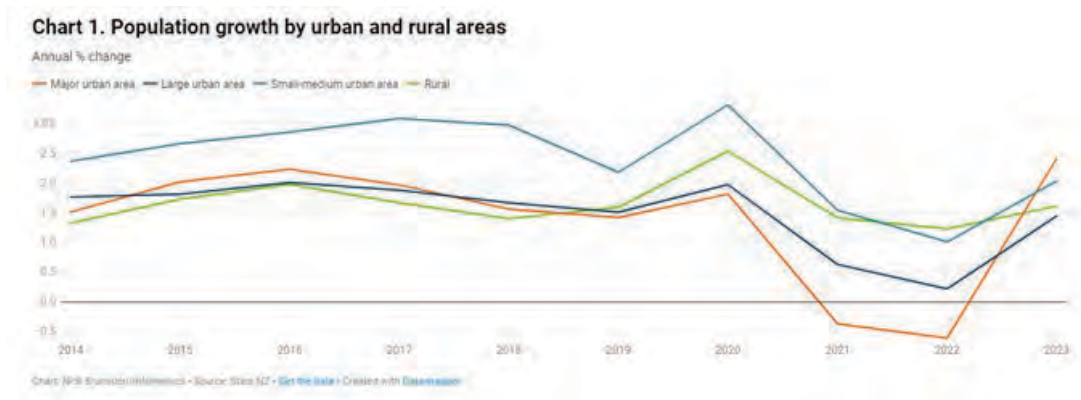
MIGRATION

Migration:

“Large and small-medium urban areas gained from internal migration in 2021 and 2022, as people left the major urban areas, so the return of international net migrants in 2023 represented a modest boost to overall growth. Similarly, rural areas did quite well out of internal migration in 2021 and 2022, so the addition of international migration in 2023 has barely moved the growth rate.”

“Conversely, other areas are more driven by internal migration, and continue to lose New Zealand citizens who are heading off overseas, without gaining enough from the surge in non-citizen arrivals to make up the shortfall. This seems to be most acute in areas that act (at least partly) as a satellite to larger centres, with growth slowing between 2022 and 2023 in Kaipara, Central Hawke’s Bay, Masterton, Carterton and Central Otago.”⁸

⁸ Infometrics 31 October 2023 Rising Tide of Net Migration Doesn’t Lift All Boats
<https://www.infometrics.co.nz/article/2023-10-regional-population-estimates>

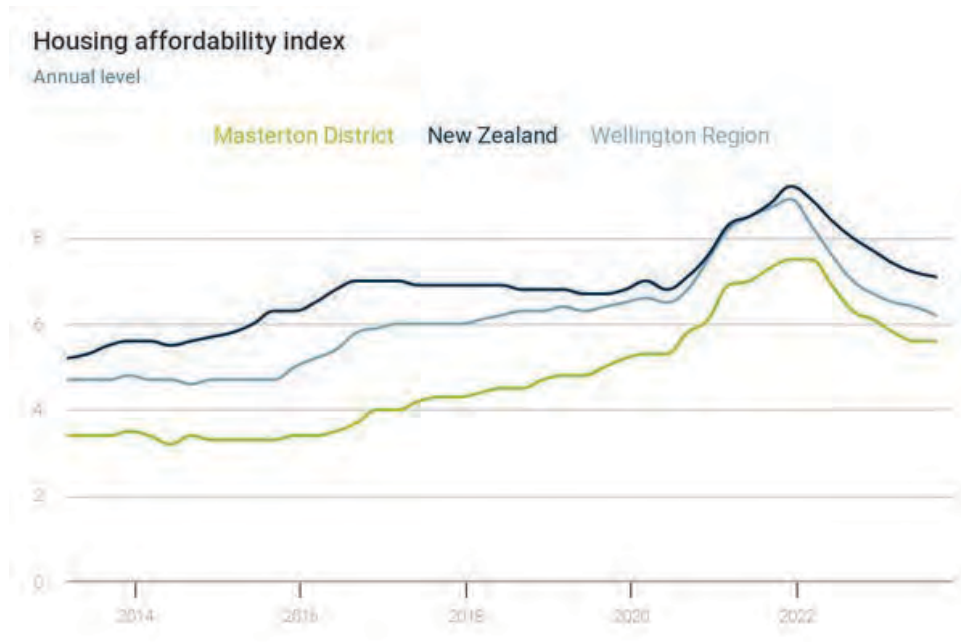
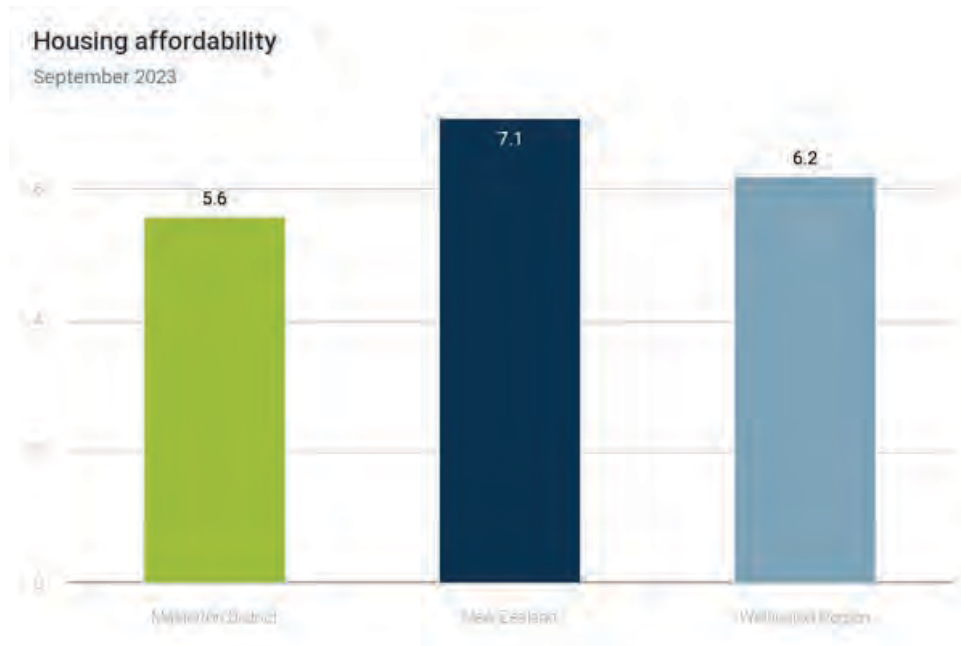


Housing Affordability

Drivers for those relocating within New Zealand include the ability to work remotely and affordable living, especially affordable housing. Housing in Masterton is more affordable than many other parts of the country and compared to the NZ average⁹. This coupled with our proximity to Wellington may make Masterton an attractive option for New Zealanders looking to relocate.

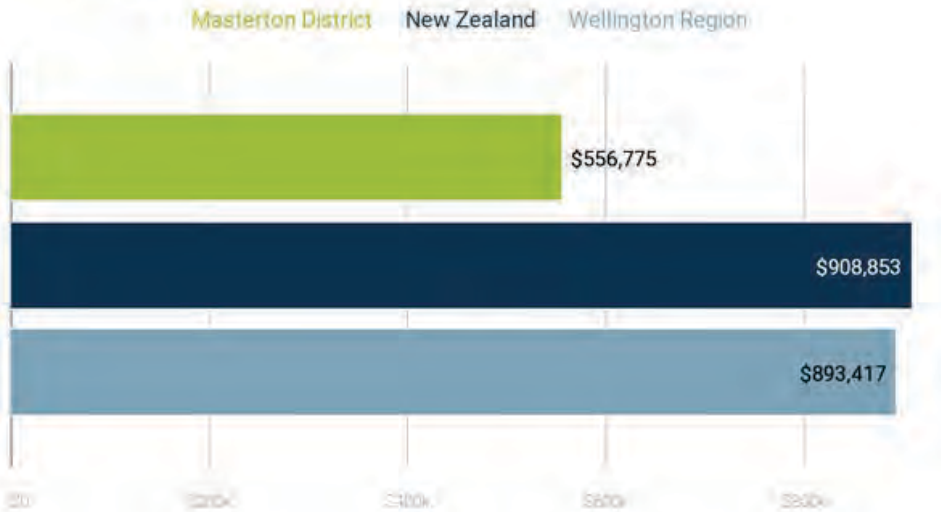
- In September 2023, housing in Masterton District was more affordable than in the Wellington Region and compared to the New Zealand average.
- The Masterton District the average house value was 7.5 times the average household income in 2021, compared to 8.9 times the average household income for New Zealand.
- Since 2005, the house value to income multiple in Masterton District reached a maximum (least affordable) of 7.5 in 2022 and a minimum (most affordable) of 3.3 in 2015.
- In Masterton District, 42.1% of the average household income would be needed to service a 20 year mortgage on the average house value, with a 20% deposit at average 2-year fixed interest rates in 2022. This was lower than in New Zealand (50.0%).

⁹ Infometrics - <https://qem.infometrics.co.nz/masterton-district/affordability/housing?compare=new-zealand> Downloaded 14/11/23



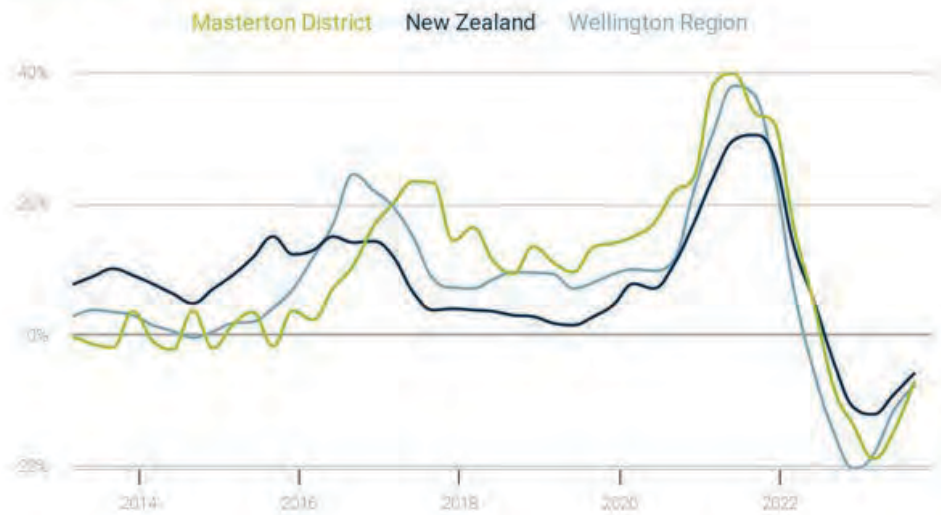
Average current house value

Average house value in September 2023 quarter



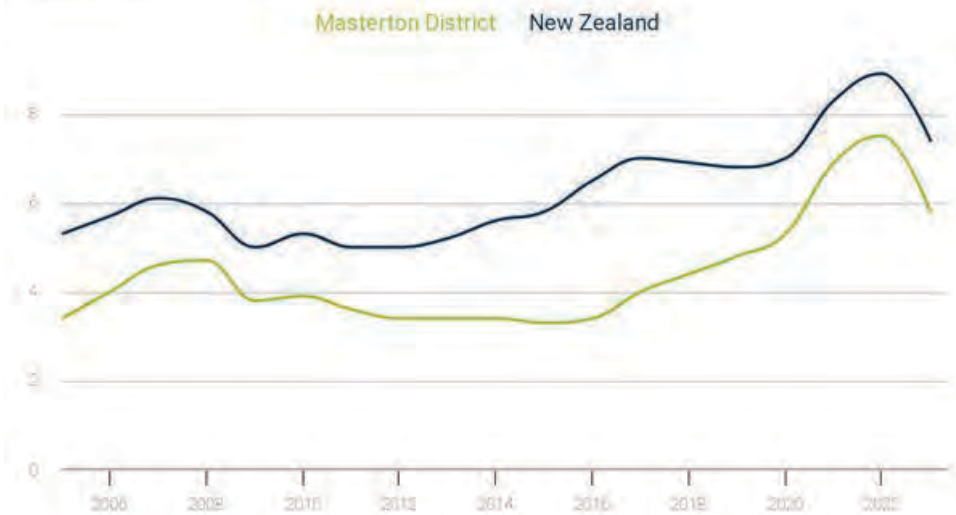
House value growth

Annual % change



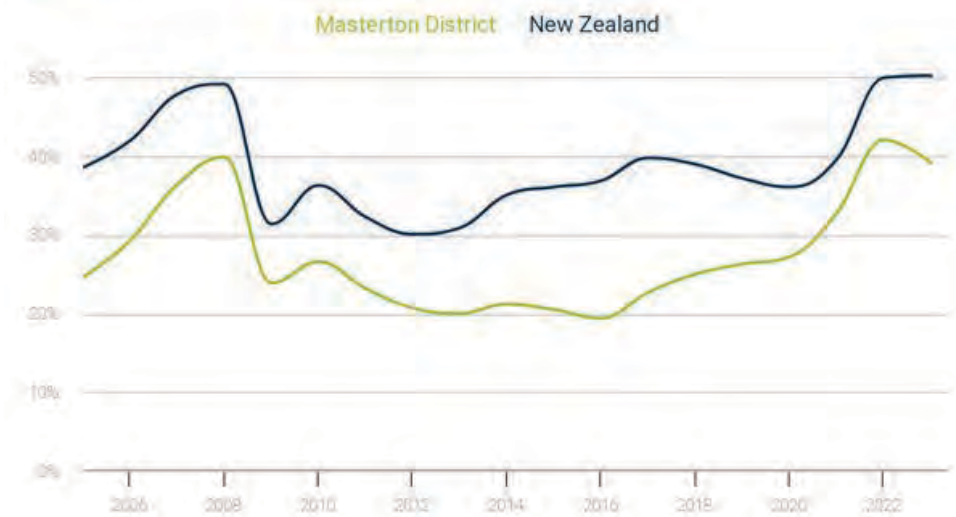
House value to income multiple

March years



Mortgage payment proportion of income

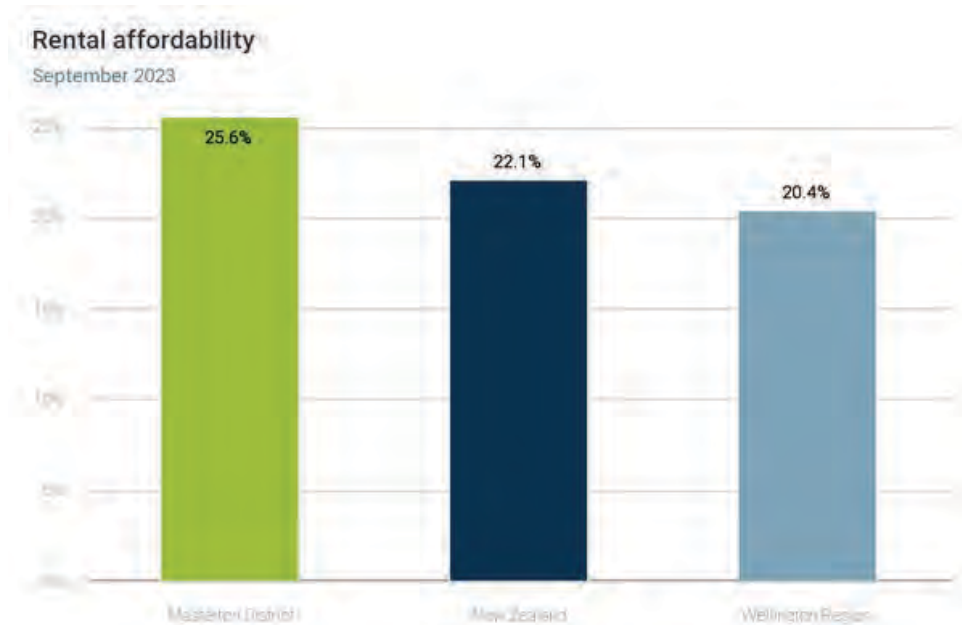
March years



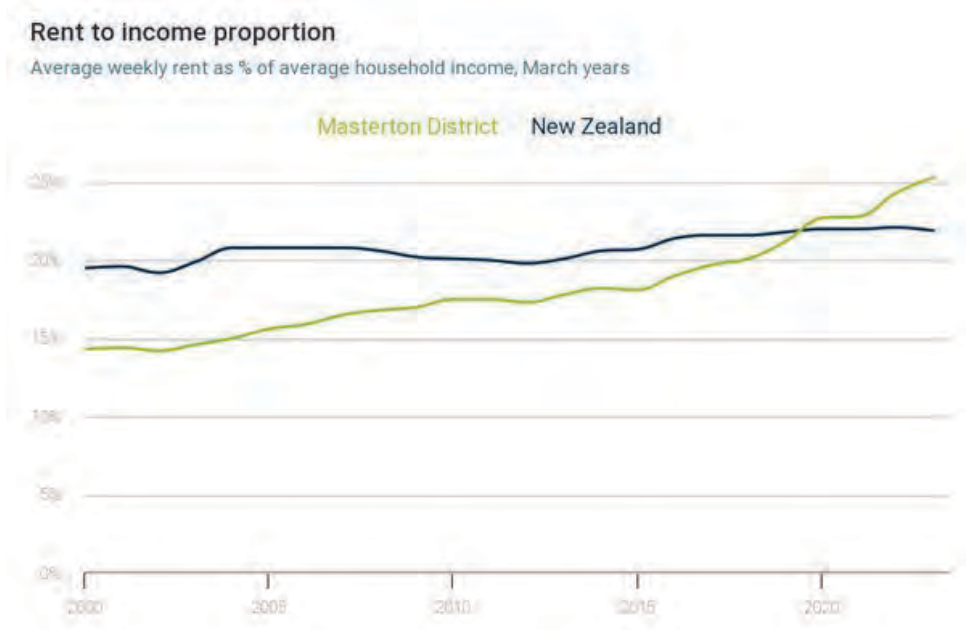
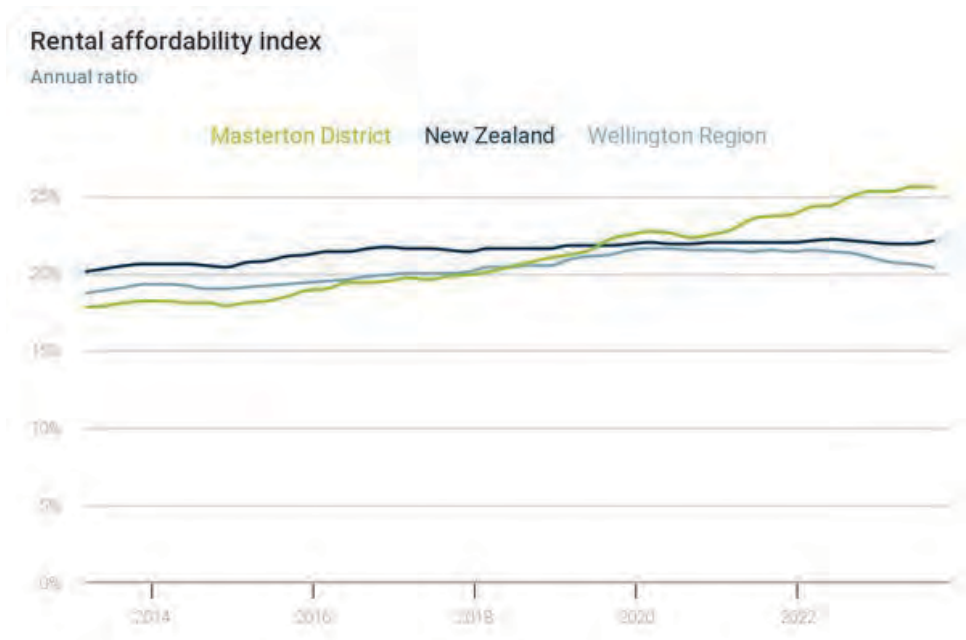
Rental Affordability

In contrast to housing affordability, renting is becoming less affordable in Masterton¹⁰. Latest statistics signal renting in Masterton is more expensive than the NZ average.

- In 2023 in Masterton District the average weekly rent equates to 25.3% of the average household income compared to 21.9% for New Zealand. Since 2000, the rent to income proportion in Masterton District reached a maximum (least affordable) of 25.3% in 2023 and was at a minimum (most affordable) in 2002 (14.2%).
- Since 2000, the rent to income proportion in Masterton District reached a maximum (least affordable) of 25.3% in 2023 and was at a minimum (most affordable) in 2002 (14.2%).
- For the twelve months to September 2023, renting in Masterton District was less affordable than in Wellington Region and compared to New Zealand. While rental affordability deteriorated in Masterton District over this period, rental affordability improved in the Wellington Region and there was no material change in rental affordability for New Zealand.



¹⁰ Infometrics - <https://qem.infometrics.co.nz/masterton-district/affordability/rental?compare=new-zealand> - downloaded 14/11/23

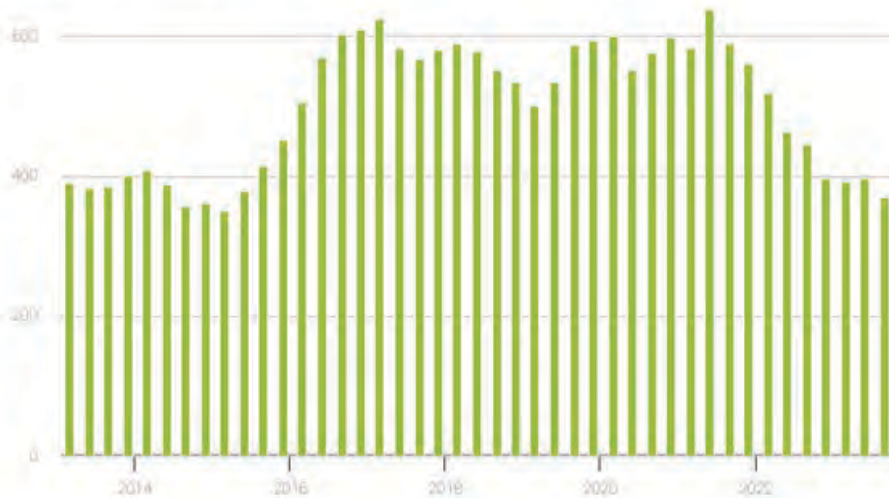


House Sales

While some house sales are people relocating within the district, house sales can also reflect people moving into the area. In the year to September 2023, house sales in Masterton District decreased compared with the previous year and were lower than the 10 year average. This is consistent with the lower population growth in the past 12 months compared to the previous 2-3 years.

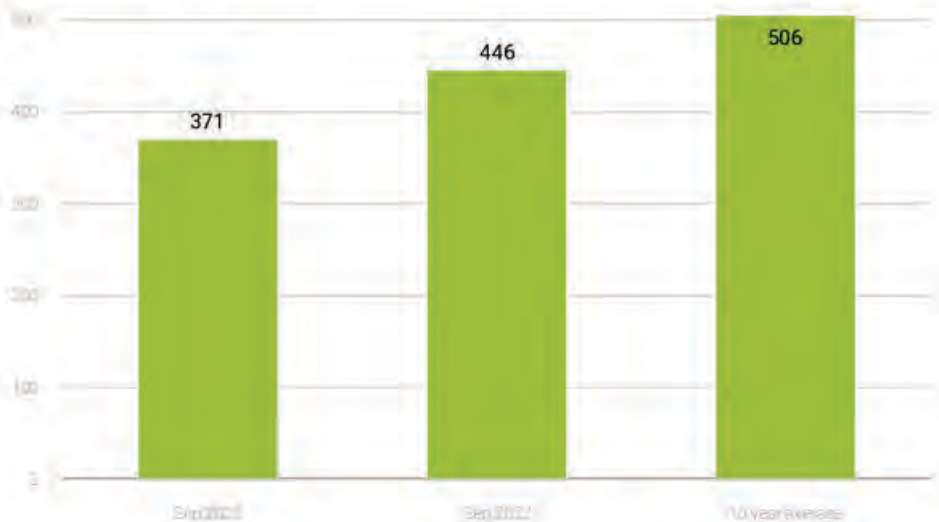
House sales

Annual number, Masterton District



House sales

Annual number, Masterton District



Demographic Change: Population Age Structure

Our Assumption - The Most Likely Scenario:	<p>Our population will continue to age faster than the NZ average.</p> <p>This is consistent with demographic trends and population projections for Masterton. See supporting information.</p>
Best Case Scenario:	<p>The population ages slower than we anticipate.</p> <p>Given Masterton’s close proximity to Wellington, relative affordability and with greater acceptance of remote working, more people of working age and young families could be attracted to or choose to stay in the district. This could slow the ageing of our population, grow our ‘working age population’ and balance affordability concerns by spreading the ‘rates load’. This could also enable Council to more easily invest in projects and initiatives that could make Masterton more attractive in future.</p>
Worst Case Scenario:	<p>The population ages more quickly than we anticipate.</p> <p>If more people of working age, young families and youth than we anticipate are attracted to opportunities in other districts/locations/overseas and choose to leave the district, this could see our younger population decline, accelerating the aging of our population. This could contribute to affordability challenges as the rates impact would need to be shared by those who remained in the district. A higher proportion of people of retirement age would also mean a higher proportion of people on fixed incomes. Affordability concerns could restrict Council from being able to pursue projects/investment in our community and community infrastructure.</p>
Level of Uncertainty	<p>Low-Medium Uncertainty</p> <p>Globally (for western nations) and nationally it is widely accepted that the population is ageing. Masterton, like many other rural provincial towns in New Zealand, is ageing faster than the New Zealand average. Without intervention, this trend is unlikely to change. That noted, Masterton could become more attractive to younger people/families given its relative affordability, proximity to Wellington and as remote working becomes easier and more acceptable.</p>
Risk	<p>There is a low risk that our population will age differently to what we expect - this could be ageing faster or slower than anticipated.</p>
Implications if we get it wrong:	<p>A faster ageing scenario:</p> <p>If the population ages more quickly than we anticipate, this could result in a higher proportion of people on fixed incomes and increased affordability challenges for our community.</p> <p>A slower ageing scenario:</p> <p>If the population ages more slowly than we have assumed, this could assist in mitigating affordability concerns for the community.</p>
What are we doing to reduce that risk? (Mitigation)	<p>We will continue to closely monitor population change in the district to understand trends and ensure we respond appropriately.</p>

We are currently working to ensure we balance demand at both ends of the demographic pyramid, providing services and opportunities that engage and contribute to the wellbeing of both our younger and our more mature populations.

The three Wairarapa Councils have a Wairarapa Positive Ageing Strategy and Wairarapa Rangatahi Development Strategy. These strategies aim to improve outcomes for, and the wellbeing of, these demographics. By implementing these strategies, we will be better placed to attract and maintain younger people/families, whilst also supporting active aging (whether that is through involvement in social and cultural activities, volunteering or physical activity).

From a financial perspective, those aged 65+ are more likely to have fixed incomes and rate increases can 'hit harder' in these circumstances. With a larger proportion of people on fixed incomes in our community, rates affordability is a consideration for Council and could impact Council's ability to pursue some opportunities.

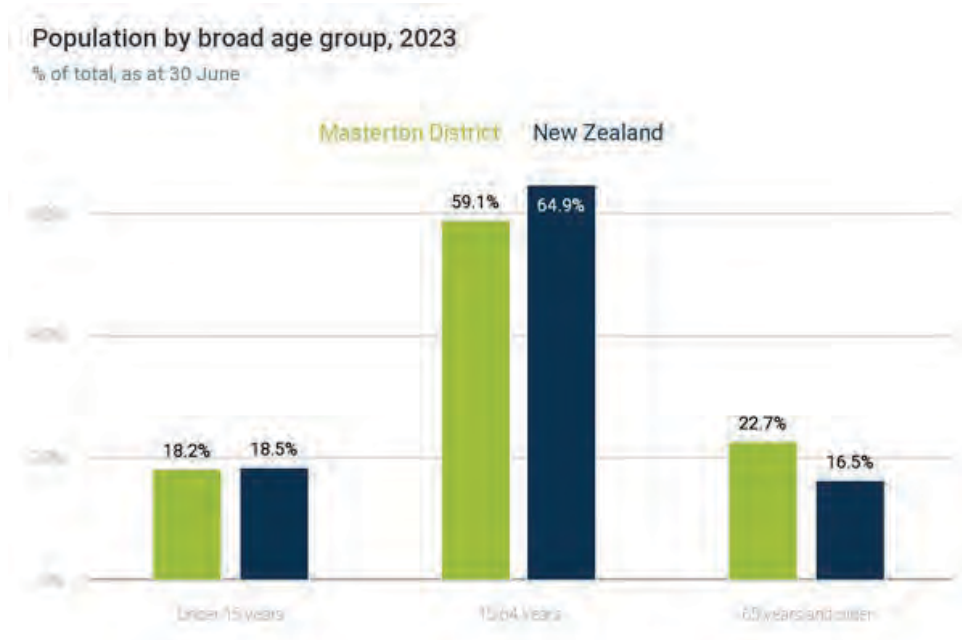
To mitigate this, we have, and will continue to seek external funding for projects where opportunities exist; and will continue to explore future partnership opportunities with local Iwi and funders like Trust House and Trust Lands Trust.

Supporting Information

“The age composition of an area’s population has implications for the demand for services and facilities, as well as decisions regarding changes to property rates. For example, as a population ages, the demand for certain types of service and new facilities, for example schools, will decrease. Meanwhile, as a greater proportion of population retires from work, sources of incomes change and there is likely to be an increase in demand for leisure and care-based facilities.”¹¹

Current Population Age Composition¹²

- The proportion of people 65 years and older was 22.7% in Masterton District. This proportion was higher than in New Zealand (16.5%).
- Overall, the dependency ratio was 69.2% in Masterton District. This proportion was higher than in New Zealand (54.0%).

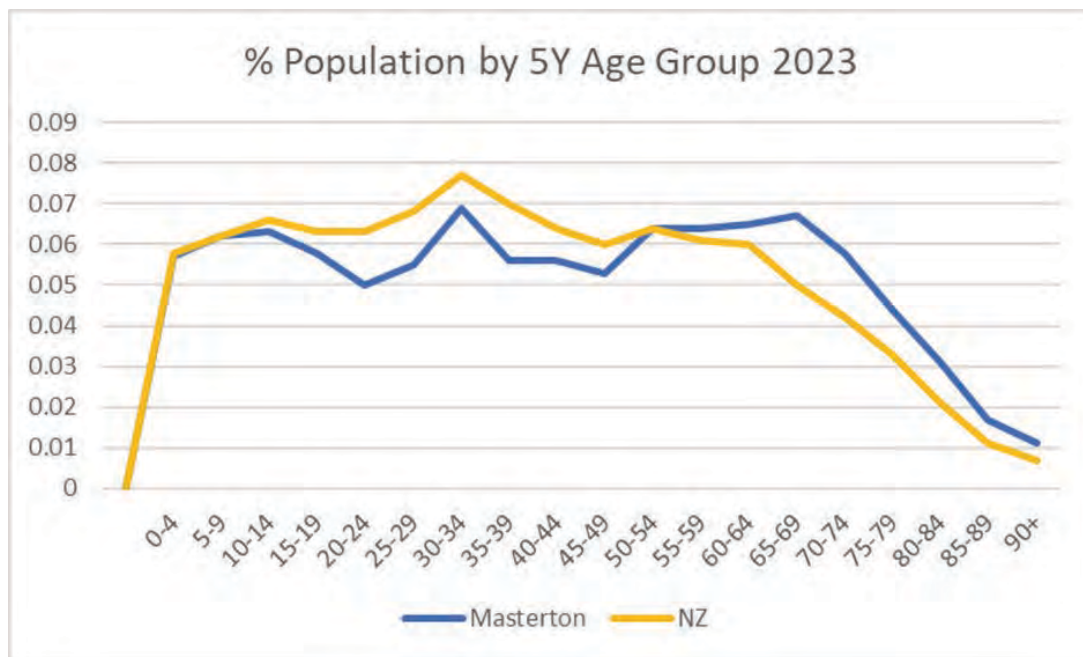


¹¹ Infometrics 2023 – downloaded from <https://ecoprofile.infometrics.co.nz/Masterton%20District/Population/AgeComposition> on 16/11/23

¹² Infometrics 2023 – accessed 17/11/23

Population by 5-year age group, 2023

% of total, as at 30 June



Population Projections

In April 2021 Sense Partners¹³ stated that for the Wellington region:

- Rates of population growth are highest at ages 50 and over – a continuation of a long term trend.
- The share of the population aged over 70 is expected to rise from 10% to 15% over the next 30 years.
- Fastest rates of growth are in the 80 and over (80+) age group.
- The lowest rates of population growth are for people in their 20s – a consequence of the projected decline in immigration relative to recent highs.
- This implies there will be substantially fewer young workers and tertiary students as a share of the population.

The following table shows the Sense Partners 2023 forecast growth in age groups for Masterton district¹⁴



Statistics NZ¹⁵ project the population of all Territorial Authorities to age in the future; and by 2048 all 67 territorial authorities are projected to have fewer children under 15 years of age, primarily related to lower fertility rates.

For Masterton, Statistics NZ¹⁶ forecast the median age to increase from 42.2 years in 2023 to 47.7 years in 2048.

Projected population age structure and components of change 1996–2048 (2018-base) update, medium projection											
Auckland bd	Year	Population ⁽¹⁾ by age group (years), at 30 June					Components of population change, five years ended 30 June				Median age ⁽¹⁾ (years) at 30 June
		0–14	15–39	40–64	65+	Total	Births ⁽³⁾	Deaths ⁽⁴⁾	Natural increase ⁽⁵⁾	Net migration ⁽⁶⁾	
Masterton district	1996	5,800	7,700	8,600	3,200	23,200	34.8
	2001	5,400	8,900	7,300	3,500	23,100	1,700	1,100	600	-700	37.9
	2006	4,900	8,600	7,800	3,800	23,000	1,400	1,100	300	-400	40.4
	2013	4,800	8,400	8,200	4,600	24,100	1,500	1,200	300	400	42.5
	2018	5,000	7,400	8,500	5,500	26,400	1,500	1,300	200	2,200	42.9
	2023	5,400	8,700	8,900	6,800	29,700	1,700	1,400	300	3,000	42.2
	2028	5,600	8,600	8,800	7,500	30,600	1,700	1,600	100	800	43.0
	2033	5,600	8,100	9,300	8,200	31,300	1,600	1,800	-100	800	44.1
	2038	5,400	8,000	9,500	8,700	31,700	1,500	1,900	-400	800	45.8
	2043	5,200	8,200	9,700	8,800	31,900	1,500	2,100	-600	800	47.0
2048	5,100	8,300	9,800	8,900	32,100	1,500	2,200	-800	800	47.7	

Dependency Ratio

13 Sense Partners 2021 Demographic and dwelling forecasts for Wellington region - <https://demographics.sensepartners.nz/report-files/Demographic%20forecasts%20for%20the%20Wellington%20Region%20-%202021.pdf>

14 Sense Partners 2023 - <https://demographics.sensepartners.nz/age-structure>

15 Statistics NZ 2022 - <https://www.stats.govt.nz/information-releases/subnational-population-projections-2018base2048-update/> accessed 23/11/23

16 Statistics NZ - https://nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE8616&_ga=2.2032181.544228278.1700701356-1998042352.1700701356# accessed 23/11/23

The dependency ratio¹⁷ is the number of people aged under 15 and over 65 as a ratio of the rest of the population.

- The dependency ratio for Masterton is 69.2% in 2023, compared to 69% in 2019 and 61.4% in 2009.
- For NZ this is 54%, compared to 54.1% in 2019 and 50.8% in 2009.

The dependency ratio for Masterton is increasing, reflecting the aging population.

¹⁷ Infometrics 2023 – accessed 16/11/23

Demographic Change: Population Diversity

Our Assumption - The Most Likely Scenario:	<p>Our population will continue to become more diverse, and in particular our Māori population will continue to grow.</p> <p>This is consistent with demographic trends and population projections for Masterton. See supporting information.</p>
A More Diverse Scenario:	<p>The diversity of our population occurs more quickly than we anticipate.</p> <p>Our community could benefit from opportunities that greater diversity present, provided we continue to take action to grow a more equitable and inclusive community now.</p>
A Less Diverse Scenario:	<p>The diversity of our population occurs at a slower rate than we anticipate.</p> <p>Planning for greater diversity and for meeting the needs of a more diverse community will make Masterton a better and more inclusive place, even if change happens slower than we anticipate or not at all. The more responsive and inclusive we can be, the stronger our community will become.</p>
Level of Uncertainty	<p>Low Uncertainty</p> <p>Nationally it is accepted that the population is becoming more diverse. Our Māori population is younger and growing faster than other ethnicities. We have also seen more 'new' New Zealanders. Masterton is also a refugee resettlement location.</p>
Risk	<p>Given the level of uncertainty, there is a low risk that our population will be less diverse than what we anticipate, however planning for a more diverse, welcoming and inclusive community, can only benefit Masterton and its existing residents. The greater risk is doing nothing, especially given we know there is inequity between different ethnicities within our community now.</p>
Financial Implications if we get it wrong:	<p>A less inclusive community is more likely to see a break down in the 'social fabric' and potential negative implications as a result, such as growing inequality which is linked to a range of negative outcomes from poor health and education outcomes, to increased crime and violence.</p> <p>While these implications may appear to be more social than financial, there are financial flow on effects. For example, lower levels of education and/or poor health may impact an individual's ability to find work. A community with higher numbers of people in low skill, low paying jobs will have greater affordability concerns, which could limit opportunities for the community as a whole. A community where everyone thrives, and diversity is celebrated, will be stronger and more resilient.</p> <p>It will also be a more attractive place to live. Attracting 'new New Zealanders' and New Zealanders returning from overseas and/or living in other parts of New Zealand now, could contribute to population growth, buffer the effect of our aging population, result in new businesses/ economic growth and ultimately help to spread the rates load.</p>
What are we doing to reduce that risk? (Mitigation)	<p>We will continue to closely monitor population change in the district to understand trends and respond appropriately.</p> <p>Aspirations for our district, identified as priorities in our Wellbeing Strategy, <i>He Hiringa Tangata He Hiringa Whenua</i>, include:</p>

- Strengthening relationships with iwi
- Increasing opportunities for meaningful partnerships and collaboration with iwi
- Equitable access to opportunities
- Being a community where people want to live
- Having engaged communities that actively participate in our community

Implementing the Strategy will help to create a more inclusive community.

For Māori, as tangata whenua, it is particularly important that we respect and celebrate diversity (both as an organisation and as a community) and work towards greater equity and inclusiveness.

A standard item on every Council decision report is consideration of how the decision may impact Māori. We are currently developing a framework to support better engagement and consultation with Māori, which will assist in growing our capacity to better meet the needs of our Māori communities.

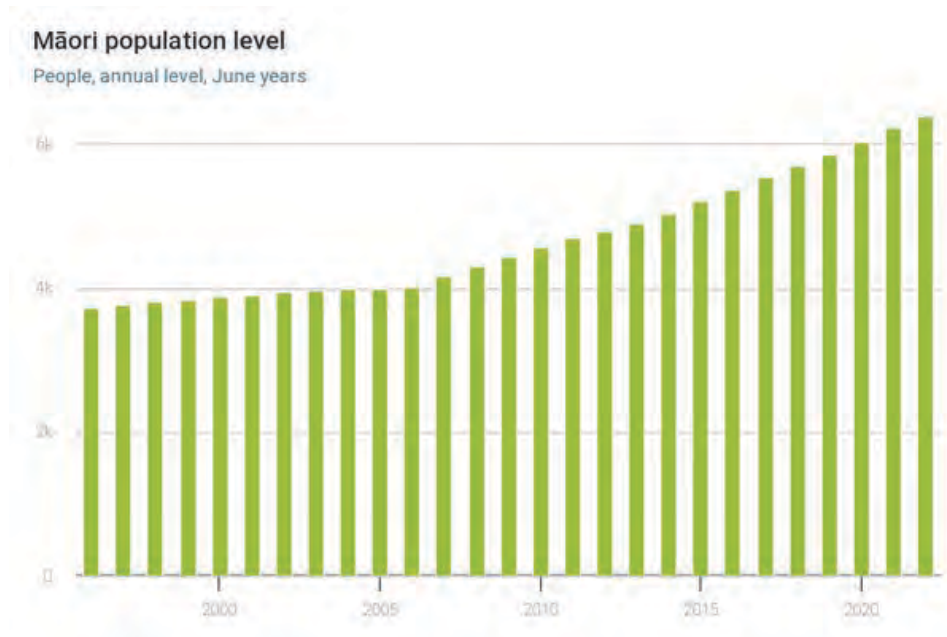
We are also working to improve the cultural appropriateness of services (e.g. offering te reo Māori based programmes in our Library; bilingual signage; reflecting Māori culture and design in 'our place'; and correcting past errors such as correcting the spelling of Mākoura Road).

We are also welcoming new residents. Masterton is a refugee resettlement location and is also part of the 'Welcoming Communities Programme', an initiative to support improved social inclusion outcomes for recent migrants.

Supporting Information

Māori Population Growth (2022)¹⁸

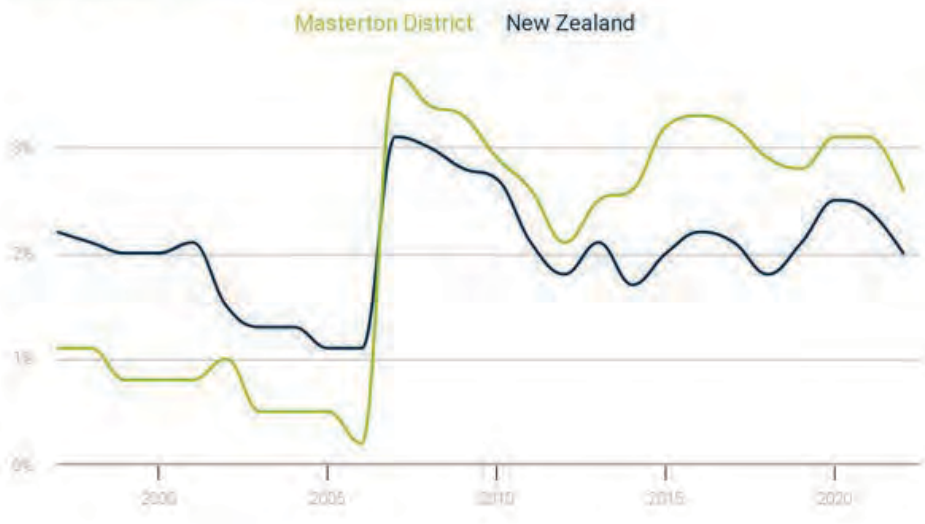
- Masterton District's total Māori population was 6,390 in 2022, up 2.6% from a year earlier. Total Māori population grew by 2.0% in New Zealand over the same period.
- Māori population growth in Masterton District averaged 2.9%pa over the 5 years to 2022 compared with a Māori population growth of 2.2%pa in New Zealand.
- Since 1996, Māori population growth in Masterton District reached a high of 3.7%pa in 2007 and a low of 0.2%pa in 2006.



¹⁸ Infometrics 2023 – accessed 17/11/23

Population growth for Māori

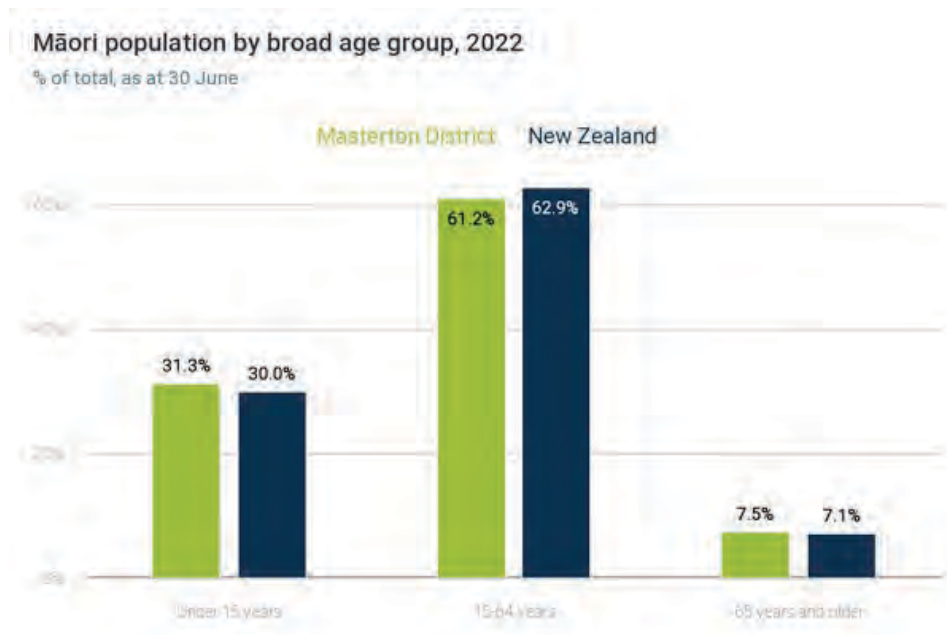
Annual % change, June years



Māori population by 5-year age group, 2022

% of total, as at 30 June



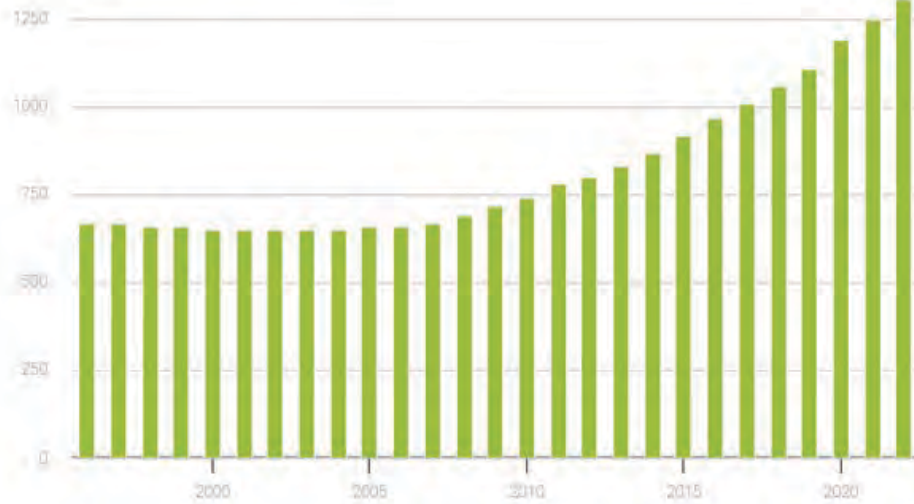


*Pacific Peoples Population Growth (2022)*¹⁸

- Masterton District's total Pacific Peoples population was 1,310 in 2022, up 4.8% from a year earlier. Total Pacific Peoples population grew by 2.2% in New Zealand over the same period.
- Pacific Peoples population growth in Masterton District averaged 5.3%pa over the 5 years to 2022 compared with Pacific Peoples population growth of 3.0% pa in New Zealand.
- Since 1996, Pacific Peoples population growth in Masterton District reached a high of 7.2%pa in 2020 and a low of -1.5%pa in 2000.

Pacific Peoples population level

People, annual level, June years

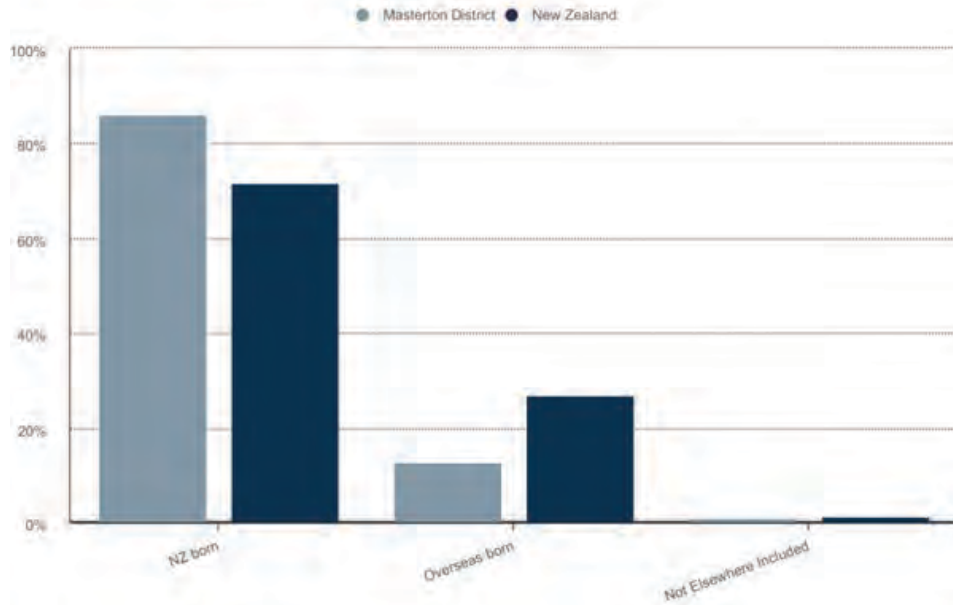


Population growth for Pacific Peoples

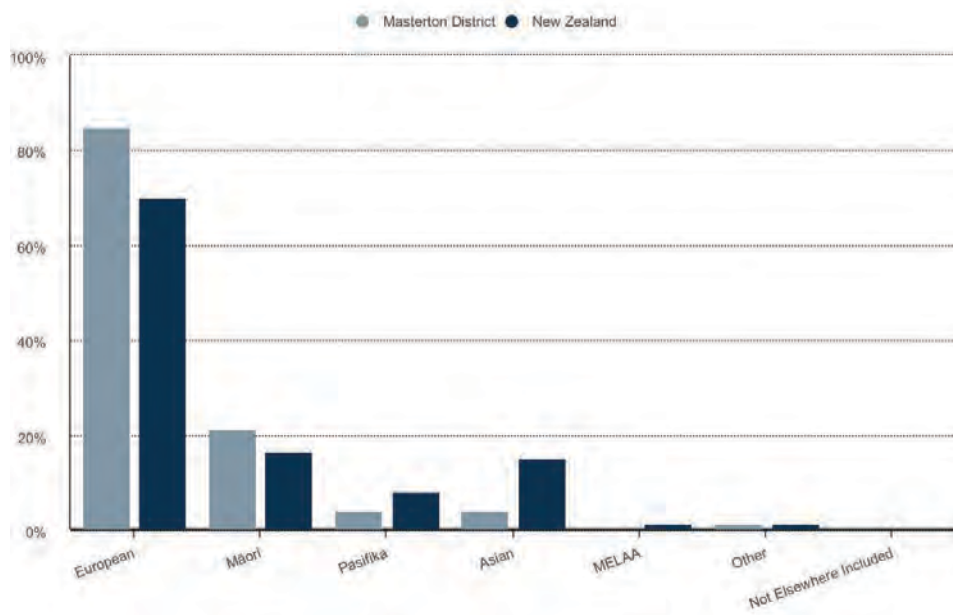
Annual % change, June years



Population Diversity 2018¹⁸



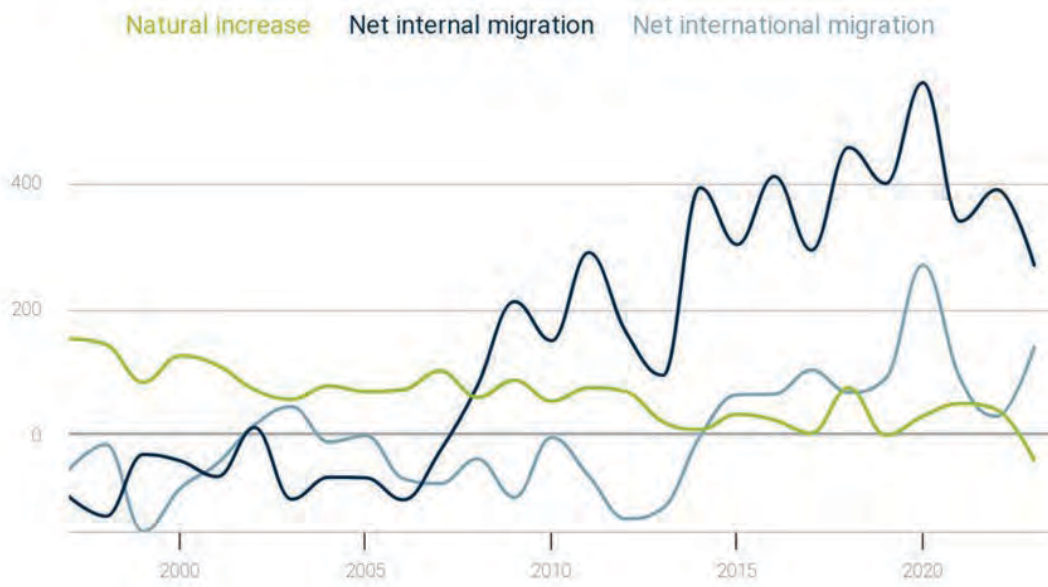
Population by Birthplace 2018¹⁰



Migration

Source of population growth

Persons, June years



Household Growth

<p>Our Assumption - The Most Likely Scenario:</p>	<p>Average 1.6% growth per annum to 2054 (50th percentile) with higher growth of approximately 1.95% expected in Y1-10, and lower average growth in later years.</p> <p>This is based on Sense Partners growth projections (50th percentile).</p> <p>Sense Partners projections (2023) forecast growth of 6,550 between 2022-2054, from an estimated 12,352 households in 2022 to 18,902 households in 2054. This equates to an increase of 53% over the 32 year period, or average growth of 1.66%. From a 2023 baseline, growth is forecast to increase from 12,605 to 18,902, an increase of 6,297 (49.96% or an average of 1.61% per annum).</p> <p>For the 10 years of this LTP (2024-34), the number of households is expected to grow by 2,501 from an estimated 12,863 households in 2024 to 15,364 in 2034. This equates to growth of 19.44% for the 10 year period, or average growth of 1.94%.</p> <p>The 50th percentile is considered the most likely scenario based on current data and most recent trends, noting a high level of uncertainty surrounding migration and in the current economic environment.</p> <p>Household growth is higher than population growth as households are also projected to get smaller with fewer people living in each house.</p>
<p>High Growth Scenario:</p>	<p>Average 2.2% growth per annum to 2054 (75th percentile) Average 3.1% growth per annum (95th percentile)</p> <p>2.2% is based on Sense Partners median-higher growth projections (75th percentile) for 2022-2054.</p> <p>3.1% is based on Sense Partners high growth projections (95th percentile) for 2022-2054.</p>
<p>Low Growth Scenario:</p>	<p>Average 0.6% growth per annum to 2054 (5th percentile) Average 1.1% growth per annum (25th percentile)</p> <p>0.6% is based on Sense Partners low growth projections (5th percentile) for 2022-2054.</p> <p>1.1% is based on Sense Partners low-median growth projections (25th percentile) for 2022-2054.</p>
<p>Level of Uncertainty</p>	<p>High Uncertainty</p> <p>Housing growth forecasts include some reliance on population growth and economic forecasts. There is always some uncertainty, and at the current time, with economic conditions and uncertainty surrounding migration, this is amplified.</p>
<p>Risk</p>	<p>Given the level of uncertainty, there is a moderate-high risk that household growth will be higher or lower than we have forecast.</p>
<p>Implications of Risk:</p>	<p>A higher growth scenario:</p> <p>Masterton has capacity for growth within its key infrastructure and services. Our 2021 Asset Management Plans indicated we could accommodate housing growth up to 1.8% per annum over the ten years from 2021-31 without significant impacts. We will reassess this as we develop the spatial plan scheduled for Year 1 of the 2024-34 LTP.</p>

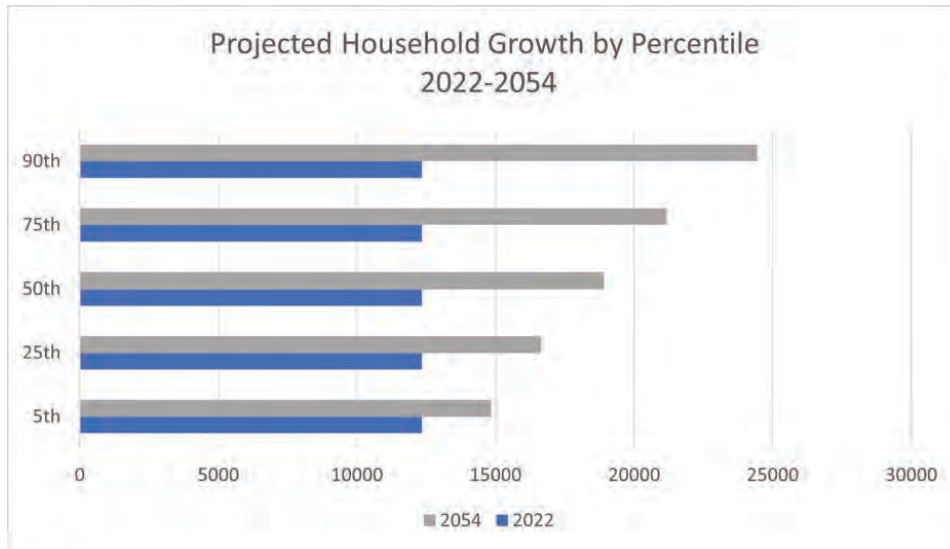
	<p>If there was a significant and sustained rise in population beyond 1.8% per annum, that could have adverse effects on our ability to deliver some services to existing service levels – e.g. if demand was higher than the capacity of the service or asset. This could result in reduced levels of service or, worst case scenario, asset failures and/or a need to rapidly and heavily invest in assets to accommodate the growth. This in turn could result in much higher than planned debt or significant increases in rates (or both).</p> <p>If we were to experience higher household growth than we have planned for, Council services that could be most affected are:</p> <ul style="list-style-type: none"> • Water Supply – given consent conditions, demand for water can exceed our capacity to supply over hot, dry summer periods. Rapid growth could add to this. To help mitigate water demand Council are introducing water meters. We also have provision for a water storage reservoir at Kaituna in the 2024-34 LTP. • Community Services e.g. our regulatory functions like Planning and Building Control could see increased demand for consent processing and inspections. <p>A lower growth scenario: If there was significantly less growth than anticipated, this would ultimately impact our rating base and may affect our ability to set rates at a level that is affordable for our community. This could result in higher than planned rates increases to maintain infrastructural assets (such as roads, water, and wastewater) and/or assets with greater capacity than required.</p>
<p>What are we doing to reduce that risk? (Mitigation)</p>	<p>We need to balance the risk of over-investing to expand infrastructure for housing development if that is not going to be required against the alternative risk of not being adequately prepared for, and able to manage, growth.</p> <p>Where growth requires additional infrastructure (e.g. subdivisions), Council can currently require financial contributions for this work. Costs over this amount could result in additional Council expenditure, which would likely be loan funded.</p> <p>Council will continue to closely monitor population growth, economic conditions, and resource and building consents being processed in the district. By monitoring trends we can adjust and respond accordingly if we do need to revise our plans and approach.</p>

Supporting Information

Growth Projections

Sense Partners Median Forecasting to 2054¹⁹

At the 50th Percentile, Sense Partners forecast growth of 6,550 households by 2054, from 12,352 in 2022 to 18,902 in 2054. This equates to a 53% increase in households, or an average of 1.66% growth per annum.



Year	percentile	total	TOTAL GROWTH		
			Growth	% Growth	%Growth PA
2022	percentile_5th	12352			
2054	percentile_5th	14833	2481	20.09	0.63
2022	percentile_25th	12352			
2054	percentile_25th	16644	4292	34.75	1.09
2022	percentile_50th	12352			
2054	percentile_50th	18902	6550	53.03	1.66
2022	percentile_75th	12352			
2054	percentile_75th	21158	8806	71.29	2.23
2022	percentile_95th	12352			
2054	percentile_95th	24454	12102	97.98	3.06

¹⁹ Sense Partners Website - accessed 25/10/23

Year	percentile	one_parent	two_parent	multi_family	couple	multi_person	alone	total	TOTAL GROWTH		
									Growth	% Growth	% Growth PA
2022	percentile_5th	1443	2756	291	3763	377	3722	12352			
2054	percentile_5th	1473	2684	324	4729	383	5340	14833	2481	20.09	0.63
2022	percentile_25th	1443	2756	291	3763	377	3722	12352			
2054	percentile_25th	1704	3163	368	5234	439	5736	16644	4292	34.75	1.09
2022	percentile_50th	1443	2756	291	3763	377	3722	12352			
2054	percentile_50th	2014	3809	425	5838	519	6297	18902	6550	53.03	1.66
2022	percentile_75th	1443	2756	291	3763	377	3722	12352			
2054	percentile_75th	2325	4450	482	6447	590	6864	21158	8806	71.29	2.23
2022	percentile_95th	1443	2756	291	3763	377	3722	12352			
2054	percentile_95th	2791	5445	565	7289	702	7662	24454	12102	97.98	3.06

Past Growth Trends

Annual growth in the rating base since 2016 is included below:

The number of rateable properties is included in the Annual Report each year, noting this figure is broader than just residential properties. Between 30 June 2016 and 30 June 2023, the number of rateable properties increased from 12,220 to 13,411 an increase of 9.75%, which equates to average annual growth of 1.39%.

Year Ending:	Rateable Units	Growth
30 June 2016	12,220	
30 June 2017	12,325	+105
30 June 2018	12,373	+48
30 June 2019	12,500	+127
30 June 2020	12,702	+202
30 June 2021	13,007	+305
30 June 2022	13,179	+172
30 June 2023	13,411	+232

Over the past three years (2021-2023), growth in the rating base has averaged 1.63% overall, and 1.72% in the urban area. There has been an upward trend over the 3 years with a peak in 2023 of 1.84% overall growth and 2.2% growth in the urban area.

During the year ended:				Predicted ²⁰
Masterton District	30 Jun 21	30 Jun 22	30 Jun 23	30 Jun 24 (predicted)
Growth in Rating Base	1.16%	1.79%	2.05%	1.4% (In June 2024 was confirmed at 1.85%.)
Growth in Rateable Properties	1.42%	1.63%	1.84%	1.20%
During the year ended:				
Masterton - Urban	30-Jun-21	30-Jun-22	30-Jun-23	
Growth in Rating Base	1.16%	1.98%	2.48%	
Growth in Rateable Properties	1.40%	1.56%	2.21%	
During the year ended:				
Masterton - Rural	30-Jun-21	30-Jun-22	30-Jun-23	
Growth in Rating Base	1.19%	1.22%	0.74%	
Growth in Rateable Properties	1.90%	1.50%	0.90%	

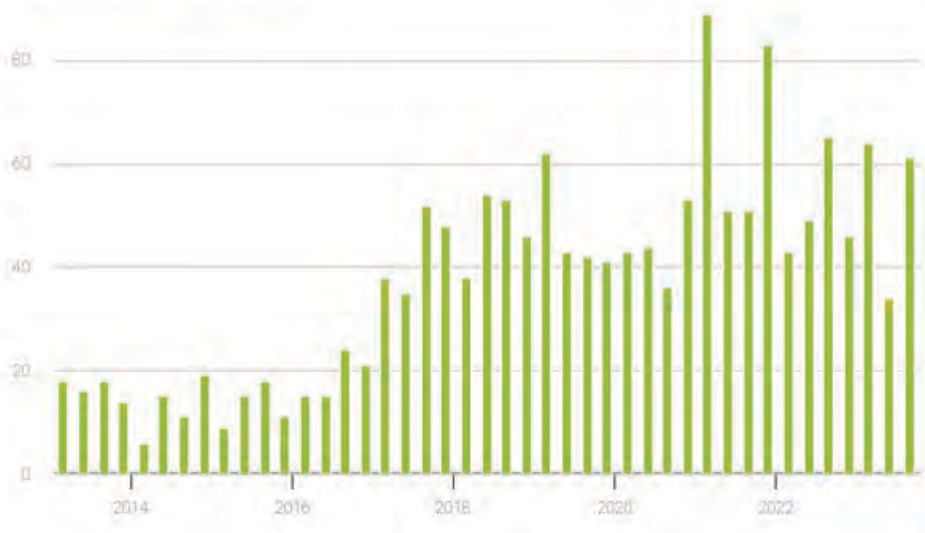


Building Consents

²⁰ Provided by Finance Manager 17/11/23

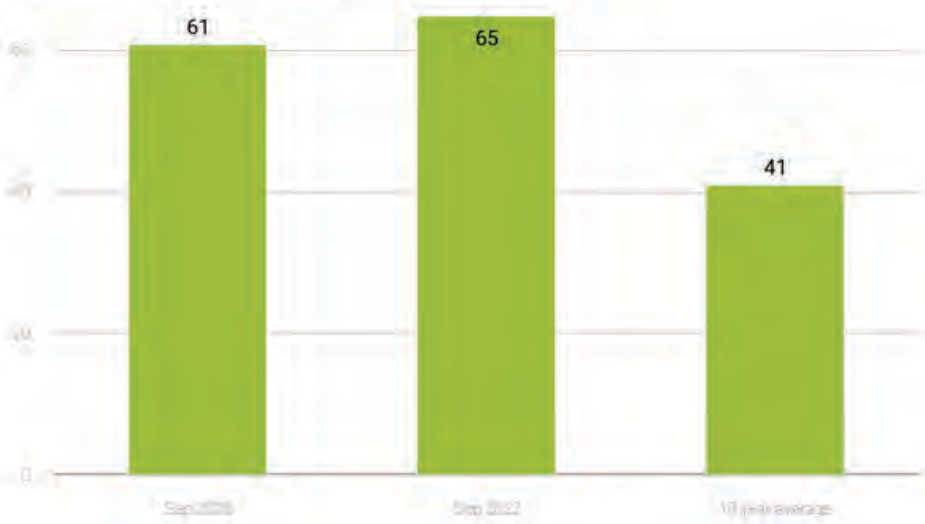
Residential consents

Quarterly number, Masterton District



Number of new dwelling consents

Quarterly number, Masterton District



The Economy

<p>Our Assumption - The Most Likely Scenario:</p>	<p>Economic Slowdown Continues</p> <p>“Although the Masterton economy grew at a moderate pace of 2.3% p.a. over the year to September 2023 according to provisional estimates from Infometrics growth has slowed considerably in recent quarters, growing by just 0.5% in the September quarter. The period of strong growth experienced by Masterton during the pandemic and post-pandemic period has ended. The economy is facing strong headwinds and most indicators we monitor have deteriorated”.²¹</p> <p>We have based our planning on the assumption that our economy will continue to slow in the short to medium term.</p> <p>The BERL Cost adjusters 2023 final update, released in October, reflects this picture. At that time, the Reserve Bank of New Zealand (RBNZ) indicated that interest rates would remain elevated for some time given inflation is still far from being within the target range of one to three percent. Any growth over the next few quarters is expected to be small and will largely be driven by high migration and spending by the government on the rebuild from the flooding in the upper North Island.</p>
<p>Best Case Scenario:</p>	<p>Our Economy Grows/Recovers Faster</p> <p>Masterton’s location near Wellington, and relative affordability of housing, has attracted new residents - and has the potential to continue to do so. These factors have the potential to positively impact our economy.</p>
<p>Worst Case Scenario:</p>	<p>Our Economy Contracts/Recovers Slower</p> <p>Inflationary pressures continue to linger, increasing the cost of living which is impacting people right across the community. The impact of high interest rates is beginning to be felt more keenly as households roll off previously low interest rates.</p> <p>As the economy contracts, it is expected that unemployment will increase. The Government’s commitment to reduce the size of the public service may also have a noticeable impact on the community, as many of our resident’s commute to Wellington for work.</p> <p>These factors have the potential to negatively impact our economy.</p>
<p>Level of Uncertainty</p>	<p>High Uncertainty</p> <p>“The global outlook is highly uncertain and will depend on the effectiveness of central banks’ monetary policy tightening and the absence of further negative shocks”.²²</p>
<p>Risk</p>	<p>Given the level of uncertainty, there is a high risk that our economic situation will vary from what we have assumed.</p>

²¹ Infometrics Quarterly Economic Monitor - <https://qem.infometrics.co.nz/masterton-district> Accessed 23/11/23

²² Budget Policy Statement 2023 - <https://www.budget.govt.nz/budget/2023/bps/economic-fiscal-forecasts.htm#:~:text=GDP%20is%20expected%20to%20decline,to%20which%20we%20compare%20ourselves>

<p>Implications of Risk:</p>	<p>A growth scenario:</p> <p>If our economy grows more than we have assumed, that would be a positive outcome reducing stress on our community and improving affordability. A growth economy could attract business and jobs creating more opportunities for our community.</p> <p>Under an unexpected growth scenario risks for Council include:</p> <ul style="list-style-type: none"> • Infrastructure Strain: Unexpected economic growth may place a strain on infrastructure including utilities, public services, and transport. Infrastructure issues can hinder productivity and negatively impact quality of life. • Skills Gap and Workforce Shortages: Unexpected economic growth can lead to workforce shortages and a mismatch between skills and workforce needs. • Environmental Impacts: Rapid or unexpected growth can strain natural resources and lead to increased pollution and environmental degradation if sustainability measures are not in place or robust. • Social Inequality: Unplanned growth can exacerbate income inequality and social disparities, particularly if growth is not felt evenly across the community. <p>A contracting scenario:</p> <p>If the economy continues to contract, this will increase the stress in our community and amplify affordability considerations for Council. If high levels of inflation (or other economic shocks) continue to impact the community in the short to medium term, options such as reducing levels of service or deferring projects may need to be considered.</p> <p>Under a contracting scenario risks for Council include:</p> <ul style="list-style-type: none"> • Reduced consumer and business confidence: A deep contraction could erode business and consumer confidence. • Financial Instability: Deeper contractions can strain financial systems, with more people likely to struggle to repay debt and meet other payment obligations. • Social Unrest and Inequality: Economic contractions can exacerbate social tensions and inequalities. Deeper downturns can widen income disparities and result in social unrest or political instability if certain segments of the population feel disproportionately affected or marginalised.
<p>What are we doing to reduce that risk? (Mitigation)</p>	<p>We will continue to closely monitor economic change in the district to understand trends and respond appropriately.</p> <p>The three Wairarapa Councils are committed to working together, where possible, to develop and implement plans and strategies.</p> <p>It is important to note that the effects of high inflation and rising interest rates have not been evenly distributed in our community. Some industries and individuals have been impacted more than others. Ensuring that those who have been affected most are also considered is an important part of our planning.</p> <p>We are also working to balance affordability for our community now against investment in projects that could stimulate jobs and investment that is required for the future. If we don't invest now, we may not be adequately prepared for, and able to manage, future challenges such as climate change, water resilience and affordability issues.</p>

Supporting Information:

Economic Projections

BERL

BERL Cost adjusters 2023 final update²³

The BERL Cost adjusters 2023 final update (October 2023) reported the following:

GDP

Looking ahead to the rest of 2023, BERL anticipates minimal GDP growth with possible contractions. BERL project a modest 1.2% increase for June 2024 and a 1.1% rise for June 2025. The Reserve Bank of New Zealand (RBNZ) expects sluggish GDP growth until early 2024, mentioning declining spending growth in their latest statement.

BERL note that cyclone and flood recovery efforts in the upper North Island will stimulate economic activity over the next quarters, but the impact will be gradual. Net migration will bolster the economy overall, yet per capita performance might not mirror this growth. New migrants will drive demand for housing, rentals, and services while expanding the labour force for increased production.

However, declining demand coupled with high interest rates is dampening all sectors of the economy. Retail sales, housing demand, and business activity are decreasing. Low export prices and weak economic conditions in key trade partners, especially China, will further reduce demand for our exports.

Labour Market

The RBNZ foresees the unemployment rate climbing to 4.4% by year-end and peaking at 5.5% in 2025. BERL's projection indicates a peak of five percent in June 2025, followed by a gradual decline. This decrease will stem from heightened labour supply due to migration, coupled with reduced demand from organizations amid declining economic activity.

Infometrics

Infometrics Quarterly Economic Monitor (September 2023)²⁴ reported the following:

Masterton's economy, which grew by 2.3% annually up to September 2023, has seen a significant slowdown lately, marking just a 0.5% growth in the last quarter. The strong growth experienced during and after the pandemic has ceased, as the economy faces substantial challenges, evident in deteriorating indicators.

Consumer spending in Masterton grew by only 1.6% annually, significantly trailing the inflation rate of 5.6%. This indicates a notable decrease in household consumption compared to the previous year.

Population growth in Masterton slowed to 1.4% annually up to June 2023, dropping below the national growth rate for the first time since 2017. The economy's slowdown is impacting the labour market, with employment growth declining to 1.9% annually, well below the national average of 3%. Jobseeker Support recipients have increased, hitting 936 in the September 2023 quarter, up from a post-COVID low in June 2022.

Despite a drop in house values to an average of \$557,000 in September 2023 from a peak of nearly \$700,000 in March 2022, residential consents remain relatively steady. However, non-residential consents have sharply decreased to around 65% of the 10-year average level in the year to September 2023.

At the national level for the September 2023 quarter Infometrics reported:

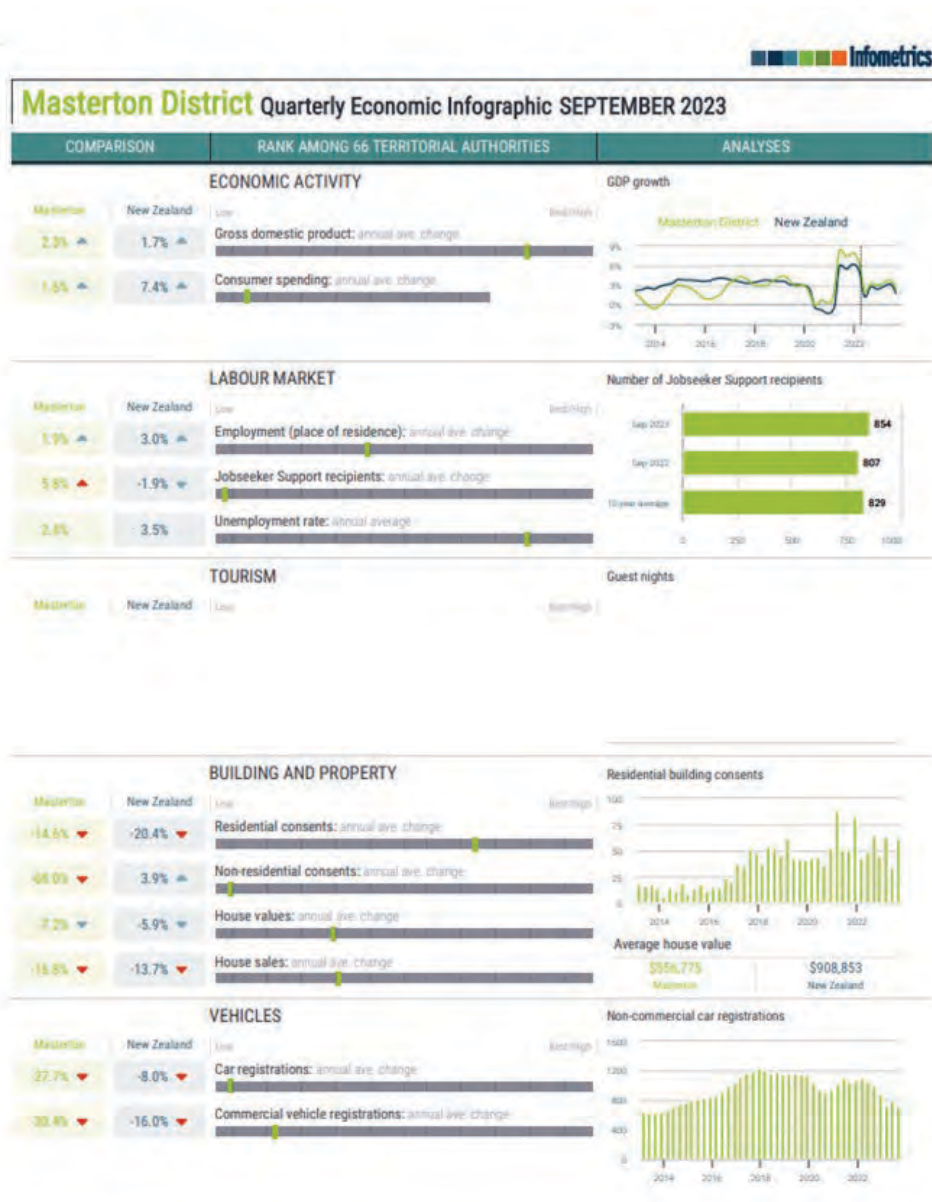
²³ BERL Cost adjusters 2023 final update <https://www.solgm.co.nz/assets/Uploads/Cost-adjusters-2023-final-update.pdf>

²⁴ Infometrics Quarterly Economic Monitor September 2023 - accessed 17/11/23

New Zealand's economy expanded in the September 2023 quarter, but its pace slowed due to various economic pressures. Despite sustained job and population growth contributing to this expansion, high inflation and increased interest rates have tempered the economy's strength.

Infometrics' estimates suggest a 0.5% activity increase in the September quarter, resulting in 1.7% annual average growth. However, despite higher spending in dollar terms, it's restrained by excessive inflation, affecting spending as interest rates climb. Job growth remains strong, supported by migration boosting demand.

Yet, challenges persist, including declining construction plans, pressure on the primary sector, rising unemployment, and fewer job advertisements. These factors are expected to dampen economic momentum, indicating a more subdued economic outlook ahead.



Other Economic Projections

Budget Policy Statement 2023²⁵

"The Reserve Bank's efforts to reduce demand and return inflation to its target range mean that many households will face increasing mortgage rates in the coming months, with an associated decline in consumer spending and investment. The Treasury forecasts that wages are set to rise faster than inflation every year across the forecast period, providing further support for households."

"The significant tightening of monetary policy is coming at a time when global growth in 2023 is likely to be the lowest since the early 1990s, outside of the COVID-19 pandemic and Global Financial Crisis. The global outlook is highly uncertain and will depend on the effectiveness of central banks' monetary policy tightening and the absence of further negative shocks."

Table 3 - Summary of the Treasury's Half Year Update economic forecasts

Year ending 30 June	2022	2023	2024	2025	2026	2027
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Real GDP growth (annual average % change)	1.0	3.5	-0.3	2.1	3.3	3.0
Real GDP per capita (annual average % change)	0.7	3.2	-1.0	1.1	2.2	1.8
Unemployment rate (June quarter)	3.3	3.8	5.5	5.2	4.6	4.3
Consumers Price Index (annual % change)	7.3	6.4	3.5	2.5	2.0	2.0
Wage growth (annual % change)	6.4	6.8	6.1	4.7	4.0	3.8
Current account (annual, % of GDP)	-7.8	-7.6	-5.6	-4.8	-4.6	-4.6

Pre-election Economic and Fiscal Update 2023²⁶

"New Zealand's economic slowdown is unfolding broadly in line with the Budget Economic and Fiscal Update 2023 (Budget Update). High interest rates are driving a sustained period of soft economic growth that is necessary to reduce inflationary pressure."

"The Pre-election Economic and Fiscal Update 2023 (Pre-election Update) shows a similar economic outlook to the Budget Update, but with slightly higher activity reflecting stronger migration-led population growth. Persistent domestic inflation suggests that interest rates will remain high for some time yet to contain inflation. The resulting period of soft activity growth then continues to drive further slowing in the labour market, with the unemployment rate forecast to peak at 5.4% in early 2025."

"Slow economic growth is forecast to continue over the next eighteen months as high inflation necessitates high interest rates. Domestic inflationary pressure has remained persistent, and with ongoing domestic demand pressure, interest rates are expected to remain at their current level over the next year in order to reduce

²⁵ Budget Policy Statement 2023 - <https://www.budget.govt.nz/budget/2023/bps/economic-fiscal-forecasts.htm#:~:text=GDP%20is%20expected%20to%20decline,to%20which%20we%20compare%20ourselves>

²⁶ Pre-election Economic and Fiscal Update 2023 - <https://www.treasury.govt.nz/publications/efu/pre-election-economic-and-fiscal-update-2023>

inflation. High interest rates are expected to constrain economic growth to a quarterly average of 0.4% over the next year, and the unemployment rate is expected to rise to 5.4% while wage growth eases from a relatively high 6.9% in June 2023 to 3.7% in June 2027.”

“Households and businesses are expected to remain under pressure. Subdued house price growth and easing labour market conditions will dampen households’ wealth and incomes, constraining growth in household consumption. For businesses, rising costs and subdued domestic demand will weigh on investment, offset partially by the North Island weather event rebuild. Meanwhile, the outlook for real government consumption, a measure of goods and services provided by the government, remains much flatter than has been previously experienced.”

“The export sector also faces headwinds. The global growth outlook remains subdued as interest rates remain high in many countries to counter inflation. This in turn weighs on export demand and prices, contributing to a slower narrowing of the current account deficit, which returns to 4.3% of GDP in December 2026, close to the historic average.”

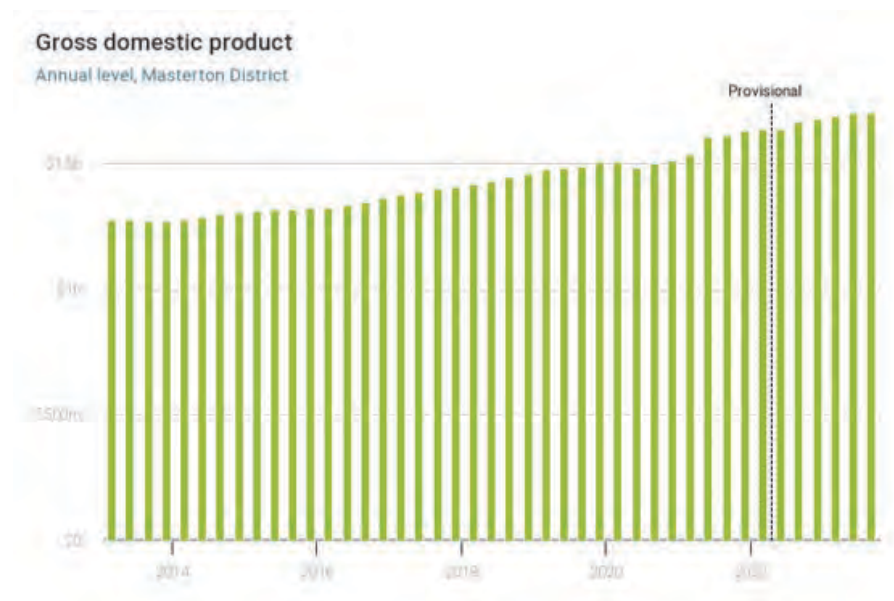
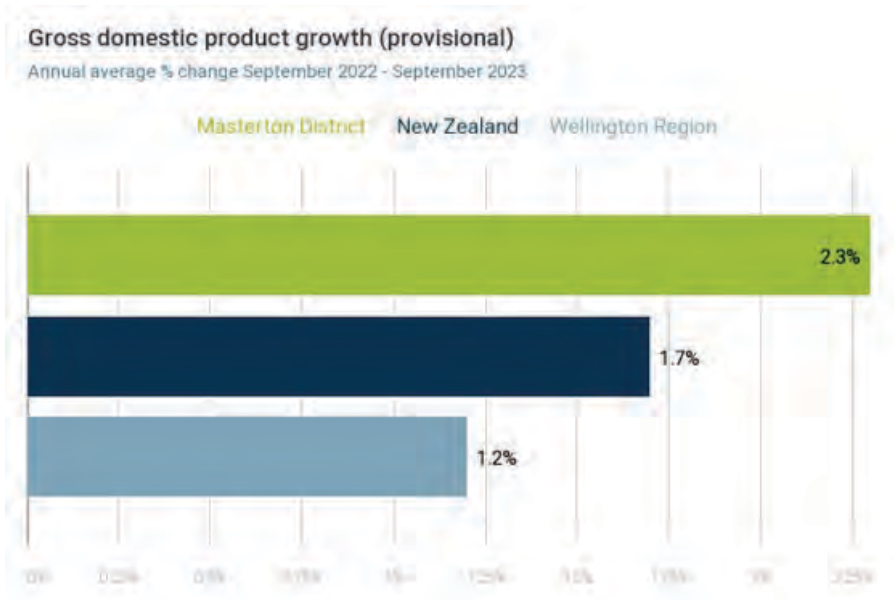
ANZ Research²⁷

The battle between economic tailwinds and headwinds continues to play out. A turning housing market, surging net migration, and expansionary fiscal policy are landing some hefty blows against contractionary monetary conditions, softer global demand, and heightened geopolitical tensions and global market volatility. There are clear winners and losers in the resulting patchy outlook. Overall business sentiment is well off the floor, but remains generally low. Until the RBNZ has CPI inflation back in the bag, it’s hard to see economic conditions turning ‘rosy’ any time soon.

²⁷ ANZ Quarterly Economic Outlook: Ups and Downs November 2023

Economic Indicators

Economic indicators for the September 2023 quarter²⁸ showed:

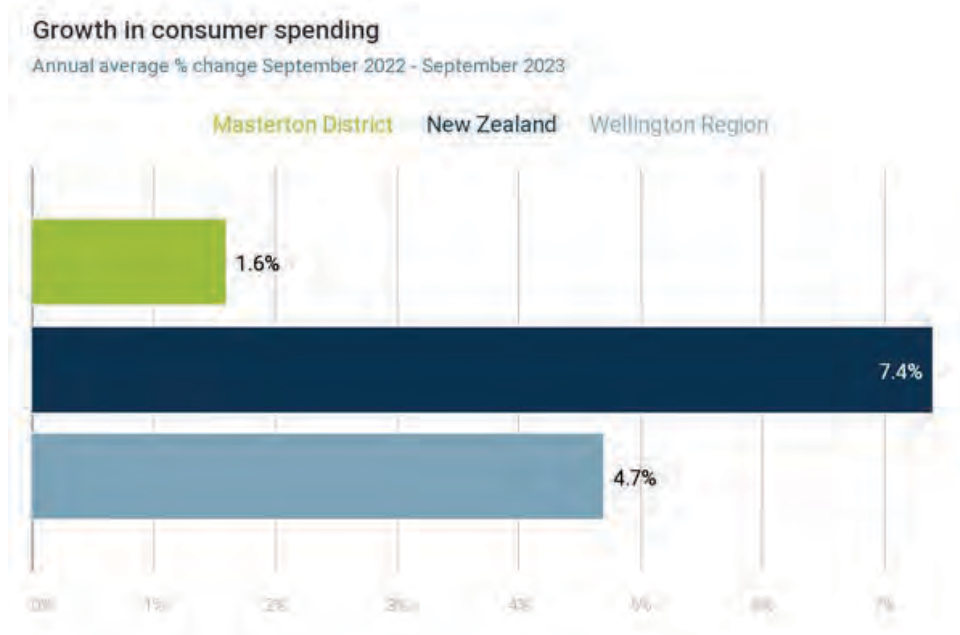


²⁸ Infometrics Quarterly Economic Monitor September 2023 – accessed 17/11/23



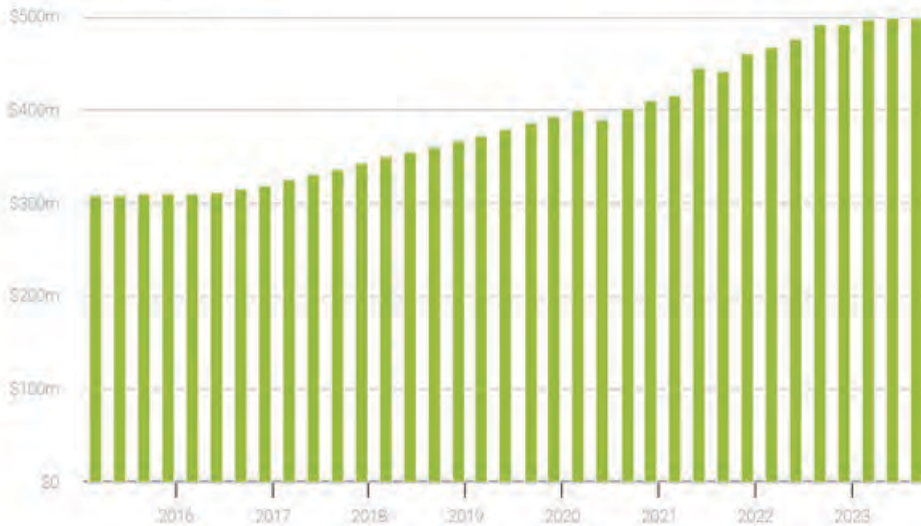
Consumer Spending

Nationally, “annual spending growth eased to 7.4%pa after three previous quarters of double-digit growth. Recently softening employment growth indicates that wage growth is set to decelerate, which will bring down the ceiling on potential spending. With inflation remaining high and mortgage rates still rising, household budgets will remain under considerable pressure into 2024”.



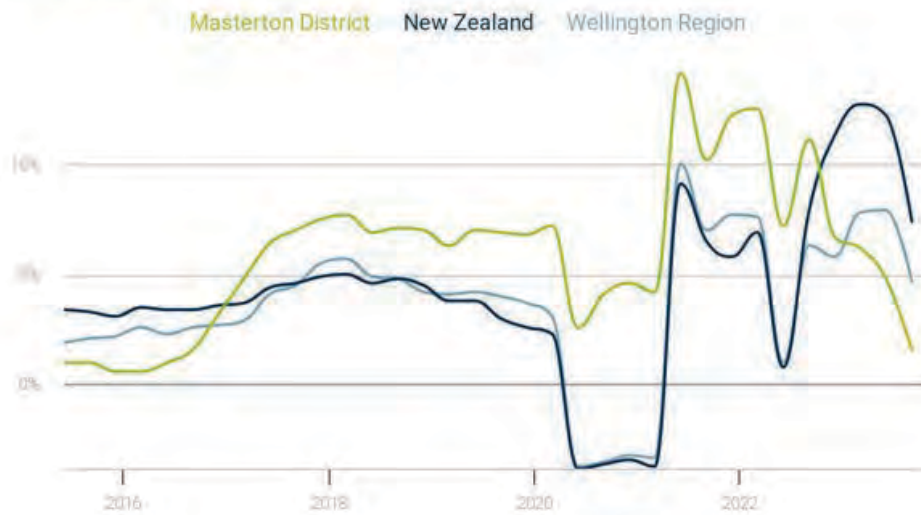
Consumer spending

Annual level, Masterton District

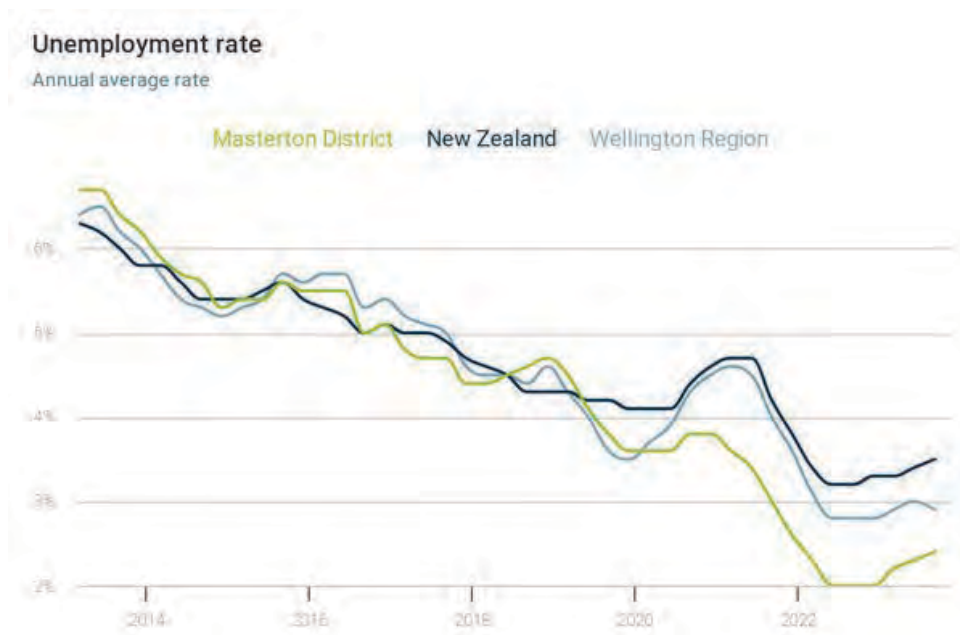
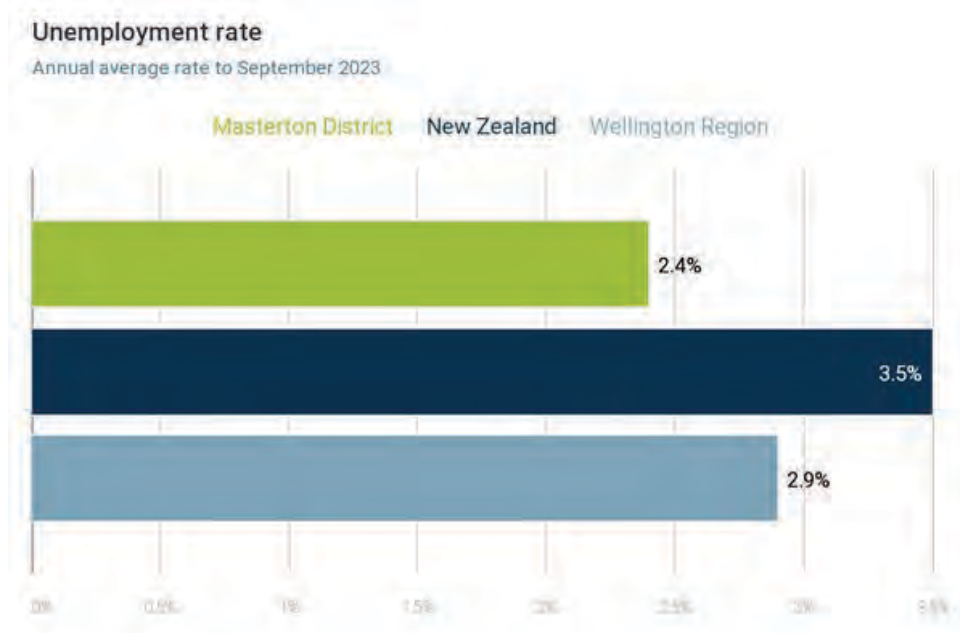


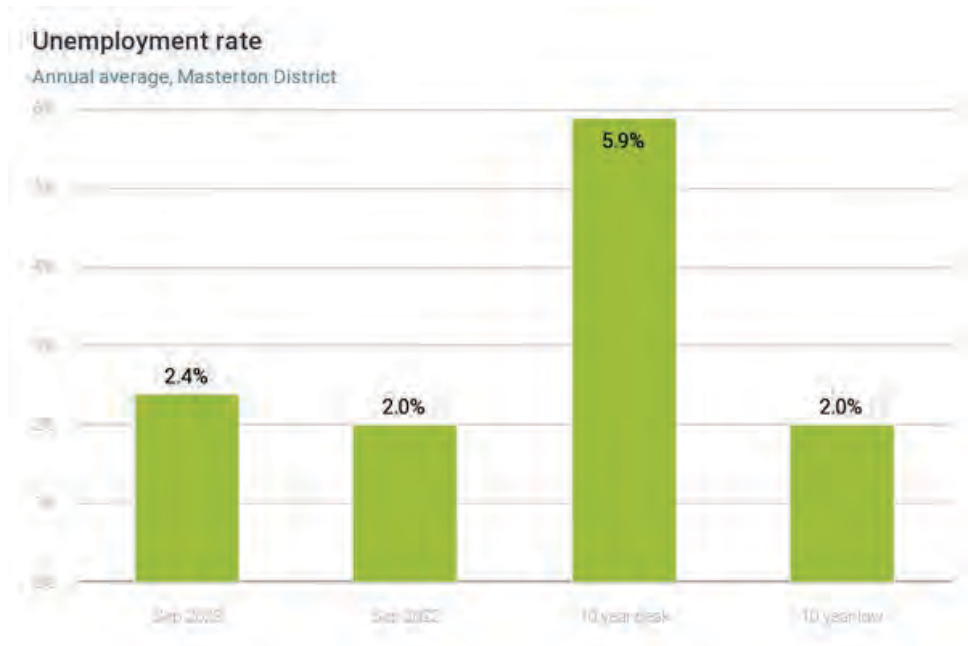
Consumer spending

Annual average % change



Unemployment Rate

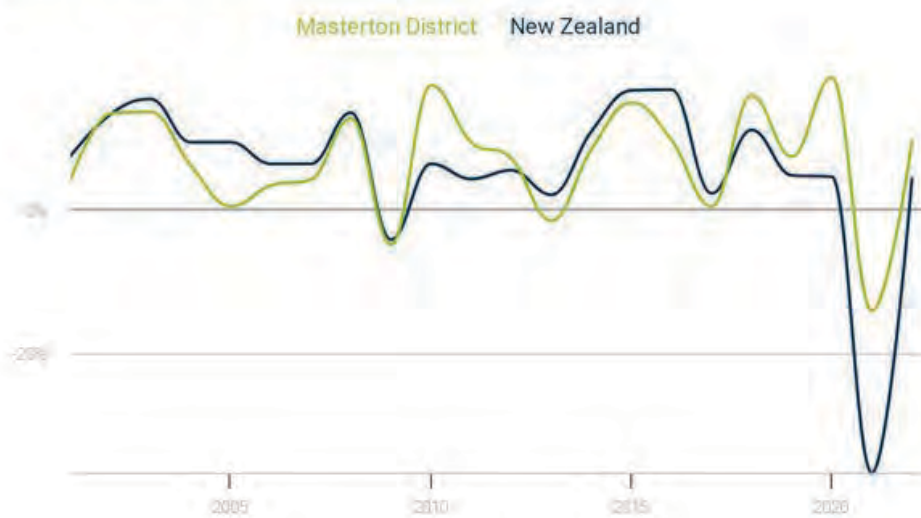




Tourism

Tourism GDP growth

Annual % change, March years



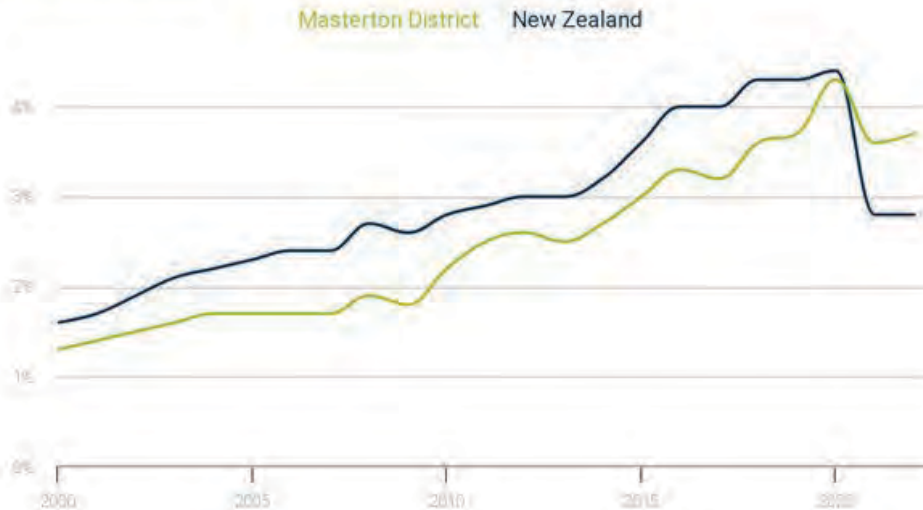
Tourism GDP

March years, 2022 prices



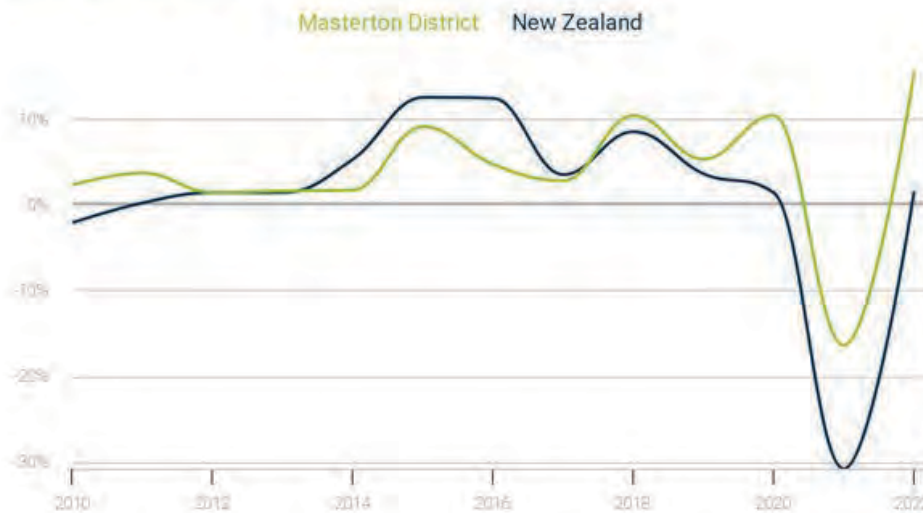
Tourism sector GDP proportion of total GDP

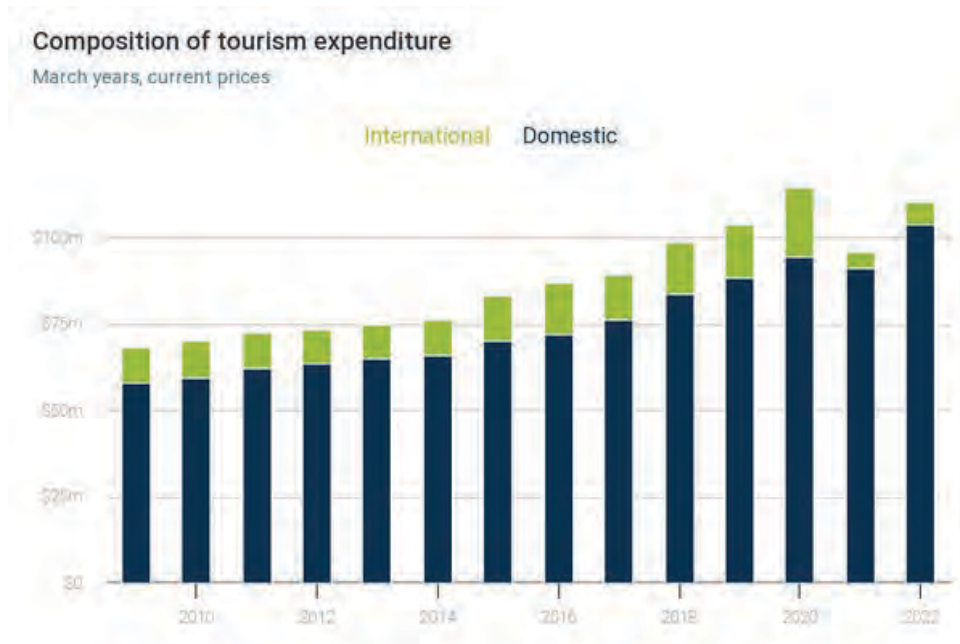
% of total, March years



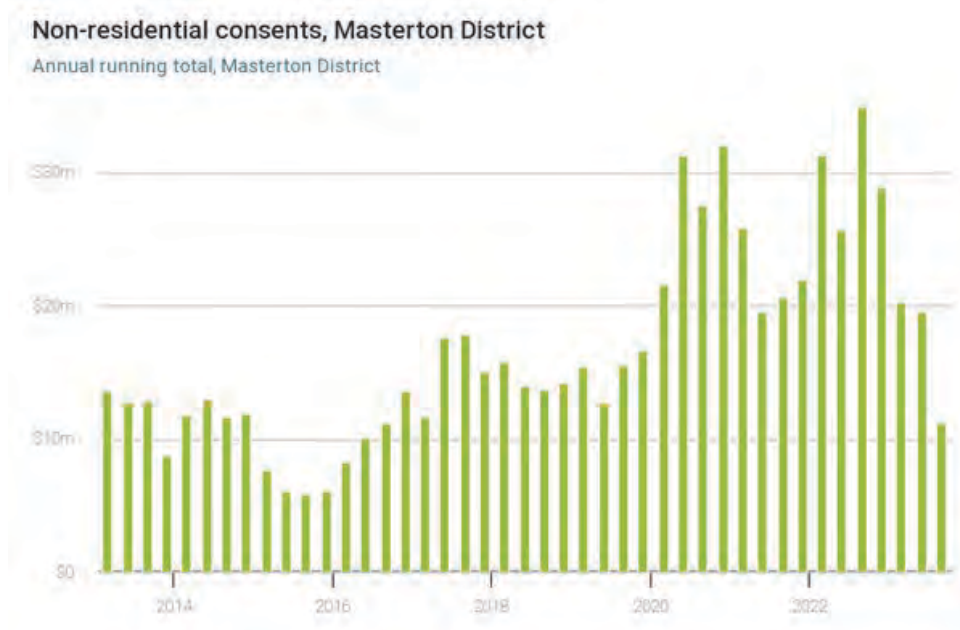
Total tourism expenditure growth

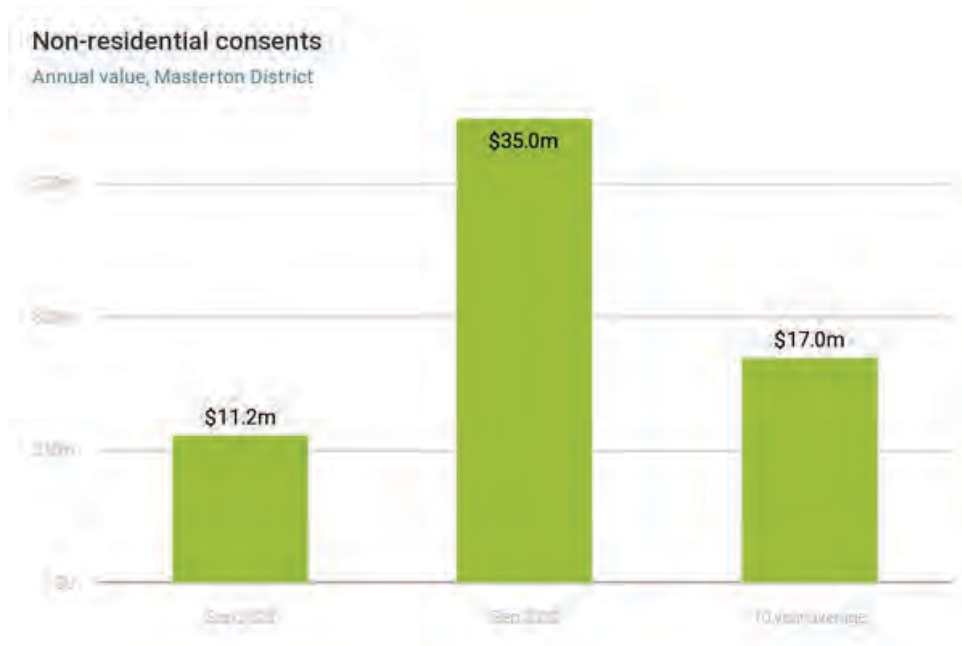
Annual % change, March years





Non-residential building consents





House Value Growth



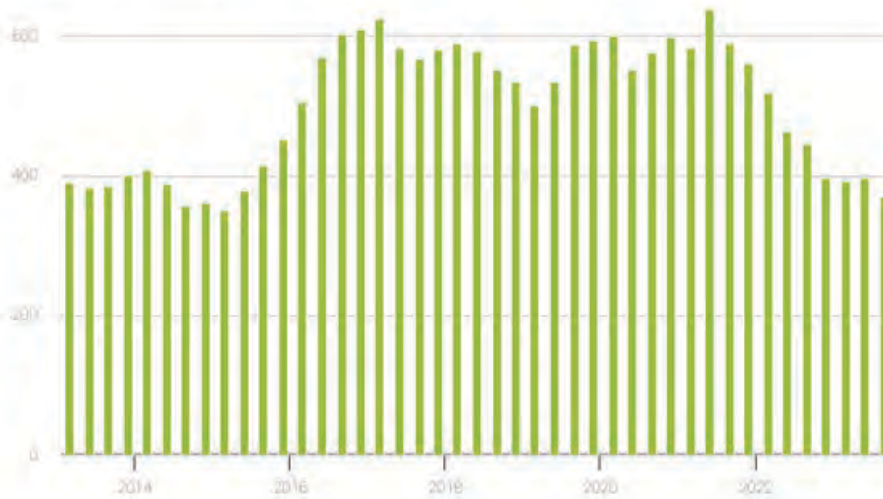
Average current house value

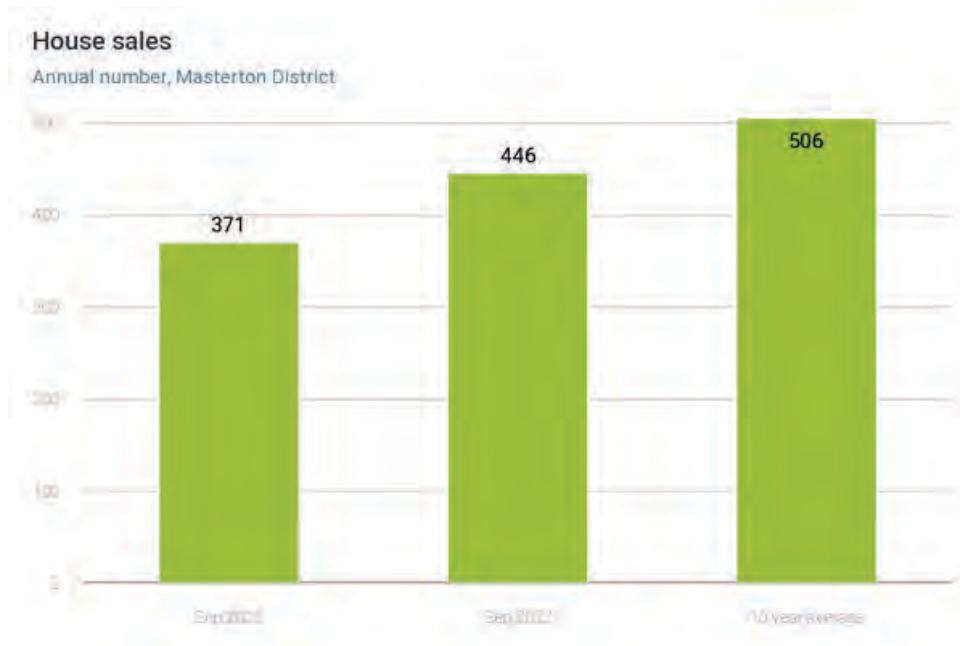
Average house value in September 2023 quarter



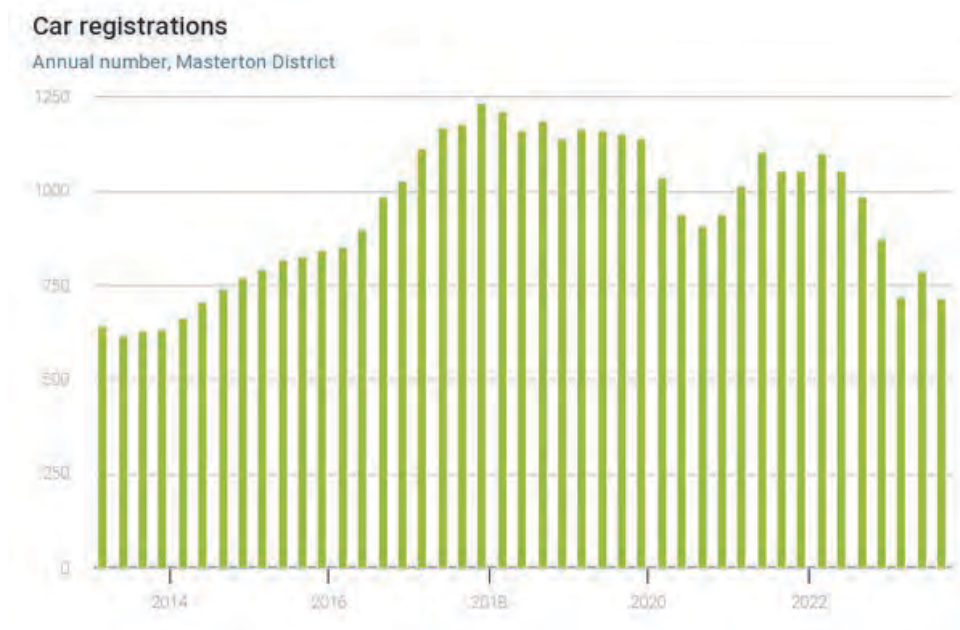
House sales

Annual number, Masterton District



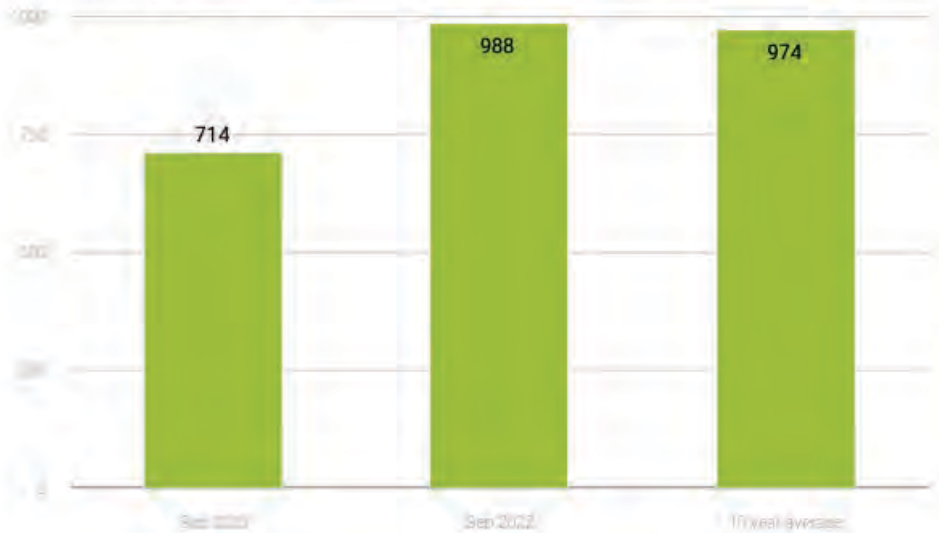


Car Registrations



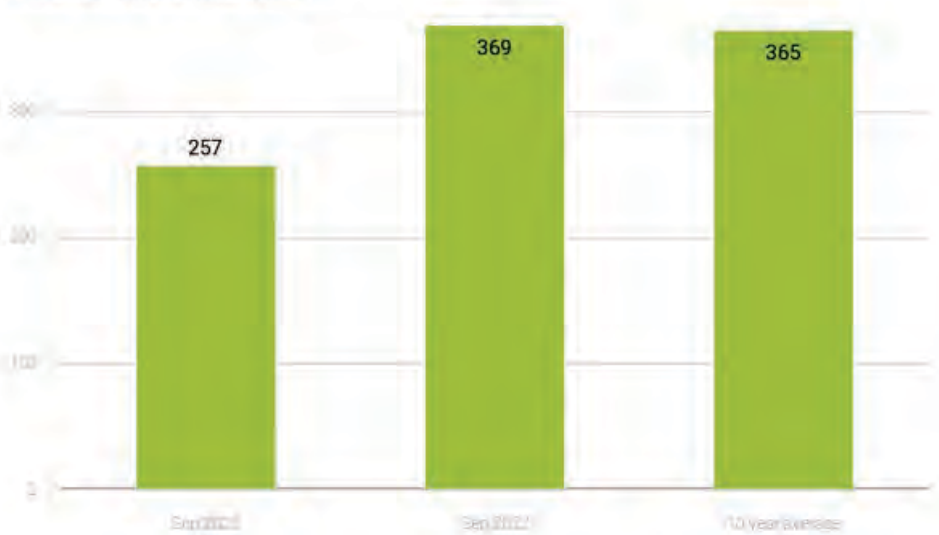
Car registrations

Annual number, Masterton District



Commercial vehicle registrations

Annual number, Masterton District




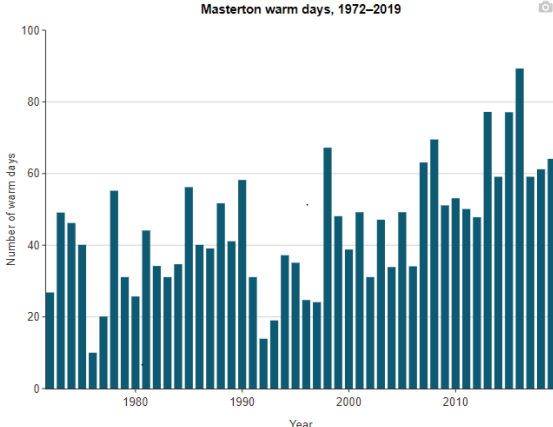
PART 2 – Climate Change Assumptions for 2024-34

<p>Climate Change</p>	<p>The greenhouse gases we produce from most of our everyday activities are changing the climate and our environment.</p> <p>There is substantial scientific evidence that our climate has been and is continuing to change. Human-induced climate change, including more frequent and intense extreme events, has caused widespread adverse impacts beyond natural climate variability. The rise in weather and climate extremes has led to some irreversible impacts as natural and human systems are pushed beyond their ability to adapt.²⁹</p> <p>2022 was Aotearoa New Zealand’s warmest year on record, surpassing the record set just the year before. The nationwide average temperature for 2022 was 13.76°C (1.15°C above the 1981-2010 annual average, and +0.20°C above 2021). The top-four warmest years on record have now all occurred since 2016. It was also the warmest year on record in terms of maximum temperatures (+1.08°C above average) and minimum temperatures (+1.22°C above average).</p> <p>Data from NIWA’s seven-station series that began in 1909 also shows that no months in 2022 were below average (more than 0.50°C below than the monthly average), and ten out of twelve months were above average (+0.51°C to +1.20°C above the monthly average) or well above average (>1.20°C above the monthly average).³⁰</p>
<p>Greenhouse gas emissions</p>	<p>In the year ended June 2021, total gross emissions of greenhouse gas emissions in Masterton District were 785,873 tCO₂e (tonnes of carbon dioxide equivalent).³¹</p> <p>Agriculture is by far the largest emitting sector, representing 81% of total gross emissions. Most of this (62 of the 81%) came from enteric fermentation (methane released from the digestive process of sheep, cattle, and other ruminant animals). Other agricultural sources of emissions were unmanaged manure from grazing animals on pasture (9 of the 81%) and leaching and deposition from manure, urine, and fertiliser (6 of the 81%).</p> <p>Transport is the second largest emitting sector, representing 12% of total gross emissions. Almost all of this was from on-road petrol and diesel use (9 of the 12%) and off-road petrol and diesel use (1 of the 12%). Diesel for rail travel accounted for less than 0.1%.</p> <p>Other emissions were from stationary energy (4%) and waste (2%).</p> <p>Gross emissions decreased by 6% from 2018/19 levels, despite a population increase of 8%. It is likely that most of the decrease is explained by the impact of COVID-19 lockdowns.</p>
<p>Scenarios</p>	<p>The NIWA Climate Change Report is predicting that the Wairarapa Region is likely to warm significantly in the lifetime of the current generation. It is predicted that annual hot days (>25°C) may increase from 24 days currently to up to 80 days by 2090. For more see http://www.gw.govt.nz/assets/Climate-change-2/FINAL-WellNCC-projectionsimpacts.pdf</p>





²⁹ IPCC, 2022: Summary for Policymakers. In: Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge, UK and New York, NY, USA

³⁰ See <https://niwa.co.nz/climate/summaries/annual-climate-summary-2022>

³¹ AECOMM, 2023: Masterton District Emissions Inventory 2021/22. For Greater Wellington Regional Council.

	<p>We are using the NIWA modelled regional climate change projections (known as the Whaitua tables). The scenarios are expressed as a range, from lower emissions to higher emissions for a number of climate related parameters.</p> <p>https://www.gw.govt.nz/assets/Uploads/WhaituaClimateChangeprojectionsMarch2020.pdf</p> <p>All of the Wellington Region councils agreed to use these projections as the basis for the LTP 2024-2034 climate change assumptions.</p> <p>NOTE: It is not possible to reduce the mid-century warming, due to the amount of carbon dioxide already accumulated in the atmosphere. The projections for mid-century are already 'locked in'.</p>
<p>'Scenarios at Glance' – expressed as a range lower to high emissions³²(for detail see the Whaitua tables)</p>	
	<p>For average annual temperatures projected lower range 0.7 °C warmer above present by 2040 and 1.2 °C warmer by 2090; and for higher range 1.0 °C warmer by 2040 and 3.0 °C warmer by 2090 above present.</p> <p>By 2040, up to 30 more hot days per year (>25°C) and by 2090 up to 80 more hot days for inland Wairarapa.</p> <p>About a third of the warming predicted for mid-century has already happened in our region.</p> <p>From <i>Our Atmosphere and Climate 2020</i> report</p> <p>https://www.mfe.govt.nz/sites/default/files/media/Environmental%20reporting/our-atmosphere-and-climate-2020-report.pdf</p>  <p>Data source: NIWA National Climate Database from 30 climate stations.</p> <p>https://www.stats.govt.nz/indicators/frost-and-warm-days</p>

³² Low - RCP4.5 mid-range scenarios where greenhouse gas concentrations stabilise by 2100. High - RCP8.5 is a high concentration scenario where the GHG emissions continuing very high. In the light of new technologies and improvements it still remains a valid way to test the sensitivity of the climate variables

	<p>Rainfall will vary locally within the Wairarapa region. The largest changes will be for particular seasons rather than annually. Heavy/extreme rainfall is likely to increase especially for the end of century.</p> <p>The increased temperatures will have greater impact on the evapotranspiration. The predicted changes in temperature will make a significant difference to the hydrological systems and water availability meaning that it will get a lot drier even if the average rainfall doesn't change significantly.</p>
	<p>Up to 15 fewer frost days (below 0°C) by 2040; and up to 40 fewer frost days in inland Wairarapa by 2090.</p>
	<p>Change in the intensity of the wind: up to 3% increase by 2040 and up to 4% by 2090. Change in annual number of windy days: up to 4 days by 2040, and up to 12 days by 2090.</p>
	<p>Sea level rise: projected lower to higher range is 0.12 to 0.24 metres above present by 2040 and 0.12 to 1.75 metres by 2090.</p>
<p>Level of uncertainty</p>	<p>The level of uncertainty is low especially for the projections for mid-century. About a third of the warming predicted for mid-century has already happened in our region.</p> <p>The biggest uncertainty is the rate of future global green house gas (GHG) emissions, which are influenced by the human factor e.g. social, economic and environmental policies and development.</p> <p>The big unknown is the scale and pace of human actions. How much and how fast we change our behaviour will have an impact on the end of the century predictions, as well as whether policies, developments, and changing behaviour stabilise the climatic changes that are already in motion.</p>
<p>Risks</p>	<p>The greatest risk relates more to our readiness and willingness to respond, and to respond at rate and to an extent that will reduce GHG emissions.</p> <p>Climate Change has the potential to increase the frequency and intensity of natural hazard events that already occur. Adaptation can help reduce our vulnerability and increase our resilience to natural hazards.</p> <p>Our efforts to mitigate the economic impacts of the COVID-19 pandemic provide us with an opportunity to base our recovery on a low carbon economy and to take consideration of intergenerational impacts.</p>
<p>Financial and other implications</p>	<p>If we continue BAU – i.e. no action or action to reduce GHG emissions is too late – the warming trends already observed will continue. This will have far-reaching impacts on fresh water, biodiversity, productivity, and our resilience against increasing climatic changes and weather extremes:</p> <ul style="list-style-type: none"> • Vulnerable infrastructure, supply chains, and lifelines. • Coastal inundation. • Saltwater intrusion to freshwater aquifers. • Increase in human heat stress and impact to wellbeing.

- Stress on terrestrial and aquatic ecosystems and associated impacts on health and economy.
- Risk to water supply catchments.
- Water shortages becoming a norm.
- Decrease in water quality impacts on biodiversity, recreation and drinking water.
- Reduced soil fertility.
- Changes to timing of seasonal activities eg., flowering, breeding.
- Increase in pests and diseases eg., wasps, fruit flies.
- High stress on native species, extinction of some species.
- Ocean acidification, decline in fish population.
- Impacts on insurance and financial system.

By thinking how each decision we make increases or decreases GHG emissions and contributes to the overall GHG emissions, and by acting now we are playing our part in meeting Aotearoa’s carbon zero 2050 target. The following are the tools and methodologies that we are either progressing or considering:

- Reducing carbon emissions.
- Embedding carbon emission considerations in our BAU
- Energy efficiency and innovative approaches
- Climate change adaptive planning framework
- Water resilience
- Work with other regional TAs and the regional council on getting the best and latest science and information
- Engage with our community on adaptation.

Carbon price: The Emissions Trading Scheme is the central government’s main mechanism to reduce greenhouse gas emissions. Under the Scheme new NZUs (emissions units) are auctioned by the Government and there is a secondary market. Major emitters (except notably agriculture) must purchase NZUs to cover their current or future emissions. It is currently planned that agriculture will join the ETS in 2025.

The current price for NZUs is about \$70 per tonne (November 2023). The Climate Change Commission released data in 2021 indicating prices need to be over \$138 per tonne by 2030 and over \$250 per tonne by 2050 to encourage the required reduction in emissions to meet the Paris Accord obligations.

A doubling of the carbon price within the term of this Plan and a quadrupling by 2050 will have cost implications for goods and services purchased by the Council, and could drive significant changes in the behaviour of our community and in their demands for Council services.

For example in the Roding activity, fossil fuels are a significant cost factor for roads and footpaths, and higher fuel prices could result in a switch by many households to more active modes of transport and an increase in demand to accommodate walking and cycling, and for more devolved services.

	<p><i>Financial Implications:</i> If climate change results in changes that are more significant, or which continue to occur sooner than currently predicted, then this could place strain on some of Council’s core infrastructure e.g. water supplies and our stormwater system. If infrastructure needs to be upgraded sooner than planned, then this may result in unbudgeted expenditure which could result in an increase in borrowing, the use of Council reserves or an increase in rates.</p> <p>The cost of doing nothing, or responding too late, will be greater, presenting risks for Council assets and service delivery, our economy and our community.</p>
<p>What are we doing to reduce that risk?</p>	<ul style="list-style-type: none"> • Our Asset Management Plans and Infrastructure Strategy have considered the impacts of these assumptions on our infrastructure over the next 30 years. They consider the scenarios and they projections as a range, as expressed in the Whaitua tables. • Regional Climate Change Rosl Assessment • Regional Emissions Reduction Plan • Regional Food System Strategy • Participating in the National Climate Change Network • Developing an organisational carbon footprint • Focusing on energy efficiency • Increasing our EV fleet • Promoting waste minimisation • Implementing a corporate carbon emissions reduction plan • Implementing a community-focused climate action plan for Masterton District

PART 2A - Whaitua Tables

	Scenarios	Ruamāhanga Whaitua		Wairarapa Coast Whaitua		Impacts
		2040	2090	2040	2090	
Temperature and seasonality	Average annual temperature ³³ will rise above present	+0.7°C to 1°C above present	+1.2°C to +3°C above present	+0.5°C to 1°C above present	+1°C to +3°C above present	<ul style="list-style-type: none"> Increased human heat stress and mental health issues, rurally and in urban centres. Increased temperatures in urban centres due to human activities, large areas of concrete, buildings and vehicles. Increased risks of pests (such as wasps, rodents and fruit flies) and diseases (including risks to human health) and biodiversity losses. Reduced workplace productivity. Increased air pollution and seasonal allergies. Higher demand for drinking water at times when water is likely to be scarcer. Stress on ecosystems and associated impacts on health and economy. Range and habitat of native plants and animals will change-extinction of some species. Higher temperatures may allow for different crops to be grown. Timing of seasonal activities such as flowering, breeding and migration will change.
	More very hot days (above 25°C) per year	Between 0 and 30 days increase	Between 0 and 80 days increase	Between 5 and 30 days increase	Between 15 and 60 days increase	
	Fewer frost nights (below 0°C) per year	Between 0 and 15 days reduction	Between 0 and 40 days reduction	Between 0 and 5 days reduction	Between 0 and 15 days reduction	

	Scenarios	Ruamāhanga Whaitua		Wairarapa Coast Whaitua		Impacts
		2040	2090	2040	2090	
	Seasonal change in temperature	Maximum warming in autumn and summer for both Whaitua. Least in winter for Ruamāhanga and least in spring for Wairarapa coast.				
Wind	Change in the intensity of wind during windy days (>99th percentile of daily mean)	0% to 3% increase	1% to 4% increase	0% to 3% increase	1% to 4% increase	<ul style="list-style-type: none"> • More frequent damage to trees, buildings and power lines. • Will increase fire risk during hot, dry periods.
	Change in annual number of windy days Extreme wind events are likely to increase.	0 to 4 days increase	0 to 12 days increase	0 to 6 days increase	0 to 10 days increase	
Rainfall patterns and intensity	Average annual rainfall	5% decrease to 5% increase	0% to 10% decrease	5% decrease to 5% increase	10% decrease to 5% increase	<ul style="list-style-type: none"> • Increased prevalence of drought delivering urban and rural water shortages, and increased pressure on water infrastructure, including water storage. • Saltwater intrusion on groundwater. • Decreased water quality and increased levels of toxic algae which impacts biodiversity, recreation and drinking water sources. • Increased flooding, slips and landslides affecting land, houses, roads and other

³³ Uncertainty range: lower range for significant emissions reduction (Paris agreement targets met), and upper range for high emissions.

	Scenarios	Ruamāhanga Whaitua		Wairarapa Coast Whaitua		Impacts
		2040	2090	2040	2090	
						<ul style="list-style-type: none"> assets, public transport and rural productivity. Flood protection infrastructure Levels of Service reduced overtime.
	Amount of rain falling during heavy rainfall days (> 99th percentile of daily rainfall) ³⁴	0% to 10% increase	0% to 20% increase	0% to 15% increase	0% to 30% increase	<ul style="list-style-type: none"> Impacted rural community due to reduced agricultural production. Reduced soil fertility.
	Extreme rainfall magnitude: 6-12 hour duration, 100 year Average Recurrence Interval (normally used as reference for flooding design, referring to very extreme, infrequent rainfall events). ⁷	8% to 12% increase	14% to 36% increase	6% to 12% increase	12% to 36% increase	<ul style="list-style-type: none"> Regional parks negatively affected by both drought and flooding. Higher stress on indigenous ecosystems, plants and animals, especially with drought. Several fold increase in urban and rural wildfire risk – a particular concern for water supply catchments which may be rendered unusable for up to a year following a major wildfire.
	Change in rivers mean annual flood discharge (MAF) Measures flood potential in the catchments.	Between 20% decrease and 40% increase depending on catchment	Between 20% decrease and 60% increase depending on catchment	Between 20% decrease and 20% increase depending on catchment	Between 20% decrease and 60% increase depending on catchment	

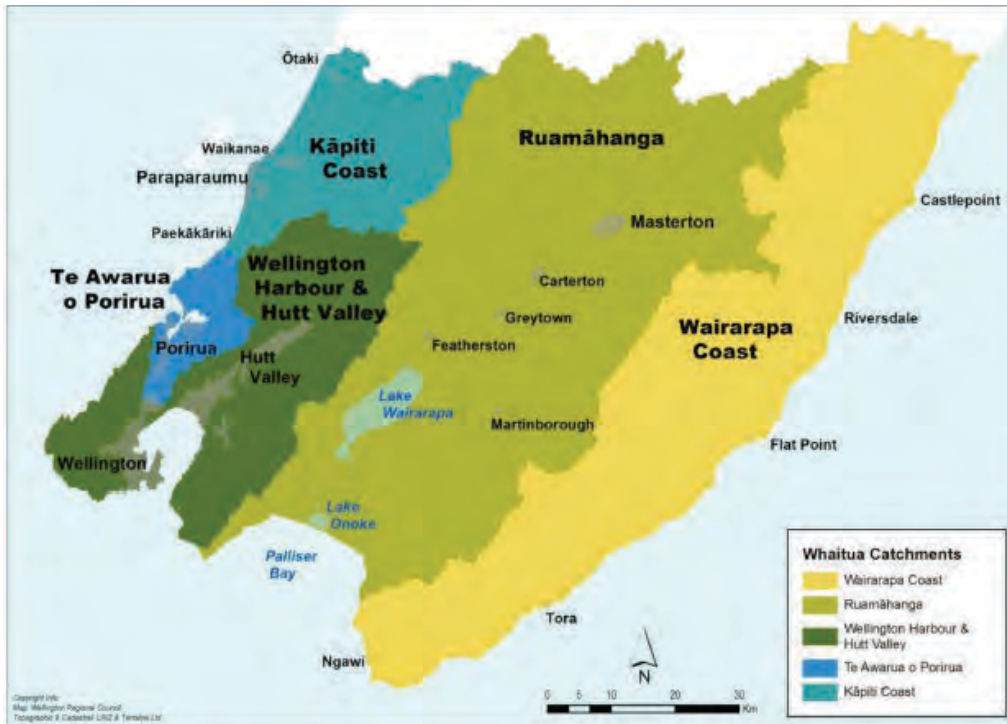
	Scenarios	Ruamāhanga Whaitua		Wairarapa Coast Whaitua		Impacts
		2040	2090	2040	2090	
	<p>Change in rivers mean annual low flow discharge (MAL) Measures water shortage in the catchments.</p>	Decrease up to 60%	Decrease up to 80%	Decrease up to 60%	Decrease up to 80%	
	<p>Change in annual growing degree days base 10 Measures potential for crop and pasture growth.</p>	Increase between 0 and 300 GDD units	Increase between 200 and 1000 GDD units	Increase between 0 and 300 GDD units	Increase between 200 and 900 GDD units	
	<p>Change in annual potential evapotranspiration deficit (mm) Measures drought intensity.</p>	Increase between 20 and 120 mm	Increase between 0 and 180 mm	Increase between 40 and 120 mm	Increase between 40 and 160 mm	
	<p>Changes in number of days of very high and extreme forest fire danger³⁴</p>	100% to 150% increase	100% to 150% increase	100% to 150% increase	100% to 150% increase	
Sea level rise and coastal hazards	Sea level rise⁹	0.12 to 0.24 metres above pre- sent	0.68 to 1.75 metres above pre- sent	0.12 to 0.24 metres above present	0.68 to 1.75 metres above pre- sent	<ul style="list-style-type: none"> Increased coastal inundation with some areas to become permanently inundated.

³⁴ There is a large uncertainty in the range of changes due to model differences and emission scenarios. Changes against emission scenarios are not necessarily linear. Greater likelihood of increases in autumn, winter and spring

	Scenarios	Ruamāhanga Whaitua		Wairarapa Coast Whaitua		Impacts
		2040	2090	2040	2090	
	More frequent storm surge (temporary raising of sea level during storms). more frequent and intense coastal flooding and coastal erosion.					<ul style="list-style-type: none"> • Saltwater incursion into freshwater habitats. • Difficulty in obtaining insurance due to sea level rise and increasing frequency of flood events for community, business and central and local government.
	Saltwater intrusion into coastal groundwater, and further upstream in rivers.					
Oceanic changes	Acidification of the ocean. General temperature rise of sea water. Marine heatwaves.					<ul style="list-style-type: none"> • Altered marine ecosystems, particularly affecting hard shelled species. • Extinction of some species. • Changes to the range of species, location and abundance of fish and sea birds around New Zealand. • Impacts on aquaculture and fishing industries. • Reduced recreational benefits.

5. Uncertainty range: lower range for significant emissions reduction (Paris agreement targets met), and upper range for high emissions.
6. There is a large uncertainty in the range of changes due to model differences and emission scenarios. Changes against emission scenarios are not necessarily linear. Greater likelihood of increases in autumn, winter and spring
7. Although the uncertainty in average rainfall range is high, extreme rainfall increases are more certain due to the increased amount of water vapour that the atmosphere can hold as it gets warmer (about 8% increase in saturation vapour per degree of warming).
8. These figures are given by IPCC model averages. Individual models can show much higher increases of up to 700%
9. The projected sea level rise for 2090 is based on IPCC AR5 plus an estimated additional contribution from Antarctica, based on papers published in Nature in 2018. Note the difference between pre-sent and pre-industrial, as we have already had about 26cm of sea level rise so far. More regular storm events in the fragile coastal environment may also mean faster and more significant coastal retreat. See the link below for climate change, sea level rise and storm surge maps for the Region: <https://mapping1.gw.govt.nz/gw/ClimateChange>

Wellington Region Whaitua



<http://www.gw.govt.nz/assets/Climate-change/GWRC-NIWA-climate-extremes-FINAL3.pdf>

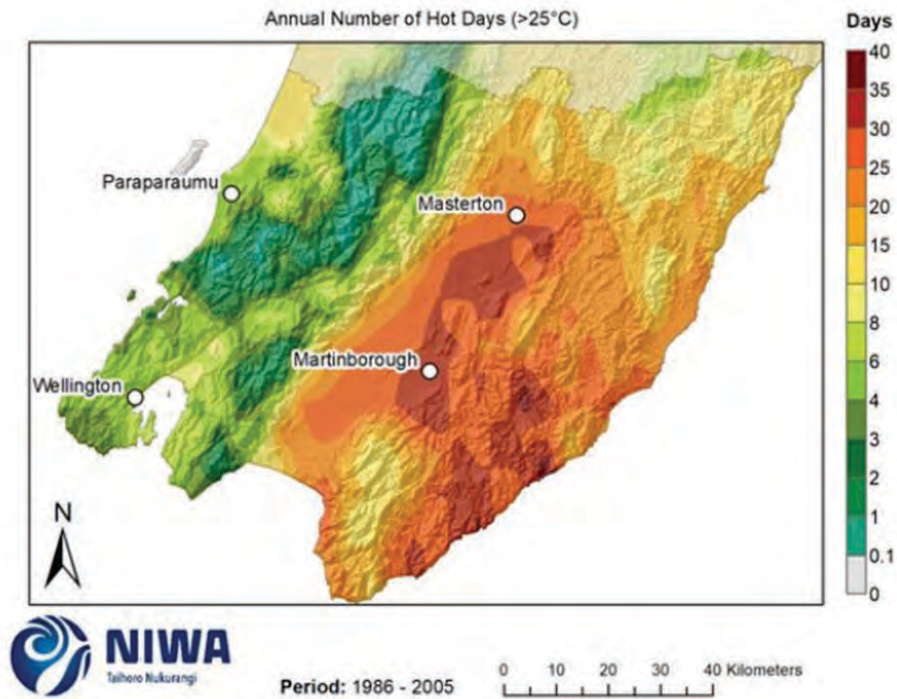


Figure 3-7: Modelled annual number of hot days (maximum temperature > 25°C), average over 1986-2005. Results are based on dynamical downscaled projections using NIWA's Regional Climate Model. Resolution of projection is 5km x 5km.

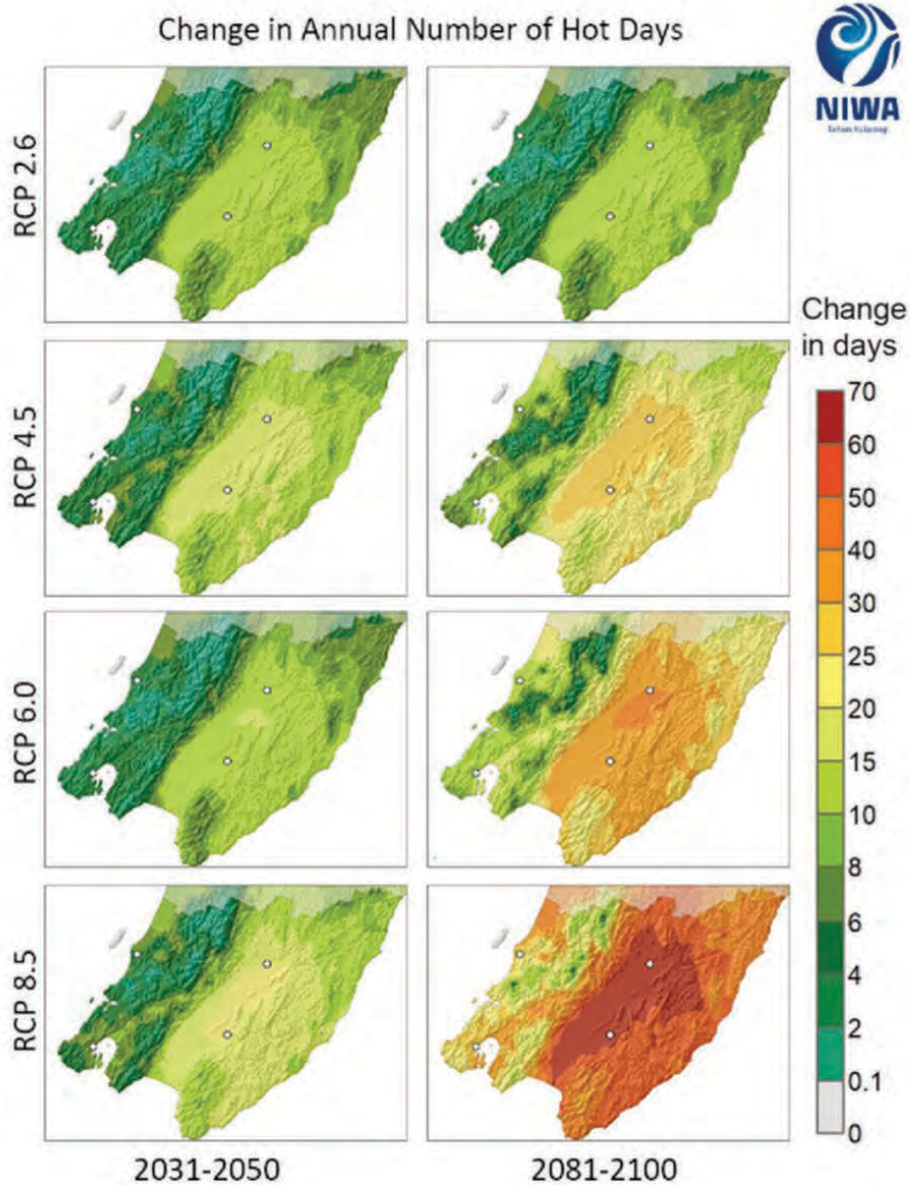


Figure 3-8: Projected annual hot day changes (max temperature > 25°C) at 2040 and 2090. Relative to 1986-2005 average, for four IPCC scenarios, based on the average of six global climate models. Results are based on dynamical downscaled projections using NIWA's Regional Climate Model. Resolution of projection is 5km x 5km.

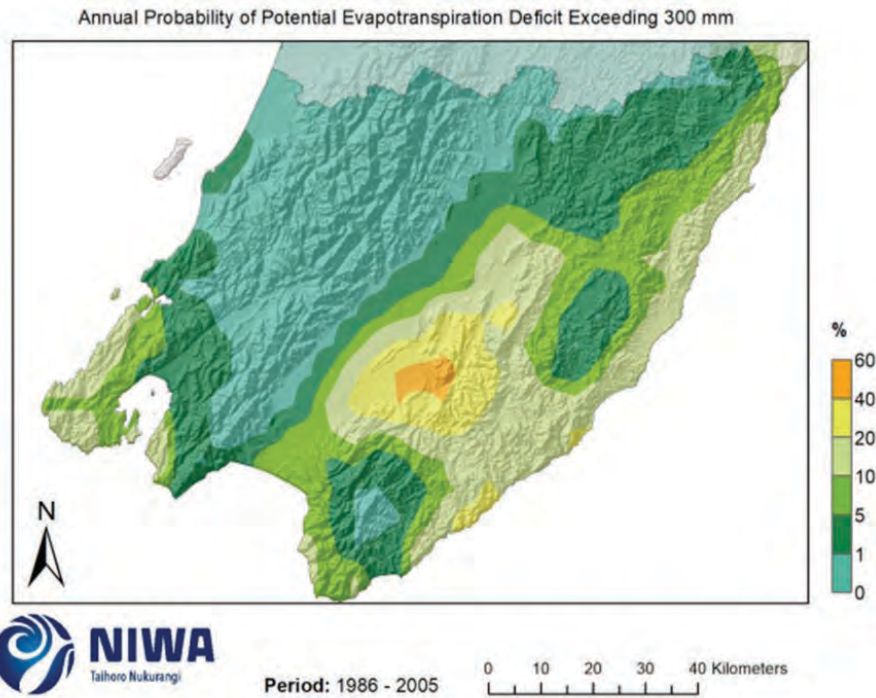


Figure 5-8: Modelled probability of Potential Evapotranspiration Deficit exceeding 300 mm in any year, average over 1986-2005. Results are based on dynamical downscaled projections using NIWA's Regional Climate Model. Resolution of projection is 5km x 5km.

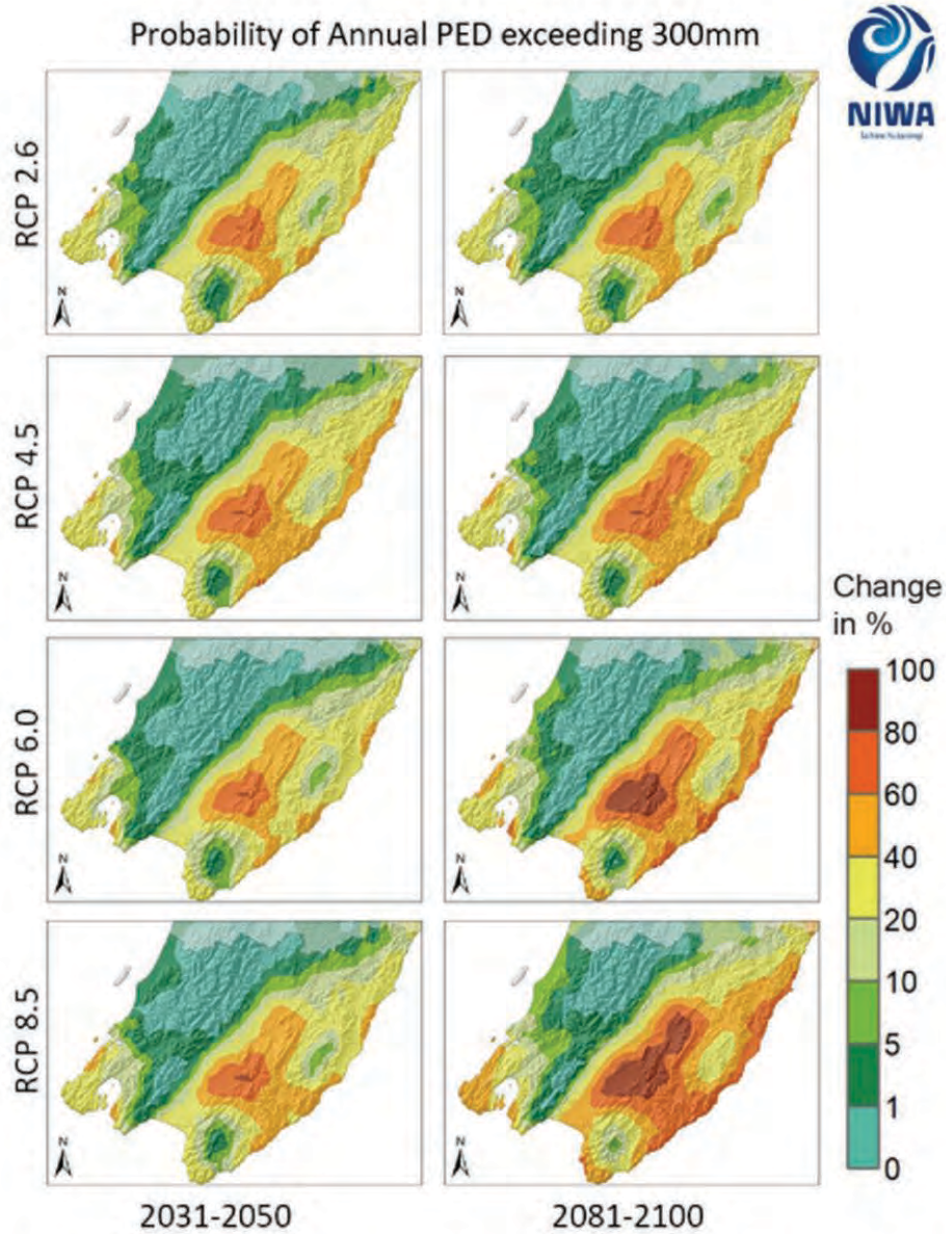


Figure 5-9: Projected probability of annual Potential Evapotranspiration Deficit exceeding 300 mm by 2040 and 2090. Relative to 1986-2005 average, for four IPCC scenarios, based on the average of six global climate models. Results are based on dynamical downscaled projections using NIWA's Regional Climate Model. Resolution of projection is 5km x 5km.

PART 3 – Financial and Other Assumptions Summary

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
FUNDING SOURCES					
Growth in Rating Base	<p>This is growth per annum in revenue from rateable properties as a result of additional numbers and value added from building activity. Higher growth is expected in year 1 and 2 with a consistent 1% per annum growth expected after that. Year 1 = 1.85% (based on actual growth achieved in 2023/24), Year 2 = 1.2%</p> <p>The number of households and value of properties in the Masterton District will continue to grow. Dwellings and household sizes will be smaller – meaning household growth will be higher</p>	<p>Moderate-High</p> <p>Housing growth forecasts include some reliance on population growth and economic forecasts. There is always some degree of uncertainty, and at the current time, with economic conditions and uncertainty surrounding migration, this is amplified.</p>	<p>Given the high level of uncertainty, there is a moderate-high risk that household growth will be higher or lower than we have forecast.</p>	<p>Higher Growth:</p> <p>Rates would be spread over a larger number of properties, increasing affordability for our community.</p> <p>Lower Growth:</p> <p>If growth is significantly less than we have forecast, Council’s ability to increase rates as much as needed will be less.</p> <p>Rates would be spread over fewer properties, decreasing affordability for our community.</p>	<p>Sense Partners projections (2023) forecast growth of 6,550 between 2022-2054, from an estimated 12,352 households in 2022 to 18,902 households in 2054. This equates to an increase of 53% over the 32 year period, or average growth of 1.66%. From a 2023 baseline, growth is forecast to increase from 12,605 to 18,902, an increase of 6,297 (49.96% or an average of 1.61% per annum).</p> <p>Infometrics (February 2024) are expecting the building industry to continue to slow in 2024, which could slow growth in our rating base.</p> <p>While Masterton experienced strong growth post COVID-19, particularly given relative housing affordability and changes in the way people (i.e. remote working being more acceptable), this growth has slowed from a 3% peak in 2020, to 1.6% in September 2023 (Stats NZ)</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	than population growth. The growth in numbers and values will be largely in the Masterton urban area				
Interest Earned	<p>On Invested Funds: 2024/25: 4.2% per annum From 2025/26: 4.0% per annum</p> <p>On Internal Investment Loans: 2024/25: 4.25 per annum From 2025/26: 4.0% per annum</p>	<p>Medium</p> <p>Interest rates have been increasing since 2021.</p> <p>While most commentators are expecting interest rates to begin to fall in Q4 2024, there is a degree of uncertainty due to domestic inflation remaining high.</p>	That interest rates will be lower than we have assumed.	<p>Lower Interest Rates:</p> <p>Lower interest rates on investment funds would result in reduced income for Council.</p> <p>In Year 1 of this Plan, an interest rate that is 1% less than we have assumed for invested funds would equate to \$180k less income.</p> <p>In Year 1 of this Plan, an interest rate that is 1% less than we have assumed for internal investments/loans would equate to \$78k less internal income.</p> <p>Higher Interest Rates:</p> <p>In current circumstances, the likelihood of higher interest rates is considered low. However, if this was the case, our income would increase.</p>	<p>Economic conditions have increased interest rates for Council funds that are invested.</p> <p>There remains a high level of uncertainty regarding the RBNZ's approach to the OCR for the remained for 2024, with many commentators not picking rates to be cut until late in the year.</p> <p>Given that, interest rates are not expected to fall significantly in the short to medium term.</p> <p>This will mean more income than Council received from interest than is typically expected, especially in Years 1-2 of the Long Term Plan.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
User Fees & Charges	<p>User charges defined in the Revenue and Financing Policy will be achievable and will increase at the rate of inflation over the 10 years of the Long-Term Plan.</p> <p>Fee income such as Building Consent fees and Transfer Station Charges are subject to market influences, but our income is assumed to be stable.</p>	<p>Medium-High</p> <p>Inflation and current economic conditions increase the level of uncertainty.</p> <p>Continued high levels of inflation, or rising interest rates, influence our community's ability to afford current fees and charges.</p>	<p>That we do not receive the level of income that we have planned for.</p> <p>That our income has not been set at a level that adequately takes account of all cost drivers other than inflation (e.g. increased costs of delivering the service) or other factors that could negatively impact fee income (e.g. economic recession).</p>	<p>If user fees and charges are less than we have assumed the result would be lower than forecast income.</p> <p>If fees revenue was 1% lower than we have assumed, this would equate to \$77k in reduced income.</p> <p>If fees and charges are more than we have assumed, this would result in more income than we have forecast.</p> <p>If fees and charges do not increase at the rate of inflation, income would be less than we have assumed. Not inflating fees and charges would equate to approximately \$77k in Year 1.</p>	<p>Our fee projections have taken into consideration the potential impact of the COVID-19 related economic recession and our recovery from that.</p> <p>If the economy is further impacted, or the recession is greater or more prolonged than we have assumed, this may negatively impact our fee projections.</p> <p>If the effects of the recession are less than we anticipate, or our recovery is faster, this could positively influence our fee projections.</p> <p>More severe economic recession than currently being experienced, or other factors could impact income from user charges across a number of activities.</p> <p>Changes in legislation could also impact our ability to collect fees. For example, if a change meant we were restricted on how we set fees for an activity (e.g. liquor licensing).</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
					<p>Increasing fees and charges beyond the rate of inflation could occur if there were cost drivers other than inflation.</p> <p>Council will be reviewing the Revenue and Finance Policy, and undertaking a Rating Review, in Year 3 of the LTP to ensure that public private benefit, and the use of financial tools such as fees and charges, remain appropriate.</p>
Financial Contributions	<p>Revenue generated from financial contributions will reduce to levels less than the last three years. This is due to a slowing of the local development activity that has been in evidence in 2024.</p> <p>The Proposed Wairarapa Combined District Plan is currently under</p>	<p>Medium-High</p> <p>Current levels of inflation and economic conditions increases uncertainty around factors that influence financial</p>	<p>That financial contributions are less than we have assumed.</p>	<p>If financial contributions are less, Council may have to fund the difference, at least in the short term, for some development projects. This could increase the rates required.</p> <p>Revenue of \$2.0m is anticipated from financial contributions each year of the LTP beyond year three. Some proportion of this is at risk if development is less than anticipated. Year 1 reflects a reduction from current levels,</p>	<p>Our projections have taken into consideration the potential impact of the current economic challenges facing the country and our recovery from that.</p> <p>Any economic recession could reduce revenue generated from development contributions if development slows or stalls.</p> <p>If the economy is further impacted, or there is a prolonged recession, and development slows or stalls, this may negatively impact our financial contribution projections.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	consideration so no assumption about increased revenue being generated as a result of changes made in the plan, has been made	contributions, such as our local economy; household and population growth.		while years 2 and 3 anticipate additional contributions from large proposed developments. If development activity exceeds our expectations, contributions could be more than we have assumed. This would increase Council reserves and Council's ability to invest in new assets.	If the effects of the recession are less than we anticipate, or our recovery is faster, and there is more development, this could positively influence financial contribution projections.
NZTA Rooding Subsidy and Rooding Subsidy Income Levels	1. NZTA will continue to provide a share of the funding for all defined maintenance, construction and minor safety work for roads and footpaths. Their share is known as the Funding Assistance Rate (FAR) and has been advised as follows: 56% from 2024-27 Beyond that time frame we have assumed there will be no change.	Medium There is uncertainty around the FAR rate beyond 2027. Should the economy be further impacted by recession or our recovery slower, NZTA may review its funding criteria and/or level of funding commitment.	That NZTA's funding rate, beyond the current 3 year programme will be less than we anticipated. That our business cases are not accepted. That NZTA funding criteria changes and the cases we have put forward and assumed funding for will no longer meet their criteria. That we will not be able to complete the full work programme (e.g. if	If the NZTA subsidy is less than we have assumed the result would be lower than forecast income and some the work programme will have to be cut back. Every 1% drop in NZTA FAR rate funding equates to \$170k in reduced income. This could mean we would need an additional rates contribution to complete the programmed work. If the Mataikona Road work programme is not funded the Council will need to reassess whether to progress the work.	The revenue generated is dependent on work progressed and/or carried forward. If we are unable to complete the work that we have programmed, the income from this subsidy will be less than projected. The subsidy rate is reviewed every three years. It was reviewed in 2023 and is next due for review in 2026 The programme will be kept under review with Council decisions sought on changes to the programme should the subsidy level change.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	<p>2. Business cases for work that have been put forward to NZTA will be accepted for funding subsidy, including Mataikona Rd and we will receive NZTA funding at the level we have assumed.</p> <p>Completion of cyclone recovery projects has been allowed in year 1 with the enhanced subsidy rate of 76% assumed on work in excess of \$1m.</p>		<p>there was another lock down period), which would reduce the level of funding we receive from NZTA.</p> <p>Mataikona road resilience work has been allowed across the ten years of the LTP but the business case has not yet been accepted by NZTA.</p>		
BORROWING					
Interest Paid on Borrowing	Interest paid on existing debt will average 4.8% from 2024/25. This is based on the current cost of debt the Council is paying and	Medium - High Interest rates have been increasing since 2021.	That interest rates will be higher than we have assumed.	Higher interest rates: Higher rates would result in increased borrowing costs for Council.	Interest rate hedging is used to fix interest rates for varying terms to reduce the impact of interest rate movements on Council borrowing. Economic conditions have seen interest rates on borrowing increase. As at February 2024 Infometrics

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	incorporates the mix of fixed and floating rate debt instruments. Interest paid on all new debt borrowed from 2024/25 will be 5%.	While most commentators are expecting interest rates to begin to fall in Q4 2024, there is a degree of uncertainty due to domestic inflation remaining high.		In Year 1 of this Plan, an interest rate that is 1% more than we have assumed for borrowing would equate to increased cost of \$560k. Lower Interest Rates: In current circumstances, there is a possibility that interest rates will fall faster than expected. If this was the case, the cost of borrowing would also decrease.	projection is that the RBNZ will cut the official cash rate from August 2024. It is expected that cuts will be gradual. Given that, we expect interest rates on new borrowing, or borrowing coming up for renewal, to remain at current levels for the foreseeable future. The borrowing costs for projects has these higher rates built in. If rates do come down, the projects will become more affordable.
Repayment Periods	We will pay off all new debt within a 25 year timeframe.	Low	Repayment periods are shorter or longer than assumed. Council decides to depart from the assumed debt level. Council allows more exceptions to the 25 year timeframe for repayment of debt.	Any of these scenarios would impact the rates requirement. If repayment periods were significantly shorter this could result in higher repayments, negatively impacting rates required. It would also mean debt would be repaid more quickly than anticipated. The current generation could pay more than their share for the loan funded asset, reducing the cost for future generations.	The Council's Financial Strategy sets a constraint the debt level and requires debt to be repaid and charged to the activity that has benefitted from the application of the debt funding.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
				<p>A longer repayment period could mean debt would be spread over a longer period, reducing payments and positively influencing cashflow in the shorter term, but it would also take longer to repay debt. The current generation could pay less than their share for the loan funded asset, moving this cost to future generations.</p> <p>Changing the duration of repayment periods could also potentially impact on Council debt ratios.</p>	
NZ Local Government Funding Authority	MDC will continue to be a shareholder and borrower from New Zealand Local Government Funding Authority (LGFA) which will continue to provide debt funding at competitive interest rate margins.	<p>Medium</p> <p>Inflation and current economic conditions increase the level of uncertainty compared to previous LTPs.</p>	<p>That MDC is called upon to be a guarantor - as an LGFA shareholder, MDC is obliged to be a guarantor in the event of default of one of the other shareholders.</p> <p>That NZLGA is impacted by the current economic climate and unable to offer loan funding, or at</p>	<p>The proportion each guarantor Council is required to pay is relative to shareholding. In the very unlikely event that the guarantee was called on, for every \$100K that might be defaulted, the Council would be required to pay \$440.</p> <p>If the LGFA was no longer to participate in the debt markets, MDC would need to explore</p>	In the current economic climate, the risk of the Council's guarantor status being called on might increase, however given the LGFA has numerous financial controls in place, this risk is considered low.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
			rates that are more competitive than the general market.	alternative borrowing options. Market interest rates are expected to remain low for at least the first three years of the LTP, but alternative lenders are unlikely to be able to offer comparable interest rates to the LGFA, resulting in increased costs.	
INFLATION					
Inflation Rates	Inflation will be applied in line with Business and Economic Research Limited (BERL) rates across the ten years of the Plan, except where we have alternative information that better informs decisions regarding inflation. See table in Attachment 1 that includes BERL rates for Year 1-10.	Medium-High Changing economic conditions increase the level of uncertainty compared to previous LTPs.	That inflation is significantly higher or lower than expected. Most of the Council's operating costs are influenced by cost escalation, either through contracts or employment agreements.	Higher inflation would result in increased costs. Lower inflation would result in reduced costs. Either could have a flow on effect for rates, fees and/or charges (i.e. increase or decrease) or for work programmes (e.g. if costs were higher, to maintain affordability, we may need to deliver less).	We will continue to monitor the economy and respond accordingly.
CONTRACTS					

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
Operational Contracts	There will be no significant variations in terms of price (other than inflation) for operation and maintenance contracts.	Medium Inflation and current economic conditions increase the level of uncertainty compared to previous LTPs.	That there are significant variations in contract costs.	Increased costs would result in increased expenditure for Council. This could have a flow on effect for rates and/or fees and charges.	Economic recession could affect contractors. This could lead to requests for additional support and/or the need to secure new providers.
Capital Project Costs	Costs of major capital projects will not vary significantly from estimated costs that have been budgeted for.	Medium Inflation and current economic conditions increase the level of uncertainty compared to previous LTPs.	That the cost of major capital projects is more than we have budgeted for. Delays occur in delivering the capital programme and community expectations are not met.	Increased costs would result in increased expenditure for Council. This could have a flow on effect for rates and/or fees and charges.	Economic recession could impact supply and demand. This could see some reductions if contractors are looking for work. This could also see some increases in the cost of materials if they become less available. Slippage in the delivery programme may increase costs, therefore regular reporting to Council and Committees will occur and risk management plans will be developed for major projects and programmes of work. Adequate contingency will be built into projects and programmes of work.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
					<p>We will apply cost adjustors, including inflation adjustors, to projects and programmes in outer years of this plan.</p> <p>The proposed capital programme for the life of this plan is larger than three years ago. The larger capital programme reflects some new projects, some having funding assistance from the government, along with the routine subsidy funding for the roading programme. The programme includes several large capital projects eg the library and town hall which require less capacity to deliver on once tenders are secured. However the infrastructure renewal programme will be dependent contractor availability.</p> <p>The Council has been steadily improving its performance at delivering on the capital programme over the last three years and has the project management capacity to deliver on the proposed programme. Contractor availability and longer</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
					timeframes than anticipated for gaining the appropriate consents may however delay the programme. Completing the programme over a longer timeframe will add some inflationary cost to the projects. Good planning and clever procurement will minimise this risk.
SIGNIFICANT ASSETS					
Asset Valuations	<p>Infrastructural assets are scheduled to be revalued 30 June 2026. Independent valuers are used to provide the valuations. The value escalations will reflect increases in the replacement and depreciated replacement costs of the Council's assets.</p> <p>Land and buildings assets will be revalued as at 30 June 2024 and every 3 years after that.</p>	Medium-High Inflation and current economic conditions increase the level of uncertainty compared to previous LTPs.	That actual asset revaluations are significantly different to what is forecast.	If valuations are more or less than has been allowed, depreciation costs in subsequent years will vary from the values that have been allowed in the Long-Term Plan.	Economic recession could impact valuations.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
Investment Properties	The value of investment properties will remain static given our small investment portfolio.	Medium The timing of sales, and the value of our investment properties at time of sale, is uncertain. Results of our Property Stocktake and Strategy work are not known at this point.	That the value of investment properties decreases or increases.	A decrease in asset value could result in reduced income for Council when the property is sold. An increase in asset value could result in increased income for Council when the property is sold. Income from the sale of investment properties is not relied on for the Council's operational funding.	Economic recession could impact the valuation of investment properties. Revaluation changes have not been allowed for.
LEGISLATIVE					
MDC as an Entity	Amalgamation will not happen during life of the Long-Term Plan.	Medium	That reorganisation occurs and results in alternative operating structures, or amalgamation is reconsidered.	If amalgamation did occur within the life of this Long-Term Plan there would be a range of associated costs, for example transition costs. There is also the potential for efficiency gains and higher levels of service to be achieved. Boundary reviews and changes	Shared services across the three Wairarapa Councils, for example solid waste contracts and the Wairarapa Combined District Plan, are likely to continue. Council activities that are shared services would be easier to transition into a bigger organisation if amalgamation did occur.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
				would also require a review of this Long-Term Plan with associated community consultation.	Amalgamation could have economies of scale for the three Councils and could result in enhanced Levels of Service in some activity areas. Risk and mitigation plans will be kept under review.
Resource Consents	There will be changes to existing resource consents that are due for renewal during the ten years of this Long-Term Plan.	Low	That consent conditions will not change, or that change will be more or less restrictive than we anticipate.	If change is less restrictive than we have assumed, some planned projects or changes may not be required, or not required as soon as we have scheduled. If change is more restrictive than we have assumed, this may require further investment from Council, or impact on our ability to continue to provide the service or activity.	We are planning for change to the Henley Lake water intake consent and our Water Supply consent during the life of this Long-Term Plan. We are actively participating in changes to the Natural Resources Plan.
Water Reforms	1. MDC will continue to provide three waters services and maintain associated assets for our community. 2. There will be probable second order impacts of three waters reform.	High	Another entity becomes the provider of the three water services and Council ceases delivery of these services. Second order impacts could include things like: private and/or	Services would continue to be provided to the community via another entity. There are financial and operational implications for the Council relating to the size and	In February 2024, the Government passed legislation that repealed the affordable waters reform legislation passed into law by the previous Government.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
			community water supplies failing to meet their regulatory obligations; or advocacy for amalgamation of remaining functions.	<p>scale of the business. The three waters make up close to 30% of the Council's operating budgets, so their loss will result in the organisation reassessing its delivery capabilities and support structures in all other activity areas.</p> <p>Second order impacts could include:</p> <p>Council could be required to take over management of private and/or community water supplies that can't meet their regulatory obligations.</p> <p>Amalgamation of Councils remaining functions with other Wairarapa Councils could be considered.</p>	<p>The Government intends implementing its "Local Water Done Well" programme through the passing of two further bills through Parliament.</p> <p>The first bill will set out provisions relating to council service delivery plans and transitional economic regulation. It will also provide for streamlining the establishment of council controlled organisations to deliver water should councils desire to do so.</p> <p>A second bill will set out provisions relating to long term requirements for financial sustainability, provide for a complete economic regulation regime, and a new range of structural and financing tools, including a new type of financially independent council controlled organisation.</p> <p>The first and second bills are expected to be passed by mid 2024 and mid 2025 respectively.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
					<p>Until the content of the bills is known, the impact on the Council is unclear.</p> <p>Council will assess the impacts of the legislative change once details are confirmed.</p>
Resource Management Act Reform	Through the review of the Wairarapa Combined District Plan (WCDP), we will adapt the district plan to reflect RMA reforms.	Low	The RMA reforms being pursued by the government suspends or slows the District Plan review.	<p>If the review is suspended or takes longer, then the issues causing frustrations within the planning environment will continue.</p> <p>We may need to suspend our contract for service for review support and there will be some savings; or we may need to extend this contract, adding to costs.</p> <p>The Council could change tack and undertake a Plan Change for urgent matters while the reforms are progressed through to enactment. If the plan change was pursued the costs of the plan change would be covered by the existing District Plan review budget.</p>	<p>Further RMA reforms are being considered by the new government. The Randerson Report recommends the replacement of the Resource Management Act 1991 with two separate pieces of legislation; a Natural and Built Environments Act and a Strategic Planning Act. Those reforms have not found favour with the new government, but there remains a need for legislation to address issues related to climate change adaptation and the managed retreat from areas threatened with inundation.</p> <p>The Wairarapa Combined District Plan review process is well advanced and should progress to operative in 2025.</p>
LEVELS OF SERVICE					

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
Levels of Service (LOS)	LOS will be maintained or improved for most activities in line with this LTP. Some changes are proposed for consultation.	Medium-High Inflation and current economic conditions increase the level of uncertainty compared to previous LTPs.	That there will be a change to LOS during this Long-Term Plan that is outside the scope of the Long-Term Plan.	An increase in level of service for any activity could require additional funding from our community. A reduced level of service could reduce costs for our community. Specific implications of any LOS change would depend on the service that changes.	Increases in LOS are planned for the, Town Hall, Waiata House including Civil Defence, Library, Town Centre and Animal Shelter (to meet increased regulatory requirements). There may be pressure to reduce some LOS to reduce costs/ rates impacts. There could also be demand for other changes to LOS (e.g. increase operating hours of some facilities/ services or greater focus on/investment in economic development to support recovery).
HUMAN RESOURCES					
Human Resources	MDC will be able to attract and retain appropriately skilled staff to deliver the planned work programme.	Medium	That MDC will not be able to attract appropriately skilled staff to deliver the planned work programme.	Planned work programmes and or service levels could be impacted, and/or external contractors would be needed to progress work. Contractor costs could impact the overall cost of programme delivery.	We have experienced challenges recruiting in some areas, engineering and planning in particular where there is a national shortage of experienced and suitably qualified staff. A future pandemic may impact on staff capacity to deliver the work programme.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
NATURAL ENVIRONMENT					
Natural Disasters	No natural disaster will occur that causes widespread or significant damage to Masterton's infrastructure.	Medium-High	That a significant natural disaster will occur.	<p>This could disrupt the community with the level of disruption dependent on the event and consequences of that.</p> <p>Council could need to borrow substantially as a result of an event – e.g. if assets were lost.</p> <p>The flow on effects from a serious event could mean Council is not able to levy rates and may need to borrow more to fund operational costs.</p>	<p>Council carries insurance on most assets with the intention of mitigating the financial impact of natural disasters.</p> <p>The Council has a Storm Damage Reserve to contribute towards our share of remedial work on roads and bridges in the event of storm or other damage from natural disasters. The fund has been drawn on heavily in the last two years and will be replenished from funding allowed in the LTP.</p> <p>Work is currently underway as part GWRC's flood protection programme which could see the Council contributing to Waipoua River flood protection works. There is funding allocated in this in the LTP.</p> <p>Council is also developing a Stormwater Strategy that will assist in prioritising work that will contribute to a reduction in flooding risk for our community.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
INFRASTRUCTURE					
Water Resilience	<p>Council will invest in increased water storage, increasing the capacity of its own raw water reservoir and treated water capacity.</p> <p>The prospect of a community water storage scheme is not factored into the LTP.</p>	Low	That Council revokes its decision to invest in water storage.	Water conservation and availability will become a bigger challenge for our community.	<p>The budget includes provision of \$7 million in Years 2 - 4 for building of raw water storage reservoirs and a new treated water reservoir in years 5 and 6.</p> <p>Council has signalled an intention to support (by way of loan) a scheme to provide process water in the Waingawa industrial area.</p>

Attachment 1: BERL Inflation Rates for Years 1 to 10

Inflation Assumptions

Budgets for Years 2-10 of the Long-Term Plan are modelled using the inflation forecasts developed by Business and Economic Research Ltd (BERL). The Society of Local Government Managers (SOLGM) commissions BERL to develop inflation forecasts for local authorities to use in their Long-Term Plan. These forecasts focus on specific areas of activity in local government. In addition, BERL produce a Local Government Cost Index (LGCI) for a range of operating and capital costs.

The table below shows the percentage increase applied annually to each the eight defined price indices. For operational and capital costs, the movement is applied in the year after the index date.

Year Ending	LGCI (Overall) (2024: 3.9%)	Water (Capex)	Water, Sewerage & Drainage (Opex)	Roading (Capex & Opex)	Pipelines (Capex)	LGCI (Opex) (applied property, energy & other)	Local Government Salary & Wage Rates	LGCI (Capex) (applied property & other)
Jun 2025	2.9%	3.6%	4.0%	2.9%	4.0%	2.9%	2.4%	3.0%
Jun 2026	2.2%	2.5%	2.8%	2.0%	2.6%	2.2%	2.2%	2.2%
Jun 2027	2.3%	2.7%	3.0%	2.3%	2.8%	2.3%	2.1%	2.4%
Jun 2028	2.3%	2.6%	2.9%	2.3%	2.6%	2.3%	2.1%	2.3%
Jun 2029	2.2%	2.5%	2.7%	2.2%	2.4%	2.2%	2.0%	2.2%
Jun 2030	2.1%	2.3%	2.5%	2.1%	2.3%	2.1%	1.9%	2.1%
Jun 2031	2.0%	2.3%	2.4%	2.0%	2.1%	2.0%	1.9%	2.1%
Jun 2032	2.0%	2.2%	2.4%	2.0%	2.1%	2.0%	1.9%	2.0%
Jun 2033	1.9%	2.1%	2.3%	2.0%	2.0%	1.9%	1.8%	2.0%

The revaluation of all assets has been applied every three years using the appropriate LGCI index for Capex. This attempts to predict the property market's level of value growth over each three year period.

ADDITIONAL INFORMATION Ngā Parongo Atu

Significance and Engagement Policy

Council's Significance and Engagement Policy was reviewed as part of our Long-Term Plan process with the revised policy adopted on 13 December 2024. The policy reflects our commitment to involve our local community in council decisions about things that affect their lives.

The Significance and Engagement Policy:

- Enables Council and our communities to identify the degree of significance attached to particular decisions.
- Provides clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters.
- Ensures Council is informed from the beginning of a decision-making process about the extent and type of public engagement that is expected before a particular decision is made; and
- Ensures MDC meets its obligations under the Local Government Act 2002 (LGA) to have a Significance and Engagement Policy.

The full policy is available on our website here: [Significance and Engagement Policy](#)

Fees and Charges

Fees and Charges are reviewed annually as part of Annual or Long-Term Plan process. Current Fees and Charges are available on Council's website here: [Fees and Charges](#)

Other Key Information

The following documents include further information that is relevant to the Long-Term Plan:

- Development and Financial Contributions Policy
- Rates Remission Policy
- Rates Postponement Policy
- Rates Remission and Postponement on Māori Freehold Land Policy
- Treasury Management Policy
- Asset Management Plans (AMPs)
 - Introduction to Asset Management Plans Part A
 - Parks and Open Spaces AMP
 - Roading AMP
 - Solid Waste AMP
 - Stormwater AMP
 - Wastewater AMP
 - Water Supply AMP

These documents are available to view on our website.

Auditor's report

THE FOLLOWING CONTENT IS A PLACEHOLDER. THE NEW AUDIT OPINION WILL BE ADDED WHEN AVAILABLE.



To the reader:

INDEPENDENT AUDITOR'S REPORT ON MASTERTON DISTRICT COUNCIL'S 2024-34 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for Masterton District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 26 June 2024.

OPINION

In our opinion:

- the plan provides a reasonable basis for:
 - long-term integrated decision making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 151 to 153 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of information in the plan.

EMPHASIS OF MATTERS

Without modifying our opinion, we draw attention to the following matters.

UNCERTAINTY OVER THREE WATERS REFORMS

Page XX outlines the Government's intention to make reform decisions regarding the delivery of water services during 2024. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

UNCERTAINTY OVER EXTERNAL FUNDING

Waka Kotahi funding uncertainty - words to come.

BASIS OF OUR OPINION

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

RESPONSIBILITIES OF THE COUNCIL AND AUDITOR

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

INDEPENDENCE AND QUALITY CONTROL

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with, or interests in, the Council.

Karen Young
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



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ISSN 2537-9631

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