

MASTERTON DISTRICT COUNCIL

COUNCIL AGENDA

ATTACHMENTS

REPORT 115/21 ADOPTION OF THE 2021-2031 LONG TERM PLAN ATTACHMENTS 1 & 2

**WEDNESDAY 30 JUNE 2021
3.00PM**

25 June 2021



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ATTACHMENTS

1. ADOPTION OF THE 2021-31 LONG-TERM PLAN (115/21)

- **Attachment 1 2021-2031 Long Term Plan** Pages 1-248
- **Attachment 2 Fees and Charges** Pages 249-277

STEPPING UP

LONG-TERM PLAN 2021-31

MAHERE Ā-TAU 2021-31



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MESSAGE FROM THE MAYOR AND CE

- insert translation

Mā te huruhuru ka rere te manu.

Adorn this bird with feathers to enable it to fly.

Whakaoriori is the Māori name for Masterton. Loosely translated it means 'to chant'. The story that goes with this name tells of old people sitting with young ones in their laps or wrapped in blankets listening to birdsong in the evenings and chanting along with the music of the birds as they as they rocked their children to sleep. This whakatauki, or proverb, resonates given the link to our history and because the projects that we have planned are about caring for our children and could also be considered the feathers that enable Masterton to move forward and 'fly'.



Photo supplied by Rangitāne Tū Mai Rā Trust

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

Welcome to Masterton District Council's Long-Term Plan (LTP). This document outlines the key projects and 'business as usual' activities we have planned for the next 10 years.

We have called the plan 'Stepping Up' because the LTP is about stepping up and investing in the future for our mokopuna.

During consultation on this plan we challenged you, our community, to step up and have your say on the proposals in the Consultation Document. We encouraged you to look way beyond the next few years - to think about what you want Masterton/Whakaoriori to be like for your children or grandchildren, and to think about the legacy you want to leave future generations.

You told us your views in submissions, letters, emails and 'kanohi ki kanohi' (face to face) at the beaches, in the streets, at your workplaces, in meetings, at club events and at the hearings.

You agreed with the aim of making Masterton/Whakaoriori a better place. You also questioned some of our plans. A key concern for you was affordability for our community and making sure we were addressing challenges like water resilience and climate change.

We have considered everyone's views and we have responded in a way that addresses the long term interests of the community.

Our plan is still about boldly moving Masterton/Whakaoriori forward and creating a place that our children can be proud of for years to come. Our Plan is still about continuing our decades of investment in water, wastewater, and roading. And our Plan is still about working to address the big challenges that we are facing as a community.

We have confirmed our plan for funding the new Civic Facility. We will build the new facility, incorporating the library and archive, soon and we are committed to seeking external funding to reduce the cost to ratepayers. We will share details of the site as soon as we are able to, and we will work toward achieving a design that reflects our community and is uniquely us.

We have deferred the Masterton Revamp for three years. By pushing this project back, we will avoid the impact of two big projects starting at the same time. This will help to balance affordability for our community. It will also enable us more time to explore external funding for this project too.

We have decided to make the vacant land at Panama available for someone else to build housing on. This will enable us to realise our aspiration of more affordable housing stock in Masterton, and at the same time reduce the investment required from our community.

We will continue to invest in all our core infrastructure and to deliver the level of service that you expect. We know this is important to you. We are also progressing with water resilience and climate change action. We know these are key issues for our community.

We are still doing things that will really enable Masterton/ Whakaoriori to 'fly', and we're doing it in a way that will be more affordable for our community.

Thank you for stepping up with us. Thank you for being part of planning the future for our kids, and for Masterton/Whakaoriori.

We're looking forward to working together with you to deliver this plan for our mokopuna.

Ngā mihi,

Lyn Patterson, Mayor

Kath Ross, Chief Executive

PURPOSE OF THE LONG-TERM PLAN

- insert translation

The Long-Term Plan (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.

This LTP is for our mokopuna. But it is also for you, our community, right now. We deliver a wide range of services for our community, and this plan will affect all residents and ratepayers.



OUR FUTURE DIRECTION

Ahutahi ki mua

OUR VISION FOR MASTERTON/WHAKAORIORI

Our vision is that Masterton/Whakaoriori offers the best of rural provincial living.

We want 'the best' for everyone in our community, and especially our tamariki and mokopuna. We want them to be proud of who they are, and where they come from. We want Masterton to be a place where everyone thrives.



ENHANCING OUR WELLBEING

We have identified five aspirational outcomes that will help us achieve our vision for Masterton and enhance wellbeing for our community:



An engaged and empowered community Masterton/Whakaoriori is a positive, strong, inclusive, and self-determining community with equitable opportunities for everyone.



Pride in our identity and heritage Masterton/Whakaoriori values the place and role of tangata whenua and is proud of our cultural identity and heritage.



A sustainable and healthy Environment Masterton/Whakaoriori has rivers we can swim in and drink from, clean air to breathe, green and blue spaces that we can enjoy and share with future generations.



A thriving and resilient economy Masterton/Whakaoriori has a strong, sustainable, low-carbon economy that supports our people and places.



Efficient, safe and effective infrastructure Masterton/Whakaoriori has high-quality and cost-effective infrastructure that meets the current and future needs of our community.

KEY STRATEGIES

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

People are at the heart of everything we do. We were proud to adopt our Wellbeing Strategy *He Hiringa Tangata, He Hiringa Whenua* in 2018. This strategy provides direction to support social, cultural, environmental, and economic development that together have a tangible impact on the wellbeing of our people, now and in the future.

He Hiringa Tangata, He Hiringa Whenua has guided our decision-making over the past three years and shaped our strategic direction for this plan, placing people firmly at the centre. Alongside, and at the same time supporting, *He Hiringa Tangata, He Hiringa Whenua* are our Infrastructure Strategy and our Financial Strategy.

We have worked towards building a better Masterton, looking after our people and our place, to enhance the wellbeing of our community. We have achieved a lot. And now it is time to continue that journey as we move Masterton into the future.

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

Our Financial Strategy and our Infrastructure Strategy are included in this document on [page 21](#) and [page 33](#). Our Wellbeing Strategy, *He Hiringa Tangata, He Hiringa Whenua*, is available on our website [here](#).



11 HIGHLIGHTS FROM OUR LONG-TERM PLAN

CONVERSATIONS WITH OUR COMMUNITY

This plan is the result of ongoing conversations that we have had as a community.

Since the adoption of our last Long-Term Plan (LTP) in 2018, we have continued to discuss plans for both a Civic Facility and the implementation of our Town Centre Strategy, also adopted in 2018.

Conversations about water resilience and climate change have been ongoing - and have increased in depth as our collective knowledge and understanding of these challenges grows.

We have also been hearing increasing concern about new and evolving issues, such as the impact of COVID-19 on our community, growing housing challenges and increasing food poverty.

In November 2020 we asked for your feedback on a range of topics to help shape our Long-Term Plan. Your feedback was considered when we set our service levels and confirmed projects to be included in the Consultation Document that was adopted on 31 March 2021.

Formal consultation began on 1 April 2021 and was scheduled to close on Monday 3 May 2021. This deadline was extended and all submissions received before Friday 14 May 2021 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:

- 25 face to face engagement activities attended or hosted by elected members and staff. These included 'pop ups' in public spaces, visits to workplaces and attendance at scheduled meetings.
- 12 social media posts and events, including an advertisement which generated 225 clicks to the consultation homepage.
- Over 2,000 visits to the Long-Term Plan page on our website.
- 2,500 fliers and 600 hard copy Consultation Documents printed for distribution.
- Media advertising, both print and on radio.

We received 346 submissions and 48 submitters spoke with Council at the Hearings held on 19 and 20 May 2021. Feedback from face to face engagement sessions and via social media was considered alongside submissions received when Council finalised this plan.

FINAL OUTCOME OF THE 'BIG DECISIONS'

Three key proposals were outlined in the Consultation Document. We referred to them as the three 'Big Decisions'. Final decisions on these proposals were made at the Council's deliberations meeting held on 2 June 2021.

Funding the new Civic Facility

We will proceed with Council's preferred option to fund the new civic facility, which includes the library and archives, with a minimum of \$4 million external funding and will loan fund the difference of up to \$26.8 million. Construction will start in 2022/23.

- Loan funding enables us to share the cost of this project across both current and future users of the facility, recognising that the facility will be an asset for our future generations too.
- \$4 million is the minimum that we have committed to raising from sources other than rating. We will pursue all funding opportunities available to us and raise as much as we possibly can. External funding could come through external funding applications, grants and trusts, partnership arrangements, philanthropic investment and in-kind donations.
- We will explore other ways of off-setting the cost of the civic facility too. This could include selling existing Council owned buildings to off-set the cost.

These approaches to funding the civic facility will enable us to reduce the overall financial impact for our community, while still delivering an exciting new venue that will become the heart of our community. We will progress the land acquisition and design process while we seek funding to enable us to start the project in 2022/23.

The new civic facility is part of our vision to create futureproofed spaces and places for our community, while still incorporating our history. Building one new facility that allows us to house more Council operations under one roof will save us in maintenance and operating costs (including rent on two of the existing buildings). This is one of the most important things we will deliver for our community. We are committed to doing it once, doing it right, and creating something that we can all be proud of.



Masterton Revamp

We will proceed with Council's preferred option of a full Masterton revamp over 10 years but have deferred the start of this project by three years. The significant aspects of the Revamp will now commence in Year 4 of the LTP (2024/25).

This will avoid two big projects getting underway at the same time reducing the financial impact on our community now. It will also allow us time to explore external funding opportunities for the Revamp, whether that is through Waka Kotahi in the future, or another funder. If external funding does become available sooner, we may be able to bring some of the work forward.

In the meantime, we have allowed \$0.9 million over Years 1-3 to do placemaking, to finalise plans for the work to start in Year 4, and to enable us to get on with some landscaping at the Northern entrance and the Kuripuni roundabout. We will also continue to maintain our town centre pavements.

Deferring the project now means the overall project will be \$35.2 million over the 13 years to 2034. We will loan fund Council's contribution and anticipate Waka Kotahi funding for any roading work that can be part of the approved programme.

The Masterton Revamp project is another key part of our vision to create futureproofed spaces and places for our community that incorporate our history.



More Housing for Seniors

We will proceed with Council's alternative option of making the vacant land at Panama available for someone else to build public housing on.

We get to achieve our goal of increasing affordable housing stock while minimising Council's financial contribution to this project. It may also enable consideration of housing for younger people and families too.

We will work with the Government (via Kāinga Ora), community housing providers, and iwi to ascertain the most appropriate arrangement for a provider, or providers, to fund and build the public housing. We will seek external funding for infrastructure, such as stormwater, that is required on the site. We have estimated the project value as \$2.5 million and we will seek external funding for the full amount.

We will also continue to advocate on behalf of our community to identify broader solutions and improve housing outcomes for our community; and through our District Plan review we will explore community suggestions such as smaller section sizes and changes that could enable collective ownership and papakāinga.



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 included:

- **Roading Budget/Waka Kotahi Funding:**

On 31 May 2021, Waka Kotahi, the government's agency for land transport funding, advised that their funding pool for roading projects for the first three years of the LTP had been reduced given current national funding constraints. For Masterton District Council, this means we will not be receiving the level of funding that we had assumed from Waka Kotahi. That funding had been reflected in the budgets that supported the LTP Consultation Document.

Projects that were part of the Masterton Revamp have been deferred, which reduced the subsidised work programme, but there is still approximately \$5 million of roading expenditure that is not eligible for the subsidy. We have decided to continue with the remaining work that was planned for our roading programme and replace the subsidy we have lost with loan funding and depreciation reserves in years 1 to 3. The alternative option would have been to reduce the work programme, which would have reduced the level of service for our roading network and our community would have seen our roads degrade in condition.

We have assumed that the current national funding constraints will have been resolved by Year 4 and that Waka Kotahi funding will be available at the previous level in the future.

- **Memorandum of Understanding with Wairarapa Water Limited**

Council, along with Carterton and South Wairarapa District Councils, has agreed to a Memorandum of Understanding with Wairarapa Water Limited to explore the future of water supply services for our community. We have agreed that we will work on identifying a range of options to deliver the municipal water supply's level of service for the long term and short list the options to a preferred way forward. This is a non-binding agreement and does not commit Council to the community storage project. See further discussion on water resilience on PX.

- **Riversdale Beach Planning**

In response to community feedback we have agreed to bring forward the development of a Riversdale Beach Management Plan which will help identify priority actions for the beach resort. This will now be completed in Year 1 of the LTP and will include reviewing plans for the Southern Reserve.

- **Queen Elizabeth Park Reserve Management Plan**

There were a range of suggestions and submissions relating to Queen Elizabeth Park and Kids Own Playground. We will develop a reserve management plan for QE Park in Year 1 of the LTP to assist us in planning and prioritising work at the park.

- **Future Level of Service Reviews**

In response to community feedback we have agreed to undertake engagement with our community early in 2022/23 on potential level of service changes for the 2024-2034 Long Term Plan. Suggestions that we will explore include establishing an off-lead dog park, whether Council should mow berms and the potential for free or discounted swimming.

16 RESPONDING TO KEY CHALLENGES - insert translation

CLIMATE CHANGE

We know our community see climate change as one of the biggest challenges facing us now and future generations, and that as part of stepping up for our mokopuna, climate change action is a priority. One of 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:

- We have established a climate change work programme to better respond to local opportunities, challenges, and requirements of the Climate Change Response (Zero Carbon) Amendment Act 2019.
- Our Corporate Carbon Emissions Reduction Plan was recently approved by the Council, setting out a range of actions and targets to decrease the Council’s carbon footprint.
- We have established a community forum to support us to co-develop an equivalent plan for our district. That plan will look more broadly at what we can do together as a community to respond to climate change challenges.
- Our infrastructure asset management plans, and infrastructure strategy, have considered climate change when planning for the future. Key immediate responses are water resilience, which we discuss in the next section, and developing a Stormwater Strategy to help us better plan and prioritise this work.
- Through the Wairarapa Combined District Plan review, we will also be exploring options and tools to support climate change resilience. This is where we will consider things that our community have suggested, like water storage tanks and reviewing zoning rules, as well as how we look after our environment.
- We are supporting organisations that support environmental education and outcomes for our community through grant funding, such as Enviro Schools and Waiwaste.

WATER RESILIENCE

We know having enough water to meet our basic needs is important to our community. Water resilience was widely discussed through this and earlier consultation and engagement. We received a lot of 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.
- The Council has funding in Year 3 of the LTP(2023/24) for water storage reservoirs at the Kaituna Water Treatment Plant.
- The Wairarapa Water Project team is seeking a resource consent for a proposed community dam project. We have agreed to a Memorandum of Understanding (MOU) with Wairarapa Water to explore future water supply services and identify the best option for our community. We have also agreed to lend \$1 million to the organisation to support costs associated with the consent process. The MOU allows us to progress work together to explore options but is non-binding and does not commit Council to the Wakamoekau community storage project.

- Leak detection and remediation is underway through our water renewals programme.
- Water meters are being installed and the data will be utilised to encourage users to fix leaks on private property and use water responsibly.
- Through the Wairarapa Combined District Plan review, we will also be exploring options and tools to support water conservation and resilience.



COVID-19 RECOVERY

COVID-19 had a big impact on our community when we went into Alert Level 4 lockdown in 2020. To date, our recovery as a community has been more positive than we expected, but we know some people have been affected more than others. We are taking action to support recovery for all members of our community:

- We have developed a joint Wairarapa Recovery Plan that includes identifying and promoting opportunities across our region and stimulating business growth.
- In November 2020, you told us you supported the Council investing in projects that would help to create jobs locally, and help our economy, if we could minimise the impact on rates. The projects we have planned will offer lots of opportunities for local contractors and local employment. We are seeking external funding support wherever possible.
- We have agreed to fund a range of organisations that provide support and services for our community, including Foodbank, Wairarapa Community Centre, Pasifika Wairarapa and Te Awhina Community House.

AFFORDABILITY

A key consideration in the development of the 2021-31 LTP has been keeping rates affordable. To achieve this we have used a rates smoothing approach, borrowing from our reserve funds to 'smooth' rates increases over the 10 years of the LTP. In years 1 to 4 we have borrowed an average of \$1 million per annum from our reserve funds, or 3.0% of 2020/21 rates. Funds are budgeted to be returned to reserves in the later years of this LTP.

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 138](#) of the LTP excludes these one-off revenue items. It also excludes revenue from financial contributions. Using that calculation basis results in a deficit of revenue over expenditure in the first three years of the LTP.

The deficits shown in the Balanced Budget benchmark graph are the result of two things: the use of reserve funding to smooth rates increases and the reduction in roading subsidy revenue. Council has chosen not to increase revenue (rates) to offset the loss of roading subsidies in the first three years of the LTP and has assumed that from year 4, the full roading programme will be subsidised. The deficits in the first three years are reversed in subsequent years. The Council considers it's approach to holding rates at affordable levels while still maintaining service levels is a prudent one, and one that is sustainable over the ten years of the LTP.



19 MĀORI PARTICIPATION IN DECISION MAKING - insert translation

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, Kahungunu ki Wairarapa, Rangitāne Tū Mai Rā Trust and Kahungunu ki Wairarapa Tāmaki Nui ā Rua Settlement Trust to strengthen relationships and increase opportunities for meaningful partnerships and more co-governance. Council are also committed to maintaining and improving mechanisms to encourage, enable and support broader Māori involvement in our decision-making processes.

What we do now:

- Iwi representatives are 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 Kahungunu ki Wairarapa were first appointed in 2016. In October 2019 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. The current appointees are Tiraumaera Te Tau for Rangitāne o Wairarapa and Ra Smith for Kahungunu ki Wairarapa.
- 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 planning for the new Civic Facility and the Masterton Revamp projects.
- We acknowledge the importance of water and the environment for Māori and are working with mana whenua to co-design a process to inform the co-development of a Masterton District Climate Change Action Plan. Mana whenua are also developing their own strategy alongside this process. Council's Homebush Working Group and the Wairarapa Combined District Plan review also include iwi representation.
- We are working with Iwi, Hapū, Marae, and Hapori Māori to develop an engagement framework that strengthens relationships, increases the potential for co-design opportunities, enables better outcomes/quality of advice/quality of decisions, builds internal capability, gives 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 Kaitakawaenga (Māori Liaison Advisor), Kaumatua, and Kaitātari Māori (Māori Advisor). These roles have responsibilities through their respective work programmes to contribute towards developing 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 Rangitāne o Wairarapa and Kahungunu ki Wairarapa to support capacity building.
- We intend to continue building on 'what we do now' over the 10 years of this LTP. Actions and initiatives that we have committed to include:

- Establishing a Māori ward for the 2022 local government elections. On 20 May 2021 Council agreed to a Māori ward which will ensure there is an elected voice at the Council table to represent Māori views.
- Reviewing the existing Memorandums of Partnership with Rangitāne o Wairarapa and Kahungunu ki Wairarapa in Year 1 of the LTP.
- Developing Memorandums of Partnership with the two PSGEs (Post Settlement Governance Entities), Rangitāne Tū Mai Rā Trust and Kahungunu ki Wairarapa Tāmaki Nui ā Rua Settlement Trust in Year 1 of the LTP.
- Implementing the Iwi, Hapū, Marae, and Hapori Māori engagement framework once that is complete 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 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.



FINANCIAL STRATEGY 2021-31

Rautaki putea

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INTRODUCTION

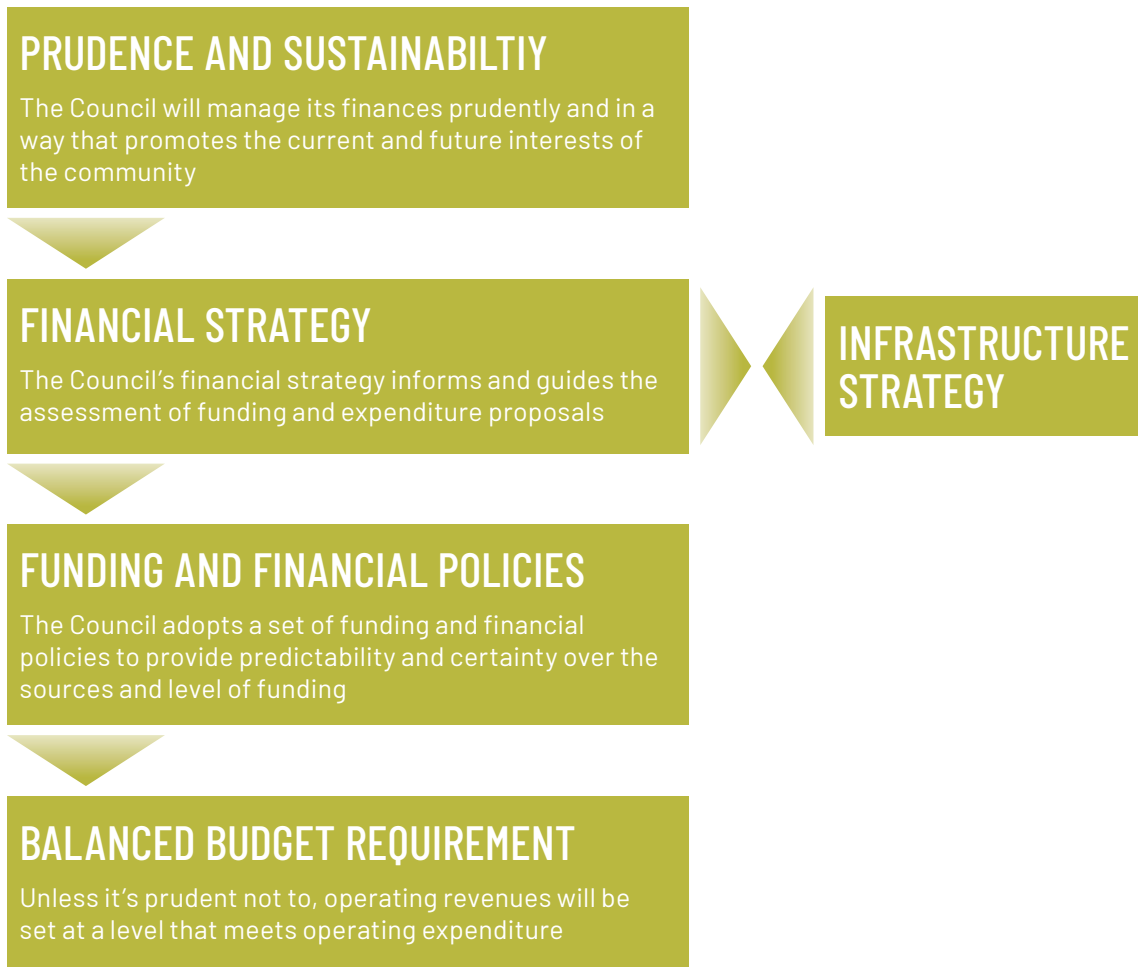
This financial strategy sets the overall direction for the Council's finances over the next ten years. It outlines a similar approach to our financial management as described in the previous Long Term Plan. Our approach for prudent financial management includes:

- 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
- growth funding the costs of growth

We prepare detailed plans every year, and complete a 10-year plan and review 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 and our Annual Report is audited by Audit New Zealand.

The end-point focus of the 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 forecast renewal expenditure programmes.

THE COUNCIL'S FINANCIAL MANAGEMENT RESPONSIBILITIES



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 and community facilities.

OVERVIEW

Last year the Council took the time to understand the likely impacts of the COVID-19 pandemic on our community and we adjusted our revenue collection from rates and fees to support our community's ability to rebound. While the impacts of COVID-19 are unprecedented and evolving

(which creates uncertainty) we have seen that Masterton district's economic recovery has been positive. Some of this reflects the drivers of our economy, which is heavily influenced by the primary sector and less reliant on tourism. Council's revenue streams have been relatively unaffected and construction activity and consenting volumes are still increasing. We have based our forward planning on the assumption that our recovery will continue on this trajectory.

Our financial performance and position over the last 12 years has been dominated by infrastructure expenditure. Over the next ten years we have scheduled some high value construction projects to address areas of community well-being. The proposed new civic facility, delivering our town centre revamp and enabling investment in public housing on Council land next to Panama village are all significant projects that increase the level of service to our community. We are funding the majority of these projects with new debt and we will be increasing rates to pay for that increased level of service.

We are looking to respond to the needs identified in our asset management plans and increase 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, meters and sustainable urban drainage (such as rain gardens).

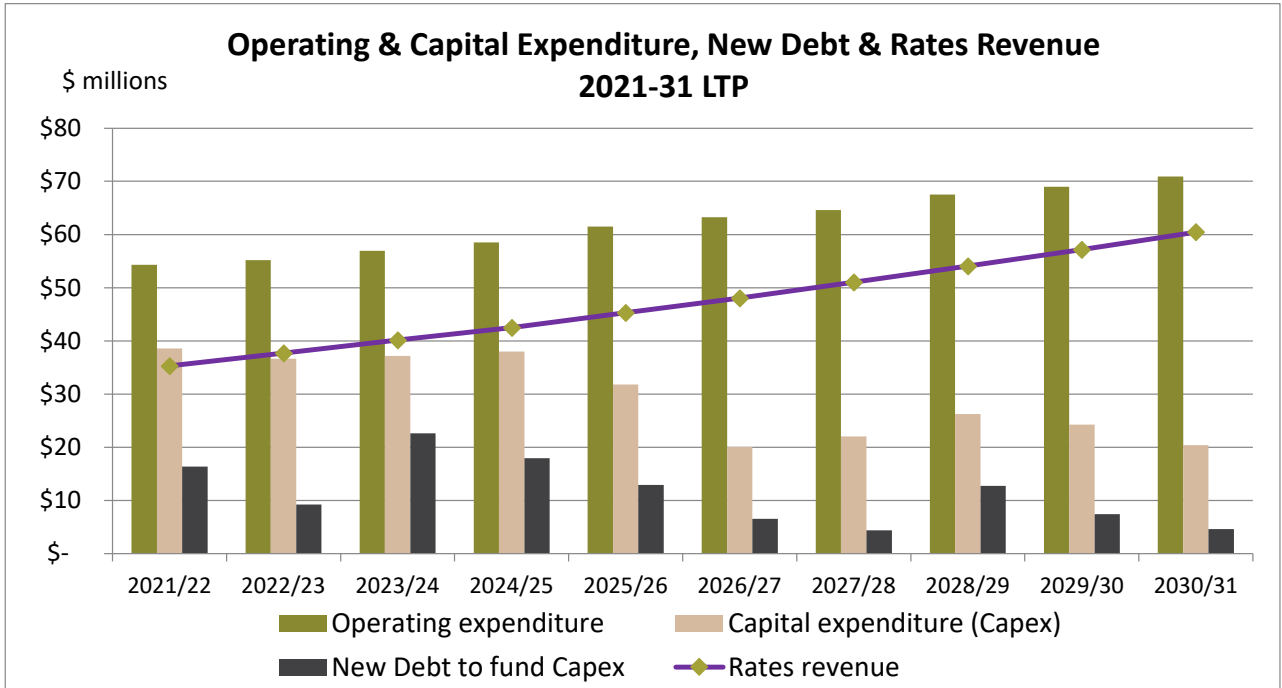
The level of net external debt is projected to increase from \$20.3 million to a maximum of \$83.1 million by Year 5.

Beyond 2031 significant investment in wastewater treatment, water and stormwater infrastructure is planned and we will be in a good position to be able fund this work from both depreciation reserves and debt.

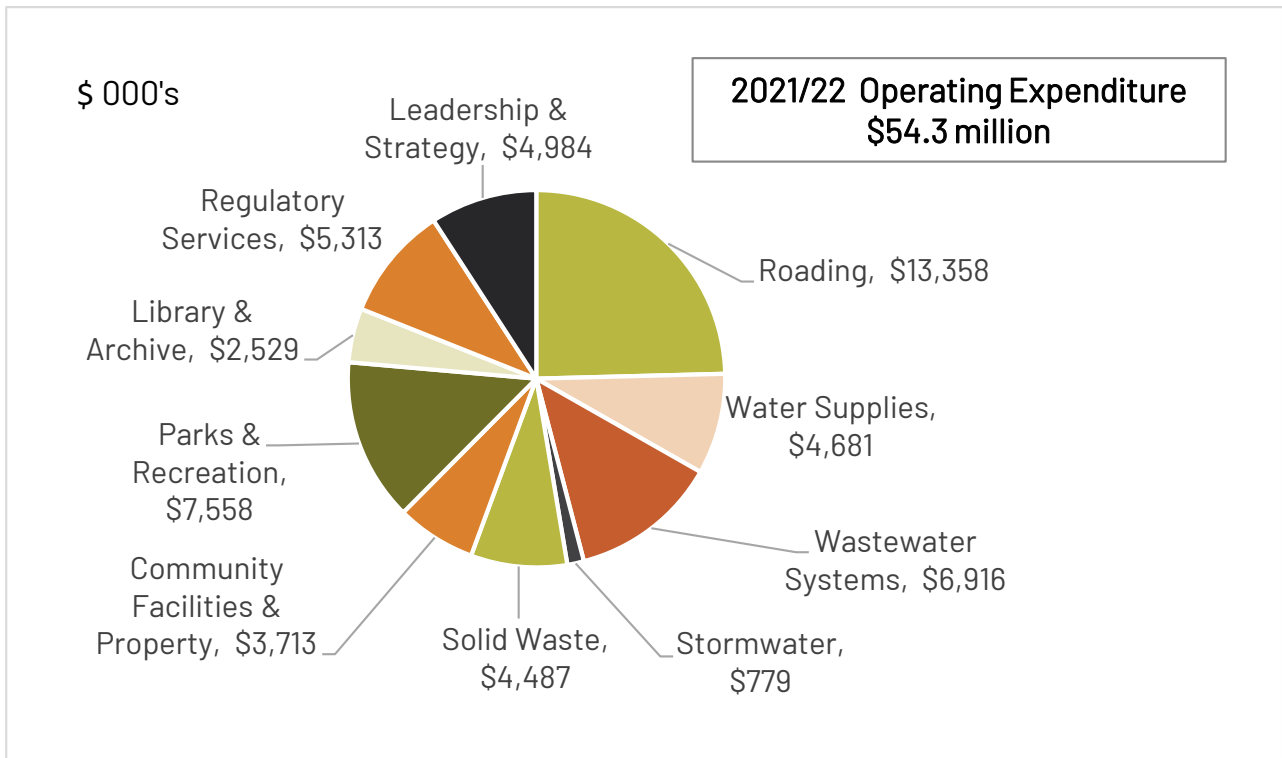
Rates increases beyond the limits in the last Long Term Plan (LTP) are required to fund the current and improved levels of service associated with the civic facility, housing and town revamp. In addition, the Council needs to catch up on the financial relief it provided to the community (through a reduced rates increase and lower fees) in 2020/21 in response to the impacts of the COVID-19 pandemic.

The proposed new limits are the Local Government Cost Index (LGCI) plus 4.5%, after growth. The previous LTP limit was LGCI plus 3.5% after growth. Expenditure to be funded by rates is higher in the first five years of the plan so the Council has reduced this burden by smoothing the increases across the 10 years by utilising reserve funds in the early years and repaying them in the later years.

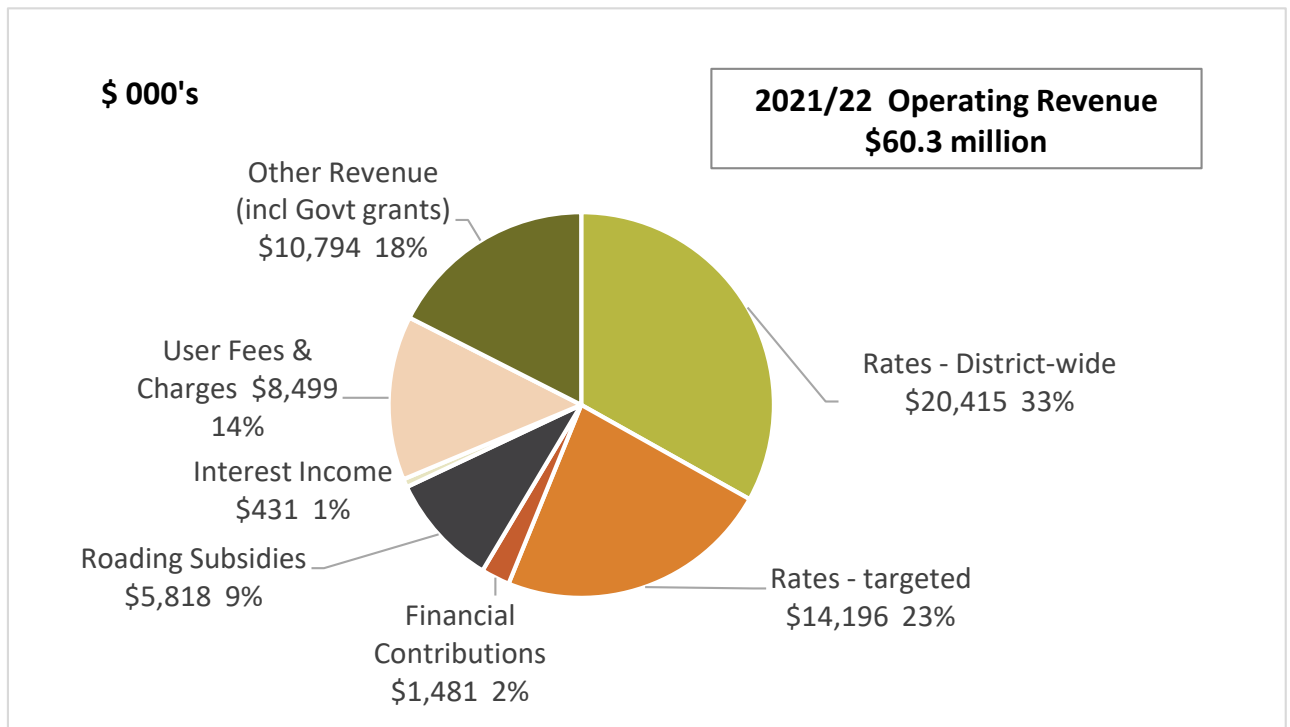
The graph below represents the financial picture of the forecast activity over the next 10 years. Some large capital projects are funded by new debt and the additional cost associated with those projects is the prime driver for the increasing rates required.



WHERE IS THE MONEY SPENT?



WHERE DOES THE MONEY COME FROM?



OUR DISTRICT

We expect to see average annual population growth of 1.01% per annum over the life of the plan which means Masterton district's population will grow from 27,500 in 2020 to 30,549 (+11.1%) by 2031. Projections through to 2051 see the population increase to 32,153 (+14.5%) by 2051.

Our population will continue to age faster than the NZ average. Masterton currently has more people aged 65+ (21% compared to 15.2%); similar numbers of people aged under 15 (19.4% compared to 19.7%) and a smaller proportion of 'working age' (15-64 years - 59.6% compared to 65.1%). Our forecasting shows the Masterton population aged 65+ is expected to grow by approximately 73% between 2019 and 2051, from 5,825 to 10,100 people. Youth (under 15 years of age) and 'working age' groups are expected to remain at similar levels throughout this period. 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 in 2019 to 48 in 2051.

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 11,182 in 2020 to 12,718 in 2031 (+13.7%) and 13,794 by 2051 (+23.4%). This equates to average annual growth of 1.25% to 2031; and an average of 0.78% per annum to 2051.

Masterton has capacity for this level of forecast population and household growth within its key infrastructure and services and can accommodate housing growth up to 1.8% per annum over the next ten years.

OUR SERVICES

We are planning to provide the same services at the same standard in most of our activities, but there are some areas (such as the urban water supply, the library, archives and civic facility, and town centre) 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 new civic facility and delivering our town centre revamp are both significant projects that will increase the level of service to our community. We are funding the majority of these two projects with new debt and we will be increasing rates to pay for that increased level of service. We will hold the rates increases below the limits defined in this strategy. We are responding to the needs identified in our asset management plans and increasing our spending on our water supply and roading assets to maintain the level of service delivered with those assets. Water resilience is also a major driver for expenditure with more water storage planned.

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 10 years our service to the community and the way we pay for it has 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 achieved greatly improved environmental outcomes. However, our work is not done. We are therefore planning to invest more to extend irrigation at Homebush and further reduce the environmental impacts of operating the plant to meet what we think will be tighter environmental standards when our resource consent expires. Our investment is nearly \$61 million (\$5 million in years 5 and 6 of this LTP for irrigation and a further \$45.3 million spread over five years from 2030).

We will therefore progressively repay the current debt relating to Homebush over the next 10 years to enable further borrowing from 2030 to make the changes we need to meet higher environmental standards.

The Council has taken a proactive approach to the renewal of water and wastewater pipes over the last nine years. Since 2009, some 22% of the sewer pipe network (30.2 km) and 13% of the water pipe network (21.4 km) have been renewed or relined. This has cost \$21.3 million and has been funded, in the main, by current revenue (from our depreciation reserves).

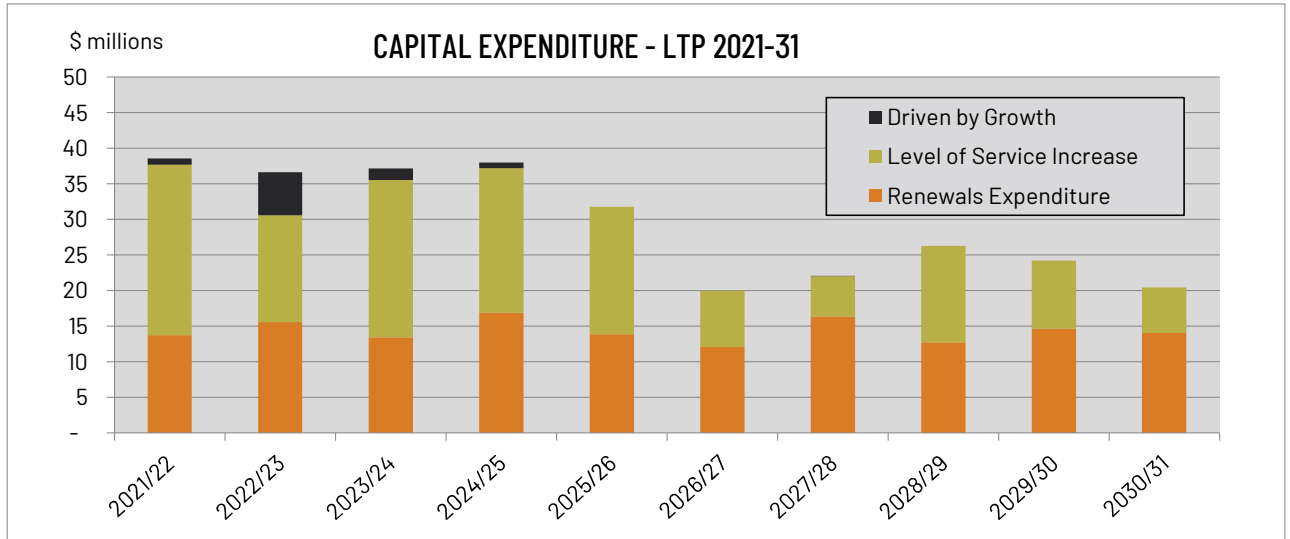
The Infrastructure Strategy indicates ongoing annual expenditure on renewal of our pipe networks. This financial strategy allows for those renewals be funded by money held in our depreciation reserves. Where planned capital renewals exceed the money in our depreciation reserve, the Council will borrow to fund the work. 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.

In the last LTP the focus of our infrastructure investment moved to the Masterton urban water supply. The first major project is underway – the installation of water meters. Still on our work programme is building more water storage, renewing the Upper Plain trunk main, building an additional reservoir in Lansdowne and allowing for investment in water main renewals of between \$1.2 and \$1.6 million each year over the first seven years of the LTP. Expenditure at this level is more than what we have available from our depreciation reserves, so an average of 25% of the renewal programme over those years is expected to be funded from additional debt.



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

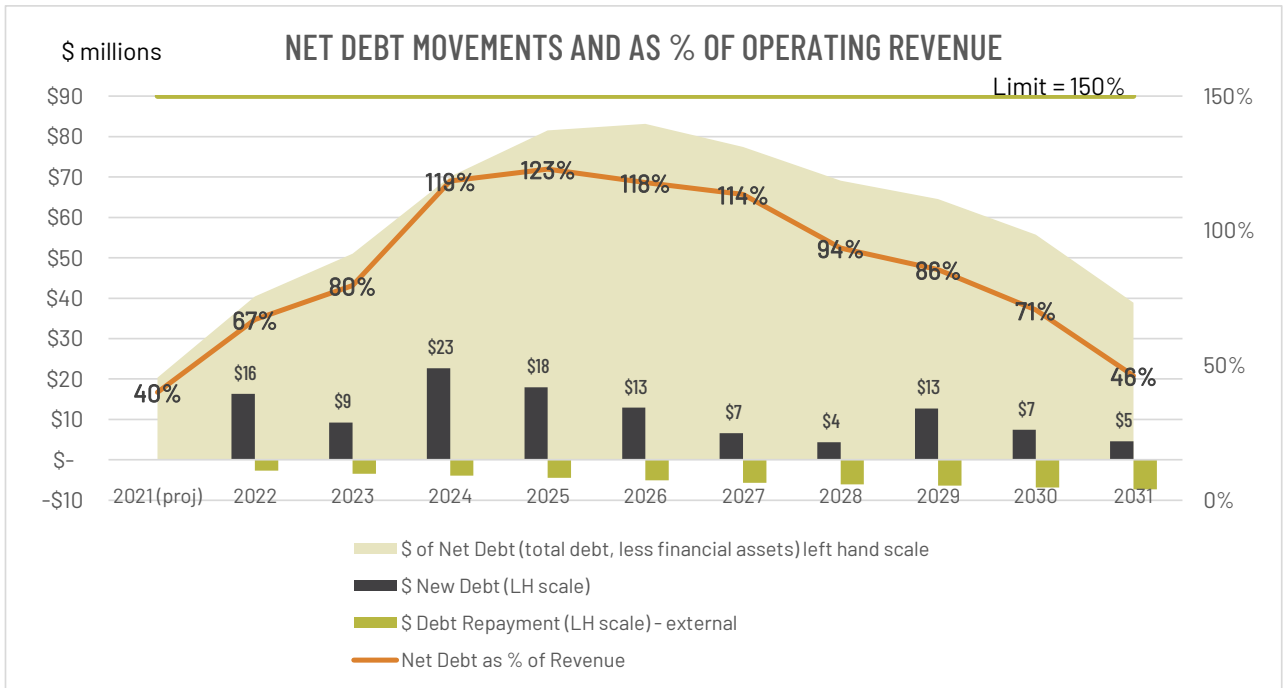
Council's debt

The level of external debt at 30 June 2021 is expected to be \$48.5 million. Net Debt (external debt offset by cash and financial assets) is expected to be \$20.4 million and will increase to \$83.1 million by 2025 before reducing to \$38.9 million by 2031 (see graph under 'Debt Limits' section that follows).

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 early 2030s. Funding asset upgrades with debt allows the cost of to be borne by 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 2.8% p.a. 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 growth is expected to drive a need for investment, 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 charts on these pages show the net external debt increasing through to 2025, then reducing as loan repayments and financial assets increase. New debt and repayment of debt are separately budgeted and shown on the chart above.

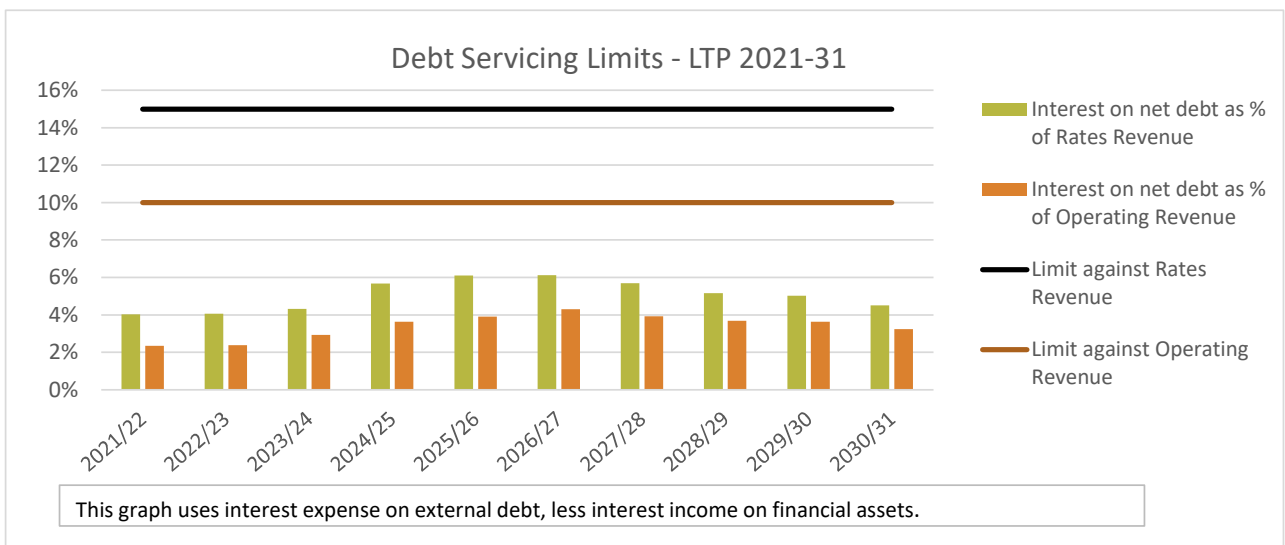
The limit of net debt being below 150% of Operating Revenue is considered prudent. There is room to borrow more and stay below the debt servicing limit.

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 \$30.2 million at 30 June 2021. 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 Net Debt position takes account of cash funds building up in the later years of the LTP.

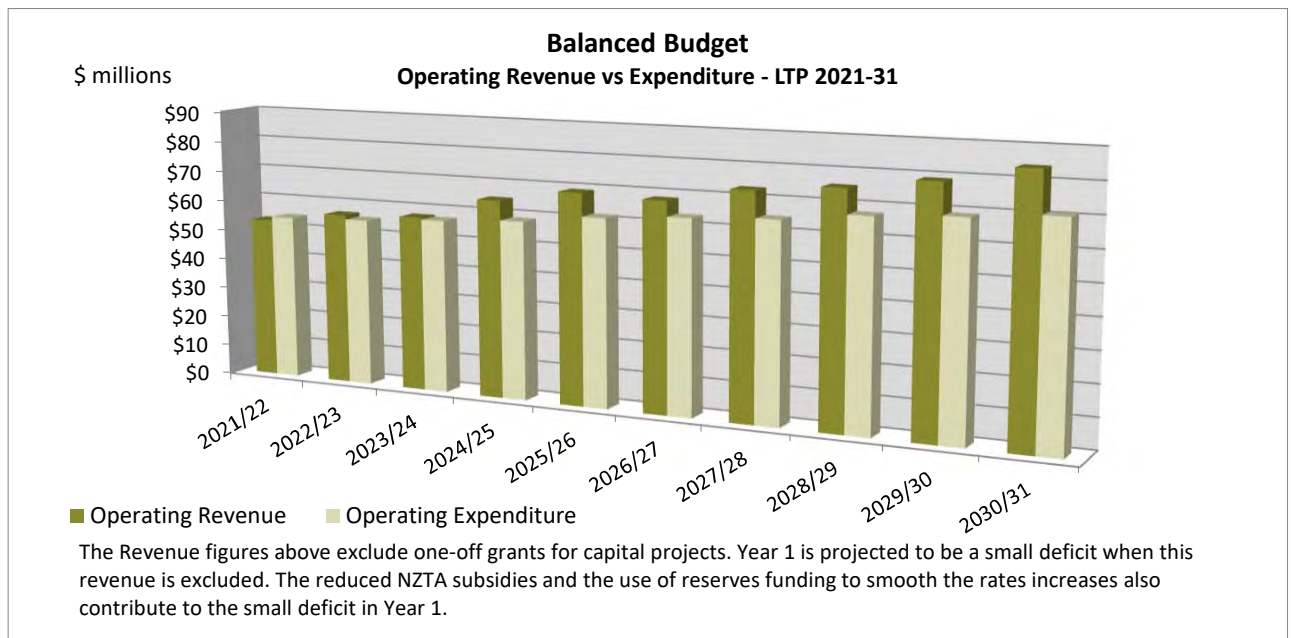
Financial investments are administered within the guidelines of the Treasury Management Policy. The primary objective of investing is the protection of the investment capital, with a prudent approach to risk and return. In preparing the LTP, the Council has assumed an average return on fixed interest investments of 2% in year 1 and 1.5% pa from 2022.

Depreciation and the balanced budget

We have achieved a 'balanced budget' as per the statutory requirement across the life of the LTP, but if one-off revenue for capital projects are removed, year 1 shows a deficits. The first five 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 stimulus funding, airport expansion funding and external grants for the skate park upgrade and civic facility. In the graph below, this one-off revenue has been excluded. Revenue from financial contributions is included.

Rates increases have been smoothed through the use of internal borrowing in the first five years of the LTP and repaying funds to reserves over the following 5 years. This is one reason why we will run a deficit in year 1, the other is the reduction of Waka Kotahi subsidies that fund much of the roading programme. The Council has chosen to loan fund parts of the renewals programme rather than increase revenue to fund the shortfall created by the reduced programme that Waka Kotahi is able to subsidise.

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.

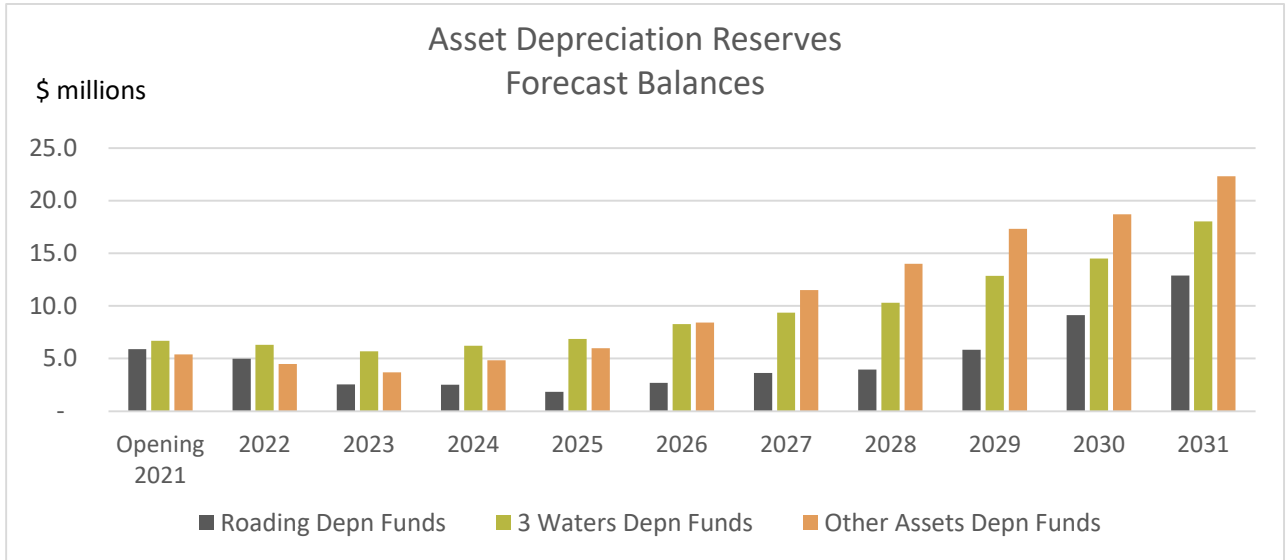


Full depreciation on Council assets has been recognised as an expense, but we have decided not to fully fund all depreciation on a number of specific assets (i.e. not fully allow for revenue to match the expense).

In the roading activity, as noted, 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 Waka Kotahi (NZTA) and rates income. Those assets in the roading activity that are not renewed on an annual programme have funding from the depreciation reserve to cover our share (after the Waka Kotahi subsidy is received).

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 fund debt repayment 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.

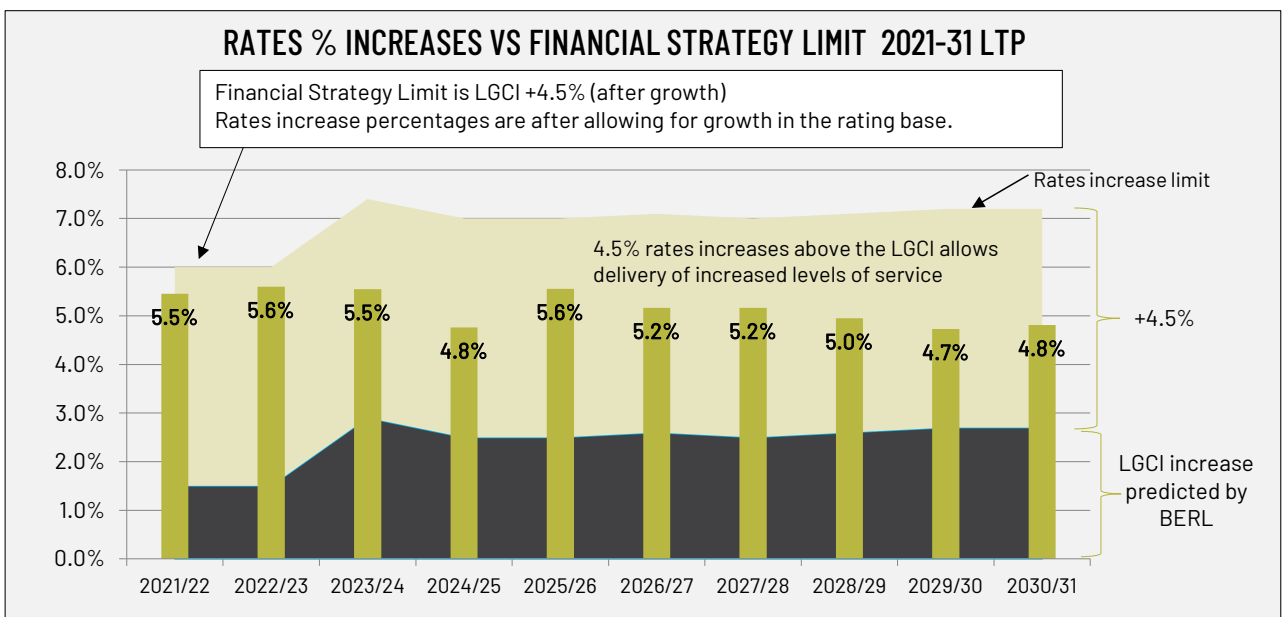


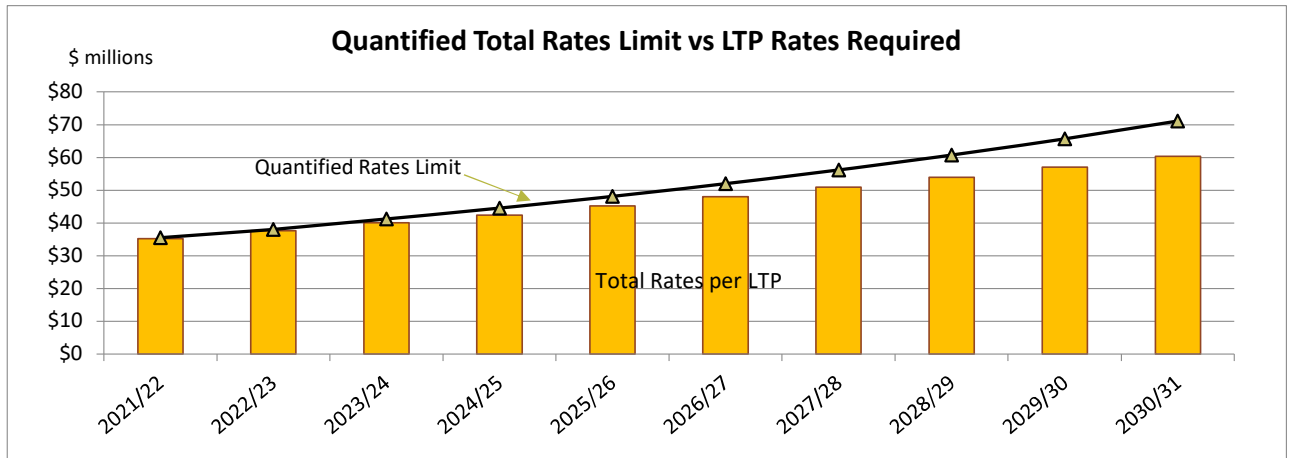
Rates increases

Rates revenue makes up approximately 68% of our operating revenue. Rates are levied on the property owners of the district and making affordable changes in the level of those rates is a key aspect of our decision making framework. There are many drivers for the need to increase our rates revenue by between 4% and 6% across the ten 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 new civic facility is a factor 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 2021-22 the LGCI is forecast to increase by 1.5%, so the Council is looking to stay below a 6.0% increase in its rates revenue. The LGCI is the rate of inflation of Council costs, calculated independently by Business and Economic Research Ltd (BERL).

Across the 10 years of the LTP, we believe we can hold the 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 1.5% per annum of rates income in year 1, 1.25% 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

Our financial resilience in the face of unexpected costs is based on having financial assets of at least \$15 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 Council’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, Waka Kotahi subsidies and our roading and flood damage reserve funds (which are part of the \$15 million noted above). We have assumed that the Waka Kotahi share of the costs will increase depending on the severity of the event.



INFRASTRUCTURE STRATEGY 2021-31

Rautaki whaihanga

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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
- Council's current preferred scenario for infrastructure provision.

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.

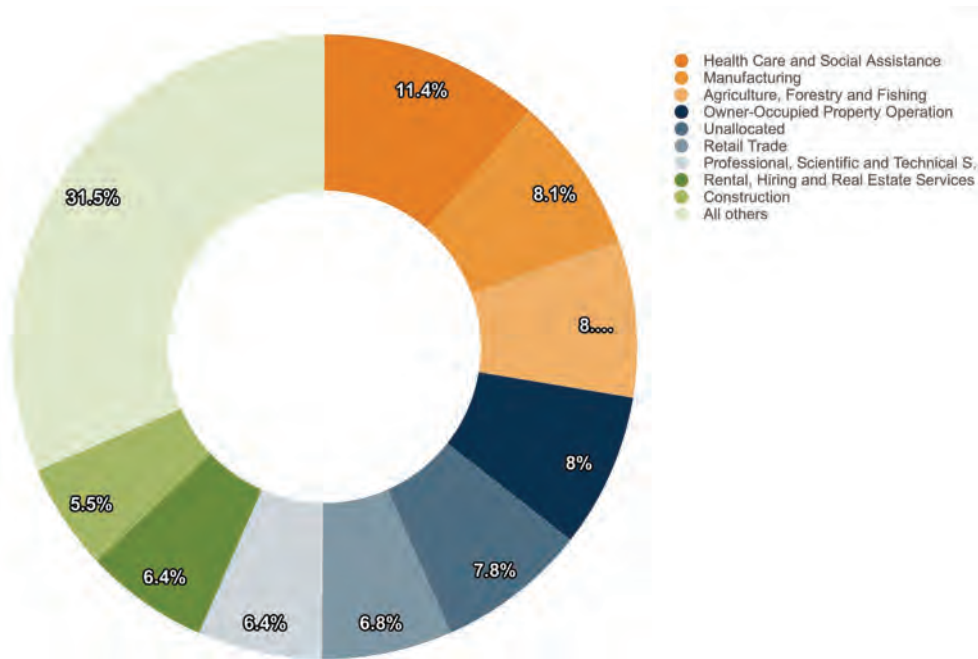


The rural areas were first administered as part of Wairarapa East and Wairarapa West Counties, then as part of Wairarapa North County. In 1899 the Mauriceville County was formed, then in 1900 Masterton and Castlepoint Counties were established. Masterton and Castlepoint Counties amalgamated in 1958 and 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 four largest industry sectors in the district are Health Care and Social Assistance (11.6%), Agriculture, Forestry and Fisheries (8.6%) Manufacturing (7.9%) and Owner-Occupied Property operation (7%)* **Infometrics eco profile**



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 territorial authority. It is made up of an elected mayor, a deputy mayor/councilors, and nine additional councilors. They are elected under the 'First Past the Post' system in triennial elections, with the last election being held in October 2019.

The Mayor of Masterton and all ten of the councilors are elected 'at large'. 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, and voting rights at Committee meetings but not Council 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 206km of water pipes, 190km of sewer pipes, 48km of stormwater pipes and 808km of roads. It has two water treatment plants and four sewerage treatment plants.

Masterton District

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 relatively stable for a period but the most recent 2018 Census shows an increase in population to 25,557.

There are 19,810 urban and 5,747 rural and semi-rural residents (2018 census), noting mesh blocks have changed after 2018 (SA2).

The Masterton district includes the following census area units:

- Rural and semi-rural: Homebush-Te Ore Ore; Opaki (part); Upper Plain (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:

- 77% of the population lives in the urban area of Masterton.
- Those of Māori identification represent approximately 21.3% (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.

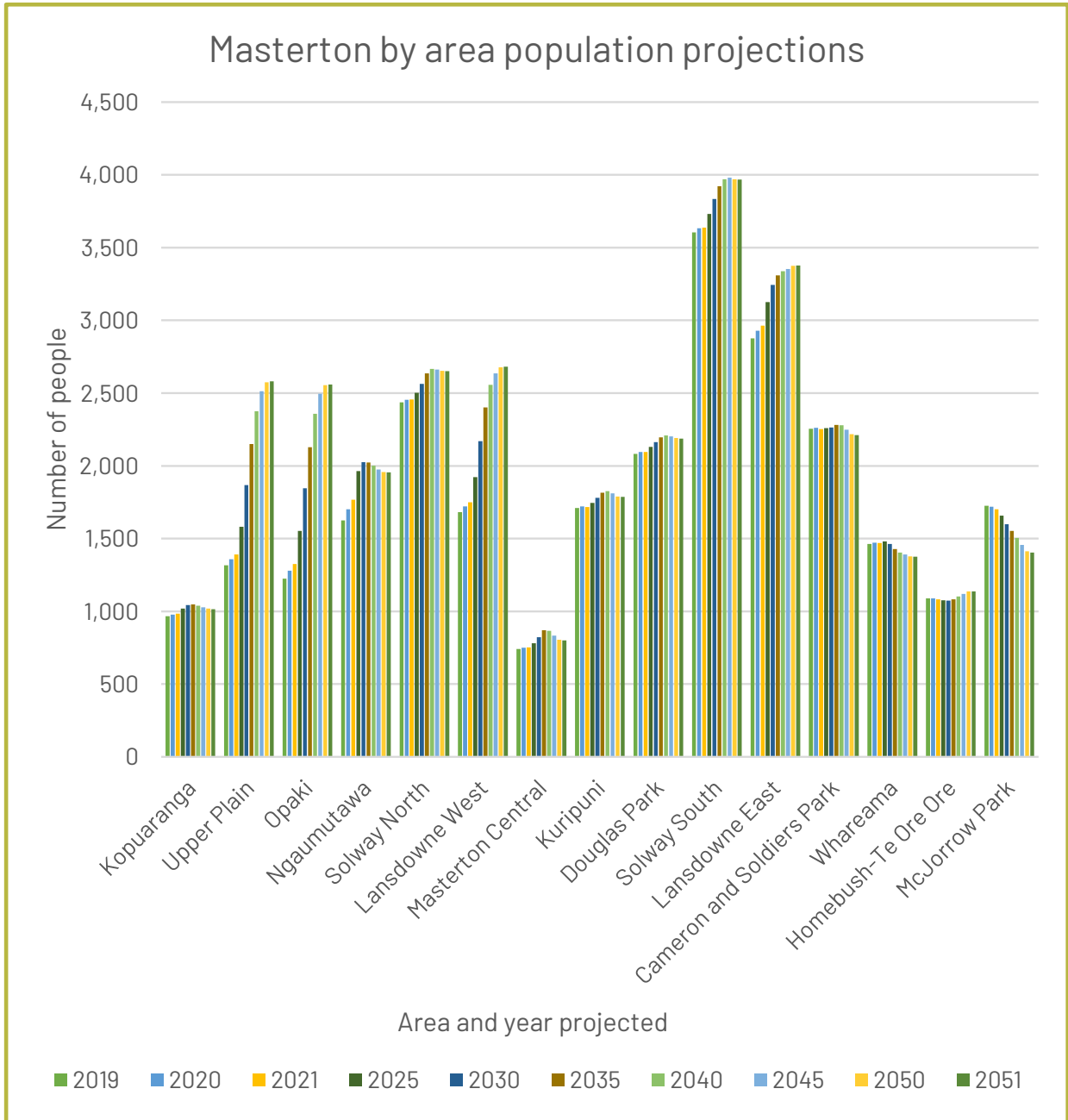
As illustrated by the table below, the total population in Masterton was almost unchanged over the last 15 years, but the proportion of people aged over 60 years has increased by approximately 1-2% at each census count since 1991. The number/proportion of single occupant houses is steadily increasing and is now at 28.5%

Masterton population aged over 60					
	1991	1996	2006	2013	2018
Total population	22,556	22,758	22,617	22,623	25,557
Population aged 60+	3,636	4,179	4,593	5,019	6900
% of population aged 60+	(16%)	(18%)	(20%)	(22%)	(27%)



Future growth

In Masterton district, the majority of population growth is expected to take place in the Masterton urban area, with urban expansion on the north and west fringes and light intensification around railway stations and in Masterton central. The strongest growth is expected to take place in Upper Plain (population increase of 1,265 over 2019–2051), Opaki (1,336), Lansdowne west (1,001), and Lansdowne east (502). Moderate growth is expected in Solway north (213), Solway south (363) and Ngaumutawa (330). Ngaumutawa growth is expected to take place in the near term as the last greenfield land in the area is developed. Small population declines are projected in McJorow Park, Whareama, and Cameron and Soldiers Park, however it is important to note that this is due to a decreasing household size rather than a decrease in the number of households. **Source- Infometrics Population**

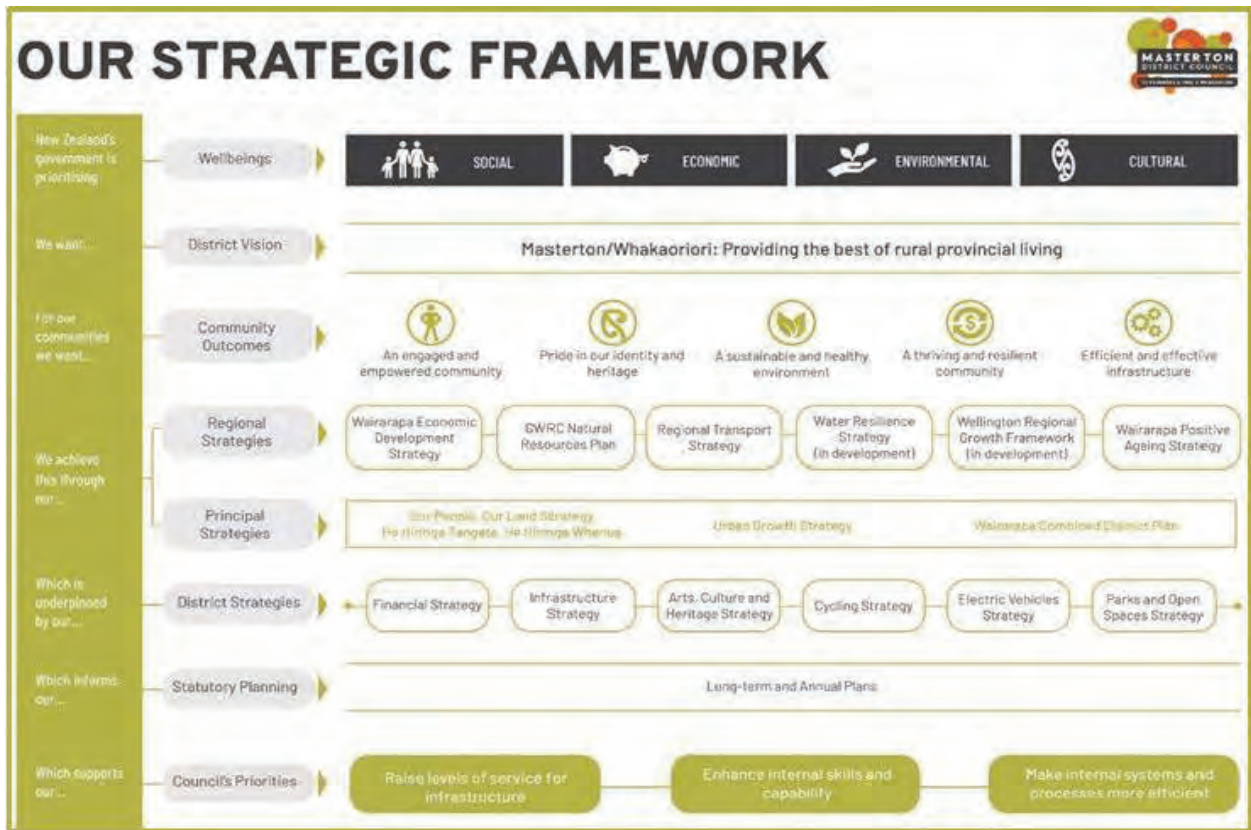


STRATEGIC ALIGNMENT

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 2021-31 Financial Strategy.

The diagram that follows illustrates the relationship between the strategy and other documents.



Vision

This strategy recognises the Council's vision: Providing the best of rural provincial living. 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 and effective infrastructure that:

- supports a social 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 recognises the following community expectations within this strategy:

- greening of expectation with the community.
- increased Iwi representation.
- resilient networks.
- recognising future generations.
- urban growth; and
- technological impacts.

Regional Spatial Planning

The Wellington Regional Growth Framework (<https://wrgf.co.nz/wp-content/uploads/2020/10/1246-GWRC-Draft-Framework-Report-SEPT-2020-14.pdf>) is a 30-year spatial plan for the Wellington-Wairarapa-Horowhenua region.

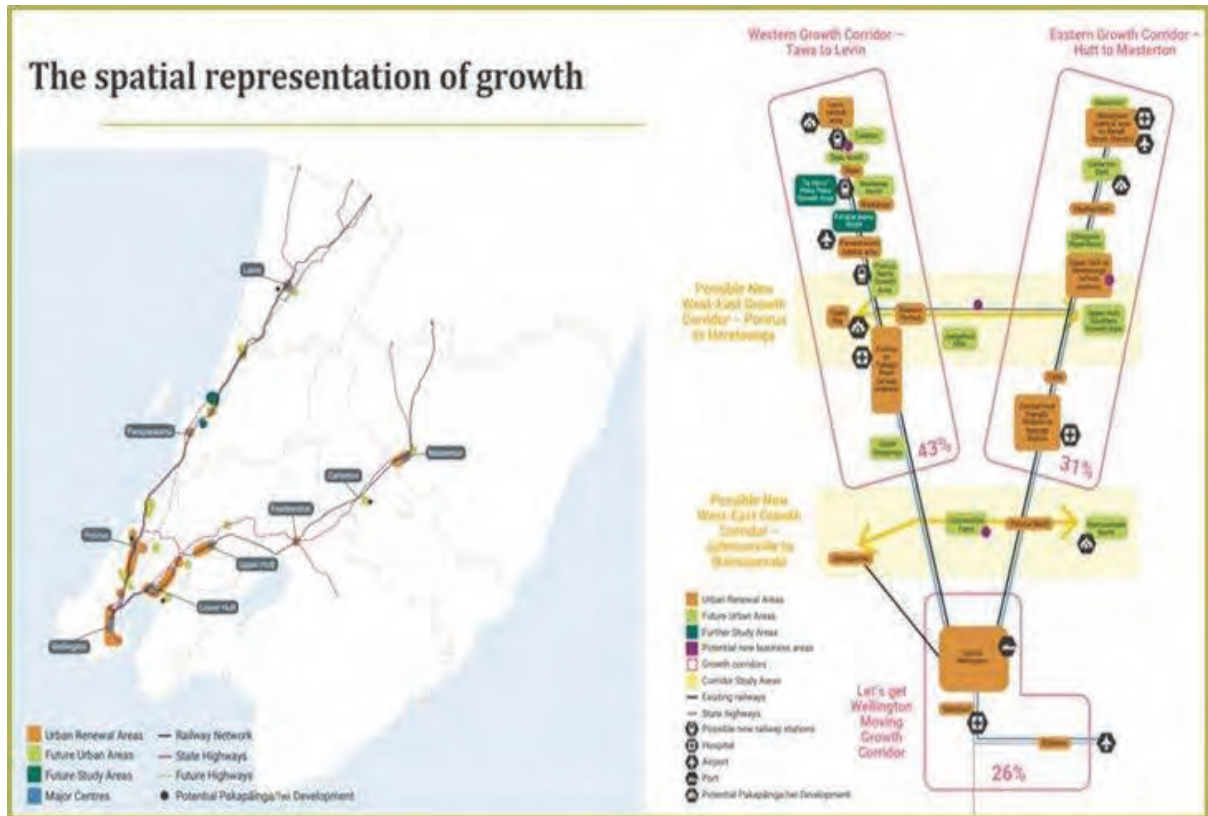
The Framework outlines how the region can accommodate additional people and jobs and meet the Framework's objectives, which requires the region to:

- Enable more housing development around transport nodes (i.e., train stations and bus hubs) and support transformational change in key locations across the region - where there is good access to public transport that supports mode-shift.
- Develop more well-located greenfield housing development, ensure that it is higher density than most current greenfield (i.e., townhouses and apartments), and that it is connected to public transport.
- Increase housing capacity in our major centres (including Masterton CBD) by expanding the housing footprint and permitting higher densities than are currently enabled in many places.

The Framework was endorsed by Masterton District Council in December 2020. It signals a number of potentially significant infrastructure issues for councils and central government over the 30-year period. The Framework includes the following key initiatives that will impact on future infrastructure requirements:

- Develop a regional approach to climate change impacts including coastal protection, longer term development areas and areas to stop developing. This will include a programme to consider management of three waters, rail and road assets at risk and how to protect taonga.
- Develop a 50- to 100-year regional three waters strategy to support anticipated growth, including upgrades to infrastructure (including bulk infrastructure) that supports growth in key development areas and improves environmental outcomes. This has already largely been taken into account in Masterton's water infrastructure projects.
- Increase rapid transit rail/bus network accessibility, capacity and frequency including inter-regional connectivity to address over-crowding, provide for future growth and enable higher service frequencies including inter-regional connectivity.
- Significantly improve multi-modal connections to rapid transit stops as part of master planning and delivery of higher density urban development in major centres and at nodes.





- Establish a connected regional cycling network by eliminating pinch points on the network and delivering transformational projects to improve access.

It takes into account work planned by the Council (through its District Planning process) and by other councils in the region. The Framework has been developed to deliver on the Urban Growth Agenda (UGA) objectives of the Government, which includes improving environmental, employment, transport, and housing outcomes for communities. Similar objectives and challenges exist at both a local level (through Council) and at a regional level (through the Wellington Regional Growth Framework).

The Framework takes account of the requirements of the National Policy Statement on Urban Development. Going forward it will also need to consider government policy work such as the RMA review and the three waters review. The Framework provides for a scenario for the Wellington region of accommodating an additional 200,000 people and 100,000 jobs over the 30-year period, of which Masterton's population is a subset.

Three Waters Reform

The Three Waters Reform is a process that central government is leading to consider the future of the three water services councils currently deliver – drinking water supply, wastewater and stormwater – and who is best placed to provide these in future.

The Council has signed a Memorandum of Understanding (MoU) with central government agreeing to take part in exploring options for the future. The work we are doing with central government is to identify approaches that could benefit the future delivery of these services.

We expect to have more information on the proposal for Three Waters in later in 2021. Once we know what central government is suggesting, we will assess what that means for our community and come back to the community before we decide whether to continue to participate in the reform process or opt out.

We expect to have to make that decision later in 2021. If we choose to participate, the proposal is likely to be implemented during the 2023/24 financial year.

Regardless of the outcome of the reform process, we know communities will need drinking water and wastewater services, whether they are delivered by the Council or another organisation.

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.

More information on the Government's reform strategy and timeline is available at <https://www.dia.govt.nz/Three-Waters-Reform-Programme>

National Policy Statement for Freshwater Management

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

Council has reviewed the 2020 changes outlined in the Freshwater NPS along with the Natural Resource Plan (NRP) and Waitua chapters relevant to Masterton District Council and we have captured the NPS requirements for planning our work and upgrading works. Information the Natural Resource Plan and Waitua 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 Level of Services

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.

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:

- 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 risk, 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 or possible transport fuel shortages is critically dependent on how the council manages the stormwater and roading 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 choices are restricted, which in turn limits their resilience to change.

There is a need for communities to cope with these multiple pressures and to be able to adapt to new technologies and ways of life – in other words, to be 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.

The strategy considers how to respond to these significant global issues and pressures to enable us to build resilient communities.

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.

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 is the only community in this group to date.
- Semi-served (water only). Tinui is the only community in this group to date.
- Bores and unserved (roof water). Includes Whakataki, Mataikona, rural schools (e.g. Mauriceville, Rathkeale and Whareama), rural halls, and private rural facilities (e.g. Ararangi Camp, Camp Anderson, Riversdale Motor Camp).
- 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 owned by the Council but operated by a User Committee.
- Total water assets optimised replacement valuation as at 2020 was \$101,273,948 (Source - WSP/Opus valuations Nov 2020)

Critical assets

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; and
- urban storage reservoirs, Upper Plain, Titoki Street, Tinui, and Manuka Street.



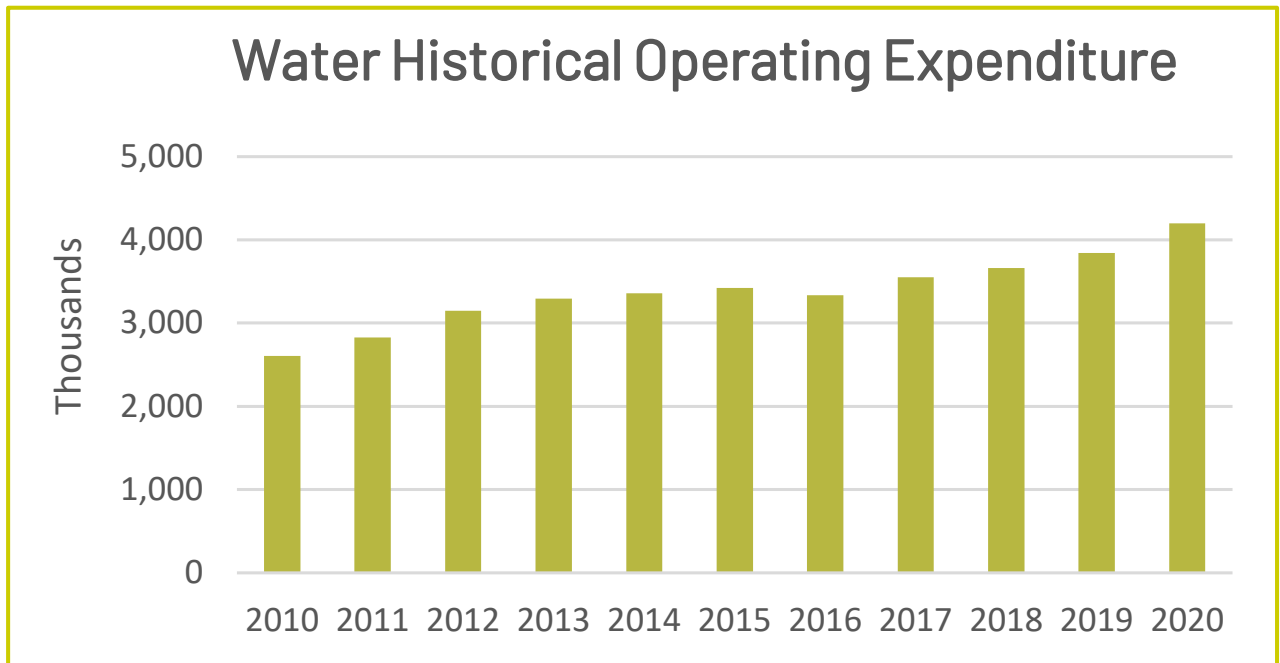
Levels of service

Water supply levels of service are summarised as:

- providing an efficient and effective water supply systems;
- providing water supply services in a way that is acceptable, safe and has minimal environmental impact; and
- applying restrictions to accessing urban water in times of low river flow eg sprinkler bans; alternate days.

Historical operating expenditure

The graph below shows the historical operating 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.
- Total wastewater assets optimised replacement valuation as at 2020 was \$163,055,288 – including resource consent valuations (Source – WSP/Opus valuations Nov 2020)

Critical assets

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

- the Colombo Road siphon;
- Homebush wastewater treatment facility;

- the wastewater trunk mains network; and
- pump stations.

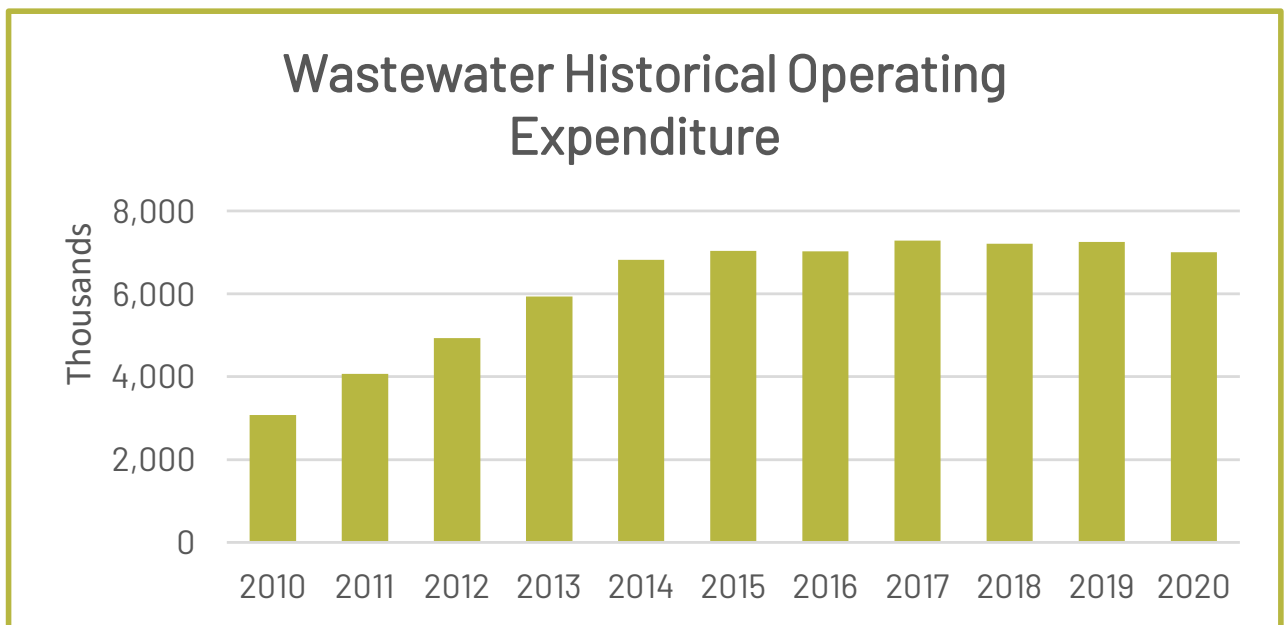
Levels of service

Wastewater levels of service are summarised as:

- providing efficient and effective wastewater systems for the collection, transfer and disposal of wastewater;
- providing wastewater disposal that is acceptable, safe and has minimal impact on the environment; and
- delivering inspection, monitoring and enforcement services of trade waste disposal to protect community health and safety.

Historical operating expenditure

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



Note: Includes costs associated with Homebush Wastewater treatment plant.

STORMWATER INFRASTRUCTURE ASSETS

The stormwater system consists of 48km of pipes, approximately 800 manholes and 4km of river stop banks along the Waipoua and Ruamāhanga rivers. In addition, there are some retention embankments for high flow management and the Council also contributes to designated stop bank protection works on the Waingawa and Ruamāhanga Rivers.

Total stormwater (including rural) assets optimised replacement valuation as at 2020 was \$42,684,387 Source - WSP/Opus valuations Nov 2020)

Critical assets

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

- the Chapel Street (Town) drain; and
- Waipoua stop bank.

Levels of service

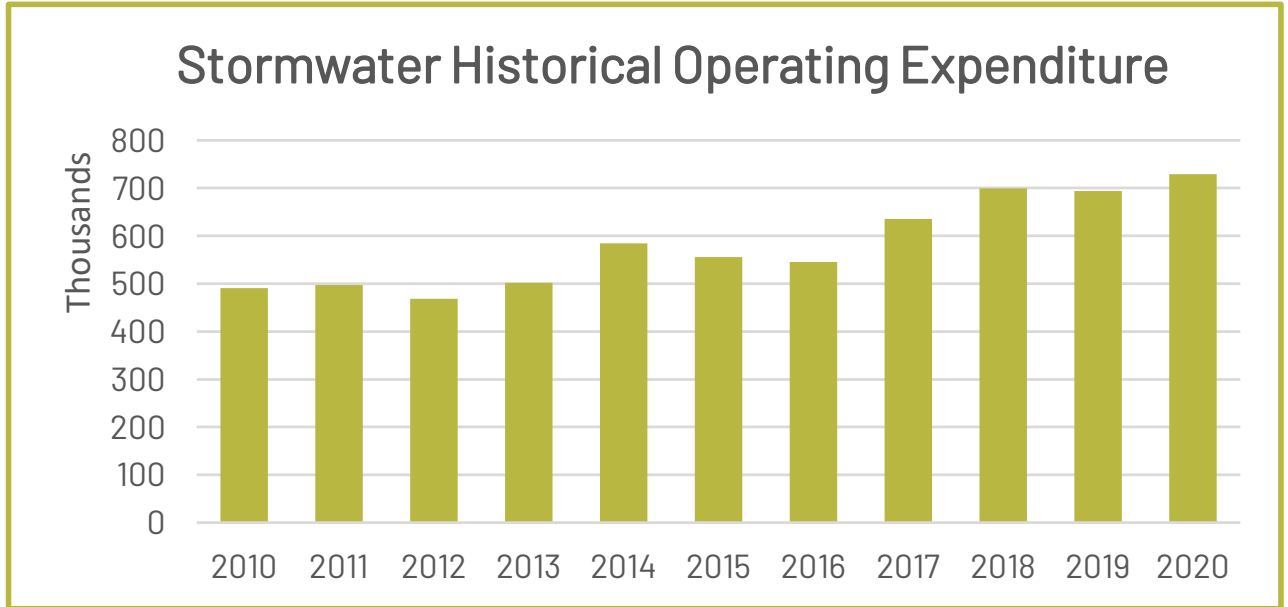
Stormwater waste levels of service are summarised as:



- providing an efficient and effective stormwater system to minimise the impact of heavy rainfall and reduce flooding risk; and
- delivering stormwater services in a manner that is acceptable, safe and where possible enhances the environment.

Historical operating expenditure

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



SOLID WASTE INFRASTRUCTURE ASSETS

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

- Nursery Road Transfer Station (inclusive of the recycling centre), residual waste transfer station, closed landfill and associated amenities.
- There are monitored closed landfills situated at Hastwell, Tinui, Castlepoint, Riversdale and Mauriceville.

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

Critical assets

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

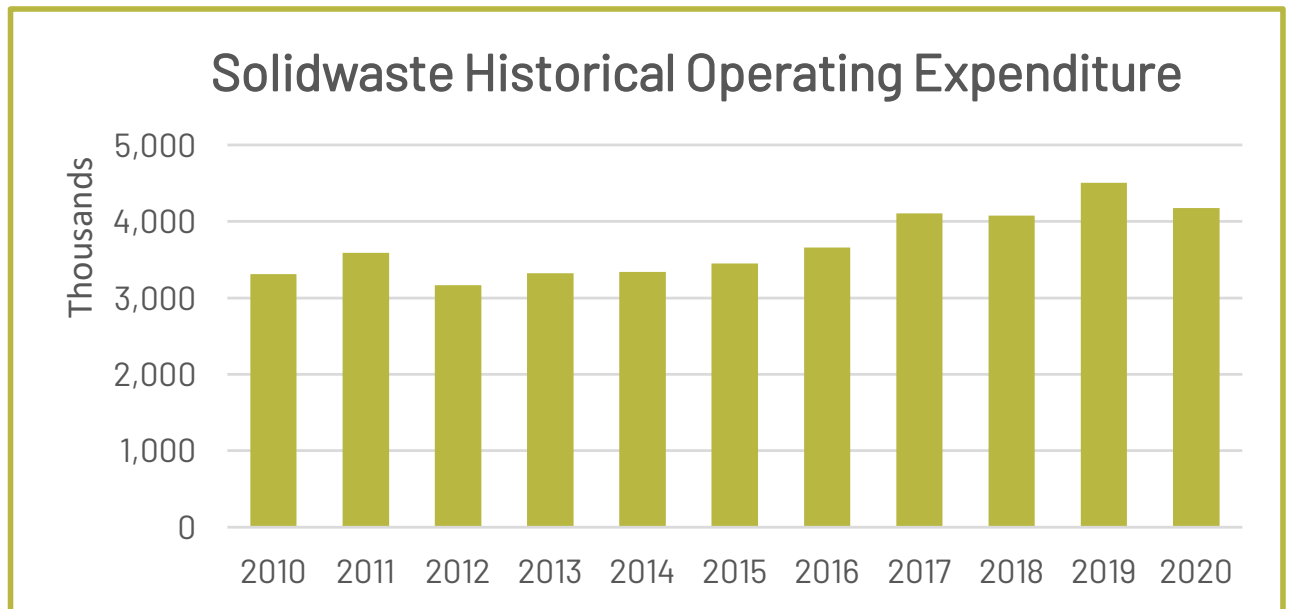
Levels of service

Solid waste levels of service are summarised as:

- providing efficient and effective solid waste management facilities and solutions across the district; and
- operating the rural and urban transfer, composting and recycling operations in a safe and environmentally-sensitive manner

Historical operating expenditure

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



TRANSPORT (ROADING) INFRASTRUCTURE ASSETS

There are approximately 279km unsealed and 529km 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 roading assets optimised replacement valuation as at 2020 was \$714,343,325 (Source - WSP/Opus valuations Nov 2020).

Critical assets

The critical roads that are identified in the asset management plan and the Wairarapa Lifelines project as being the important routes on those roads that are vulnerable to natural hazards:

- Masterton – Martinborough (Te Whiti Road)
- Opaki – Kaiparoro Road
- Whangaehu Valley Road
- Te Ore Ore – Bideford Road
- Masterton – Castlepoint Road
- Blairlogie – Langdale Road
- Riversdale Road
- Homewood Road
- Upper Plain Road
- Masterton Stronvar Road
- Manawa Road
- Mataikona Road

Levels of service

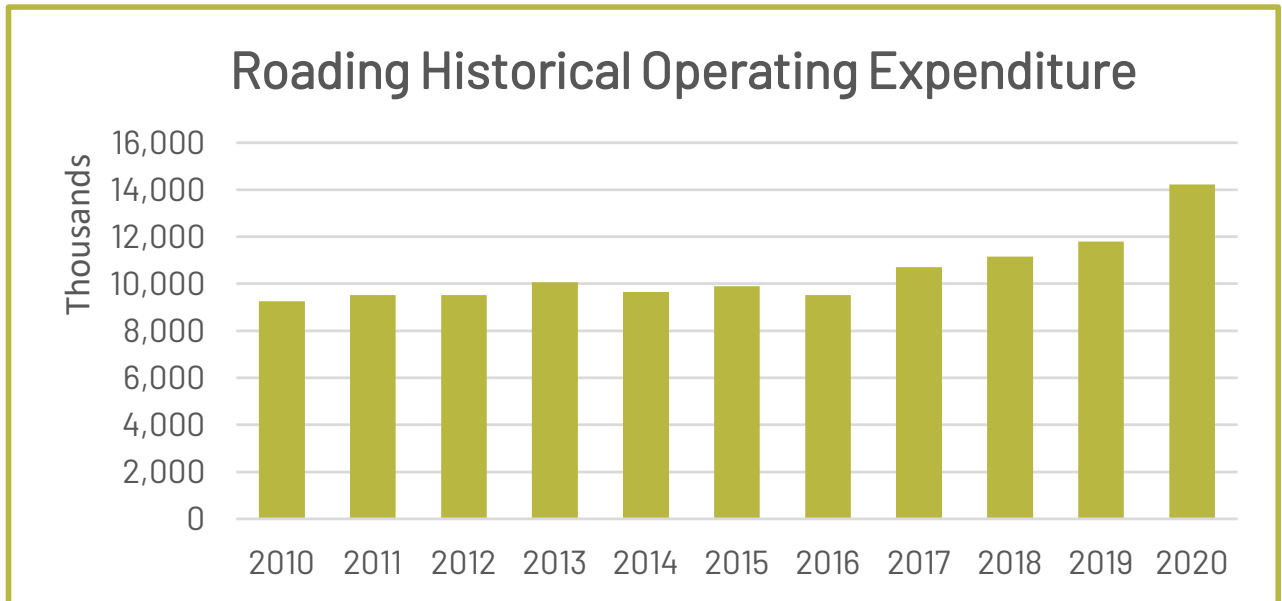
Roading levels of Service are summarised as:



- roads and urban streets are provided to ensure a safe and well maintained roading network;
- footpaths are safe, well maintained and accessible; and
- a range of on and off street parking opportunities is provided.

Historical operating expenditure

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



PARKS, OPEN SPACES AND COMMUNITY FACILITIES INFRASTRUCTURE ASSETS

The Council’s community facilities include the library, town hall, rural halls, community housing, cemeteries, reserves, the swimming pool, the aerodrome, Mawley Park camping grounds, sport facilities and fields.

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 2020 was \$4,264,992.

Source - WSP/Opus valuations Nov 2020)

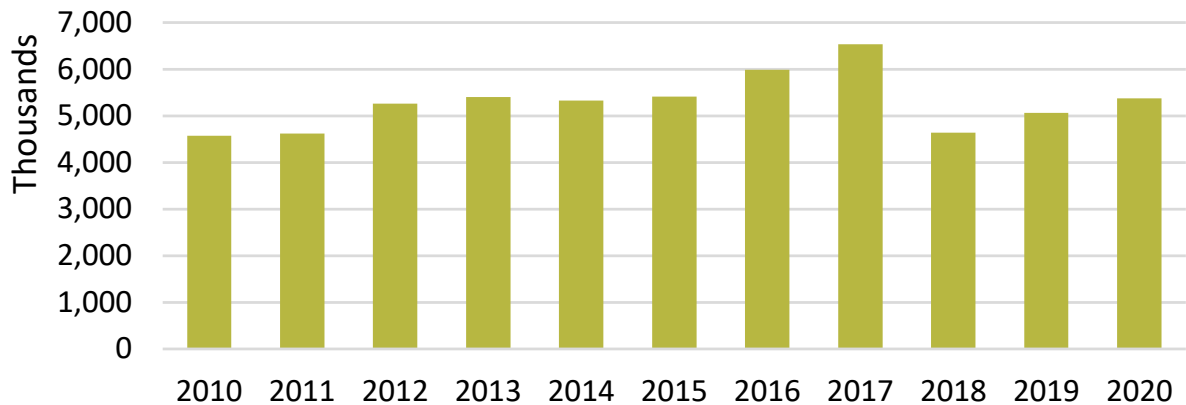
Critical assets

There are no critical assets identified in the asset management plan. We acknowledge that some assets that may not meet our definition of critical are considered to be of significant value to the community.

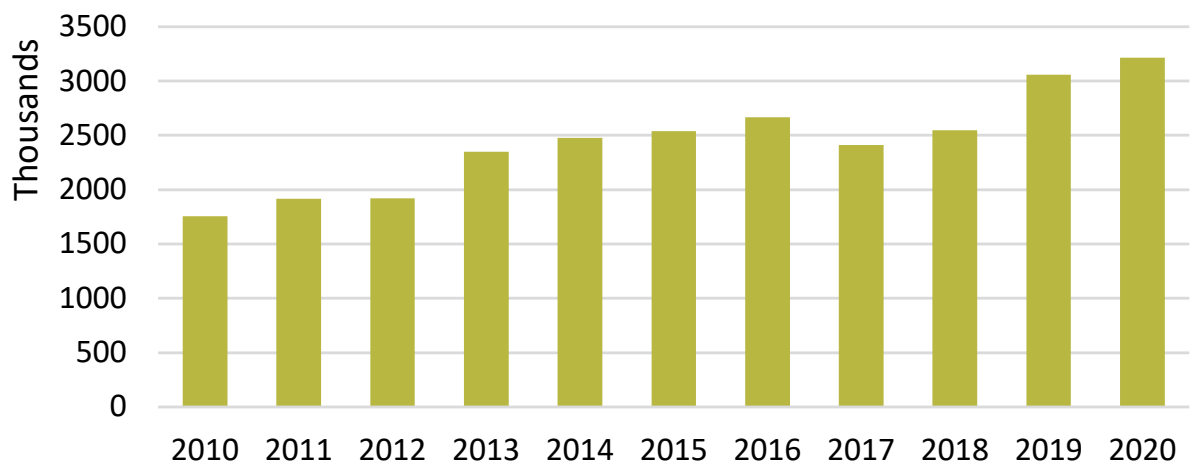
Historical operating expenditure

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

Community Facilities and Activities Historical Operating Expenditure



Parks and Open Spaces Historical Operating Expenditure



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.

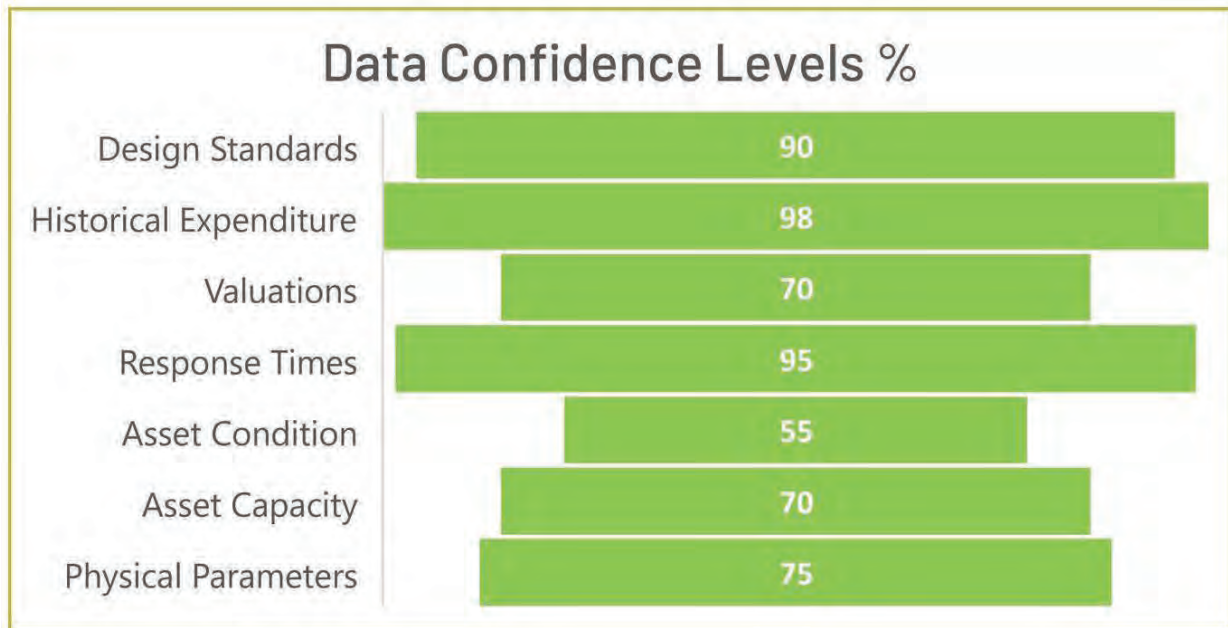
We will review the cost-effectiveness of the current arrangements for meeting the needs of the community within the district for good-quality local infrastructure, local public services, and the performance of regulatory functions according to the LGA (section 17a) in 2020/21.

Data confidence

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

OUR APPROACH TO ASSET MANAGEMENT

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



Renew or replace assets

The objective of infrastructure 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 existing infrastructure should 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% 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 are assumed to be maintained at current levels in this programme, with the exception of the proposal to build a new and expanded library and archive within the Civic Facility and a Revamp of Masterton's CBD along with entrances to the Urban area. 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

Given recent drinking water contamination at Havelock North, 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 Council (GWRC) has released a Natural Resources Plan (to replace the Regional Plan) and will modify this plan further through the Whaitua Process. This 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.
Footpath's (ageing population)	Moderate	Footpath surfaces and widths will increasingly need to be upgraded to accommodate growing numbers of mobility scooters

Demand drivers		
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 to restore 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 Waka Kotahi (NZTA) share of the damage incurred.

The financial resilience of the Council in the face of unexpected costs is also supplemented by having cash and investments of \$21.4 million (as of 30 June 2021). 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 of 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.

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.

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: Earthquake strengthening or alternative options for public and council owned buildings has started.
- Water Supply to Parks: 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
- increased frequency of drought, placing pressure on water resources and increasing the wildfire risk.

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.

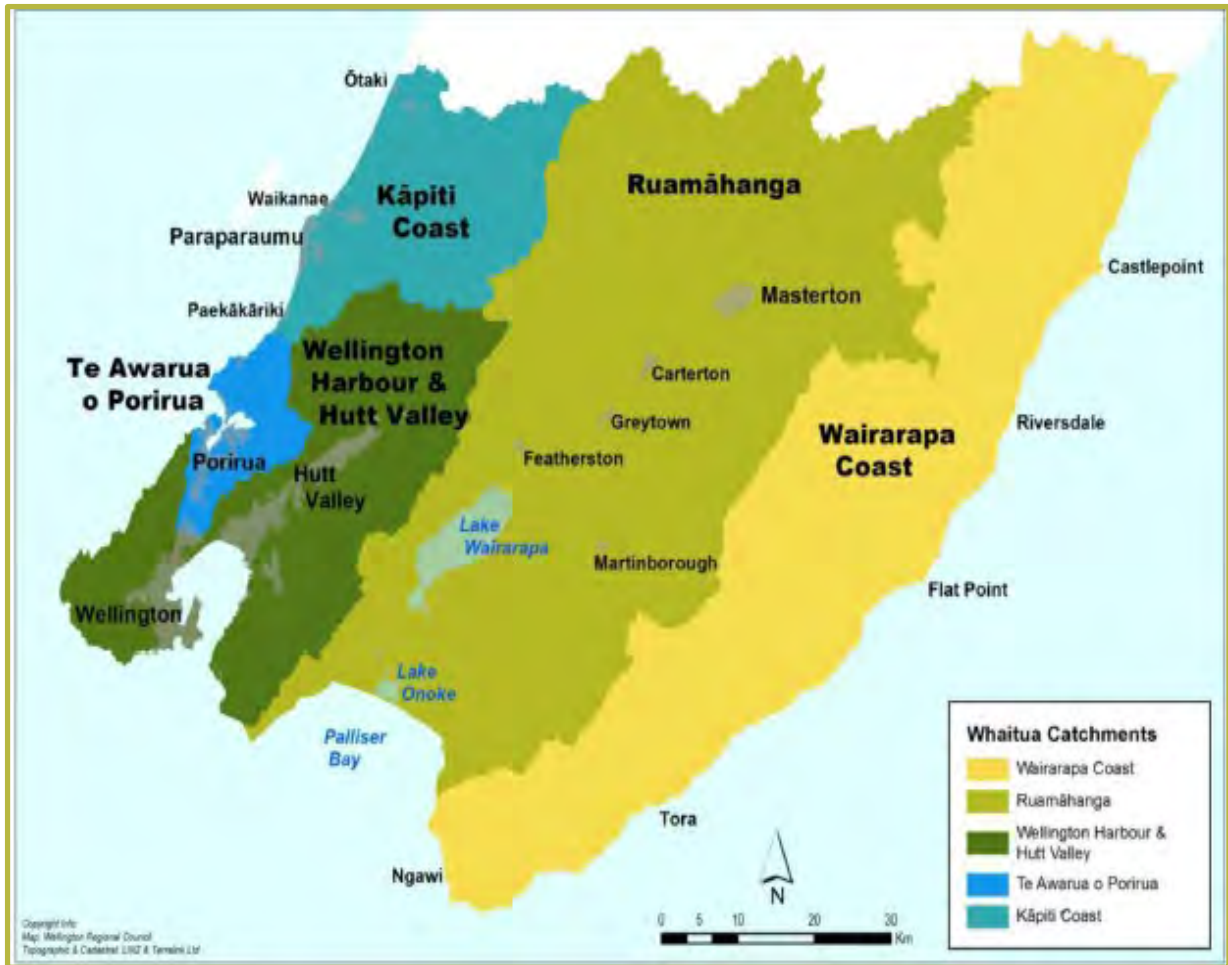
We therefore reduce the causes and adapt to the effects of climate change. Our policies and responses will need to be robust to a range of possible futures, rather than relying on a single 'forecast'.

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.



The Corporate Climate Change Action Plan was adopted in 2021. It sets out actions that we as organisation will take to reduce our carbon footprint. A community forum has also been established and it will focus on developing a district climate change action plan with focus on mitigation. Projects from action plan and community forums may change current and forecasts projects and maintenance programmes.



Notes: <https://www.gw.govt.nz/assets/Uploads/WhaituaClimateChangeprojectionsMarch2020.pdf>

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°C 	<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 • 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"> • 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 • Regional parks negatively affected by both drought and flooding • Higher stress on indigenous ecosystems, plants and animals, especially with drought • Reduced workplace productivity
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 		

- 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, Riversdale and Castlepoint, 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.

The climate change projections suggest that very heavy rainfall events are likely to become more frequent, especially in the Tararua 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 from 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 recently collated data gathered from 20 years' research and new 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.

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.
- Resource consents will be obtained for all proposed major projects. Consent risks have been included in the option assessment and project selection.
- The Waka Kotahi (NZTA) funding assistance rate remains at 56 - 58% and that Waka Kotahi will continue to provide funding to maintain the network at its existing condition.
- 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.
- 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.
- 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

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

Significant Projects				
Significant Infrastructure project	Approximate Date Required	Estimated Cost	Theme or Reason	Decision
Renewals of existing 3 water assets	From 2021	\$4,725,813 p/a	Growth/Renewal	Continue with proactive approach to renewal programme. Targeted older and under performing asset
Roading Programme	From 2021	\$8,800,000 p/a (includes subsidised and non-subsidised expenditure Includes Colombo Road south bound bridge replacement (\$2.9m – year 1) Mataikona Road upgrade and resilience work.	LOS/Growth/Risk	Continue with proactive approach to renewal programme. Programme designed to bring Roding asset up to prescribed LOS
Network Upgrades	Identified areas requiring upgrade to meet demand for new subdivisions	\$4,090,000	Growth	Included within 3 Water and Roding programmes to enable growth around Masterton urban fringes and infill.
New Civic Facility	Years 1 - 5	\$30.8 million	LOS	Decision includes co-location of library, performing arts flexi-form theatre, Wairarapa Archives meeting rooms, kitchen facilities and information hub including front of house Council services.

Significant Projects				
Masterton Revamp (CBD upgrade)	<p>\$231,043 year 1 (Northern approaches) \$370,902 years 1 & 2 (Kuripuni entrance) \$300,000 years 1 – 3 (Placemaking)</p> <p>\$35.4 million from years 1 to 14 with the key project starting in year 4.</p>	\$35.4 million	Growth/LOS	10-year programme: including all stages of the Town Centre Strategy adopted in 2018, including the Waipoua river precinct; and all entry points into Masterton. The Town Centre work is staged to ensure that Council is in a position to capitalise on any external funding opportunities.
Water Supply Resilience. Council raw water storage	<p>\$7,400,000 (Masterton Urban Water storage)- option 1-2024 - 25</p> <p>Option 2 (To be advised)</p>	\$7,400,000	Risk/LOS	<p>Option 1 - Increase Masterton urban raw water storage capacity to 40 days. Or</p> <p>Option 2 - Partner with Wairarapa Water limited Dam project and use this facility to supply Masterton Urban potable water.</p> <p>An option analysis will be carried out in year 1 to ascertain to proceed with option 1 or option 2.</p>
Homebush Wastewater treatment plant upgrade / consent review	Before 2034	<p>\$11.90 million implementation</p> <p>\$32 million for plant upgrade</p>		Homebush Wastewater treatment plant upgrade / consent review
Animal Shelter	2021 -2022	\$1.5m	Risk/LOS	This option includes the design and construction of a purpose-built facility to house dogs and livestock while in the care of the Council. The design accommodates growth forecasts for the next 10 years, with the option for modular expansion in the future.

Significant Projects				
Skate park	2020 - 2022	\$1.3, plus \$300k	LOS/Growth and Risk	This option includes a complete redevelopment of the skatepark complex to bring it up to a modern, national competition level standard. The extensive rejuvenation includes a remodel of the majority of the park, resurfacing of the concrete, and the addition of new skate features. \$1.3m from Central Government funding and \$300k from reserve funds.
Hood Aerodrome	2021- 2025	\$14,900,000	LOS/Growth * Risk	The signed contract with the Provincial Development Unit outlines Council and Central Governments obligations to the project and funding sources, based on the application we put forward in 2020.
Senior Housing	TBA	N/A	LOS	We will make the vacant land at Panama available for someone else to build public housing on.

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

Renewals of existing 3 water assets

The proposed scenario for the renewal work programme for the three waters and roading networks has an estimated cost of \$4.7 million per year. 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.

Renewals and upgrades of existing roading assets

The proposed scenario for the renewal work programme for the roading network has an estimated cost of \$8.8 million per year rising. These costs do not include any enhancements, maintenance or operational expenditure.

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 Roothing 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 high productivity motor vehicles (HMPV) and 50 max (weight) 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.

In year 1 work will also start on Colombo Road South bound bridge replacement. The cost of this work is included in the renewal programme but is a significant work item at \$2,900,000.

Network expansion and upgrades

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

Delivering a new Civic facility:

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. This facility is one of the most important things we will deliver and will help us to achieve our plan to bring Masterton into the 21st century so it's a home that our tamariki and mokopuna can be proud of.

The decision was made to explore alternative locations within Masterton for the new facility because the current site isn't large enough for us to build what we need, and it's isolated from the Town Centre. A new location will allow us to develop a facility of the size and scale that meets the future needs of our tamariki and mokopuna, will be better connected to the Waipoua and Queen Elizabeth Park, and allow us to develop an arts and cultural heart for Masterton. The new facility will include a flexi-form theatre with seating for 500 people, a new library and archives, information hub with council services and box office, an exhibition space, meeting rooms and kitchen facilities.

The LTP includes an allocation of \$30.8 million dollars spread over the next six years in order to deliver the project.

Masterton Revamp (Town Centre upgrade):

We want people to enjoy spending time in Masterton, and for visitors to want to come back. We have had discussions with the community to understand 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 a number of different projects that will all work together to rejuvenate how Masterton looks and feels, and we will deliver those over the next 14 years to create a town that our tamariki and mokopuna can be proud of. The 14-year plan includes redeveloping some of the key streets in our Town Centre to create better linkages within the Town. We are keen to develop our connection to the Waipoua river and will be exploring options for how we improve the accessibility and usability of the river. We will also address the entry points into Masterton, how they can better reflect the character of our community and local residents, and encourage people into the Town Centre. The main project will start in year 4 of this LTP but Northern and Kuripuni town entrances along with Placemaking will be underway in years 1 to 3 with \$900,000 allocated from the total budget for the first 3 years.

The LTP includes an allocation of \$35.4 million dollars over the 14-year period to deliver the project. This is the total project cost; however external funding will be explored to reduce the financial investment required.

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 \$100,000 in 2021/22 for investigation, and a further \$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. Reasons for 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 \$11.9 million is allowed for in the work programme for the implementation of the selected option, with a further \$32 million provision allowed for a plant upgrade to stop treated wastewater discharges to the river when the current consent expires in 2034. 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 cost 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 \$14.9 million will be spent over Y0 – Y5.

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 not suitable for renovation and needs to be demolished. A new purpose-built facility will be constructed on Ngaumutawa Road that 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 LTP includes \$1.5 million for the purpose-built facility in years 1 and 2.

Skatepark renewal

Masterton's skatepark is loved by all – teens, parents and grandparents who enjoy watching over young ones. But it was in dire need of an upgrade. The upgrade project received strong support from our community and in July 2020 the Government announced it was contributing \$1.3 million to make the community's vision become a reality. In order to deliver on everything the community desires, and to provide Masterton with a venue suitable for holding national level events, an extra \$300,000 is included in Y1 of the LTP. The renewed facility will include a pump track and more features for all abilities.

Senior Housing

Council will proceed with alternative option of making the vacant land at Panama available for someone else to build public housing on.

To achieve our goal of increasing affordable housing stock while minimising Council's financial contribution to this project. It may also enable consideration of housing for younger people and families too.

Council will work with the Government (via Kāinga Ora), community housing providers, and iwi to ascertain the most appropriate arrangement for a provider, or providers, to fund and build the public housing. Council will also seek external funding for infrastructure, such as stormwater, that is required on the site. We have estimated the project value as \$2.5 million and we will seek external funding for the full amount.

As always council will also continue to advocate on behalf of our community to identify broader solutions and improve housing outcomes for our community; and through our District Plan review we will explore community suggestions such as smaller section sizes and changes that could enable collective ownership and papakāinga.

FUNDING OF OPERATING AND CAPITAL EXPENDITURE

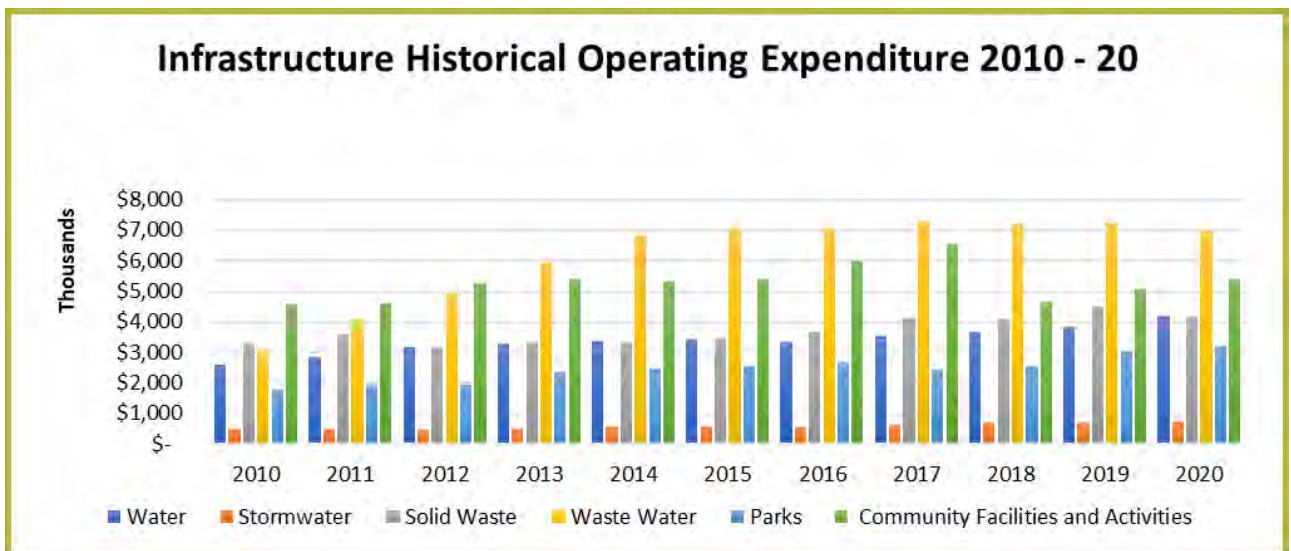
The Council’s policy with regard to the funding of capital expenditure is to:

- fund roading renewal expenditure from Waka Kotahi (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



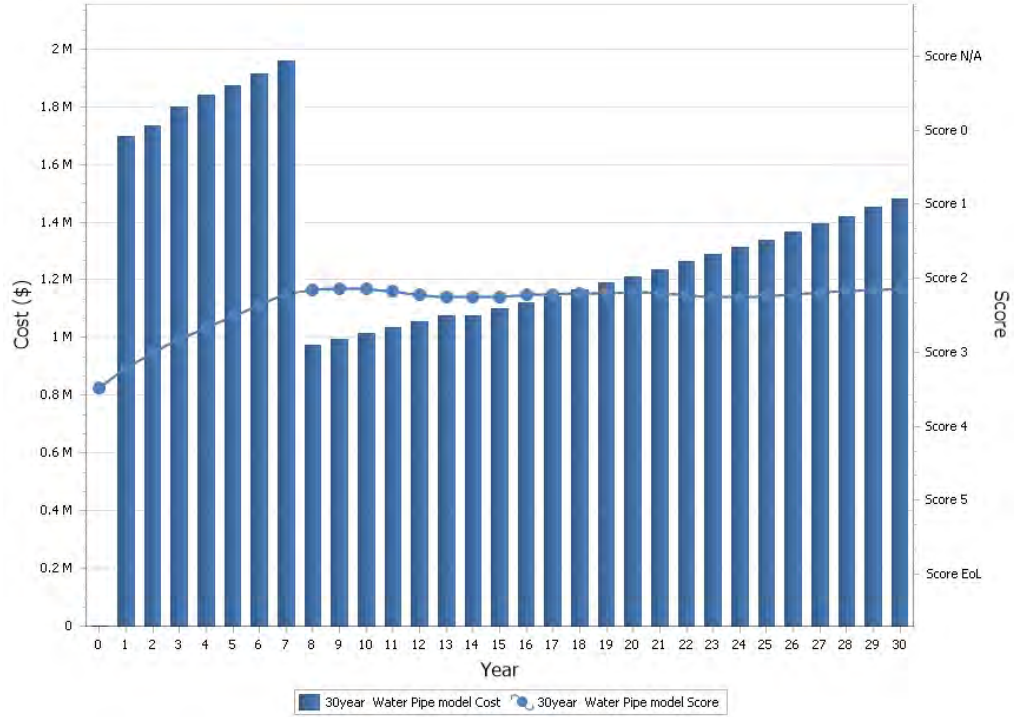
Renewal and maintenance programmes

The graphs that follow 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.

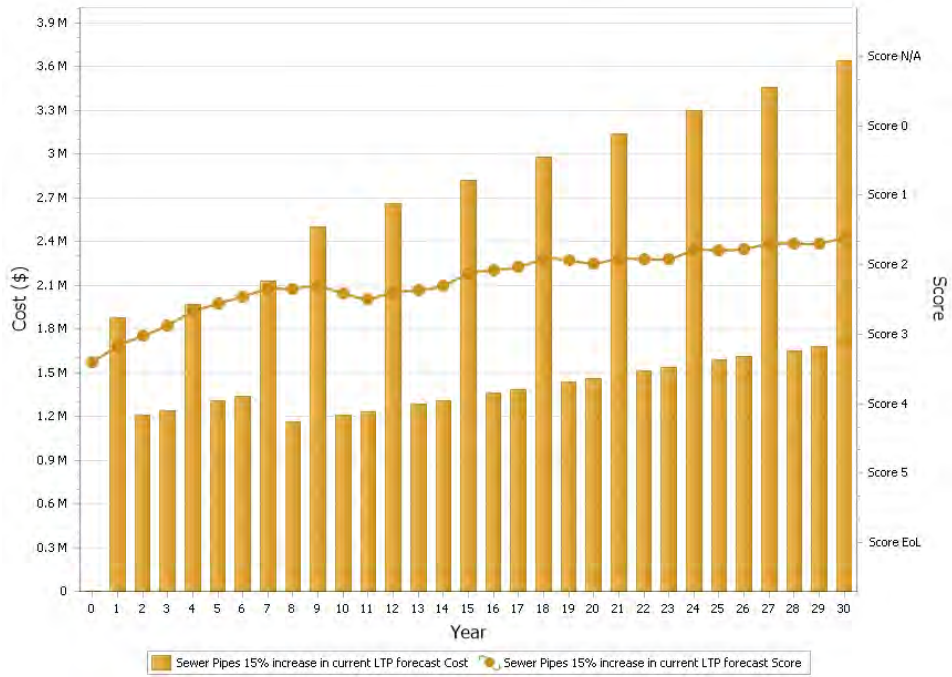
There are no plans to differ or delay the renewals programme specified in the asset management plans for any infrastructure assets. (Note: All graphs include an assumed inflation rate source BERL mid scenario cost adjustors 2020).

10 and 30-Year Infrastructure 3 Water Infrastructure Expenditure v Condition Forecast

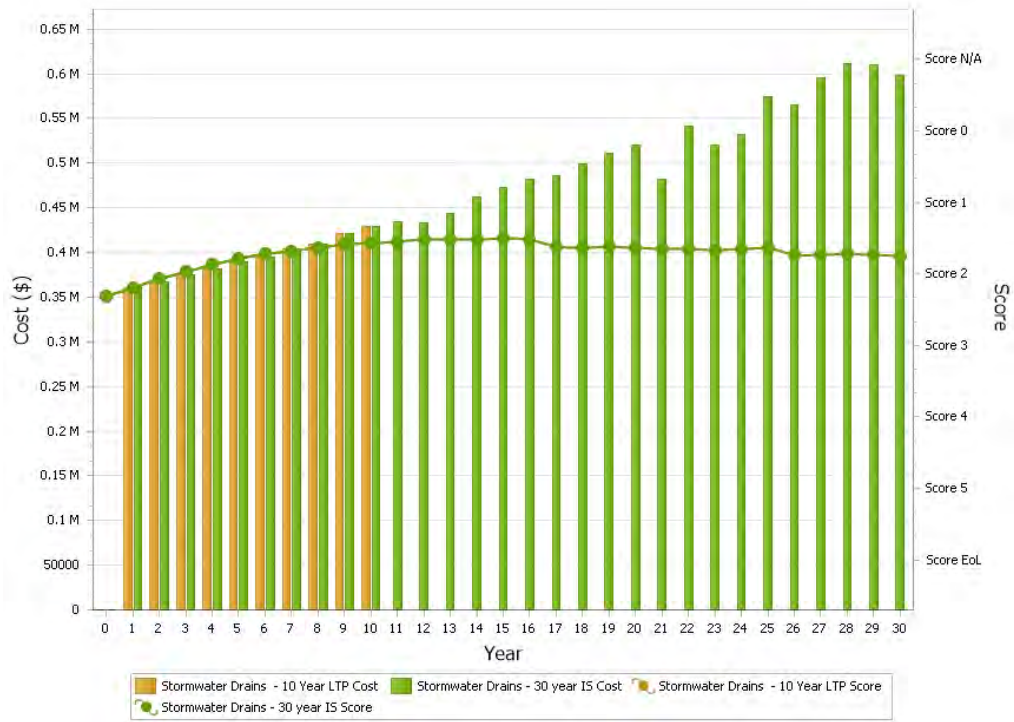


10 and 30-year scenario modelling for Water Supply reticulation pipes. Condition score and spend 2021 – 2031 & 2051





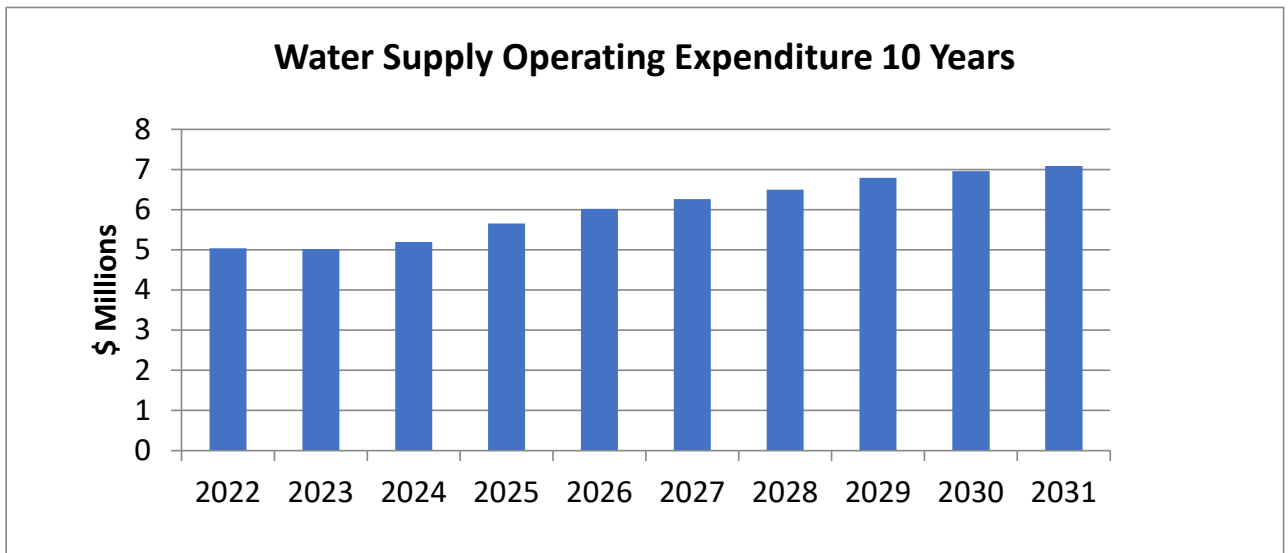
10 and 30-year scenario modelling for Wastewater reticulation pipes. Condition Score and Spend 2021 -2031 & 2051

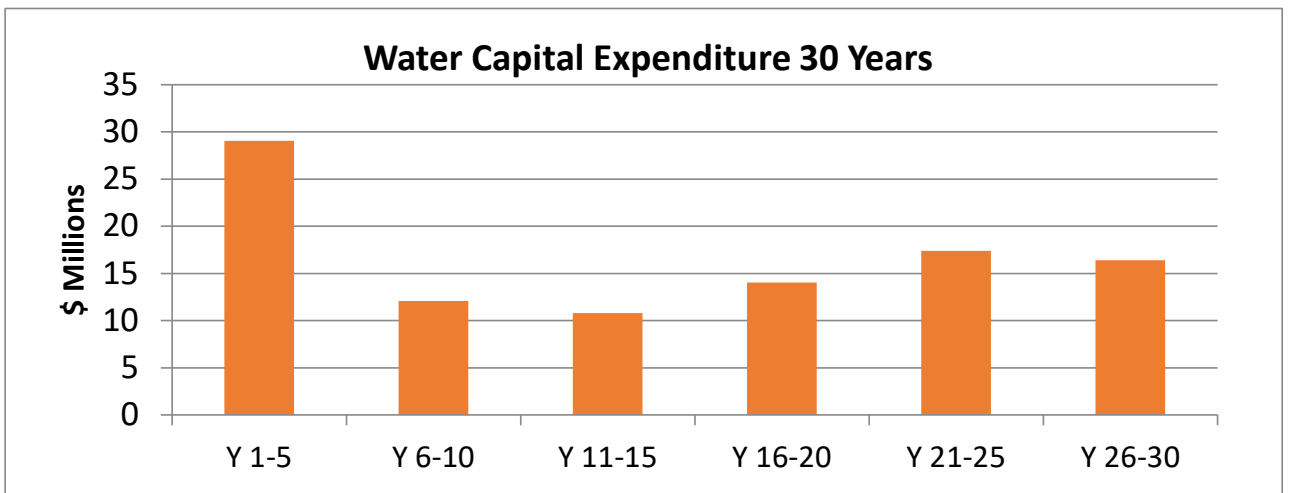
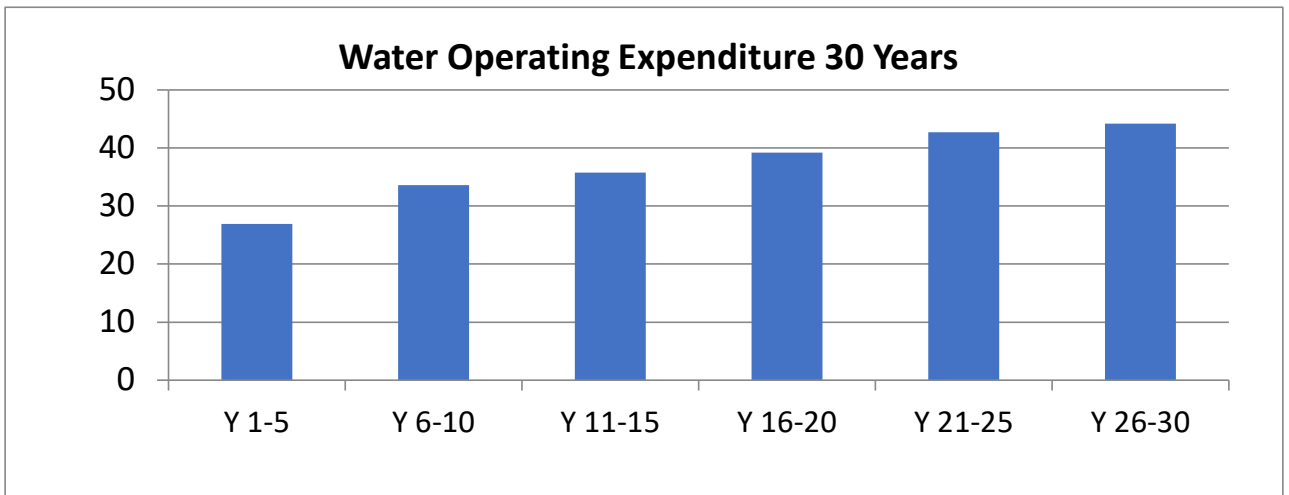
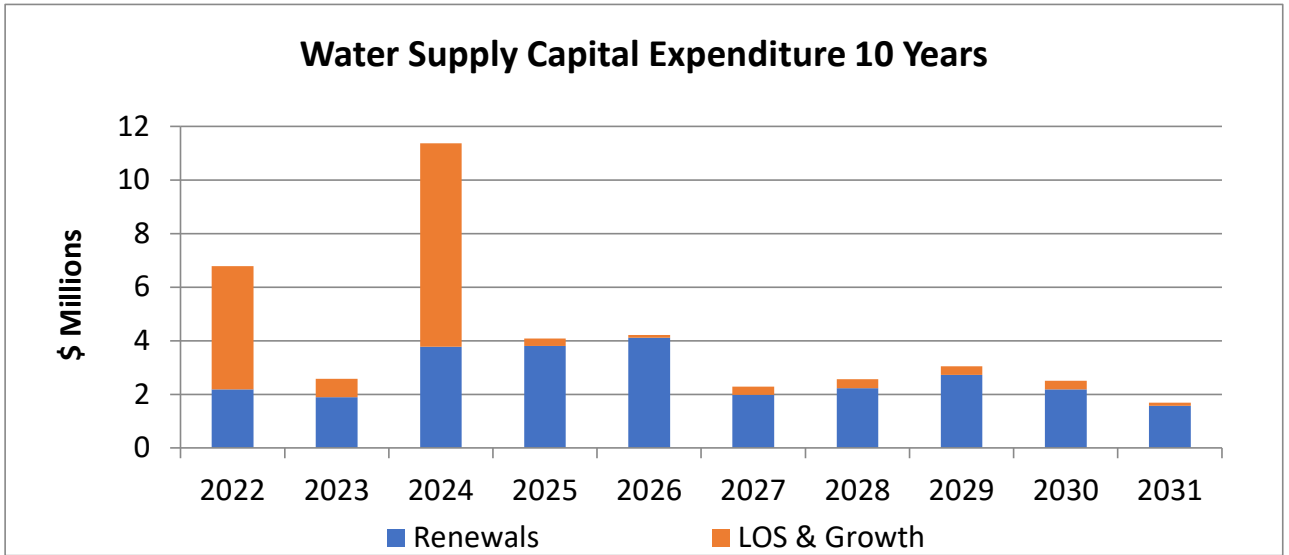


10 and 30-year scenario modelling for Stormwater reticulation pipes. Condition Score and Spend 2021 – 2031 & 2051

Planned expenditure – water assets

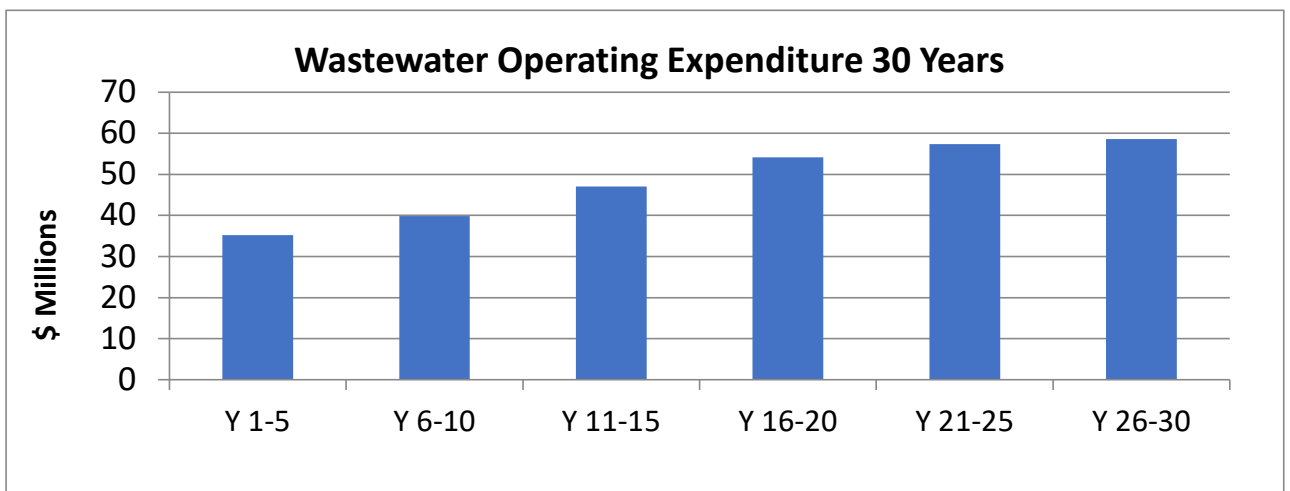
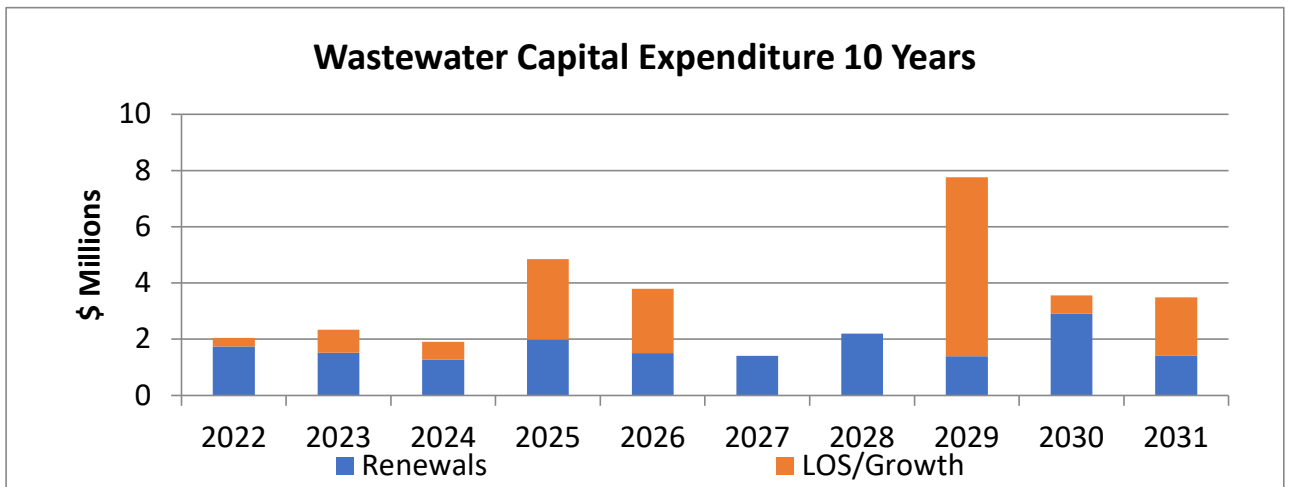
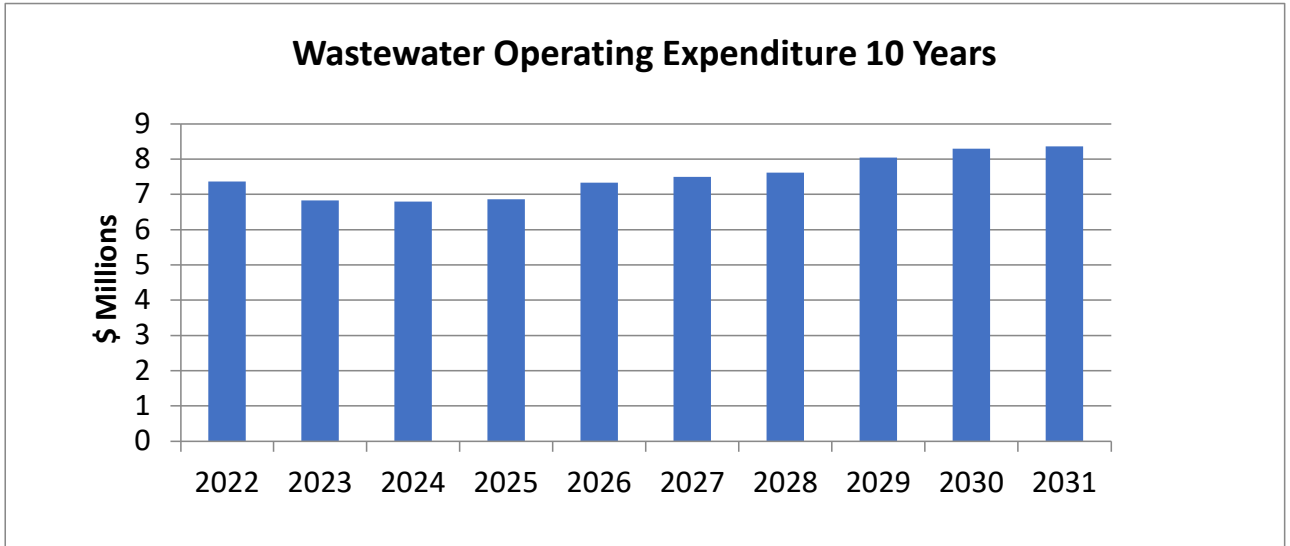
The graphs that follow show the projected expenditure on water assets over the next 10 to 30 years.

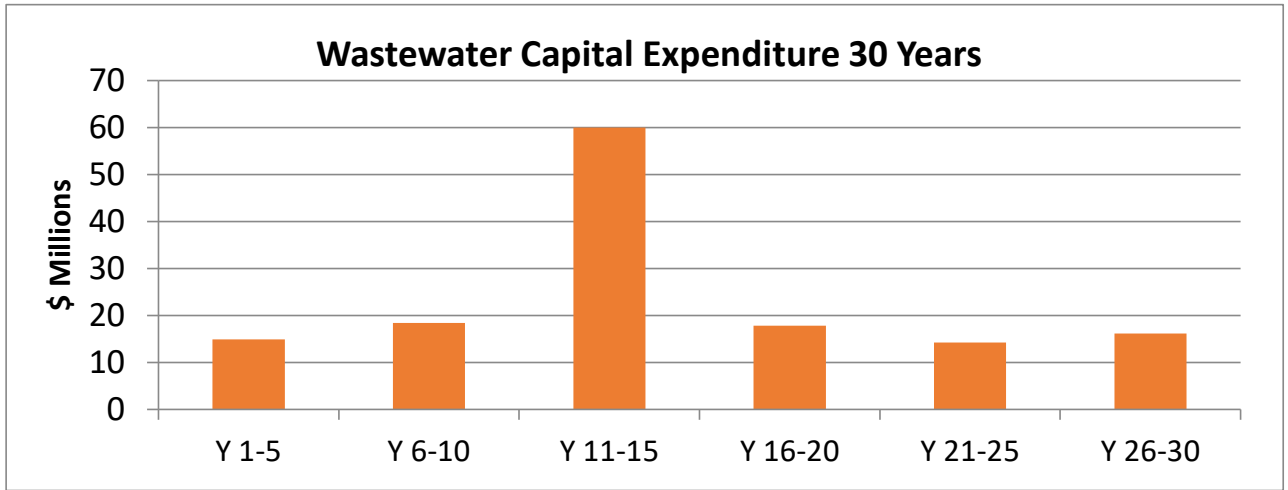




Planned expenditure – wastewater assets

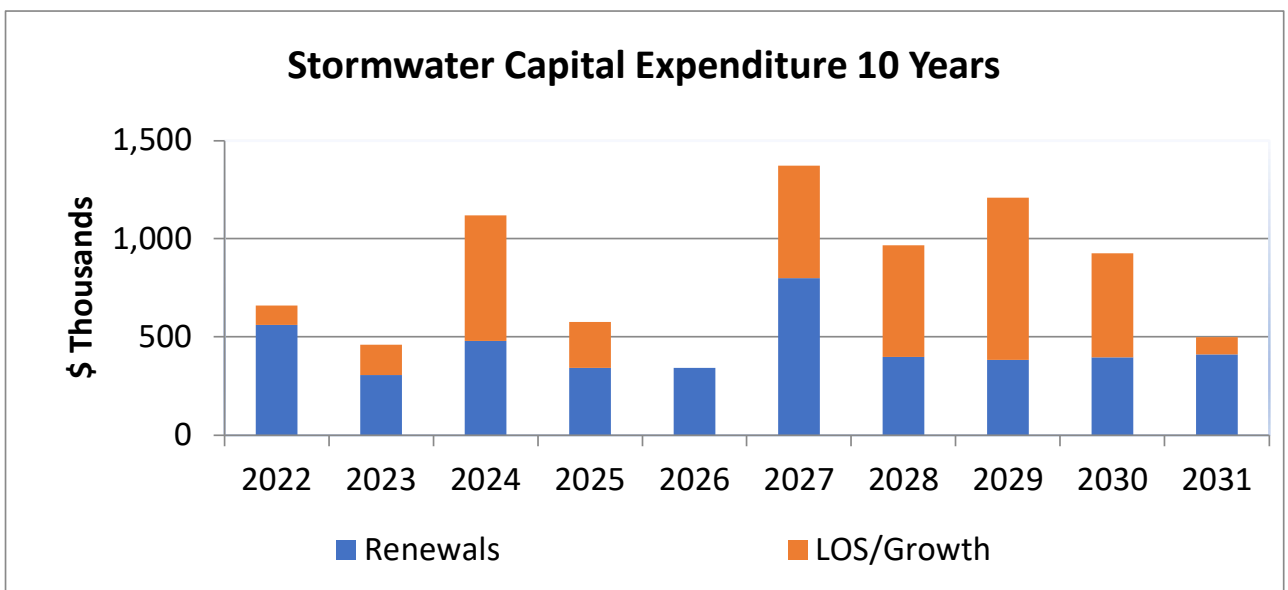
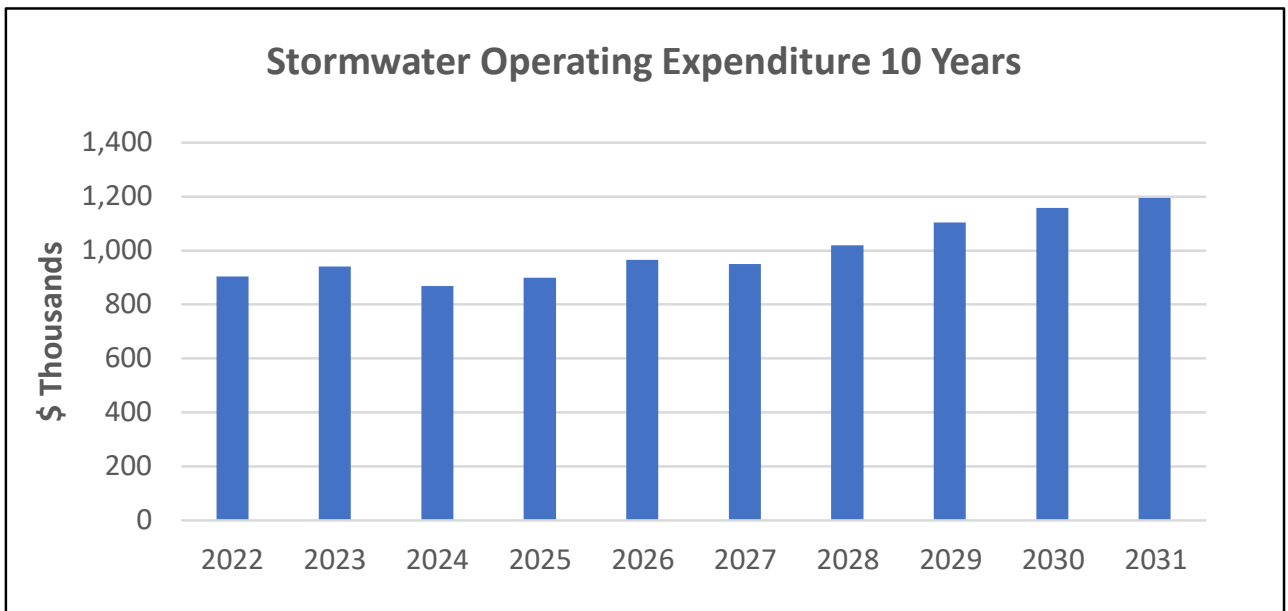
The graphs that follow show the projected expenditure on wastewater assets over the next 10 to 30 years.

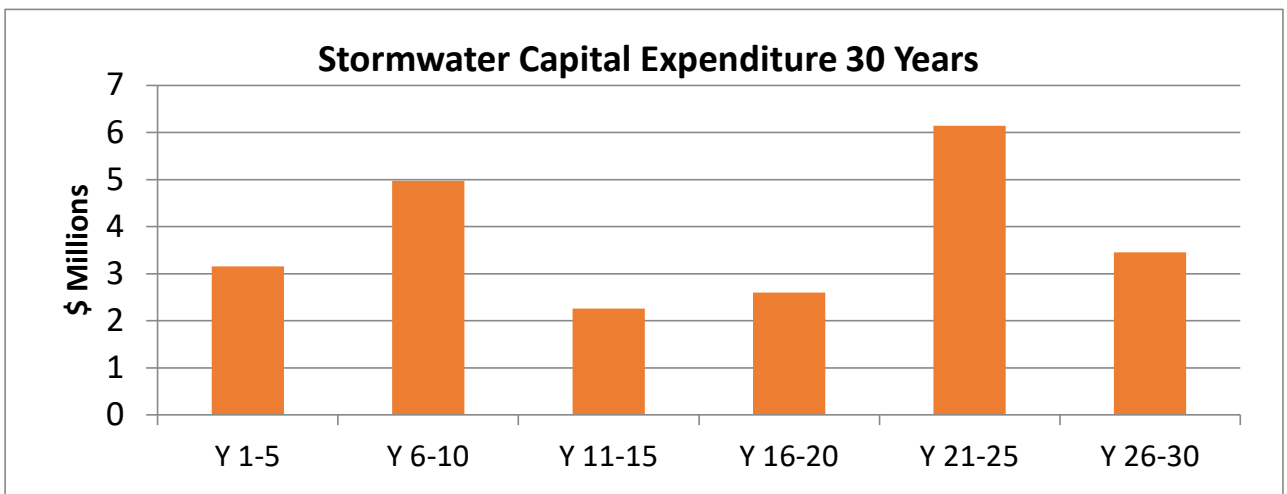
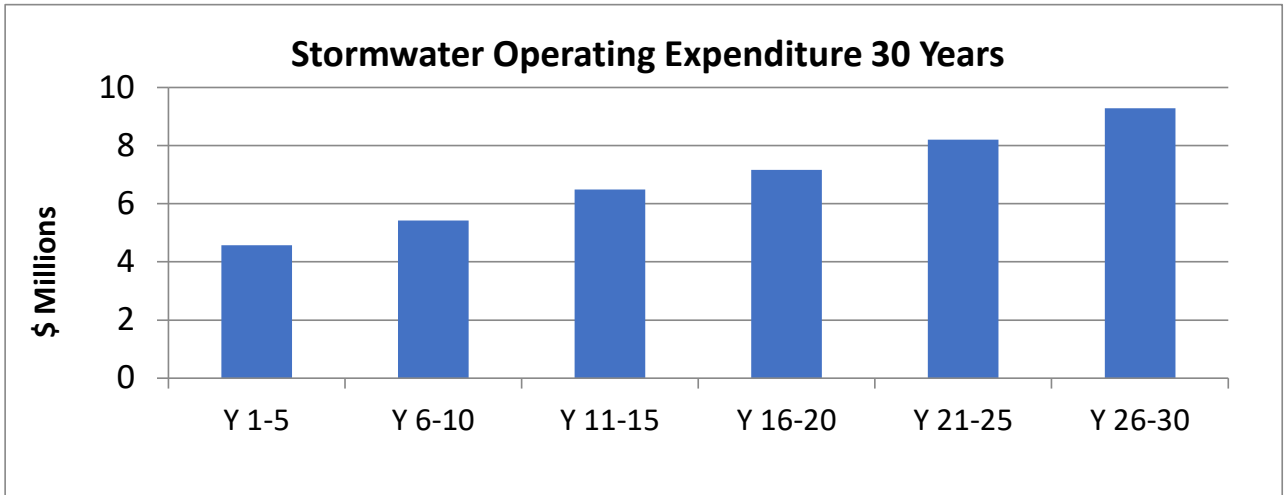




Planned expenditure – stormwater assets

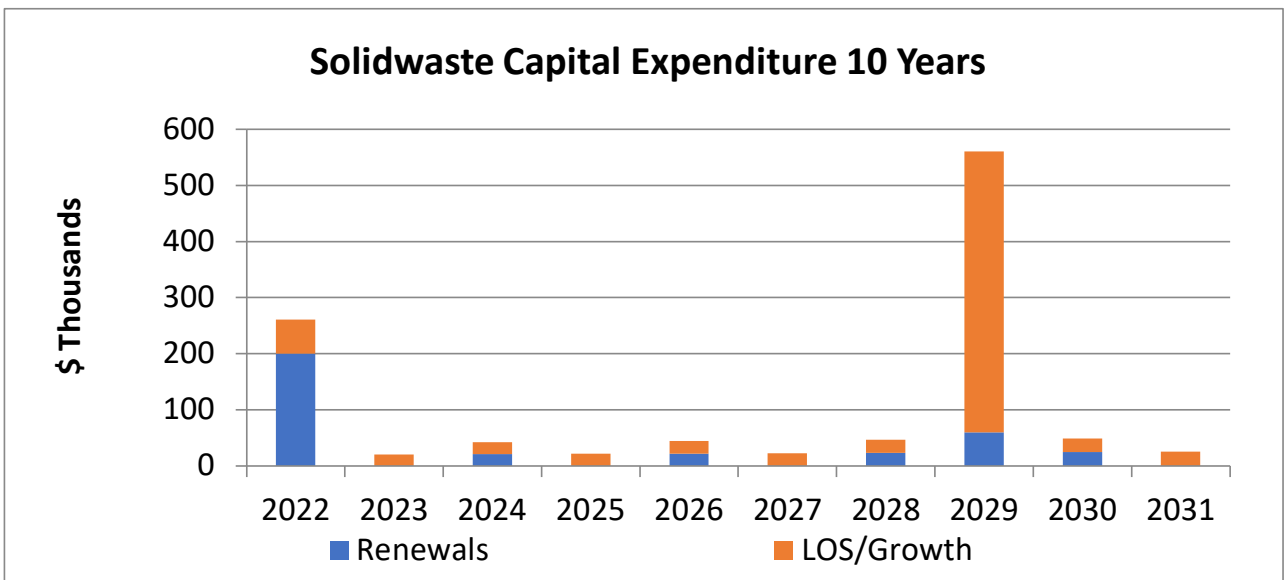
The graphs that follow show the projected expenditure on stormwater assets over the next 10 to 30 years.

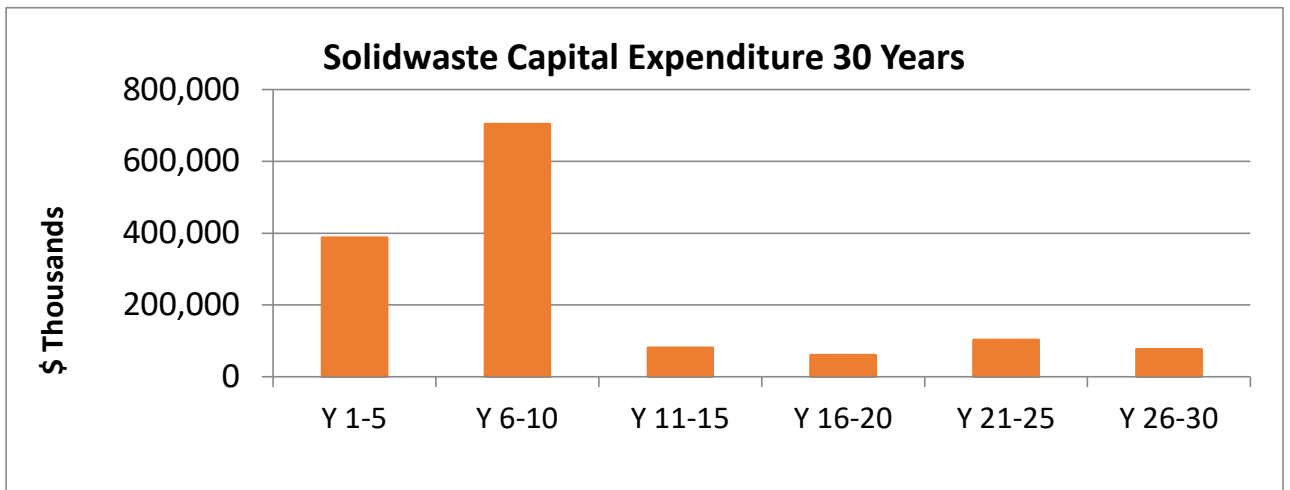
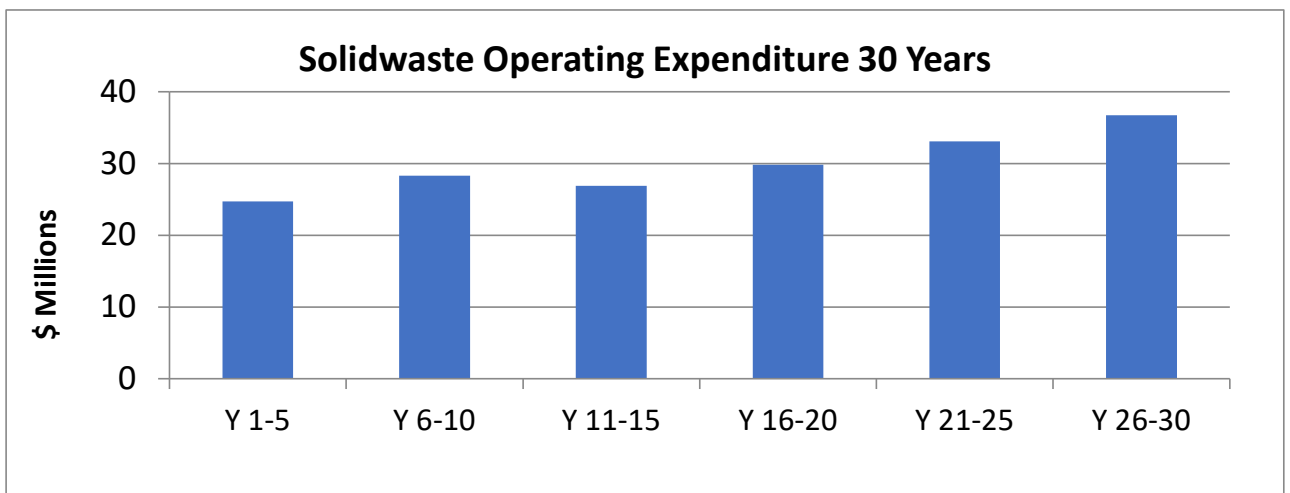
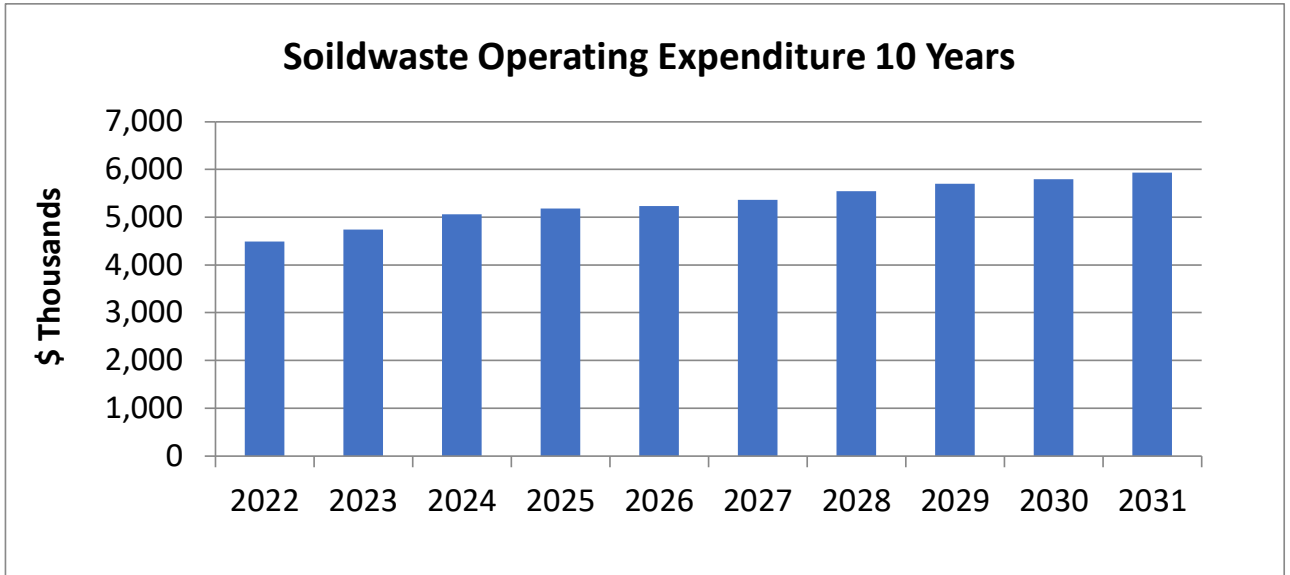




Planned expenditure – solid waste assets

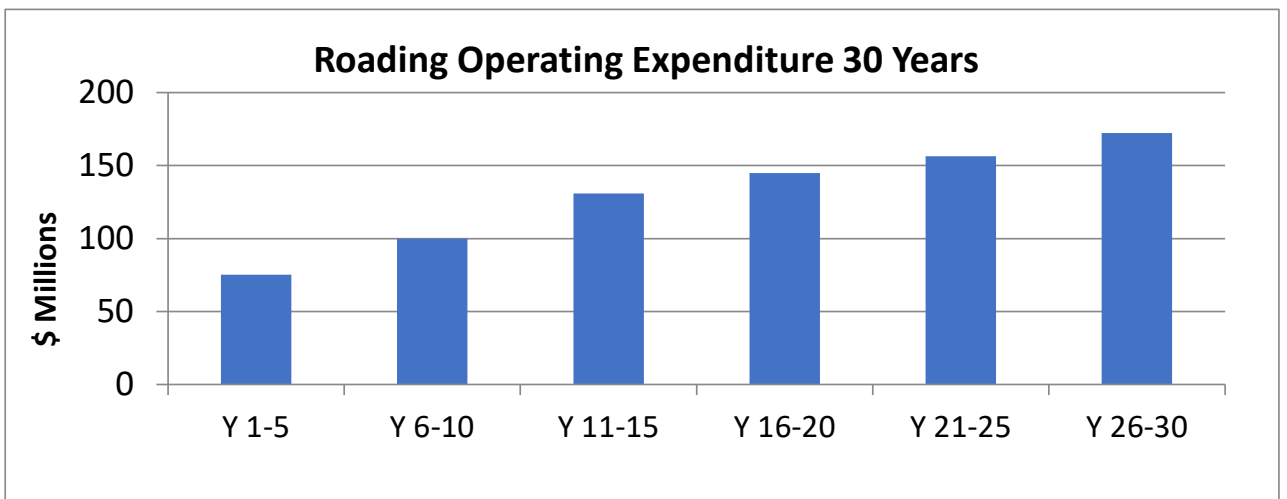
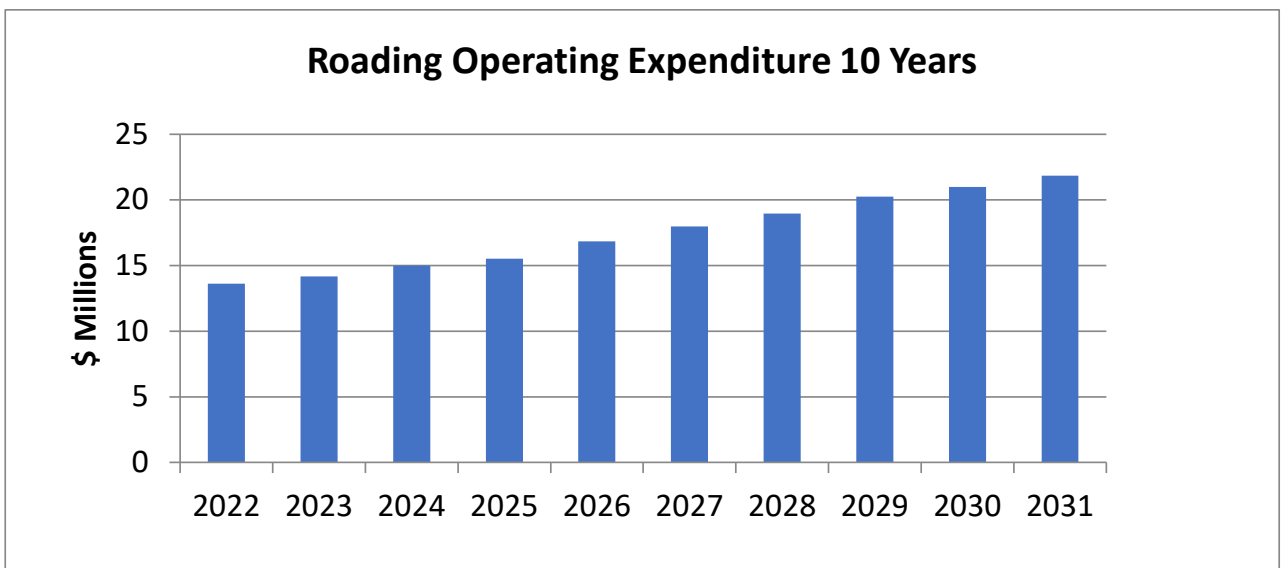
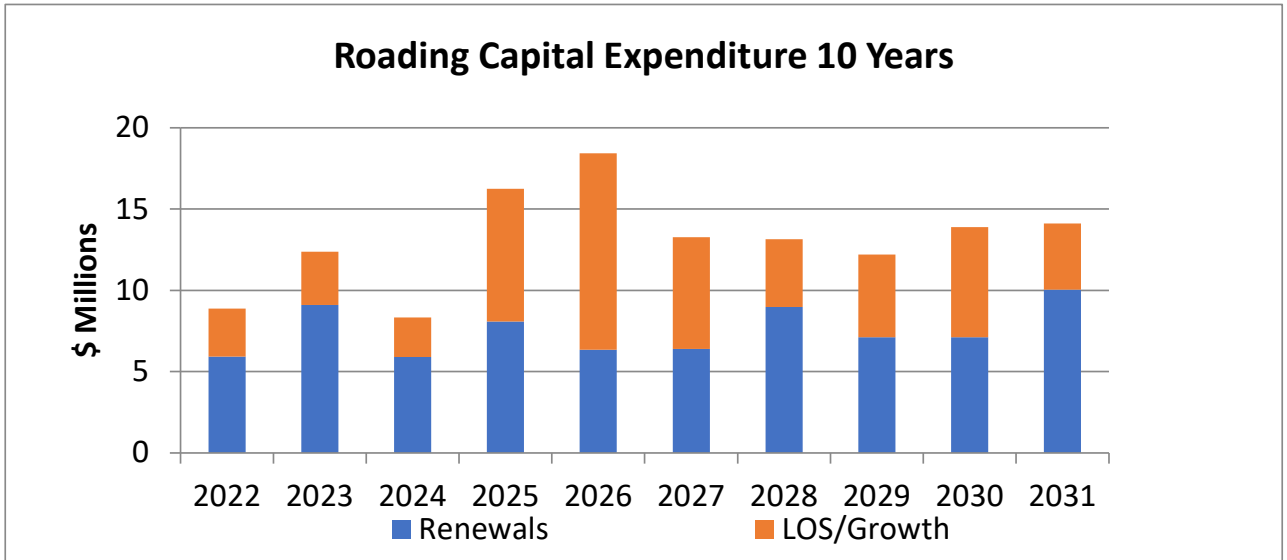
The graphs that follow show the projected expenditure on solid waste assets over the next 10 to 30 years.

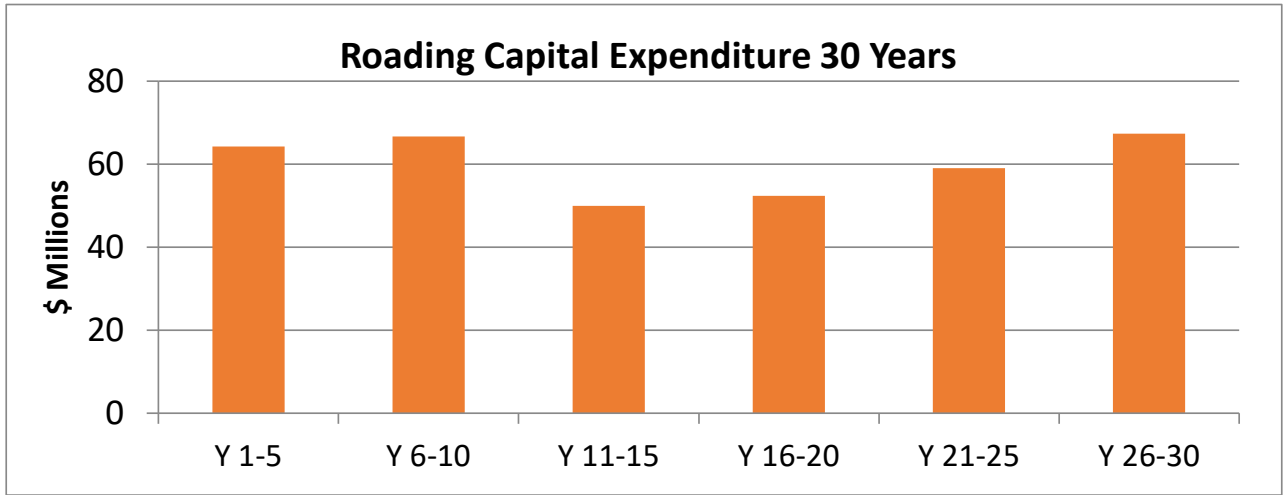




Planned expenditure – roading assets

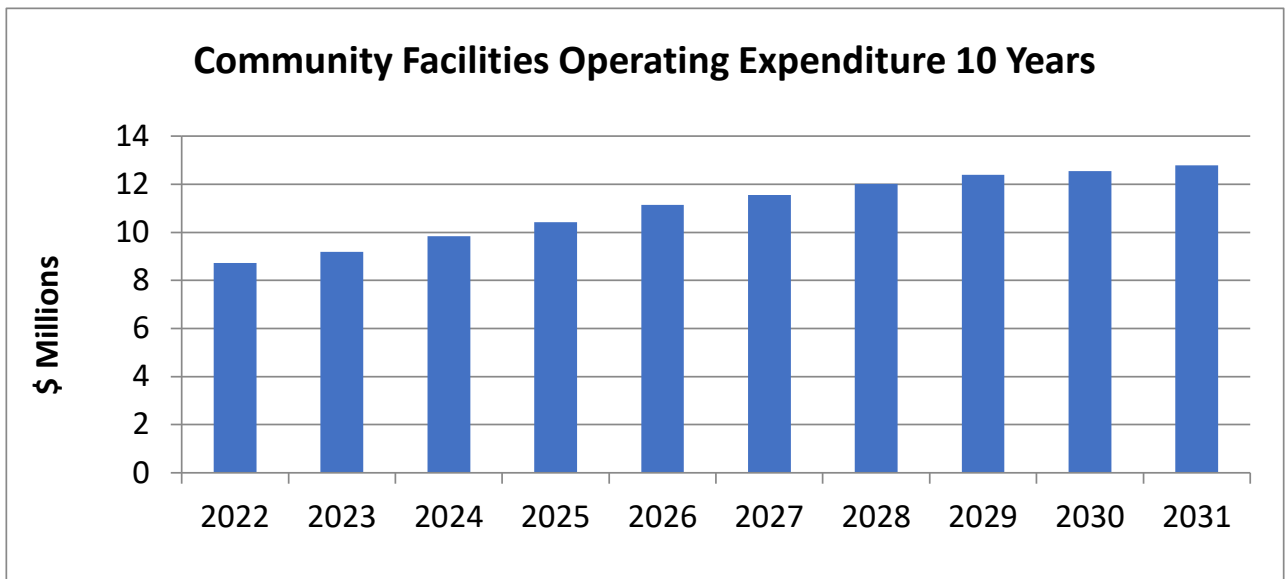
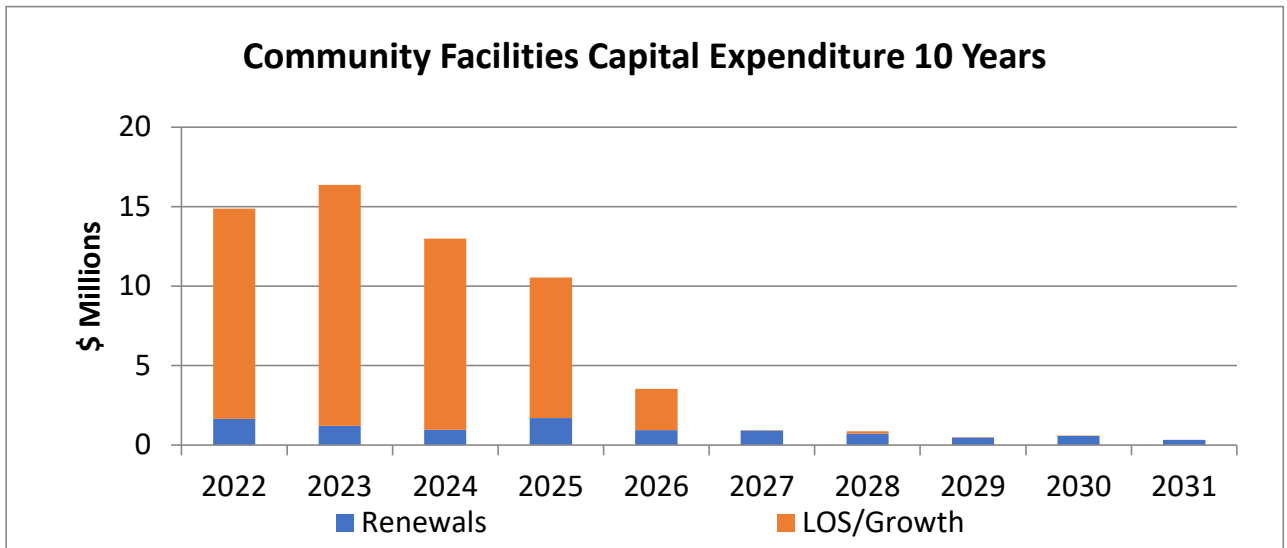
The graphs that follow show the projected expenditure on roading assets over the next 10 to 30 years.

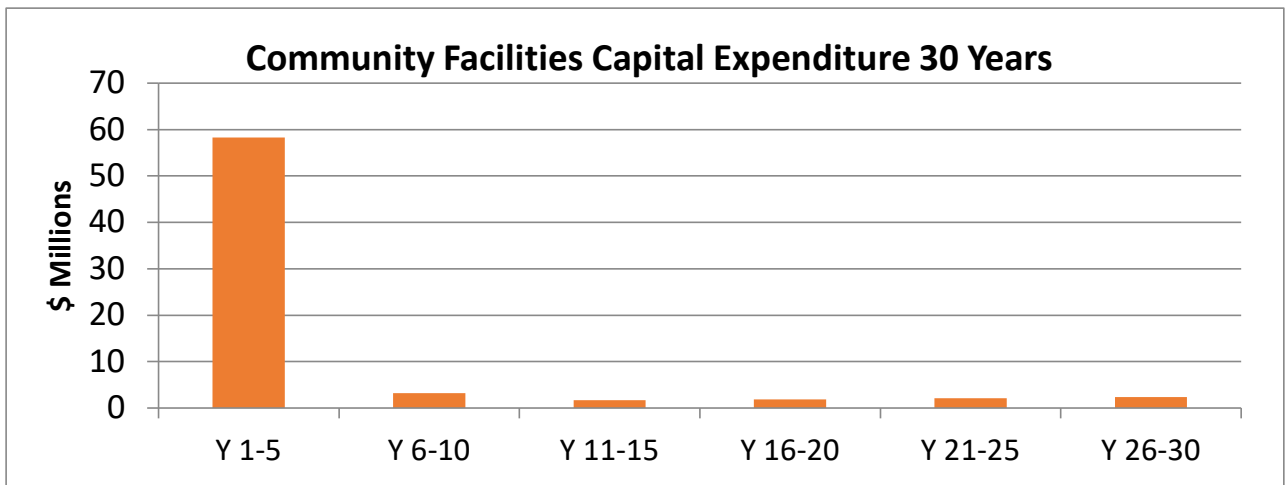
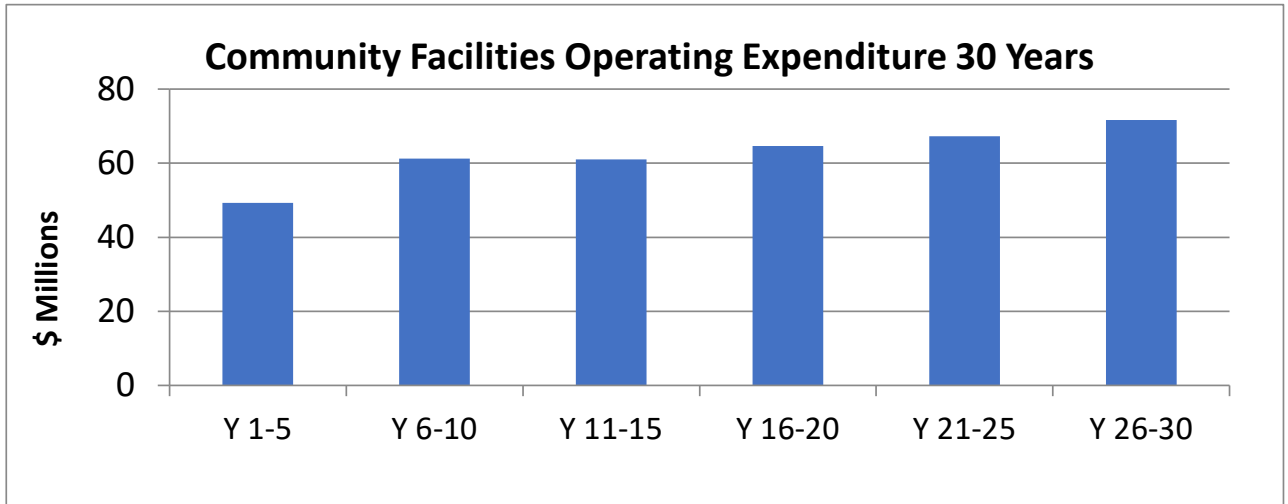




Planned expenditure – community facilities and property assets

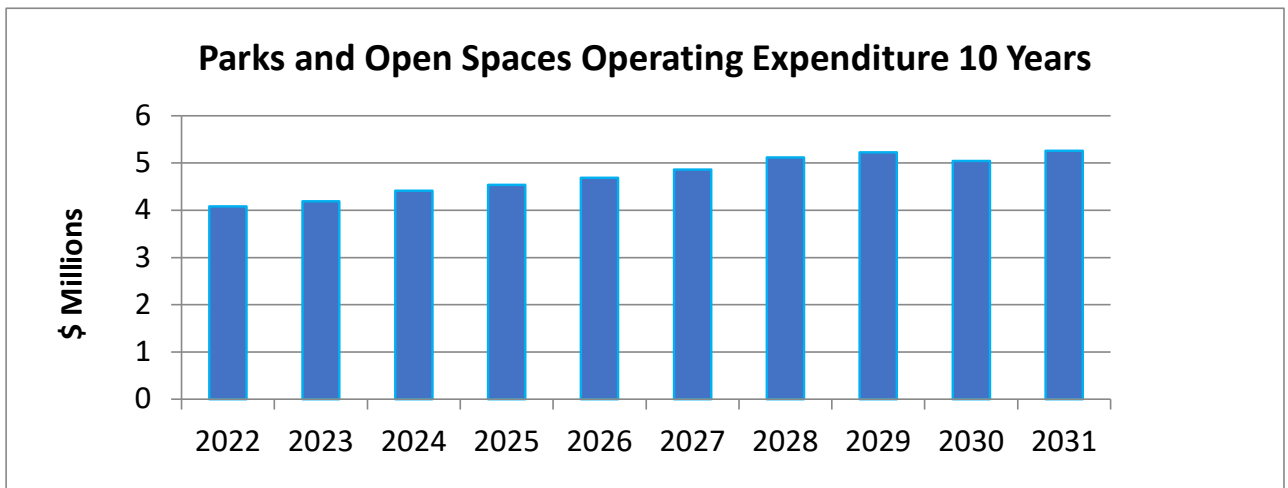
The graphs that follow show the projected expenditure on community Facilities assets over the next 10 to 30 years.

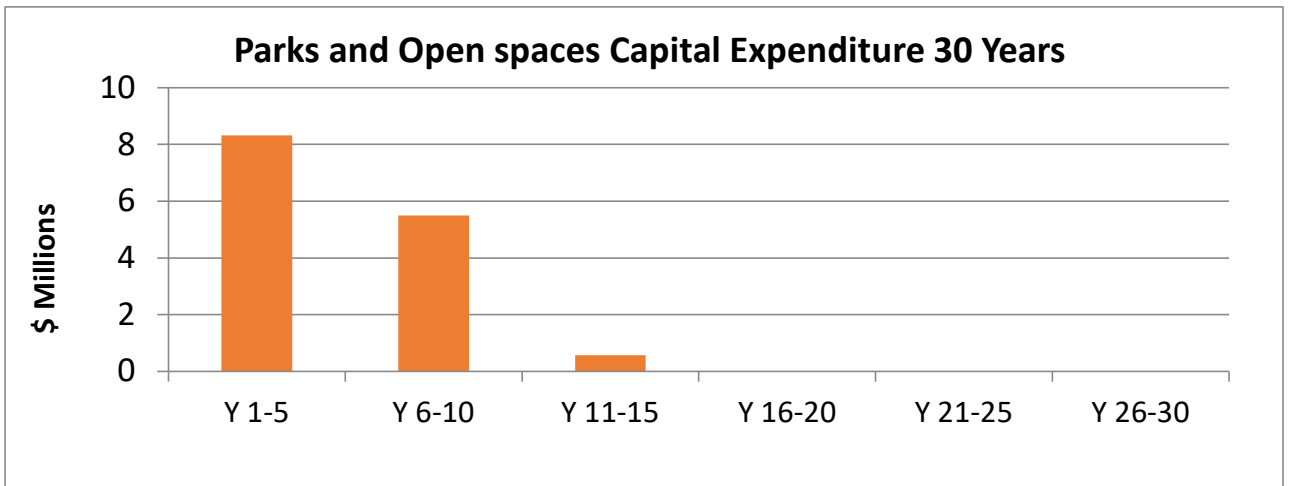
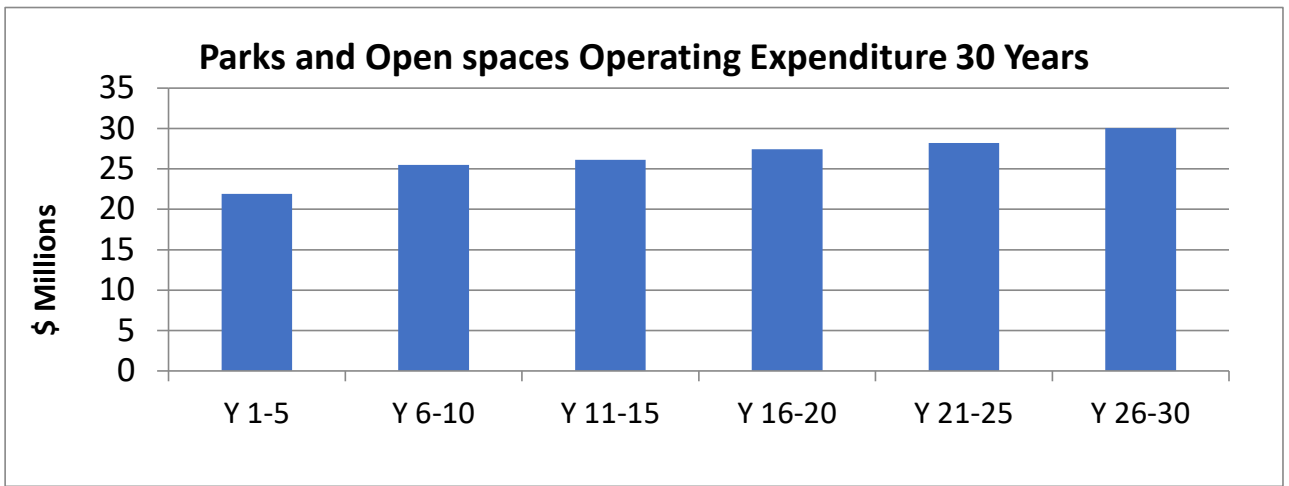
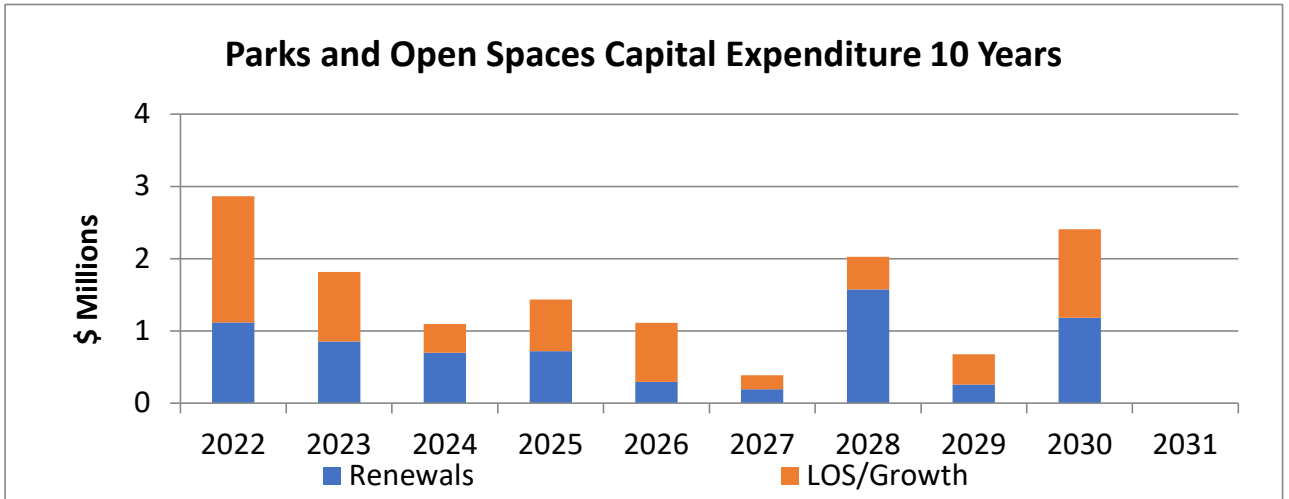




Planned expenditure – parks assets

The graphs that follow 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 49](#) 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:

- Creating a vibrant and thriving town centre that will be a place our community can enjoy being and be proud of for many years to come. The estimated cost of the Masterton revamp is \$35.2 million over 13 years, with the major aspects commencing in Year 4 of this Plan. Waka Kotahi (New Zealand Transport Agency or NZTA) funding of \$4 million has been allowed across years 4, 7 and 10 for the roading infrastructure elements of the project. We will seek additional external funding support for this project, either through Waka Kotahi roading subsidies or other funders.
- Renewing our roads to improve condition and safety. Over the 10 years of this plan we are investing totals of \$87.5 million in the road maintenance programme and \$131 million in road renewals and upgrades. Funding from Waka Kotahi for the maintenance and renewals amounts to \$86 million over the 10 years.
- Improving the Mataikona Road to protect it from coastal erosion and ensure we maintain access to this area of our district. The road requires a substantive investment of \$11.1 million over Years 4 and 5.
- Renewing the Colombo Road Bride over the Waipoua. We have allowed \$2.9 million for that work, with the majority of the spend in Year 2.
- Urbanising or upgrading roads in areas of our town that have experienced development or are being developed, including Millard Avenue (\$1.98 million provision over Years 3 and 4), Gordon Street (\$0.5 million in Year 1), Kitchener Street (\$0.6 million in Year 2) and Chamberlain Road (\$0.99 million split across Years 1 and 2).
- Improving the standard of our footpaths to meet community expectations and changing future demand. We are investing \$6.1 million over 10 years to achieve this, excluding the CBD footpaths that are part of the Masterton revamp.

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 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 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
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.	One fatality 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.	92%	Maintain or improve on 90%
	Percentage of sealed local road network that is resurfaced	6.5%	Maintain within 5-7%
	Percentage of footpaths where the condition falls within the level of service defined in MDC's Asset Management Plan	94%	90% of footpaths are rated Excellent, Good or Fair
	Percentage of urgent customer service requests responded to within 2 days	99.7%	95% within specified timeframe
	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).	69%	70% within specified timeframe
	<p>Why this is important: These measures have been developed by the Department of Internal Affairs 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 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31	
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Operating Costs											
6,573,310	Road maintenance - subsidised	5,874,177	5,991,872	6,365,682	6,555,147	6,726,624	7,055,882	7,434,062	7,669,690	7,887,269	8,084,181	
2,048,883	Road maintenance - non-subsidised	1,268,664	1,323,421	1,399,839	1,478,467	1,621,220	1,853,977	2,057,287	2,151,848	2,269,185	2,423,995	
5,601,202	Depreciation	6,470,022	6,866,544	7,234,583	7,480,590	8,490,846	9,070,706	9,453,416	10,416,505	10,839,051	11,334,085	
14,223,395		13,612,863	14,181,837	15,000,103	\$ 15,514,204	\$ 16,838,690	\$ 17,980,566	\$ 18,944,765	\$ 20,238,044	\$ 20,995,504	\$ 21,842,261	
	Operating Income											
3,327,431	NZ Transport Agency subsidy (on maint)*	2,885,024	2,920,749	3,029,757	3,117,483	3,201,561	3,297,981	3,400,071	3,496,788	3,596,535	3,697,859	
180,000	Local authority petrol tax	190,000	193,990	200,070	206,150	212,040	218,120	224,390	230,850	237,500	244,340	
1,119,147	Other recoveries	448,147	452,683	458,024	468,365	473,632	478,973	489,387	494,874	500,434	507,067	
4,626,578		3,523,171	3,567,422	3,687,850	\$ 3,791,998	\$ 3,887,233	\$ 3,995,074	\$ 4,113,848	\$ 4,222,512	\$ 4,334,469	\$ 4,449,266	
	Appropriations											
(587,976)	Transfers from reserves	(469,000)	(400,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	
250,000	Tsfs to reserves - roading contributions	375,000	378,000	381,000	389,000	392,000	395,000	403,000	406,000	409,000	413,000	
50,894	Provision for loan repayments	56,883	103,633	152,134	193,725	321,712	541,649	731,609	843,366	990,420	1,196,133	
(4,843,728)	Reverse depreciation**	(5,708,600)	(6,228,700)	(6,528,700)	(7,018,700)	(7,928,800)	(8,428,800)	(8,398,900)	(8,828,900)	(7,858,900)	(6,749,000)	
\$ 4,466,007	Rates Requirement	\$ 4,343,975	\$ 4,467,347	\$ 5,266,687	\$ 5,236,231	\$ 5,686,369	\$ 6,443,341	\$ 7,516,626	\$ 8,385,998	\$ 10,151,556	\$ 12,203,128	

* 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.

*** Note the 2020/21 plan has now been restated so the Flood damage provision is now included in Road maintenance - subsidised

WATER SUPPLY

We provide treated water that is safe to drink to 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:

- Ensuring our water supply is resilient. Funding of \$7.4 million has been allowed in Year 3 to construct storage reservoirs at the Kaituna Water Treatment Plant that will assist us to maintain adequate water supply. Council have also agreed to a Memorandum of Understanding (MOU) with Wairarapa Water Limited to explore the future of water supply services for our community. The MOU is non-binding and does not commit Council to the Wakamoekau community storage project.
- Due to government stimulus funding for water projects, in Year 1 we have brought forward \$1.7 million of water main renewals, treated water capacity and other upgrades.
- Renewing our oldest water pipes to prevent water lost through leakage. An additional allocation of \$22 million has been allowed over the 10 years of the LTP for urban water infrastructure renewals.
- Urbanisation of the Millard Avenue water supply. \$613,200 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. 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 2019/20 (Baseline)	Performance Targets 2021/22 to 2020/21
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 MDC's response to any of these issues.	3 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 MDC's networked reticulation system:		
	a. attendance at urgent call outs (from notification to arrival on site)	15 minutes	60 minutes or less
	b. resolution of urgent call outs (from notification to confirmation of resolution)	25 minutes	480 minutes or less
	c. attendance at non-urgent call outs (from notification to arrival on site)	47 minutes	7 days or less
	d. resolution of non-urgent call outs (from notification to confirmation of resolution)	86.5 minutes	3 months or less
	Council's drinking water supply complies with:		
	a. part 4 of the Drinking Water Standards (bacteria compliance criteria)	Fully compliant	Fully compliant
	b. part 5 of the Drinking Water Standards (protozoal compliance criteria)	Fully compliant	Fully compliant
	Percentage of real water loss from MDC's reticulation system (calculated using minimum night flow)	37%	Year 1: No more than 37%

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2020/21
			From Year 2: Target to be established as part of the Annual Plan process to align with water meter installation and associated data.
	Average consumption of drinking water per day per resident within the district	601 litres/person/day	Year 1: No more than 601 litres/person/day From Year 2: Target to be established as part of the Annual Plan process - to align with water meter installation and associated data.
<p>Why this is important: These measures have been developed by the Department of Internal Affairs 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 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,338,420	Water treatment costs	1,555,855	1,530,956	1,582,481	1,818,427	1,840,629	1,912,320	1,980,246	2,018,335	2,054,828	2,086,063
1,027,111	Water reticulation costs	1,211,166	1,163,123	1,222,531	1,314,657	1,398,889	1,541,673	1,653,021	1,694,218	1,759,006	1,770,975
1,492,098	Depreciation	1,560,351	1,873,921	1,927,598	2,057,411	2,293,189	2,360,352	2,407,239	2,602,940	2,659,265	2,733,939
3,857,629		4,327,372	4,568,000	4,732,610	5,190,494	5,532,707	5,814,345	6,040,505	6,315,483	6,473,099	6,590,977
	Operating Income										
313,840	User charges	462,600	325,503	336,472	343,569	351,311	360,344	368,732	379,700	392,282	405,186
100,500	Internal Recoveries	102,600	104,139	107,114	109,782	112,552	115,322	118,195	121,273	124,556	127,942
414,340		565,200	429,642	443,586	453,351	463,864	475,667	486,927	500,973	516,838	533,128
	Appropriations										
(20,000)	Transfer from reserves	(100,000)	-	-	-	-	-	-	-	-	-
-	Transfer to reserves	-	-	-	-	-	-	-	-	-	-
169,389	Provision for loan repayments	194,321	312,865	360,950	689,933	800,864	915,390	965,749	1,022,609	1,108,502	1,156,502
(205,000)	Reverse depreciation	(264,300)	(222,500)	(309,116)	(292,115)	(398,393)	(328,887)	(357,615)	(351,955)	(386,614)	(337,658)
\$ 3,387,878	Rates Requirement	\$ 3,592,193	\$ 4,228,723	\$ 4,340,858	\$ 5,134,961	\$ 5,471,314	\$ 5,925,182	\$ 6,161,712	\$ 6,485,174	\$ 6,678,149	\$ 6,876,694

RURAL WATER SUPPLIES											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
265,269	Rural water supplies & races	587,149	289,886	298,502	301,173	311,210	274,075	280,796	288,071	296,066	304,306
75,596	Depreciation	125,164	162,376	163,398	164,818	179,524	175,560	176,745	191,465	192,738	194,501
340,864		712,312	452,262	461,900	465,991	490,734	449,635	457,541	479,537	488,804	498,807
	Operating Income										
217,698	Rural water scheme charges	514,318	226,337	244,394	249,549	255,173	256,015	261,974	269,767	278,705	287,873
	Appropriations										
6,246	Provision for loan repayment	6,539	6,849	6,806	7,119	7,435	7,763	8,095	8,451	8,811	9,184
(25,868)	Reverse depreciation	(80,500)	(93,900)	(82,631)	(82,748)	(93,007)	(87,113)	(87,241)	(96,245)	(94,886)	(93,613)
\$ 103,545	Rates Requirement	\$ 124,033	\$ 138,874	\$ 141,680	\$ 140,813	\$ 149,989	\$ 114,270	\$ 116,421	\$ 121,976	\$ 124,024	\$ 126,505

WASTEWATER SERVICES

Wastewater services are provided to approximately 10,150 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 46](#) 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:

- Continuing to enhance the performance of the Homebush Wastewater Treatment Plant by developing more irrigation areas which will enable us to reduce the amount of treated wastewater that is discharged to water. A total of \$11.9 million has been allowed in this plan to increase irrigation at Homebush. That is made up of \$5.57 million over Years 3 to 5, and a further \$6.36 million in Year 8.
- Completing renewal work on wastewater infrastructure in the urban area, and at Castlepoint and Riversdale. Across the 10 years of this LTP, \$14.8 million has been allowed for renewals work.
- Improving wastewater services in the Millard Avenue area to urban standards. \$817,000 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 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
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 MDC's response to issues with its sewerage system.	5.22/1,000 connections (47 actual)	Less than or equal to 8 complaints/1,000 connections
	Median response time to sewerage overflows resulting from a blockage or other fault to MDC's sewerage system:		
	a. attendance (from time of notification to the time service personnel arrive onsite)	32 minutes	6 hours or less
	b. resolution (from time of notification to the time service personnel confirm resolution)	143 minutes	12 hours or less
	Number of dry weather sewerage overflows from MDC's sewerage system (expressed per 1000 connections to the system)	1.22 overflow/1,000 connections (11 complaints)	Less than or equal to 2/1000
	Compliance with MDC'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.	100% compliance	100% compliance
	<p>Why this is important: These measures have been developed by the Department of Internal Affairs 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>		
Meeting our commitment to continuity of service	Alternative system provided where loss of service exceeds 24 hours	0/1,000 connections. No portaloos were deployed.	Less than or equal to 1 per 1,000 connections
<p>Why this is important: 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 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,322,301	Sewerage reticulation	1,736,920	1,191,267	1,227,490	1,249,175	1,271,800	1,335,981	1,422,502	1,464,867	1,493,715	1,530,970
2,675,215	Wastewater treatment	2,402,054	2,142,253	2,048,577	2,052,712	2,102,134	2,176,719	2,206,730	2,194,584	2,323,406	2,287,114
2,379,011	Depreciation	2,530,705	2,782,979	2,799,892	2,827,362	3,186,978	3,204,435	3,200,780	3,554,511	3,637,154	3,685,495
6,376,526		6,669,679	6,116,498	6,075,959	6,129,249	6,560,912	6,717,135	6,830,012	7,213,963	7,454,274	7,503,579
	Operating Income										
482,940	User Charges & lease income	1,009,440	579,208	596,999	613,894	626,624	641,440	655,222	673,191	693,783	714,905
	Appropriations										
(220,000)	Transfers from reserves	(70,000)	(50,000)	-	-	-	-	-	-	-	-
2,119,580	Provision for loan repayments	2,151,877	2,503,927	2,708,501	2,743,138	2,913,203	3,025,447	3,110,121	3,233,442	3,570,810	3,758,609
(1,260,000)	Reverse depreciation	(1,200,000)	(1,187,000)	(1,195,000)	(1,210,000)	(1,201,900)	(1,256,900)	(1,189,900)	(1,057,500)	(775,600)	(725,600)
6,533,166	Rates Requirement	6,542,116	6,804,218	6,992,461	7,048,493	7,645,591	7,844,242	8,095,011	8,716,714	9,555,701	9,821,683

WASTEWATER SERVICES - RURAL											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
85,820	Castlepoint sewerage scheme	106,087	108,786	112,223	114,784	117,475	120,596	123,822	127,248	131,031	134,878
202,927	Riversdale Beach sewerage scheme	183,656	170,788	166,838	166,095	164,194	162,494	160,706	158,593	158,258	162,499
14,654	Tinui sewerage scheme	17,765	17,770	18,205	18,526	18,859	19,246	19,663	20,173	20,747	21,332
319,498	Depreciation	385,639	420,107	428,035	430,591	476,985	479,728	482,572	527,595	530,650	536,996
622,901		693,147	717,452	725,301	729,995	777,513	782,064	786,763	833,610	840,687	855,705
	Operating Income										
8,322	User charges & other income	30,154	25,530	21,041	21,564	22,108	22,652	23,216	23,821	24,467	25,133
123,000	Riversdale Beach capital contributions	123,000	123,000	123,000	123,000	123,000	123,000	123,000	123,000	123,000	123,000
131,322		153,154	148,530	144,041	144,564	145,108	145,652	146,216	146,821	147,467	148,133
	Appropriations										
(68,000)	Transfer from reserves	(55,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
167,586	Provision for loan repayments	153,908	162,609	171,713	181,325	195,105	205,657	217,647	224,590	10,309	10,743
(255,870)	Reverse depreciation	(277,000)	(257,000)	(252,000)	(252,000)	(284,000)	(289,000)	(299,000)	(306,400)	(72,600)	(78,600)
335,295	Rates Requirement*	361,901	424,531	450,974	464,756	493,510	503,069	509,194	554,978	580,929	589,715

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

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 47](#) 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. \$3.5 million has been allowed over the 10 years of this LTP for renewals work.
- Investigating and implementing improved stormwater treatment methods. Funding of \$2 million has been allocated across Years 6 to 9.
- Continuing our flood protection work to decrease the likelihood of flooding impacting our urban area. To do this, we will continue to work alongside GWRC to address the level of flood protection in the urban area and ensure streams are kept clear of weed and sediment. \$825,830 has been allowed across Years 1 to 7.

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 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
Meeting our commitment to providing a reliable stormwater service	Number of flooding events that occur in the district	No events reported	10 events or less
	For each flooding event, the number of habitable floors affected (expressed per 1000 connections to MDC's stormwater system)	No events reported	Less than or equal to 1/1000
	Compliance with MDC's resource consents for discharge from its stormwater system measured by the number of abatement notices, infringement notices, enforcement orders or convictions received by MDC in relation to those consents.	100% compliance	100% compliance
	Number of complaints received about the performance of MDC's stormwater system (expressed per 1000 connections to MDC's stormwater system)	0.67 complaints/1000 connections (6 complaints)	No more than 3/1000
	Median response time to attend a flooding event (from time of notification to the time service personnel arrive onsite)	No flooding events occurred.	60 minutes or less
	<p>Why this is important: These measures have been developed by the Department of Internal Affairs 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 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
404,622	Stormwater	528,997	520,098	440,692	455,923	465,356	443,910	489,965	517,608	552,019	574,046
324,669	Depreciation	374,149	420,409	427,052	442,850	500,507	506,222	529,101	586,123	606,263	621,687
729,291		903,145	940,507	867,745	898,772	965,864	950,132	1,019,067	1,103,731	1,158,282	1,195,733
	Operating Income										
-	User charges & other income	200,000	-	-	-	-	-	-	-	-	-
	Appropriations										
(93,000)	Transfer from reserves	(25,000)	(100,000)	-	-	-	-	-	-	-	-
-	Transfer to reserves	100,000	-	-	-	-	-	-	-	-	-
35,025	Provision for loan repayments	36,122	41,078	49,122	57,544	62,196	64,781	85,916	108,021	139,396	162,527
(110,300)	Reverse depreciation	(150,000)	(90,000)	(60,999)	(57,800)	(81,436)	(56,031)	(50,431)	(36,947)	(38,000)	(41,047)
561,016	Rates Requirement	664,267	791,585	855,868	898,516	946,624	958,882	1,054,552	1,174,805	1,259,678	1,317,213

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 48](#) 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. \$290,640 has been allowed across the 10 years of the LTP for this.
- Undertaking landfill capping. \$228,000 has been allowed across years 1 to 5 of this plan.
- Implementing the Solid Waste Bylaw that has been developed with Councils across the Wellington region. This bylaw is being progressed as part of the joint Waste Management and Minimisation Plan.

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 wheellie 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, from rubbish bins in public areas to urban and rural transfer stations.

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
Improving service delivery	<p>Number of call backs due to non-collection of official rubbish bag in each weekly collection</p> <p>Why this is important: We have committed to weekly kerbside collections of waste in the urban area to support our community to safely dispose of their waste.</p>	49 call backs in total	No more than 52 call-backs per annum.
Minimising waste	<p>Tonnage of waste transferred to landfill via the Nursery Road Transfer Station per head of population.</p> <p>A new regional bylaw is being developed. This is expected to take effect in Year 2 or 3 of the 2021-31 LTP. The new bylaw will enable recording of waste generated in our district regardless of where this is disposed of. From implementation of the new bylaw, this measure will be revised and revert to: Tonnage of waste transferred to landfill per head of population.</p> <p>Why this is important: 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>	<p>0.429 tonne per head of population</p> <p>11,505 tonnes of waste transferred (19.3 per cent less than the previous year)</p> <p><i>(Estimated Population at 30/6/20: 26,800)</i></p>	<p>Reduction on previous year</p> <p>When the new bylaw is implemented, a new baseline will be established for reporting purposes.</p>
Meeting our consent commitments	<p>Urban and rural transfer stations, recycling, composting facilities and landfills operate within approved resource consent conditions</p> <p>Why this is important: 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>	<p>Two non-compliance conditions</p> <p>Greater Wellington Regional Council's compliance report gave MDC 2 stars out of 4 stars for compliance.</p> <p>Action was taken to ensure these matters were addressed and do not result in future non-compliance.</p>	100% compliance

Cost of service statement

SOLID WASTE MANAGEMENT											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
303,774	Urban refuse collection costs	286,824	289,482	304,191	311,878	319,657	332,952	347,281	357,213	367,003	376,058
2,198,375	Transfer station operation & refuse disposal	2,452,617	2,696,965	2,943,402	3,017,038	3,025,615	3,063,574	3,163,231	3,260,913	3,357,107	3,447,088
1,398,656	Waste minimisation (incl recyc & composting)	1,470,369	1,471,958	1,521,841	1,553,038	1,584,829	1,644,339	1,699,316	1,738,029	1,718,093	1,754,014
270,970	Rural waste operations	276,848	279,481	290,113	297,214	304,431	317,644	331,398	340,962	350,654	358,884
4,171,775		4,486,658	4,737,886	5,059,547	5,179,167	5,234,532	5,358,508	5,541,225	5,697,118	5,792,857	5,936,045
	Operating Income										
2,482,400	User charges - external	2,927,220	3,115,543	3,355,938	3,439,515	3,526,307	3,613,098	3,703,104	3,799,539	3,902,403	4,008,482
83,125	User charges - internal	73,290	76,419	82,779	84,840	86,981	89,122	91,342	93,721	96,258	98,875
100,000	Recoveries - waste levy	180,000	263,900	354,960	363,800	372,980	382,160	391,680	401,880	412,760	423,980
197,370	Recoveries from bag sales	223,250	243,600	276,660	283,550	290,705	297,860	305,280	313,230	321,710	330,455
2,862,895		3,403,780	3,699,462	4,070,337	4,171,705	4,276,973	4,382,240	4,491,406	4,608,370	4,733,131	4,861,791
	Appropriations										
(173,600)	Transfers from reserves	(93,600)	(43,600)	(43,600)	(43,600)	(43,600)	-	-	-	-	-
186,697	Provision for loan repayments	182,170	201,819	214,403	221,912	230,900	227,918	207,576	182,803	205,393	126,815
(150,000)	Reverse depreciation	(150,000)	(92,000)	(95,000)	(100,000)	(108,399)	(111,495)	(106,757)	(101,072)	(104,191)	(104,989)
\$ 1,171,977	Rates Requirement	\$ 1,021,468	\$ 1,104,643	\$ 1,065,013	\$ 1,085,773	\$ 1,036,461	\$ 1,092,691	\$ 1,150,638	\$ 1,170,479	\$ 1,160,928	\$ 1,096,080

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 sportsfields;
- the Trust House Recreation Centre (including a stadium and a range of indoor and outdoor pools);
- four cemeteries; and
- Hood Aerodrome (Masterton's Airport).

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 50](#) 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 sportsfields provide recreational opportunities for residents and visitors, while also protecting, preserving and enhancing the natural environment. In addition, the Trust House 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:

- Developing a new Civic Facility that will include our library, archive, a performing arts space, meeting rooms and some front-counter customer service functions in a location that aligns with our Town Centre Strategy. This new facility will enable us to provide library spaces that inspire and support learning, expand library programmes and activities, protect the history that is stored in our archive and provide spaces for performances, community events, meetings and functions. The estimated cost to build a new fit for purpose and future proofed facility is \$30.8 million, allowed for across Years 1 to 5 of this Plan.
- Making vacant land at Council's Panama site available for public housing development, increasing affordable housing stock for our community. We will work with the Government (via Kāinga Ora), community housing providers, and iwi to ascertain the most appropriate arrangement for a provider, or providers, to fund and build the public housing. We will seek external funding for infrastructure, such as stormwater, required on the site.
- Supporting resilient air transport infrastructure for the Wairarapa. We will be working through a five-year programme to improve the facility and to future-proof its role in our community's resilience. Work includes improvements to the runways and infrastructure on the airfield. We were successful in our application for central government funding to progress that work, receiving \$10 million. Council has allowed \$14.9 million over Years 1 to 5 of this plan, with over one third of that in Year 1, as our contribution to development at Hood Aerodrome. A key component of the development is upgrading and widening the runway.
- Undertaking renewal work at the Trust House Recreation Centre. Some of the machinery and equipment that runs the pools needs to be renewed. We are also looking to make improvements to the 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. \$3.3 million has been allowed over Years 1 to 7 for this work.
- Continuing work to improve our parks and open spaces, including developing a Reserve Management Plan for Queen Elizabeth Park in Year 1 that will assist us with planning and prioritising work in the park. We are also completing the revamp of our Skate Park (\$1.6 million in Year 1), expanding our recreation trail networks (\$549,322 over Years 1 to 7) and building a new cycle and pedestrian bridge over the Waipoua River in Year 1 (at a cost of \$312,000), which will enable users to complete a 'river loop'.
- Continuing to improve our sports facilities. We are continuing with plans to improve sports facilities, including the Pioneer Rugby clubrooms and the Queen Elizabeth Park bowls pavilion. The surface of the all-weather athletics track at Colin Pugh sports bowl requires replacement and we have a 5 year plan to renew that.

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.
- Trust House Recreation Centre – potential 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.

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 Wairarapa Combined District Plan which includes defined air noise boundaries regulates on-aerodrome noise, and restricts development around the aerodrome.

How do we measure success?

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

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
Engaging with our community; promoting literacy; enabling access to information (in person and online); and promoting our history and heritage.	Number of people using our library and archive reflected by: overall library usage and number of visits to the library and archive.	This is a new measure – baseline to be established.	Library Usage: No less than 5 year average for overall library usage Usage consists of: <ul style="list-style-type: none"> • Physical issues • Digital issues • Computer/ Wi-Fi sessions Visits: No less than 5 year average for number of visits to the library and archive Visits consists of: <ul style="list-style-type: none"> • In Person Visits • Digital (website, OPAC, social media) • Housebound
	Why this is important: 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 aids 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) can improve day to day outcomes. Together, these elements all contribute to improved wellbeing for our community.		

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 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
Resolving urgent issues quickly	Percentage of Council parks and open spaces urgent customer service requests that are resolved within 4 work hours.	New Measure – Baseline to be established	90%
	<p>Why this is important: 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 our recreational trails that are part of our parks and reserves network.	The 2 year average (as at 30/6/20) equates to: 289,612	Year 1: Utilisation = at least the 2 year average Year 2: Utilisation = at least the 3 year average Year 3: Utilisation = at least the 4 year average From Year 4: Utilisation = at least the 5 year average
	Number of people using the Trust House Recreation Centre	New Measure – Baseline to be established	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: 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>		
Providing compliant rental housing	Compliance with the healthy homes standards for Council owned rental units and houses	New Measure – Baseline to be established	<p>Year 1 and Year 2: Applies to all new or renewed tenancy agreements for Council rental units/houses from 1 July 2021: All units/houses comply with the healthy home standards (or have exemptions) at the time they are leased.</p> <p>From Year 3: Applies to all Council rental units/houses:</p>

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
			<p>All units/houses comply with the healthy home standards (or have exemptions). Compliance relates to the following individual standards:</p> <ul style="list-style-type: none"> • Heating • Insulation • Ventilation • Moisture/Drainage • Draught stopping <p><i>Note: This aligns with the requirement for all private rentals to comply (or have been granted exemptions) by 1 July 2024. Council properties are categorised as private rentals.</i></p>
<p>Why this is important: The new standards are being introduced to ensure rental housing is safe and healthy. We want to show leadership for our community and ensure the people living in Council owned housing have healthy homes that support their wellbeing.</p>			



Cost of service statements

PARKS, RESERVES & SPORTSFIELDS											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2,223,907	Parks & reserves maintenance	2,290,895	2,287,685	2,365,754	2,442,962	2,514,142	2,615,881	2,814,590	2,806,137	2,889,734	2,983,061
505,382	Sportsfields maintenance	561,123	570,405	597,287	585,383	605,371	634,951	667,031	692,606	718,470	744,099
628,340	Depreciation	957,166	1,070,265	1,161,113	1,203,700	1,249,689	1,277,911	1,286,243	1,364,249	1,063,868	1,143,884
3,357,628		3,809,184	3,928,355	4,124,155	4,232,044	4,369,202	4,528,743	4,767,864	4,862,992	4,672,072	4,871,044
	Operating Income										
25,161	Miscellaneous parks income	31,202	31,670	32,575	30,604	31,376	32,149	32,950	33,808	34,723	35,667
14,712	Sportsground rentals	31,148	31,615	32,518	33,328	34,169	35,010	35,882	36,817	37,814	38,841
39,873		62,350	63,285	65,093	63,932	65,546	67,159	68,832	70,624	72,536	74,508
	Appropriations										
(183,000)	Transfers from reserves	(160,000)	(175,000)	(150,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
-	Transfers to reserves	-	-	-	-	-	-	-	-	-	-
102,675	Provision for loan repayments	107,577	129,021	150,634	162,245	176,220	216,664	122,984	123,286	142,300	168,448
(162,000)	Reverse depreciation	(369,400)	(459,400)	(369,400)	(254,400)	(149,400)	(80,127)	(82,127)	(82,683)	(88,490)	(91,490)
\$3,075,430	Rates Requirement	\$3,325,011	\$3,359,691	\$3,690,295	\$3,955,957	\$4,210,476	\$4,478,121	\$4,619,889	\$4,712,970	\$4,533,346	\$4,753,494

TRUST HOUSE RECREATION CENTRE											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,017,553	Recreation centre operating costs**	1,077,066	1,108,771	1,142,761	1,169,951	1,215,188	1,252,408	1,302,050	1,342,407	1,376,506	1,410,268
558,990	Depreciation	694,816	703,305	768,398	793,456	846,714	842,833	866,470	882,656	878,870	878,474
1,576,543		1,771,882	1,812,076	1,911,158	1,963,406	2,061,902	2,095,241	2,168,519	2,225,063	2,255,376	2,288,741
	Operating Income										
35,420	Grants & recoveries	35,420	35,951	36,978	37,899	38,856	39,812	40,804	41,866	43,000	44,169
	Appropriations										
(140,000)	Transfers from reserves	-	-	-	-	-	-	-	-	-	-
27,005	Provision for loan repayments	28,130	29,301	30,494	15,731	19,436	20,348	32,711	42,286	44,220	46,218
(260,000)	Reverse depreciation	(320,000)	(340,000)	(270,000)	(270,000)	(270,000)	(220,000)	(200,000)	(150,000)	(130,000)	(150,000)
\$1,168,128	Rates Requirement	\$1,444,592	\$1,465,426	\$1,634,674	\$1,671,238	\$1,772,482	\$1,855,777	\$1,960,427	\$2,075,483	\$2,126,596	\$2,140,791

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

CEMETERIES											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
253,738	Cemeteries operating and maintenance	271,679	260,618	290,007	302,554	313,830	329,977	346,666	361,043	375,302	388,629
79,778	Operating Income										
	Burial fees and sale of plots	79,778	80,974	83,288	85,362	87,516	89,670	91,904	94,297	96,850	99,483
(35,000)	Appropriations										
	Transfer from reserves	(35,000)	-	-	-	-	-	-	-	-	-
	Provision for loan repayments	-	-	11,213	11,422	11,950	12,495	13,037	13,640	14,239	14,857
\$138,961	Rates Requirement	156,901	179,644	217,932	228,614	238,264	252,802	267,799	280,385	292,691	304,003

LIBRARY & ARCHIVE											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,593,453	Operating costs - Library	1,797,569	1,669,882	1,740,723	1,774,033	1,809,393	1,909,283	2,010,177	2,071,138	2,123,729	2,166,979
435,602	Operating costs - Archive	469,027	503,703	517,209	526,533	535,340	558,296	580,948	595,931	609,013	620,733
180,000	Depreciation - books	180,000	226,000	243,462	110,232	148,860	188,496	193,212	198,396	203,652	209,124
126,782	Depreciation - bldg, furniture & equip	178,111	205,359	194,194	194,500	195,547	146,519	147,860	149,353	158,381	159,154
2,335,838		2,624,707	2,604,943	2,695,588	2,605,298	2,689,139	2,802,595	2,932,196	3,014,817	3,094,774	3,155,990
31,631	Operating Income										
	Grants & donations	170,505	30,963	31,847	32,640	33,464	34,288	35,142	36,057	37,033	38,040
58,418	User charges & other recoveries	43,182	43,830	45,082	46,205	47,371	48,537	49,746	51,041	52,423	53,848
90,049		213,687	74,793	76,930	78,845	80,835	82,825	84,888	87,098	89,456	91,888
13,498	Appropriations										
	Provision for loan repayments	14,504	50,240	56,386	57,821	60,461	63,185	65,902	68,895	71,892	74,983
(8,000)	Reverse depreciation	(50,000)	(25,000)	(30,000)	-	-	-	-	-	-	-
\$2,251,287	Rates Requirement	\$2,375,524	\$2,555,391	\$2,645,044	\$2,584,274	\$2,668,765	\$2,782,955	\$2,913,211	\$2,996,614	\$3,077,210	\$3,139,085

PROPERTY											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
825,347	District Building	833,268	971,637	1,254,079	1,574,206	1,791,908	1,884,348	2,160,873	2,188,073	2,375,059	2,446,135
536,513	Housing for the Elderly	548,578	529,235	534,937	547,752	560,719	595,563	634,902	655,435	673,472	687,248
497,470	Mawley Holiday Park	504,687	505,513	521,566	531,965	541,990	561,398	582,108	595,579	608,188	619,623
1,016,456	Other Property	1,009,826	967,161	962,397	986,129	1,004,633	1,056,230	1,114,728	1,261,015	1,170,704	1,189,188
703,916	Depreciation	867,639	1,051,486	1,198,281	1,330,718	1,421,748	1,375,133	1,264,994	1,281,951	1,170,119	1,181,606
3,579,703		3,763,997	4,025,032	4,471,259	4,970,770	5,320,998	5,472,873	5,757,606	5,982,052	5,997,542	6,123,799
	Operating Income										
3,420	Rental income - Halls & Dist. Bldg	764	775	797	2,422	55,688	85,158	93,040	101,373	104,117	125,652
430,404	Rental income - Housing for Elderly	434,200	440,713	453,305	464,594	476,317	488,041	500,198	513,224	527,119	541,447
267,226	Rental income - Other Property	262,398	266,334	273,944	280,766	287,851	294,936	302,283	310,155	318,552	327,211
444,084	Mawley Holiday Park	475,000	487,200	506,340	518,950	532,045	545,140	558,720	573,270	588,790	604,795
0	Forestry harvest proceeds	-	-	-	-	-	-	-	-	-	-
45,000	Internal recoveries - forestry	30,000	30,450	31,320	32,100	32,910	33,720	34,560	35,460	36,420	37,410
529,251	Internal recoveries - offices rental	626,793	636,195	654,372	670,669	687,592	704,515	722,066	740,869	760,927	781,611
1,719,385		1,829,155	1,861,667	1,920,078	1,969,501	2,072,403	2,151,510	2,210,867	2,274,351	2,335,924	2,418,126
	Appropriations										
(160,000)	Transfers from reserves	(60,000)	(45,000)	(40,000)	(40,000)	(40,000)	(35,000)	(5,000)	-	-	-
282,084	Provision for loan repayments	303,342	356,737	419,136	456,030	495,005	526,305	553,657	586,835	618,672	651,574
(352,000)	Reverse depreciation	(337,000)	(405,802)	(392,759)	(401,736)	(341,947)	(341,410)	(341,134)	(353,303)	(236,601)	(199,211)
\$1,630,402	Rates Requirement	\$1,841,184	\$2,069,299	\$2,537,558	\$3,015,563	\$3,361,653	\$3,471,057	\$3,754,262	\$3,941,232	\$4,043,688	\$4,158,036

MASTERTON AIRPORT (HOOD AERODROME)											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
434,073	Airport operation & maintenance	444,251	554,165	536,743	589,619	634,785	697,613	667,858	680,105	701,125	722,325
84,079	Depreciation	119,940	182,913	214,576	297,402	434,188	479,195	478,695	487,407	487,119	487,119
518,152		564,191	737,078	751,319	887,021	1,068,973	1,176,808	1,146,553	1,167,512	1,188,244	1,209,444
	Operating Income										
244,101	Leases and other income	272,321	286,563	293,233	303,690	306,375	316,978	318,210	324,302	325,915	332,510
	Appropriations										
(20,000)	Transfers from reserves	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
122,358	Provision for loan repayments	87,374	159,615	200,169	230,915	312,055	326,010	342,871	351,150	315,892	329,605
(50,000)	Reverse depreciation	(45,000)	(90,800)	(76,000)	(51,300)	(96,600)	(81,800)	(77,100)	(84,400)	(89,600)	(94,900)
\$ 326,409	Rates Requirement	314,244	499,329	562,255	742,945	958,053	1,084,040	1,074,114	1,089,960	1,068,621	1,091,640

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 Wairarapa Combined 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:

- Developing 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 \$1.3 million is allowed for this project in Year 1, assuming it has started in 2020/21.
- Ensuring we continue to meet our legislative requirements:
- Under the Resource Management Act 1991, district plans must be reviewed every 10 years. The review of the Wairarapa Combined District Plan has commenced. This review is being undertaken in partnership with Carterton and South Wairarapa District Councils and will include consultation with the community. Funding of \$2.1 million is allocated across Years 1-4 of the LTP for our share of these project costs.

- The Building (Earthquake-prone Buildings) Amendment Act 2016 came into effect in July 2017 and introduced a new system for councils to identify and manage earthquake-prone buildings that either pose a high risk to life safety, or are critical to recovery in an emergency. Work to identify priority buildings has been completed and owners of these buildings have been notified of the need to take action. Work on identifying and notifying the owners of non-priority buildings that also require assessment is underway.
- 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 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
Responding to urgent issues quickly	Response time to attend Priority 1 urgent call outs (e.g. dog attacks).	New Measure – Baseline to be established	90% attended within one hour
	Response time to attend noise control call outs.	New Measure – Baseline to be established	90% attended within one hour
	Why this is important: 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.		
Engaging with and educating our community about dog ownership responsibilities.	Number of animal control community education and engagement activities.	New Measure – Baseline to be established	A minimum of 6 per annum related to high priority issues or concerns
	Why this is important: 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 or and picking up after dogs all help to keep our community safe for everyone.		
Delivering timely consenting services	Percentage of building consents processed within statutory timeframes	91.4%	90%

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
	Percentage of code compliance certificates processed within statutory timeframes	New Measure – Baseline to be established	90%
	Percentage of resource consents processed within statutory timeframes	97.5%	90%
	<p>Why this is important: 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.	New Measure – Baseline to be established	At least 90% of BWOFs have been reviewed within 20 days of their due date
	Proportion of known residential swimming pools that have been inspected.	New Measure – Baseline to be established	Year 1: 25% Year 2: 50% Year 3: 80% Years 4-10: cycle to be repeated but ensuring 100% of pools have been re-inspected by the end of Years 6 and 9.
	<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 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
765,267	Resource management & planning	1,110,324	971,797	863,049	884,766	901,103	963,032	1,052,048	1,081,913	1,112,865	1,135,361
351,000	Wairarapa Combined District Plan development (MDC share)	505,000	610,015	627,444	375,570	23,037	23,604	24,192	24,822	25,494	26,187
152,711	River scheme contributions	159,085	161,471	166,085	170,221	174,516	178,812	183,266	188,038	193,129	198,379
1,268,978		1,774,409	1,743,283	1,656,578	1,430,557	1,098,657	1,165,447	1,259,506	1,294,773	1,331,488	1,359,927
	Operating Income										
102,204	User charges - incl consent fees	161,204	163,622	168,297	172,488	176,841	181,194	185,707	190,543	195,702	201,022
875,000	Reserves & Infrastructure Contributions	983,000	992,500	1,002,000	1,016,500	1,026,200	1,035,800	1,050,600	1,060,300	1,070,100	1,079,900
977,204		1,144,204	1,156,122	1,170,297	1,188,988	1,203,041	1,216,994	1,236,307	1,250,843	1,265,802	1,280,922
	Appropriations										
(401,500)	Transfer from reserves	(751,500)	(701,500)	(601,500)	(351,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
995,000	Transfer to reserves - incl Contributions	1,113,000	1,132,500	1,147,000	1,161,500	1,171,200	1,180,800	1,195,600	1,205,300	1,215,100	1,224,900
\$885,274	Rates Requirement	\$991,705	\$1,018,161	\$1,031,781	\$1,051,568	\$1,065,316	\$1,127,754	\$1,217,299	\$1,247,730	\$1,279,287	\$1,302,405

BUILDING DEVELOPMENT											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,787,884	Building development operating costs	1,989,408	2,057,562	2,064,449	2,156,061	2,126,320	2,299,265	2,349,303	2,486,443	2,473,845	2,611,466
30,000	Earthquake building assessments	-	-	-	-	-	-	-	-	-	-
1,817,884		1,989,408	2,057,562	2,064,449	2,156,061	2,126,320	2,299,265	2,349,303	2,486,443	2,473,845	2,611,466
	Operating Income										
1,059,340	Consent fees & charges	1,331,563	1,356,611	1,391,196	1,425,842	1,461,822	1,497,801	1,535,113	1,575,089	1,617,731	1,661,706
1,059,340		1,331,563	1,356,611	1,391,196	1,425,842	1,461,822	1,497,801	1,535,113	1,575,089	1,617,731	1,661,706
	Appropriations										
(117,500)	Tsf from reserves	-	-	-	-	-	-	-	-	-	-
\$641,044	Rates Requirement	\$657,845	\$700,951	\$673,253	\$730,219	\$664,498	\$801,465	\$814,190	\$911,354	856,113	949,760

ENVIRONMENTAL SERVICES & LICENSING											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
725,152	Environmental Health other operating costs	812,468	805,938	846,001	875,418	890,952	953,644	1,036,860	1,065,563	1,101,301	1,118,200
191,065	Alcohol Act enforcement activities	210,093	206,634	211,622	214,844	218,655	223,041	228,016	233,401	239,005	245,197
916,216		1,022,561	1,012,572	1,057,623	1,090,262	1,109,607	1,176,685	1,264,876	1,298,964	1,340,306	1,363,397
	Operating Income										
40,624	License fees & charges	39,597	40,191	41,339	42,368	43,438	44,507	45,615	46,803	48,070	49,377
88,500	Alcohol licensing fees & charges	88,500	89,828	92,394	94,695	97,085	99,474	101,952	104,607	107,439	110,360
260,600	Internal recoveries	294,191	298,604	307,135	314,784	322,728	330,671	338,908	347,734	357,148	366,856
389,724		422,288	428,622	440,868	451,848	463,250	474,651	486,475	499,144	512,657	526,593
	Appropriations										
(10,000)	Tsf from reserves	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
\$516,493	Rates Requirement	\$590,273	\$573,950	\$606,755	\$628,415	\$636,357	\$692,033	\$768,401	\$789,820	\$817,648	\$826,804

PARKING CONTROL											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
203,016	Parking control costs	191,257	189,408	198,991	204,586	209,956	223,633	239,264	245,486	252,759	258,656
18,266	Depreciation - meters	17,745	17,745	44,838	44,838	44,838	44,838	44,838	44,838	44,838	44,838
221,282		209,002	207,153	243,829	249,424	254,794	268,471	284,103	290,324	297,597	303,495
	Operating Income										
215,511	Parking meters and fines	233,511	242,089	282,413	294,797	302,236	309,674	317,389	325,854	334,470	343,562
	Appropriations										
-	Transfers from reserves	-	-	-	-	-	-	-	-	-	-
5,771	Rates Requirement	(24,509)	(34,936)	(38,584)	(45,373)	(47,442)	(41,203)	(33,286)	(35,330)	(36,873)	(40,068)

ANIMAL SERVICES											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
512,395	Animal services & pound costs	593,145	659,688	683,086	698,020	709,863	750,685	800,083	816,479	837,013	852,228
395,530	Operating Income										
	Dog registration fees & fines	465,082	521,793	550,274	566,118	583,694	602,556	637,150	658,471	672,655	695,928
-	Appropriations										
-	Tsf to reserves - project funding	-	-	-	-	-	-	-	-	-	-
-	Provision for loan repayments	4,732	44,574	50,468	51,639	54,008	56,454	58,889	61,580	64,269	67,044
-	Reverse depreciation	(3,000)	(38,000)	(38,000)	(38,000)	(35,000)	(38,000)	(30,000)	(27,000)	(23,000)	(21,000)
\$86,864	Rates Requirement	\$117,795	\$144,469	\$145,280	\$145,541	\$145,177	\$166,583	\$191,822	\$192,588	\$205,627	\$202,344

EMERGENCY MANAGEMENT											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
160,125	CD/EM - Wairarapa Costs	166,096	144,683	152,820	154,659	158,308	170,682	185,028	190,878	196,160	199,868
129,400	WREMO CD/Emergency Mgmt (MDC share)	132,000	133,980	137,808	141,240	144,804	148,368	152,064	156,024	160,248	164,604
289,525		298,096	278,663	290,628	295,899	303,112	319,050	337,092	346,902	356,408	364,472
25,595	Operating Income										
	Misc recoveries - CD/EM Wairarapa	25,595	25,978	26,721	27,386	28,077	28,768	29,485	30,253	31,072	31,916
(20,000)	Appropriations										
	Tsf from reserves - project funding	(20,000)	-	-	-	-	-	-	-	-	-
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
\$246,931	Rates Requirement	\$255,502	\$255,684	\$266,908	\$271,513	\$278,035	\$293,282	\$310,607	\$319,649	\$328,336	\$335,556

LEADERSHIP, STRATEGY AND CORPORATE SERVICES

Our Leadership, Strategy and Corporate Services activity provides strategic direction and leadership to Masterton District 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:

- Implementing Council's Corporate Carbon Emissions Reduction Plan adopted in 2021, and working with the community to develop a Masterton District Climate Change Action Plan in Year 1 of the LTP.
- 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 PSGEs or Post Settlement Governance Entities) in Year 1 of the LTP.
- Replacing pool vehicles (with electric vehicles wherever practical). Provision of \$1.1 million has been allowed over the 10 years of the LTP.
- Progressing our He Hiringa Tangata, He Hiringa Whenua (Wellbeing Strategy) social development work programme by developing a youth hub and cafe in conjunction with the Skatepark Revamp. \$538,570 has been allowed in Year 1 for this project.
- Establishing a Māori ward for the 2022 Local Body Elections, and supporting local democracy through the elections in 2022, and every three years thereafter.
- Business 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. Projects include:



- Digitisation: digitising records and reducing paper; digital Council meeting agendas and improved processes and services.
- Information technology (IT) equipment renewals: an on-going programme of IT equipment renewal is allowed for, plus a provision for the move of MDC's IT services to Waiata House.
- 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.

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

DEVELOPMENT (Social, Cultural, Economic & Environmental)											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,335,185	Community development	1,709,906	1,574,677	1,658,275	1,597,546	1,631,461	1,712,186	1,795,785	1,845,608	1,892,645	1,935,739
589,704	Arts & culture	629,636	622,055	645,415	661,752	678,348	708,035	739,079	760,703	781,125	800,138
1,279,391	Economic development & promotion	1,066,761	1,072,514	1,118,850	1,149,403	1,178,968	1,244,563	1,305,322	1,343,714	1,377,881	1,411,680
317,158	Environmental Initiatives	365,095	351,201	363,992	357,154	366,048	381,542	397,273	408,978	413,988	424,031
29,387	Depreciation	38,978	60,525	58,693	60,263	62,409	62,281	69,067	71,387	70,830	78,180
3,550,826		3,810,376	3,680,971	3,845,225	3,826,117	3,917,234	4,108,607	4,306,525	4,430,390	4,536,470	4,649,768
	Operating Income										
1,000	Government grants	2,400	2,436	2,506	2,568	2,633	2,698	2,765	2,837	2,914	2,993
30,500	Creative NZ grants	30,500	30,958	31,842	32,635	33,459	34,282	35,136	36,051	37,027	38,034
53,300	Events grants & other recoveries	212,580	169,079	173,910	124,741	127,888	131,036	134,300	137,798	141,528	145,375
66,296	Internal Recoveries	55,757	56,593	58,210	59,660	61,165	62,671	64,232	65,905	67,689	69,529
151,096		301,237	259,066	266,467	219,604	225,145	230,686	236,433	242,590	249,158	255,931
	Appropriations										
(706,000)	Transfers from reserves	(526,000)	(354,000)	(254,000)	(104,000)	(54,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
1,595	Provision for loan repayments	1,662	14,481	16,379	16,746	17,501	16,247	16,944	17,715	18,485	19,279
-	Reverse depreciation	-	-	-	-	-	-	-	-	-	-
\$2,695,325	Rates Requirement	2,984,801	3,082,387	3,341,136	\$3,519,259	\$3,655,590	\$3,890,168	\$4,083,036	\$4,201,515	\$4,301,797	\$4,409,117

CORPORATE SERVICES											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,501,369	Management & administration	1,849,412	1,607,763	1,662,272	1,692,851	1,724,035	1,779,368	1,849,965	1,897,005	1,945,746	1,992,656
1,627,469	Financial management	1,667,115	1,675,694	1,820,167	1,753,458	1,803,286	1,954,284	1,918,413	1,983,185	2,138,926	2,068,907
1,046,535	Strategic Planning	1,340,577	1,284,772	1,256,095	1,277,694	1,301,182	1,336,848	1,375,556	1,409,577	1,444,168	1,480,314
859,841	Information systems	916,734	959,068	988,575	1,016,204	1,020,664	1,035,482	1,063,049	1,085,361	1,120,575	1,140,831
679,412	Communications & Promotions	782,865	735,039	745,329	741,176	773,123	774,617	809,022	811,754	828,280	853,888
631,216	Human Resource	704,951	742,213	753,263	761,918	776,757	794,604	698,320	715,849	727,342	746,416
217,973	Council Vehicle Fleet Costs	155,576	171,120	182,667	180,960	199,012	220,965	229,367	234,434	240,903	246,203
6,563,815		7,417,232	7,175,668	7,408,368	7,424,261	7,598,060	7,896,167	7,943,691	8,137,165	8,445,940	8,529,215
	Operating Income										
418,365	Miscellaneous income & recoveries	508,861	475,893	489,490	501,681	514,340	526,999	540,127	554,193	569,197	584,669
566,000	Interest income (external)	425,000	355,000	377,500	400,000	422,500	445,000	467,500	490,000	512,500	535,000
301,599	Interest income (on internal loans)	293,584	272,349	252,998	230,861	211,745	193,985	179,192	163,914	149,384	134,218
5,409,878	Support services allocated internally	5,184,211	4,841,306	5,541,712	5,760,759	5,878,463	7,139,218	8,633,505	9,014,624	9,303,956	9,369,124
217,973	Council Vehicle Fleet Recovery	155,576	171,120	182,667	180,960	199,012	220,965	229,367	234,434	240,903	246,203
6,913,815		6,567,232	6,115,668	6,844,368	7,074,261	7,226,060	8,526,167	10,049,691	10,457,165	10,775,940	10,869,215
	Appropriations										
(35,000)	Transfer (from) reserves	(1,160,000)	(1,355,000)	(865,000)	(660,000)	(700,000)	-	-	-	-	-
-	Transfers to reserves	25,000	60,000	60,000	60,000	60,000	260,000	1,375,000	1,475,000	1,525,000	1,525,000
385,000	Transfer to reserves - interest	285,000	235,000	241,000	250,000	268,000	370,000	731,000	845,000	805,000	815,000
\$0	Rates Requirement	\$0	\$0	\$0	(\$0)	(\$0)	\$0	\$0	\$0	\$0	\$0

REPRESENTATION											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
511,800	Mayor & councillors remuneration	526,751	530,506	543,191	551,186	560,744	571,856	584,532	598,262	612,527	628,355
27,500	Reporting & consultation	7,500	28,928	7,830	8,025	31,265	8,430	8,640	33,687	9,105	9,353
25,000	Election costs	40,000	39,890	36,540	37,450	43,112	39,340	40,320	46,453	42,490	43,645
786,365	Operating expenses	665,094	635,611	661,637	683,556	703,645	778,547	845,508	872,590	889,576	909,872
1,350,665		1,239,345	1,234,934	1,249,198	1,280,216	1,338,765	1,398,173	1,479,001	1,550,991	1,553,697	1,591,224
	Operating Income										
529,066	Internal allocation of governance	483,738	493,974	499,679	512,086	535,506	559,269	591,600	620,397	621,479	636,490
0	Miscellaneous Income (per Funding Policy 40% internal)	-	-	-	-	-	-	-	-	-	-
529,066		483,738	493,974	499,679	512,086	535,506	559,269	591,600	620,397	621,479	636,490
	Appropriations										
(28,000)	Transfer (from) reserves	(30,000)	-	-	-	-	-	-	-	-	-
0	Transfers to reserves (election costs)	-	-	-	-	-	-	-	-	-	-
\$793,599	Rates Requirement	\$725,607	\$740,960	\$749,519	\$768,130	\$803,259	\$838,904	\$887,401	\$930,595	\$932,218	\$954,734

ROADING ADVISORY SERVICES											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
830,390	Professional staff & operating costs	1,061,902	1,063,884	1,103,686	1,124,990	1,145,542	1,194,846	1,255,076	1,288,411	1,322,140	1,352,389
12,830	Depreciation	13,440	12,512	9,065	6,664	1,166	1,166	1,166	-	-	-
843,220		1,075,342	1,076,396	1,112,751	1,131,654	1,146,708	1,196,012	1,256,242	1,288,411	1,322,140	1,352,389
	Operating Income										
833,010	Prof. services - Roading	1,065,132	1,065,971	1,102,000	1,120,576	1,135,313	1,184,291	1,244,184	1,276,006	1,309,377	1,339,259
10,210	External income	10,210	10,424	10,751	11,078	11,394	11,721	12,058	12,405	12,763	13,130
843,220		1,075,342	1,076,396	1,112,751	1,131,654	1,146,708	1,196,012	1,256,242	1,288,411	1,322,140	1,352,389
	Appropriations										
-	Transfer to reserves	-	-	-	-	-	-	-	-	-	-
\$0	Rates Requirement	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0

ASSET & PROJECT MANAGEMENT											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,782,899	Professional staff & operating costs	1,922,407	1,922,202	1,995,093	2,034,471	2,070,659	2,159,311	2,278,304	2,338,191	2,400,958	2,456,617
	Operating Income										
1,762,419	Internal charges	1,901,927	1,901,538	1,973,733	2,012,660	2,048,357	2,136,435	2,254,895	2,314,086	2,376,055	2,430,894
20,480	External recoveries	20,480	20,664	21,361	21,811	22,303	22,876	23,409	24,105	24,904	25,723
1,782,899		1,922,407	1,922,202	1,995,093	2,034,471	2,070,659	2,159,311	2,278,304	2,338,191	2,400,958	2,456,617
	Appropriations										
-	Transfer to reserves	-	-	-	-	-	-	-	-	-	-
\$0	Rates Requirement	\$0	\$0	\$0	\$0	(\$0)	(\$0)	\$0	\$0	\$0	\$0

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OUR COSTS IN DETAIL

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CAUTIONARY NOTE

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.



PROSPECTIVE FINANCIAL STATEMENTS

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2021-31												
PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE												
OPERATING REVENUE		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
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		32,306,638	34,692,271	37,060,031	39,502,949	41,789,225	44,550,406	47,303,154	50,235,715	53,239,719	56,331,437	59,587,832
Rural sewerage schemes capital contrib.		60,307	49,017	43,301	40,443	37,585	30,010	30,010	30,010	30,010	-	-
Financial contributions		1,258,000	1,481,000	1,493,498	1,505,997	1,528,496	1,541,195	1,553,793	1,576,592	1,589,291	1,602,089	1,615,888
Roading subsidies – Waka Kotahi		7,165,235	5,818,281	7,859,613	5,801,875	10,651,181	11,728,041	7,823,793	9,392,848	8,420,237	8,550,098	10,190,572
Fees and charges		7,362,419	8,347,711	8,781,909	9,261,184	9,501,528	9,788,701	10,060,023	10,326,443	10,607,384	10,890,338	11,214,169
Interest and dividends		577,838	431,000	361,060	383,759	406,395	429,042	451,709	474,367	497,067	519,794	542,527
Other revenue		2,098,194	9,523,479	8,404,740	2,642,314	2,430,283	2,435,891	977,780	1,822,302	1,030,574	1,059,303	1,080,360
Total Operating Revenue	2	50,828,630	60,342,760	64,004,151	59,138,521	66,344,692	70,503,285	68,200,263	73,858,277	75,414,281	78,953,059	84,231,349
OPERATING EXPENDITURE												
Personnel costs		10,972,239	13,078,498	12,916,903	13,160,082	13,297,679	13,526,511	13,793,481	13,982,146	14,309,951	14,650,364	15,028,600
Finance costs		2,148,779	1,799,808	1,870,170	1,845,111	2,428,657	2,809,300	3,017,499	3,037,893	2,974,029	3,148,829	3,163,972
Depreciation & amortisation		12,901,945	14,938,115	16,632,853	17,464,320	18,066,488	20,093,706	20,774,242	21,159,848	22,924,053	23,060,331	23,810,221
Other Operating costs		23,989,164	24,500,162	23,758,290	24,474,195	24,730,781	25,046,406	25,691,219	26,425,722	27,304,609	28,101,522	28,930,032
Total Operating Expenditure		50,012,127	54,316,582	55,178,215	56,943,708	58,523,605	61,475,923	63,276,442	64,605,608	67,512,642	68,961,046	70,932,824
Net Surplus / (Deficit)*		\$ 816,503	\$ 6,026,177	\$ 8,825,936	\$ 2,194,813	\$ 7,821,088	\$ 9,027,362	\$ 4,923,821	\$ 9,252,669	\$ 7,901,639	\$ 9,992,013	\$ 13,298,524
Revaluations		6,982,246		50,667,480	7,708,139	-	64,661,728	10,065,174	-	62,409,359	10,447,396	-
Total Comprehensive Revenue & Expenses		\$ 7,798,749	\$ 6,026,177	\$ 59,493,417	\$ 9,902,952	\$ 7,821,088	\$ 73,689,090	\$ 14,988,995	\$ 9,252,669	\$ 70,310,997	\$ 20,439,409	\$ 13,298,524
*Note: Income Tax is nil												
Note: rates on Council Properties assumed		670,900	656,100	682,344	709,638	738,023	767,544	798,246	830,176	863,383	897,918	933,835

MASTERTON DISTRICT COUNCIL		LONG TERM PLAN 2021-31										
PROSPECTIVE STATEMENT OF FINANCIAL POSITION												
NZ \$	Notes	Forecast to 30 June 2021	2021/22 Year 1	2022/23 Year 2	2023/24 Year 3	2024/25 Year 4	2025/26 Year 5	2026/27 Year 6	2027/28 Year 7	2028/29 Year 8	2029/30 Year 9	2030/31 Year 10
CURRENT ASSETS												
Cash & Bank Accounts		6,700,008	4,356,507	4,443,636	4,532,506	4,623,158	4,715,524	4,809,935	4,906,132	5,004,255	5,104,340	5,206,428
Financial Assets - Current		11,173,400	6,482,070	6,124,533	6,602,697	6,800,778	7,004,801	7,214,945	7,937,945	8,151,319	8,395,859	8,647,734
Inventories		248,064	250,564	253,064	255,564	258,064	260,564	263,064	265,564	268,064	270,564	273,064
Debtors & Other Receivables		3,272,425	4,272,875	4,315,603	4,358,759	4,402,347	4,446,371	4,490,834	4,535,743	4,581,100	4,626,911	4,673,180
Total Current Assets		21,393,897	15,362,016	15,136,836	15,749,526	16,084,347	16,427,259	16,778,778	17,645,383	18,004,738	18,397,674	18,800,406
NON-CURRENT ASSETS												
Property, Plant & Equipment		126,093,538	138,313,727	151,170,056	166,423,526	170,531,760	169,623,605	176,879,462	175,664,940	172,711,066	182,535,554	179,085,140
Infrastructural Assets		744,375,238	755,921,822	813,679,540	826,211,632	842,258,169	919,586,945	922,041,111	924,596,934	993,466,774	995,793,338	996,374,216
Intangible Assets		3,519,233	3,376,714	3,460,333	3,086,195	2,875,162	2,802,776	2,413,451	1,979,707	1,818,010	1,293,699	781,998
Forestry assets		505,246	530,408	357,142	374,899	393,544	341,264	358,227	376,038	394,740	414,377	255,035
Investment Property Assets		-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments		-	-	-	-	-	-	-	-	-	-	-
Investments in CCO's & other similar entities		220,868	240,962	232,190	234,865	236,445	236,445	229,580	230,179	231,217	232,049	226,082
Other Non-current financial assets		10,054,460	10,681,748	6,219,758	5,307,152	7,077,787	13,057,465	19,303,922	25,157,562	35,720,654	44,811,505	58,669,695
Total Non-Current Assets		884,768,579	909,065,381	975,119,019	1,001,638,269	1,023,372,867	1,105,648,500	1,121,225,753	1,128,005,360	1,204,342,461	1,225,080,522	1,235,392,166
TOTAL ASSETS		906,162,476	924,427,397	990,255,855	1,017,387,795	1,039,457,214	1,122,075,759	1,138,004,531	1,145,650,743	1,222,347,199	1,243,478,196	1,254,192,572
CURRENT LIABILITIES												
Creditors & Other Payables		9,566,209	8,068,974	8,566,214	7,000,693	7,733,697	8,754,551	8,766,434	8,778,437	8,790,559	8,802,802	8,815,168
Employee Benefits - Current Portion		959,336	1,004,336	1,059,336	1,109,336	1,159,336	1,209,336	1,259,336	1,309,336	1,359,336	1,409,336	1,459,336
Provisions - Current Portion		30,000	20,000	20,000	10,000	-	-	-	-	-	-	-
Financial liabilities - current portion	3	8,000,000	8,000,000	5,100,000	11,200,000	7,800,000	5,688,539	6,037,025	6,409,461	6,823,422	7,270,662	7,479,232
Total Current Liabilities		18,555,545	17,093,310	14,745,550	19,320,029	16,693,033	15,652,426	16,062,795	16,497,234	16,973,317	17,482,800	17,753,737
NON-CURRENT LIABILITIES												
Financial liabilities	3	40,500,000	54,210,979	62,933,807	75,588,316	92,463,643	102,433,706	102,963,113	100,922,218	106,831,595	107,013,699	104,158,614
Derivative financial instruments		7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121
Employee benefits		9,378	9,378	-	-	-	-	-	-	-	-	-
Provisions & other liabilities		40,649	30,649	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities		47,552,148	61,253,127	69,935,928	82,590,437	99,465,764	109,435,827	109,965,234	107,924,339	113,833,716	114,015,820	111,160,735
NET ASSETS		\$ 840,054,783	\$ 846,080,960	\$ 905,574,377	\$ 915,477,329	\$ 923,298,417	\$ 996,987,507	\$ 1,011,976,502	\$ 1,021,229,170	\$ 1,091,540,167	\$ 1,111,979,576	\$ 1,125,278,100
EQUITY												
Ratepayers' Equity		438,551,144	449,168,939	463,866,232	465,524,856	472,642,844	477,007,139	475,919,507	478,990,017	476,489,501	477,539,327	477,147,121
Asset Revaluation Reserves		371,285,396	371,285,396	421,952,876	429,661,015	429,661,015	494,322,744	504,387,917	504,387,917	566,797,276	577,244,672	577,244,672
Special funds & restricted reserves	4	30,218,243	25,626,626	19,755,268	20,291,458	20,994,557	25,657,624	31,669,077	37,851,236	48,253,390	57,195,578	70,886,308
TOTAL EQUITY		\$ 840,054,783	\$ 846,080,960	\$ 905,574,377	\$ 915,477,329	\$ 923,298,417	\$ 996,987,507	\$ 1,011,976,501	\$ 1,021,229,170	\$ 1,091,540,167	\$ 1,111,979,576	\$ 1,125,278,100

TREASURY POLICY CHECK											
Net External Debt	20,351,264	40,449,691	51,013,691	70,111,095	81,525,475	83,108,010	77,441,756	69,099,862	64,547,571	55,740,608	38,887,906
Operating Revenue	50,828,630	60,342,760	64,004,151	59,138,521	66,344,692	70,503,285	68,200,263	73,858,277	75,414,281	78,953,059	84,231,349
Rates Revenue	32,306,638	34,692,271	37,060,031	39,502,949	41,789,225	44,550,406	47,303,154	50,235,715	53,239,719	56,331,437	59,587,832
Net Interest on Net Debt	1,570,941	1,368,808	1,509,110	1,461,352	2,022,262	2,380,258	2,565,790	2,563,526	2,476,962	2,629,035	2,621,445
Net Debt as a % of Operating Revenue (limit = 150%)	40.0%	67.0%	79.7%	118.6%	122.9%	117.9%	113.6%	93.6%	85.6%	70.6%	46.2%
Net Interest expense as a % of Operating Revenue (limit = 10%)	3.1%	2.3%	2.4%	2.5%	3.0%	3.4%	3.8%	3.5%	3.3%	3.3%	3.1%
Net Interest expense as a % of Rates Revenue (limit = 15%)	4.9%	3.9%	4.1%	3.7%	4.8%	5.3%	5.4%	5.1%	4.7%	4.7%	4.4%
Number of rateable properties (estimated)	12,650	12,703	12,767	12,830	12,894	12,959	13,024	13,089	13,154	13,220	13,286
Average rates per property (excl GST)	\$ 2,607	\$ 2,783	\$ 2,956	\$ 3,134	\$ 3,241	\$ 3,438	\$ 3,632	\$ 3,838	\$ 4,047	\$ 4,261	\$ 4,485

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.

Net Interest Expense = interest paid on any type of debt, including margins, line fees and interest on finance leases less interest earned on financial assets.

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2021-31												
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY												
NZ \$	Notes	2020/21 Forecast	2021/22 Year 1	2022/23 Year 2	2023/24 Year 3	2024/25 Year 4	2025/26 Year 5	2026/27 Year 6	2027/28 Year 7	2028/29 Year 8	2029/30 Year 9	2030/31 Year 10
Ratepayer's Equity		436,438,680	438,551,144	449,168,939	463,866,232	465,524,856	472,642,844	477,007,139	475,919,507	478,990,017	476,489,501	477,539,327
Special Funds & Reserves		28,620,419	30,218,243	25,626,626	19,755,268	20,291,458	20,994,557	25,657,624	31,669,077	37,851,236	48,253,390	57,195,578
Revaluation Reserves		350,499,700	371,285,396	371,285,396	421,952,876	429,661,015	429,661,015	494,322,744	504,387,917	504,387,917	566,797,276	577,244,672
EQUITY AT START OF YEAR		815,558,798	840,054,783	846,080,960	905,574,377	915,477,329	923,298,417	996,987,507	1,011,976,501	1,021,229,170	1,091,540,167	1,111,979,576
Comprehensive Revenue & Expenses for the year		24,495,985	6,026,177	59,493,417	9,902,952	7,821,088	73,689,090	14,988,995	9,252,669	70,310,997	20,439,409	13,298,524
Total recognised revenues & expenses for the period		\$ 24,495,985	\$ 6,026,177	\$ 59,493,417	\$ 9,902,952	\$ 7,821,088	\$ 73,689,090	\$ 14,988,995	\$ 9,252,669	\$ 70,310,997	\$ 20,439,409	\$ 13,298,524
Ratepayer's Equity		438,551,144	449,168,939	463,866,232	465,524,856	472,642,844	477,007,139	475,919,507	478,990,017	476,489,501	477,539,327	477,147,121
Special Funds & Reserves		30,218,243	25,626,626	19,755,268	20,291,458	20,994,557	25,657,624	31,669,077	37,851,236	48,253,390	57,195,578	70,886,308
Revaluation Reserves		371,285,396	371,285,396	421,952,876	429,661,015	429,661,015	494,322,744	504,387,917	504,387,917	566,797,276	577,244,672	577,244,672
EQUITY AT END OF YEAR		840,054,783	846,080,960	905,574,377	915,477,329	923,298,417	996,987,507	1,011,976,501	1,021,229,170	1,091,540,167	1,111,979,576	1,125,278,100

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2021-31												
PROSPECTIVE STATEMENT OF CASHFLOWS												
NZ \$	Notes	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		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		32,366,945	34,672,702	37,035,259	39,473,161	41,761,080	44,501,031	47,254,022	50,181,414	53,183,363	56,242,551	59,494,213
Grants, subsidies & donations		8,945,765	15,000,600	15,928,767	8,098,473	12,725,594	13,801,354	8,428,801	10,831,829	9,056,464	9,203,549	10,861,786
Petrol tax		180,000	190,000	193,990	200,070	206,150	212,040	218,120	224,390	230,850	237,500	244,340
Other revenue		8,806,467	9,009,848	10,202,261	10,899,649	11,160,741	11,408,703	11,763,684	12,061,058	12,359,977	12,661,717	12,836,276
Interest on investments		577,838	431,000	361,060	383,759	406,395	429,042	451,709	474,367	497,067	519,794	542,527
		50,877,016	59,304,150	63,721,337	59,055,111	66,259,960	70,352,170	68,116,336	73,773,057	75,327,720	78,865,111	83,979,142
Cash was applied to:												
Payments to suppliers and employees		34,184,602	39,050,895	35,972,802	39,159,798	37,255,456	37,433,628	39,422,817	40,345,866	41,552,438	42,689,642	43,724,875
Interest paid		2,148,779	1,799,808	1,870,170	1,845,111	2,428,657	2,809,300	3,017,499	3,037,893	2,974,029	3,148,829	3,163,972
		36,333,381	40,850,703	37,842,972	41,004,909	39,684,113	40,242,928	42,440,316	43,383,759	44,526,467	45,838,471	46,888,847
Net cash flow from operating activities		14,543,635	18,453,447	25,878,364	18,050,201	26,575,847	30,109,243	25,676,020	30,389,298	30,801,255	33,026,640	37,090,295
CASH FLOWS FROM INVESTING ACTIVITIES												
Cash was received from:												
Sale of fixed assets		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Term investments, shares & advances		1,837,809	-	4,470,762	912,606	-	-	6,865	-	-	-	5,967
Forestry/investment property proceeds		2,165,805	-	190,177	-	-	68,435	-	-	-	-	171,391
		4,023,614	20,000	4,680,939	932,606	20,000	88,435	26,865	20,000	20,000	20,000	197,358
Cash was applied to:												
Purchase of fixed assets		24,416,524	38,551,875	36,652,539	37,167,605	38,010,226	31,780,213	20,029,767	22,067,404	26,268,965	24,239,676	20,428,984
Term investments, shares & advances		20,000	667,382	2,676	1,772,214	5,979,678	6,246,457	5,854,239	10,564,130	10,564,130	9,091,683	13,858,190
		24,436,524	39,219,257	36,652,539	37,170,281	39,782,441	37,759,891	26,276,224	27,921,643	36,833,095	33,331,359	34,287,174
Net cash flow from investing activities		(20,412,910)	(39,199,257)	(31,971,600)	(36,237,675)	(39,762,441)	(37,671,456)	(26,249,359)	(27,901,643)	(36,813,095)	(33,311,359)	(34,089,816)
CASH FLOWS FROM FINANCING ACTIVITIES												
Cash was received from:												
Drawdown of public debt		5,824,200	16,340,767	9,256,374	22,640,926	17,921,640	12,927,983	6,566,433	4,368,566	12,732,799	7,452,766	4,624,147
		5,824,200	16,340,767	9,256,374	22,640,926	17,921,640	12,927,983	6,566,433	4,368,566	12,732,799	7,452,766	4,624,147
Cash was applied to:												
Repayment of public debt (incl Finance Leases)		2,590,412	2,629,788	3,433,545	3,886,418	4,446,313	5,069,381	5,688,539	6,037,025	6,409,461	6,823,422	7,270,662
		2,590,412	2,629,788	3,433,545	3,886,418	4,446,313	5,069,381	5,688,539	6,037,025	6,409,461	6,823,422	7,270,662
Net cash flow from financing activities		3,233,788	13,710,979	5,822,829	18,754,508	13,475,327	7,858,602	877,894	(1,668,459)	6,323,338	629,344	(2,646,515)
NET INCREASE/(DECREASE) IN CASH HELD		(2,635,487)	(7,034,831)	(270,408)	567,034	288,733	296,389	304,555	819,196	311,498	344,625	353,964
Add cash at start of year (1 July)		8,890,265	17,873,408	10,838,577	10,568,169	11,135,203	11,423,936	11,720,325	12,024,880	12,844,076	13,155,574	13,500,199
BALANCE AT END OF YEAR (30 JUNE)		6,254,778	10,838,577	10,568,169	11,135,203	11,423,936	11,720,325	12,024,880	12,844,076	13,155,574	13,500,199	13,854,163
REPRESENTED BY:												
Cash & bank		3,033,130	4,356,507	4,443,636	4,532,506	4,623,158	4,715,524	4,809,935	4,906,132	5,004,255	5,104,340	5,206,428
Short term deposits		3,221,648	6,482,070	6,124,533	6,602,697	6,800,778	7,004,801	7,214,945	7,937,945	8,151,319	8,395,859	8,647,734
BALANCE AT END OF YEAR (30 JUNE)		6,254,778	10,838,577	10,568,169	11,135,203	11,423,936	11,720,325	12,024,880	12,844,076	13,155,574	13,500,199	13,854,163
The closing balance of 2020/21 is the Plan position. An updated forecast position has been used as the opening balance for 2021/22												

**NOTE 1
RATES REQUIREMENT STATEMENT**

Prior Year Plan 2020/21		LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Roadings	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4,875,610	Subsidised Roadings	5,985,730	6,302,595	6,772,220	6,873,423	7,258,384	7,599,680	8,322,052	9,107,614	10,412,492	11,920,727
1,607,642	Non-subsidised Roadings	1,349,208	1,380,102	1,570,150	1,650,235	1,935,604	2,399,656	2,857,150	3,146,807	3,631,148	4,245,350
	Water Services										
3,387,678	Urban Water supply	3,592,193	4,228,723	4,340,858	5,134,961	5,471,314	5,925,182	6,161,712	6,485,174	6,678,149	6,876,694
103,545	Rural Water supplies & races	124,033	138,874	141,680	140,813	149,989	114,270	116,421	121,976	124,024	126,505
	Wastewater Services										
6,533,166	Urban Sewerage system	6,542,116	6,804,218	6,992,461	7,048,493	7,645,591	7,844,242	8,095,011	8,716,714	9,555,701	9,821,683
335,295	Rural Sewerage systems	361,901	424,531	450,974	464,756	493,510	503,069	509,194	554,978	580,929	589,715
	Stormwater Services										
561,016	Urban Stormwater System	664,267	791,585	855,868	898,516	946,624	958,882	1,054,552	1,174,805	1,259,678	1,317,213
	Solid Waste Services										
926,555	Solid Waste Management	722,235	840,608	868,598	887,480	836,143	874,146	917,232	933,265	919,518	854,479
245,422	Waste Minimisation Services	299,233	264,035	196,416	198,293	200,318	218,545	233,406	237,214	241,410	241,601
	Community Facilities/Activities										
3,075,430	Parks, Reserves & Sportsfields	3,325,011	3,359,691	3,690,295	3,955,957	4,210,476	4,478,121	4,619,889	4,712,970	4,533,346	4,753,494
1,168,128	Trust House Recreation Centre	1,444,592	1,465,426	1,634,674	1,671,238	1,772,482	1,855,777	1,960,427	2,075,483	2,126,596	2,140,791
138,961	Cemeteries	156,901	179,644	217,932	228,614	238,264	252,802	267,799	280,385	292,691	304,003
2,251,287	Library & Archive	2,375,524	2,555,391	2,645,044	2,584,274	2,668,765	2,782,955	2,913,211	2,996,614	3,077,210	3,139,085
1,462,692	Property	1,673,672	1,900,208	2,346,868	2,823,468	3,166,224	3,268,669	3,541,351	3,726,281	3,828,448	3,938,876
326,409	Airport	314,244	499,329	562,255	742,945	958,053	1,084,040	1,074,114	1,089,960	1,068,621	1,091,640
167,710	Mawley Park	167,512	169,091	190,690	192,095	195,429	202,389	212,911	214,952	215,240	219,160
	Regulatory Services										
885,274	Resource Management & Planning	991,705	1,018,161	1,031,781	1,051,568	1,065,316	1,127,754	1,217,299	1,247,730	1,279,287	1,302,405
516,493	Environmental Services	590,273	573,950	606,755	628,415	636,357	692,033	768,401	789,820	817,648	826,804
641,044	Building Development	657,845	700,951	673,253	730,219	664,498	801,465	814,190	911,354	856,113	949,760
5,771	Parking Control	(24,509)	(34,936)	(38,584)	(45,373)	(47,442)	(41,203)	(33,286)	(35,330)	(36,873)	(40,068)
86,864	Animal Services	117,795	144,469	145,280	145,541	145,177	166,583	191,822	192,588	205,627	202,344
246,931	Emergency Management	255,502	255,684	266,908	271,513	278,035	293,282	310,607	319,649	328,336	335,556
	Leadership, Strategy & Corporate Services										
793,599	Representation	725,607	740,960	749,519	768,130	803,259	838,904	887,401	930,595	932,218	954,734
0	Internal Functions (net)	0	0	0	(0)	(0)	(0)	0	-	0	0
907,723	Community Development	1,137,126	1,159,601	1,288,819	1,376,728	1,457,319	1,584,743	1,664,888	1,711,035	1,754,099	1,793,095
523,398	Arts and Culture	582,283	596,244	619,031	634,575	650,348	679,618	709,808	730,517	750,385	768,391
1,016,481	Economic Development	945,297	995,640	1,090,174	1,172,202	1,203,814	1,266,744	1,334,107	1,374,624	1,407,604	1,448,539
247,723	Environmental Initiatives	320,095	330,901	343,112	335,754	344,108	359,062	374,233	385,338	389,708	399,091
\$ 33,037,845	Total Rates Requirement	\$ 35,397,389	\$ 37,785,676	\$ 40,253,030	\$ 42,564,833	\$ 45,347,960	\$ 48,131,410	\$ 51,095,901	\$ 54,133,112	\$ 57,229,355	\$ 60,521,667
33,072,845 (60,307)	MDC Rates Revenue* less rural sewerage capital contributions	35,357,389 (49,017)	37,754,157 (46,159)	40,220,723 (43,301)	42,531,719 (40,443)	45,314,018 (37,585)	48,096,619 (30,010)	51,060,240 (30,010)	54,096,559 (30,010)	57,191,889 (30,010)	60,483,264 -
33,012,538		35,308,371	37,707,997	40,177,422	42,491,275	45,276,433	48,066,609	51,030,230	54,066,549	57,161,879	60,483,264
3.5%	% Change (pre growth) from prior year	7.0%	6.8%	6.5%	5.8%	6.6%	6.2%	6.2%	6.0%	5.7%	5.8%
2.0%	% Change (after growth) from prior year*	5.5%	5.6%	5.5%	4.8%	5.6%	5.2%	5.2%	5.0%	4.7%	4.8%
145,000	Penalty Revenue	210,000	210,125	215,378	220,763	226,282	231,939	237,737	243,681	249,773	256,017
(180,000)	Rates Remissions	(170,000)	(178,606)	(183,071)	(187,648)	(192,339)	(197,148)	(202,076)	(207,128)	(212,306)	(217,614)
\$ 32,977,538	Net Rates Revenue	\$ 35,348,371	\$ 37,739,516	\$ 40,209,729	\$ 42,524,390	\$ 45,310,375	\$ 48,101,400	\$ 51,065,891	\$ 54,103,102	\$ 57,199,346	\$ 60,521,667

* 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	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Year 1 LTP	Year 2 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
REVENUE FROM NON-EXCHANGE TRANSACTIONS											
Targeted Rates (including penalties)	32,307	34,692	37,060	39,503	41,789	44,550	47,303	50,236	53,240	56,331	59,588
Rural sewerage schemes capital contrib.	60	49	43	40	38	30	30	30	30	-	-
Financial Contributions	1,258	1,481	1,493	1,506	1,528	1,541	1,554	1,577	1,589	1,602	1,616
Waka Kotahi Subsidy	7,165	5,818	7,860	5,802	10,651	11,728	7,824	9,393	8,420	8,550	10,191
Other Government Grants	938	8,978	1,304	2,131	1,905	1,899	427	437	449	461	474
Other Grants	842	205	6,765	165	170	174	178	1,002	187	192	198
Other Non Exchange Revenue	649	722	794	830	855	876	899	921	948	977	1,008
Revaluation Gains	30	36	27	18	19	16	17	18	19	20	12
REVENUE FROM EXCHANGE TRANSACTIONS											
Interest	572	421	351	374	396	419	442	464	487	510	533
Dividends	6	10	10	10	10	10	10	10	10	10	10
Fees & User charges	7,001	7,932	8,297	8,760	8,984	9,259	9,517	9,771	10,035	10,299	10,604
TOTAL OPERATING REVENUE	50,829	60,343	64,004	59,139	66,345	70,503	68,200	73,858	75,414	78,953	84,231
RATES REMISSIONS											
Rates revenue is shown net of rates remissions.											
Rates remissions estimated per year:	(180)	(170)	(179)	(183)	(188)	(192)	(197)	(202)	(207)	(212)	(218)

**NOTE 3
PROSPECTIVE STATEMENT OF PUBLIC DEBT (EXTERNAL)**

	Forecast as at 30-Jun-21 (\$ 000)	LTP Year 1 2021/22 (\$ 000)	Year 2 2022/23 (\$ 000)	Year 3 2023/24 (\$ 000)	Year 4 2024/25 (\$ 000)	Year 5 2025/26 (\$ 000)	Year 6 2026/27 (\$ 000)	Year 7 2027/28 (\$ 000)	Year 8 2028/29 (\$ 000)	Year 9 2029/30 (\$ 000)	Year 10 2030/31 (\$ 000)
Opening Balance	51,100	48,500	62,211	68,034	86,788	100,264	108,122	109,000	107,332	113,655	114,284
Loans raised during the year	-	16,341	9,256	22,641	17,922	12,928	6,566	4,369	12,733	7,453	4,624
Less repayments during the year	(2,600)	(2,630)	(3,434)	(3,886)	(4,446)	(5,069)	(5,689)	(6,037)	(6,409)	(6,823)	(7,271)
Balance as at 30 June	48,500	62,211	68,034	86,788	100,264	108,122	109,000	107,332	113,655	114,284	111,638
Less current borrowings repayable in 12 months	(2,630)	(3,434)	(3,886)	(4,446)	(5,069)	(5,689)	(6,037)	(6,409)	(6,823)	(7,271)	(7,479)
Closing balance for non-current borrowings	\$ 45,870	\$ 58,777	64,147	82,342	95,194	102,434	102,963	100,922	106,832	107,014	104,159

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	295	1,663	2,779	4,086	7,875	13,934	18,580	20,272	22,841	26,880	28,205
Water Services	3,988	6,487	6,669	16,197	18,004	19,667	19,133	18,604	18,901	17,841	16,735
Sewerage Services	37,317	35,616	33,260	31,236	31,670	31,085	28,018	25,192	28,216	26,079	24,495
Stormwater Services	480	444	556	720	732	670	1,178	1,660	2,379	2,768	2,692
Solid Waste Services	1,673	1,535	1,380	1,213	1,041	862	676	483	781	580	458
Leadership & Strategy	0	419	406	391	376	361	345	328	310	291	272
Community Facilities/ Activities	4,747	14,746	21,723	31,730	39,396	40,422	39,999	39,775	39,264	38,939	37,934
Regulatory Services	0	1,300	1,260	1,215	1,169	1,121	1,070	1,018	963	905	845
	\$ 48,500	\$ 62,211	\$ 68,034	\$ 86,788	\$ 100,264	\$ 108,122	\$ 109,000	\$ 107,332	\$ 113,655	\$ 114,284	\$ 111,638

PUBLIC DEBT (INTERNAL)

	Forecast as at 30-Jun-21 (\$ 000)	LTP Year 1 2021/22 (\$ 000)	Year 2 2022/23 (\$ 000)	Year 3 2023/24 (\$ 000's)	Year 4 2024/25 (\$ 000's)	Year 5 2025/26 (\$ 000's)	Year 6 2026/27 (\$ 000's)	Year 7 2027/28 (\$ 000's)	Year 8 2028/29 (\$ 000's)	Year 9 2029/30 (\$ 000's)	Year 10 2030/31 (\$ 000's)
Opening Balance	9,639	9,971	9,272	8,589	7,877	7,226	6,617	6,079	5,583	5,104	4,603
Loans raised during the year	1,050	-	-	-	-	-	-	-	-	-	-
Less repayments during the year	(718)	(699)	(683)	(712)	(651)	(609)	(538)	(497)	(479)	(500)	(522)
Closing Balance as at 30 June	\$ 9,971	\$ 9,272	8,589	7,877	7,226	6,617	6,079	5,583	5,104	4,603	4,081

SCHEDULE OF INTERNAL LOAN END OF YEAR BALANCES BY GROUPS OF ACTIVITIES

Roading	744	699	651	601	560	526	491	455	416	377	335
Water Services	1,090	1,051	1,009	965	919	871	821	768	713	656	596
Sewerage Services	2,888	2,582	2,272	1,948	1,678	1,441	1,277	1,143	1,026	904	777
Solid Waste Services	336	292	246	198	148	96	54	39	35	31	26
Leadership & Strategy	9	7	6	4	2	0	0	0	0	0	0
Community Facilities/ Activities	4,755	4,496	4,266	4,025	3,790	3,560	3,319	3,066	2,807	2,538	2,257
Regulatory Services	150	145	140	135	130	124	118	112	105	98	91
	\$ 9,971	\$ 9,272	\$ 8,589	\$ 7,877	\$ 7,226	\$ 6,617	\$ 6,079	\$ 5,583	\$ 5,104	\$ 4,603	\$ 4,081

NOTE 4

PROSPECTIVE STATEMENT OF SPECIAL FUNDS & RESERVES

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 for the purposes of this Annual Plan.

	Projected Opening Balance 2021 \$ 000's	Transfers In 2021/31 \$ 000's	Transfers Out 2021/31 \$ 000's	Projected Closing Balance 2031 \$ 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.	5,132	430	33	5,529
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.	497	2,705	2,100	1,102
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.	2,269	4,737	942	6,063
Plant & Equipment Depreciation Funds				
These funds are built up from depreciation on plant and equipment and are used to fund replacements	1,516	5,796	6,545	767
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.	5,426	32,038	16,237	21,227

PROSPECTIVE STATEMENT OF SPECIAL FUNDS & RESERVES (CONTINUED)				
	Forecast Opening Balance 2021	Transfers In 2021/31	Transfers Out 2021/31	Forecast Closing Balance 2021
	\$ 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.	6,135	17,818	9,662	14,291
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.	6,741	47,889	37,612	17,018
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.	2,389	13,425	11,039	4,775
Crematorium Fund - ex Mrs Smart bequest				
To manage a bequest made to establish a crematorium.	115	-	-	115
	\$ 30,218	\$ 124,838	\$ 84,170	\$ 70,886

NOTE 5 PROSPECTIVE SUMMARY OF REVALUATION RESERVE MOVEMENTS											
	2020/21 Forecast Annual Plan \$ 000's	2021/22 Year 1 LTP \$ 000's	2022/23 Year 2 LTP \$ 000's	2023/24 Year 3 LTP \$ 000's	2024/25 Year 4 LTP \$ 000's	2025/26 Year 5 LTP \$ 000's	2026/27 Year 6 LTP \$ 000's	2027/28 Year 7 LTP \$ 000's	2028/29 Year 8 LTP \$ 000's	2029/30 Year 9 LTP \$ 000's	2030/31 Year 10 LTP \$ 000's
Revaluation Reserve											
Opening balance	350,500	371,285	371,285	421,953	429,661	429,661	494,323	504,388	504,388	566,797	577,245
Revalue Movements	20,786	-	50,667	7,708	-	64,662	10,065	-	62,409	10,447	-
Closing Balance	371,285	371,285	421,953	429,661	429,661	494,323	504,388	504,388	566,797	577,245	577,245
	2020/21 Forecast Annual Plan \$ 000's	2021/22 Year 1 LTP \$ 000's	2022/23 Year 2 LTP \$ 000's	2023/24 Year 3 LTP \$ 000's	2024/25 Year 4 LTP \$ 000's	2025/26 Year 5 LTP \$ 000's	2026/27 Year 6 LTP \$ 000's	2027/28 Year 7 LTP \$ 000's	2028/29 Year 8 LTP \$ 000's	2029/30 Year 9 LTP \$ 000's	2030/31 Year 10 LTP \$ 000's
Revaluation Movements by groups											
Infrastructure											
Roading	-	-	35,430	-	-	44,294	-	-	42,817	-	-
Water Services	-	-	3,884	-	-	5,174	-	-	4,977	-	-
Sewerage Services	-	-	8,768	-	-	11,751	-	-	11,304	-	-
Stormwater Services	-	-	78	-	-	103	-	-	99	-	-
Solid Waste Services	-	-	2,166	-	-	2,885	-	-	2,775	-	-
	0	-	50,326	-	-	64,207	-	-	61,972	-	-
Other Asset Revaluation Reserve Movements											
Building	9,520	-	-	3,451	-	-	4,506	-	-	4,677	-
Land	11,266	-	-	4,257	-	-	5,559	-	-	5,770	-
Other	-	-	341	-	-	454	-	-	437	-	-
	20,786	-	341	7,708	-	454	10,065	-	437	10,447	-
Total revaluation movements	20,786	-	50,667	7,708	-	64,662	10,065	-	62,409	10,447	-

CAPITAL PROJECTS

PROSPECTIVE CAPITAL SUMMARY STATEMENT											
Prior Year Plan 2020/21		LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Roading	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
6,732,989	Subsidised Roothing	7,406,340	10,642,657	6,990,189	13,453,031	15,225,859	8,081,807	10,701,388	8,791,873	8,845,648	11,594,132
2,627,206	Non-subsidised Roothing	1,474,792	1,735,700	1,343,944	2,783,097	3,200,003	5,198,857	2,434,117	3,422,865	5,039,466	2,531,151
	Water Services										
3,950,480	Urban Water supply	6,043,500	2,549,890	11,336,925	4,053,525	4,179,951	2,245,575	2,515,240	3,010,530	2,465,411	1,639,540
200,000	Rural Water supplies & races	745,000	30,660	37,275	33,090	40,005	35,550	42,945	38,190	46,270	41,160
	Sewerage Services										
1,980,000	Urban Sewerage system	2,002,000	1,992,900	1,863,750	4,809,080	3,749,040	1,362,750	2,147,250	7,710,637	3,433,313	3,430,000
75,000	Rural Sewerage systems	40,000	347,480	42,600	44,120	45,720	47,400	49,080	50,920	132,200	54,880
	Stormwater Services										
402,000	Urban Stormwater System	660,000	459,900	1,118,250	576,869	342,900	1,372,728	966,876	1,208,433	925,400	498,036
	Solid Waste Services										
90,420	Solid Waste	260,420	20,320	41,840	21,460	44,040	22,620	46,400	560,240	49,000	25,220
	Community Facilities/Activities										
964,704	Parks & Reserves	933,150	846,074	448,996	1,015,826	870,616	260,865	663,961	603,152	1,298,500	-
2,210,000	Sportsfields	1,837,500	582,859	596,220	398,620	238,367	123,279	1,338,292	72,712	1,106,788	-
280,000	Trust House Recreation Centre	255,000	605,394	457,102	905,644	456,365	415,043	246,848	-	-	-
268,900	Cemeteries	94,000	387,909	52,650	21,460	-	-	23,200	-	-	-
566,250	Library & Archive	1,366,750	219,456	231,166	231,768	243,321	244,296	256,360	263,432	270,725	278,681
1,413,050	Property	6,380,300	13,935,659	9,814,827	5,702,780	1,365,460	269,970	354,032	211,818	322,420	36,569
1,810,000	Airport	6,873,553	1,601,143	2,484,766	3,704,913	1,482,839	-	-	21,870	-	-
	Regulatory Services										
8,000	Environmental Services	8,000	8,128	8,368	8,584	8,808	31,668	9,280	9,536	9,800	10,088
14,000	Building Development	4,000	24,384	14,644	4,292	4,404	4,524	4,640	4,768	4,900	5,044
-	Parking Control	-	406,400	-	-	-	-	-	-	-	-
430,000	Animal Services	1,324,000	1,626	1,674	6,009	1,762	1,810	6,496	1,907	1,960	7,062
58,000	Emergency Management	-	-	-	-	-	-	-	-	-	-
	Leadership, Strategy & Corporate Services										
215,525	Corporate Services	280,000	233,680	235,350	214,600	253,230	265,785	232,000	262,240	232,750	252,200
120,000	Development	563,570	20,320	47,070	21,460	27,525	45,240	29,000	23,840	55,125	25,220
\$ 24,416,524	Total Capital expenditure	\$ 38,551,875	\$ 36,652,539	\$ 37,167,605	\$ 38,010,226	\$ 31,780,213	\$ 20,029,767	\$ 22,067,404	\$ 26,268,965	\$ 24,239,676	\$ 20,428,984
	Funded by										
(3,837,804)	NZ Transport Agency subsidy (roading)	(2,933,257)	(4,938,864)	(2,772,119)	(7,533,697)	(8,526,481)	(4,525,812)	(5,992,777)	(4,923,449)	(4,953,563)	(6,492,714)
(11,992,275)	Transfers from reserves	(8,898,832)	(11,688,685)	(6,996,426)	(7,768,990)	(5,335,293)	(5,381,527)	(7,224,584)	(4,744,293)	(7,941,262)	(5,349,174)
(5,824,200)	Loan funds	(16,340,767)	(9,256,374)	(22,640,926)	(17,921,640)	(12,927,983)	(6,566,433)	(4,368,566)	(12,732,799)	(7,452,766)	(4,624,147)
(2,017,246)	Rates	(2,990,963)	(3,215,350)	(3,075,683)	(3,287,427)	(3,507,618)	(3,555,995)	(3,662,575)	(3,868,424)	(3,892,085)	(3,962,948)
(745,000)	Other (External funding)	(7,388,056)	(7,553,267)	(1,682,451)	(1,498,472)	(1,482,839)	-	(818,902)	-	-	-
\$ (24,416,524)		\$ (38,551,875)	\$ (36,652,539)	\$ (37,167,605)	\$ (38,010,226)	\$ (31,780,213)	\$ (20,029,767)	\$ (22,067,404)	\$ (26,268,965)	\$ (24,239,676)	\$ (20,428,984)

ROADING												
Annual Plan 2020/21	Capital Expenditure Summary	Source of Funds	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Subsidised Roading												
2,579,160	Roading Renewals - rural	Rates & Subsidy Depn Reserve,	2,129,940	2,204,687	1,937,560	3,321,921	3,482,841	3,682,192	3,771,967	3,953,235	4,105,125	4,354,701
1,747,429	Roading renewals - urban	Rates & Subsidy	1,278,900	1,459,844	1,887,732	1,941,421	1,994,647	2,063,321	2,148,615	2,208,041	2,284,148	2,362,791
-	Roading Renewals - rural (loan funded)	Rates & Loan	1,400,000	1,225,200	1,263,600	-	-	-	-	-	-	-
-	Roading renewals - urban (loan funded)	Rates & Loan	200,000	204,200	210,600	-	-	-	-	-	-	-
115,000	Bridge renewals	Rates & Subsidy Rates, Depn &	-	204,200	-	-	223,200	-	-	243,000	-	-
672,000	Footpath upgrading [incl reseals]	Subsidy Depn Reserve &	549,000	548,583	565,777	582,971	599,627	616,820	634,551	652,820	671,625	690,968
285,000	Bridge - Waipoua River	Subsidy Depn Reserve,	285,000	3,165,100	-	-	-	-	-	-	-	-
1,264,400	Rural/Urban Minor Improvement projects	Rates & Subsidy	1,293,500	1,559,373	1,051,210	1,549,163	1,593,425	1,639,114	1,686,232	1,734,777	1,784,750	1,598,241
-	Mataikona front hill upgrade	Loan & Subsidy	200,000	-	-	3,797,500	7,254,000	-	-	-	-	-
-	Masterton Revamp - subsidised portion	Reserve	-	-	-	2,184,105	-	-	2,377,353	-	-	2,587,432
70,000	Cycleways	Rates & Subsidy	70,000	71,470	73,710	75,950	78,120	80,360	82,670	-	-	-
6,732,989	Total Subsidised Roading		7,406,340	10,642,657	6,990,189	13,453,031	15,225,859	8,081,807	10,701,388	8,791,873	8,845,648	11,594,132
Non-subsidised Roading												
407,206	Carpark reseal	Depn Reserve	85,000	102,100	42,120	43,400	44,640	45,920	47,240	48,600	50,000	51,440
180,000	Under veranda lighting	Depn Reserve	70,000	-	-	-	-	-	-	-	-	-
400,000	Gordon Street upgrade	Subdiv Contrib	500,000	-	-	-	-	-	-	-	-	-
50,000	Urbanisation of Millard Ave - Roading	Subdiv Contrib	15,000	-	1,196,524	783,045	-	-	-	-	-	-
10,000	CBD Recycling Bins	Depn Reserve	10,000	-	-	-	-	-	-	-	-	-
1,400,000	Masterton Revamp	Loan/Development	100,000	102,100	105,300	959,537	2,843,976	4,074,952	2,386,877	3,374,265	4,445,716	2,479,711
120,000	Neighbourhood Planning - provision	Contributions	-	-	-	-	-	-	-	-	-	-
60,000	Carpark Lighting - safety initiative	Rates /Reserves	17,792	-	-	-	-	-	-	-	-	-
-	What's Our Welcome- North Entrance	Subdiv Contrib	231,000	-	-	997,115	-	-	-	-	-	-
-	What's Our Welcome- South Entrance	Loan	121,000	255,250	-	-	311,386	1,077,985	-	-	-	-
-	What's Our Welcome- Western Railway	Loan	-	-	-	-	-	-	-	-	-	-
-	Connection Entrance	Loan	-	-	-	-	-	-	-	-	481,250	-
-	What's Our Welcome- Eastern Coastal	Loan	-	-	-	-	-	-	-	-	62,500	-
-	Connection - trees	Loan	-	-	-	-	-	-	-	-	-	-
-	Chamberlain Rd upgrade	Subdiv Contrib	325,000	663,650	-	-	-	-	-	-	-	-
-	Kitchener to Gordon - link road	Subdiv Contrib	-	612,600	-	-	-	-	-	-	-	-
2,627,206	Total Non-subsidised Roading		1,474,792	1,735,700	1,343,944	2,783,097	3,200,003	5,198,857	2,434,117	3,422,865	5,039,466	2,531,151
9,360,195	Total Capital Funding		8,881,132	12,378,357	8,334,133	16,236,127	18,425,862	13,280,664	13,135,505	12,214,738	13,885,114	14,125,284
(3,837,804)	NZ Transport Agency subsidy (roading)		(2,933,257)	(4,938,864)	(2,772,119)	(7,533,697)	(8,526,481)	(4,525,812)	(5,992,777)	(4,923,449)	(4,953,563)	(6,492,714)
(2,045,146)	Transfers from reserves		(1,576,912)	(3,052,035)	(1,076,869)	(1,474,233)	(44,640)	(45,920)	(1,093,275)	(48,600)	(50,000)	(1,189,910)
(1,460,000)	Loan funds		(1,380,000)	(1,172,108)	(1,409,462)	(3,940,770)	(6,347,123)	(5,152,937)	(2,386,877)	(3,374,265)	(4,989,466)	(2,479,711)
(7,342,949)	Total other funding		(5,890,169)	(9,163,008)	(5,258,450)	(12,948,700)	(14,918,244)	(9,724,669)	(9,472,929)	(8,346,314)	(9,993,029)	(10,162,336)
\$2,017,246	Rates Requirement (Capital)		\$2,990,963	\$3,215,350	\$3,075,683	\$3,287,427	\$3,507,618	\$3,555,995	\$3,662,575	\$3,868,424	\$3,892,085	\$3,962,948

WATER SUPPLIES												
Annual Plan 2020/21	Capital Expenditure Summary	Source of Funds	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
\$	Urban water treatment											
-	WTP Consent Renewal - take	Depn Reserve	50,000	102,200	-	-	-	59,250	-	-	-	-
200,000	WTP sludge handling upgrade	Loan	800,000	-	-	-	-	-	-	-	-	-
40,000	WTP - plant & equipment renewals	Depn Reserve	150,000	97,090	165,075	104,785	108,585	112,575	116,565	120,935	125,590	130,340
	WTP - plant & equipment upgrades	Depn Reserve	120,000	81,760	74,550	88,240	105,156	94,800	98,160	101,840	105,760	109,760
20,000	WTP - building renewals	Depn Reserve	20,000	20,440	21,300	55,150	22,860	23,700	24,540	25,460	26,440	27,440
-	Raw water storage dams	Loan	-	-	7,455,000	-	-	-	-	-	-	-
-	Filter Refurbishment	Depn Reserve	-	-	-	-	-	-	-	-	661,000	-
-	Reseal Access Road WTP	Depn Reserve	-	-	-	-	-	-	18,405	-	-	-
-	Treated water storage - Nikau Heights Lans	External Funds	796,500	-	-	-	-	-	-	-	-	-
-	WTP SCADA and electrical upgrades - stimu	External Funds	60,000	-	-	-	-	-	-	-	-	-
-	Fish Inlet - Stimulus project	External Funds	70,000	-	-	-	-	-	-	-	-	-
-	Generator load bank - Stimulus project	External Funds	45,000	-	-	-	-	-	-	-	-	-
-	bulk tanker water supply terminal constructi	External Funds	82,000	-	-	-	-	-	-	-	-	-
260,000	Total Urban water treatment		2,193,500	301,490	7,715,925	248,175	236,601	290,325	257,670	248,235	918,790	267,540
	Urban water reticulation											
1,800,000	Water mains renewals (reticulation)	Loan/Depn Reserve	1,700,000	1,533,000	3,514,500	3,562,789	3,886,200	1,694,657	1,963,200	2,482,350	1,255,900	1,303,400
50,000	Water connections replacements	Depn Reserve	200,000	102,200	106,500	55,150	57,150	59,250	61,350	63,650	66,100	68,600
1,800,000	Water meters project completion	Loan	1,350,000	-	-	-	-	-	-	-	-	-
20,000	Urbanisation of Millard Ave	Subdiv contrib	-	613,200	-	-	-	-	-	-	-	-
	Reservoir upgrades	Depn Reserve	-	-	-	-	-	-	24,540	-	-	-
	Water main renewal - stimulus package	External Funds	600,000	-	-	-	-	-	-	-	-	-
20,480	Water main - CBD	Depn Reserve	-	-	-	187,411	-	201,343	208,480	216,295	224,621	-
3,690,480	Total Urban water reticulation		3,850,000	2,248,400	3,621,000	3,805,350	3,943,350	1,955,250	2,257,570	2,762,295	1,546,621	1,372,000
	Rural water supply											
50,000	Wainuioru water supply renewals	Depn Reserve	30,000	30,660	31,950	33,090	34,290	35,550	36,810	38,190	39,660	41,160
	Wainuioru Water supply - UV system and filt	External Funds	680,000	-	-	-	-	-	-	-	-	-
100,000	Water - emergency package plant	Loan	-	-	-	-	-	-	-	-	-	-
-	Tinui water supply upgrades	Depn Reserve	5,000	-	5,325	-	5,715	-	6,135	-	6,610	-
50,000	Opaki water race consent renewal	Loan	30,000	-	-	-	-	-	-	-	-	-
200,000	Total Rural water supply		745,000	30,660	37,275	33,090	40,005	35,550	42,945	38,190	46,270	41,160
4,150,480	Total		6,788,500	2,580,550	11,374,200	4,086,615	4,219,956	2,281,125	2,558,185	3,048,720	2,511,681	1,680,700
	Capital Funding											
(2,000,480)	Transfers from reserves		(1,795,000)	(2,120,650)	(1,522,950)	(1,627,998)	(1,796,796)	(1,942,194)	(2,165,545)	(1,775,720)	(2,511,681)	(1,680,700)
-	External funds		(2,333,500)	-	-	-	-	-	-	-	-	-
(2,150,000)	Loan funds		(2,660,000)	(459,900)	(9,851,250)	(2,458,617)	(2,423,160)	(338,931)	(392,640)	(1,273,000)	-	-
(4,150,480)	Total capital funding		(\$6,788,500)	(\$2,580,550)	(\$11,374,200)	(\$4,086,615)	(\$4,219,956)	(\$2,281,125)	(\$2,558,185)	(\$3,048,720)	(\$2,511,681)	(\$1,680,700)
\$0	Rates requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

STORMWATER												
Annual Plan 2020/21	Capital Expenditure Summary	Source of Funds	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Stormwater											
330,000	Stormwater renewal & upgrades	Depn Reserve	380,000	306,600	319,500	330,900	342,900	355,500	368,100	381,900	396,600	411,600
-	Stopbank - associated pipe work upgrade	Loan	-	-	213,000	-	-	-	-	-	-	-
-	Projects to Increase LOS	Loan	-	153,300	-	-	-	-	-	-	-	-
20,000	Urbanisation of Millard Ave	Reserves	-	-	426,000	-	-	-	-	-	-	-
52,000	Stormwater consent	Depn Reserve	100,000	-	-	165,450	-	-	-	-	-	-
-	Improve flood protection	Depn Reserve	180,000	-	159,750	11,030	-	444,375	30,675	-	-	-
-	Stormwater treatment	Loan	-	-	-	-	-	474,000	490,800	509,200	528,800	-
-	CBD project	Loan	-	-	-	69,489	-	98,853	77,301	317,333	-	86,436
402,000	Total Stormwater		660,000	459,900	1,118,250	576,869	342,900	1,372,728	966,876	1,208,433	925,400	498,036
	Capital Funding											
-	Loan funds		-	(153,300)	(213,000)	(69,489)	-	(572,853)	(568,101)	(826,533)	(528,800)	(86,436)
(402,000)	Transfer from reserves		(660,000)	(306,600)	(905,250)	(507,380)	(342,900)	(799,875)	(398,775)	(381,900)	(396,600)	(411,600)
(\$402,000)	Total capital funding		(\$660,000)	(\$459,900)	(\$1,118,250)	(\$576,869)	(\$342,900)	(\$1,372,728)	(\$966,876)	(\$1,208,433)	(\$925,400)	(\$498,036)
\$0	Rates Requirement (Capital)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

SOLID WASTE SERVICES												
Annual Plan 2020/21	Capital Expenditure Summary	Source of Funds	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Capital Projects		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Solid Waste Management											
40,420	Nursery Road landfill capping	Depn Reserve	60,420	20,320	20,920	21,460	22,020	22,620	23,200	23,840	24,500	25,220
50,000	Nursery Road transfer station renewals	Depn Reserve	200,000	-	20,920	-	22,020	-	23,200	-	24,500	-
-	Cleanfill/hardfill site	Loan	-	-	-	-	-	-	-	476,800	-	-
-	Recycling Wheely Bins	Depn Reserve	-	-	-	-	-	-	-	59,600	-	-
90,420	Total Solid Waste Management		260,420	20,320	41,840	21,460	44,040	22,620	46,400	560,240	49,000	25,220
	Capital Funding											
-	Loan funds		-	-	-	-	-	-	-	(476,800)	-	-
(90,420)	Transfer from reserves		(260,420)	(20,320)	(41,840)	(21,460)	(44,040)	(22,620)	(46,400)	(83,440)	(49,000)	(25,220)
(\$90,420)	Total capital funding		(\$260,420)	(\$20,320)	(\$41,840)	(\$21,460)	(\$44,040)	(\$22,620)	(\$46,400)	(\$560,240)	(\$49,000)	(\$25,220)
\$0	Rates Requirement (Capital)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

LEADERSHIP, STRATEGY & CORPORATE SERVICES												
Annual Plan 2020/21	Capital Expenditure Summary	Source of Funds	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Capital Projects											
	Corporate Services											
-	Document mgmt. system	Depn Reserve	50,000	10,160	-	-	11,010	-	-	-	-	-
90,000	IT equipment replacement	Depn Reserve	120,000	121,920	94,140	96,570	132,120	101,790	104,400	143,040	110,250	113,490
25,525	GIS aerial photos & data capture	Depn Reserve	-	-	36,610	-	-	50,895	-	-	-	-
-	Asset Management System	Depn Reserve	10,000	-	-	10,730	-	-	11,600	-	-	12,610
100,000	Pool Vehicle replacement	Depn Reserve	100,000	101,600	104,600	107,300	110,100	113,100	116,000	119,200	122,500	126,100
215,525	Total Corporate Services		280,000	233,680	235,350	214,600	253,230	265,785	232,000	262,240	232,750	252,200
	Development											
50,000	CBD Security Cameras	Depn Reserve	20,000	20,320	20,920	21,460	22,020	22,620	23,200	23,840	24,500	25,220
20,000	Christmas Decorations	Depn Reserve	-	-	20,920	-	-	22,620	-	-	24,500	-
40,000	Flag Trax	Depn Reserve	-	-	-	-	-	-	-	-	-	-
10,000	Street History Signage	Reserves	-	-	-	-	-	-	-	-	-	-
-	Youth hub/cafe in conjunction with Skatepark	Loan/External Funds	538,570	-	-	-	-	-	-	-	-	-
-	Decorative Lighting (upgrade LED)	Reserves	5,000	-	5,230	-	5,505	-	5,800	-	6,125	-
120,000	Total Development		563,570	20,320	47,070	21,460	27,525	45,240	29,000	23,840	55,125	25,220
335,525	Total		843,570	254,000	282,420	236,060	280,755	311,025	261,000	286,080	287,875	277,420
	Capital Funding											
(335,525)	Transfers from reserves		(305,000)	(254,000)	(282,420)	(236,060)	(280,755)	(311,025)	(261,000)	(286,080)	(287,875)	(277,420)
-	Loan funds		(418,577)	-	-	-	-	-	-	-	-	-
-	External funding		(119,993)	-	-	-	-	-	-	-	-	-
(335,525)	Total capital funding		(\$843,570)	(\$254,000)	(\$282,420)	(\$236,060)	(\$280,755)	(\$311,025)	(\$261,000)	(\$286,080)	(\$287,875)	(\$277,420)
-	Rates Requirement		-	-	-	-	-	-	-	-	-	-

FINANCIAL PRUDENCE BENCHMARKS

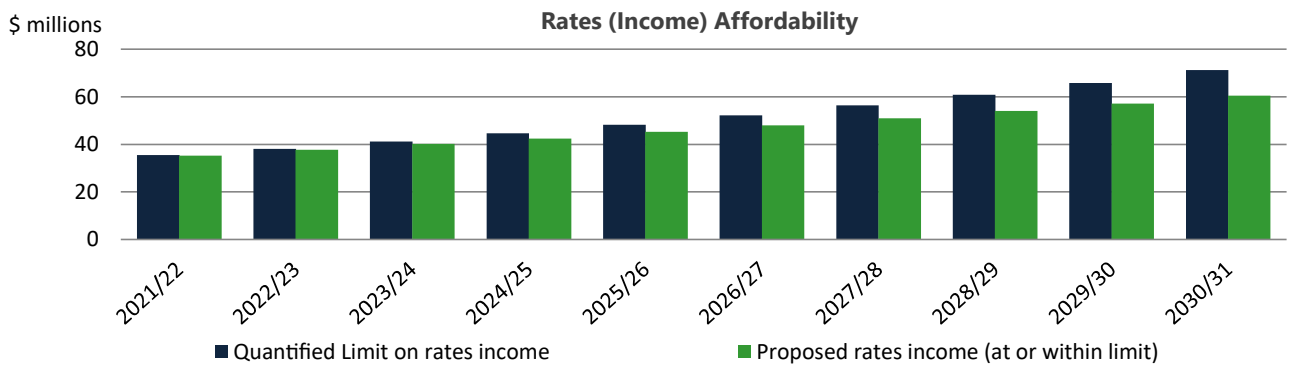
LOCAL GOVERNMENT ACT 2002 - Financial Disclosures

The Local Government Act 2002 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.

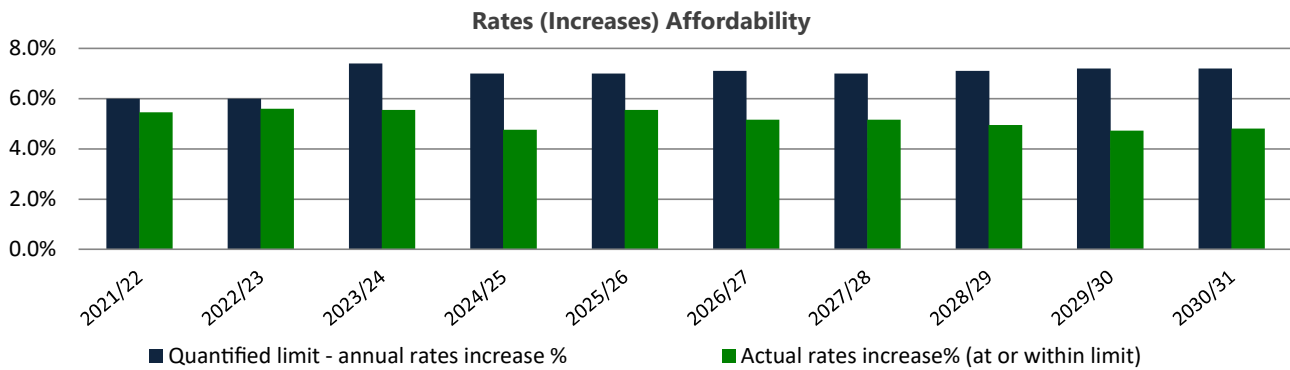
Benchmarks - per LG (Financial Reporting and Prudence) Regulations 2014

Rates affordability benchmarks

The Council has quantified its rates income increase limits as 2020/21 rates plus increases based on LGCI plus 4.5% plus growth. The graph below compares the value of rates income projected to the value derived from the quantified limit. Growth in the rating base is forecast at 1.5% in year one, 1.25% in year two and then 1% per annum.



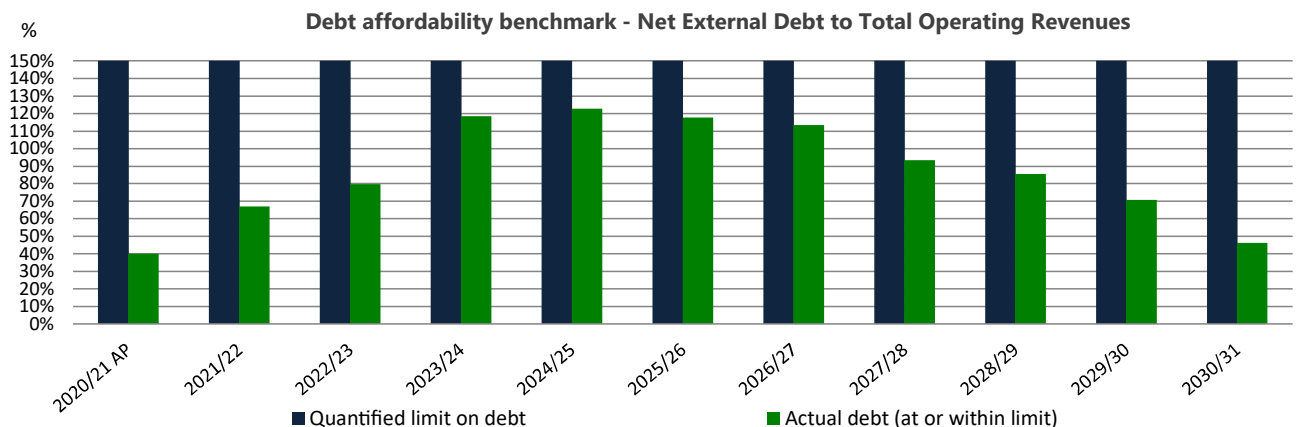
As per above, the Council's quantified rates income increase limits as a percentage each year is based on LGCI plus 4.5%. The planned percentage rates increases (after growth) are compared to the limit in the graph below.



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 LTP.

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



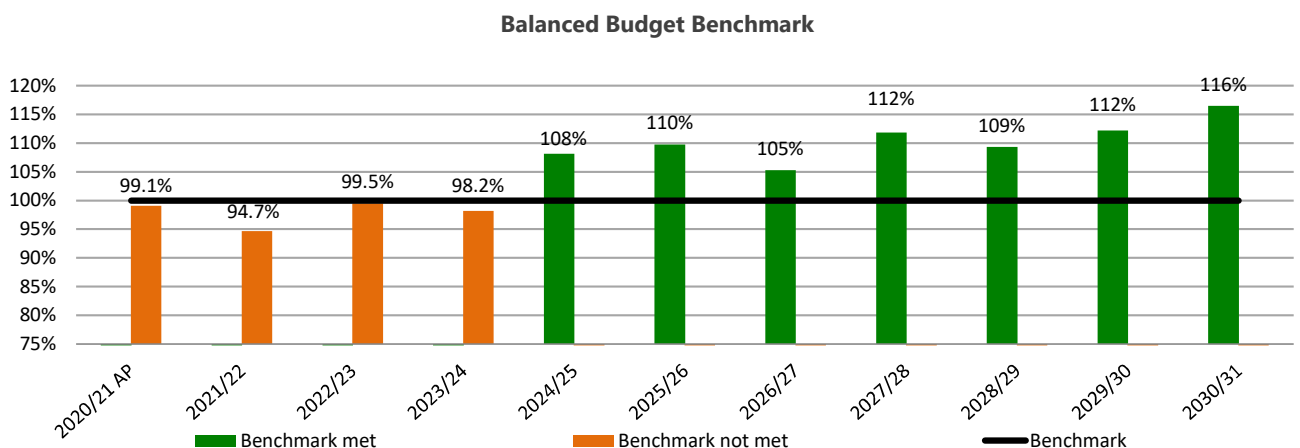
(1) Net External Debt is defined as gross external debt less all financial assets, including cash in bank.

(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.

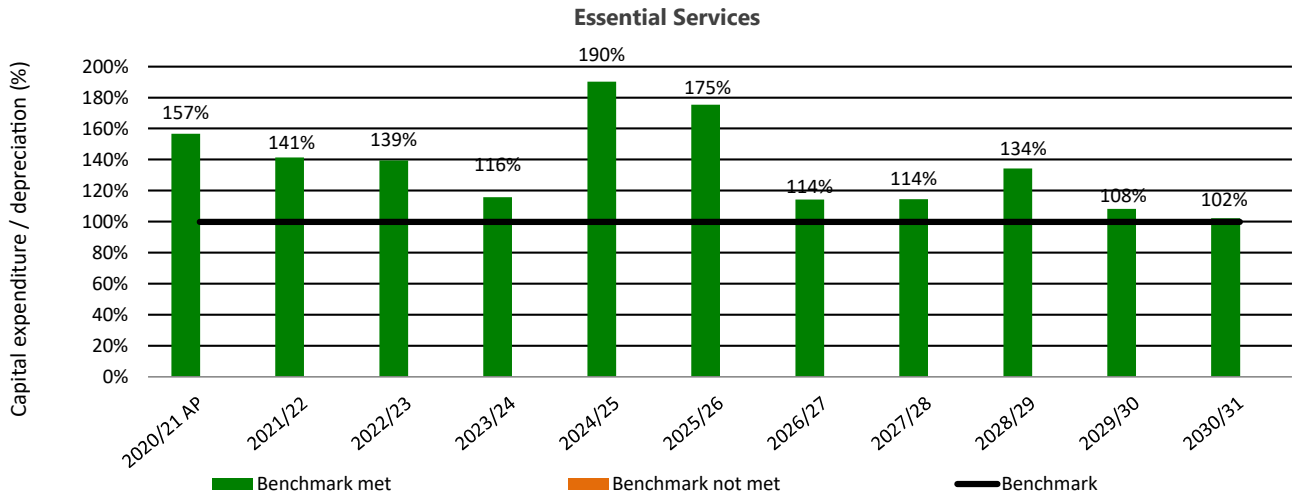


Note: in the first 3 years of this LTP the Council will not achieve a balanced budget. This is due to two things: the reduction of the roading programme which Waka Kotahi is prepared to fund (resulting in reduced revenue) and Council's decision to smooth rates increases by using internal borrowing in the first five years of the LTP and repaying those funds in the second five years. Some of the reduction in Waka Kotahi subsidy on renewals work has been replaced by loan funding and use of reserves. The Council has chosen to maintain most of the three year programmed expenditure, but not to increase rates revenue. We have assumed the Waka Kotahi approved roading programme and subsidy returns to the full level from year 4 of the LTP.

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.

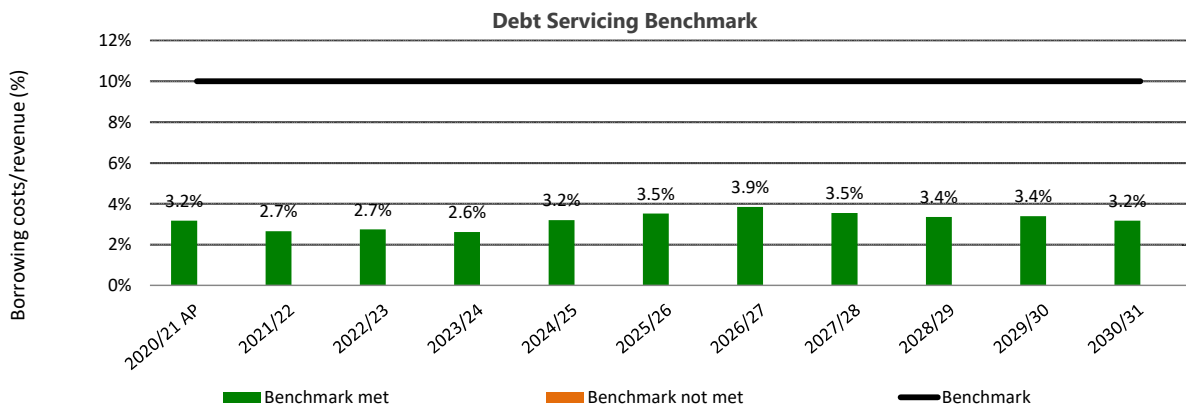


Note: many essential services assets have long lives and are at various stages through those lives. The Council's replacement and renewal expenditure does not automatically follow the accounting measure of decline in service (depreciation). The Council's asset management plans for each service outline the renewal and replacement programmes for each component of the assets employed to deliver the services.

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 property, plant, or equipment.



REVENUE AND FINANCING POLICY

Introduction

The following pages set out the Council's Revenue and Financing Policy, which has been developed pursuant to the requirements of the Local Government Act 2002. The Policy was scheduled to be reviewed prior to the 2021-31 Long Term Plan (LTP), but due to the impacts of the COVID-19 lockdowns and recovery period through much of 2020, the review has not been able to be completed. A full policy review and consultation process is planned for the second half of 2021.

The basis of the current policy has evolved over 23 years and was first adopted (as the Funding Policy) following public consultation in 1997. It has been reviewed, refined and revised by the Council every three years since then, including using the principles outlined in the Local Government Act (sec 101(3) and 103). Any changes have been implemented following the consultation processes of the long term plans and annual plans when the changes were made. The current policy as set out here is part of the supporting information to the 2021-31 Long Term Plan and was subject to public consultation as part of that Plan.

There have been minor changes made to two cost allocation bases where costs are split between urban and rural wards – the population percentage split has moved slightly and the subsidised roading cost allocation percentage has also changed to remain in line with the policy of allocating the value of subsidised roading work planned on the ratio of the programme spend. The impact of these changes are noted below.

Purpose

The Council provides a range of services to the people who reside in the Masterton District. The Council budgets for the cost of providing those services and this Policy sets out where the revenue will come from to pay for those services.

Revenue comes from a number of external sources, including Waka Kotahi (NZ Transport Agency) roading subsidies and user charges for some services. Many of the Council services have a public good component where no equitable charge can be made based on usage. The Council has the ability within the Local Government (Rating) Act to charge property rates to recover the cost of those services. This policy sets out the basis on which those property rates are set.

Rating Base

Listed below are the population, property and valuation figures of the District. These are key to the way the rates required are divided up amongst properties.

Population (usually resident – Statistics NZ census data 2018)

District	Area	Population	% Total Population
Masterton	Rural	5,743	22.5%
	Urban	19,814	77.5%
	TOTAL:	25,557	(9.4% increase over 5 years since the 2013 census)

Area 229,500 ha (urban area = 1,796 ha)

Rateable Properties		Separately Rateable Units 2021	
Rural	3,872	Rural	3,884
Urban	8,831	Urban	9,701
	12,703		13,585 (4.9% growth over 3 years)

Rating Valuation Totals (effective Sept 2020)

			Change (over 3 years) as a result of growth and the 2020 revaluation
Land value	Rural	\$2,625 million	+45.2%
	Urban	\$2,050 million	+66.7%
	Total	\$4,675 million	+53.9%
Capital value	Rural	\$3,967 million	+40.9%
	Urban	\$4,696 million	+55.7%
	Total	\$8,663 million	+48.6%

Policy Review

Section 101(3)

As part of the development of the 2018-28 LTP, the Council considered the funding of each of 40 sub-activities in the context of the requirements of sections 101(3) of the Local Government Act 2020. Consideration has been given to the community outcomes to which the activity relates, whether any user pays principles should be applied, whether intergenerational equity is a factor in funding, if an exacerbator pays principle applies and the costs and benefits of funding the activity distinctly.

A second step was then applied – the consideration of the effects of applying the theoretical funding policies of step one, with the ability to modify for reasons of fairness, legality and practicality. The process has sought to apply economic principles of matching the costs of a service with the beneficiaries of a service, then modifying the allocation where appropriate, and choosing the funding mechanism that best suits the Council's analysis. Where services can be identified as having a direct private benefit and a recovery means is economic, user charges have been set to recover the value of that benefit. A summary of this analysis is available as a separate document

– Funding Policy Sec 101(3) Consideration.

The Rating Review scheduled for the second half of 2021 will incorporate the Council looking again at the funding of it's activities using the section 101(3) analysis.

External Revenue

Where it can, the Council will look to recover costs from users of a service via user charges. The Council will look to maximise its external revenue including from central Government funding such as Waka Kotahi subsidies, local petrol tax and the waste levy. After external revenue, borrowing to fund specific capital projects and use of Council reserves/depreciation funding, the balance of the funding comes from the ability of Council to charge property rates to fund its services. It is the allocation of these rates across properties in the District which forms the basis of a large part of the Revenue and Financing Policy.

In the Activity Statements section of the LTP, there are tables which shows clearly the costs and sources of funding for each activity. User fees & charges have been reviewed in all areas of Council activities and a number of changes are proposed in order to maintain relativity between user charge funding and rates in an inflationary environment where Council's costs are increasing. Those changes to the fees & charges were subject to consultation as part of the 2021/31 LTP.

Some specific examples of changes to external revenue include:



- modest rent increases that are proposed each year on rental accommodation
- user charge fees in the regulatory area will increase to maintain alignment with the policy split between rates funding and user charges
- refuse bag prices will increase to move closer to full cost recovery for the service, while recognising the highly competitive market for waste collection
- waste charges at the transfer station will increase with inflation and any increases in waste levies, with the expectation that user charges will recover at least 100% of the costs of the transfer station operation and disposal to landfill of the waste material.
- Animal Services will be funded 85% by fees and charges and 15% from rates.
- Senior Housing - the Council held rents in 2020, it has increased maintenance expenditure on these properties and is investing in additional housing units. These changes have combined to see 13% of the funding required needing to come from rates in year 1. This will be up for review as part of the policy review work in 2021.

Rating Policy

As noted in the Introduction, there has been no comprehensive review of the rating system done for the 2021-31 Long Term Plan (LTP) or the previous LTP. In 2018, the prospect of amalgamating the three Wairarapa councils was a potential outcome of a process being run by the Local Government Commission. Any rating changes then would have changed again, on amalgamation, when viewed in the wider Wairarapa context. The public poll in late 2018 delivered 'no change' with respect to amalgamation. There was an intention to do a full policy review in 2020, but this work will now take place in late 2021.

The rating policy is based on the following principles:

- The rates required for each service are first allocated between urban and rural wards using a range of allocation bases
- Targeted rates are set in those wards
- No 'General Rate' is applied across all properties in the District
- For those costs that are applied across the district, an effective differential is achieved using the urban/rural allocations
- Allocation bases (between the wards) include the current population split, the ward or targeted area in which the service is available and (for subsidised roading) the locality of programmed expenditure.

A rating revaluation was completed in 2020 and will be applied in the 2021/22 year. No policy changes have been made in response to the impacts of the revaluation. The increases in values have varied widely and will result in large variability of rates payable. There will be properties who receive a smaller share of the overall rates required (ie their rates decrease) because their value increased less than the average value change. Conversely, many properties will have rates increases above the average as their value change has been above the average increase. See further discussion in the Rating Valuation section.

Rating Policy Changes Discussion

There have been no changes to the Rating Policy, however new data for allocation bases has resulted in two changes to the allocations as per below.

1. Urban/Rural population – the 2018 census data for population by mesh block shows a split of the population between urban 77.5% and rural 22.5% (previously 78% urban, 22% rural). This

population allocation is applied to approximately 44% of the rates required. The change will result in approximately \$90,000 more rates allocated to the rural ward.

- 2 Subsidised Roothing – a change will be applied in the allocation of costs between urban and rural wards, to be consistent with the policy of using locality of expenditure. Over the first three years of the LTP an average of 31% of the subsidised rooding programme will be spent in the urban ward (excluding the Town Centre revamp work). Conversely 69% will be spent in the rural ward of the district. The previous split was 26%/74%. The new split of 31%/69% urban/rural is proposed to apply from 2021/22. The new allocation sees approximately \$333,000 moved from the rural ward rating to urban ward rating. The resulting overall increase is 1.1% more rates in the urban ward than if the revised allocation percentages were not applied.

Rating Valuations

Current rating policy includes some 72% of the rates required being allocated based on property values (land value and capital value). The values are assessed by Quotable Value NZ Ltd and the 3-yearly revaluation process is subject to audit by the Office of the Valuer General. The balance of the rates are allocated via targeted charges.

The 2020 revaluation has resulted in significant value increases for urban residential properties, with higher percentage changes on lower to average value properties. Capital value increases for urban residential properties have averaged 47% since the last revaluation, but many low value properties have seen increases of between 50% and 80%. Higher value residential properties have had lower percentage increases while commercial properties have also had increases below the urban average. In the rural ward, lifestyle and beach properties have lifted in value by more than farm and forestry use properties.

Applying the new values will result in a greater share of rates being paid by those properties that have had valuation changes above the average change. So, as a generalisation, low and average value residential properties will pay more and higher value residential and commercial use properties will pay less. However, there is a large amount of variability in the valuations and it is difficult to generalise the outcome.

The last page in this document includes a list of sample properties that show the revaluation impacts on those properties. The small sample size does not fully cover the wide range of property types and valuation changes and consequent rating changes. An on-line rates calculator has been available to assist ratepayers to assess how much they will pay in Masterton District Council rates in 2021/22 as a result of the new budgets and new valuations.

2021/22 Impacts

The Council's 2021/22 rates required is 7% more than the prior year (before growth). Growth in property numbers and rateable values since June 2020 is projected to reduce the average increase to 5.5%. That increase will vary between the urban and rural wards as the rates required for the subsidised rooding programme make up 3.3% of the increase and the rural share of that activity is higher.

Overall, the 2021/22 budget changes result in an average 4.8% increase (after growth) for the urban ward and an average of 7.7% increase (after growth) for the rural ward. Some 3.7% of the rural increase is due to the increased spending on subsidised rooding.

After combining the effects of the small allocation changes (noted above), the rating revaluations and the 2021/22 proposed rates required (average 5.5% after growth in the rating base):

- Urban residential properties will pay (on average) increased rates of 4.9% due to the Council's rates requirement increasing, before the effects of revaluations.
- Large variations will result where valuation changes vary away from the average changes.

- Rural farm properties can expect increases averaging 8.1%, plus or minus the effects of the revaluation.
- Rural lifestyle properties can expect to pay 8.0% more and have had valuation increases above the rural average, so can expect additional increases of up to 10% more
- Beach properties can expect increases of between 7.0% and 9.2%, but large variations as a result of valuation increases will see larger increases for many.

While considering its Revenue and Funding Policy, the Council has been aware of some of the effects of valuation changes, particularly as they affect low value residential properties, but has decided not to implement any policy changes as a response to the valuation changes. The full review of the policy in 2021 is seen as a better long term option to address the equity of the rating system.

Policy Changes Summary

There are no policy changes to note, other than the two allocation changes described above.

User Pays

The Revenue & Financing Policy review identified a level of user charges generally consistent with the previous policy. Each Activity Statement in the LTP contains a statement of how the activity will be funded. Where the Council's analysis of the degree of private good can be applied (i.e. requiring those individuals who receive a service, pay directly for all or some portion of the service), then user-pays is the initial funding source.

The following areas are the key sources of user charges and external revenue needed to meet the policy targets:

- Resource consent fees
- Building consent fees (incl plumbing & drainage fees)
- Sports field charges and rents
- Property rents
- Library charges & recoveries
- Mawley Holiday Park revenue
- Airport landing fees and leases
- Parking meter fees and fines
- Dog registration fees (80% from dog owners)
- Refuse transfer station & composting user charges
- Waste levy
- Refuse collection recoveries (via bag sales)
- Hall hireage income
- Water & sewer connection recoveries
- Water meter charges (outside urban boundary)
- Trade waste charges
- Roading subsidies from (NZ Transport Authority)
- Local petrol tax
- Cost recovery charges (eg GWRC rates collection, CDC & SWDC shared services)

Overall Mix of Rates Types

The prior year (2020/21) Rating Policy mix can be summarised in the table below:

Rates Type	Urban	Rural
Targeted Uniform Charges*	14.8%	35.4%
Services Charges	10.0%	6.1%
Land Value Rates	9.0%	34.3%
Capital Value Rates	66.2%	24.2%

The differential on value-based rates on urban non-residential properties = 2 times.

*Overall % of targeted uniform charges to total rates 19.7%

After incorporating the changes noted in the commentary above, and incorporating the proposed rates required for year one (2021/22) of the LTP the rating mix is summarised as follows (subject to roundings):

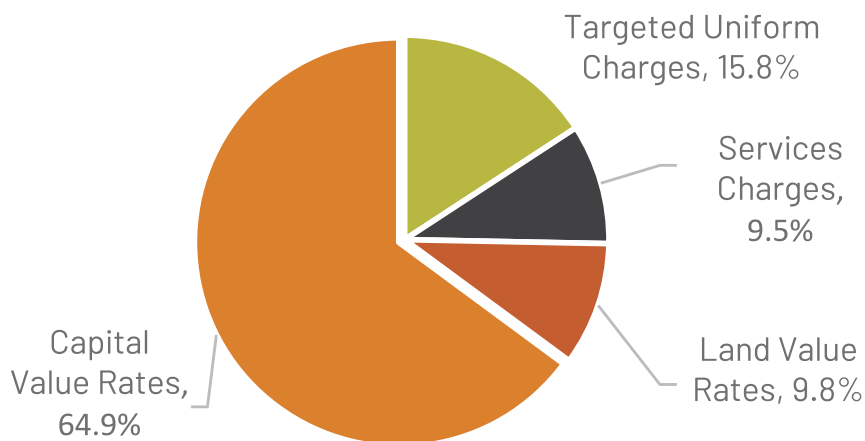
Rates Type	Urban	Rural
Targeted Uniform Charges*	15.8%	35.8%
Services Charges	9.5%	6.0%
Land Value Rates	9.8%	34.1%
Capital Value Rates	64.9%	24.1%

The differential on value-based rates on urban non-residential properties = 2 times

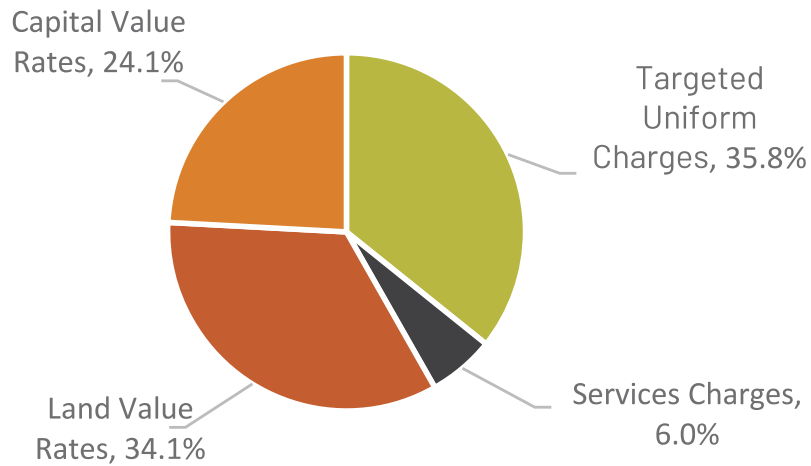
*Overall % of targeted uniform charges to total rates 20.6%

The following two pie charts show the above table in a more visual form.

URBAN RATES \$30.8m (incl GST)



RURAL RATES \$9.8m (incl GST)



Targeted Rates, Uniform & Services Charges

The Council will continue having no 'General Rate', instead using targeted rates and targeted uniform charges for each of the urban and rural rating wards to fund the costs of services allocated to those wards. In addition, targeted services charges will be used to charge properties connected or able to receive a specific service.

	Urban	Rural
Targeted Rates (differentiated between urban/rural wards based on cost allocations)		
• Targeted Land Value (roading) rate	*	*
• Targeted LV water rates		*
• Targeted Capital Value rates	*	*
Targeted Uniform Charges (differentiated between urban/rural wards based on cost allocations)		
• Targeted Uniform Charge	*	*
• Targeted Roading Charge	*	*
Other Targeted Services Charges		
• Urban Water Supply Charge	*	
• Urban Wastewater System Charge	*	
• Recycling Collection Charge	*	**
• Wastewater Treatment Charge**		*
• Castlepoint Sewerage Charge		*

	Urban	Rural
• Riversdale Beach Sewerage Charge (connected)		*
• Riversdale Beach Sewerage Charge (serviceable)		*
• Beach (Refuse & Recycling) Collections Charge		*
• Tinui Water Supply Charge		*
• Tinui Sewerage Charge		*

** Charged in the rural periphery where the Council is prepared to offer the collection service.

*** A sewerage charge will apply to those properties, particularly on the urban periphery, where septic tank overflow is piped into the urban sewer network. It is applied on a 'residential equivalents (RE)' basis where one RE equals 600 cubic metres of liquid effluent per day.

The general effect of the targeted charges is to reduce the component of either land or capital value rates on the higher value properties and raise the minimum level of rates for lower value properties. The Local Government (Rating) Act 2002 places a restriction of 30% maximum of Uniform General Charges to total rates income. Although there are no Uniform Annual General Charges in Masterton's rating policy, the targeted uniform, recycling and roading charges can be considered equivalent. These amount to 20.6% of overall rates.

Urban Differential – Non-Residential

The Council has determined that, in general, public services provide more benefits to the urban non-residential sector (i.e. commercial) than to residential. The effect of the high percentage of uniform and services charges is recognised as regressive - it reduces the impact on higher valued properties. A multiplier of 2.0 will be applied on each of the separate and targeted rates assessed on land and capital values. The effect will be to increase the percentage of rates paid by urban non-residential properties from 8.8% to 14.9% of total rates and 11.6% to 19.0% of urban rates. Urban non-residential properties make up 12.6% of the capital value of the urban ward. Combined with targeted charges, the effective differential is 1.5 times the capital value of non-residential properties.

Urban/Rural Allocation Basis

The tables on the two pages which follow summarise both the urban/rural split of the rating incidence and the proposed rate types to fund the activities. The allocation between urban and rural rating areas is clear where the area of benefit for a service can be confined to one rating area (e.g. water supplies, wastewater systems). Other services that benefit the whole district have been split between wards by a population-based criterion, a valuation-based criterion or an estimate of where the benefit falls.

The allocation of rates between the two rating areas has been modified by the Council from that of a pure number of properties approach or a pure valuation-based approach. The relationships between the urban and rural areas are relevant where there is an overlap in the areas of benefit, or where the use of the service cannot be limited to specific areas. The Council's intention is to allocate costs based on reflecting usage of, or access to, Council services.

The Council has taken into account the following ratios:

Population	Urban	Rural
Percentage	77.5%	22.5%
Number	(19,814)	(5,743)

The allocation ratios have been applied as follows:

Population – 77.5:22.5 (urban:rural) For services where the funding policy suggests the areas of benefit relate to significant levels of private benefit, but are not met by user charges or are services with the demands being relevant to people-based services, rather than property-based services, the population ratio has been selected as the most appropriate method of allocation between wards.

Services allocated via population include:

- Regulatory services
- Emergency management/civil defence
- Archive, airport, forestry
- Waste minimisation
- Community development
- Economic development
- District building & other property
- Representation
- Cemeteries
- Public conveniences
- Refuse transfer station & recycling
- Parks & recreation
- Library
- Sportsfields
- Arts & culture

Land Value – 44:56 (urban:rural) & Capital Value – 54:46 (urban:rural) While no district-wide services are allocated between the urban and rural rating areas on the basis of district wide land or capital value, the ratios are shown for comparison purposes.

Subsidised Roading – 31:69 (urban:rural) This reflects where the subsidised roading programme expenditure is expected to be spent in the coming three years, split between wards. This ratio may be subject to change outside of the LTP years, if roading expenditure varies from the LTP in any subsequent Annual Plan.

Solid Waste – 77.5:22.5 (urban:rural) Used for the allocation of the residual cost of solid waste management (after user pays income) - Nursery Rd transfer station, recycling and composting. This allocation recognises that all residents have equal access to the solid waste services that are being funded by way of general rates, and that rural people will use and therefore benefit from the services at Nursery Road.

Solid Waste (rural) – 10:90 (urban:rural) For the allocation of rural waste management costs (rural transfer stations) recognising that rural ratepayers will be paying a share of Nursery Rd operating costs, so urban carries a share of rural costs. A targeted rate on beach properties recovering a proportion of waste collection costs reduces the share carried by all other rural properties.

Rural Halls – 5:95 (urban:rural) For the allocation of the costs of rural halls and holding paddocks, recognising some 'district benefit' in the Council supplying these facilities.

Funding of Capital Expenditure

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

- Fund roading renewal expenditure from Waka Kotahi subsidies and annual rates
- Fund other replacement assets from depreciation reserve funds to the extent that those funds are available. Where depreciation reserves are insufficient, loan funding may be used
- Fund assets which increase levels of service by borrowing/loans
- Fund assets needed because of growth, from developers, either by the developer providing the infrastructure or by them making financial contributions at the outset of the development.

Review of Policy

This policy will be reviewed every three years as part of the Long-Term Plan process.



REVENUE & FINANCING POLICY - SUB-ACTIVITY FUNDING ANALYSIS SUMMARY

Activity	Theoretical Funding Analysis		Operational Funding Analysis		Comment	2021/22	Ward Allocation				Basis of urban/rural
	Public	Private	Public	Private		RATES REQ. GST Incl.	Urban %	Rate Type	Rural %	Rate Type	
Representation	100%	0%	60%/40%	0%	40% internally allocated as overheads	833,505	77.5%	CV	22.5%	CV	Population
Community Development	80%	20%	100%	0%		1,673,911	77.5%	CV	22.5%	CV	Population
Arts & Culture	50%	50%	100%	0%		668,868	77.5%	CV	22.5%	CV	Population
Economic Development	50%	50%	100%	0%		1,085,863	77.5%	CV	22.5%	CV	Population
Parks, Reserves & Sportsfields	80%	20%	95%	5%	Low level of user charges	3,819,441	77.5%	CV	22.5%	TU Chrg	Population
Recreation Centre	50%	50%	70%	30%	External revenue to facility manager	1,659,403	77.5%	TU Chrg	22.5%	TU Chrg	Population
Cemetreies	20%	80%	40%	60%	Burial fees & sale of plots	180,232	77.5%	CV	22.5%	TU Chrg	Population
District Building	40%	60%	60%	40%	Hall hire & internal rents	620,084	77.5%	CV	22.5%	CV	Population
Housing for the Elderly	0%	100%	5%	95%	Rentals set below market	165,673	77.5%	CV	22.5%	CV	Population
Other Property	0%	100%	20%	80%	Rentals	380,445	77.5%	CV	22.5%	CV	Population
Public Conveniences	80%	20%	100%	0%		548,837	77.5%	CV	22.5%	CV	Population
Rural Halls	80%	20%	95%	5%	Hall hire & internal rents	171,897	5%	CV	95%	CV	Location of service
Mawley Park	10%	90%	25%	75%		192,421	77.5%	CV	22.5%	CV	Population
Library	70%	30%	92%	8%	Recoveries	2,195,713	77.5%	TU Chrg	22.5%	TU Chrg	Population
Archives	90%	10%	95%	5%	Recoveries	533,053	77.5%	TU Chrg	22.5%	TU Chrg	Population
Forestry	40%	60%	40%	60%	Internal charge to roading	35,612	77.5%	TU Chrg	22.5%	TU Chrg	Population
Airport	20%	80%	35%	65%		360,972	77.5%	CV	22.5%	CV	Population
Resource Mgmt & Planning	80%	20%	85%	15%	Consent fees income	1,139,171	77.5%	CV	22.5%	CV	Population
Environmental Health	30%	70%	35%	65%	Largely internal recoveries	1,052,905	77.5%	CV	22.5%	CV	Population
Building Inspection	10%	90%	15%	85%	Consent fees income	380,809	77.5%	CV	22.5%	CV	Population
Dog Control	40%	60%	15%	85%	Dog fees	135,311	77.5%	TU Chrg	22.5%	TU Chrg	Population
Parking Control	0%	100%	0%	100%	Meters & fines, offsets Econ Dev	(28,154)					
Emergency Mgmt/CD	100%	0%	100%	0%		293,495	77.5%	CV	22.5%	CV	Population
Urban Water supply	40%	60%	25%	75%	Targeted charge & CV rate	4,126,354	100%	25% TUChrg/75% CV	0%		Location of service
Rural Water supplies	0%	100%	0%	100%	Targeted rates	84,997			100%	Targeted rates & chrgs	Location of service
Other rural water services	100%	0%	100%	0%		69,843			100%	CV	Location of service
Urban Wastewater system	40%	60%	25%	75%	& CV rate	7,514,932	100%	25% TUChrg/75% CV	0%		Location of service
Stormwater	100%	0%	100%	0%	Urban area only	763,044	100%	CV	0%		Location of service
Castlepoint sewerage	0%	100%	0%	100%	Targeted charge	99,964	0%		100%	Targeted chrg	Location of service
Riversdale Beach sewerage	20%	80%	0%	100%	Targeted charge	288,778	0%		100%	Targeted chrg	Location of service
Tinui sewerage (operating)	0%	100%	0%	100%	Targeted charge	14,611	0%		100%	Targeted chrg	Location of service
Refuse collection	0%	100%	0%	100%	Via refuse bag sales	-	100%	CV	0%	CV	Location of service
Refuse disposal	10%	90%	10%	90%	User charges (gate fees)	(181,095)	77.5%	CV	22.5%	CV	Population
Recycling kerbside collection	0%	100%	0%	100%	units)	718,558	100%	TUChrg	0%		Location of service
Recycling & composting	30%	70%	70%	30%	Composting gate charges	343,729	77.5%	CV	22.5%	CV	Population
Rural refuse	0%	100%	90%	10%	Rural Tsf Stn gate fees	292,170	10%	CV	90%	TUChrg/Targeted beach Chrg	Location of service
Subsidised Roothing	30%	70%	30%	70%	LV rate	6,588,636	31%	30% TU Chrg/70% LV	69%	30% TU Chrg/70% LV	Location of service
Non-subsidised roading urban	20%	80%	20%	80%	Roothing LV rate	1,590,042	100%	LV	0%		Location of service
Non-subsidised roading rural	30%	70%	30%	70%	Roothing TU chrg & LV rate	246,968	0%		100%	30% TU Chrg/70% LV	Location of service
Total						\$ 40,660,997					

= changed allocation from previous policy

*TU Chrg = Targeted Uniform Charge

REVENUE & FINANCING POLICY - Allocation Table

The table below is a summary of how the 2021/22 Rates Requirement is allocated based on the 2021

Revenue & Financing Policy.

Index

C

Targeted uniform charge (TUC)

CV

Capital value rate

LV

Land value rate

Allocations				2021/22 Allocation		Notes	URBAN RATES			RURAL RATES			TOTAL
Urban	Rural	Urban	Rural	Urban	Rural		Type	Rate Name	Amount	Type	Rate Name	Amount	
77.5%	22.5%	\$ 645,967	\$ 187,539			CV	Representation & Development	\$ 645,967	CV	Representation & Development	\$ 187,539	\$ 833,505	
77.5%	22.5%	\$ 1,297,281	\$ 376,630		4	CV	Representation & Development	\$ 1,297,281	CV	Representation & Development	\$ 376,630	\$ 1,673,911	
77.5%	22.5%	\$ 518,373	\$ 150,495			CV	Representation & Development	\$ 518,373	CV	Representation & Development	\$ 150,495	\$ 668,868	
77.5%	22.5%	\$ 819,724	\$ 237,984			CV	Representation & Development	\$ 819,724	CV	Representation & Development	\$ 237,984	\$ 1,057,709	
77.5%	22.5%	\$ 2,960,067	\$ 859,374			CV	Civic Amenities rate	\$ 2,960,067	C	TUC	\$ 859,374	\$ 3,819,441	
77.5%	22.5%	\$ 1,286,038	\$ 373,366			C	TUC	\$ 1,286,038	C	TUC	\$ 373,366	\$ 1,659,403	
77.5%	22.5%	\$ 139,680	\$ 40,552			C	Civic Amenities rate	\$ 139,680	C	TUC	\$ 40,552	\$ 180,232	
77.5%	22.5%	\$ 480,565	\$ 139,519			CV	Sundry facilities rate	\$ 480,565	CV	Sundry facilities rate	\$ 139,519	\$ 620,084	
77.5%	22.5%	\$ 294,845	\$ 85,600			CV	Sundry facilities rate	\$ 294,845	CV	Sundry facilities rate	\$ 85,600	\$ 380,445	
77.5%	22.5%	\$ 425,349	\$ 123,488			CV	Sundry facilities rate	\$ 425,349	CV	Sundry facilities rate	\$ 123,488	\$ 548,837	
5.0%	95.0%	\$ 8,595	\$ 163,302		5	CV	Sundry facilities rate	\$ 8,595	CV	Sundry facilities rate	\$ 163,302	\$ 171,897	
77.5%	22.5%	\$ 128,396	\$ 37,276			CV	Sundry facilities rate	\$ 128,396	CV	Sundry facilities rate	\$ 37,276	\$ 165,673	
77.5%	22.5%	\$ 149,126	\$ 43,295			CV	Sundry facilities rate	\$ 149,126	CV	Sundry facilities rate	\$ 43,295	\$ 192,421	
77.5%	22.5%	\$ 1,701,677	\$ 494,035			C	TUC	\$ 1,701,677	C	TUC	\$ 494,035	\$ 2,195,713	
77.5%	22.5%	\$ 413,116	\$ 119,937			C	TUC	\$ 413,116	C	TUC	\$ 119,937	\$ 533,053	
77.5%	22.5%	\$ 279,753	\$ 81,219			CV	Civic Amenities rate	\$ 279,753	CV	Sundry facilities rate	\$ 81,219	\$ 360,972	
77.5%	22.5%	\$ 882,858	\$ 256,314			CV	Regulatory services rate	\$ 882,858	CV	Regulatory services rate	\$ 256,314	\$ 1,139,171	
77.5%	22.5%	\$ 1,111,128	\$ 322,586			CV	Regulatory services rate	\$ 1,111,128	CV	Regulatory services rate	\$ 322,586	\$ 1,433,713	
77.5%	22.5%	\$ 104,866	\$ 30,445			C	TUC	\$ 104,866	C	TUC	\$ 30,445	\$ 135,311	
77.5%	22.5%	\$ 227,458	\$ 66,036			CV	Regulatory services rate	\$ 227,458	CV	Regulatory services rate	\$ 66,036	\$ 293,495	
100.0%	0.0%	\$ 4,126,354	\$ -			C/CV	Water supply rate and Charge	\$ 4,126,354				\$ 4,126,354	
0.0%	100.0%	\$ -	\$ 70,947			LV	Opaki water race	\$ 70,947	LV	Opaki water race	\$ 70,947	\$ 70,947	
0.0%	100.0%	\$ -	\$ 14,049			C	Tinui water supply charge	\$ 14,049	C	Tinui water supply charge	\$ 14,049	\$ 14,049	
0.0%	100.0%	\$ -	\$ 69,843			CV	Sundry facilities rate	\$ 69,843	CV	Sundry facilities rate	\$ 69,843	\$ 69,843	
100.0%	0.0%	\$ 7,514,932	\$ -			C/CV	Sewerage rate & Charge	\$ 7,514,932				\$ 7,514,932	
100.0%	0.0%	\$ 763,044	\$ -			CV	Sundry facilities rate	\$ 763,044				\$ 763,044	
0.0%	100.0%	\$ -	\$ 99,964			C	Castlepoint sewerage charge	\$ 99,964	C	Castlepoint sewerage charge	\$ 99,964	\$ 99,964	
0.0%	100.0%	\$ -	\$ 288,778			C	Riversdale sewerage charges	\$ 288,778	C	Riversdale sewerage charges	\$ 288,778	\$ 288,778	
0.0%	100.0%	\$ -	\$ 14,611			C	Tinui sewerage charges	\$ 14,611	C	Tinui sewerage charges	\$ 14,611	\$ 14,611	
100.0%	0.0%	\$ 718,558	\$ -			C	Kerbside recycling charge	\$ 718,558				\$ 718,558	
77.5%	22.5%	\$ 126,041	\$ 36,593			CV	Sundry facilities rate	\$ 126,041	CV	Sundry facilities rate	\$ 36,593	\$ 162,634	
10.0%	90.0%	\$ 29,217	\$ 262,953			CV	Sundry facilities rate	\$ 29,217	C	TUC	\$ 262,953	\$ 292,170	
31.0%	69.0%	\$ 2,042,477	\$ 4,546,159		6	LV/C	Roading rate and Charge	\$ 2,042,477	LV/C	Roading rate and Charge	\$ 4,546,159	\$ 6,588,636	
100.0%	0.0%	\$ 1,590,042	\$ -			LV	Roading rate	\$ 1,590,042				\$ 1,590,042	
0.0%	100.0%	\$ -	\$ 246,968			LV/C	Roading rate and Charge	\$ 246,968				\$ 246,968	
\$ 30,813,127				\$ 9,847,870	Total	2021/22 Total			2021/22 Total			\$ 40,660,997	
					Actual - 2020/21 Annual Plan	\$ 28,993,017			Actual - 2020/21 Annual Plan			\$ 38,033,772	
						Other increases \$ 1,820,110			Rural sewerage & water race changes \$ -			\$ -	
						Net Increase (before growth) \$ 1,820,110			Other increases \$ 807,115			\$ 2,627,225	
						Net Increase (before growth) \$ 1,820,110			Net Increase (before growth) \$ 807,115			\$ 2,627,225	
					Estimated effect of growth in rating base	\$ 437,045			Estimated effect of growth in rating base			\$ 550,832	
					% Change (after growth)	4.8%			% Change (after growth)			7.7%	
												5.5%	

Notes

- The above rates include GST at 15% and allowance for rates penalty income and rates remissions.
- Specific rural water & sewer schemes rates are applied only to those properties serviced by the schemes.
- Land and capital value rates in the Urban Rating Area are subject to the differential described in the funding
- Urban/Rural population split is 77.5/22.5 (as per StatsNZ census 2018).
- Rural halls charge of 95% to rural area, to charge ward where largest portion of benefit arises.
- Subsidised roading urban/rural split is based on expected spend in each ward.
- Rural solid waste costs charged largely in the ward they are incurred.

Actual - 2020/21 Annual Plan

\$ 28,993,017

Actual - 2020/21 Annual Plan

\$ 38,033,772

Rural sewerage & water race changes

\$ -

Other increases

\$ 807,115

Net Increase (before growth)

\$ 807,115

Estimated effect of growth in rating base

\$ 113,787

% Change (after growth)

7.7%

5.5%

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	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	145	210	210	215	221	226	232	238	244	250	256
Targeted rates	32,222	34,531	36,893	39,328	41,606	44,354	47,101	50,028	53,026	56,082	59,332
Subsidies and grants (for operating)	4,363	4,679	3,437	3,644	3,693	3,792	3,903	4,020	4,133	4,250	4,369
Fees & charges	7,362	8,348	8,782	9,261	9,502	9,789	10,060	10,326	10,607	10,890	11,214
Interest & dividends	578	431	361	384	406	429	452	474	497	520	543
Other receipts (incl petrol tax & fines)	288	306	308	328	337	346	356	366	376	386	397
Total operating funding (A)	44,958	48,505	49,991	53,160	55,765	58,937	62,104	65,452	68,883	72,378	76,111
Applications of Operating Funding											
Payments to staff and suppliers	34,961	37,579	36,675	37,634	38,028	38,573	39,485	40,408	41,615	42,752	43,959
Finance costs	2,149	1,800	1,870	1,845	2,429	2,809	3,017	3,038	2,974	3,149	3,164
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	37,110	39,378	38,545	39,479	40,457	41,382	42,502	43,446	44,589	45,901	47,123
Surplus/(Deficit) of operating funding (A-B)	7,847	9,126	11,446	13,681	15,308	17,554	19,601	22,006	24,294	26,477	28,988
Sources of Capital Funding											
Subsidies & grants for capital expenditure	3,838	10,321	12,492	4,455	9,032	10,009	4,526	6,812	4,923	4,954	6,493
Development & financial contributions	1,258	1,481	1,493	1,506	1,528	1,541	1,554	1,577	1,589	1,602	1,616
Increase/(decrease) in debt	3,234	13,711	5,823	18,755	13,475	7,859	878	(1,668)	6,323	629	(2,647)
Gross proceeds from sale of assets	2,420	20	210	20	20	88	20	20	20	20	191
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	745	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	11,495	25,533	20,019	24,735	24,056	19,498	6,977	6,740	12,856	7,205	5,653
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	470	840	6,060	1,623	783	-	-	25	-	-	-
- to improve level of service	10,605	23,996	14,997	22,133	20,347	17,909	7,970	5,656	13,560	9,576	6,375
- to replace existing assets	13,341	13,715	15,596	13,412	16,881	13,871	12,060	16,387	12,709	14,664	14,054
Increase/(decrease) in reserves	(5,769)	(4,592)	(5,871)	536	703	4,663	6,011	6,182	10,402	8,942	13,691
Increase/(decrease) in investments	694	699	683	712	651	609	538	497	479	500	522
Total application of capital funding (D)	19,342	34,660	31,464	38,416	39,364	37,052	26,579	28,746	37,150	33,682	34,642
Surplus/(deficit) of capital funding (C-D)	(7,847)	(9,126)	(11,446)	(13,681)	(15,308)	(17,554)	(19,601)	(22,006)	(24,294)	(26,477)	(28,988)
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
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Reconciliation											
- between FIS & Financial Statements											
Operating Funding (revenue)- per FIS	44,958	48,505	49,991	53,160	55,765	58,937	62,104	65,452	68,883	72,378	76,111
Capital Funding (revenue)- per FIS	5,841	11,802	13,986	5,961	10,561	11,551	6,080	8,388	6,513	6,556	8,109
	50,798	60,307	63,977	59,121	66,326	70,487	68,183	73,840	75,396	78,933	84,219
Operating Revenue - per Stmt of Comp. Revenue & Expense	50,829	60,343	64,004	59,139	66,345	70,503	68,200	73,858	75,414	78,953	84,231
Less Other Gains/(losses)- on revaluation	30	36	27	18	19	16	17	18	19	20	12
	50,798	60,307	63,977	59,121	66,326	70,487	68,183	73,840	75,396	78,933	84,219
Operating Expenditure - per FIS	37,110	39,378	38,545	39,479	40,457	41,382	42,502	43,446	44,589	45,901	47,123
Add depreciation	12,902	14,938	16,633	17,464	18,066	20,094	20,774	21,160	22,924	23,060	23,810
	50,012	54,317	55,178	56,944	58,524	61,476	63,276	64,606	67,513	68,961	70,933
Operating Expenditure - per Stmt of Comp. Revenue & Expense	50,012	54,317	55,178	56,944	58,524	61,476	63,276	64,606	67,513	68,961	70,933
Capital Expenditure - per FIS	24,417	38,552	36,653	37,168	38,010	31,780	20,030	22,067	26,269	24,240	20,429
Capital Expenditure - per Cost of Service Statements	24,417	38,552	36,653	37,168	38,010	31,780	20,030	22,067	26,269	24,240	20,429
Transfer to/(from) Reserves - per COSS	(13,408)	(10,595)	(13,184)	(7,249)	(7,355)	(4,530)	(3,463)	(3,777)	(1,065)	(4,240)	(1,624)
Depreciation transferred to reserves - per COSS	5,219	5,983	7,103	7,765	8,038	9,105	9,455	9,940	11,448	13,162	15,123
Proceeds from sale of assets - Tsf to reserves	2,420	20	210	20	20	88	20	20	20	20	191
	(5,769)	(4,592)	(5,871)	536	703	4,663	6,011	6,182	10,402	8,942	13,691
Increase/(Decrease) in Reserves - per FIS	(5,769)	(4,592)	(5,871)	536	703	4,663	6,011	6,182	10,402	8,942	13,691



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	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	6,483	7,335	7,683	8,342	8,524	9,194	9,999	11,179	12,254	14,044	16,166
Subsidies and grants (for operating)	4,127	2,885	2,921	3,030	3,117	3,202	3,298	3,400	3,497	3,597	3,698
Fees & charges	69	73	75	77	79	82	84	86	89	91	94
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	180	190	194	200	206	212	218	224	231	238	244
Total operating funding (A)	10,860	10,483	10,872	11,649	11,927	12,689	13,599	14,890	16,071	17,969	20,202
Applications of Operating Funding											
Payments to staff and suppliers	7,323	5,673	5,848	6,156	6,344	6,526	6,715	6,910	7,111	7,318	7,531
Finance costs	17	11	49	75	113	219	387	517	562	633	745
Internal charges and overheads applied	1,282	1,459	1,418	1,535	1,577	1,603	1,808	2,065	2,149	2,205	2,232
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	8,622	7,143	7,315	7,766	8,034	8,348	8,910	9,491	9,822	10,156	10,508
Surplus/(Deficit) of operating funding (A-B)	2,238	3,340	3,557	3,884	3,893	4,341	4,690	5,399	6,249	7,813	9,694
Sources of Capital Funding											
Subsidies & grants for capital expenditure	3,838	2,933	4,939	2,772	7,534	8,526	4,526	5,993	4,923	4,954	6,493
Development & financial contributions	250	375	378	381	389	392	395	403	406	409	413
Increase /(decrease) in debt	1,409	1,323	1,068	1,257	3,747	6,025	4,611	1,655	2,531	3,999	1,284
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	5,497	4,631	6,385	4,410	11,670	14,944	9,532	8,051	7,860	9,362	8,189
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	450	840	1,276	1,197	783	-	-	-	-	-	-
- to improve level of service	3,389	2,113	1,988	1,230	7,379	12,081	6,872	4,156	5,109	6,774	4,078
- to replace existing assets	5,521	5,928	9,114	5,907	8,074	6,345	6,408	8,980	7,106	7,111	10,047
Increase/(decrease) in reserves	(1,626)	(909)	(2,436)	(40)	(673)	859	941	314	1,895	3,289	3,758
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	7,735	7,972	9,942	8,294	15,563	19,285	14,222	13,450	14,110	17,174	17,883
Surplus / (deficit) of capital funding (C-D)	(2,238)	(3,340)	(3,557)	(3,884)	(3,893)	(4,341)	(4,690)	(5,399)	(6,249)	(7,813)	(9,694)
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	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	6,868	6,904	7,229	7,443	7,513	8,139	8,347	8,604	9,272	10,137	10,411
Subsidies and grants (for operating)	-	500	-	-	-	-	-	-	-	-	-
Fees & charges	475	501	571	589	605	618	632	646	664	684	705
Internal charges & overheads recovered	16	38	34	29	30	31	32	32	33	34	35
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	7,360	7,944	7,833	8,061	8,149	8,788	9,011	9,283	9,969	10,855	11,151
Applications of Operating Funding											
Payments to staff and suppliers	1,315	1,878	1,402	1,433	1,461	1,503	1,527	1,560	1,613	1,648	1,695
Finance costs	1,659	1,392	1,080	912	885	896	878	794	711	795	734
Internal charges and overheads applied	1,327	1,177	1,149	1,228	1,255	1,275	1,410	1,579	1,641	1,684	1,707
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	1
Total applications of operating funding (B)	4,301	4,446	3,631	3,573	3,601	3,674	3,815	3,933	3,965	4,127	4,137
Surplus/(Deficit) of operating funding (A-B)	3,059	3,497	4,203	4,488	4,547	5,113	5,196	5,349	6,003	6,728	7,015
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	450	-	-	-	-	-	-	-	-	-
Development & financial contributions	123	123	123	123	123	123	123	123	123	123	123
Increase/(decrease) in debt	(1,987)	(2,006)	(2,667)	(2,348)	164	(822)	(3,231)	(2,960)	2,907	(2,259)	(1,711)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(1,864)	(1,433)	(2,544)	(2,225)	287	(699)	(3,108)	(2,837)	3,030	(2,136)	(1,588)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	818	-	-	-	-	-	-	-	-
- to improve level of service	370	300	-	639	2,868	2,286	-	-	6,365	661	2,058
- to replace existing assets	1,685	1,742	1,523	1,267	1,985	1,509	1,410	2,196	1,397	2,905	1,427
Increase/(decrease) in reserves	(860)	22	(681)	357	(19)	619	678	316	1,272	1,026	1,941
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	1,195	2,064	1,659	2,263	4,834	4,414	2,088	2,513	9,033	4,592	5,426
Surplus / (deficit) of capital funding (C-D)	(3,059)	(3,497)	(4,203)	(4,488)	(4,547)	(5,113)	(5,196)	(5,349)	(6,003)	(6,728)	(7,015)
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	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,172	1,021	1,105	1,065	1,086	1,036	1,093	1,151	1,170	1,161	1,096
Subsidies and grants (for operating)	100	180	264	355	364	373	382	392	402	413	424
Fees & charges	2,680	3,150	3,359	3,633	3,723	3,817	3,911	4,008	4,113	4,224	4,339
Internal charges & overheads recovered	83	73	76	83	85	87	89	91	94	96	99
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	4,035	4,425	4,804	5,135	5,257	5,313	5,475	5,642	5,779	5,894	5,958
Applications of Operating Funding											
Payments to staff and suppliers	3,387	3,769	3,979	4,257	4,363	4,474	4,535	4,648	4,770	4,899	5,032
Finance costs	76	61	45	36	33	28	23	18	12	20	15
Internal charges and overheads applied	533	442	428	475	486	496	572	654	683	702	709
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,996	4,271	4,452	4,768	4,882	4,999	5,130	5,320	5,465	5,621	5,756
Surplus/(Deficit) of operating funding (A-B)	39	154	352	367	376	315	344	322	314	273	202
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(187)	(182)	(202)	(214)	(222)	(231)	(228)	(208)	294	(205)	(127)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(187)	(182)	(202)	(214)	(222)	(231)	(228)	(208)	294	(205)	(127)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve level of service	40	60	20	21	21	22	23	23	501	25	25
- to replace existing assets	50	200	-	21	-	22	-	23	60	25	-
Increase/(decrease) in reserves	(238)	(289)	130	111	133	40	94	68	48	18	50
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	(148)	(28)	151	153	154	84	117	115	608	67	75
Surplus/(deficit) of capital funding (C-D)	(39)	(154)	(352)	(367)	(376)	(315)	(344)	(322)	(314)	(273)	(202)
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	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,382	2,589	2,658	2,685	2,782	2,742	3,040	3,269	3,426	3,450	3,577
Subsidies and grants (for operating)	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	1,818	2,229	2,325	2,424	2,492	2,558	2,625	2,710	2,785	2,857	2,940
Internal charges & overheads recovered	261	294	299	307	315	323	331	339	348	357	367
Interest & dividends	2	1	1	1	1	1	1	1	1	1	1
Other receipts (incl petrol tax & fines)	108	116	114	128	131	134	138	141	145	149	153
Total operating funding (A)	4,570	5,228	5,397	5,545	5,720	5,758	6,135	6,460	6,705	6,814	7,038
Applications of Operating Funding											
Payments to staff and suppliers	3,587	4,269	4,321	4,206	4,069	3,715	3,870	3,882	4,054	4,080	4,262
Finance costs	-	-	39	34	34	32	31	30	28	27	25
Internal charges and overheads applied	1,393	1,566	1,517	1,644	1,702	1,737	1,962	2,268	2,339	2,417	2,454
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	4,980	5,835	5,877	5,884	5,804	5,484	5,863	6,180	6,421	6,523	6,741
Surplus/(Deficit) of operating funding (A-B)	(410)	(607)	(480)	(339)	(84)	274	272	280	284	291	297
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	875	983	993	1,002	1,017	1,026	1,036	1,051	1,060	1,070	1,080
Increase/(decrease) in debt	400	1,295	(45)	(50)	(52)	(54)	(56)	(59)	(62)	(64)	(67)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,275	2,278	948	952	965	972	979	992	999	1,006	1,013
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve level of service	458	1,304	-	-	4	-	-	5	-	-	5
- to replace existing assets	52	32	441	25	15	15	38	16	16	17	17
Increase/(decrease) in reserves	355	335	27	588	862	1,231	1,213	1,251	1,266	1,281	1,287
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	865	1,671	468	613	881	1,246	1,251	1,272	1,282	1,297	1,309
Surplus/(deficit) of capital funding (C-D)	410	607	480	339	84	(274)	(272)	(280)	(284)	(291)	(297)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

RATING FUNDING IMPACT STATEMENT

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. 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 2021.

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 2020/21 totals \$40.7 million (incl. GST) and will be provided by the various rating mechanisms outlined within the Revenue & Financing Policy (to be adopted as part of the 2021-31 Long-Term Plan).

1.6 The Policy, last adopted in June 2018, has been assumed to apply for the first year of the LTP, with a review of the policy scheduled in the second half of 2021. The table on the following page illustrates the application of the policy to the funding requirements in year 1 of the Long-term Plan.

1.7 In addition to operating expenditure, the Council has a capital works programme of \$39.1 million (excluding GST) scheduled for 2021/22.

1.8 Separately Used or Inhabited Part of a Rating Unit.

The following definition applies to the levying 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.

RATING FUNDING IMPACT STATEMENT - RATES REVENUE BY RATE TYPE							\$000's
(All figures exclude GST) (NZ\$ 000's)		2021-22 LTP Year 1			Prior Year 2020-21 Annual Plan		
		Amount to be Collected by Ward			Amount to be Collected by Ward		
		Urban	Rural	Total	Urban	Rural	Total
Targeted Differential Rates across the District							
Roading Rate	LV rate	2,626	2,918	5,543	2,257	2,694	4,950
Representation & Development Rate	CV rate	2,853	828	3,682	2,728	770	3,498
Regulatory Services Rate	CV rate	1,931	561	2,492	1,788	504	2,292
Sundry Facilities & Services Rate	CV rate	2,094	678	2,772	1,998	627	2,625
Targeted Uniform Charge	Chrg	3,075	1,817	4,892 *	2,757	1,628	4,385 *
Targeted Roading Charge	Chrg	533	1,250	1,783 *	384	1,156	1,540 *
		13,112	8,053	21,164	11,912	7,378	19,290
Targeted Rates							
Recycling Collection Charge	Chrg	622	-	622 *	605	-	605 *
Civic Amenities Rate	CV rate	2,939	-	2,939	2,765	-	2,765
Urban Water Supply Rate	CV rate	2,687	-	2,687	2,543	-	2,543
Urban Water Supply Charge	Chrg	901	-	901	847	-	847
Urban Sewerage Rate	CV rate	4,883	-	4,883	4,879	-	4,879
Urban Sewerage Charge	Chrg	1,624	-	1,624	1,634	-	1,634
Beach Collections Charge	Chrg	-	88	88	-	87	87
Rural water & sewerage rates**	Chrg	24	373	397	24	336	360
		13,681	461	14,141	13,297	423	13,720
Total Rates**		26,792	8,513	35,306	25,209	7,801	33,010
Percentage Change (after growth)		4.8%	7.7%	5.5%	1.7%	3.3%	2.0%
* Charges (per sec 21(2)(b)) as % of Total Rates not to exceed 30%				20.6%	19.8%		
** Note: figures above exclude Riversdale & Tinui capital contributions							
Riversdale Beach sewerage capital contributions			47	47		59	59
Tinui sewerage capital contributions			5	5		5	5

RATING FUNDING IMPACT STATEMENT SUMMARY - 2021-22						
DISTRICT VALUES						
(ESTIMATED for 30-6-21)	U1	U2	Total Urban	Total Rural	Total District	
Differential	1	2.0		-		
District Land Value	1,775,400,000	274,180,500	2,049,580,500	2,625,615,000	4,675,195,500	
District Capital Value	4,109,300,000	586,851,000	4,696,151,000	3,966,600,000	8,662,751,000	
Targeted Uniform Charges (no.)	9,005	722	9,727	3,928	13,655	
Water Charges (no.)	9,023	665	9,688	-	9,688	
Sewerage Charges (no.)	8,860	670	9,530	-	9,530	
Recycling Charges (no.)	8,880	662	9,542	-	9,542	
Note: the valuation figures and numbers of charges listed above are an estimate of the values and numbers as at 30 June 2021.						
All Rates INCLUDING GST at 15%						
	Rating Requirement			UNIFORM CHARGES AND RATES IN \$		
	Urban	Rural	Total	Residential	Non-residential	Rural
TARGETED CHARGES	\$ 30,813,127	\$ 9,847,870	\$ 40,660,997			
Uniform Charge	3,533,296	2,087,529	5,620,824	\$ 363.50	\$ 363.50	\$ 532.00
Roading Charge	612,801	1,437,648	2,050,449	\$ 63.00	\$ 63.00	\$ 366.00
Recycling Collection Charge	715,650	-	715,650	\$ 75.00	\$ 75.00	-
sub total	4,861,747	3,525,177	8,386,923			
	15.78%	35.8%	20.6%			
Water Charge	1,036,616	-	1,036,616	\$ 107.00	\$ 107.00	-
Sewerage Charge	1,867,880	-	1,867,880	\$ 196.00	\$ 196.00	-
sub total	2,904,496	-	2,904,496	\$ 804.50	\$ 804.50	\$ 898.00
TARGETED LAND VALUE RATES	9.5%		28.2%			
Roading Rate	3,019,718	3,355,479	6,375,197	0.001299	0.002598	0.001278
	3,019,718	3,355,479	6,375,197	0.001299	0.002598	0.001278
TARGETED CAPITAL VALUE RATES	9.80%	34.1%	15.9%			
Representation & Devlpmt Rate	3,281,345	952,649	4,233,994	0.000621	0.001242	0.000240
Regulatory Services Rate	2,221,444	644,935	2,866,380	0.000420	0.000840	0.000163
Sundry Facilities Rate	2,408,087	780,134	3,188,221	0.000456	0.000912	0.000197
Civic Amenities Rate	3,379,500	-	3,379,500	0.000640	0.001280	-
Water Rate	3,089,738	-	3,089,738	0.000567	0.001134	-
Sewerage Rate	5,615,093	-	5,615,093	0.001028	0.002056	-
sub total	19,995,207	2,377,718	22,372,925	0.003731	0.007462	0.000600
	64.9%	24.1%	55.9%			
OTHER TARGETED RATES	30,781,168	9,258,374	40,039,542			
Beach refuse & recycling collection	Targeted Chrg	101,146		\$ 206.00	Beach collections	
Opaki water race	Targeted LV rate	70,947		0.001550	per SLV of serviced properties	
Tinui water supply	Targeted Chrg	14,049		\$ 453.00	per connection	
Castlepoint sewerage	Targeted Chrg	99,964		\$ 502.00	per connection	
*RBCSS - connected charge	Targeted Chrg	224,118		\$ 591.00	per property using the system	
RBCSS - service available	Targeted Chrg	10,428		\$ 132.00	per servicable, but not connected property	
RBCSS - Capital TP Yr 12 of 20	Targeted Chrg	54,232	time payments	\$ 1,643.40	33.0 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	5,212	time payments	\$ 744.50	7 paying off stage I & II	
Tinui sewerage - operating	Targeted Chrg	9,187	operating	\$ 459.00	per connection	
Sewerage tmt charge (liquid only)	31,959			\$ 477.00	per equivalent connection	
Total Rates	\$ 30,813,127	\$ 9,847,870	\$ 40,660,997			
TP = time payment *RBCSS = Riversdale Beach Community Sewerage Scheme						

Rating Funding Impact Statement – Setting the Rates

2. DIFFERENTIAL RATES ACROSS THE DISTRICT

2.1 The Council proposes to 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** (Differential 1.0 applied to rural value-based rates)

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 & Financing Policy allocation table and charged on a differential basis will be as follows:

Roading Rate – estimated per dollar of Land Value for 2021/22 will be:

U1	0.001299 per dollar of land value raising	\$2,307,000
U2	0.002598 per dollar of land value raising	\$712,000
R1	0.001278 per dollar of land value raising	\$3,356,000
	Total	\$6,375,000

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 2021/22 will be:

U1	0.000621 per dollar of capital value raising	\$2,552,000
U2	0.001242 per dollar of capital value raising	\$729,000
R1	0.000240 per dollar of capital value raising	\$953,000
	Total	\$4,234,000

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

- Governance and Representation
- Community Development



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

Regulatory Services Rate – estimated per dollar of Capital Value for 2021/22 will be:

U1	0.000420 per dollar of capital value raising	\$1,728,000
U2	0.000840 per dollar of capital value raising	\$493,000
R1	0.000163 per dollar of capital value raising	\$645,000
	Total	\$2,866,000

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 2021/22 will be:

U1	0.000456 per dollar of capital value raising	\$1,873,000
U2	0.000912 per dollar of capital value raising	\$535,000
R1	0.000197 per dollar of capital value raising	\$780,000
	Total	\$3,188,000

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 wards, and levied on each separately used or inhabited part of a rating unit. The urban/rural differential is based on costs of services allocated per the Revenue and Financing Policy.

3.2 The estimated Targeted Annual Charges for 2021/22 will be:

U1 and U2	\$363.50 per part of rating unit raising	\$3,533,000
R1	\$532.00 per part of rating unit raising	\$2,088,000

	Total	\$5,621,000
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3.3 The Targeted Annual Charge will be used to provide the following services:

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

4. DIFFERENTIAL TARGETED CHARGE - ROADING CHARGE

4.1 In addition to the roading rate collected on a differential basis, Council proposes to set a differential targeted roading charge on each separately used or inhabited part of a rating unit.

4.2 The estimated roading charge for 2021/22 will be:

U1 and U2	\$63.00 per part of rating unit raising	\$613,000
R1	\$366.00 per part of rating unit raising	\$1,438,000
	Total	\$2,051,000

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 2021/22 will be:

U1	(0.000640 per dollar of capital value) raising	\$2,629,000
U2	(0.001280 per dollar of capital value) raising	\$751,000
	Total	\$3,380,000

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

- Parks and Reserves
- Sports Fields
- Cemeteries
- Airport

7. SERVICES DIFFERENTIALS



The Council proposes to use the following differential categories to assess rates on rating units for water supply, sewerage and the recycling collection rates.

Availability of Service for:

Urban Water Supply Rate

The differential categories for the proposed uniform 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 Sewerage Rate

The differential categories for the proposed sewage disposal rate are:

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

Serviceable – any separately used or inhabited part of a rating unit that is not connected to the Masterton public sewerage 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 area of Masterton, to which the Council is prepared to provide a service.

Beach Refuse and Recycling Collection Rate

Riversdale Beach and Castlepoint – on every separately used or inhabited part of a rating unit situated within the two beach settlements to which the Council is prepared to provide the service.

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, plus a uniform charge for water supply. The uniform charge will be assessed on each separately used or inhabited part of a rating unit throughout the serviced area where rating units are connected to the urban water supply scheme. The capital value rate will be levied on properties where a service connection is available (ie they are 'serviceable' per definition in clause 7).

8.2 The charge will be set on a differential basis based on the availability of service (the categories being 'connected' and 'serviceable'). Rating units that are not connected will not be liable for the water supply charge.

8.3 The estimated rates for 2021/22 are:

Urban Water Supply Charge

Connected	\$107.00	raising \$1,037,000
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Urban Water Supply Rate charged on connected and serviceable - estimated per dollar of capital value for 2020-21 will be:

U1+R1	(0.000567 per dollar of capital value) raising	\$ 2,360,000
U2	(0.001134 per dollar of capital value) raising	\$730,000
	Total	\$ 3,090,000

Raising a total of \$4,127,000

Urban (Metered) Water Supply on metered properties

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

8.5 The estimated rates for 2021/22 are as follows:

Price per cubic metre for between 50 and 100m ³ per quarter	\$1.45
Price per cubic metre for consumption over 100m ³ per quarter	\$1.90

Minimum charge per quarter of \$60.00 for 50m³ per quarter or below

9. URBAN SEWERAGE RATES

Targeted using a Uniform Basis 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 sewerage. 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 sewerage scheme. The capital value rate will be levied on properties where connection is available (i.e. they are 'serviceable' as per the definition in clause 7).

9.2 The charge will be set on a differential basis based on the availability of service (the categories are 'connected' and 'serviceable'). Rating units not connected to the scheme will not be liable for the urban sewerage charge.

9.3 The estimated rates for 2021/22 are:

Urban Sewerage Charge

Connected	\$196.00	raising \$1,868,000
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Urban Sewerage Rate charged on connected and serviceable rating units - estimated per dollar of capital value for 2021/22 will be:

U1 + R1	(0.001028 per dollar of capital value) raising	\$4,305,000
U2	(0.002056 per dollar of capital value) raising	\$ 1,310,000
	Total	\$ 5,615,000

Raising a total of \$7,483,000

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 2021/22 is proposed as: Serviced Property \$75.00 raising \$716,000.

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 a fixed charge per property at Castlepoint and Riversdale Beach to which the services are available.

The uniform charge per property for 2021/22 is: \$206.00

Raising a total of \$101,000.

11.2 The Council proposes to set targeted rates for the **Opaki Water Race** on the basis of land value of the properties serviced. The land value rate for 2021/22 is \$0.001550

Raising a total of \$71,000.

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

The uniform charge per property for 2021/22 is: \$453.00

Raising a total of \$14,000.

11.4 The Council proposes to set targeted rates for the **Castlepoint Sewerage Scheme** on the basis of connected rating units. The uniform charge per connection for 2021/22 is: \$502.00

Raising a total of \$100,000.

11.5 The Council proposes to set two targeted rates for the operation of the **Riversdale Beach Sewerage Scheme**. 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 - a uniform charge per residential equivalent connection for 2021/22 will be: \$591.00 raising a total of approximately \$224,000.

Serviceable - a uniform charge per serviceable rating unit for 2021/22 will be: \$132.00 raising a total of approximately \$10,400.

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 will be charged per residential equivalent (RE). The following payment options remain relevant for Riversdale Beach property owners paying off their capital contributions over time:

Time Payment Yr 12 of 20 - the RE levied as a targeted rate spread over 20 years, with interest applied at 7.5 % (equates to \$1,643.40 pa including GST).

11.6 The Council proposes to set three targeted rates for the **Tinui Sewerage Scheme** for the 2021/22 year, on the basis of connected properties 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 2021/22 is: \$459.00 raising a total of approximately \$9,200.

The Part Capital Contribution Stage I, year 16 of 20 (1 property) for 2021/22 is: \$212.50

The Part Capital Contribution Stage I & II, year 16 of 20 (7 properties) for 2021/22 is: \$744.50

11.7 The Council proposes to set a targeted rate called the **Sewage Treatment Charge** on the basis of connected properties in the rural area discharging septic tank outflows (liquid effluent) to the urban sewerage system. One charge per residential equivalent (RE - assumed to be 600 ltrs/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 2021/22 is: \$477.00 raising a total of \$32,000.

12. FUTURE TARGETED RATES – FLAGGED FOR INFORMATION

12.1 Private costs recovered

The Council may set a targeted rate in 2022/23 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.

13. OUT-OF-DISTRICT WATER & SEWERAGE CHARGES

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

Water supply – \$0.001134 per dollar of Capital Value on serviceable properties, plus a \$107.00 fixed charge per separately identifiable connection. Note: metered connections will be required to pay the water meter charges note above.

Sewerage – \$0.002056 per dollar of Capital Value on serviceable properties, plus \$196.00 charge per connected property, plus any charges under the Trade Waste bylaw regime.

14. DUE DATES FOR PAYMENT OF RATES

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

1st instalment 20 August 2021

2nd instalment 22 November 2021

3rd instalment 21 February 2022

4th instalment 20 May 2022

15. PENALTY CHARGES



Arrears Penalties will be charged as follows:

There will be a 10% penalty charged on any rate arrears as at 1 July 2021

Instalment Penalties will be applied as follows:

10% charged on the balance of the first instalment of rates remaining unpaid after 20 August 2021.

10% charged on the balance of the second instalment of rates remaining unpaid after 22 November 2021.

10% charged on the balance of the third instalment of rates remaining unpaid after 21 February 2022.

10% charged on the balance of the fourth instalment of rates remaining unpaid after 20 May 2022.

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 2021-22 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 2021. The result you calculate will not include the Greater Wellington Regional Council rates. Further assistance in explaining the effects of the policy changes, 2020 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 0.001278 X (a) =

Value (CV) Rates 0.000600 X (b) =

Targeted Annual Charge (where applicable) 532.00

Targeted Roding Charge (where applicable) 366.00

Beach collections (where application) 206.00

Castlepoint Sewerage (where applicable) 502.00

Riversdale Sewerage (where applicable) 591.00

Tinui Sewerage (where applicable) 459.00

Tinui Water Supply (where applicable) 453.00

Sewage treatment (liquid waste to urban sewer) 477.00

(Note: result excludes Greater Wellington RC rates)

\$_____

Urban (residential)

Write in your most recent Land Value(a)

Write in your most recent Capital Value(b)

Land Value (LV) Rates 0.001299 X (a) =

Capital Value (CV) Rates 0.003731 X (b) =

Targeted Annual Charge 363.50

Targeted Rooding Charge 63.00

Recycling Collection Charge 75.00

Water Supply Charge (where applicable) 107.00

Sewerage Charge (where applicable) 196.00

\$-----

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	CAPITAL VALUE (AT SEP 2020)	% change in CV	2020/21 MDC RATES	2021/22 MDC RATES - OLD VALUES	Budget % Change	2021/22 MDC RATES - NEW VALUES	% Change Due to Revaluation	Overall \$ CHANGE	Overall % Change
Masterton - residential, low value	\$ 330,000	57%	\$ 2,010	\$ 2,113	5.2%	\$ 2,256	7.1%	\$ 246	12.2%
Masterton - residential, mid value	\$ 470,000	42%	\$ 2,709	\$ 2,839	4.8%	\$ 2,836	-0.1%	\$ 126	4.7%
Masterton - residential, high value	\$ 830,000	34%	\$ 4,408	\$ 4,601	4.4%	\$ 4,405	-4.4%	\$(2)	-0.1%
Masterton - central, small area	\$ 530,000	43%	\$ 2,960	\$ 3,101	4.8%	\$ 3,125	0.8%	\$ 165	5.6%
Riversdale Beach	\$ 700,000	43%	\$ 2,424	\$ 2,594	7.0%	\$ 2,678	2.2%	\$ 253	9.2%
Castlepoint	\$ 650,000	34%	\$ 2,166	\$ 2,365	9.2%	\$ 2,392	1.3%	\$ 226	10.4%
Rural - lifestyle, 2 ha	\$ 835,000	34%	\$ 1,768	\$ 1,910	8.0%	\$ 1,904	-0.3%	\$ 136	7.7%
Rural - forestry	\$ 2,080,000	19%	\$ 5,000	\$ 5,403	8.1%	\$ 4,691	-14.2%	\$(309)	-6.2%
Rural - hill country farm	\$ 4,790,000	48%	\$ 8,674	\$ 9,373	8.1%	\$ 9,862	5.6%	\$ 1,188	13.7%
Rural - dairy farm	\$ 8,760,000	15%	\$ 19,727	\$ 21,317	8.1%	\$ 17,669	-18.5%	\$(2,058)	-10.4%
Commercial - industrial	\$ 2,200,000	35%	\$ 18,575	\$ 19,147	3.1%	\$ 18,218	-1.7%	\$(357)	1.6%
Commercial - Queen St shop	\$ 455,000	1%	\$ 6,365	\$ 6,670	4.8%	\$ 5,159	-24.3%	\$(1,206)	-20.0%

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

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Masterton District Council (MDC) 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 MDC 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.

MDC 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 31 March 2021 and issued for consultation on 1st April 2021. 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 MDC's Long Term Plan for 2021-31. That plan is expected to be adopted before the end of June 2021.

Accounting Policies

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to MDC 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 are recognised on the due date for each instalment.

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 MDC 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, which is the rate that exactly discounts estimated future cash receipts through the life of the financial instrument) to the net carrying amount of the financial asset.

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.

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 MDC 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 2020 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 MDC's property assets are regarded as investment properties (under PBE IPSAS).

Properties held for sale

Properties held for sale are separately recognised as a current asset when the sale of a property is highly probable and management are committed to a plan to sell the asset, which is expected to occur within one year. Properties held for sale are valued at lower of the carrying value and the fair value less disposal costs.

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 2018, plus/minus additions, disposals & depreciation and an estimated revaluation on 30 June 2021. Fair value for buildings and improvements has been determined to be the depreciated replacement cost. MDC'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 2020. An estimate of the value with 2020-21 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. MDC's Asset Management Plans (AMP) contain detailed component listings to which National Asset Management Manual (NAMs) 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.

MDC'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 (the NZ Transport Agency or NZTA) and the roading AMP 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)
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)

Asset	Depreciation Rate	Useful Life
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 is included as part of receivable or payable in the Statement of Financial Position.

Landfill aftercare provision

MDC 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 MDC.

Financial Instruments



MDC 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 MDC'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

MDC as a lessor - Leases where MDC 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.

MDC 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 MDC 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 MDC is expected to benefit from their use.

Equity

Equity is the community's interest in MDC 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 MDC makes of its accumulated surpluses.

The components of equity are:

- Ratepayers Equity;
- Restricted reserves (Special Funds);
- MDC-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 MDC. Restricted reserves are those reserves subject to specific conditions accepted as binding by MDC and which MDC 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.

MDC-created reserves are reserves established by Council decision. MDC 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 MDC.

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 MDC, 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 - insert translation

PART 1 – GROWTH AND DEMAND ASSUMPTIONS

Population Growth

<p>Our Assumption - The Most Likely Scenario:</p>	<p style="text-align: center;">1% growth per annum</p> <p>Based on Infometrics forecasts for Masterton, past growth trends and current circumstances, including COVID-19 considerations, we expect to see average annual growth of between 0.5% and 1.5% per annum over the life of this LTP, with the most likely scenario being a point between. Given that, we have based our planning on the medium growth scenario, which projects average growth of 1.01% per annum. See supporting information.</p>
<p>Best Case Scenario:</p>	<p style="text-align: center;">1.5% growth per annum</p> <p>This aligns with Infometrics’s high growth projection for Masterton to 2031. It also aligns with the average growth per annum experienced over the past ten years (1.5%) but is less than the average growth experienced in the past five years (2.1%), which peaked in 2018.</p> <p>We don’t expect our population growth to be at the level it was in the five years pre COVID-19. However, factors such as Masterton’s proximity to Wellington, relative housing affordability and changes in the way we work (for example, remote working is now more acceptable), we believe Masterton is well positioned as a region to attract new residents.</p>
<p>Worst Case Scenario:</p>	<p style="text-align: center;">0.4% growth per annum</p> <p>This aligns with Infometrics’s low growth projection for Masterton to 2031. It is also closer to average annual growth in the five years prior to 2014 (0.7%). We are not anticipating COVID-19 to impact our population growth for the duration of this LTP, or beyond. Projections in June 2020 suggested growth would slow versus stagnate, and then pick up as the economy recovers.</p> <p>While COVID-19 border restrictions will have implications for growth, given other factors that make Masterton an attractive option, we do not anticipate zero growth, or population decline.</p>
<p>Level of Uncertainty</p>	<p style="text-align: center;">Moderate-High Uncertainty</p> <p>Forecasts are based on key assumptions around natural population growth, net migration, work availability and residential development. There is always uncertainty in forecasting future population, particularly the further into the future we look.</p> <p>At the current time, COVID-19 adds to that uncertainty. We know COVID-19 will impact our population growth for at least the short to medium term, but at this point, we are uncertain of the extent or duration of that impact.</p>
<p>Risk</p>	<p>Given the level of uncertainty, there is a moderate to 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: Masterton has capacity for growth within its key infrastructure and services. Our Asset Management Plans indicate we could accommodate growth up to 1.8% per annum over the next ten years without significant impacts. 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). 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 are introducing water meters. We also have provision for water storage reservoirs at Kaituna in Year 3 of the 2021-31 LTP. • Community Facilities e.g. the Library and Recreation Centre may not have the capacity to meet demand from an increased population. • 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: 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. 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 if that is not going to be required against the alternative risk of not being adequately prepared for growth.</p>



Increases in population up to 1.8% per annum can be managed within existing infrastructure and levels of service. 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.

Council will 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.

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.

Supporting Information:

Growth Projections

Infometrics Projections to 2051 (November 2020) for medium growth indicate Masterton district's population will grow from 27,500 in 2020 to 30,549 (+11.1%) by 2031, and to 32,153 (+14.5%) by 2051. This equates to average annual growth of 1.01% to 2031; and an average of 0.55% per annum to 2051.

Masterton district's population is projected to grow from 27,500 in 2020 to:

Scenario:	2020-2031		2020-2051	
	Number	Ave. Growth p.a.	Number	Ave. Growth p.a.
High	32,035 (+4,535)	1.5%	37,849 (+10,349)	1.21%
Medium	30,549 (+3,049)	1.01%	32,153 (+4,653)	0.55%
Low	28,673 (+1,173)	0.39%	27,112 (-388)	-0.05%

Infometrics initial forecast (June 2020) expected growth to slow in the short term due to COVID-19, picking up in 2023 as the economy recovered. Looking to 2051, steady growth was forecast until the mid-2030s. This was driven by a need for strong net migration flows to replace a large number of retiring workers born between the 1950s and 1970s. In the 2040s population growth was expected to flatten.

In November 2020 the Infometrics forecast was refreshed given the evolving situation with COVID-19. The refreshed forecasts incorporated:

- Infometrics' latest international net migration forecast, which incorporates revised historic data from Statistics NZ for 2019, new data for 2020 on the wave of returning Kiwi's pre-lockdown, and a better understanding of the post-COVID economic environment.
- Statistics NZ's revised population estimates for 2018 and 2019, and new estimate for 2020.

Infometrics advised that they had expected net migration to gradually fall and then gradually rise. However there was a burst of migration ahead of lockdown (hence 2020 population growth was stronger than expected), followed by a very sharp fall. Infometrics expect it will be flat for several years, influencing the profile of population growth over time

BERL (June 2020) undertook similar forecasting to 2030 for the whole Wairarapa rather than each District. The most optimistic forecast for the Wairarapa Region was growth of 4,271 people, from 45,400 to 49,671, between 2020 and 2030. This equates to an average annual growth rate of 0.94% per annum for that period. The least optimistic forecast still projected growth, but at an average annual rate of 0.77%; and the mid-range forecast average annual growth of 0.88%.

By comparison, based on the medium projection and combining Infometrics data for the three Councils (November 2020), the Wairarapa population is expected to grow from 48,860 to 53,786 between 2020 and 2031, an average per annum growth rate of 0.92% per annum.

Forecast growth rates are comparable, though the Infometrics forecast does take revised population estimates for 2020 into consideration.

We based our planning on the Infometrics medium growth scenario. While Masterton has experienced growth in recent years, we are not currently considered a 'high growth Council'. Past growth trends discussed below indicate that recent growth peaked in 2018, and 2020 growth was influenced by people returning to New Zealand from overseas which is expected to slow in the immediate future.

Past Growth Trends

In March 2018 ID forecasts projected growth from 24,100 in 2013 to 25,441 in 2018, which equates to average growth of 1.09%. Actual growth for this period saw the population increase from 24,100 to 26,300, equating to average growth of 1.8% (note, this does not account for any revised population estimates).

Masterton has experienced good growth over the past five years, with the population increasing from 24,900 in 2015 to 27,500 in 2020 (+10.4%, or an average of +2.1% per annum). Growth peaked in 2018 at 2.3%. Growth in the last two years (1.9% in 2019 and 2.2% in 2020) has exceeded the 2018-28 LTP growth forecast of 1% per annum. Growth in 2020 was very close to the 2018 peak at 2.2%, however that was influenced by people returning home from overseas given the COVID-19 situation (see migration comments below).

In the five years prior to 2014, growth was slower, increasing from 23,300 in 2008 to 24,100 in 2013 (+3.4%, or an average of 0.7% per annum). Pre 2008 the population was generally static for an extended period, the 1996 population, at 23,300, matching the 2008 population despite some minor fluctuations over this period.

Overall, the population of Masterton increased 18.0% between 1996 and 2020, from 23,300 to 27,500, with most of that growth in the last 10-12 years. Over the last ten years (2010 to 2020) the average annual growth equates to 1.5% per annum, with a range of 0% to 2.3%.

Annual Growth 2010-2020 (source: Infometrics)

Year	Population	Change
2010	23,700	0.90%
2011	24,000	1.30%
2012	24,100	0.40%
2013	24,100	0.00%
2014	24,500	1.70%
2015	24,900	1.60%
2016	25,400	2.00%
2017	25,800	1.60%
2018	26,400	2.30%
2019	26,900	1.90%



Year	Population	Change
2020	27,500	2.20%

COVID-19 Implications:

The Infometrics projections for Masterton (June and November 2020) and BERL forecasts for the Wellington region (June 2020) factored in potential impacts of COVID-19 as they were understood at the time these forecasts were completed. However, COVID-19 is unprecedented and evolving. There is uncertainty regarding both the duration and longer-term effects of the pandemic, and associated restrictions both at the border and within our communities. The uncertainty associated with COVID-19, increases our uncertainty in projecting future population growth.

Migration:

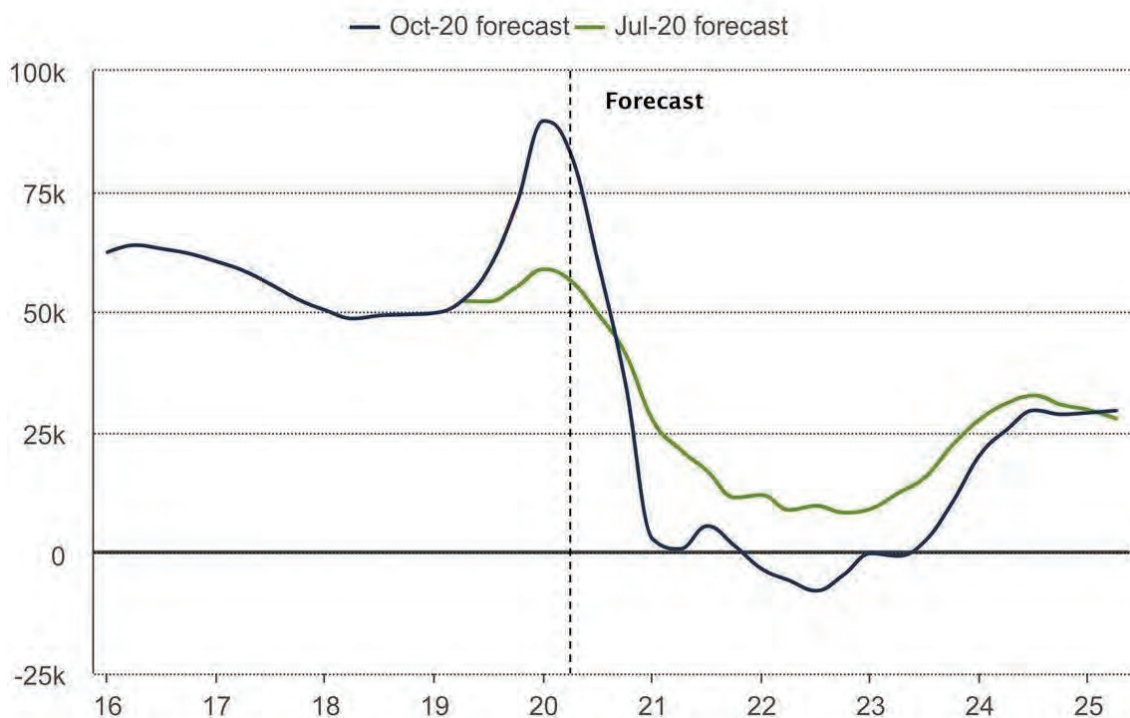
Since COVID-19, many New Zealanders who have been residing overseas have returned 'home', resulting in a burst of migration ahead of lockdown (hence 2020 population growth was stronger than expected), followed by a sharp fall.

In November 2020, Infometrics published analysis of 2020 population change by local area. For Masterton, 2020 population change was influenced by:

- 52% - net internal migration (people within New Zealand relocating)
- 44% - net international migration (people shifting to the area from outside the country)
- 3% - natural increase (births minus deaths)

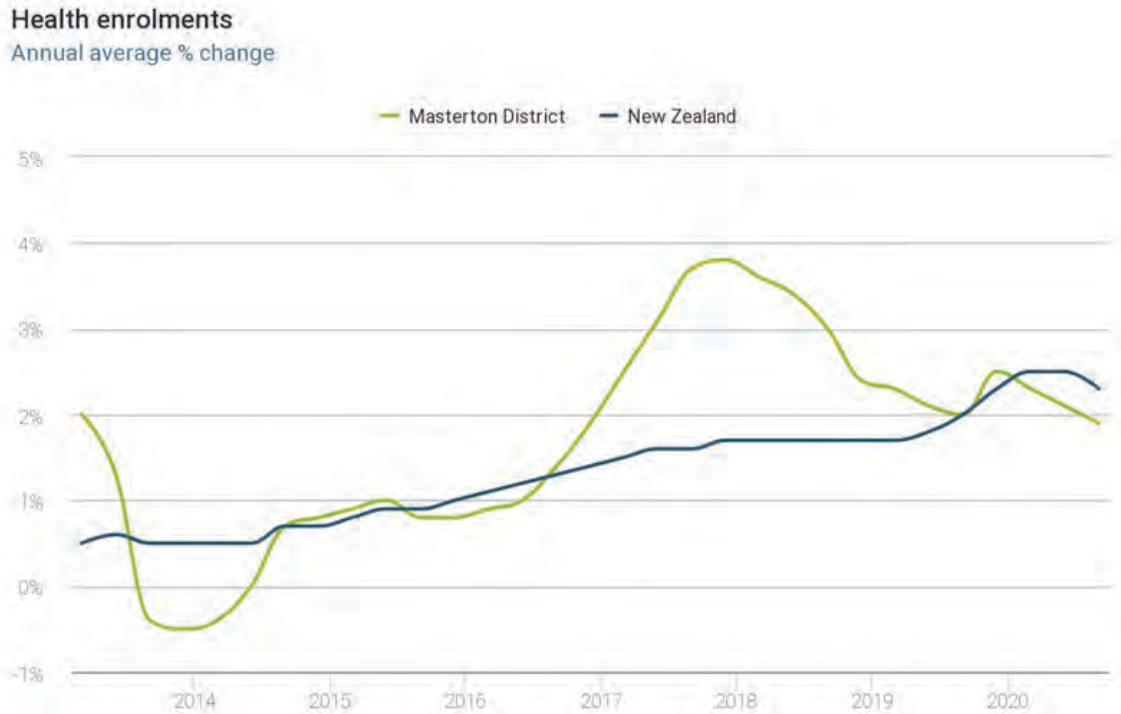
The 44 % net increase in international migration that has contributed to growth in 2020 is likely to decline rapidly in the short to medium term until borders re-open again. While Infometrics expect migration trends to be flat for several years, we are not expecting migration to be affected for the duration of this LTP. At this stage, migration rates are expected to increase from approximately 2023/24.

Infometrics Forecast - Annual international net migration



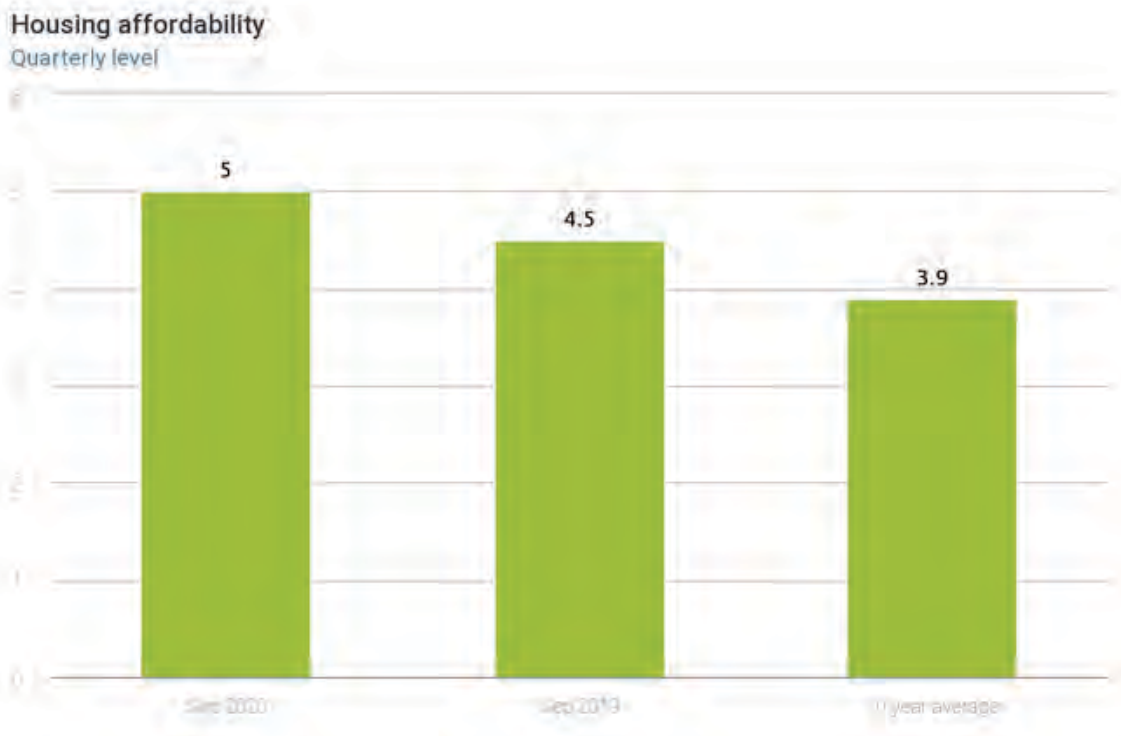
Health Enrolments

Health enrolments can reflect population growth. The number of people enrolled with a primary health organisation in Masterton District in the year to September 2020 increased by 1.9% compared to the previous year. At the end of September 2020, an average of 26,889 people were enrolled with primary healthcare providers in Masterton compared to an average of 25,159 since 2014. (Source, Infometrics Indicators, Sep 2020).



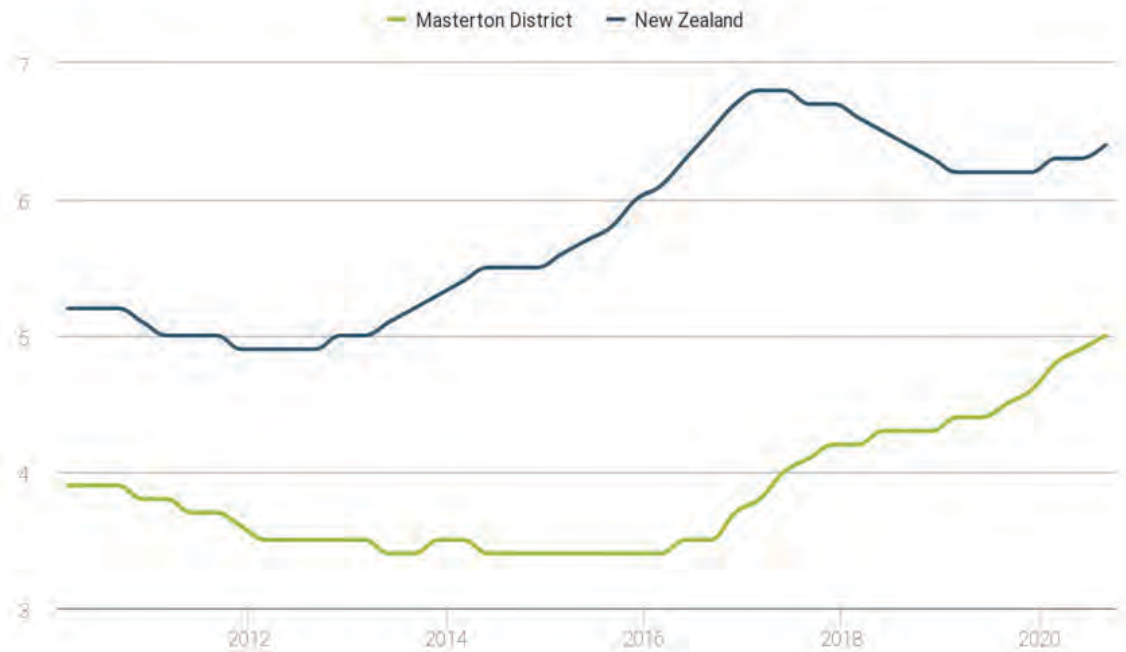
Housing Affordability

Drivers for those relocating within New Zealand include the ability to work remotely and affordable living, especially affordable housing. Housing affordability in Masterton has been declining:



However, Masterton is still an affordable option compared to many other parts of the country and compared to the New Zealand average:

Housing affordability index Quarterly level



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 2020, house sales in Masterton District decreased by 2.7% compared with the previous year and were lower than the New Zealand average (sales increased by 1.1%). However house sales are still at relatively high levels compared to 5 years ago. A total of 572 houses were sold in Masterton District in the 12 months ended September 2020. This compares with the ten year average of 475.

House sales

Annual number, Masterton District



Demographic Change: Population Age Structure

<p>Our Assumption - The Most Likely Scenario:</p>	<p>Our population will continue to age faster than the NZ average. This is consistent with demographic trends and population projections for Masterton. See supporting information.</p>
<p>Best Case Scenario:</p>	<p>The population ages slower than we anticipate. Given Masterton's close proximity to Wellington, relative affordability and with changes as a result of COVID-19 that better support and enable remote working to achieve work life balance, 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>
<p>Worst Case Scenario:</p>	<p>The population ages more quickly than we anticipate. If more people of working age, young families and youth than we anticipate are attracted to opportunities in other districts/locations 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>
<p>Level of Uncertainty</p>	<p>Low-Medium Uncertainty</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.
Risk	There is a low risk that our population will age differently to what we expect – this could be ageing faster or slower than anticipated.
Implications if we get it wrong:	<p>A faster ageing scenario: 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: 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> <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).</p> <p>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.</p> <p>To mitigate this, we have, and will continue to seek external funding for projects where opportunities exist. For example, through the Provincial Growth Fund and other central government funding opportunities such as the Waste Minimisation Fund. Council has also worked in partnership with – and will continue to explore future partnership opportunities with – local Iwi and funders like Trust House and Trust Lands Trust.</p>

Supporting Information:

2018 Census Data

Compared to the New Zealand average (based on 2018 census data), Masterton has more people aged 65+ (21% compared to 15.2%); similar numbers of people aged under 15 (19.4% compared to 19.7%) and a smaller proportion of ‘working age’ (15-64 years - 59.6% compared to 65.1%).

Population Projections

Based on Infometrics forecasting (June 2020), the Masterton population aged 65+ is expected to grow by approximately 73% between 2019 and 2051, from 5,825 to 10,100 people.

Youth (under 15 years of age) and 'working age' groups are expected to remain at similar levels throughout this period.

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 in 2019 to 48 in 2051.

The number of people aged 65+ is expected to increase from 5,825 in 2019 (21.7% of the population) to 8,316 in 2030 (27.9% of the population) and 10,100 by 2051 (31.9% of the population). Over the same period, the proportion of under 15s is expected to decline from 19.3% in 2019 to 18.5% in 2030, and then to 15.8% by 2051; and Masterton's 'working age' population is projected to decline from 58.9% in 2019 to 53.6% in 2030, and then to 52.3% in 2051.

BERL (September 2020) also note New Zealand's aging population as a challenge noting that over the coming decade many of older working age will be retiring. BERL note areas and infrastructure for our aged population will be important.

Dependency Ratio

In 2019 Masterton's dependency ratio (the number of people aged under 15 and over 65 as a ratio of the rest of the population) was 69%, up from 61.4% in 2009. By comparison, the 2019 New Zealand dependency ratio is 54.1%, up from 50.8% in 2009. Based on projected population age changes, this ratio will continue to increase.

Demographic Change: Population Diversity

<p>Our Assumption - The Most Likely Scenario:</p>	<p>Our population will continue to become more diverse, and in particular our Māori population will continue to grow. This is consistent with demographic trends and population projections for Masterton. See supporting information.</p>
<p>A More Diverse Scenario:</p>	<p>The diversity of our population occurs more quickly than we anticipate. Our community could benefit from opportunities that greater diversity present, provided we do take action to grow a more equitable and inclusive community now.</p>
<p>A Less Diverse Scenario:</p>	<p>The diversity of our population occurs at a slower rate than we anticipate. 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>
<p>Level of Uncertainty</p>	<p>Low Uncertainty 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; and New Zealand may become even more attractive to migrants once COVID-19 is manageable (e.g. via vaccines) and our border controls relax.</p>
<p>Risk</p>	<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>



<p>Financial Implications if we get it wrong:</p>	<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 the 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>
<p>What are we doing to reduce that risk? (Mitigation)</p>	<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> <ul style="list-style-type: none"> • 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 <p>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.</p> <p>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.</p> <p>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 Makoura Road).</p> <p>We are also open to welcoming new residents. Masterton has been selected as a refugee resettlement location and has been part of the planning to support new families into our community. Refugees, originally from Syria, were scheduled to relocate to Masterton from June 2020. COVID-19 has deferred relocation for now.</p> <p>Masterton is also part of the “Welcoming Communities Programme”, an initiative to support improved social inclusion outcomes for recent migrants.</p>

Supporting Information:

Census Data and Trends

Between the 2006 and 2018 Censuses, the proportion of our population identifying as Māori increased from 16.5% to 21.3%; Pacific from 2.6% to 4%; and Asian from 1.6% to 3.9%.

In particular, we expect our Māori population to continue to grow. The median age for Māori in Masterton is 24.2 years compared to the median age for all of Masterton at 43.2 years (Census 2018). With a younger population, we expect a higher proportion of youth to identify as Māori, and for the Māori population to continue to grow.

More Masterton people identify as Māori (21.3% compared to 16.5%) compared to New Zealand as a whole, and while Masterton still has a lower proportion of Pacific and Asian people than New Zealand, this population has also been growing.

Actual numbers are small, but there are now almost three times as many people who identify as Asian compared to 2006 (366 in 2006 vs 996 in 2018); and almost twice as many people who identify as Pacific (597 in 2006 vs 1011 in 2018).

Migration

International Migration

Migration into New Zealand has contributed to national population growth. And as New Zealand has become more diverse, this diversity is flowing out to our regions too. Masterton has seen growth in its Asian and Pacific populations; and the percentage of people living in Masterton who were born overseas has increased by 6% since 2013.

While Infometrics expect migration trends to be flat for several years, we are not expecting migration to be affected for the duration of this LTP.

Internal Migration

Regardless of whether we see more diversity in our population or not, a place that is inclusive and embraces diversity will be stronger and better positioned to address whatever future challenges we may face.

A more inclusive community is more likely to be attractive to potential new residents, and attracting new residents could help mitigate the effects of other challenges we are facing such as an aging population. As noted under population growth, 52% of population change in 2020 has resulted from net internal migration.

Household Growth

<p>Our Assumption - The Most Likely Scenario:</p>	<p>1.25% growth per annum.</p> <p>Based on Infometrics forecasts for Masterton, past growth trends and current circumstances (including COVID-19 considerations) we expect to see average annual growth of between 0.61% and 1.75% per annum over the life of this LTP, with the most likely scenario being a point between. Given that, we have based our planning on the medium growth scenario, which projects average growth of 1.25% per annum. See supporting information.</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>1.75% growth per annum.</p> <p>This aligns with Infometrics's high growth projection for Masterton to 2031. Looking beyond the life of this LTP, the high growth projection to 2051 forecasts average growth of 1.51% per annum.</p>



	<p>A key driver for the increase in households is the growth in our more mature population who are seeking smaller accommodation and smaller section sizes. Given this, and factors such as Masterton's proximity to Wellington, relative housing affordability and changes in the way we live, we believe Masterton is well positioned as a region to attract new residents who will also need housing.</p>
<p>Low Growth Scenario:</p>	<p style="text-align: center;">0.6% growth per annum.</p> <p>This aligns with Infometrics low growth projection for Masterton to 2031. Looking beyond the life of this LTP, the low growth projection to 2051 forecasts average growth of 0.13% per annum.</p> <p>Given the factors noted above (under our high growth scenario), combined with our ageing population seeking smaller housing/section options, even in a low growth scenario, we do not anticipate zero growth or a decline in household growth.</p>
<p>Level of Uncertainty</p>	<p style="text-align: center;">Moderate-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, COVID-19 amplifies that.</p> <p>The situation with COVID-19 is evolving and there is potential for flow on effects of COVID-19 (e.g. the economy) to impact household growth, but at this point, we are uncertain of the likelihood, extent or duration of that impact.</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 Asset Management Plans indicate we could accommodate housing growth up to 1.8% per annum over the next ten years without significant impacts.</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 Year 4 of the 2021-31 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:</p> <p>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>

What are we doing to reduce that risk? (Mitigation)	<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. 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> <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>
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Supporting Information:

Growth Projections

Infometrics Projections to 2051 (November 2020) for medium growth indicate the number of households in Masterton district will grow from 11,182 in 2020 to 12,718 in 2031 (+13.7%) and 13,794 by 2051 (+23.4%). This equates to average annual growth of 1.25% to 2031; and an average of 0.78% per annum to 2051:

The number of household's in Masterton district are projected to grow from 11,182 in 2020 to:

	2020-2031		2020-2051	
	Number	Ave. Growth p.a.	Number	Ave. Growth p.a.
High	13,337 (+2,155)	1.75%	16,238 (+5,056)	1.51%
Medium	12,718 (+1,536)	1.25%	13,794 (+2,612)	0.78%
Low	11,938 (+755)	0.61%	11,632 (+450)	0.13%

Consistent with our ageing population, the fastest growth is expected to be households with one person or couples without children. The number of people per household is expected to drop from 2.4 to 2.2 between 2019 and 2051.

Infometrics (September 2020) reported that with house prices increasing, they would expect the number of new dwelling consents to also increase in future.

Past Growth Trends

Building Consents:

Over 2016/17 (the financial year ending 30 June 2017) there was rapid growth in the number of new dwelling consents in Masterton district. Numbers doubled compared to the previous year, up from 59 to 118.

The number of new dwelling consents continued to increase in 2018 (192 consents) and peaked at 204 in 2019. Over the past 12 months there has been some decline, with 170 consents processed. Prior to COVID-19 this was believed to reflect the building industry being at full capacity.

Since COVID-19, consenting teams have continued to be busy. Consents for the June 2020 quarter (44) were comparable with June 2019 (43). In the first 4 months of the 2020/21 financial Year (from 1 July to 2 November 2020), 67 new dwelling consents have been issued. There have also been 12 consents issued for relocated houses including new builds.

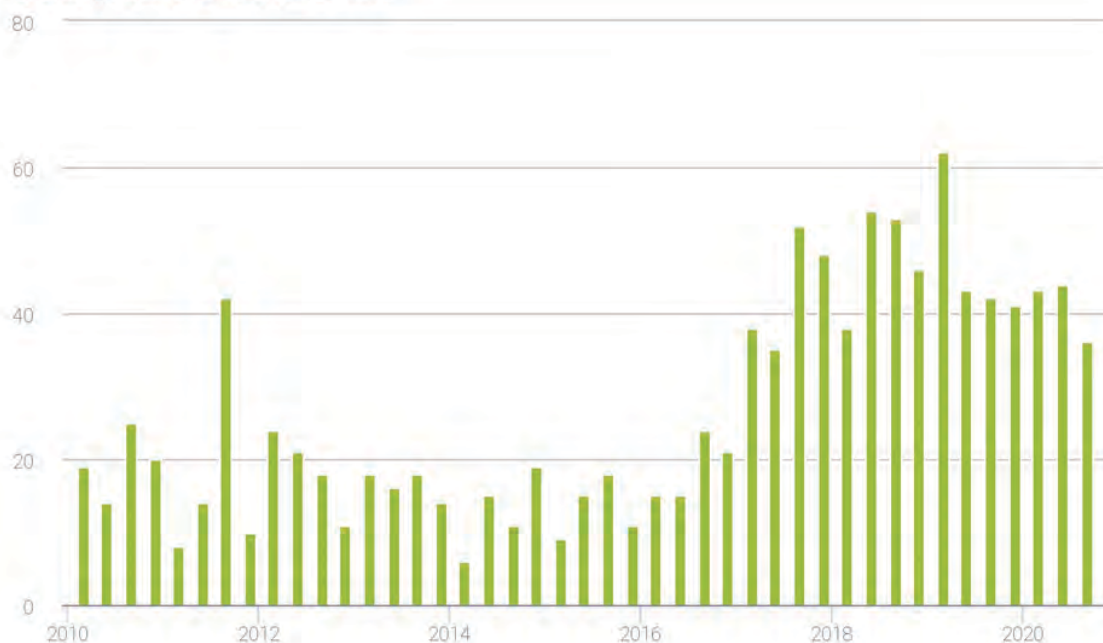


If this level of consenting continues for the remainder of the year, we could expect consent numbers to be similar to what they were in the three years pre COVID-19 (average of 188 consents per annum).

Infometrics (September 2020) report that on an annual basis the number of consents in Masterton District decreased by 15% compared with the same 12-month period a year ago, but are still at historically high levels; and as noted, that house prices could drive an increase in new dwelling consents increase in future.

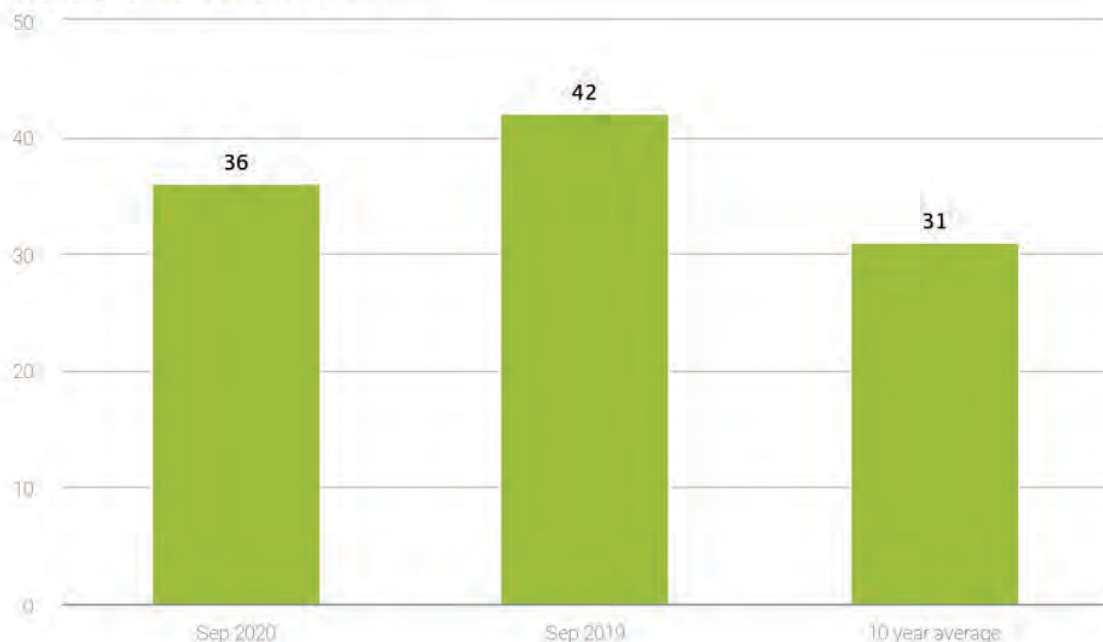
Residential consents

Quarterly number, Masterton District



Number of new dwelling consents

Quarterly number, Masterton District



Rating Base:

The number of rateable properties are included in the Annual Report each year. Between 30 June 2016 and 30 June 2020 the number of rateable properties increased from 12,220 to 12,702, an increase of 3.94%, which equates to average annual growth of 0.99%.

Numbers for the past 5 years are included below:

Year Ending:	Rateable Properties	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 (from internal report)	+202

For the 2020/21 financial year we rated 8,249 urban residential properties. As at 18 November 2020, we are set to rate 8296 residential properties next year, which equates to an increase of 47 properties.

Growth Potential

Development in progress as at December 2020 includes provision for at least 687 units/houses/lots. The speed at which development progresses can be influenced by the type of housing. Houses or units of a similar design can be developed more quickly than bespoke (i.e. one off or tailored design) housing.

Location of Development:	Number of Units/ Houses/Lots:	Type of Housing:
Behind the Copthorne Hotel	71 units	Mostly 2 bedroom units.
Iorns Street	40 units	One or two bedroom units, some two storey.
The Barracks, Judds Road	65 lots	Mostly bespoke houses. Some town houses.
Tuatahi Avenue	43 lots	Mostly bespoke. Some lots already being subdivided again.
Carters Subdivision South Belt	22 lots	Bespoke housing.
Chamberlain Road	Approximately 197 houses with potential for more.	A mix of similar designs and bespoke housing.
Williams Block	191 houses	A mix of similar designs and bespoke housing.
Cashmere Downs	Current: 28 lots Remaining Subdivision: 100 lots	Bespoke housing.
Gordon Street, Joblin	30 lots	Bespoke housing.
TOTAL:	687	

Location of Development:	Number of Units/ Houses/Lots:	Type of Housing:
	+ 100 lots remaining in Cashmere Downs	

COVID-19 Implications

The Infometrics projections (November 2020) for Masterton household growth did factor in potential impacts of COVID-19 as understood at that time. However, given COVID-19 is unprecedented and evolving, there is uncertainty regarding both the duration and longer-term effects of the pandemic.

In August 2020, Infometrics believed the strong level of consenting would keep builders busy through until the end of 2020, but they expected consents to ease at the end of the 2020 year, impacting workloads in 2021. In September 2020, Infometrics identified the construction industry as a factor supporting our economic recovery, with commercial consent values in particular, exceeding the New Zealand average.

To date, our economic recovery has been positive, and we have not observed negative impacts on our consenting processes, however there is uncertainty regarding newer strains of the virus and the wider global situation. Changes in economic conditions for New Zealand as a result of the global economy, or if the COVID-19 situation in New Zealand did change, could slow down development.

The Economy

<p>Our Assumption - The Most Likely Scenario:</p>	<p>Our Economy Continues to Recover in line with Recent Trends</p> <p>The impact of COVID-19 on Masterton's economy and/or the duration of impact to date has been less than expected when we first went into Alert Level 4 lockdown. Factors such as our economy being heavily influenced by the primary sector and less reliant on tourism has aided this. We have based our planning on the assumption that our recovery will continue on this trajectory.</p> <p>Masterton aligns with some criteria for BERL's 'faster rebuild scenario', however we have also considered other factors (such as the potential impact of the global economy on NZ trade) and have opted to base our plan on BERL's Medium scenario. See supporting information.</p> <p>Note: BERL's assumptions include that New Zealand remains at Alert Level 1; stringent borders controls are in place until the end of 2021; and that the New Zealand economy and our trading partners begin to recover from 2020.</p>
<p>Best Case Scenario:</p>	<p>Our Economy Grows/Recovers Faster</p> <p>Factors such as changing work patterns (for example more people who were commuting to Wellington now working from home and spending locally), domestic tourism and low interest rates have contributed to greater spending locally. Masterton's location near Wellington, and relative affordability of housing, has attracted new residents including those returning 'home' from overseas due to COVID-19 related concerns - 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>Overseas, COVID-19 and variant strains are heavily impacting parts of the world, and more recently have been identified in New Zealand too. Continuous and/or extended lockdowns in other countries has the potential to impact their economies, and could have economic flow on effects for New Zealand. Within New Zealand, as at 18 February 2021, concern regarding variant strains is growing,</p>

	<p>with very recent community transmission resulting in a three day Level 3 lockdown in Auckland, and Level 2 restrictions for the rest of New Zealand. There is potential for further Alert Level 4 lockdowns if community transmission is not identified early and well managed. There are also concerns regarding affordability of the housing market and whether increasing values can be sustained. These factors have the potential to negatively impact our economy. Other factors that could influence our economy are: 1) if people who have returned from overseas recently due to COVID-19 have used Masterton as a 'landing point' given family or other connections but decide not to stay in the district longer term; and 2) Labour shortages constraining recovery efforts.</p>
Level of Uncertainty	<p style="text-align: center;">High Uncertainty</p> <p>Economic trends are currently heavily influenced by COVID-19 and the flow on effects of this. Past trends are of less relevance in predicting the short to medium term economic future.</p>
Risk	<p>Given the level of uncertainty, there is a high risk that our economic situation will vary from what we have assumed.</p>
Implications of Risk:	<p>A growth scenario: 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>A contracting scenario: If the economy contracts, this would increase stress on our community and amplify affordability considerations for Council. If our economy is impacted again in the short to medium term, by COVID-19 or something else, options such as reducing levels of service or deferring projects may need to be considered.</p>
What are we doing to reduce that risk? (Mitigation)	<p>We will continue to closely monitor economic change in the District to understand trends and respond appropriately.</p> <p>The three Wairarapa Councils have a joint Wairarapa Economic development Strategy (WEDS) and are developing a Wairarapa COVID-19 Recovery Plan. Together, implementing these plans will help to maintain and over time, strengthen, our economy.</p> <p>It is also important to note that the effects of COVID-19 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 recovery 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 our future. If we don't invest now, we may not be adequately prepared for, and able to manage, future challenges such as climate change and water resilience.</p>

Supporting Information:

Economic Projections

BERL

BERL released their Local Government Cost Adjustor Forecasts in September 2020. The report notes that as a result of measures to contain COVID-19, New Zealand has experienced severe economic downturn with activity and employment declining, and income and spending uncertain.



There is overlap between BERL's criteria for Medium and Faster Recovery scenarios. Masterton aligns with some of the Faster Rebuild criteria (as outlined below), in particular given our agricultural base. However, taking emerging situations into consideration as discussed below, we have chosen to base our plan on the Medium-Scenario.

The Faster Rebuild forecast is applicable to councils in areas that:

a) Have an economy with lower reliance on industries hardest hit by the response to COVID-19 such as tourism and retail – *Masterton's economy is not heavily reliant on tourism. Infometrics data shows the industries that contributed the greatest proportion of GDP in 2019 were Health Care and Social Assistance (11.6% vs 5.8% for NZ); Agriculture, Forestry and Fishing (8.6% vs 5.2% for NZ) and Manufacturing (7.8% vs 9.7% for NZ).*

Tourism contributed 4.1% of GDP (below the NZ average of 5.4%); Retail contributed 6.6% (above the NZ average of 5.1% and ranked 5th for Masterton); and Accommodation and Food Services contributed 2.1% (similar to the NZ average of 2.2%).

Of the jobs filled in 2019, Accommodation and food services made up 6.8% and Retail made up 11.6%. (Infometrics)

b) Have relatively sound infrastructure but also expect to engage in significant infrastructure upgrades in the next decade – *Masterton has sound infrastructure which does not need significant investment but is planning a new Civic Centre and some upgrades e.g. the Hood Aerodrome development and water storage reservoirs.*

c) Have a growing, young population – *Masterton has an ageing population, but has seen growth in the population overall over the last ten years, with growth expected to continue.*

d) Have a high proportion of employment in local and central government – *The hospital, district and regional Councils are bigger employers in the district. WINZ and ACC are also represented. Masterton's close proximity to Wellington means we also have a reasonable commuter base of people working for local and central government in Wellington but residing in Masterton. With remote working becoming more acceptable, many of these people are now working more from home and spending locally.*

e) Have a high proportion of employment in agriculture – *Masterton has a strong agricultural base.*

Agriculture, forestry and fishing ranked second in the industries that created the most jobs between 2009-2019, and second in the proportion of jobs filled (12.9%) in 2019. Health care and social assistance ranked first for both jobs filled in 2019 (15.6%) and the number of jobs created between 2009-2019. (Infometrics)

f) Have a high proportion of employment in knowledge work generally, especially technology and science – *Masterton has some employment in technology related fields but not a high proportion (5.9% of jobs filled in 2019). This is a growing industry for Masterton, but not a high proportion of employment at this time*

The key difference between the faster growth and medium scenarios is the point relating to a higher proportion of employment in agriculture. While Masterton does have a strong agricultural base, the emerging situation with COVID-19 presents a risk to the wider global economy and could have implications for NZ's agricultural exports. For example, dairy, seafood, meat and wool exports are forecast to decrease for the year ending June 2021 due to prices receding from the near-record levels in late 2019, mainly due to COVID-19-related uncertainty and food service closures (MPI, 2020). Given border closures, we are also experiencing challenges with labour shortages in this sector which could impact the sector.

BERL's assumptions include that New Zealand remains at Alert Level 1; that stringent borders controls are in place until the end of 2021 and that the New Zealand economy and our trading partners begin to recover from 2020.

Infometrics

An economic forecast considering the impact of COVID-19 on the Masterton district was completed by Infometrics in April 2020. Subsequent Quarterly Economic Monitor reports (the latest available at this time is September 2020) have shown Masterton recovering more quickly than was originally anticipated. Given that, we have focused more on the Infometrics Economic Monitor and economic indicators than the report completed in April 2020.

We have also looked at the Infometrics report Wellington City Council commissioned (January 2021) for their economic assumptions. That includes comment on the national economic situation. Key national level points included:

- That the national situation has continued to improve and Infometrics have been revising forecasts upwards, but still expect weaker times ahead for New Zealand.
- Given circumstances overseas, globally a long period of economic weakness is expected.
- An assumption that a trans-Tasman bubble will be established mid-2021 but borders won't fully open until 2022. International visitors are expected to be at 80% of pre-COVID levels by 2025, and 110% by 2030 with Australia leading our tourism recovery.
- Terms of trade 'hold up' (that is the relationship between import and export prices).
- International net migration to be close to zero for the next three years.
- Nationally, house prices are expected to rise, albeit at a slower rate, over the next four years.

Infometrics Economic Monitor

Infometrics Quarterly Economic Monitor (September 2020) reported that Masterton's economy is bouncing back after COVID-19 impacted earlier in 2020. Masterton benefitted from Wellington commuters working and spending in the district, and domestic tourism.

Infometrics noted that Masterton's construction sector has also contributed with the value of non-residential consents over the 12 months to September almost double the 10 year average. Residential consents dropped more recently but are still at a high level.

At a national level, for the September 2020 quarter, Infometrics reported that economic activity has rebounded strongly. This is attributed to post-lockdown spending levels and continued export activity enhancing confidence in the economy. Equally they caution that the pandemic is not over yet.

"The pandemic still looms large over regional economies, and the pathway ahead is uncertain. But after a hammer blow to the economy in the first half of 2020, the economic rebound in the September quarter has set New Zealand on a more optimistic course ahead".

Economic Indicators

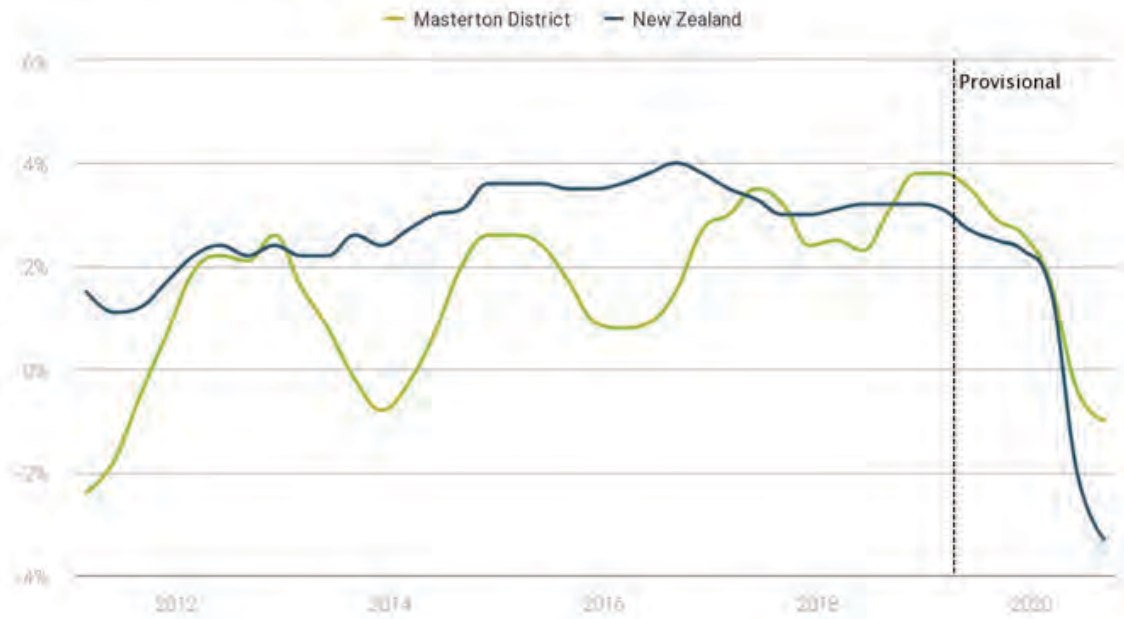
Economic indicators for the September 2020 quarter showed:

Masterton district GDP grew by 0.9%. Across other Councils, GDP growth ranged from 7.9% (Buller) to -9.3% (Queenstown-Lakes). Masterton was closest to Kapiti Coast District where growth was 1%. As a comparison, Horowhenua saw growth of 1.7%; Tararua 2.4%; South Wairarapa 3.2% and Carterton -0.8%.



Gross domestic product growth (provisional)

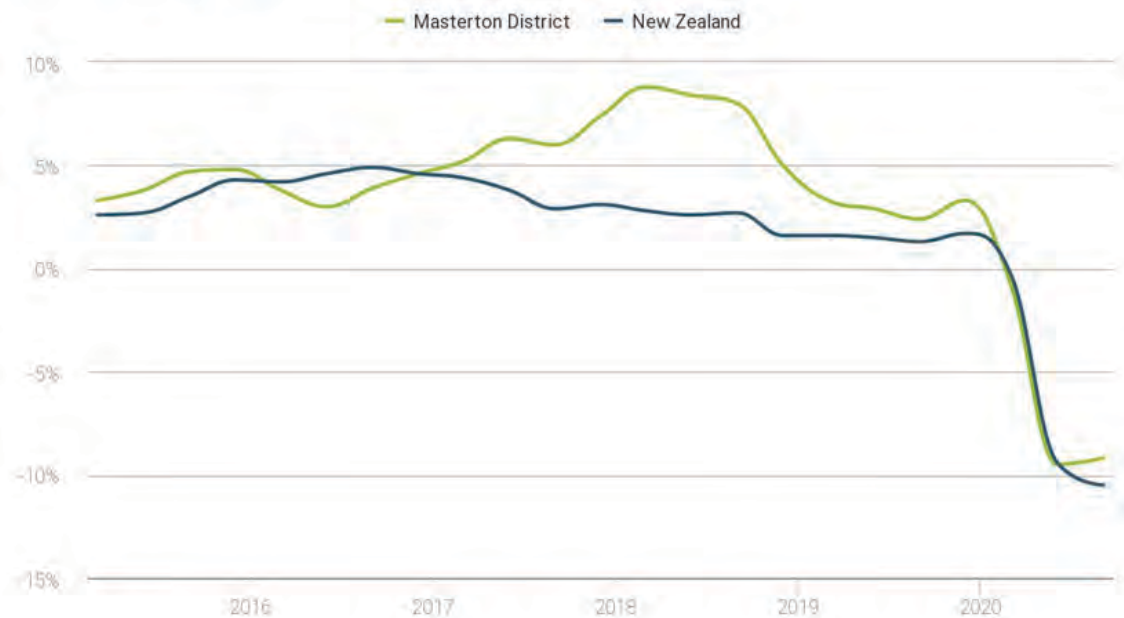
Annual average % change



Masterton traffic flow increased by 4.1%. Across other Councils, traffic flow growth ranged from 19.9% (Hurunui) to -43.1% (Waikato District). As a comparison, Carterton saw growth of 4.7%; Tararua 6.8%; South Wairarapa 2.8%; Horowhenua 1.7%.

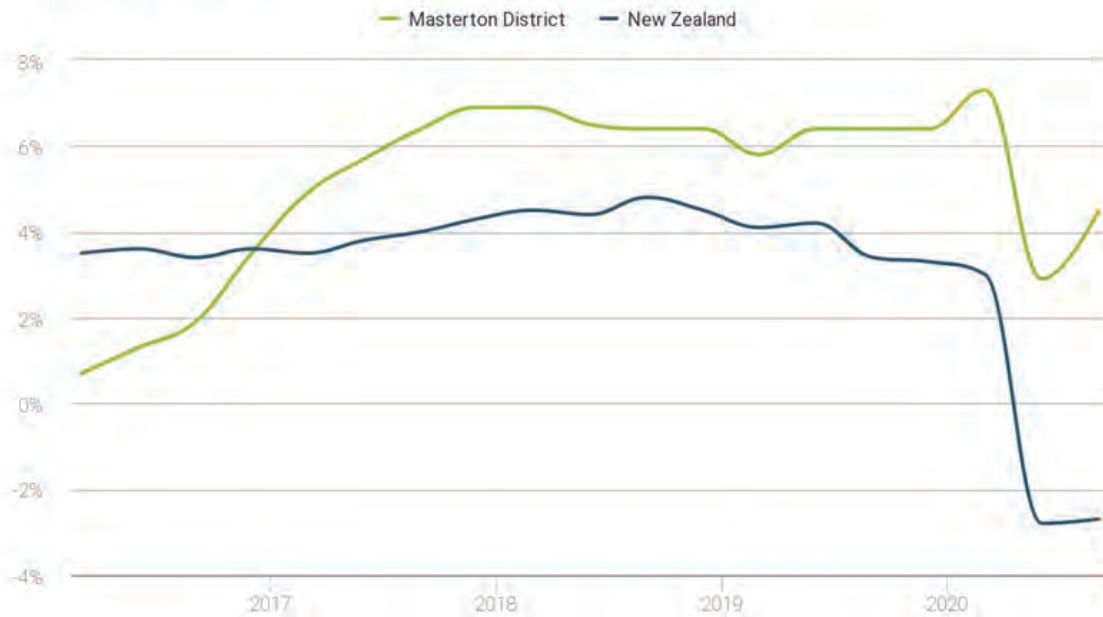
Traffic volume growth

Annual average % change



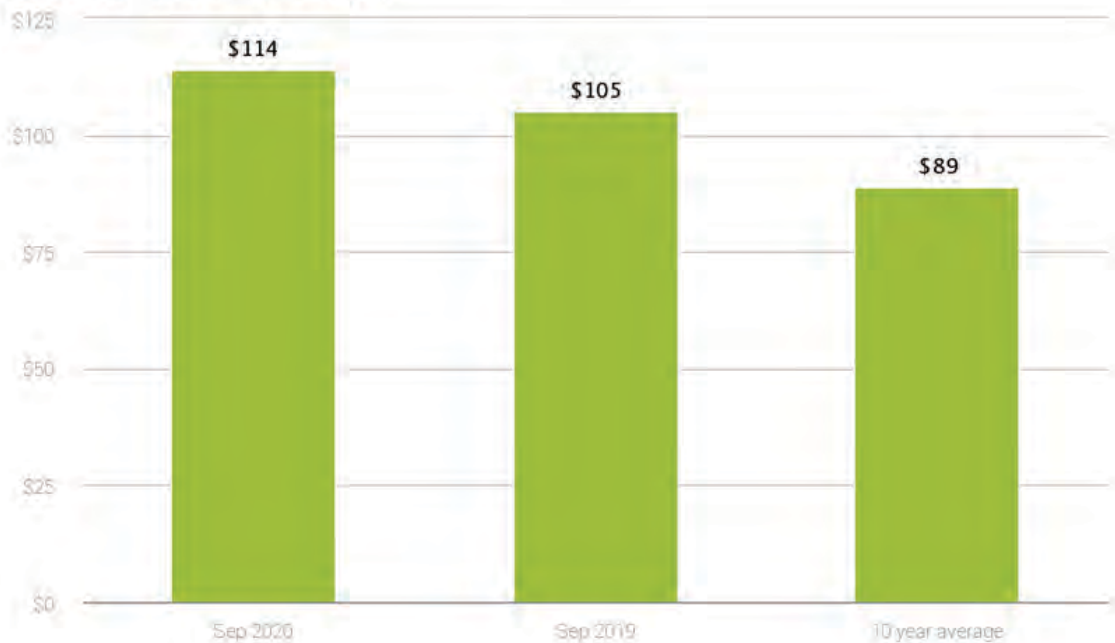
Electronic card consumer spending in Masterton District as measured by Marketview, increased by 4.5% over the year to September 2020 compared to the previous year. This compares with a decrease of 2.7% in New Zealand.

Consumer spending Annual average % change



Total tourism expenditure in Masterton District increased by 8.9% in the year to September 2020. This compares with a decrease of 16.5% in New Zealand. Total tourism expenditure was approximately \$114 million in Masterton District during the year to September 2020, which was up from \$105 million a year ago.

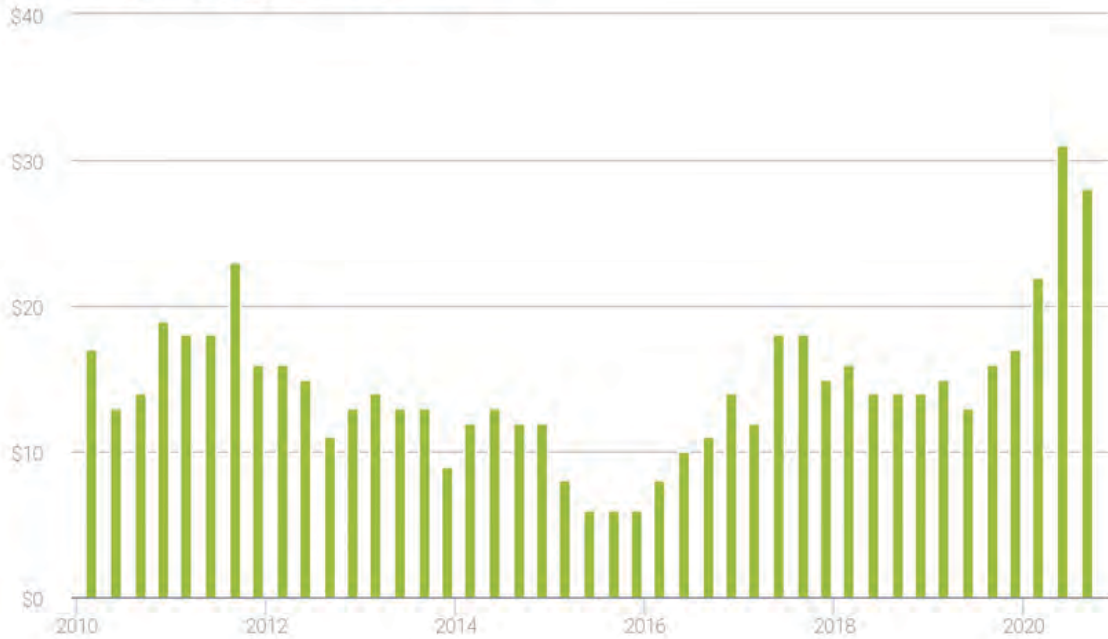
Tourism expenditure Annual total, Masterton District (\$m)



Non-residential building consents to the value of \$28 million were issued in Masterton District during the year to September 2020. The value of consents increased by 77% over the year to September 2020. By comparison the value of consents decreased by 7.6% in New Zealand over the same period. Over the last 10 years, consents in Masterton District reached a peak of \$31 million in the year to June 2020. (See household growth for domestic consents).

Non-residential consents, Masterton District

\$m, annual running total, Masterton District

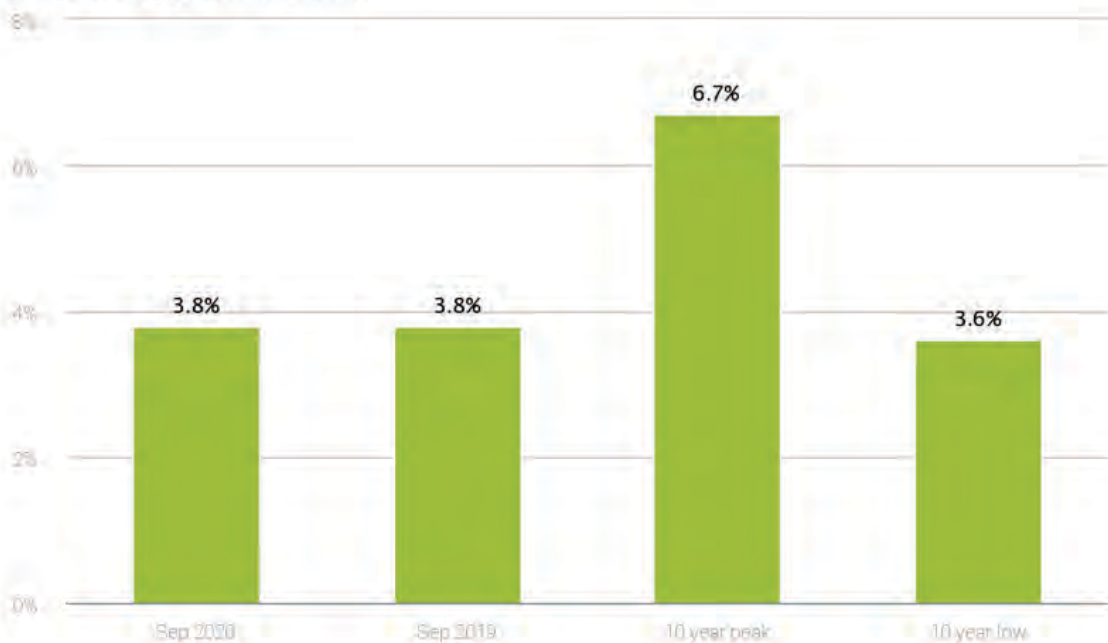


Jobseeker Support recipients in Masterton District in the year to September 2020 increased by 14.4% compared with previous year. Growth was lower relative to New Zealand (27.3%). An average of 932 people were receiving a Jobseeker Support benefit in Masterton District in the 12 months ended September 2020. This compares with an average of 829 since the start of the series in 2011.

The annual average unemployment rate in Masterton District was 3.8% in September 2020, the same as 12 months earlier. The unemployment rate in Masterton District was lower than in New Zealand (4.4%) in September 2020. Over the last ten years the unemployment rate in Masterton District reached a peak of 6.7% in June 2013.

Unemployment rate

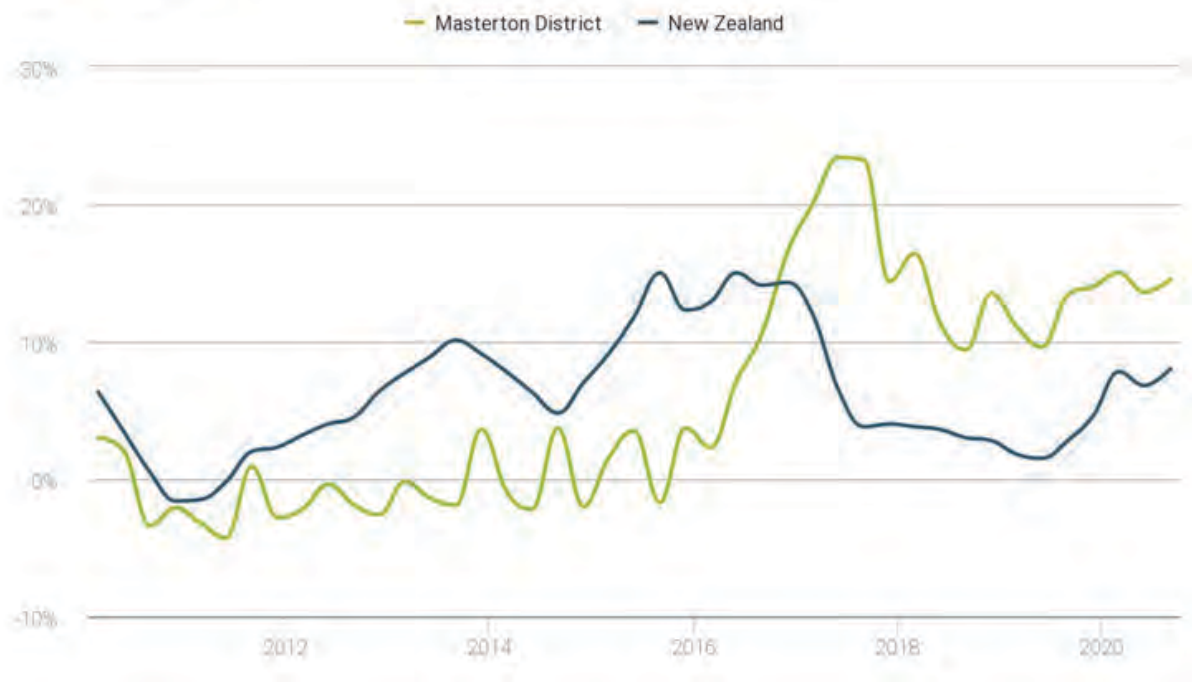
Annual average, Masterton District



Masterton house prices had increased by 14.5% compared to the same period last year, bringing the average house price to \$467,147. This percentage growth was in the top twenty for Territorial Authorities in New Zealand.

House value growth

Annual % change



COVID-19

<p>Our Assumption:</p>	<p>COVID-19 will continue to present uncertainty for NZ for the immediate future. NZ as a whole will not move beyond Alert Level 1 for any extended period, and there will be no national Alert Level 4 lockdowns.</p> <p>COVID-19 will be successfully managed within the life of this LTP.</p> <p>As at 9.00am on 18 February 2021 there are six active cases in the community in New Zealand (as listed on the Ministry of health website). The country has spent 3 days, from midnight Sunday 14 February to midnight Wednesday 17 February at Alert Level 2 and is now at Alert Level 1. Auckland was at Alert Level 3 for this period and is currently at Alert Level 2.</p> <p>We have based our planning on the assumption that New Zealand will continue to effectively manage any community outbreaks and that the country, as a whole, will not move beyond Alert Level 1 for any extended period; and that the COVID-19 risk will reduce with the 'roll out' of vaccines.</p> <p>As at September 2020 BERL assumptions included: that New Zealand remains at Alert Level 1; that stringent borders controls are in place until the end of 2021; and that the New Zealand economy and our trading partners begin to recover from 2020.</p> <p>Our assumption is broadly similar but considers more recent community transmission and the way in which this has been managed to date.</p>
<p>Best Case Scenario:</p>	<p>COVID-19 is managed in NZ and globally sooner</p>

	Vaccines are currently being 'rolled out' overseas. First vaccinations in New Zealand are expected to commence on 20 February 2021. Should vaccines prove effective in managing COVID-19 sooner, enabling borders to open and global recovery to commence sooner, this would be a positive outcome.
Worst Case Scenario:	<p style="text-align: center;">NZ experiences further community transmission that results in a change in Alert Levels for an extended period and/or further Alert Level 4 lockdowns</p> <p>COVID-19 variant strains that have higher rates of transmission have been impacting many parts of the world, resulting in full or more restrictive lockdowns. The UK strain was identified in recent community transmission in New Zealand. Health professionals have warned of the need to return to Alert Level 4 restrictions if there was wider community transmission of this variant strain.</p>
Level of Uncertainty	<p style="text-align: center;">High Uncertainty</p> <p>COVID-19 is unprecedented and evolving. Factors the Reserve Bank have identified (referenced by BERL, September 2020) that could impact our economy include: a resurgence of COVID-19 in New Zealand, flow on effects from the global situation and a shortage of skilled labour constraining recovery efforts.</p>
Risk	Given the level of uncertainty, there is a high risk that the COVID-19 situation will vary from what we have assumed.
Implications of Risk:	<p>Best Case scenario – COVID-19 is managed sooner: Eliminating or effectively managing the virus in NZ and beyond sooner would enable reconsideration of NZ border restrictions; and enable the world to look toward global recovery sooner. This could have positive implications for NZ where successful management of the pandemic to date has raised NZ's profile globally. This could make NZ more attractive as a potential trade partner, place to visit and/or live. This could have positive flow on effects for Masterton – e.g. potential population growth and business expansions improving affordability.</p> <p>Worst case scenario: Further restrictions/lock downs Further national restrictions for an extended period and/or another Alert Level 4 lock down would impact our economy and could have a range of negative flow on effects for our community. Further economic impacts could accentuate affordability issues for Masterton ratepayers and Council.</p>
What are we doing to reduce that risk? (Mitigation)	<p>We will continue to closely monitor COVID-19 developments to better understand risks and trends; and will respond appropriately.</p> <p>The three Wairarapa Councils are developing a Wairarapa COVID-19 Recovery Plan. Implementing this plan will help to maintain and over time, strengthen, our community and our economy.</p> <p>The three Councils support the Emergency Operations Centre should there be an event. This includes communication regarding response and ways to minimise risk.</p> <p>Council staff are guided by health and safety policies and procedures that have been updated to reflect COVID-19.</p> <p>Council has a revised Pandemic Response Plan.</p>

Supporting Information:

BERL COVID-19 Assumptions

BERL's Local Government Cost Adjustor Forecasts released in September 2020 include underlying assumptions about COVID-19. These are:

- New Zealand avoids a widespread outbreak of COVID-19 and is at Alert Level 1 through 2021
- Stringent border restrictions remain in place until the end of 2021
- From the September quarter 2020, New Zealand's economy gradually recovers. Demand from our trading-partner economies also recovers only gradually.

BERL note that these assumptions broadly align with assumptions made by the Reserve Bank. BERL also acknowledge that the Reserve Bank have identified risks including a resurgence of the virus, the impacts of the global economy/situation on New Zealand and labour shortages within New Zealand. BERL note that if any of these risks do eventuate, a stalled rebuild scenario would be more likely.

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PART 2 – CLIMATE CHANGE ASSUMPTIONS FOR 2021-31

<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. https://www.mfe.govt.nz/climate-change/why-climate-change-matters/evidence-climate-change</p> <p>Winter 2020 was Aotearoa’s warmest winter on record. The nationwide average temperature was 9.6°C (1.1°C above the 1981-2010 average from NIWA’s seven station temperature series which begins in 1909). https://niwa.co.nz/climate/summaries/seasonal/winter-2020</p> <p>New temperature data from 30 sites around Aotearoa shows that Aotearoa’s temperature is warming (MfE, StatsNZ). Every site recorded increasing average temperatures in winter. The national average temperature has risen by 1.13 (±0.27) degrees Celsius from 1909 to 2019, at an average rate of 0.10 degrees per decade. That rate was 0.31 degrees Celsius per decade in the past 30 years. https://www.mfe.govt.nz/publications/environmental-reporting/our-atmosphere-and-climate-2020</p>
<p>Scenarios</p>	<p>The National Institute of Water and Atmospheric Research (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> <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. 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 2021-31 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>

'Scenarios at Glance' – expressed as a range lower to high emissions¹ (for detail see the Whaitua tables)



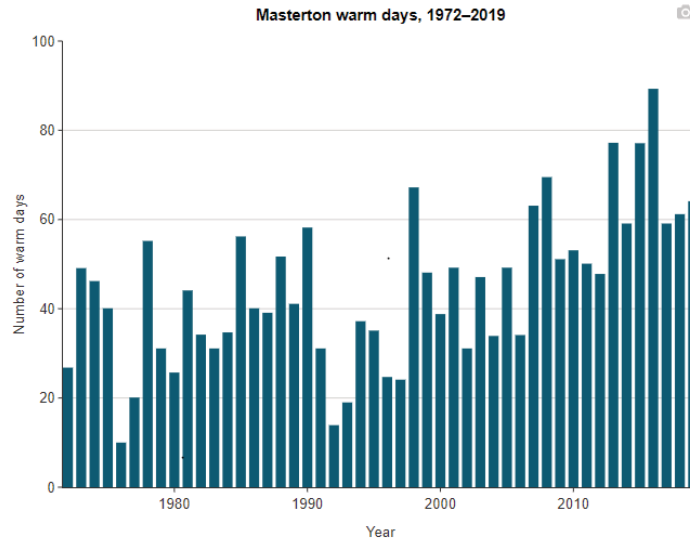
For average annual temperatures projected lower range 0.7 °C warmer above present by 2040 and 1.2 °C warmer by 2090; and for higher range 1.0 °C warmer by 2040 and 3.0 °C warmer by 2090 above present.

By 2040, up to 30 more hot days per year (>25°C) and by 2090 up to 80 more hot days for inland Wairarapa.

About a third of the warming predicted for mid-century has already happened in our region.

From *Our Atmosphere and Climate 2020* report

<https://www.mfe.govt.nz/sites/default/files/media/Environmental%20reporting/our-atmosphere-and-climate-2020-report.pdf>



Data source: NIWA National Climate Database from 30 climate stations.
<https://www.stats.govt.nz/indicators/frost-and-warm-days>



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.

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.



Up to 15 fewer frost days (below 0°C) by 2040; and up to 40 fewer frost days in inland Wairarapa by 2090.



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.



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>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 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 behavior will have an impact on the end of the century predictions, as well as whether policies, developments, and changing behavior stabilize 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. 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 and lifelines • Coastal inundation • Saltwater intrusion • 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 <p>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:</p> <ul style="list-style-type: none"> • Reducing carbon emissions <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</p>

	<p>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>Council is currently developing plans and strategies, such as our Climate Change Action Plans; the combined Wairarapa Water Resilience Strategy; and the Stormwater Strategy, that will require investment to implement. These plans will also help Council in prioritising actions to mitigate and/or adapt to climate change and balance affordability for our community and our need to respond. Once these strategies are adopted, we will have a clearer indication of specific investment needed, and when that will occur.</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.



PART 2A – Whaitua Tables

	Scenarios	Ruamāhanga Whaitua		Wairarapa Coast Whaitua		Impacts
		2040	2090	2040	2090	
Temperature and seasonality	Average annual temperature ² 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 in-crease	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 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) ^{f3}	0% to 10% increase	0% to 20% increase	0% to 15% increase	0% to 30% increase	
	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) ^{f4}	8% to 12% increase	14% to 36% increase	6% to 12% increase	12% to 36% increase	

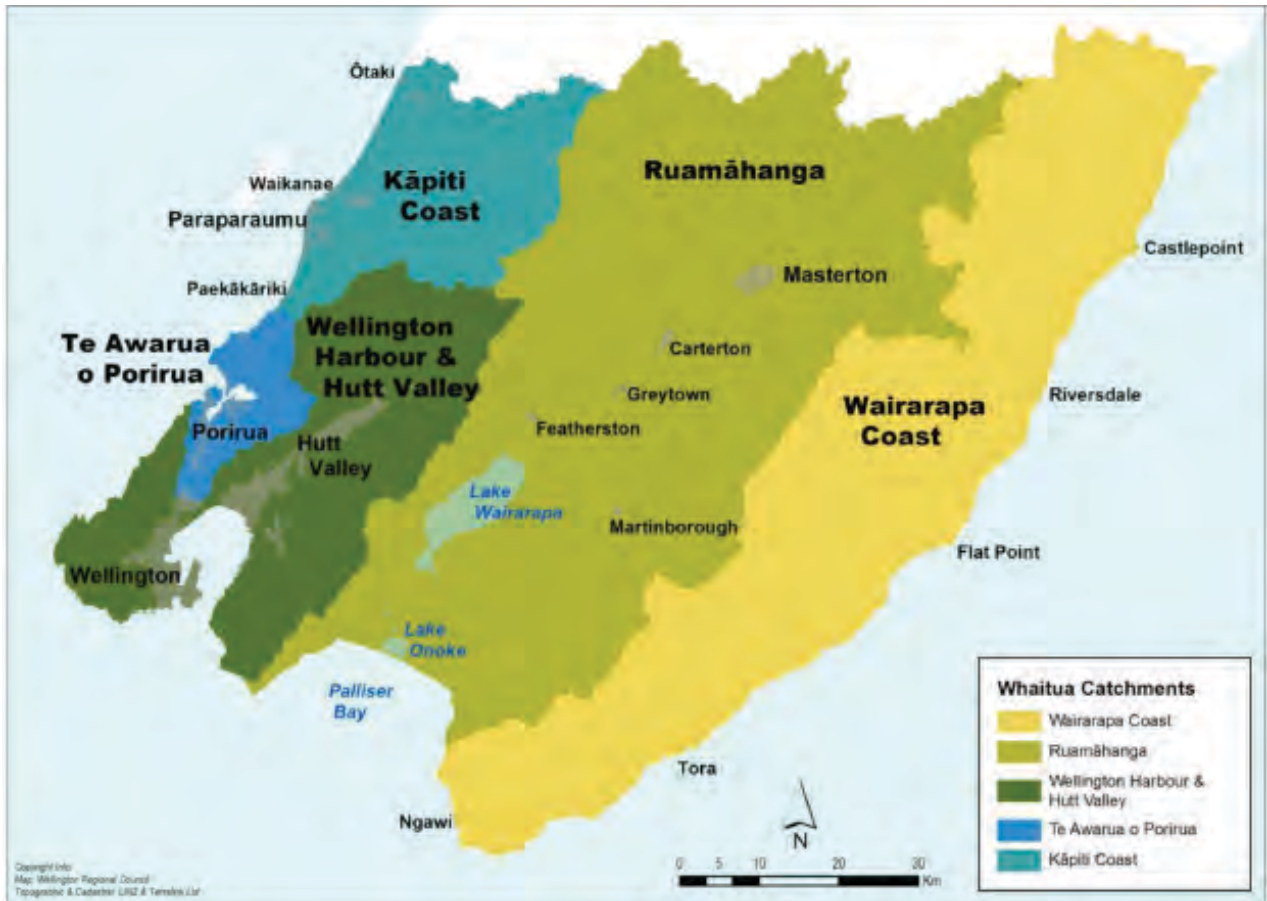


	Scenarios	Ruamāhanga Whaitua		Wairarapa Coast Whaitua		Impacts
		2040	2090	2040	2090	
	Change in rivers mean annual flood discharge (MAF) Measures flood potential in the catchments	Between 20% decrease and 40% increase depending on catchment	Between 20% decrease and 60% increase depending on catchment	Between 20% decrease and 20% increase depending on catchment	Between 20% decrease and 60% increase depending on catchment	<ul style="list-style-type: none"> • Impacted rural community due to reduced agricultural production • Reduced soil fertility • 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 low flow discharge (MAL) Measures water shortage in the catchments	Decrease up to 60%	Decrease up to 80%	Decrease up to 60%	Decrease up to 80%	
	Change in annual growing degree days base 10 Measures potential for crop and pasture growth	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	
	Change in annual potential evapotranspiration deficit (mm) Measures drought intensity	Increase between 20 and 120 mm	Increase between 0 and 180 mm	Increase between 40 and 120 mm	Increase between 40 and 160 mm	
	Changes in number of days of very high and extreme forest fire danger^{f5}	100% to 150% increase	100% to 150% increase	100% to 150% increase	100% to 150% increase	

	Scenarios	Ruamāhanga Whaitua		Wairarapa Coast Whaitua		Impacts
		2040	2090	2040	2090	
Seal level rise and coastal hazards	Seal level rise ⁶	0.12 to 0.24 metres above present	0.68 to 1.75 metres above present	0.12 to 0.24 metres above present	0.68 to 1.75 metres above present	<ul style="list-style-type: none"> Increased coastal inundation with some areas to become permanently inundated 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
	More frequent storm surge (temporary raising of sea level during storms) more frequent and intense coastal flooding and coastal erosion					
	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 NZ Impacts on aquaculture and fishing industries Reduced recreational benefits



Wellington Region Whaitua



<http://www.gw.govt.nz/assets/Climate-change/GWRC-NIWA-climate-extremes-FINAL3.pdf>

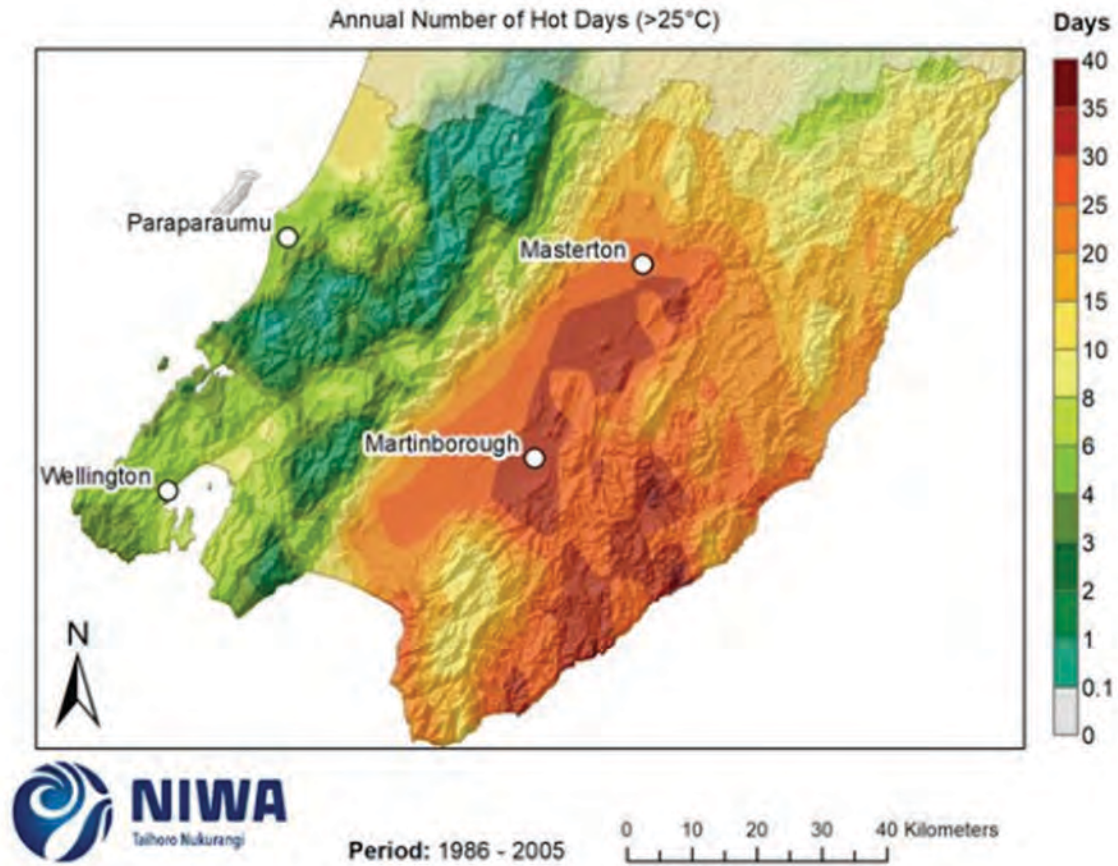


Figure 3-7: Modelled annual number of hot days (maximum temperature > 25°C), average over 1986-2005. Results are based on dynamical downscaled projections using NIWA's Regional Climate Model. Resolution of projection is 5km x 5km.

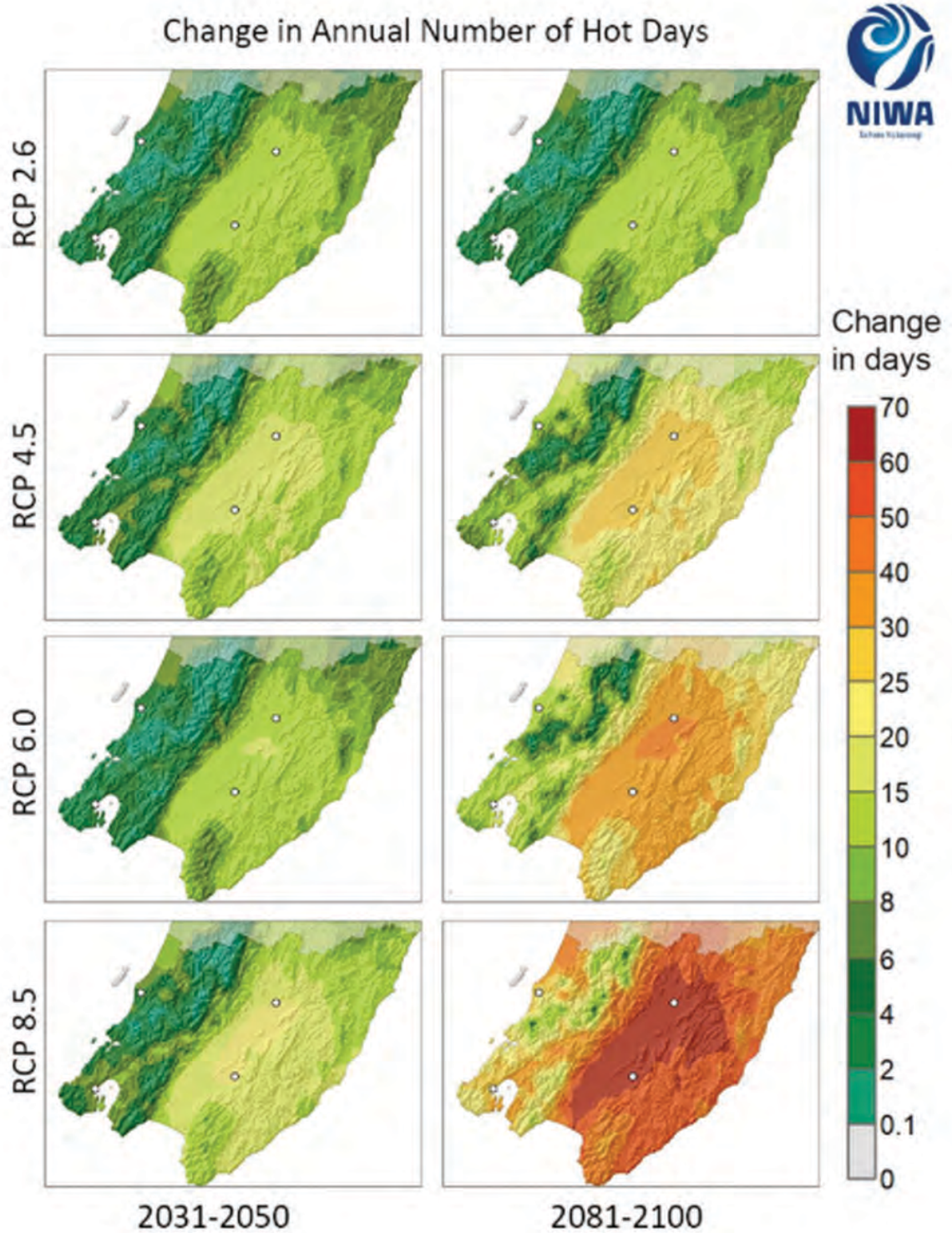


Figure 3-8: Projected annual hot day changes (max temperature > 25°C) at 2040 and 2090. Relative to 1986-2005 average, for four IPCC scenarios, based on the average of six global climate models. Results are based on dynamical downscaled projections using NIWA's Regional Climate Model. Resolution of projection is 5km x 5km.

Annual Probability of Potential Evapotranspiration Deficit Exceeding 300 mm

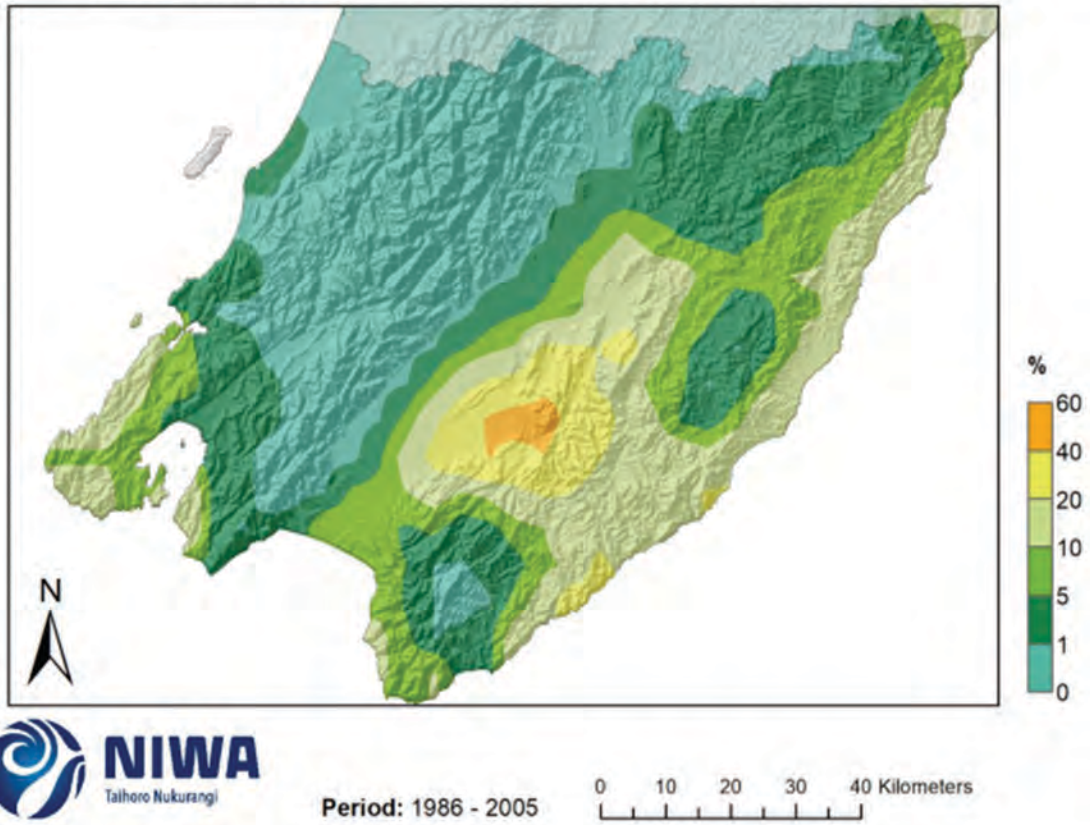


Figure 5-8: Modelled probability of Potential Evapotranspiration Deficit exceeding 300 mm in any year, average over 1986-2005. Results are based on dynamical downscaled projections using NIWA's Regional Climate Model. Resolution of projection is 5km x 5km.

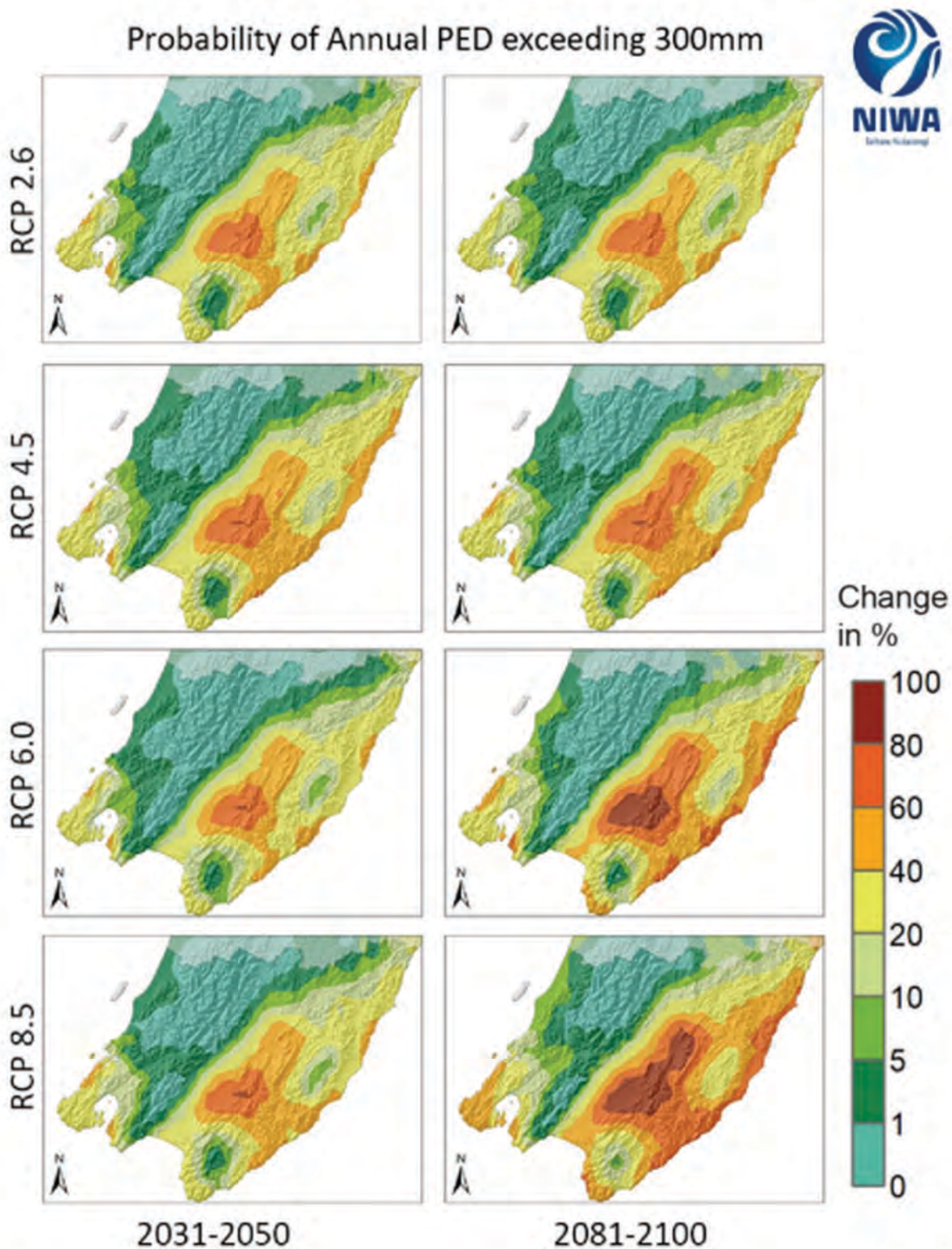


Figure 5-9: Projected probability of annual Potential Evapotranspiration Deficit exceeding 300 mm by 2040 and 2090. Relative to 1986-2005 average, for four IPCC scenarios, based on the average of six global climate models. Results are based on dynamical downscaled projections using NIWA's Regional Climate 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	1.5% in year to June 2021, 1.2% in 2022, then 1% per annum from 2023 The number of households and value of properties in the Masterton District will continue to grow. Dwellings and household sizes will be smaller. The growth in numbers and values will be largely in the Masterton urban area.	Medium-High COVID-19 increases uncertainty around factors that influence growth in the rating base, such as our economy; household and population growth.	That growth in the rating base will be lower or higher than we have assumed.	Higher Growth: Rates would be spread over a larger number of properties, increasing affordability for our community. Lower Growth: If growth is significantly less than we have forecast, Council's ability to increase rates as much as needed will be less. Rates would be spread over fewer properties, decreasing affordability for our community.	Infometrics (September 2020) are expecting the building industry to slow in 2021, which could slow growth in our rating base. At the same time, Masterton and the Wairarapa are better placed for recovery than many other areas. Our economy is driven more from primary production and has less reliance on international tourism; and post lockdown spending in the Wairarapa has been up relative to the wider Wellington region (likely linked to more commuters spending locally). Given Masterton's close proximity to Wellington, relative housing affordability and changes in the way people work post COVID-19 (i.e. remote working being more acceptable) the district is expected to grow and attract people from other areas.
Interest Earned	On Invested Funds: 2021/22: 2.0% per annum From 2022/23: 1.5% per annum	Medium COVID-19 increases uncertainty related to	That interest rates will be lower than we have assumed.	Lower Interest Rates: Lower interest rates on investment funds would result in reduced income for Council.	Economic conditions have reduced interest rates for Council funds that are invested. As at September 2020, Infometrics projections are that the economy will start to recover from 2023.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	<p>On Internal Investment Loans: 2021/22: 2.5% per annum From 2022/23: 2.0% per annum</p>	<p>interest rates given adjustments in interest rates in response to the pandemic and economic recovery.</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 \$185k less income. In Year 1 of this Plan, an interest rate that is 1% less than we have assumed for internal investments/loans would equate to \$90k less internal income. Higher Interest Rates: In current circumstances, the likelihood of higher interest rates is considered low. However, if this was the case, our income would increase.</p>	<p>Given that, interest rates are not expected to rise in the short to medium term. This will mean less income than Council has received historically from interest, especially in Years 1-3 of the Long Term Plan.</p>
<p>User Fees & Charges</p>	<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 LTP. Fee income such as Building Consent fees and Transfer Station Charges are subject to</p>	<p>Medium-High COVID-19 increases uncertainty. Further impacts related to COVID-19 or the economy may 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. 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)</p>	<p>If user fees and charges are less than we have assumed the result would be lower than forecast income. If fees revenue was 1% lower than we have assumed, this would equate to \$77k in reduced income. If fees and charges are more than we have assumed, this would result in more income than we have forecast.</p>	<p>Our fee projections have taken into consideration the potential impact of the COVID-19 related economic recession and our recovery from that. 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>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	market influences, but our income is assumed to be stable.		or other factors that could negatively impact fee income (e.g. economic recession).	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>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>Economic recession as a result of COVID-19 or other factors could impact income from user charges across a number of activities. 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). 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 1 of the LTP to ensure that public private benefit, and the use of financial tools such as fees and charges, remain appropriate.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
Financial Contributions	Revenue generated from financial contributions will remain at levels achieved over the last 2 years. Changes to the Wairarapa Combined District Plan have not been decided, so no assumption about increased revenue being generated as a result of those changes, has been made.	Medium-High COVID-19 increases uncertainty around factors that influence financial contributions, such as our economy; household and population growth.	That financial contributions are less than we have assumed.	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. Revenue of \$1.5m is anticipated from financial contributions each year of the LTP. Some proportion of this is at risk if development is less than anticipated. 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.	Our projections have taken into consideration the potential impact of the COVID-19 related economic recession and our recovery from that. Economic recession could reduce revenue generated from development contributions if development slows or stalls. If the economy is further impacted, or the recession is greater or more prolonged than we have assumed, and development slows or stalls, this may negatively impact our financial contribution projections. 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.
Vested Assets	The value of assets that Council will take over from developers as a result of greenfield subdivision has not been estimated. This is due to the high level of uncertainty in the timing of when assets	Medium-High	That Council will take over high value assets that generate additional operating costs in future years.	By not estimating vested asset revenue, potentially asset values are understated in the prospective financial position and depreciation expense is understated.	Revenue from financial contributions assumes there will be developments of both small and medium scale. Vested assets will result from medium scale development, but the assessed impact on operating costs of the long-life assets is considered minor. The level of uncertainty in estimating the value of future

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	will be transferred, the nature of what assets are built varies for every development and the lack of visibility over the prospective value of the work that developers are doing.				vested assets is high, hence the Council has chosen to not include any projected value in this LTP.
Waka Kotahi (NZTA) Rooding Subsidy and Rooding Subsidy Income Levels	<p>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:</p> <p>58% 2021-22 57% 2022-23 56% 2023-24 and onwards.</p> <p>2. Current funding constraints advised by Waka Kotahi on 31 May 2021 will be resolved by the end of Year 3.</p>	<p>High</p> <p>On 31 May 2021 Waka Kotahi advised that their funding pool for rooding projects had been reduced given current funding constraints. COVID-19 and economic uncertainty increases uncertainty of the current advised FAR commitment and funding for rooding</p>	<p>That Waka Kotahi's current funding constraints are not resolved by the end of Year 3.</p> <p>That Waka Kotahi's funding rate, beyond the current 3 year programme is less than we anticipate. That our business cases are not accepted.</p> <p>That Waka Kotahi funding criteria changes and the cases we have put forward, and assumed funding for, will no longer meet their criteria.</p>	<p>If the Waka Kotahi subsidy is less than we have assumed the result would be lower than forecast income. Every 1% drop in Waka Kotahi funding equates to \$120k in reduced income. This could mean we would need an additional rates contribution to complete the programmed work.</p>	<p>Council may be able to secure funding from an alternative third party to cover any shortfalls in Waka Kotahi funding. The revenue generated from Waka Kotahi 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 2019/20 and is next due for review in 2022/23. The programme will be kept under review with Council decisions sought on changes to the programme should the subsidy level change.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	3. All business cases for work from Year 4 that are put forward to Waka Kotahi will be accepted for funding subsidy, and we will receive Waka Kotahi funding at the level we have assumed for those projects.	projects. Should the economy be further impacted or our recovery slower, Waka Kotahi may review its funding criteria and/or level of funding commitment.	That we will not be able to complete the full work programme (e.g. if there was another lock down period), which would reduce the level of funding we receive from Waka Kotahi.		
Sources of Funding for Future Replacement of Significant Assets	Sources of funding for the replacement of assets can be found in the council's Revenue and Finance Policy found on page 159.	Medium	Sources of funds are inadequate to fund the replacement of significant assets.	If funds are inadequate for the replacement of significant assets, work may not be progressed as per timing in the plan. Operational expenditure may rise as a result in an attempt to extend the life of the assets, which would potentially cost the ratepayer more as we would still need to build reserves to pay for the eventual replacement.	Please refer to Revenue and Finance Policy found on page 140 .
Sources of External Funding for New Projects	Council has assumed it will receive certain levels of grants and external funding in addition to loan	High	External funding is not secured within the expected timeframes for projects such as infrastructure to	If external revenue for some large capital projects is not achieved, this could result in delays to start dates and progress for those projects.	The investment in infrastructure for the housing project on Panama land relies on external grant funding. The Government has

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	funding as sources of funds for significant assets.		support housing on Panama land, or the civic facility.		announced the availability of grants for such purposes, but an application has yet to be made. The project also relies on working with other stakeholders/partners. There is potential for one of these parties to receive funding rather than Council. Council has budgeted to contribute land and infrastructure to the Panama housing project using external grant funding. If the external grant funding cannot be fully secured, by Council or a project partner, Council will assess the level of investment required to proceed and act in accordance with our Significance and Engagement Policy.
BORROWING					
Interest Paid on Borrowing	Interest paid on existing and new debt will average 3.7% in 2021-22, 3.0% in 2022-23 2.7% in 2023-24 2.8% from 2024-25	Medium COVID-19 increases uncertainty related to interest rates given adjustments in interest rates in response to the	That interest rates will be higher than we have assumed.	Higher interest rates: Higher rates would result in increased borrowing costs for Council. 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 \$530k. Lower Interest Rates:	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 decline. As at September 2020 Infometrics projection is that the economy will start to recover from 2023.



Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
		pandemic and economic recovery.		In current circumstances, there is a possibility that interest rates will further decline. If this was the case, the cost of borrowing would also decrease.	Given that, we expect interest rates on new borrowing, or borrowing coming up for renewal, to remain low for at least the first three years of the 2021 LTP. This could make borrowing for projects more affordable and could offer potential to consider doing more capital works to assist in stimulating economic recovery.
Repayment Periods	We will pay off debt within a 20 year timeframe, with the following exceptions: The repayment period of external borrowing is 25 years on Homebush (wastewater debt) and 50 years on the Civic Centre project debt.	Low	Repayment periods are shorter or longer than assumed. Council decides to depart from the assumed debt level. Council allows more exceptions to the 20 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. A longer repayment period could mean debt would be spread over a longer period, reducing payments and positively influencing cashflow in the shorter term,	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>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. Changing the duration of repayment periods could also potentially impact on Council debt ratios.</p>	
<p>NZ Local Government Funding Authority</p>	<p>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>	<p>Medium COVID-19 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. That NZLGA is impacted by the current economic climate and unable to offer loan funding, or at rates that are more competitive than the general market.</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, MDC would be required to pay \$440. If the LGFA was no longer to participate in the debt markets, MDC would need to explore 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</p>	<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.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
				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 COVID-19 and current economic conditions increase the level of uncertainty compared to previous LTPs.	That inflation is significantly higher or lower than expected.	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).	Given the current economic climate, BERL have provided three scenarios for inflation: <ul style="list-style-type: none"> • Stalled Rebuild • BERL mid-scenario • Faster Rebuild Masterton has adopted the mid-scenario for the 2021-31 LTP. See Growth Assumptions. We will continue to monitor the economy and respond accordingly.
CONTRACTS					
Operational Contracts	There will be no significant variations in terms of price (other than inflation) for operation and maintenance contracts.	Medium COVID-19 and current economic conditions increase the level of	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.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
		uncertainty compared to previous LTPs.			
Capital Project Costs	Costs of major capital projects will not vary significantly from estimated costs that have been budgeted for, and capital projects will be delivered on time.	High COVID-19 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 or further lock downs 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. We will apply cost adjustors, including inflation adjustors, to projects and programmes in outer years of this plan. The proposed capital programme for the life of this plan is 56% larger than three years ago. The larger capital programme reflects some new projects, many having funding assistance from the government

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
					<p>through the shovel-ready funding, the Progressive Growth Fund and the 3 waters stimulus funding along with the routine subsidy funding for the roading programme. The programme includes several large capital projects eg the civic facility and Hood Aerodrome upgrade, which require less capacity to deliver on once tenders are secured.</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 timeframes than anticipated for gaining the appropriate consents may however delay the programme. The potential impact of completing the programme over a longer timeframe is not meeting planned levels of service and increased costs in the long term - e.g. some inflationary cost to the projects. Good planning and prudent procurement will minimise this risk.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
SIGNIFICANT ASSETS					
Asset Valuations	<p>Infrastructural assets are scheduled to be revalued 30 June 2023, and every three years after that. 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, based on BERL inflation rates. Land and buildings assets will be revalued as at 30 June 2021 and every 3 years after that.</p>	<p>Medium-High COVID-19 and current economic conditions increase the level of uncertainty compared to previous LTPs.</p>	<p>That actual asset revaluations are significantly different to what is forecast.</p>	<p>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 LTP.</p>	<p>Economic recession could impact valuations.</p>
Lifecycle of Significant Assets	<p>The useful life estimates of our assets and asset values will not change significantly for the duration of this plan.</p>	<p>Medium</p>	<p>Useful lives estimates change as a result of improved asset condition information, revaluations or through adjustments in Asset Management Plans.</p>	<p>Changes to the useful lives of assets have a direct impact on the renewal profiles of assets, for example where asset condition changes mean the replacement needs to be brought forward. The result</p>	<p>Useful lives are identified for each component of assets. They are assessed based on many factors including construction method, material, age, condition assessments, obsolescence and expected remaining economic potential.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
			<p>Funding available for renewal programmes does not coincide with renewal expenditure. Operating expenses could be under or overstated.</p>	<p>of this is may be that there is insufficient depreciation funding built up to fund the replacement.</p> <p>If the useful lives of our assets are inaccurate then:</p> <ol style="list-style-type: none"> 1. Council may have built up insufficient funds to undertake the renewal works. Council may be able to extend borrowing to complete the works on time; this will come at higher cost. Alternatively services levels may have to reduce until funding is available. This scenario would also likely mean that rates are understated in the years leading up to the renewal. 2. If useful lives are too short, Council may have built up depreciation funds too early. This may result in other works not being undertaken at preferred times resulting in the community receiving lower service levels. This scenario likely means that rates were 	<p>Useful lives are regularly reviewed at revaluation and during maintenance.</p> <p>Please refer to Statement of Accounting Policies on page 172.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
				higher than they needed to be in the years prior the planned renewal. Accurate assessment of useful lives has a large impact on Council achieving its intergenerational equity principles.	
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 Plan.	Medium	That reorganisation occurs and results in alternative operating structures, or amalgamation is reconsidered.	If amalgamation did occur within the life of this LTP there would a range of associated costs, for example transition costs.	The Government is investigating delivery structures and options for the three waters. Further comment on the implications of three waters changes is included below.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
				<p>There is also the potential for efficiency gains and higher levels of service to be achieved. Boundary reviews and changes would also require a review of this LTP with associated community consultation.</p>	<p>Shared services across the three Wairarapa Councils, for example 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. 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.</p>
<p>Resource Consents</p>	<p>There will be changes to existing resource consents that are due for renewal during the ten years of this LTP.</p>	<p>Low</p>	<p>That consent conditions will not change, or that change will be more or less restrictive than we anticipate.</p>	<p>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.</p>	<p>We are planning for change to the Henley Lake water intake consent and our Water Supply consent during the life of this LTP. We are actively participating in changes to the Natural Resources Plan.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
<p>Three Water Reforms</p>	<p>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.</p>	<p>High Medium</p>	<p>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 community water supplies failing to meet their regulatory obligations; or advocacy for amalgamation of remaining functions.</p>	<p>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 scale of the business. The three waters make up 27% 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. Second order impacts could include: Council could be required to take over management of private and/or community water supplies that can't meet their regulatory obligations. Amalgamation of Councils remaining functions with other Wairarapa Councils could be considered.</p>	<p>Three waters provision is currently being considered by central government. We expect to know more about the future of three waters services by the end of 2021. Council is using 3 waters stimulus funding to support private and community suppliers. Council will assess second order impacts as part of its analysis of the proposal when that is received.</p>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
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>	RMA reforms are being considered by the government following receipt of the Randerson Report which was commissioned by the Minister for the Environment. The 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 which would be complemented with another piece of legislation to address issues related to climate change adaptation and the managed retreat from areas threatened with inundation. The Wairarapa Combined District Plan budget allows for some flexibility to ensure that the Plan will be relevant in future.
LEVELS OF SERVICE					
Levels of Service	LOS will be maintained or improved in line with this LTP.	Medium-High COVID-19 and current economic conditions increase the level of	That there will be a change to LOS during this LTP that is outside the scope of the 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.	Increases in LOS are planned for the Civic Centre, Library, Town Centre and Animal Shelter (to meet increased regulatory requirements). There may be pressure to reduce some LOS to reduce costs/ rates impacts.

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
		uncertainty compared to previous LTPs.		Specific implications of any LOS change would depend on the service that changes.	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, building and planning in particular where there is a national shortage of experienced and suitably qualified staff. Covid-19 may impact on staff capacity to deliver the work programme if there was another lock down. At the same time, with many New Zealanders who have been residing overseas returning 'home' given COVID-19, and with recent growth in our population, there could be more skilled workers seeking roles.
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.	This could disrupt the community with the level of disruption dependent on the event and consequences of that.	Council carries insurance with the intention of mitigating the financial impact of natural disasters. The Council has a Flood Damage Reserve to contribute towards our share of remedial work on roads

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
				<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 raise rates and may need to borrow more.</p>	<p>and bridges in the event of storm or other damage from natural disasters.</p> <p>Work is currently underway as part of Upper Ruamahanga catchment work to improve flood protection, and there is funding allocated in this LTP to support that.</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>
INFRASTRUCTURE					
Water Resilience	<p>Council will invest in water storage, either through increasing the capacity of its own raw water reservoir or partnering with the proposed community water storage scheme in order to have guaranteed access to water at times of low river flow. That partnering initially includes the provision of loan funding of up to \$1m.</p>	Low	<p>That Council revokes its decision to invest in water storage.</p>	<p>Water conservation and availability will become a bigger challenge for our community.</p>	<p>The budget includes provision of \$7 million in Year 3 for water storage reservoirs. Whether we proceed with this investment or consider alternative water storage options is to be determined.</p> <p>Council will support the development of Wairarapa Water Limited's community reservoir proposal through provision of a loan of up to \$1m in year 1 of the LTP.</p>

Attachment 1: BERL Inflation Rates For Years 1 to 10

Inflation Assumptions

Budgets for years 2-10 of the LTP 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 LTP. 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. In the uncertain environment of 2020, BERL produced 3 different scenarios. Masterton District Council have used the mid-scenario and used an average for the first two years (as recommended by BERL).

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) (2021: 1.5%)	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 2022	1.5%	2.2%	0.9%	2.1%	3.1%	1.5%	0.7%	1.6%
Jun 2023	2.9%	4.2%	3.4%	3.1%	5.0%	2.9%	2.4%	3.0%
Jun 2024	2.5%	3.6%	2.1%	3.0%	4.9%	2.5%	1.5%	2.6%
Jun 2025	2.5%	3.6%	2.3%	2.9%	4.7%	2.5%	1.7%	2.6%
Jun 2026	2.6%	3.7%	2.6%	2.9%	4.6%	2.5%	2.0%	2.7%
Jun 2027	2.5%	3.5%	2.3%	2.9%	4.5%	2.5%	2.2%	2.6%
Jun 2028	2.6%	3.7%	3.0%	2.9%	4.4%	2.6%	2.3%	2.8%
Jun 2029	2.7%	3.8%	3.3%	2.9%	4.4%	2.7%	2.4%	2.8%
Jun 2030	2.7%	3.8%	3.3%	2.9%	4.3%	2.7%	2.6%	2.9%

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.

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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 2 June 2021.

The policy review reflects our commitment to involve our local community in council decisions about things that affect their lives. The review focussed on the following principles:

- Engagement with Māori is based on the commitment to establish relationships that go beyond legislative commitments.
- The Council will use a consistent approach to establish the significance of a matter requiring a decision.
- How we engage, and the extent that we engage on matters, will be tailored to reflect the level of significance.
- Our community will be able to easily understand the different ways we, as Council, will seek to engage them on matters.
- Engagement is proactive, inclusive, accessible, a two-way dialogue, and people are aware of and understand the final decisions taken.
- Our decision-makers are well informed, aware of, and take into account the community's views.
- Decision-making and engagement processes are clear and transparent.

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: [Insert Hyperlink](#).

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: [Insert Hyperlink](#)

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.



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PHONE

06 370 6300 - 8am to 5pm except Tuesdays 9am to 5pm
06 378 7752 after hours

EMAIL

mdc@mstn.govt.nz

CALL INTO

Masterton District Council
161 Queen Street, Masterton
9am - 4pm

WRITE TO

Masterton District Council
PO Box 444, Masterton 5840

WWW.MSTN.GOV.T.NZ

FEEES AND CHARGES

ANIMAL SERVICES

Animal Services (including Dog fees)	(GST inclusive)	2021/22 Fee
Urban entire		\$157.00
Urban neutered		\$95.00
Responsible Owner (discount 25%)	urban neutered	\$71.00
Rural 1st dog, incl working		\$95.00
Rural 2nd & sub incl working		\$25.00
Permit holder		\$95.00
Dangerous neutered		\$143.00
Seeing eye dogs		\$0.00
Application for RDO		\$20.00
Sustenance fee (per day)		\$15.00
Poundage Fee: First impounding		\$75.00
Second impounding		\$130.00
Third & subsequent impounding (within 12 months)		\$180.00
Surrender a dog for euthanasia (acceptance must be on prior approval)	actual cost plus 15%	
Micro-chipping of Masterton registered dog		\$20.00
Permit - keep more than two dogs in urban area		\$60.00
Replacement registration tag		\$5.00
Collars, apparel and worming tablets	actual cost plus 15%	
Costs and expenses relating to impounding and securing impounded dog	actual cost plus 15%	
Rehoming fee for impounded dog	No charge to adopt but pro rata registration applies	
Hire of bark collar	2 week hire, plus bond	\$20 + \$20 bond
Hire of cat trap	2 week hire, plus bond	\$20 + \$20 bond

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Animal Services (including Dog fees)	(GST inclusive)	2021/22 Fee
Stock Impounding Fees	(GST inclusive)	2021/22 Fee
Poundage fee for every horse, mare, gelding, colt, filly, foal, mule, ass, ox, bull, cow, steer, heifer or calf		\$77.00
Sustenance fee for every horse, mare, gelding, colt, filly, foal, mule, ass, ox, bull, cow, steer, heifer or calf		\$13.00
Poundage fee for every ram, ewe, wether, lamb or goat		\$55.00
Sustenance fee for every ram, ewe, wether, lamb or goat		\$8.00
Poundage fee for every boar, sow or pig		\$55.00
Sustenance fee for every boar, sow or pig		\$13.00
For the second and subsequent impounding in one year of the stock of any particular owner, the above poundage fees are increased by 50%.		
Fees for Giving Notice of Impounding		
For writing and delivering of any notice or sending any notice by post		\$26.00
For inserting any notice in one or more newspapers		\$41.00
Charge for leading, driving or conveying stock		
Actual cost incurred, with a minimum charge of		\$80.00

BUILDING

Building Consent Authority And PIM Fees	(GST inclusive)	2021/22 Fee
	PIM Fee (if applying prior or with building consent application) (Additional to BC fee)	Building Consent (BC) only Fee (excluding PIM fee, BRANZ and DBH levies)
Minor Work		
Swimming pools > 1,200 mm above ground and Spa pool & Swimming pool fences	N/A	\$130.00
Residential demolition (Rate Per Hour)	\$47.00	\$205.00
Solid fuel heater	\$47.00	\$370.00
Peripheral Plumbing and Drainage work e.g./ minor alterations, septic system renewal, wet area shower- items outside the scope of Sch 1 - 1 Inspection	\$47.00	\$415.00
Project Drainage work, e.g. new minor subdivision services, and common drains (up to 10 lots)	\$47.00	\$1,040.00
Minor Projects - Garden sheds/Retaining walls/Carports/Decks/Conservatories/ Inground Pools/ Proprietary garage or storage Agricultural Buildings Repiling 2 Inspections	\$47.00	\$650.00
Larger farm buildings (covered yards, wool sheds), incl Plumbing and Drainage	\$94.00	\$1,100.00
Garages, simple design, single level with plumbing and drainage and/or firewall. If self-contained use dwelling fee.	\$94.00	\$1,420.00
Residential New Dwellings		
Single Storey value <\$500k		\$4,200.00
Complex -Single Storey value >\$500k and Multi storey		\$4,800.00
Transportable dwelling (yard built - to be transported to another district)	\$94.00	\$3,200.00
Single storey multi-unit apartment (First unit)	\$373.00	\$4,200.00

Building Consent Authority And PIM Fees	(GST inclusive)	2021/22 Fee
Single storey Subsequent Units		\$2,100.00
Complex/ Multi storey multi-unit apartment (First Unit)	\$561.00	\$4,800.00
Complex Multi Storey Subsequent Units		\$2,400.00
Residential Dwelling Additions & Alterations		
Alterations (minor) up to 3 inspections including processing time		\$1,120.00
Alterations (major) up to 8 inspections including processing time		\$2,600.00
Transportable/Relocated Residential Dwellings		
Transportable/Relocated residential dwelling - urban (Resource Consent required for relocated dwellings)	\$561.00	\$1,800.00
Transportable/Relocated residential dwelling - rural (Resource Consent required for relocated dwellings)	\$561.00	\$2,100.00
Note; If relocation includes additions or alterations add Additions & Alterations rate.		
Commercial / Industrial		
Commercial demolition	\$47.00	\$585.00
Minor commercial work e.g. signs/shop fronts/minor fit outs (no plumbing and drainage)		
Fit outs (no Plumbing and drainage)	\$187.00	\$800.00
Single tenancy shop fit outs	\$94.00	\$1,250.00
Use Commercial rate for large subdivision services		
Commercial/Industrial <\$50,000	\$301.00	\$2,400.00
Commercial/Industrial \$50,001 - \$100,000	\$449.00	\$3,350.00
Commercial/Industrial \$100,001 - \$150,000	\$598.00	\$4,280.00
Commercial/Industrial \$150,001 - \$250,000	\$747.00	\$5,200.00
Commercial/Industrial \$250,001 - \$350,000	\$896.00	\$6,200.00
Commercial/Industrial \$350,001 - \$500,000	\$1,045.00	\$7,100.00
Commercial/Industrial \$500,001 - \$1,000,000	\$1,045.00	\$7,750.00
Commercial/Industrial/Agricultural >\$1,000,000	\$1,045.00	\$7,750.00
Complexity per \$100,000 over \$1 million		\$450.00

Building Consent Authority And PIM Fees	(GST inclusive)	2021/22 Fee
Note; Development levies may apply to commercial building consents. Check with Council		
Building Consent Officer Hourly Rate		\$205.00
Team Leader Hourly Rate		\$245.00
Re-Inspection, for failing to build to plan, revisiting incomplete work, consent documents not on site.	per hour	\$205.00
Amendment to Building Consent (Reassessment of amended plans). Charges will also apply if the amendment involves additional inspections.	per hour	\$205.00
COMPLIANCE / TA FUNCTIONS	(GST inclusive)	
Swimming pool initial inspection fee		N/A
Swimming Pool Inspection fee		\$160.00
Certificate of Acceptance - Building Consent fee for the applicable building work plus actual costs at hourly rate (including inspections), payable prior to issue of certificate.	per hour	\$205.00
Compliance Schedule Amendment (includes one inspection and 12A and BWOF administration) any additional time charged at BSO hourly rate		\$270.00
BWOF Annual Renewal Fee		\$110.00
BWOF Technical Audit		\$270.00
Earthquake Prone Building Report Review/ Status Confirmation	2 hours	\$320.00
Discretionary Exemption from Building Consent Assessment, Sch 1(2) of the Building Act		\$295.00
Application for Certificate of Public Use (CPU) includes inspection		\$270.00
Application for a modification or waiver to a building, consent (per hour, inspections may incur additional charges	per hour	\$205.00
Building Services Officer (BSO) Hourly Rate		\$160.00
Team Leader Hourly Rate		\$245.00
BUILDING ADMINISTRATION		
Building Administrator Hourly Rate		\$100.00
Certificate of title		\$30.00

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Building Consent Authority And PIM Fees	(GST inclusive)	2021/22 Fee
BRANZ levy for work of \$20,000 or more	Charge is per \$1,000 or part thereof	\$1.00
MBIE Levy – GST inclusive for work of \$20,444 or more	Charge is per \$1,000 or part thereof	\$1.75
Administration - Printing Charge for Issued Consents (Optional)		\$55.00
Processing hardcopy certificate applications		\$100.00
Property search fee (Includes download, scanning documents, email, or writing to disc)		\$25.00
Annual Building consent list mailer (Annual charge -emailed)		\$120.00
Notice to fix- Inspections and Administration per hour		\$205.00
Relocatable Transported Rural Road Bond		\$2,000.00
Infrastructure Protection Bond		\$800.00
Road Damage Bond as set by Road Assets	minimum	\$520.00
Photocopying		
Black - up to A3	each	\$2.00
Colour - up to A3	each	\$5.00
Black - up to A0	each	\$20.00

LAND INFORMATION MEMORANDUM (LIM)

Land Information Memorandum (LIM)	(GST inclusive)	2021/22 Fee
Land Information Memorandum (LIM)		
LIM - Standard - 10 days		\$300.00
LIM - Urgent - 5 days		\$450.00
Certificate of title		\$30.00

RESOURCE CONSENT

Resource Consent Fees	(GST inclusive unless stated)	2021/22 Fee
LAND USE OR SUBDIVISION CONSENTS		
Activity		Deposit
Controlled		\$1,000.00
Restricted Discretionary – Non Notified		\$1,200.00
Restricted Discretionary – Limited Notified		\$1,500.00
Discretionary		\$1,500.00
Non Complying		\$2,000.00
Heritage Items *	Free for heritage work only	
PLAN CHANGE & RESOURCE CONSENTS		
<p>Note: Pursuant to Section 36, 36 (1) and 36 (3) of the Resource Management Act 1991, Council may require the person who is liable to pay one or more of the below charges, to also pay an additional charge to recover actual and reasonable costs in respect of the matter concerned.</p>		
<p>Note: These set fees relate to the minimum administration charge only. The actual fee payable includes the cost of time taken to process each application, memorandum, consent, certificate or schedule and costs required.</p>		
Planner	Per hour	\$180.00
Senior Planner/Engineer/Parks and Reserves technical expertise.		\$220.00
Manager Planning		\$260.00
Administration		\$100.00
Independent Hearing Commissioner		Actual Costs
Plan Change deposit		\$5,500.00
Deemed Permitted Boundary/Marginal Activities		
Permitted Boundary Activity (PBA)		\$315.00

Resource Consent Fees	(GST inclusive unless stated)	2021/22 Fee
CERTIFICATION		
S223 Certificate		\$260.00
S224 Certificate		\$310.00
S226 - Existing Use Rights		\$360.00
Certificate of Compliance (Permitted activity pursuant to Resource Legislation Amendment Act 2017) and Deemed Permitted Boundary/Marginal Activities		\$360.00
Additional Charges		
Public Notification		\$730.00
Limited Notification		\$365.00
Pre Hearing		\$510.00
Hearing		\$1,050.00
External Consultancy		Actual cost
Post Decision - Requested changes		\$400.00
Post Decision - Minor changes		\$180.00
Reserve & Rooding Contributions		
as per the District Plan		
Reserve Contributions		Rural 2% of land value (plus GST) Urban 3% of land value (plus GST)
Rooding Contributions		Rural 3% of land value (plus GST) Urban 2% of land value (plus GST)

INFRASTRUCTURE CONTRIBUTIONS

Infrastructure Contributions		2021/22 Fee
The figures below are payable by property owners who are taking up new connections to the various sewerage and water supply services in the New connection to Masterton urban services Masterton district. The contribution is the 'buy in' price for new joiners that connect to the services. All contributions are payable prior to connection.		
New connection to Masterton urban services	Water plus GST	\$2,000.00
	Sewer plus GST	\$3,000.00
This contribution is payable by subdividers/developers under the Wairarapa Combined District Plan, as part of issuing resource consents for new lots. The charge is effectively a joining fee to join the existing network services. For all other new connections the contributions are payable by the owner prior to connection		
Developers may be required to pay additional contributions depending on their development's assessed impact on the future network upgrade needs, as detailed below:		
The process for remission or waiver of these charges is detailed in section 23 of the combined district plan in accordance with the RMA		
Lansdowne (water capacity)	plus GST per lot	\$1,108.00
Stormwater Cashmere	plus GST per lot	\$220.00
Sewer Cashmere	plus GST per lot	\$612.00
Solway Crescent	plus GST per lot	\$591.00
Taranaki Street	plus GST per lot	\$252.00
South Belt (sewer)	plus GST per lot	\$1,035.00
Upper Plain - water (trickle feed off urban supply)	plus GST	\$3,150.00
	Plus connection costs (restriction valve, backflow valve etc)	
Other Rural - (metered) connection to Masterton	plus GST	\$2,250.00

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Infrastructure Contributions		2021/22 Fee
	Plus connection costs (restriction valve, backflow valve etc)	
Rural – connection to Masterton urban sewer	plus GST	\$3,225.00
Airport – additional cost recovery for Hood Aerodrome water and wastewater lines	Water additional plus GST	\$3,467.00
	Wastewater additional plus GST	\$4,655.00
Airport – new leases, additional cost recovery for water, wastewater and power.	plus GST	\$20,000.00
Tinui wastewater	plus GST	\$9,308.00
Tinui water supply	plus GST	\$3,340.00
Castlepoint wastewater	plus GST	\$4,800.00
Tauweru water supply	plus GST	\$4,264.00
Riversdale Beach wastewater - original Scheme Area		\$24,585.00

CEMETERY FEES

Cemetery Charges	2021/22 Fee
	(GST inclusive)
Plot Fees	
Lawn Cemetery Plots	
Child no more than 12 mths old	\$195.00
Child more than 12 mths but less than 10 yrs	\$367.00
All others	\$1,143.00
Cremations Plots - Berms	\$280.00
Interment Fees	
Lawn Cemetery	
Child no more than 12 mths	\$192.00
Child more than 12 mths but less than 10 yrs	\$597.00
All others - Urban cemeteries	\$1,193.00
All others - Rural cemeteries	\$1,452.00
Cremations Plot - (Urban)	\$389.00
Cremations Plot - (Rural)	\$478.00
Additional Charges	
Out of District fee - Interment (this is an additional cost to the purchase of a lawn or cremation plot)	\$934.00
Out of District fee - Cremation (this is an additional cost to the purchase of a lawn or cremation plot)	\$389.00
Breaking/Removing stone work, concrete	Actual costs
Interments on Saturday, Sunday & Statutory holidays (this fee is additional to regulation charges)	Actual costs or \$498 whichever is greater
Interments requiring attendance outside core working hours of normal working week (i.e. 0730 - 1600 hours). These charges are additional to regulation fees	Actual costs plus admin fee
Disinterment	Actual costs

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Cemetery Charges	2021/22 Fee
Availability of soil for hand filling adult plots	\$467.00
Removal of headstones and foundation structures	Actual costs
Construction of concrete floor, covers or renovation	Actual costs
RSA - No charge for Plot or Out of District Fee	Interment Fee Only

LIBRARY FEES

Library Charges	(GST inclusive)	2021/22 Fee
Service	Rental Charge	
Hot Picks	3 week loan	\$2.00
Inter-loans		\$10.00
Photocopying & Printing	A4 black	\$0.10
	A4 colour	\$1.00
	A3 black	\$0.20
	A3 colour	\$2.00
Fax - New Zealand	first page	\$2.00
	each additional page	\$1.00
Fax - International	first page	\$3.10
	each additional page	\$1.00
Scan and email		\$1.00
Laminating	A4	\$1.50
	A3	\$3.00
Service	Late Returns	
Hot Picks	per day	\$1.00
Books lost or not returned		replacement cost

PARKING

Parking		2021/22 Fee
Parking Meter Charges - Per hour	(GST inclusive)	\$1.00
Parking Offence Infringements	(No GST)	
P101 Parked within an intersection		\$60.00
P102 Parked on or within 6 metres of an intersection		\$60.00
P104 Parked on or near a pedestrian crossing		\$60.00
P107 Parked on broken yellow lines		\$60.00
P108 Parked on area reserved for hire or reward		\$60.00
P113 Double parking		\$60.00
P117 Inconsiderate parking		\$60.00
P105 Prohibited area		\$40.00
P109 Parked within 6 metres of bus stop		\$40.00
P110 Parked across a vehicle entrance		\$40.00
P111 Parked near a fire hydrant		\$40.00
P112 Parked between fire hydrant and road marking		\$40.00
P114 Incorrect kerb parking – left side of the road		\$40.00
P115 Parked on footpath		\$40.00
P119 Parked on loading zones or EV charging		\$40.00
P120 Incorrect angle parking		\$40.00
P969 Parked on disabled car parks with permit not		\$150.00
P821 Parked across a line marking a space		\$40.00
Meter/ Time Limit Infringements		
Not more than 30 minutes		\$12.00
More than 30 minutes but not more than 1 hour		\$15.00
More than 1 hour but not more than 2 hours		\$21.00

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Parking		2021/22 Fee
More than 2 hours but not more than 4 hours		\$30.00
More than 4 hours but not more than 6 hours		\$42.00
More than 6 hours		\$57.00

CONCESSION FEES

Concession Fees	(GST inclusive)	2021/22 Fee
Airport Events		
Airport event requiring closure of airfield	per event (e.g. Wings Over Wairarapa)	\$7,500.00
Airport event restricting airfield use	per event (e.g. TVA air show)	\$750.00
Airport events allowing normal use of airfield	per event	\$250.00
Bonds		
Commercial & non-commercial	dependent on level of impact and displacement to other users as assessed by Council or its agents	\$200 to 2,000
Concession for use of area/ space reservation in Reserve* (Mobile traders/ Hawkers/ Vendors/ Amusements)	application fee	\$50.00
	plus per day or part day or part thereof for up to 10sqm area	\$20.00
*Extended area by negotiation; Extended time (Lease/ Licence) by negotiation; Open Tender for competing concessionaires		
Commercial Filming/ Photography in Reserve	day or part thereof	\$250.00

TRADEWASTE

Trade Waste Charges	2021/22 Fee
These charges are split into three types:	
- An application fee	
- An annual consent fee and	
- Fee based on flow and strength if discharges reach the trigger point as defined in schedule 1 of the council's trade waste bylaw.	
All trade waste charges are additional to the sewerage rates paid.	
Application Fees	(GST exclusive)
Small discharges	\$188.00
Medium discharges	\$355.00
Large discharges	\$688.00
Trade Waste Consent Fees	
Small (controlled)	\$239.00
Small (conditional)	\$486.00
Medium (controlled)	\$814.00
Medium (conditional)	\$1,312.00
Large (controlled)	\$1,750.00
Large (conditional)	\$2,477.00
Large (users over Schedule 1 triggers) charged per flow strength and solids as follows:	
Flow (per cubic m)	\$0.76
Biological Oxygen Demand (BOD)(kg)	\$2.23
Suspended Solids (SS)(kg)	\$2.00
Additional inspections	\$103.50
Septage waste (to sewer) per tonne	\$70.00

ENVIRONMENTAL HEALTH AND LIC

Environmental Health and Licensing	(GST inclusive)	2021/22 Fee
New Application for registration of food control plan based upon: a template issued by MPI or a new business subject to a national programme	Fixed fee includes up to 2 hr to process registration	\$150.00
	per hour for every additional hr	\$75.00
Application for registration/renewal or amendment of food control plan based upon: a template issued by MPI or a renewal or amendment of business subject to a national programme	Fixed fee includes up to 1 hr to process registration	\$90.00
	per hour for every additional hr	\$90.00
Application for proposed new registered licensed premises (offensive trade, camping ground, funeral director, hairdresser and beauty therapists, tattooists, skin piercers)		\$150.00
Annual registration beauticians, Nail technicians, tattooists and skin piercers fees:		
Secondary business activity (chemists/beauty therapy services in conjunction with another activity)		\$60.00
Sole business activity e.g. Beauty Therapy Clinics		\$160.00
Annual registration - Camp ground		\$180.00
Annual registration - Hairdressers		\$160.00
Annual registration - Offensive trades		\$160.00
Annual registration - Funeral directors		\$160.00
Transfers/change of operator (offensive trade, camping ground, funeral director, hairdresser and beauty therapists, tattooists, skin piercers)		\$150.00
Administration charge max 1 hour - e.g. on invoice and requests		\$45.00
Verification		

Environmental Health and Licensing	(GST inclusive)	2021/22 Fee
Verification food premises including booking of appointments, checking prior history, travel time, actual on-site time, completing reports and recording system entries. Also covers any follow up verification site visits to check remedial action	fixed fee up to 3.5 hrs	\$270.00
	For every additional hour	\$90.00
Verification - Out of routine hours		
Verification food premises including booking of appointments, checking prior history, travel time, actual on-site time, completing reports and recording system entries. Also covers any follow up verification site visits to check remedial action	Fixed Fee up to 3.5 hours	\$405.00
	For every additional hour	\$140.00
Compliance and Monitoring		
Complaint driven investigation resulting in issue of improvement notice by Environmental Health officer; or Application for review of issue of improvement notice; or Monitoring of food safety and suitability; or Failure to comply with corrective action request within agreed timeframe	Hourly rate for each compliance and monitoring activity (minimum ½ hour charge)	\$150.00
Inspection fee		\$138.00
Hourly rate above programmed work		\$90.00
Further notes		
Application for refund of an annual registration fee must be in writing, 50% of total fee retained for administration/inspection, 50% of total fee refunded on a monthly pro-rata basis.		
The initial verification fixed fee is based on an initial estimate of time. The actual officer time will be subject to the size, complexity, level of compliance and the readiness of the business.		
The registration frequency for national programmes (NPs) is every two years.		
Food registration periods may be extended as per section 51(1)(b) and charged pro-rata for the extended portion.		
The verification frequency for high performing operators on FCP may extend to every eighteen months, further reducing compliance costs for food		

Environmental Health and Licensing	(GST inclusive)	2021/22 Fee
operators. Verification for businesses on national programme may also be extended to twenty four months. Businesses on national programme one (businesses such as coffee carts) will only need to be verified once if there are no changes to the operation.		
Any verification activities outside of the Masterton district will be charged at actual cost incurred i.e. no rates contribution.		
Licences	(GST inclusive)	
Application for Gambling Venue consent	plus charges	\$350.00
Hawker's licence and mobile shops (including inspection fee) per annum		\$130.00
Itinerant trader (including inspection fee) per annum		\$290.00
Duplicate licence		\$25.00
Street stall - licence		\$35.00
Taxicab stand - per annum	per annum	\$130.00
Pie cart stand - site licence		\$50.00
Boarding House per annum		\$75.00
Event application processing fee - 5 stalls where food is for sale and the public are attending both on private and public land, excluding charity events		\$150.00
Resources		
Food Act 2014 Resources	Actual cost plus 15%	
Noise Control		
Noise control charges (Return of seizure equipment) - (Per Callout to Property)		\$80.00
Security/ Fire alarm disconnection	Actual cost plus 10%	
Bylaws		(GST inclusive)
Grazing permit (3 months)		\$29.00
Removal of refuse		actual cost plus 15%
Rural Rapid Property numbering - Initial		\$45.00
- Replacement		\$17.00

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Environmental Health and Licensing	(GST inclusive)	2021/22 Fee
Return of seized skateboard		
First offence	7 day impoundment	
Second offence	7 day impoundment plus \$46.00 return fee	
Third and subsequent seizures	7 day impoundment plus \$86.00 return fee	
Abandoned vehicles		
Removal urban		\$250.00
Additional charges for storage and costs for rural collection		Actual Cost
Corridor Access Request / Work Access Permit	incl GST	\$46.00
Additional inspections for permits, consultation etc	incl GST	\$104.65
No Parking sign hire (per day)	incl GST	\$15.00
Administration charge max of 1 hour	incl GST	\$30.00

TRANSFER STATION

Transfer Station Charges – Nursery Road	(including GST unless stated)	2021/22 Fee
Waste to landfill prices include the Waste Levy at \$20 per tonne – the scheduled increase from \$10 per tonne from 1 July 2021 is built into the proposed new prices.		
Domestic Prices – Load Size	Green Waste to Composting	
Car boot or SUV (up to 100kg)	per load*	\$5.50
Small Trailer, Van, Ute (up to 1.8m x 1.2m x 0.4m high or up to 250kg)	per load*	\$13.50
Large Trailer, Van, Ute (up to 1.8m x 1.2m x 0.8m high or up to 500kg)	per load*	\$18.00
Large truck (up to six tonne) – Weigh In/Out (Min \$20 charge per load)	per tonne (+ GST)	\$60.00
* Council reserves the right to weigh any loads	Refuse to Transfer Station	
Official Masterton District Council 'Blue Bag'	Prepaid	
Bags – any other bag (up to 30kg)*	per bag	\$6.50
Car boot or SUV (up to 100kg)*	per load	\$23.50
Small Trailer, Van, Ute (up to 1.8m x 1.2m x 0.4m high or up to 250kg)*	per load	\$55.00
Large Trailer, Van, Ute (up to 1.8m x 1.2m x 0.8m high or up to 500kg)*	per load	\$72.00
Large truck (up to six tonne) – Weigh In/Out	per tonne (excl GST)	\$198.70
* Council reserves the right to weigh any loads and charge per tonne, minimum charge \$20		
Council Bags – recommended retail price	per bag	\$3.40
Commercial Prices	(excluding GST unless otherwise stated)	2021/22 Fee
General Refuse	per tonne	\$198.70
Construction/demolition refuse	per tonne	\$198.70

Transfer Station Charges – Nursery Road	(including GST unless stated)	2021/22 Fee
Tyres (more than 4 tyres)	per tonne	\$555.00
Tyres (car & 4WD only)	each incl GST	\$4.00
Tyres (car & 4WD, on rims)	each incl GST	\$5.00
Tyres Truck	each incl GST	\$7.50
Grease Trap & Special Waste (for burial)*	per tonne	\$198.70
Sump Waste	per tonne	\$51.00
Sawdust	per tonne	\$198.70
Septic tank waste (to sewer) liquid	per tonne	\$69.50
Poultry (e.g.) waste (to sewer)	per tonne	\$622.00
Cleanfill (weighed)	per tonne	\$6.20
Recyclable materials	No charge	
E-Waste	No charge	
Rural Recycling Transfer Station Facilities		2021/22 Fee
Load Size	(Including GST)	
	Green Waste	
Car boot or SUV (up to 100kg)	per load	\$6.00
Small Trailer, Van, Ute (up to 1.8m x 1.2m x 0.4m high or up to 250kg)	per load	\$13.50
Large trailer (up to 500kg) /medium truck (less than 2 tonne)	per tonne	\$72.00
Large truck (up to six tonne) Min \$20 charge per load	per Cu mtr	\$60.00
	Refuse to Transfer Station	
Load Size		
Official Masterton District Council Bags	Prepaid	No charge at gate
Bags – any other bag (up to 30kg)	Per bag	\$7.00
Car boot or SUV (up to 100kg)	per load	\$24.00
Small Trailer, Van, Ute (up to 1.8m x 1.2m x 0.4m high or up to 250kg)	per load	\$56.00
Large trailer (up to 500kg) /medium truck (less than 2 tonne)	per tonne (estimated)	\$230.00
Large truck (up to six tonne)	per cubic mtr (estimated)	\$86.00

HOUSING FOR THE ELDERLY

Housing for the Elderly (Nil GST)	2021/22 Fee
	New Rental Fee
Panama Village	
25 Bedsitter	\$102.00
15 One Bedroom	\$108.00
4 One Bedroom (double)	\$114.00
Laurent Place	
8 Bedsitter	\$98.00
4 One Bedroom	\$105.00
6 One Bedroom house (double)	\$115.00
Bodmin Flats	
8 Bedsitter	\$98.00
Truro Flats	
4 One Bedroom	\$105.00
4 Garage	\$14.00

WATER AND WASTEWATER SERVICES

Water & Sewer Services Charges	(Excluding GST)	2021/22 Fee
Activity		
*Joint connection		
20mm water and 100mm sewer		
*Drainage		
Sewer connection 100mm		
Sewer connection over 100mm		
Keeping sewer connection in repair		
*Water Supply		
20mm water connection		
Larger than 20mm connection		
Renewing 20mm connection		*Contract Price
*Renewing larger than 20mm connection		Plus \$165.90 processing and
*Keeping service pipe in repair		inspection fee for each application
Disconnection of water supply		
Reconnection of water supply		
*Installing water meter		
*Connection work may include (but is not limited to) pipe work, testing and disinfection, manifold (back flow preventer), service box (toby), water meter, flow control system (if required), attendance by the Council's contractor at the time of connection to the water mains, a NZ Transport Agency permit for trenching (if required), a Corridor Access Request for reinstatement of the road and other disturbed infrastructure, relocation of any other services, and any other related work.		
Water	(Including or excluding GST as stated)	2021/22 Fee

Water & Sewer Services Charges	(Excluding GST)	2021/22 Fee
Up to 50,000 litres per 3 months	excl GST	\$52.00
	incl GST	\$59.80
50,000 to 100,000 litres per 3 months per 1,000 litres	excl GST	\$1.27
	incl GST	\$1.46
Over 100,000 litres per 3 months per 1,000 litres	excl GST	\$1.63
	incl GST	\$1.87
2,000 to 20,000 litres in same load (tanker) per 1,000 litres	excl GST	\$2.00
	incl GST	\$2.30

