

MASTERTON DISTRICT COUNCIL

**047/21 Key Long Term Plan
Documentation
ATTACHMENTS 1-10**

**COUNCIL MEETING
WEDNESDAY 31 MARCH 2021**



REPORT 047/21 KEY LONG TERM PLAN DOCUMENTATION – ADOPTION FOR CONSULTATION ATTACHMENTS 1-10

1. The 2021-31 Financial Strategy (Attachment 1) Page 1
2. The 2021-51 Infrastructure Strategy (Attachment 2); Page 12
3. Significant Assumptions for the 2021-31 Long Term Plan (Attachment 3) Page 62
4. Our Work in Detail, incorporating performance measures and cost of service statements for each activity group (Attachment 4) Page 67
5. Our Costs in Detail, incorporating the financial statements for the 2021-31 Long Term Plan, capital expenditure detail statements, the Revenue and Financing Policy, Financial Prudence Benchmarks and Funding Impact Statements (Attachment 5) Page 109
6. Consideration of Appropriate Sources of Funding required under Section 101 of the Local Government Act, to support the Revenue and Financing Policy (Attachment 6) Page 181
7. Other policies relevant to the Long Term Plan (Attachment 7):
 - i) Treasury Management Policy Page 196
 - ii) [Rates Postponement Policy](#) (link to the document on the Council website)
 - iii) [Rates Remission and Postponement on Māori Freehold Land Policy](#) (link to the document on the Council website)
 - iv) [Rates Remission Policy](#) (link to the document on the Council website)
 - v) Development and Financial Contributions Policy Page 213
8. Adopts the Statement of Proposal for Fees and Charges for the 2021-31 Long Term Plan (Attachment 8) Page 217
9. Adopts the 2021-31 Long Term Plan Consultation Document for consultation with our community (Attachment 9) Page 236
10. Adopts the proposed Communication and Engagement Plan for the public consultation on the 2021-31 Long Term Plan Consultation Document (Attachment 10) Page 284

Financial Strategy

Masterton District Council

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 a 10-year plan and review of 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

PRUDENCE AND SUSTAINABILITY Council will manage its finances prudently and in a way that promotes the current and future interests of the community		
		
FINANCIAL STRATEGY The Council's financial strategy informs and guides the assessment of funding and expenditure proposals		INFRASTRUCTURE STRATEGY
		
FUNDING AND FINANCIAL POLICIES Council adopts a set of funding and financial policies to provide predictability and certainty over the sources and level of funding		
		
BALANCED BUDGET REQUIREMENT Unless it's prudent not to, operating revenues will be set at a level that meets operating expenditure		

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

This financial strategy is closely linked to the Council's Infrastructure Strategy. The Infrastructure Strategy details the capital and operational budgets and specific projects in the areas of transportation and roads, water supply, stormwater, wastewater 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 building more pensioner housing 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).

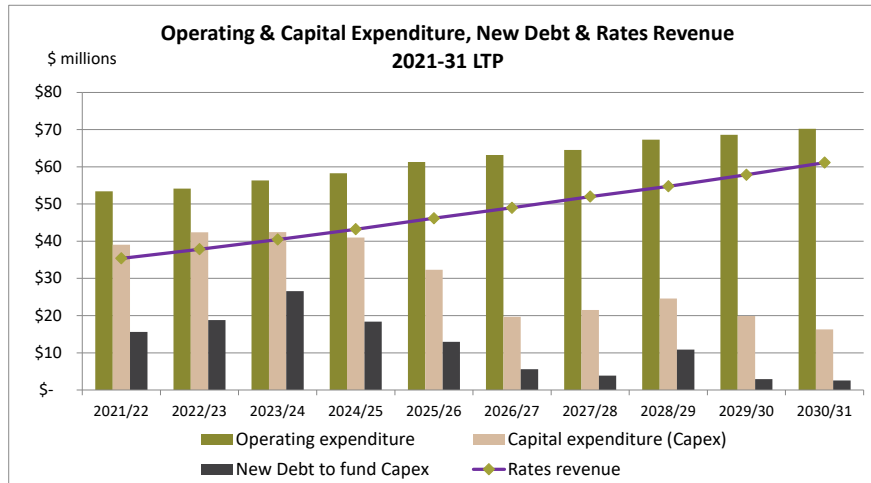
The level of net external debt is projected to increase from \$26.2 million to a maximum of \$93.6 million by Year 5.

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.

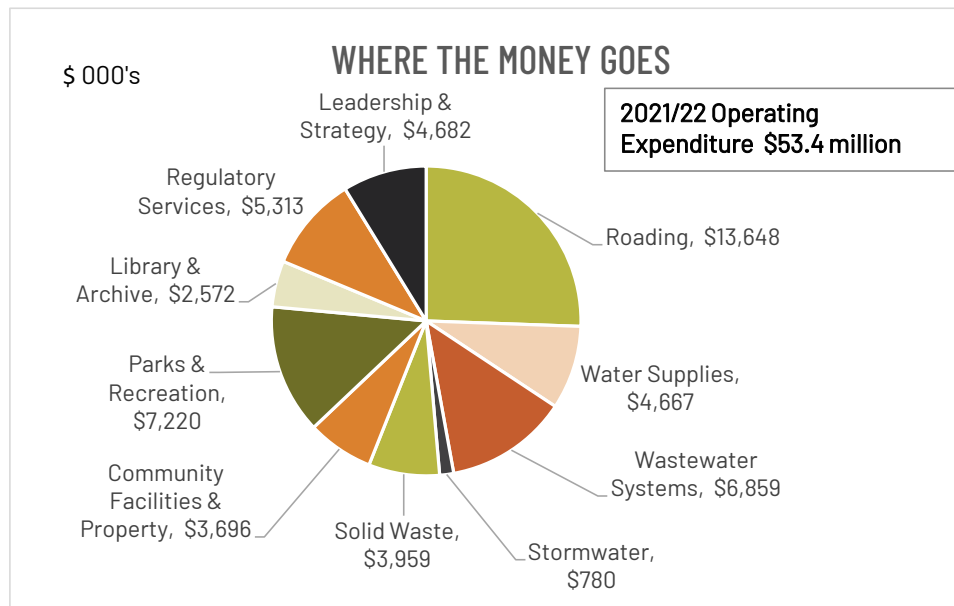
Rates increases beyond the limits in the last Long Term Plan (LTP) are required to fund the current and improved levels of service associated with the civic facility, housing and town revamp. In addition, the Council needs to catch up on the financial relief it provided to the community (through a reduced 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.

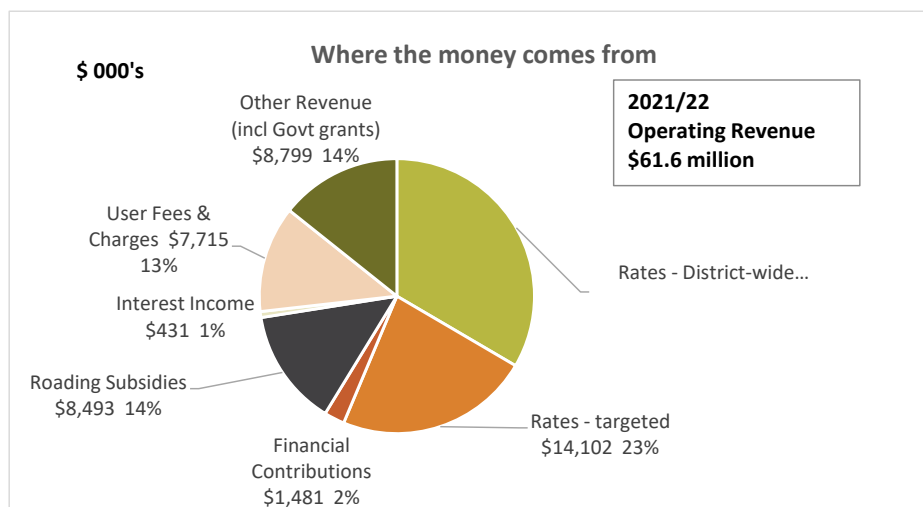
The graph below represents the financial picture of the forecast activity over the next 10 years. Some large capital projects are funded by new debt and the additional cost associated with those projects is the prime driver for the increasing rates required.



Where is the money spent?



Where does the money come from?



Our district

We expect to see population average annual 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, pensioner housing 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, delivering our town centre revamp and building more pensioner housing are all significant projects that will 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 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).

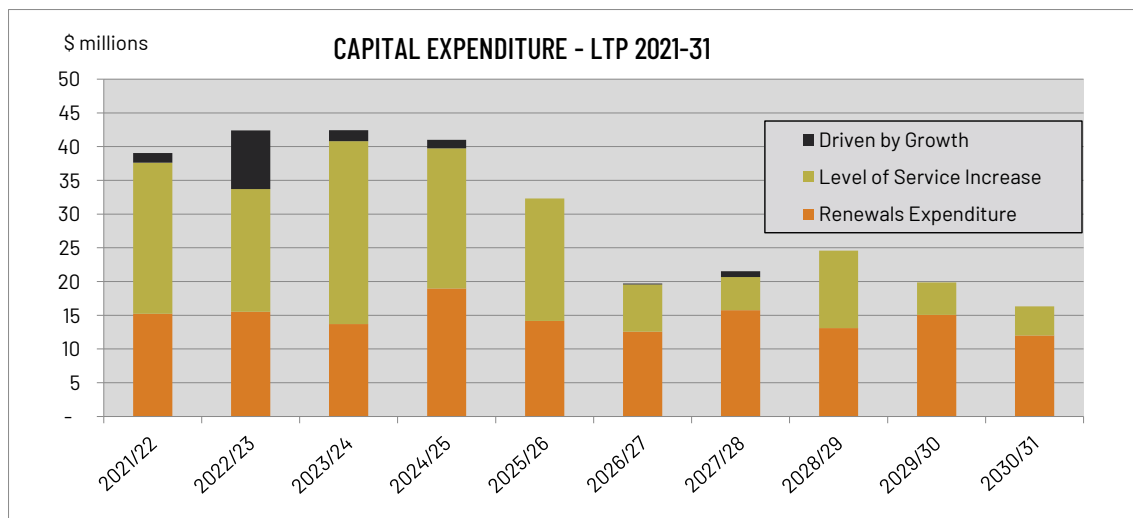
The Infrastructure Strategy indicates ongoing annual expenditure on renewal of our pipe networks. This financial strategy allows for those renewals be funded by money held in our depreciation reserves. Where planned capital renewals exceed the money in our depreciation reserve, the Council will borrow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

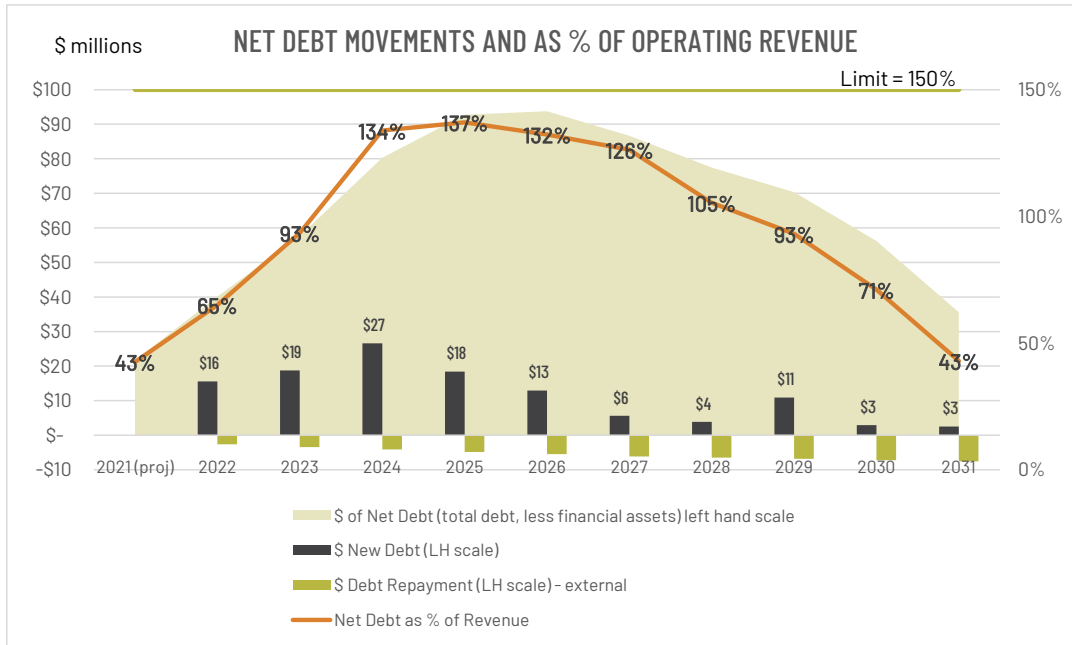
The level of external debt at 30 June 2021 is expected to be \$49.9 million. Net Debt (external debt offset by cash and financial assets) is expected to be \$21.7 million and will increase to \$93.7 million by 2026 before reducing to \$35.6 million by 2031 (see graph below under 'Debt Limits' section).

We are spreading the loan repayments on the Homebush debt over 25 years (the term of the consent). As described earlier, this will allow for further borrowing when additional investment is expected to be required in the 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%pa 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.

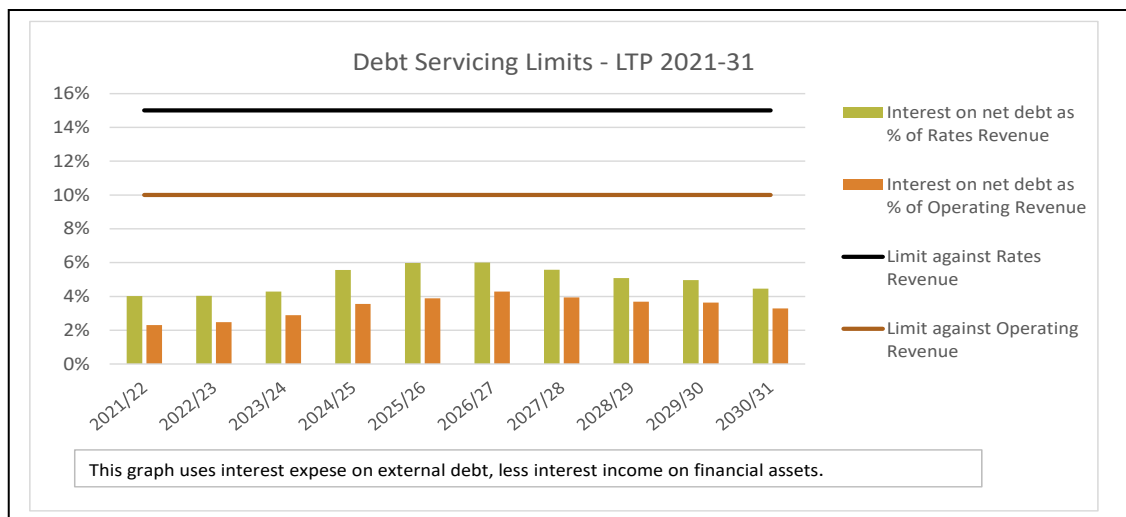
The limit of net debt being below 150% of Operating Revenue is considered prudent. There is room to borrow more and stay below the debt servicing limit.

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.

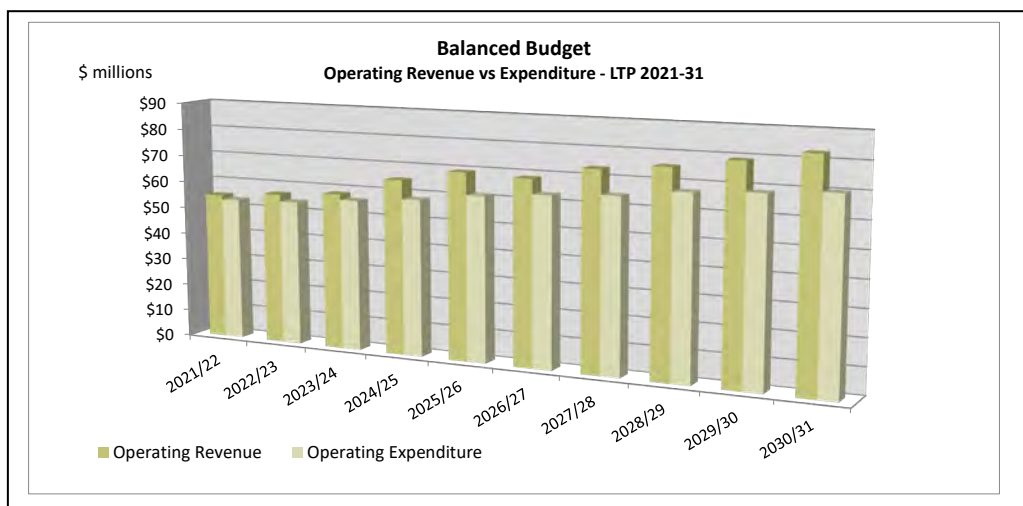
The Net Debt position takes account of cash funds building up in the later years of the LTP.

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. 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 civic facility. In the graph below, this one-off revenue has been excluded as it will distort the balanced budget position. Revenue from financial contributions is included.

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.

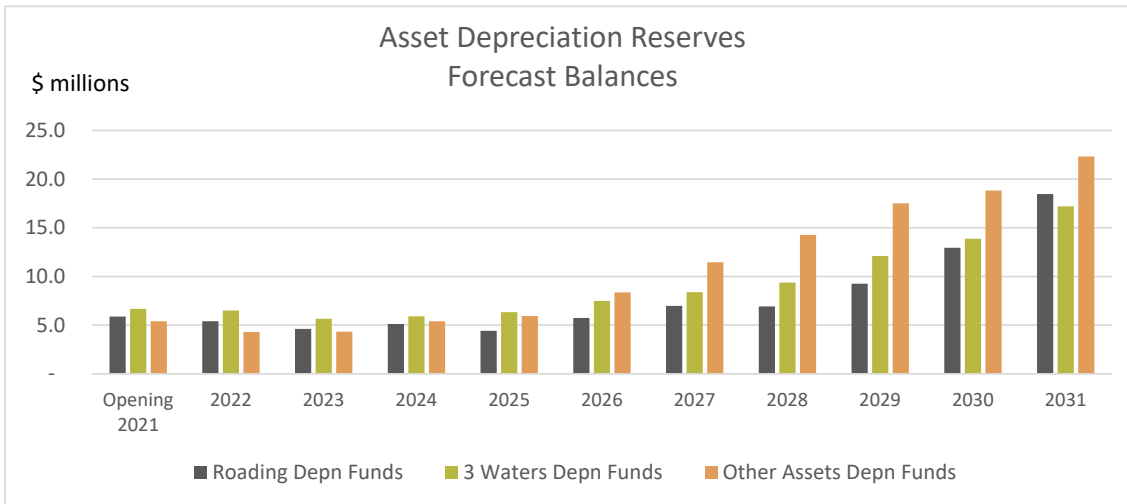


Full depreciation on Council assets has been recognised as an expense, but we have decided not to fully fund all depreciation on a number of specific assets (i.e. not fully allow for revenue to match the expense).

In the roading activity, as noted above, the renewals programme is designed to maintain the road network in a constant state. Depreciation expense is recognised and renewals are capitalised. The value of the capital programme is funded by way of subsidies from the 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 NZTA 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.

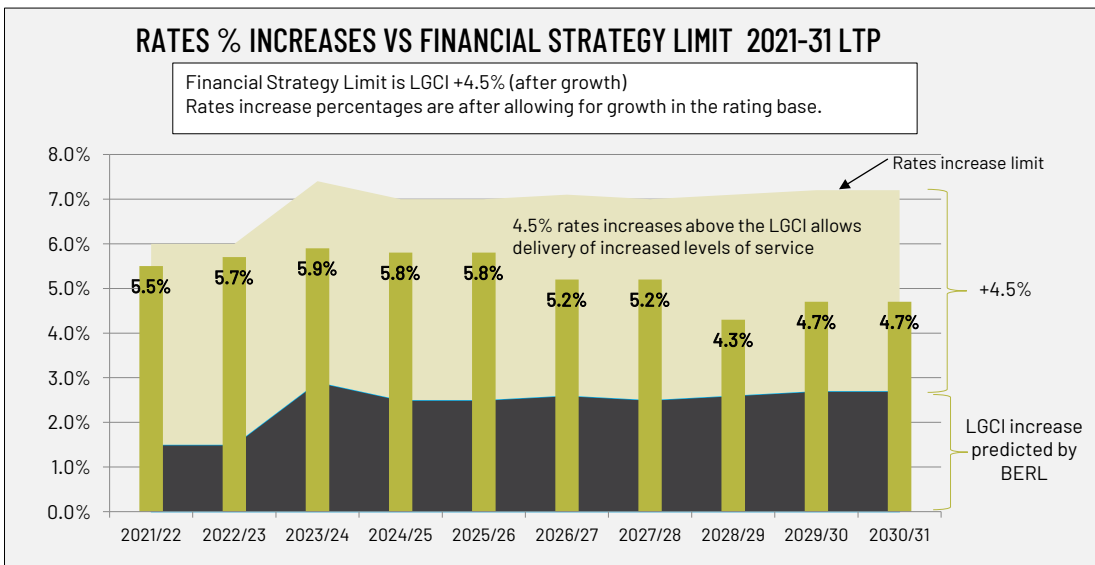


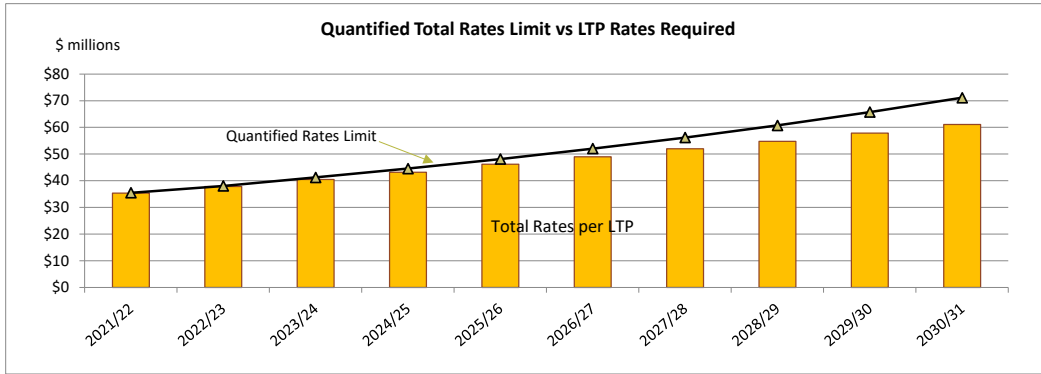
Rates increases

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 MDC’s share of the risk.

Damage to roads and bridge assets in the event of a natural disaster (including flooding) will be funded by our annual roading budget, NZTA subsidies and our roading and flood damage reserve funds (which are part of the \$15 million noted above). We have assumed that the NZTA share of the costs will increase depending on the severity of the event.

INFRASTRUCTURE STRATEGY – 2021 - 2051

MASTERTON DISTRICT COUNCIL **DRAFT**



We are Local Government
WWW.MSTN.GOV.T.NZ



DOCUMENT CONTROL

All rights reserved. No part of this publication may be reproduced, adapted, published or transmitted in any form or otherwise dealt with, without the prior permission of the copyright owner.

Masterton District Council

PO Box 444

Masterton 5840

QUALITY INFORMATION	
Document	Infrastructure Strategy
Reference	Version 2 Draft
Date	February 2020
Prepared By	David Mawson
Reviewed By	David Hopman
Peer reviewed by	Angela Jane
Document Approved	Kathryn Ross
Adopted by council	Pending

REVISION HISTORY			
Revision	Revision Date	Details	Authorised
2.1	19-2-2021	CE's amendments	Kathryn Ross
2.2	22-3-2021	Updated forecast graphs	David Mawson
2.3	25-3-2021	Added reference to 3 Water reform and Freshwater NPS	David Mawson

DOCUMENT CONTROL	2
Introduction	7
PURPOSE	7
CONTEXT	7
GEOGRAPHY	9
POPULATION	9
FUTURE GROWTH	10
Strategic Alignment.....	11
ALIGNMENT WITH OTHER DOCUMENTS	11
VISION	11
EVOLVING COMMUNITY EXPECTATIONS.....	11
REGIONAL SPATIAL PLANNING	12
THREE WATERS REFORM	13
NATIONAL POLICY STATEMENT FOR FRESHWATER MANAGEMENT	13
UNDERSTANDING LEVEL OF SERVICES.....	14
CATERING FOR GROWTH AND DEMAND	14
MINIMISING THE RISK, INCREASING THE RESILIENCE.....	15
MANAGING THE LIFE OF OUR ASSETS	16
Water infrastructure assets	17
CRITICAL ASSETS.....	17
LEVELS OF SERVICE.....	17
HISTORICAL OPERATING EXPENDITURE.....	17

Wastewater infrastructure assets.....	18
LEVELS OF SERVICE.....	18
HISTORICAL OPERATING EXPENDITURE.....	18
Stormwater infrastructure assets.....	19
LEVELS OF SERVICE.....	19
HISTORICAL OPERATING EXPENDITURE.....	19
Solid waste infrastructure assets.....	20
CRITICAL ASSETS.....	20
LEVELS OF SERVICE.....	20
HISTORICAL OPERATING EXPENDITURE.....	20
Transport (roading) infrastructure assets.....	21
CRITICAL ASSETS.....	21
LEVELS OF SERVICE.....	21
HISTORICAL OPERATING EXPENDITURE.....	21
Parks, open spaces and community facilities infrastructure assets.....	22
CRITICAL ASSETS.....	22
HISTORICAL OPERATING EXPENDITURE.....	22
Maintenance strategies.....	23
DATA CONFIDENCE.....	23
Our approach to asset management.....	23

RENEW OR REPLACE ASSETS.....	23
RESPONSE TO COMMUNITY GROWTH OR DECLINE	24
LIFECYCLE RENEWALS	24
PLANNED INCREASE OR DECREASE IN THE LEVELS OF SERVICE	24
MAINTAIN OR IMPROVE PUBLIC HEALTH	24
NATURAL RESOURCES PLAN	24
DEMAND DRIVERS.....	25
PARKS PLAYING SURFACES.....	26
RISK AND RESILIENCE FOR INFRASTRUCTURE	26
Operational risks.....	27
WATER SUPPLY ASSETS.....	27
WASTEWATER ASSETS	27
STORMWATER ASSETS.....	27
SOLID WASTE ASSETS.....	27
ROADING ASSETS	27
PARKS, PROPERTY AND COMMUNITY FACILITIES ASSETS	27
Other risks.....	28
CLIMATE CHANGE AND STORMWATER PROTECTION	28
INCREASED FLOOD RISK	30
EARTHQUAKE RESILIENCE RISKS	30
What work is planned?	31
SIGNIFICANT INFRASTRUCTURE.....	31

WORK PROGRAMMES ASSUMPTIONS.....	31
Significant projects required.....	32
RENEWALS OF EXISTING 3 WATER ASSETS.....	37
RENEWALS AND UPGRADES OF EXISTING ROADING ASSETS.....	37
NETWORK EXPANSION AND UPGRADES.....	38
DELIVERING A NEW CIVIC FACILITY:.....	38
MASTERTON REVAMP (TOWN CENTRE UPGRADE):.....	38
WATER SUPPLY RESILIENCE.....	39
HOMEBUSH WASTEWATER TREATMENT PLANT UPGRADE/CONSENT REVIEW.....	39
HOOD AERODROME.....	39
BUILDING A NEW ANIMAL SHELTER:.....	40
SKATEPARK RENEWAL.....	40
SENIOR HOUSING.....	40
Funding of Operating and Capital Expenditure.....	41
RENEWAL AND MAINTENANCE PROGRAMMES.....	42
PLANNED EXPENDITURE – WATER ASSETS.....	44
PLANNED EXPENDITURE – WASTEWATER ASSETS.....	45
PLANNED EXPENDITURE – STORMWATER ASSETS.....	46
PLANNED EXPENDITURE – SOLID WASTE ASSETS.....	47
PLANNED EXPENDITURE – ROADING ASSETS.....	48
PLANNED EXPENDITURE – COMMUNITY FACILITIES AND PROPERTY ASSETS.....	49
PLANNED EXPENDITURE – PARKS ASSETS.....	50

INTRODUCTION

Purpose

Purpose of the Infrastructure Strategy

This Infrastructure Strategy outlines how we intend to manage our infrastructure assets over the next 30 years.

Infrastructure is an important community asset accounting for 88% of operating expenditure and 98% of capital expenditure, with assets grouped within the following activity areas:

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

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

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

- our main options for dealing with those issues;

- cost and service delivery implications for residents and businesses of those options; and
- The Council's current preferred scenario for infrastructure provision

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.

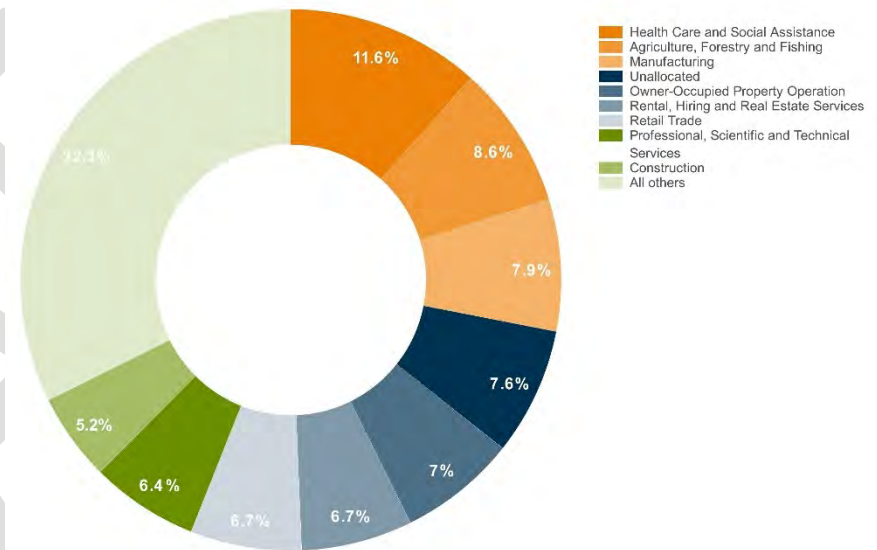
Masterton is the largest township in the Masterton district and the Wairarapa region. Ninety minutes north of Wellington city, Masterton offers an escape from the hustle and bustle. The Wairarapa region is becoming famous for its wine, historical aircraft, and as one of the earliest inland European settlements 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 but not voting rights.

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 has been relatively stable since, however the most recent 2018 census data does show an increase to 25,557. The 2020 population estimate is 27,500. (stats NZ*)

There are 19,810 urban and 5,747 rural and semi-rural residents (2018 census). – Note: 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.

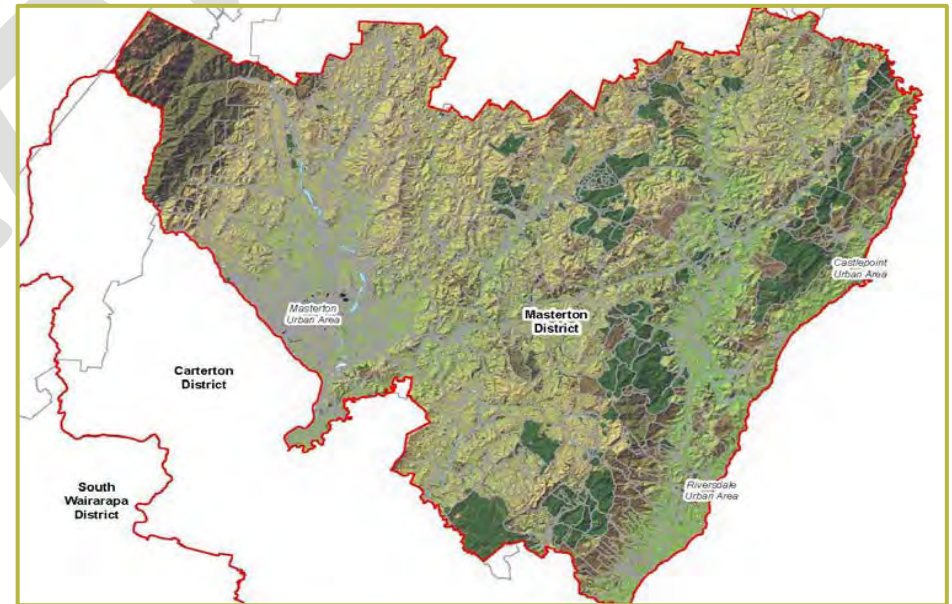
Key characteristics of this population base include:

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 is almost unchanged over the last 15 years, but the proportion of people aged over 60 years has increased by approximately 1-2% at each

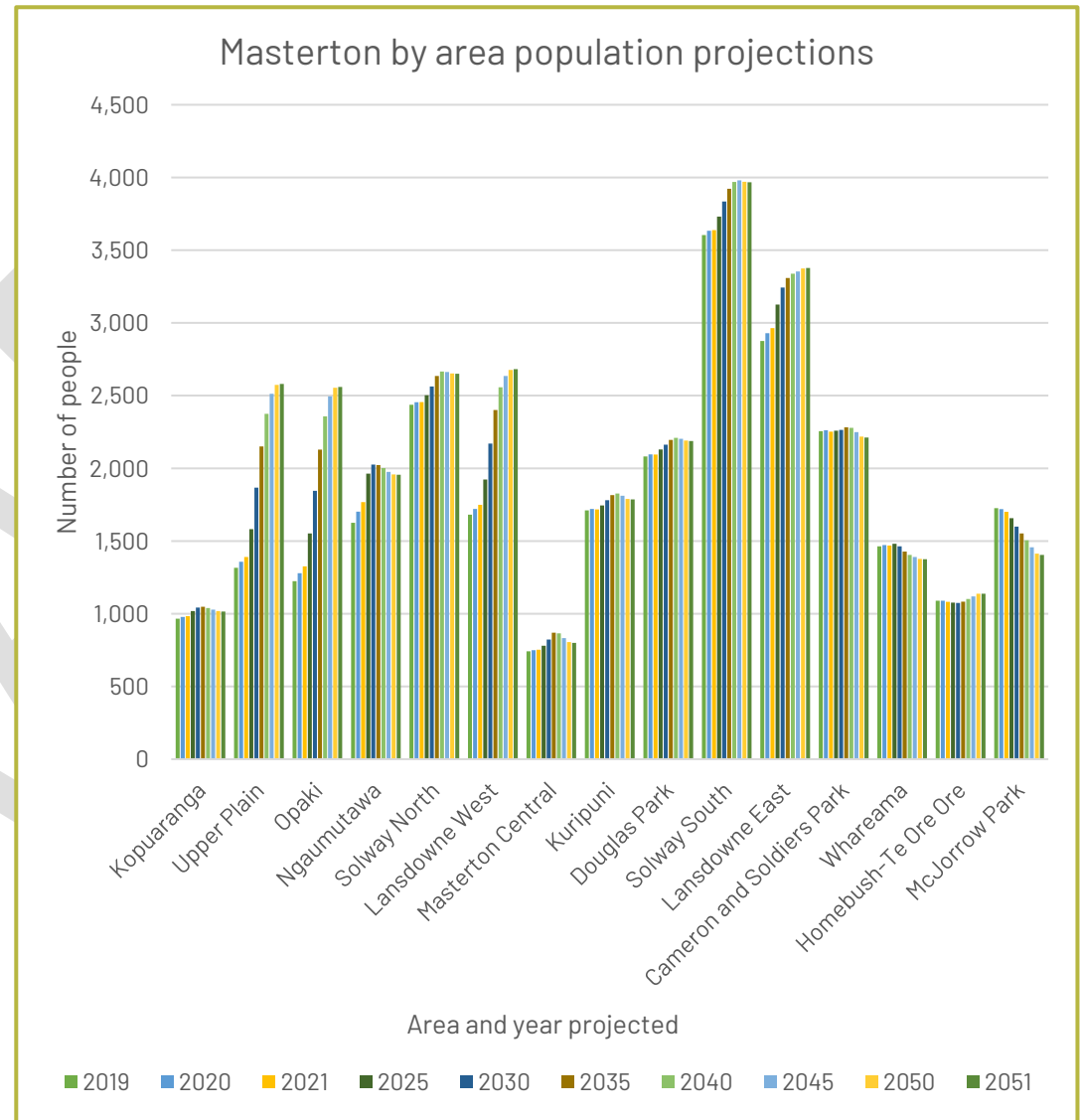


census count since 1991. The number/proportion of single occupant houses is steadily increasing and is now at 28.5%

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	6,900
% 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 McJorrow 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**

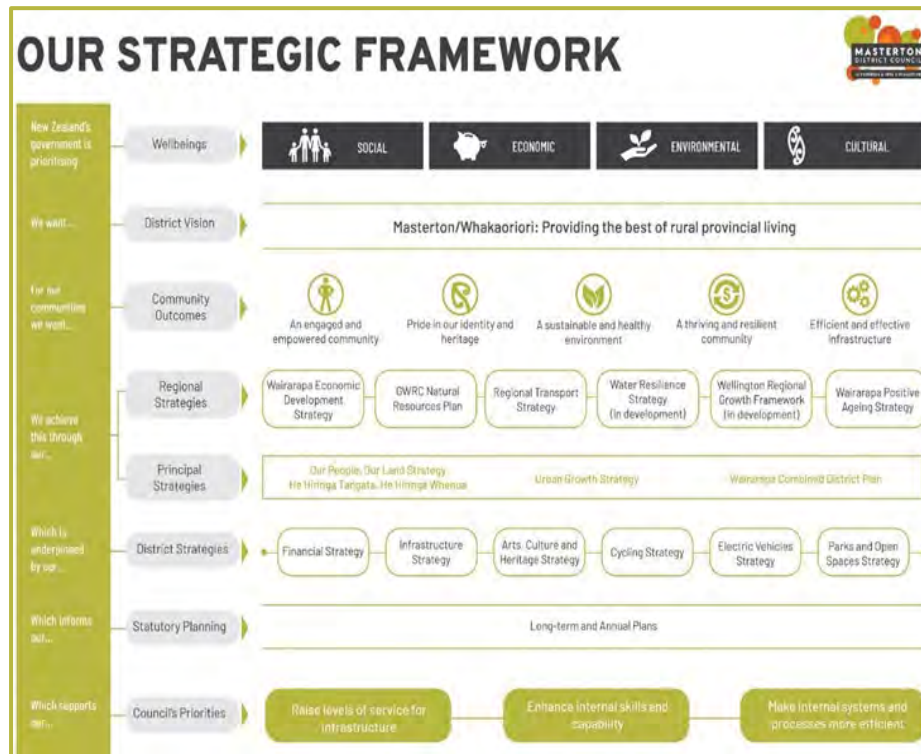


STRATEGIC ALIGNMENT

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 below 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.

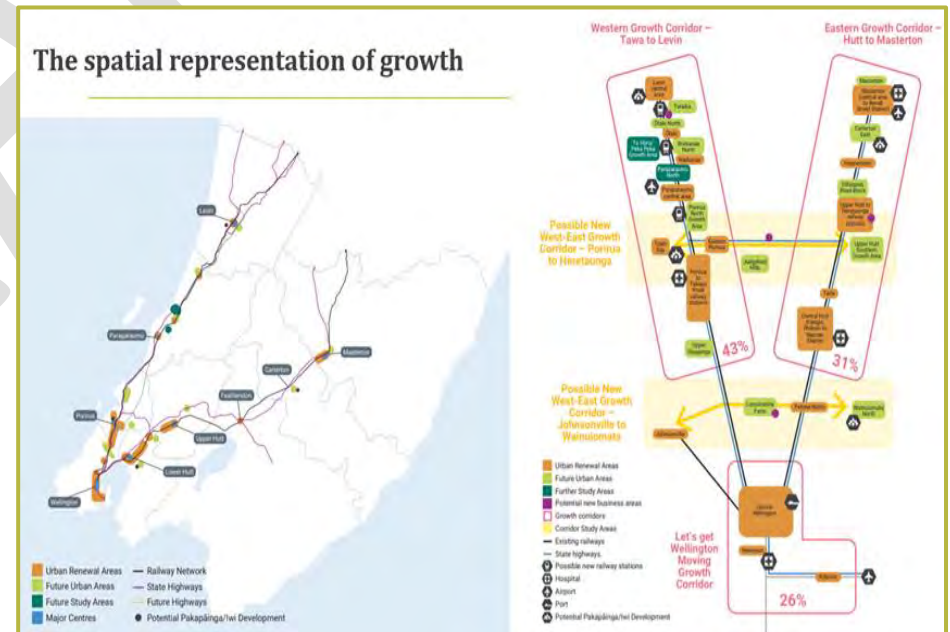
The Framework outlines how the region can accommodate additional people and jobs and meet the Framework's objectives, which requires the region to:

- 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 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 May 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

Whaitua Chapters can be found in Masterton District Councils 3 Water asset management plans.

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

AIMS OF THE INFRASTRUCTURE STRATEGY

Understanding 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 is restricted which in turn limits their resilience to change.

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

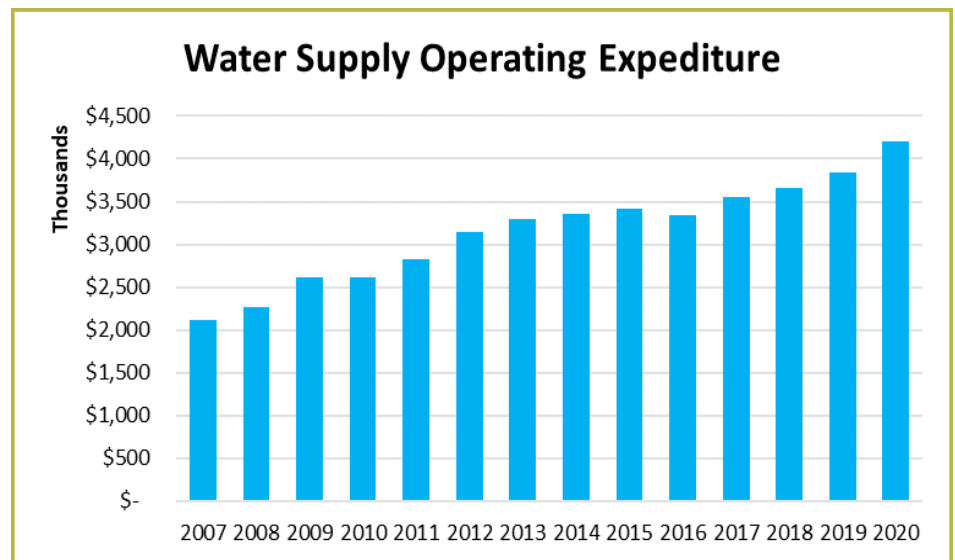
Levels of service

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 and approximately 800 manholes and 4km of river stop banks along the Waipoua and Ruamāhanga rivers. There are also some retention embankments for high flow management. 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.

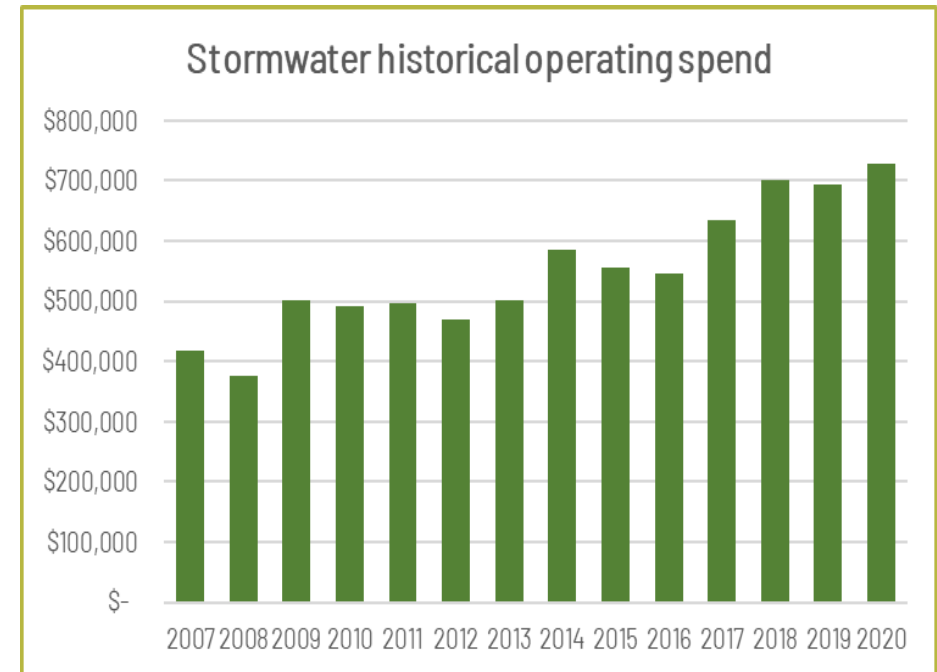
Levels of service

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.

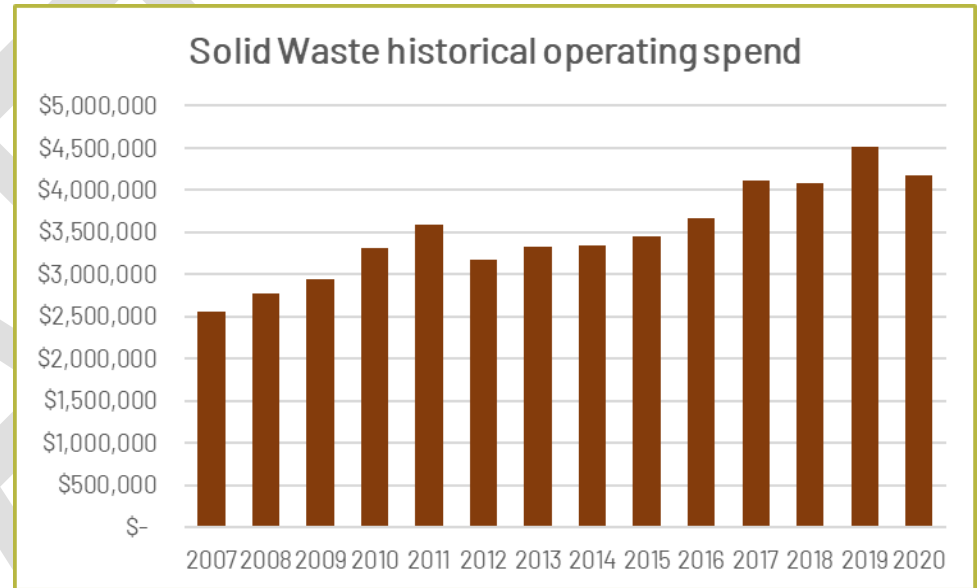
Levels of service

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

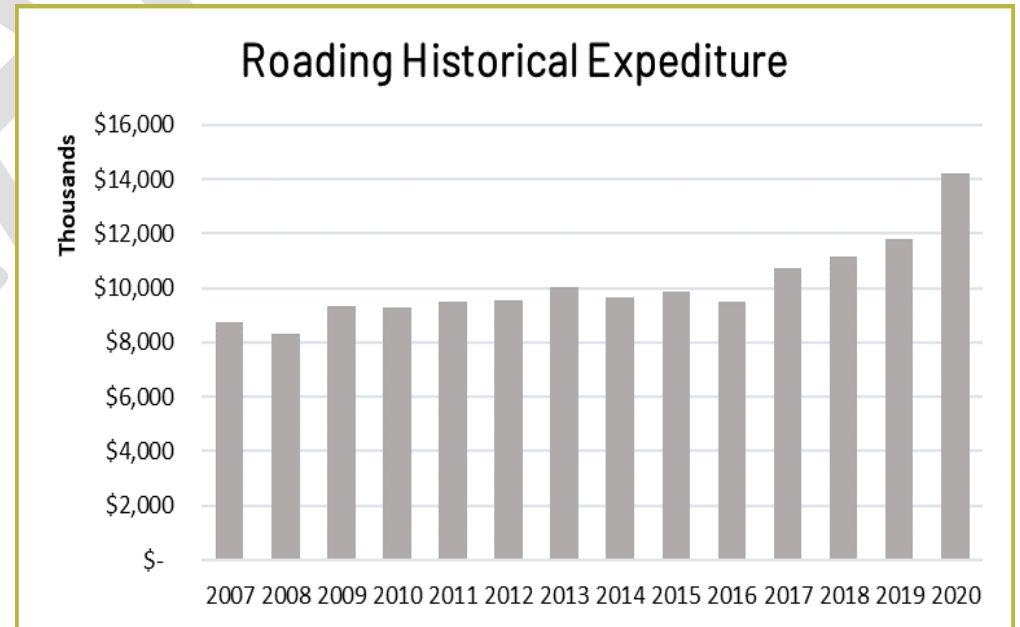
Levels of service

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.

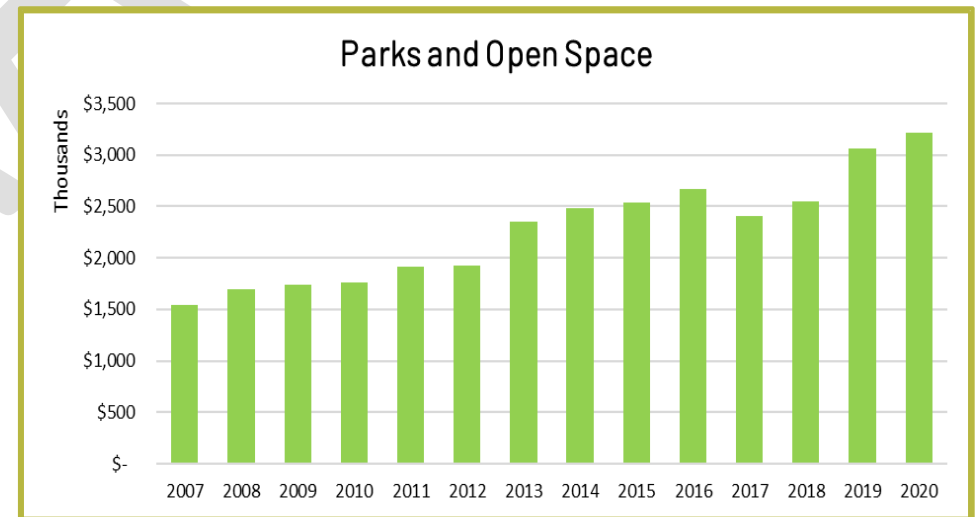
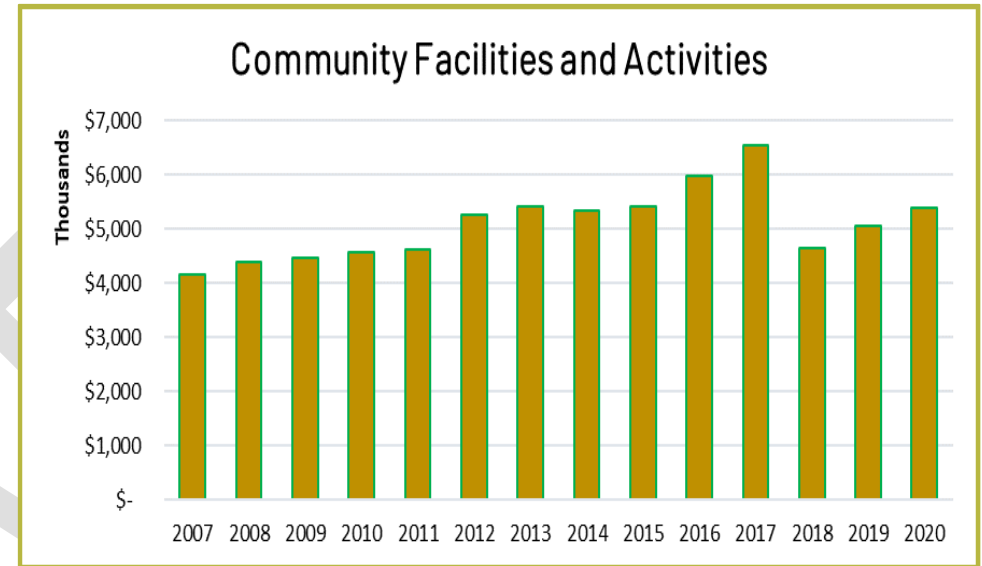
Hood Aerodrome runway assets optimised replacement valuation as of 2020 was \$4,264,992. *Source - WSP/Opus valuations Nov 2020*)

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.



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.

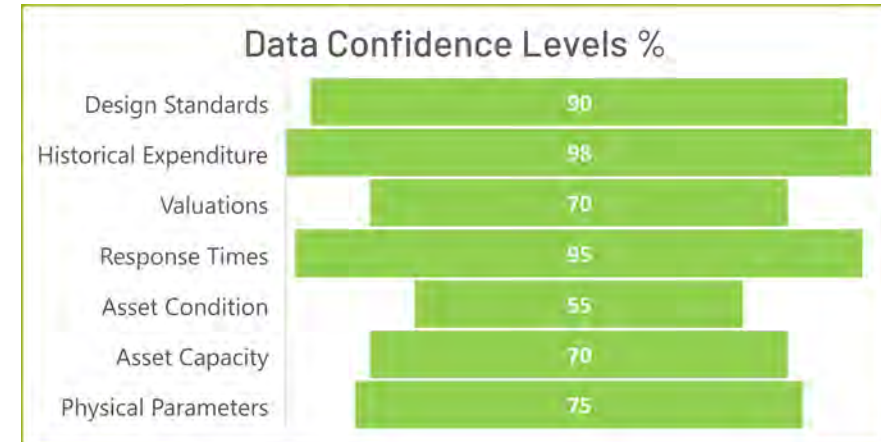
We will review the cost-effectiveness of the current arrangements for meeting the needs of the community within the district for good-quality local infrastructure, local public services, and the performance of regulatory functions according to the LGA (section 17a) in 2020 -21.

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. 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

Demand drivers		
Demand drivers	Future Impact	Future possible operational demands
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
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 NZ Transport Agency (NZTA) share of the damage incurred.

The financial resilience of the Council in the face of unexpected costs is also supplemented by having cash reserves of based on having cash reserves of \$16 million. These funds are available to meet immediate

recovery costs and would be expected to be reimbursed once appropriate funding sources are confirmed.

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

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

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

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

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

OPERATIONAL RISKS

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

Water Supply Assets

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

Wastewater Assets

- Wastewater treatment plant capacity. Options to increase treatment capacity at Homebush are included in this strategy
- Pipe capacity and wastewater overflows. Blockages and stormwater inflows can cause overflow. We have an Inflow and Infiltration strategy to minimise these events.

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

OTHER RISKS

Climate change and stormwater protection

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

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

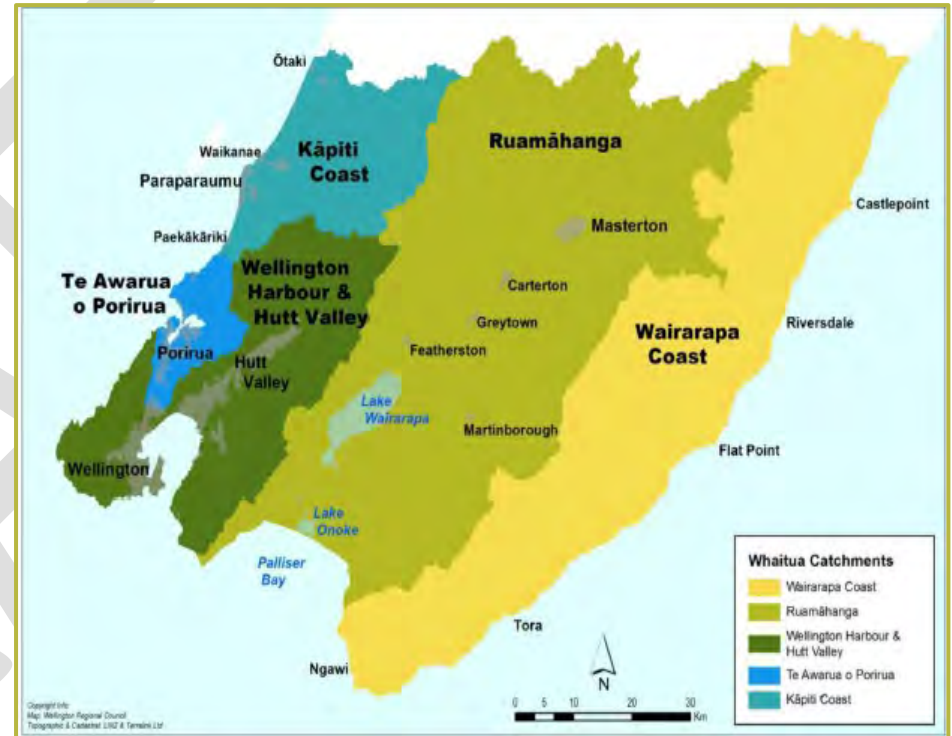
More frequent droughts may also affect the security of water supply. Currently we rely on adequate water flows from the Waingawa River and have no stored water for a prolonged drought.

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.

Council is preparing a Climate Change mitigation strategy during 2021/22. Projects from investigations as this strategy to be developed may change current and forecast project, work and maintenance programmes



Notes:

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

Rcp4.5 mid-range scenarios where greenhouse gas concentrations stabilise by 2100

Rcp8.5 is a high concentration scenario where the ghg emissions continuing very high. In the light of new technologies and improvements it remains a valid way to test the sensitivity of the climate variables.

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
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 	<ul style="list-style-type: none"> 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"> 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 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 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.

WHAT WORK IS PLANNED?

Significant Infrastructure

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

Work programmes assumptions

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

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

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

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

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

The NZTA funding assistance rate remains at 56 - 57% and that NZTA 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	Options 1 (Preferred)	Option 2	Option 3
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	Reduce renewal plan but this will increase the asset failure risk. Assets will continue to age and deteriorate	Increase renewal spend. Affordability issues for community versus potential asset condition gains
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 Roothing asset up to prescribed LOS	Reduce renewal plan but this will increase the asset failure risk. Assets will continue to age and deteriorate	Increase renewal spend. Affordability issues for community versus potential asset condition gains

Significant Projects						
Significant Infrastructure project	Approximate Date Required	Estimated Cost	Theme or Reason	Options 1 (Preferred)	Option 2	Option 3
Network Upgrades	Identified areas requiring upgrade to meet demand for new subdivisions	\$4,090,000	Growth	Included within 3 water and roading programmes to enable growth around Masterton urban fringes and infill.	Do nothing and let developers cover all these cost.	
New Civic Facility	Years 1 - 5	\$30.8 million (+/- 30% variance due to the early nature of the budget figures)	LOS	Option includes co-location of library, performing arts flexi-form theatre, meeting rooms, kitchen facilities and information hub including front of house Council services. Acquisition of land assumed.	As part of the decision-making process several options and variations on the preferred option were considered. Options included larger flat-floor event space in addition to the flexi form theatre, large commercial kitchen and extension café space, library remaining separate and co-working space. Following various investigation activities and reports, including a demand analysis, these options were discounted.	
Masterton Revamp (CBD upgrade)	2021 - 2031	\$35.4 million	Growth/LOS	10-year programme: including all stages of the Town Centre Strategy adopted in 2018, including the	Scaled back programme: \$20 million including Queen Street stage 1-3, Charlies Lane,	Do nothing: this option would see no investment made in the Town Centre, Waipoua or town

Significant Projects						
Significant Infrastructure project	Approximate Date Required	Estimated Cost	Theme or Reason	Options 1 (Preferred)	Option 2	Option 3
				Waipoua river precinct; and all entry points into Masterton. The Town Centre work is staged to ensure that Council is in a position to capitalize on external NZTA funding opportunities.	the Waipoua river precinct and the North and South entrances only. This programme could be delivered over a short time frame.	entrances. This is deferring a decision on some of the infrastructure in the Town Centre that is end of life and in need of renewal shortly. Money has been spent to date on numerous design packages also.
Water Supply Resilience. Council raw water storage	2024-25	\$7,400,000	Risk/LOS	Increase Masterton urban raw water storage capacity to 40 days.	Partner with Wairarapa Water limited Dam project and use this facility to supply Masterton Urban potable water. Feb 2021 - This project is currently in early consent phase.	Restrict water use to the community to match our current and future water take consent and storage capability
Homebush Wastewater	Before 2034	\$11.90 million implementation		Homebush Wastewater treatment plant upgrade / consent review		

Significant Projects						
Significant Infrastructure project	Approximate Date Required	Estimated Cost	Theme or Reason	Options 1 (Preferred)	Option 2	Option 3
treatment plant upgrade / consent review		\$32 million for plant upgrade				
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.	Co-located and co-funded: this option explored the opportunity for both Carterton and South Wairarapa to have co-located services in a new shelter in Masterton. These requirements would be captured in the design and either upfront contribution or a fee arrangement to be agreed. This option was discounted, and Carterton are exploring alternative options.	Do nothing: this option would mean that we are at risk due to the current facilities lack of compliance with the necessary codes and standards.

Significant Projects						
Significant Infrastructure project	Approximate Date Required	Estimated Cost	Theme or Reason	Options 1 (Preferred)	Option 2	Option 3
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.	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.	We are exploring options for additional extras including a pump track and permanent all weather shelter. These can be retrofit at a later stage if the decision is deferred.
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		

Significant Projects						
Significant Infrastructure project	Approximate Date Required	Estimated Cost	Theme or Reason	Options 1 (Preferred)	Option 2	Option 3
				funding sources, based on the application we put forward in 2020.		
Senior Housing	2021 - 22 & 2022 - 23	\$500,000 year 1 \$7,000,000 year 2	LOS	Draft - Our Proposal Council funds and builds 25 units (15 x 1-bedroom units and 10 x 2-bedroom units) on the vacant land at Panama Village and partners with a community housing provider to manage the housing so that tenants can access the government subsidised rent, making it affordable housing.		

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 Roding networks. It would also have implications for rural roads and bridges with the forecast increased in the forest harvest and the increase in truck capacity currently being implemented by the central government's HMPV and 50 max programmes. The financial impact of deferring renewals is difficult to quantify for an entire network but inevitably

the disruption and renewal costs of a failed asset are greater than if the work was undertaken in a timely manner.

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

The Council has a number of different projects that will all work together to rejuvenate how Masterton looks and feels, and we will get to work delivering those over the next 10 years to create a town that our tamariki and mokopuna can be proud of. The 10-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 LTP includes an allocation of \$35.4 million dollars over the 10-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. Causes of using a secondary supply could be a natural event e.g., earthquake, infrastructure failure, or water supply contamination.

Homebush wastewater treatment plant upgrade/consent review

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

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

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

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

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

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

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

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

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

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

A budget provision of \$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 between 2021 and 2022.

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 provide Masterton with a venue suitable for holding national level events there is a shortfall of \$300,000 that is included in Y1 of the LTP. The renewed facility will include a pump track, more features for all abilities and an all-weather shelter.

Senior Housing

Draft – Our Proposal

Council funds and builds 25 units (15 x 1-bedroom units and 10 x 2-bedroom units) on the vacant land at Panama village and partners with a community housing provider to manage the housing so that tenants can access the government subsidised rent, making it affordable housing.

The estimated cost for building the 25 units with the required infrastructure (includes water and wastewater pipes, roading and paving, stormwater, power, landscaping) is \$7.5 million. We have estimated an annual income of \$351,000 which accounts for market rent (the government subsidises the eligible tenants) less the cost for the services of the community housing provider to manage the units.

With a 25-year loan on the project cost there is a net cost to our ratepayers of \$143,000 per annum, which equates to \$11 for the average urban residential property from 2023.

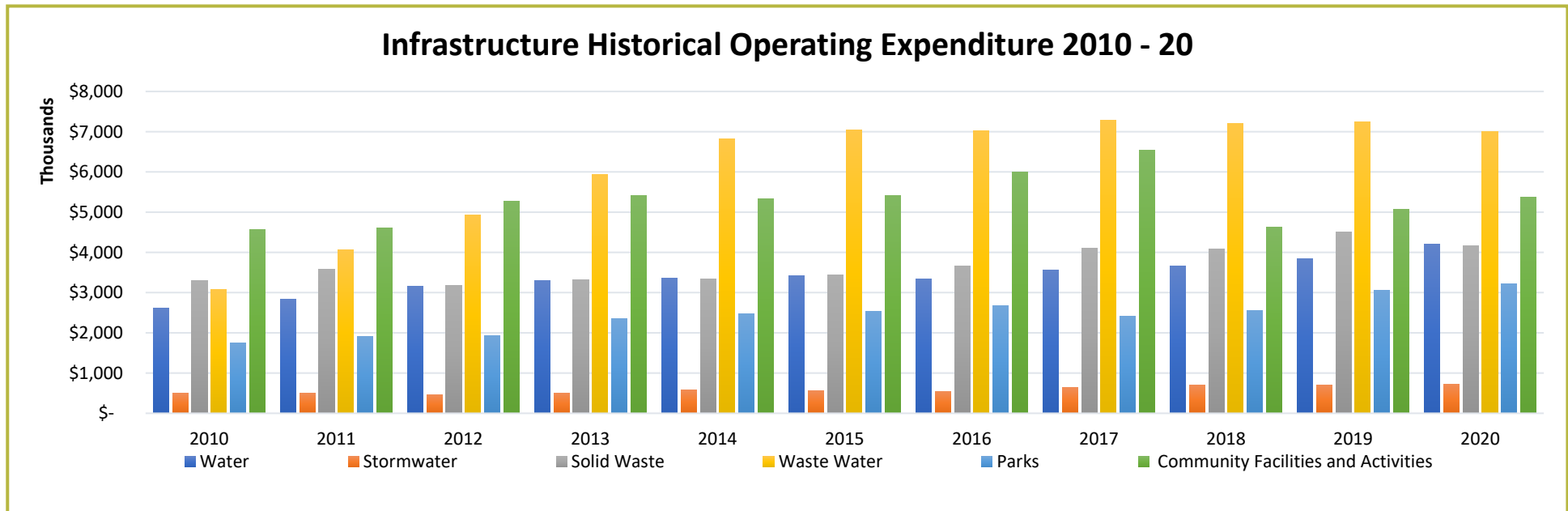
FUNDING OF OPERATING AND CAPITAL EXPENDITURE

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

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

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

These policies are further detailed in our financial strategy.



10 Year Infrastructure Expenditure Forecast

Renewal and maintenance programmes

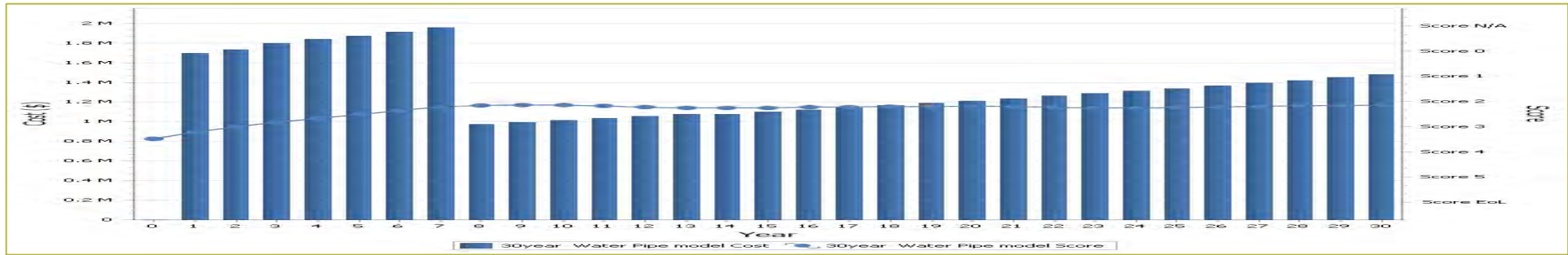
The graphs below show the forecast asset condition for the Council's water, sewer, and stormwater networks, with the proposed network renewal spend over the next 30 years. The performance of the network typically deteriorates gradually over time. Therefore, it is not critical that any particular asset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

We will smooth the planned renewal programmes based on the optimised renewal decision process to achieve a balance between

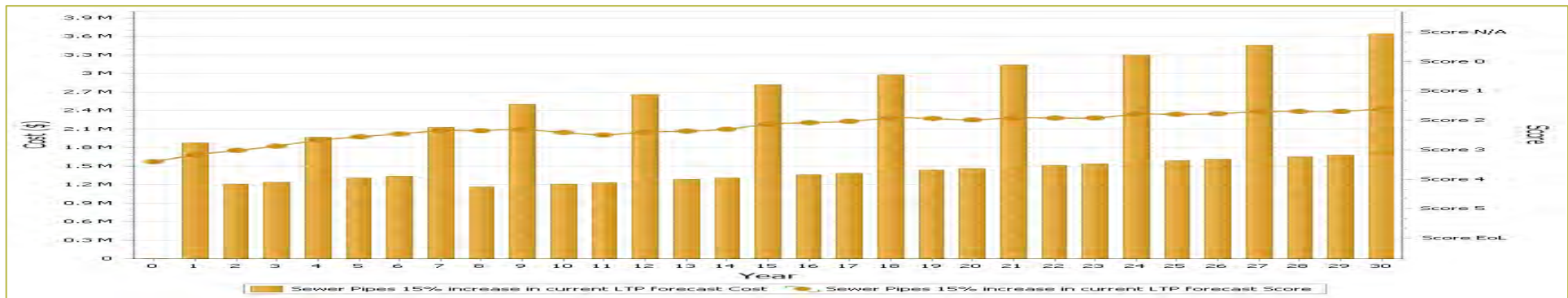
optimal timing of maintenance and replacement, keeping funding demands on ratepayers even, and ensuring that work that affects street surfaces is integrated with our street resealing programme. There are no plans to differ or delay the renewals programme specified in the asset management plans for any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

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

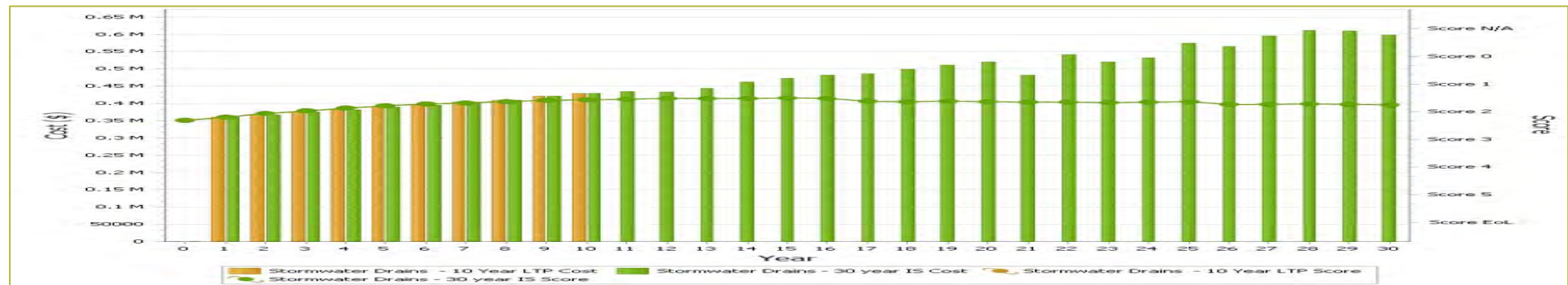
10 and 30-year scenario modelling for Water Supply reticulation pipes. Condition score and spend 2021 – 2031 & 2051



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

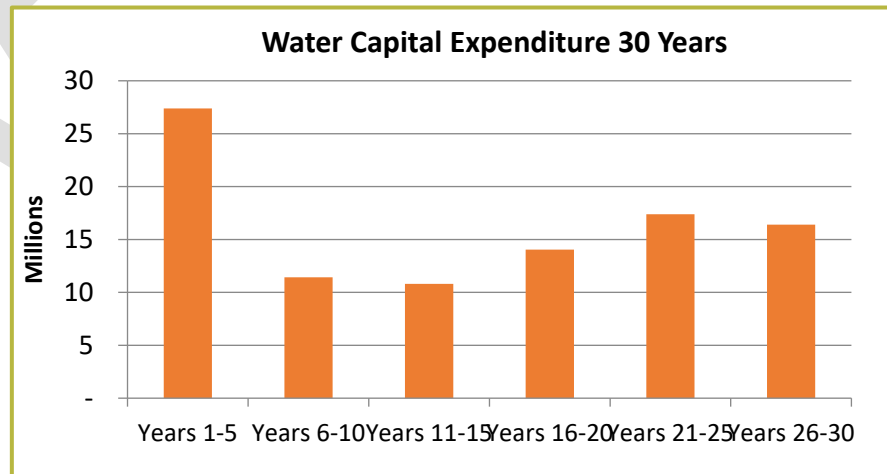
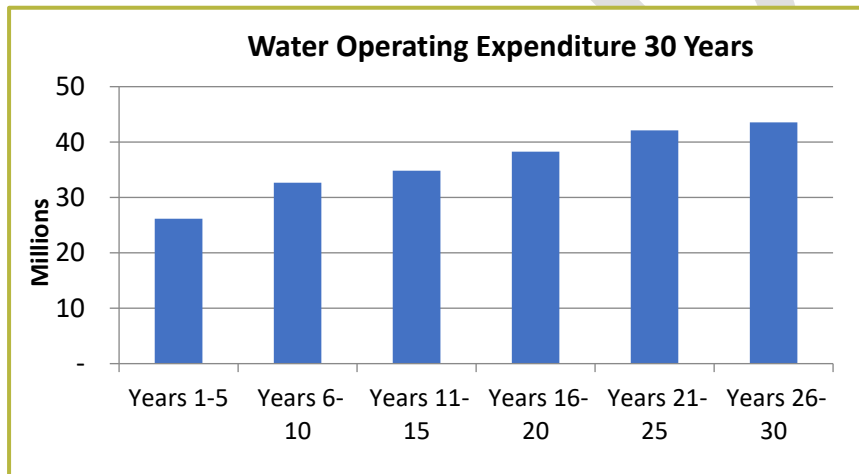
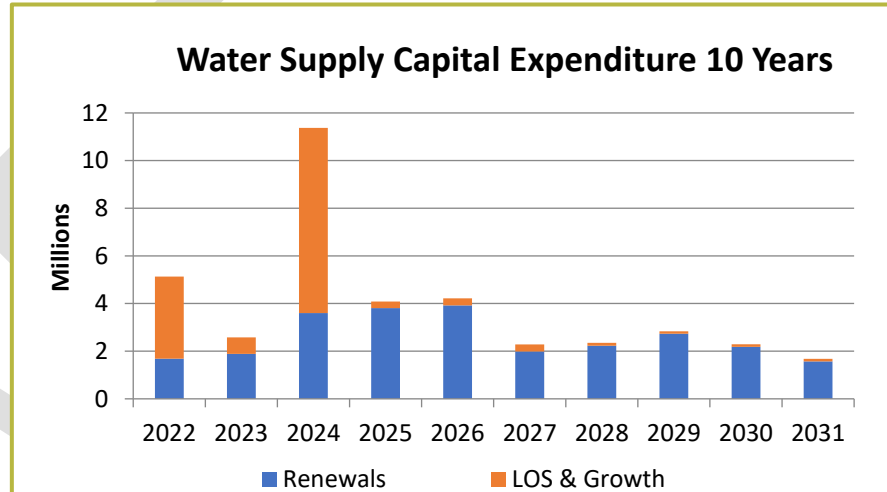
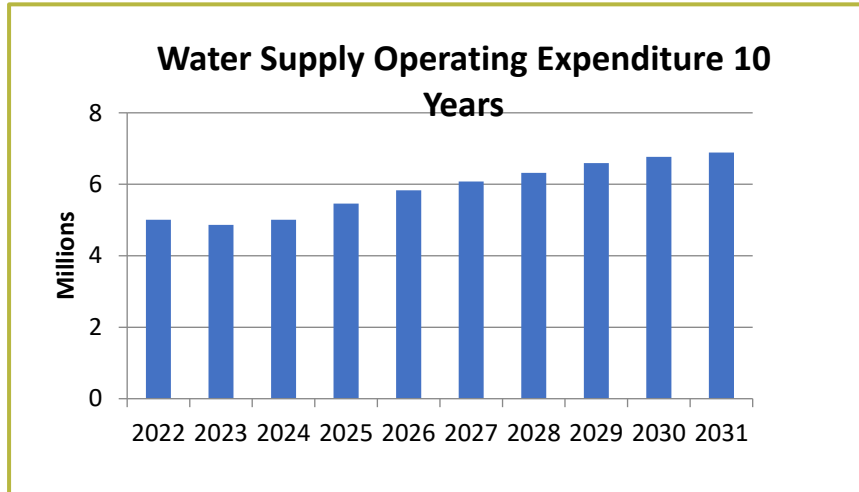


10 and 30-year scenario modelling for Stormwater reticulation pipes. Condition Score and Spend 2021 – 2031 & 2051



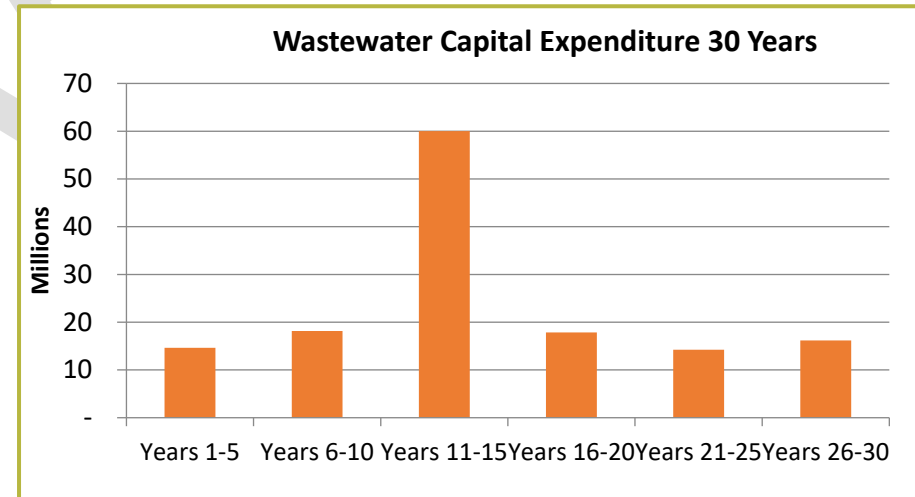
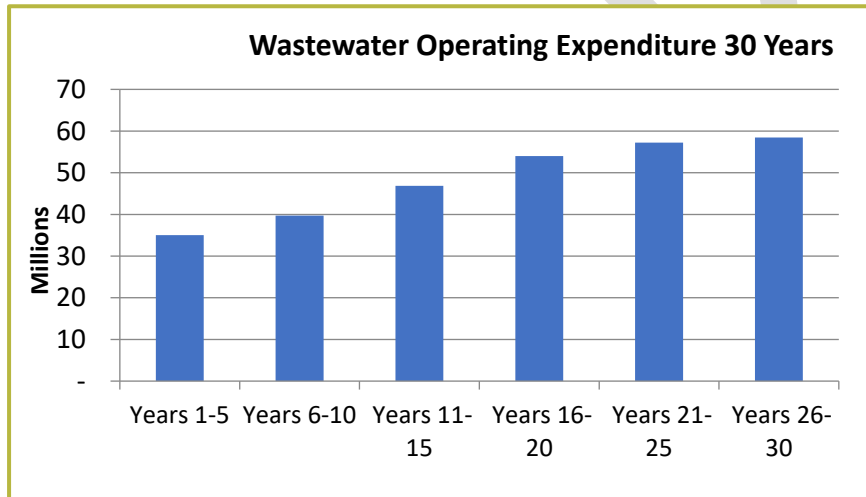
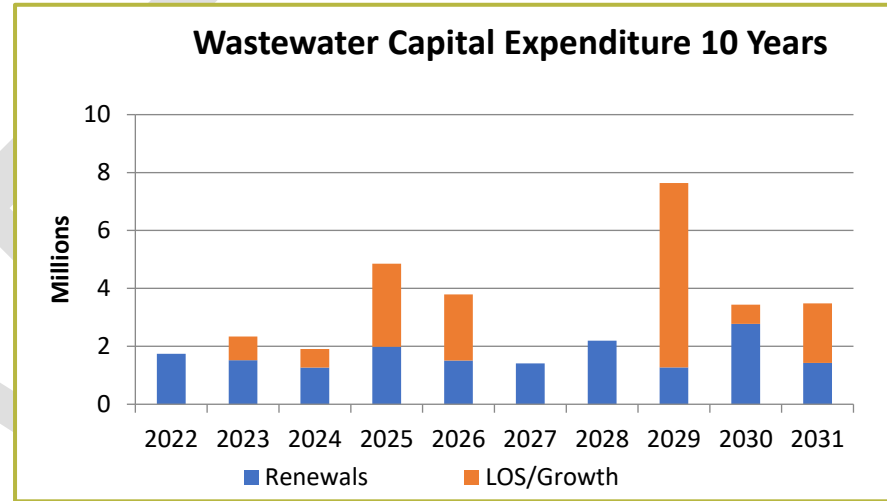
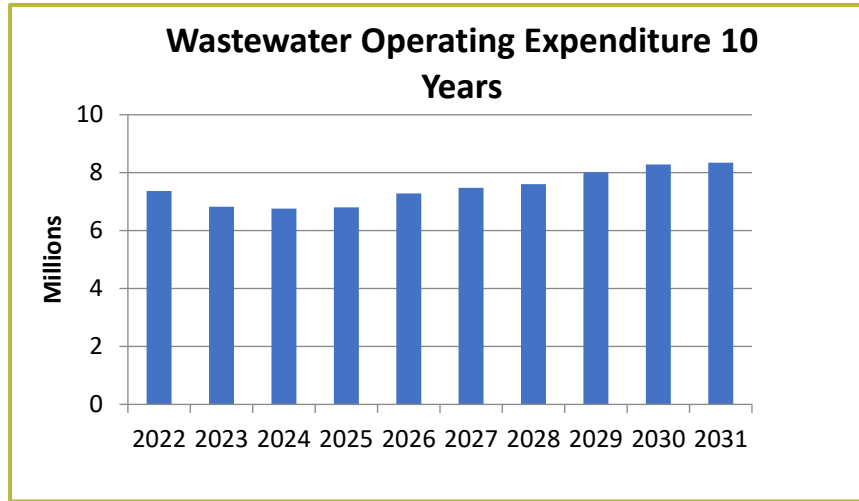
Planned expenditure – water assets

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



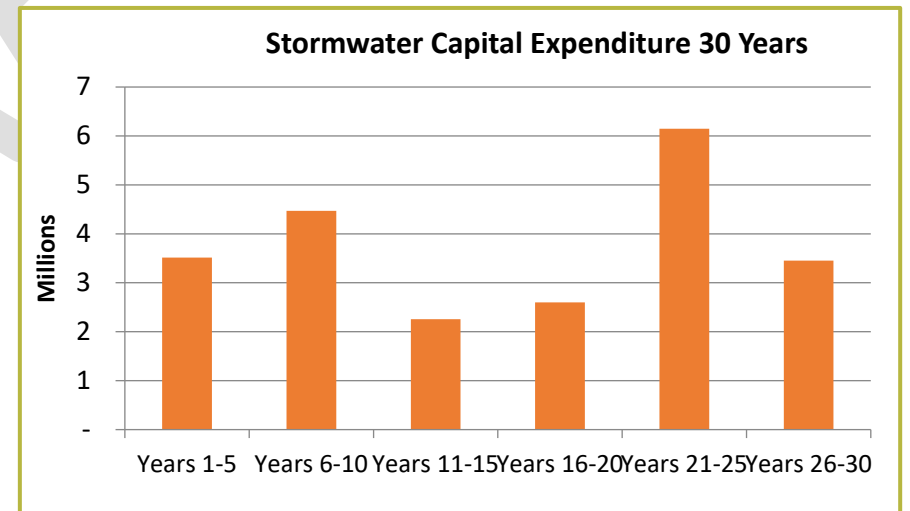
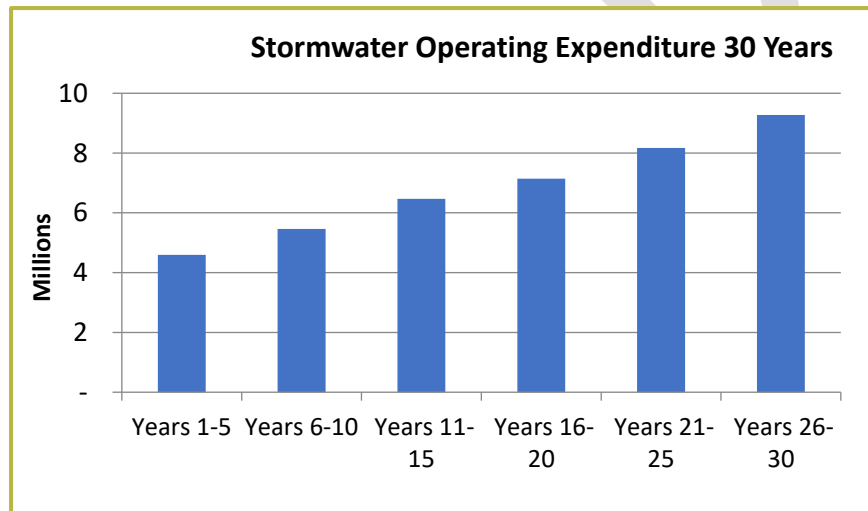
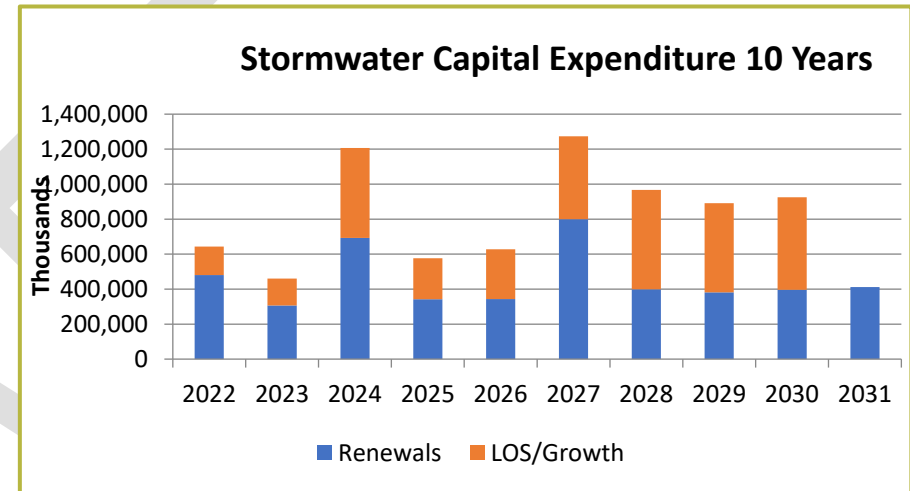
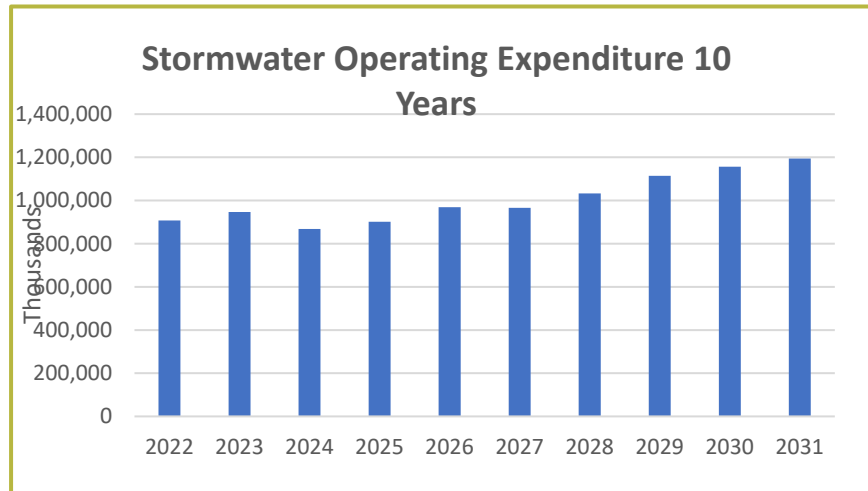
Planned expenditure - wastewater assets

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



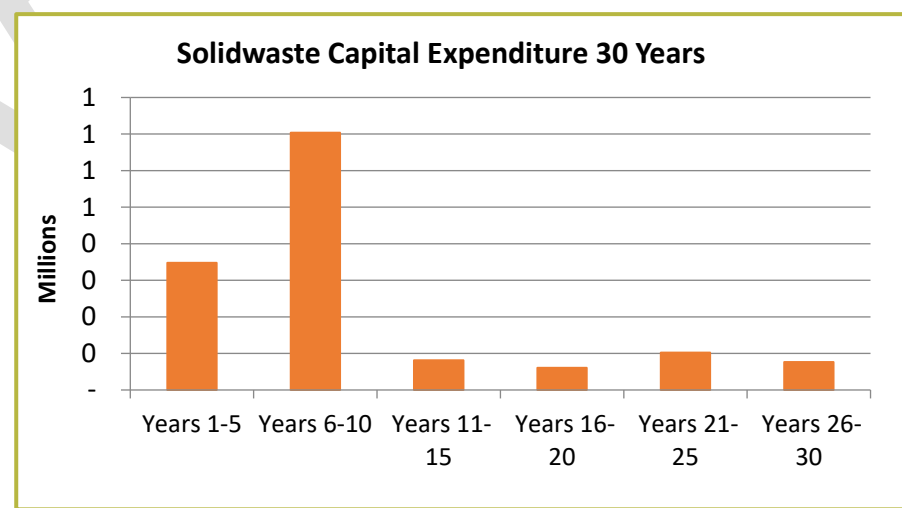
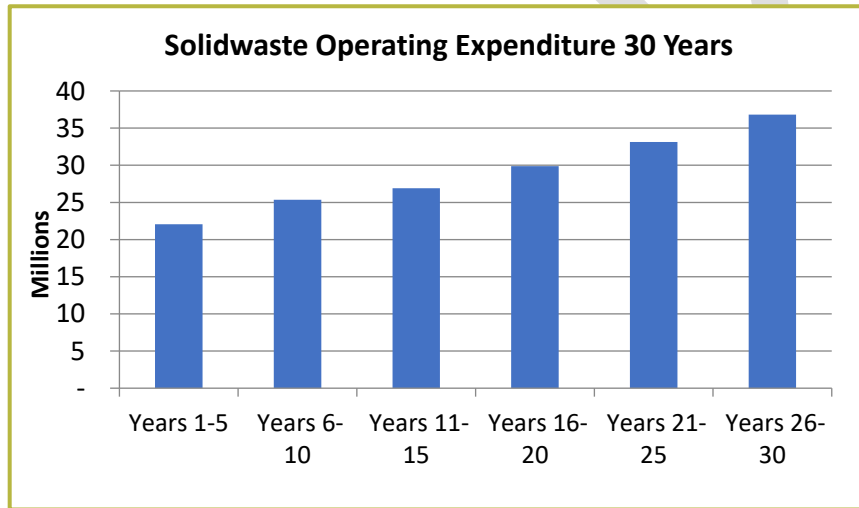
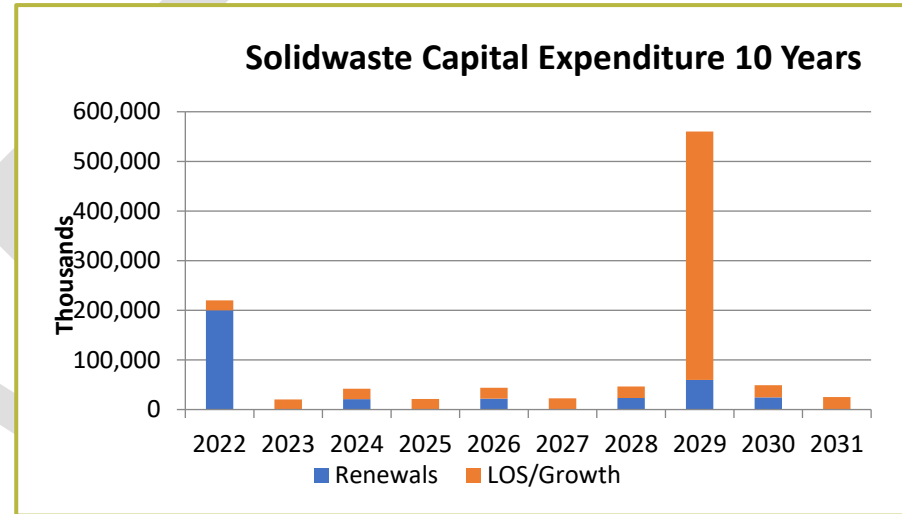
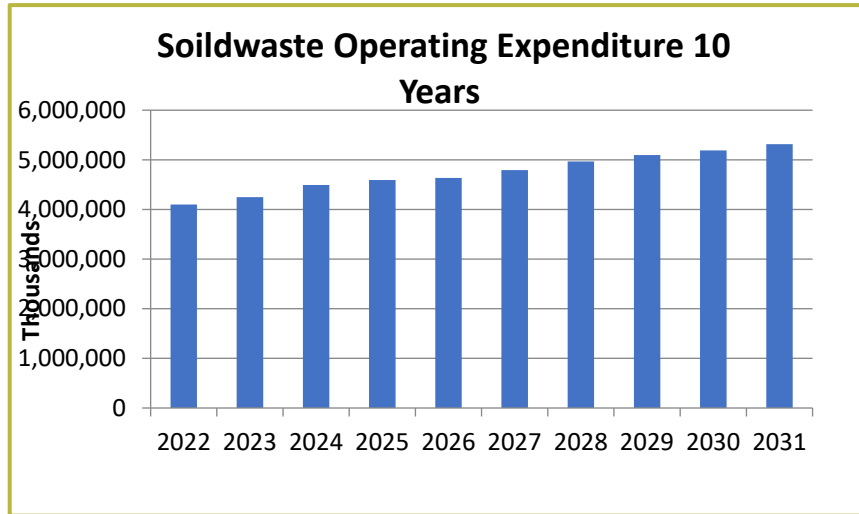
Planned expenditure – stormwater assets

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



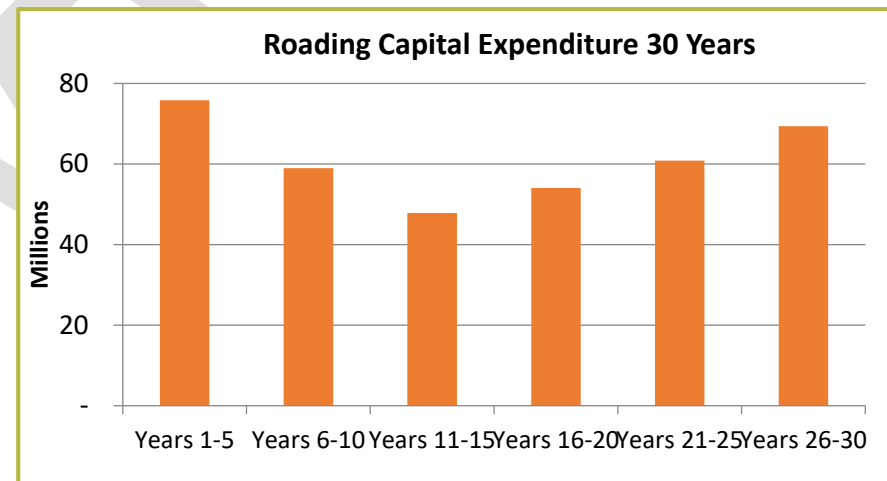
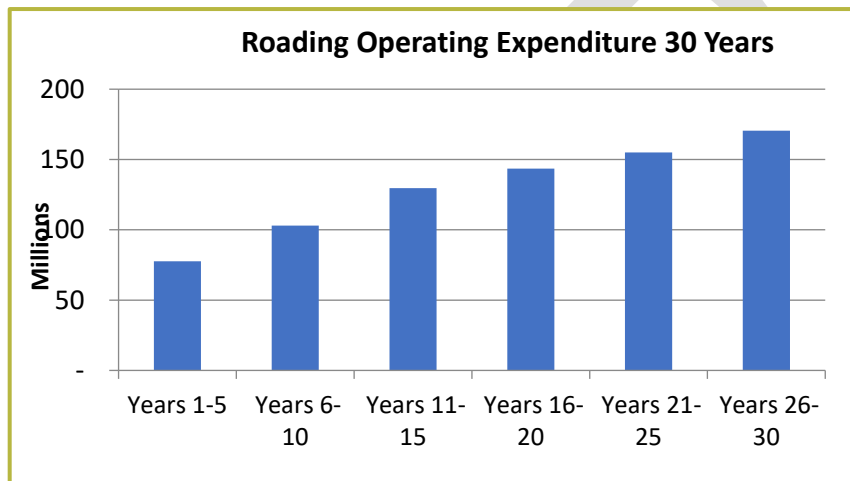
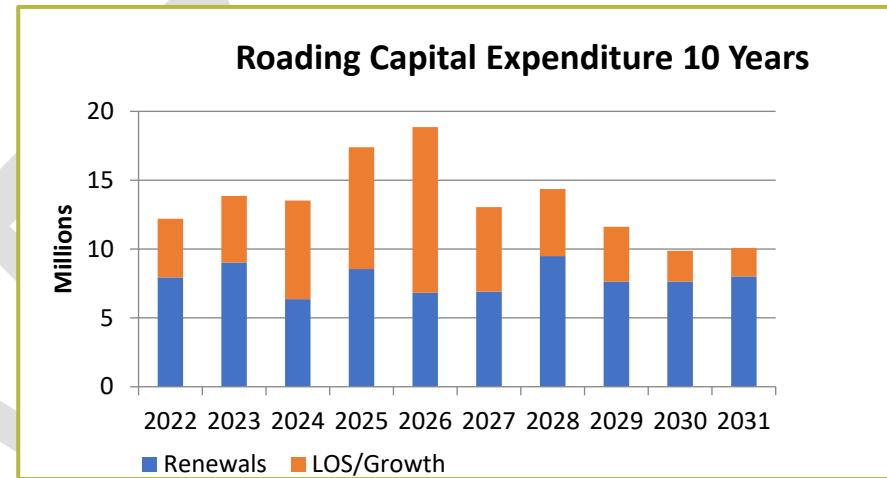
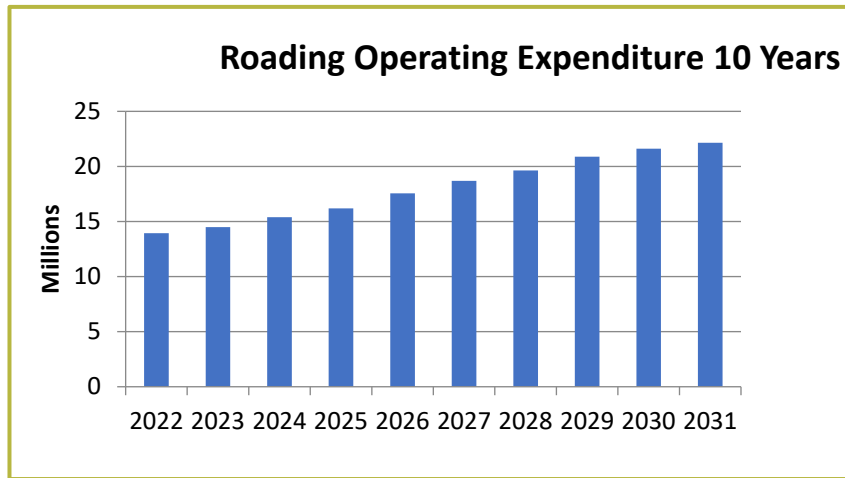
Planned expenditure – solid waste assets

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



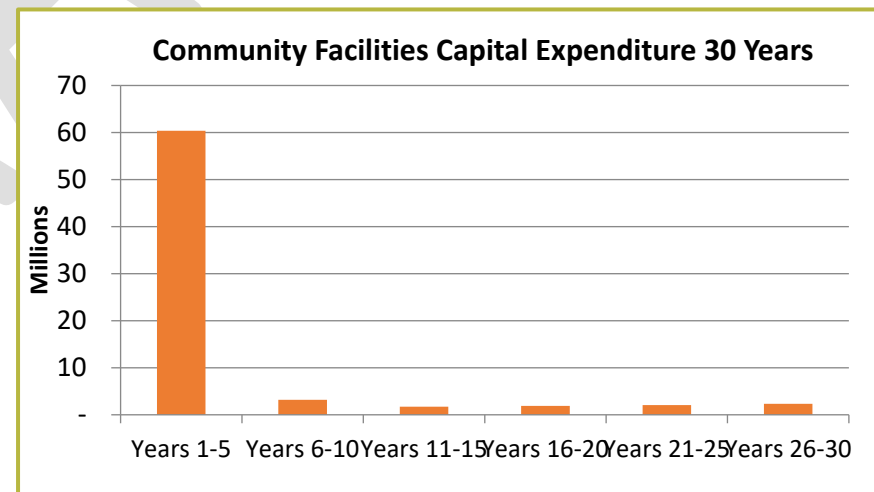
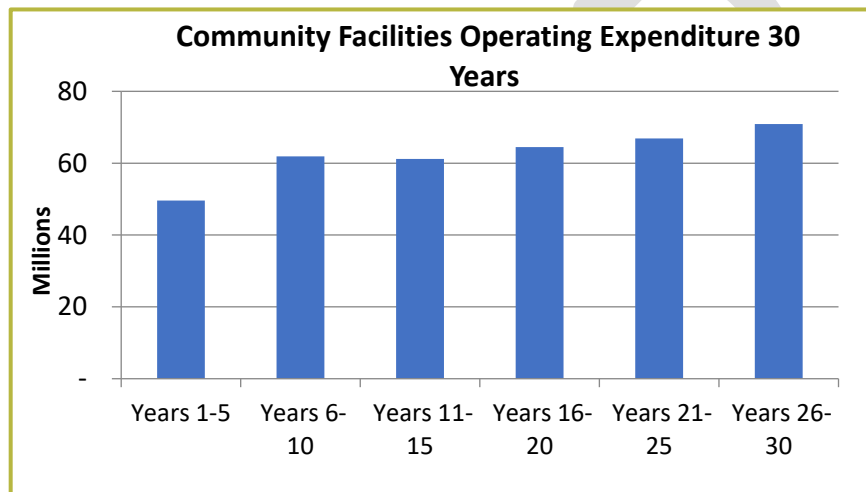
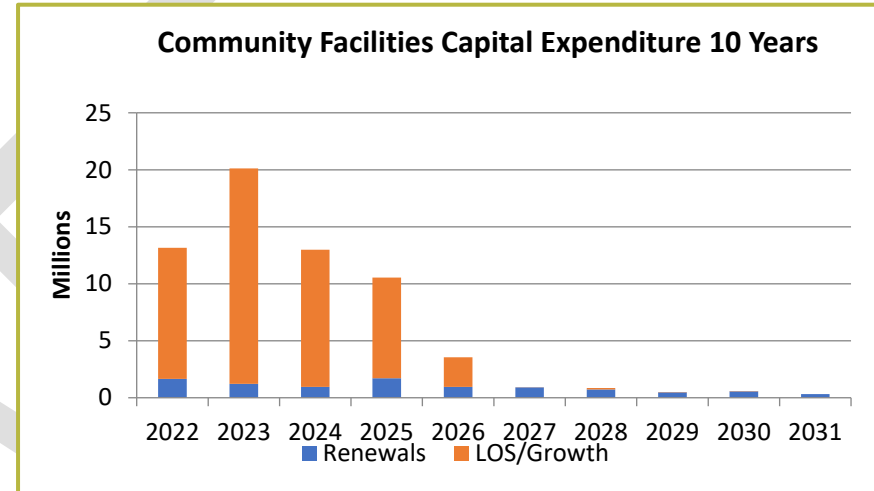
Planned expenditure - roading assets

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



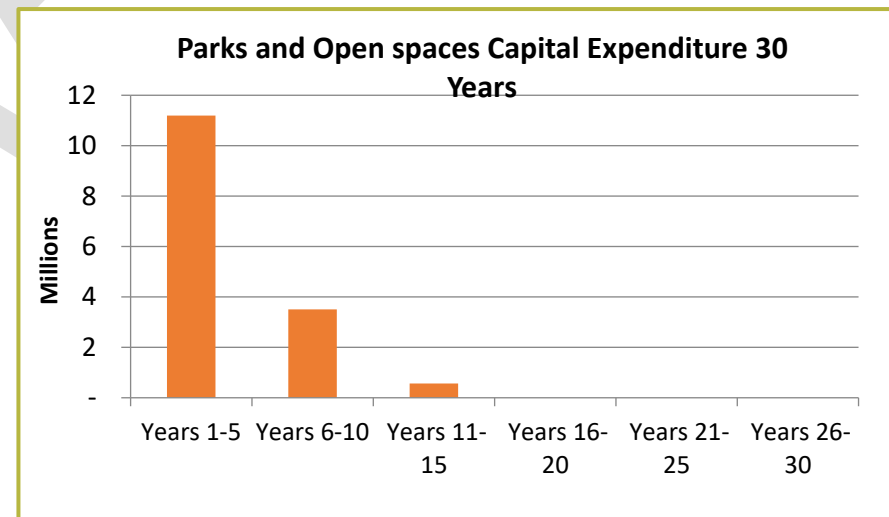
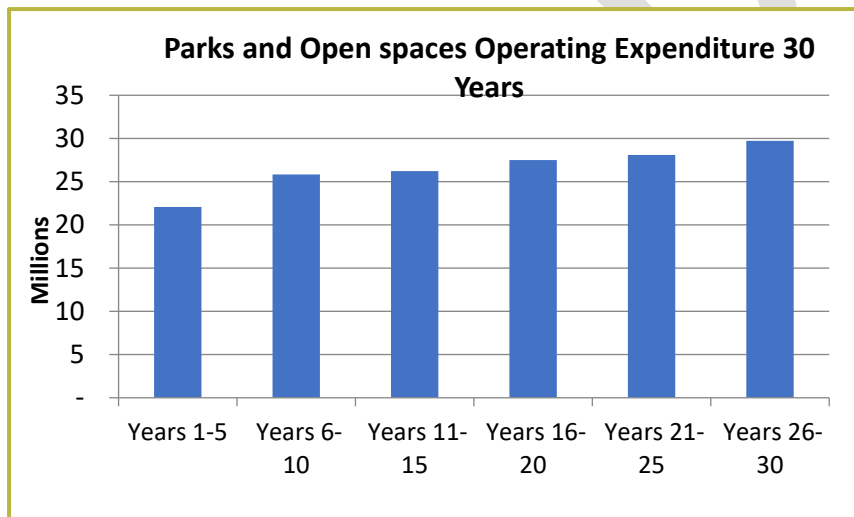
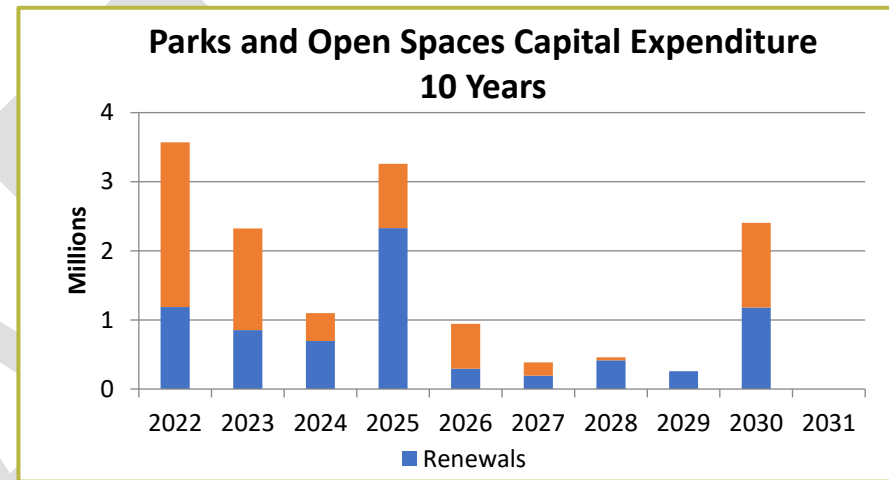
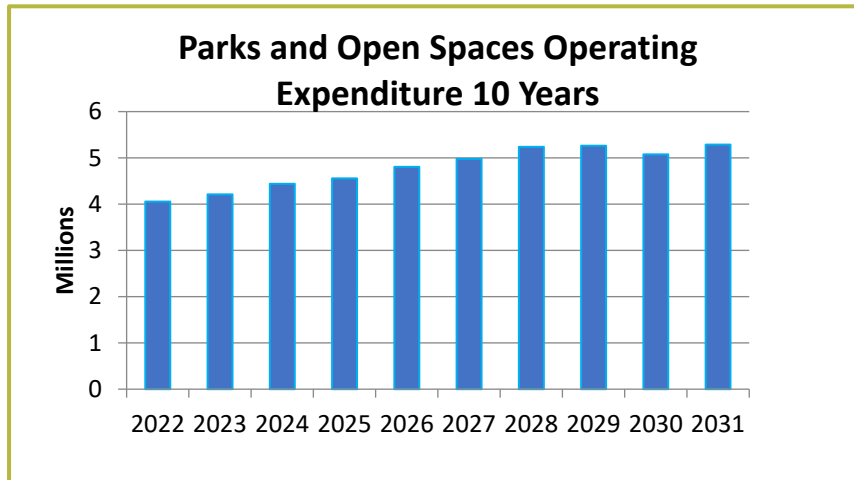
Planned expenditure – community facilities and property assets

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



Planned expenditure – parks assets

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



Revisions to Assumptions following Audit Review

Revisions are highlighted in yellow.

For the full Significant Assumptions document, please refer to the 24 February Council agenda: <https://mstn.govt.nz/wp-content/uploads/2021/02/AGENDA-Extraordinary-COUNCIL-2021-02-24-website.pdf>

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
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 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.	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 vested assets is high, hence the Council has chosen to not include any projected value in this LTP.
Capital Project Costs	Costs of major capital projects will not vary significantly from estimated costs that have been budgeted	High COVID-19 and current economic	That the cost of major capital projects is more than we have budgeted for.	Increased costs would result in increased expenditure for Council.	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

	<p>for, and capital projects will be delivered on time.</p>	<p>conditions increase the level of uncertainty compared to previous LTPs.</p>	<p>Delays occur in delivering the capital programme and community expectations are not met.</p>	<p>This could have a flow on effect for rates and/or fees and charges.</p>	<p>see some increases in the cost of materials if they become less available.</p> <p>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.</p> <p>Adequate contingency will be built into projects and programmes of work.</p> <p>We will apply cost adjustors, including inflation adjustors, to projects and programmes in outer years of this plan.</p> <p>The proposed capital programme for the life of this plan is 60% larger than three years ago. The larger capital programme reflects some new projects, many having funding assistance from the government 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</p>
--	---	--	---	--	---

					<p>includes several large capital projects eg the proposed civic facility and Hood Aerodrome upgrading, 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.</p> <p>Contractor availability and longer timeframes than anticipated for gaining the appropriate consents may however delay the programme. Completing the programme over a longer timeframe will add some inflationary cost to the projects. Good planning and clever procurement will minimise this risk.</p>
Asset Valuations	<p>Infrastructural assets are scheduled to be revalued 30 June 2023, and every three years after that.</p> <p>Independent valuers</p>	<p>Medium-High</p> <p>COVID-19 and current economic conditions</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>

	<p>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.</p> <p>Land and buildings assets will be revalued as at 30 June 2021 and every 3 years after that.</p>	<p>increase the level of uncertainty compared to previous LTPs.</p>			
--	---	---	--	--	--

The following was added as an attachment to the document:

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.

2021-31 Long Term Plan

Our Work in Detail

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 21 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:

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

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 \$35.4 million over the 10 years of this Plan. Funding of \$3.7 million has been allowed for the roading infrastructure elements of this project. In addition some funding will be provided by New Zealand Transport Agency (NZTA) as part of the subsidy they provide to Council for roading.
- Renewing our roads to improve condition and safety. Over the 10 years of this plan we are investing \$41.3 million in rural road renewals, and \$20.2 million in urban road renewals. The urban road renewal provision includes work on the town centre as part of our Masterton Revamp.
- 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 Bridge 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) and Chamberlain Road (\$680,000 split across Years 4 and 7).
- 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.

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

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	6,182,241	6,107,673	6,435,977	6,609,799	6,790,702	7,123,268	7,520,036	7,726,504	7,977,773	8,177,078
2,048,883	Road maintenance - non-subsidised	1,289,258	1,378,474	1,491,511	1,675,385	1,819,088	2,043,153	2,217,453	2,295,781	2,380,110	2,401,846
5,601,202	Depreciation	6,465,022	6,998,725	7,465,882	7,900,551	8,938,023	9,524,917	9,889,545	10,863,669	11,242,187	11,563,961
14,223,395		13,936,521	14,484,872	15,393,370	\$ 16,185,735	\$ 17,547,813	\$ 18,691,338	\$ 19,627,034	\$ 20,885,954	\$ 21,600,070	\$ 22,142,885
	Operating Income										
3,327,431	NZ Transport Agency subsidy (on maint)*	3,030,819	2,953,527	3,060,447	3,148,779	3,234,393	3,331,877	3,437,231	3,534,011	3,635,974	3,738,537
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		3,668,966	3,600,200	3,718,541	\$ 3,823,294	\$ 3,920,065	\$ 4,028,970	\$ 4,151,008	\$ 4,259,734	\$ 4,373,908	\$ 4,489,944
	Appropriations										
(587,976)	Transfers from reserves	(434,000)	(550,000)	(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	62,305	150,486	268,990	437,042	583,965	814,111	987,790	1,107,798	1,230,102	1,298,717
(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)	(6,349,000)
\$ 4,466,007	Rates Requirement	\$ 4,562,260	\$ 4,634,459	\$ 5,746,119	\$ 6,119,784	\$ 6,624,913	\$ 7,392,678	\$ 8,417,916	\$ 9,261,118	\$ 10,956,364	\$ 12,965,659

* 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 17 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:

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

Our 10-year priorities

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

- Ensuring our water supply is resilient by constructing storage dams to build and maintain adequate water supply. Funding of \$7.4 million has been allowed in Year 3.
- 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 to that currently provided 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

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2020/21
	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% 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:</p> <p>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	1,485,867	1,454,818	1,492,258	1,722,743	1,745,217	1,814,184	1,885,260	1,913,036	1,954,874	1,983,911
1,027,111	Water reticulation costs	1,235,579	1,139,376	1,181,845	1,267,743	1,355,723	1,499,851	1,619,031	1,651,428	1,729,402	1,743,598
1,492,098	Depreciation	1,572,961	1,819,912	1,873,589	2,007,624	2,244,839	2,318,534	2,363,421	2,552,166	2,599,840	2,665,529
3,857,629		4,294,407	4,414,106	4,547,692	4,998,110	5,345,779	5,630,569	5,867,712	6,116,631	6,284,115	6,393,039
	Operating Income										
313,840	User charges	447,600	310,368	320,827	327,594	334,976	343,589	351,587	362,045	374,042	386,346
100,500	Internal Recoveries	103,000	104,545	107,532	110,210	112,991	115,772	118,656	121,746	125,042	128,441
414,340		550,600	414,913	428,359	437,804	447,967	459,361	470,243	483,791	499,084	514,787
	Appropriations										
(20,000)	Transfer from reserves	(100,000)	-	-	-	-	-	-	-	-	-
-	Transfer to reserves	-	-	-	-	-	-	-	-	-	-
169,389	Provision for loan repayments	182,455	257,806	300,123	625,427	733,350	843,512	890,720	944,094	1,026,501	1,070,907
(205,000)	Reverse depreciation	(264,300)	(241,200)	(309,116)	(292,115)	(398,393)	(328,887)	(357,615)	(351,955)	(386,614)	(337,658)
\$ 3,387,678	Rates Requirement	\$ 3,561,962	\$ 4,015,799	\$ 4,110,341	\$ 4,893,617	\$ 5,232,769	\$ 5,685,833	\$ 5,930,574	\$ 6,224,979	\$ 6,424,919	\$ 6,611,501

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 & rates	587,080	289,765	298,255	300,897	310,944	273,825	280,685	287,914	295,949	304,183
75,596	Depreciation	124,764	158,942	159,964	161,384	176,044	172,080	173,265	187,942	189,215	190,978
340,864		711,844	448,707	458,219	462,281	486,988	445,906	453,950	475,856	485,164	495,161
	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	\$ 123,565	\$ 135,318	\$ 138,000	\$ 137,103	\$ 146,244	\$ 110,541	\$ 112,831	\$ 118,295	\$ 120,384	\$ 122,859

Wastewater Services

Wastewater services are provided to approximately 8,880 residential, commercial and industrial properties in the urban area, Waingawa industrial area, Riversdale, Castlepoint and Tinui. This includes 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 18 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:

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

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

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
	<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>		

DRAFT

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	1,757,897	1,214,577	1,234,270	1,250,672	1,275,655	1,340,559	1,431,901	1,464,559	1,503,439	1,540,827
2,675,215	Wastewater treatment	2,413,960	2,142,247	2,030,495	2,026,588	2,079,142	2,154,076	2,190,938	2,164,192	2,307,545	2,271,181
2,379,011	Depreciation	2,503,095	2,750,643	2,767,556	2,795,026	3,153,342	3,201,149	3,197,494	3,549,975	3,631,073	3,677,810
6,376,526		6,674,952	6,107,467	6,032,321	6,072,286	6,508,139	6,695,785	6,820,332	7,178,725	7,442,057	7,489,819
482,940	Operating Income										
	User Charges & lease income	994,440	564,073	581,354	597,919	610,289	624,685	638,077	655,536	675,543	686,065
	Appropriations										
(220,000)	Transfers from reserves	(220,000)	(180,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)
2,119,580	Provision for loan repayments	2,151,983	2,494,891	2,698,189	2,732,594	2,902,185	3,013,933	3,097,277	3,220,738	3,557,562	3,744,792
(1,260,000)	Reverse depreciation	(1,100,000)	(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	6,512,495	6,671,285	6,824,156	6,866,961	7,468,135	7,698,132	7,959,632	8,556,428	9,418,476	9,682,946
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	104,461	107,134	110,442	112,955	115,623	118,675	121,863	125,214	128,967	132,766
202,927	Riversdale Beach sewerage scheme	185,528	172,434	168,211	167,272	165,216	163,374	161,566	159,242	158,976	163,230
14,654	Tinui sewerage scheme	17,719	17,720	18,147	18,465	18,798	19,185	19,607	20,112	20,688	21,271
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		693,348	717,395	724,835	729,283	776,622	780,961	785,607	832,164	839,282	854,263
	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	159,203	168,133	177,466	187,321	201,350	212,160	225,330	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*	367,397	429,998	456,261	470,040	498,864	508,469	515,721	553,532	579,524	588,273

* 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 19 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:

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

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:</p> <p>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	535,199	528,126	443,364	459,657	469,517	456,077	501,046	525,764	553,627	575,583
324,669	Depreciation	372,486	418,321	424,964	442,243	499,711	510,175	531,406	588,246	603,098	618,521
729,291		907,685	946,448	868,329	901,900	969,229	966,252	1,032,452	1,114,010	1,156,724	1,194,104
	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	42,997	51,315	62,660	67,549	79,608	98,204	120,890	142,560	165,803
(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	668,807	799,445	858,645	906,760	955,342	989,829	1,080,225	1,197,953	1,261,284	1,318,860

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 20 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:

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

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. \$224,100 has been allowed across 10 years for this.
- 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 wheelie bins with lids for recycling, and by providing information to our community on how best to use these services.

How do we measure success?

What we do: Provide solid waste solutions across the district, 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	Number of call backs due to non-collection of official rubbish bag in each weekly collection	49 call backs in total	No more than 52 call-backs per annum.
	<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>		
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>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>Reduction on previous year</p> <p>When the new bylaw is implemented, a new baseline will be established for reporting purposes.</p>

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
	<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>(Estimated Population at 30/6/20: 26,800)</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. 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	284,949	287,063	299,956	306,905	314,789	327,972	342,689	351,466	362,134	371,056
2,198,375	Transfer station operation & refuse disposal	2,080,441	2,228,228	2,417,177	2,474,752	2,470,766	2,544,366	2,633,432	2,710,087	2,798,678	2,873,358
1,398,656	Waste minimisation (incl recyc & composting)	1,457,618	1,451,616	1,488,165	1,515,837	1,546,598	1,605,466	1,661,534	1,694,717	1,678,159	1,712,929
270,970	Rural waste operations	277,938	280,191	289,096	295,516	302,933	316,098	330,271	338,604	349,435	357,625
4,171,775		4,100,946	4,247,098	4,494,393	4,593,009	4,635,087	4,793,902	4,967,926	5,094,874	5,188,406	5,314,968
	Operating Income										
2,482,400	User charges - external	2,394,700	2,491,521	2,625,347	2,690,729	2,758,626	2,826,523	2,896,934	2,972,375	3,052,846	3,135,831
83,125	User charges - internal	71,240	74,339	80,639	82,647	84,732	86,818	88,980	91,298	93,769	96,318
100,000	Recoveries - waste levy	90,000	91,350	93,960	96,300	98,730	101,160	103,680	106,380	109,260	112,230
197,370	Recoveries from bag sales	218,500	224,315	234,900	240,750	246,825	252,900	259,200	265,950	273,150	280,575
2,862,895		2,774,440	2,881,524	3,034,845	3,110,426	3,188,913	3,267,401	3,348,795	3,436,003	3,529,025	3,624,954
	Appropriations										
(173,600)	Transfers from reserves	(93,600)	(43,600)	(43,600)	(43,600)	(43,600)	(43,600)	(43,600)	(43,600)	(43,600)	(43,600)
186,697	Provision for loan repayments	182,439	202,099	214,694	222,215	231,215	228,244	205,791	182,803	205,393	126,815
(150,000)	Reverse depreciation	(150,000)	(92,000)	(145,000)	(100,000)	(108,399)	(111,495)	(106,757)	(101,072)	(104,191)	(104,989)
\$ 1,171,977	Rates Requirement	\$ 1,265,345	\$ 1,432,073	\$ 1,485,642	\$ 1,561,198	\$ 1,525,389	\$ 1,599,651	\$ 1,674,565	\$ 1,697,002	\$ 1,716,983	\$ 1,668,240

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 22 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 MDC'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 passengers, 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
- Efficient, Safe and Effective Infrastructure
- A Thriving and Resilient Economy
- A Sustainable and Healthy Environment

Our 10-year priorities

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

- Developing a new Civic facility that will bring our civic facility, library, archive and some front-counter customer services functions together in a new location that aligns with the broader plans for our town. This new facility will enable us to 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.
- Building 25 new senior housing units on the Panama site, increasing public housing for senior members of our community and enabling bigger houses to be made available for our wider community. Funding of \$7.1 million is allowed in Year 2 to build these new houses. An additional \$500,000 is allowed in Year 1 for preliminary work.
- 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 environmental 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 replacing furniture and doing some landscaping at Queen Elizabeth Park, completing the revamp of our Skate Park (\$1.6 million in Year 1) and expanding our recreation trail networks (\$549,322 over Years 1 to 7). In Year 1, we are also building a new cycle and pedestrian bridge over the Waipoua River (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.
- Provision of \$1.3 million has been allowed in Years 2 to 5 to develop the Waipoua precinct as part of our Masterton Revamp project.

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
<p>Engaging with our community; promoting literacy; enabling access to information (in person and online); and promoting our history and heritage.</p>	<p>Number of people using our library and archive reflected by: overall library usage and number of visits to the library and archive.</p>	<p>This is a new measure – baseline to be established.</p>	<p>Library Usage: No less than 5 year average for overall library usage</p> <p>Usage consists of:</p> <ul style="list-style-type: none"> • Physical issues • Digital issues • Computer/ Wi-Fi sessions <p>Visits: No less than 5 year average for number of visits to the library and archive</p> <p>Visits consists of:</p> <ul style="list-style-type: none"> • In Person Visits • Digital (website, OPAC, social media) • Housebound
<p>Why this is important:</p> <p>The library and archive are community hubs where we can engage with our community, face to face and online. The library provides a ‘space’ for our community to learn, study, connect with others, access information, participate in programmes and borrow items. The archive is a place our people can undertake research, share stories and learn about our history and heritage. Improved literacy 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.</p>			

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

Our Goal	Measure	Latest Result 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

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
	<p>Why this is important:</p> <p>We want our facilities and green spaces to be used for activities and events that support the needs of our people and attract visitors; that provide opportunities for people to connect, exercise, celebrate and have fun. The level of use of our recreational trails and the recreation centre also reflects the appropriateness and effectiveness of these spaces for our community and whether we are actually meeting our community's needs.</p>		
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:</p> <p>Applies to all new or renewed tenancy agreements for Council rental units/houses from 1 July 2021:</p> <p>All units/houses comply with the healthy home standards (or have exemptions) at the time they are leased.</p> <p>From Year 3:</p> <p>Applies to all Council rental units/houses:</p> <p>All units/houses comply with the healthy home standards (or have exemptions).</p> <p>Compliance relates to the following individual standards:</p> <ul style="list-style-type: none"> • Heating • Insulation • Ventilation • Moisture/Drainage • Draught stopping

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
			<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>
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 ensure the people living in Council owned housing have healthy homes that support their wellbeing.			

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	2,275,739	2,287,133	2,363,521	2,437,318	2,507,305	2,611,361	2,813,509	2,787,078	2,863,939	2,956,943
505,382	Sportsfields maintenance	560,299	568,658	592,359	579,398	599,690	629,326	662,643	686,336	713,788	739,283
628,340	Depreciation	952,346	1,100,695	1,201,427	1,244,013	1,374,769	1,399,327	1,407,659	1,419,545	1,114,633	1,194,648
3,357,628		3,788,383	3,956,487	4,157,307	4,260,729	4,481,764	4,640,014	4,883,812	4,892,959	4,692,361	4,890,874
	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	167,531	179,456	208,824	237,174	144,382	132,520	138,384	164,274
(162,000)	Reverse depreciation	(401,400)	(459,400)	(369,400)	(254,400)	(149,400)	(80,127)	(82,127)	(82,683)	(88,490)	(91,490)
\$3,075,430	Rates Requirement	\$3,272,210	\$3,387,823	\$3,740,344	\$4,001,853	\$4,355,642	\$4,609,902	\$4,757,235	\$4,752,171	\$4,549,718	\$4,769,150

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**	1,106,257	1,142,582	1,174,466	1,201,529	1,248,009	1,286,229	1,338,065	1,377,626	1,414,403	1,449,187
558,990	Depreciation	697,896	706,385	771,664	796,722	849,980	846,343	869,979	886,166	872,860	872,464
1,576,543		1,804,153	1,848,967	1,946,130	1,998,251	2,097,989	2,132,572	2,208,044	2,263,792	2,287,263	2,321,651
	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	(360,000)	(340,000)	(270,000)	(270,000)	(270,000)	(220,000)	(200,000)	(150,000)	(130,000)	(150,000)
\$1,168,128	Rates Requirement	\$1,436,863	\$1,502,317	\$1,669,646	\$1,706,083	\$1,808,569	\$1,893,108	\$1,999,951	\$2,114,211	\$2,158,483	\$2,173,700
** 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	267,644	256,098	283,592	295,582	307,018	322,910	340,251	353,636	368,438	381,693
	Operating Income										
79,778	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
	Appropriations										
(35,000)	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	152,867	175,123	211,517	221,642	231,452	245,735	261,384	272,979	285,826	297,067

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	1,761,488	1,608,009	1,657,548	1,682,889	1,719,233	1,818,505	1,935,660	1,981,414	2,044,903	2,085,861
435,602	Operating costs - Archive	536,254	451,678	464,208	471,431	481,452	506,755	536,724	549,510	566,287	578,401
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	178,391	185,539	174,391	174,697	175,744	126,738	128,079	129,572	138,623	139,396
2,335,838		2,656,133	2,471,226	2,539,609	2,439,249	2,525,289	2,640,494	2,793,675	2,858,892	2,953,465	3,012,781
	Operating Income										
31,631	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
	Appropriations										
13,498	Provision for loan repayments	14,504	19,611	21,428	22,108	23,134	24,176	25,234	26,349	27,511	28,694
(8,000)	Reverse depreciation	(50,000)	(25,000)	(30,000)	-	-	-	-	-	-	-
\$2,251,287	Rates Requirement	\$2,406,949	\$2,391,044	\$2,454,107	\$2,382,512	\$2,467,588	\$2,581,846	\$2,734,021	\$2,798,143	\$2,891,520	\$2,949,587

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	832,479	969,999	1,244,374	1,563,030	1,781,121	1,873,002	2,150,669	2,173,292	2,364,326	2,435,157
536,513	Housing for the Elderly	507,677	511,608	738,503	751,322	760,057	789,278	825,230	834,708	851,068	858,431
497,470	Mawley Holiday Park	506,169	506,580	519,743	528,968	539,370	558,745	580,213	591,640	606,140	617,509
1,016,456	Other Property	1,008,738	964,466	948,567	968,949	988,392	1,039,060	1,099,450	1,238,084	1,154,302	1,172,417
703,916	Depreciation	851,869	1,048,216	1,288,470	1,427,575	1,518,604	1,475,412	1,365,273	1,382,229	1,269,988	1,281,475
3,579,703		3,706,932	4,000,868	4,739,656	5,239,844	5,587,544	5,735,496	6,020,835	6,219,953	6,245,824	6,364,989
	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	819,749	840,164	861,364	882,565	904,550	928,106	953,233	979,144
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	2,286,522	2,345,071	2,457,450	2,546,034	2,615,219	2,689,233	2,762,038	2,855,823
	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	303,339	366,653	596,947	634,901	683,055	723,589	760,159	803,301	845,482	888,873
(352,000)	Reverse depreciation	(337,000)	(381,802)	(571,759)	(570,736)	(541,947)	(541,410)	(541,134)	(553,303)	(436,601)	(399,211)
\$1,630,402	Rates Requirement	\$1,784,116	\$2,079,052	\$2,438,323	\$2,918,938	\$3,231,202	\$3,336,641	\$3,619,641	\$3,780,717	\$3,892,667	\$3,998,828

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	463,831	567,414	543,525	594,666	639,901	702,296	674,550	682,760	706,460	727,014
84,079	Depreciation	121,160	171,643	203,624	286,449	422,777	468,199	467,699	475,971	476,114	476,114
518,152		584,991	739,057	747,149	881,116	1,062,678	1,170,496	1,142,249	1,158,731	1,182,574	1,203,128
	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	97,664	173,417	215,820	246,896	328,756	343,454	359,311	369,856	335,404	349,947
(50,000)	Reverse depreciation	(75,500)	(90,800)	(76,000)	(51,300)	(96,600)	(81,800)	(77,100)	(84,400)	(89,600)	(94,900)
\$ 326,409	Rates Requirement	314,834	515,111	573,735	753,022	968,460	1,095,172	1,086,250	1,099,885	1,082,463	1,105,665

DRAFT

Regulatory Services

We provide regulatory 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 of 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?

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 facilitating development outcomes, planning ahead for future growth and supporting 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:

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

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 \$1.5 million is allowed for this project in Year 1.
- Replacing parking meters. \$406,000 has been allowed in Year 2.
- 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 with owners of these buildings 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, allows covers to be used as barriers in certain circumstances for small heated pools (e.g. spa pools and hot tubs) and allows councils greater ability to enforce requirements to restrict access to residential pools. This work will be ongoing.

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
	<p>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.</p>		
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
	<p>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.</p>		
Delivering timely consenting services	Percentage of building consents processed within statutory timeframes	91.4%	90%
	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%

100

Our Goal	Measure	Latest Result 2019/20 (Baseline)	Performance Targets 2021/22 to 2030/31
<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	1,068,991	961,623	838,060	855,666	873,164	934,807	1,030,266	1,053,286	1,089,679	1,111,577
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		1,733,076	1,733,109	1,631,589	1,401,457	1,070,717	1,137,222	1,237,724	1,266,147	1,308,302	1,336,143
	Operating Income										
102,204	User charges - incl consent fees	136,204	138,247	142,197	145,738	149,416	153,094	156,907	160,993	165,352	169,847
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		1,119,204	1,130,747	1,144,197	1,162,238	1,175,616	1,188,894	1,207,507	1,221,293	1,235,452	1,249,747
	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	\$975,371	\$1,033,362	\$1,032,892	\$1,049,219	\$1,064,801	\$1,127,629	\$1,224,317	\$1,248,653	\$1,286,450	\$1,309,797

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	1,892,295	1,953,018	1,938,978	2,023,353	1,993,557	2,165,213	2,228,820	2,354,694	2,346,951	2,481,108
30,000	Earthquake building assessments	-	-	-	-	-	-	-	-	-	-
1,817,884		1,892,295	1,953,018	1,938,978	2,023,353	1,993,557	2,165,213	2,228,820	2,354,694	2,346,951	2,481,108
	Operating Income										
1,059,340	Consent fees & charges	1,256,563	1,280,486	1,312,896	1,345,592	1,379,547	1,413,501	1,448,713	1,486,439	1,526,681	1,568,181
1,059,340		1,256,563	1,280,486	1,312,896	1,345,592	1,379,547	1,413,501	1,448,713	1,486,439	1,526,681	1,568,181
	Appropriations										
(117,500)	Tsf from reserves	-	-	-	-	-	-	-	-	-	-
\$641,044	Rates Requirement	\$635,732	\$672,531	\$626,082	\$677,760	\$614,011	\$751,712	\$780,107	\$868,255	820,270	912,927

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	804,493	791,665	816,036	840,984	856,978	919,284	1,011,534	1,034,711	1,074,509	1,090,606
191,065	Alcohol Act enforcement activities	198,490	194,950	199,660	202,708	206,309	210,452	215,148	220,232	225,522	231,367
916,216		1,002,983	986,615	1,015,696	1,043,691	1,063,287	1,129,736	1,226,683	1,254,943	1,300,032	1,321,973
	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	\$570,695	\$547,993	\$564,828	\$581,843	\$590,037	\$645,084	\$730,207	\$745,799	\$777,374	\$785,380

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	191,429	190,308	198,118	203,357	208,864	222,564	238,601	244,057	252,044	257,926
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		209,174	208,053	242,956	248,195	253,702	267,403	283,439	288,895	296,883	302,764
	Operating Income										
215,511	Parking meters and fines	233,511	242,089	282,413	294,797	302,236	309,674	317,389	325,654	334,470	343,562
	Appropriations										
-	Transfers from reserves	-	-	-	-	-	-	-	-	-	-
5,771	Rates Requirement	(24,337)	(34,036)	(39,457)	(46,802)	(48,534)	(42,272)	(33,949)	(36,759)	(37,588)	(40,798)

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	591,135	666,277	680,135	692,882	704,807	746,167	800,221	813,294	835,969	850,373
	Operating Income										
395,530	Dog registration fees & fines	502,082	561,683	589,319	609,239	624,941	659,318	714,334	731,282	756,300	768,753
	Appropriations										
-	Tsf to reserves - project funding	-	-	-	-	-	-	-	-	-	-
-	Provision for loan repayments	4,243	52,138	59,557	60,762	63,532	66,391	69,238	72,384	75,524	78,766
-	Reverse depreciation	(3,000)	(58,600)	(47,000)	(38,000)	(35,000)	(38,000)	(30,000)	(27,000)	(23,000)	(21,000)
\$86,864	Rates Requirement	\$90,296	\$98,132	\$103,373	\$106,405	\$108,398	\$115,240	\$125,124	\$127,396	\$132,193	\$139,386

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	163,871	142,223	147,672	148,641	152,429	164,571	179,349	183,546	190,037	193,527
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		295,871	276,203	285,480	289,881	297,233	312,939	331,413	339,570	350,285	358,131
	Operating Income										
25,595	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
	Appropriations										
(20,000)	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	\$253,277	\$253,224	\$261,759	\$265,494	\$272,155	\$287,171	\$304,928	\$312,317	\$322,213	\$329,215

Leadership, Strategy and Corporate Services

Our Leadership, Strategy and Corporate Services activity provides strategic direction and leadership to MDC and our community, enables democratic decision-making that is open, transparent and accountable, and supports the effective and efficient operation of all MDC 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 MDC, 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 MDC accountable. Corporate services provides advice and support that enables the efficient delivery of all activities. These services combined contribute to the following community outcomes:

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

Our 10-year priorities

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

- Implementing Council's Corporate Climate Change Action Plan adopted in 2021, and leading the development of a Community Climate Change Action Plan 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.

- Developing a youth hub and cafe in conjunction with the Skatepark Revamp. \$538,570 has been allowed in Year 1 for this project.
- Supporting local democracy through the Local Body 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:
 - Digitilisation: digitalising records and reducing paper. We are also implementing digital Council meeting agendas.
 - 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 of these activities.

How do we measure success?

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

Cost of service statements

REPRESENTATION											
Annual Plan 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	25,000	29,740	26,100	26,750	32,142	28,100	28,800	34,633	30,350	31,175
786,365	Operating expenses	652,860	634,684	655,799	671,896	694,983	770,758	840,351	858,630	883,740	903,990
1,350,665		1,212,111	1,223,857	1,232,920	1,257,857	1,319,133	1,379,145	1,462,324	1,525,211	1,535,721	1,572,872
	Operating Income										
529,066	Internal allocation of governance	484,844	489,543	493,168	503,143	527,653	551,658	584,930	610,084	614,288	629,149
0	Miscellaneous Income (per Funding Policy 40% internal)	-	-	-	-	-	-	-	-	-	-
529,066		484,844	489,543	493,168	503,143	527,653	551,658	584,930	610,084	614,288	629,149
	Appropriations										
(28,000)	Transfer (from) reserves	-	-	-	-	-	-	-	-	-	-
0	Transfers to reserves (election costs)	-	-	-	-	-	-	-	-	-	-
\$793,599	Rates Requirement	\$727,267	\$734,314	\$739,752	\$754,714	\$791,480	\$827,487	\$877,394	\$915,127	\$921,433	\$943,723

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	1,011,991	1,006,540	1,035,465	1,053,035	1,073,327	1,121,520	1,188,774	1,216,410	1,252,117	1,280,481
12,830	Depreciation	13,440	12,512	9,065	6,664	1,166	1,166	1,166	-	-	-
843,220		1,025,431	1,019,052	1,044,530	1,059,699	1,074,493	1,122,686	1,189,940	1,216,410	1,252,117	1,280,481
	Operating Income										
833,010	Prof. services - Roading	1,015,221	1,008,627	1,033,779	1,048,621	1,063,098	1,110,965	1,177,882	1,204,005	1,239,354	1,267,351
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		1,025,431	1,019,052	1,044,530	1,059,699	1,074,493	1,122,686	1,189,940	1,216,410	1,252,117	1,280,481
	Appropriations										
-	Transfer to reserves	-	-	-	-	-	-	-	-	-	-
\$0	Rates Requirement	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	(\$0)	\$0

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	1,598,432	1,557,684	1,627,237	1,651,157	1,688,578	1,769,582	1,861,988	1,905,845	1,961,797	2,007,046
589,704	Arts & culture	630,534	622,331	641,798	656,554	673,632	703,269	735,299	754,082	777,071	795,958
1,279,391	Economic development & promotion	980,288	980,191	1,014,143	1,037,923	1,065,948	1,124,368	1,183,306	1,212,485	1,250,056	1,280,242
317,158	Environmental Initiatives	342,285	310,445	319,939	327,189	335,645	350,500	367,326	376,810	388,423	397,733
29,387	Depreciation	37,945	59,491	57,659	59,229	61,375	59,648	66,434	68,754	68,196	75,546
3,550,826		3,589,484	3,530,143	3,660,776	3,732,052	3,825,178	4,007,366	4,214,352	4,317,976	4,445,543	4,556,525
	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	116,580	118,329	121,710	124,741	127,888	131,036	134,300	137,798	141,528	145,375
66,296	Internal Recoveries	55,933	56,772	58,394	59,848	61,359	62,869	64,435	66,113	67,903	69,748
151,096		205,413	208,494	214,451	219,792	225,338	230,884	236,636	242,798	249,371	256,150
	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	2,859,733	2,982,130	3,208,704	\$3,425,006	\$3,563,341	\$3,788,729	\$3,990,660	\$4,088,893	\$4,210,657	\$4,315,654

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	1,806,815	1,797,926	1,849,780	1,882,748	1,918,129	2,003,749	2,135,069	2,184,707	2,249,815	2,301,459
	Operating Income										
1,762,419	Internal charges	1,786,335	1,777,262	1,828,419	1,860,937	1,895,826	1,980,873	2,111,661	2,160,602	2,224,912	2,275,737
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		1,806,815	1,797,926	1,849,780	1,882,748	1,918,129	2,003,749	2,135,069	2,184,707	2,249,815	2,301,459
	Appropriations										
-	Transfer to reserves	-	-	-	-	-	-	-	-	-	-
\$0	Rates Requirement	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0

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	1,764,054	1,702,073	1,641,650	1,639,272	1,670,187	1,723,276	1,803,571	1,845,868	1,896,385	1,942,342
1,627,469	Financial management	1,677,381	1,649,898	1,786,398	1,717,891	1,767,899	1,918,153	1,888,595	1,951,272	2,107,171	2,036,418
1,046,535	Strategic Planning	1,086,998	1,088,434	1,117,059	1,136,379	1,157,803	1,192,065	1,236,869	1,265,806	1,298,802	1,331,037
859,841	Information systems	893,056	944,698	974,728	1,002,657	1,010,008	1,025,750	1,057,175	1,079,304	1,115,416	1,136,151
679,412	Communications & Promotions	771,913	721,326	730,826	726,143	758,075	759,712	797,182	799,138	815,782	841,051
631,216	Human Resource	849,949	762,284	773,917	784,030	800,732	819,887	841,138	861,913	871,942	894,982
217,973	Council Vehicle Fleet Costs	157,301	171,922	182,335	180,505	198,585	220,567	229,151	233,214	240,649	245,913
6,563,815		7,200,652	7,040,635	7,206,914	7,186,875	7,363,291	7,659,410	7,853,682	8,036,516	8,346,149	8,427,895
	Operating Income										
418,365	Miscellaneous income & recoveries	383,903	386,616	397,662	407,566	417,850	428,134	438,800	450,227	462,416	474,985
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)	263,575	243,553	224,047	203,725	185,306	168,551	154,521	141,013	127,673	113,966
5,409,878	Support services allocated internally	5,510,874	5,108,544	5,466,369	5,570,080	5,732,050	6,992,158	8,669,711	8,842,062	9,332,911	9,398,030
217,973	Council Vehicle Fleet Recovery	157,301	171,922	182,335	180,505	198,585	220,567	229,151	233,214	240,649	245,913
6,913,815		6,740,652	6,265,635	6,647,913	6,761,875	6,956,291	8,254,411	9,959,682	10,156,516	10,676,149	10,767,895
	Appropriations										
(35,000)	Transfer (from) reserves	(785,000)	(1,035,000)	(825,000)	(700,000)	(700,000)	-	-	-	-	-
-	Transfers to reserves	25,000	25,000	25,000	25,000	25,000	225,000	1,375,000	1,375,000	1,525,000	1,525,000
385,000	Transfer to reserves - interest	300,000	235,000	241,000	250,000	268,000	370,000	731,000	745,000	805,000	815,000
\$0	Rates Requirement	(\$0)	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	(\$0)

2021-31 Long Term Plan
Supporting Information
Our Costs in Detail

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	34,715,261	37,132,950	39,728,339	42,464,786	45,382,553	48,183,907	51,164,838	53,891,737	57,001,387	60,218,520
Rural sewerage schemes capital contrib.		60,307	53,304	47,588	44,730	44,730	40,013	40,013	40,013	40,013	-	-
Financial and development 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
NZTA roading subsidies		7,165,235	8,493,456	8,967,541	7,232,371	10,945,623	12,030,993	8,134,960	9,714,738	8,749,698	8,889,400	9,090,020
Fees and charges		7,362,419	7,715,441	8,044,691	8,756,544	8,987,543	9,258,870	9,531,616	9,803,935	10,064,759	10,341,671	10,637,287
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	8,745,118	5,644,230	2,331,932	3,236,397	2,164,515	699,683	718,332	738,035	758,794	771,631
Total Operating Revenue	2	50,828,630	61,634,580	61,691,558	59,983,672	67,613,969	70,847,181	68,595,681	73,492,815	75,570,600	79,113,135	82,875,872
OPERATING EXPENDITURE												
Personnel costs		10,972,239	12,280,318	11,996,115	12,217,067	12,394,813	12,608,108	12,856,953	13,141,346	13,449,439	13,769,382	14,124,873
Finance costs		2,148,779	1,852,735	1,889,514	2,118,025	2,812,762	3,187,033	3,391,160	3,372,780	3,281,210	3,391,848	3,269,173
Depreciation & amortisation		12,901,945	14,903,339	16,680,809	17,715,548	18,518,748	20,659,215	21,386,133	21,752,008	23,452,257	23,515,408	24,081,448
Other Operating costs		23,989,164	24,358,468	23,589,373	24,257,895	24,531,884	24,840,047	25,531,295	26,254,621	27,136,094	27,922,747	28,746,526
Total Operating Expenditure		50,012,127	53,394,860	54,155,811	56,308,536	58,258,208	61,294,404	63,165,541	64,520,755	67,319,000	68,599,385	70,222,021
Net Surplus / (Deficit)*		\$ 816,503	\$ 8,239,720	\$ 7,535,747	\$ 3,675,137	\$ 9,355,761	\$ 9,552,777	\$ 5,430,141	\$ 8,972,059	\$ 8,251,601	\$ 10,513,750	\$ 12,653,851
Revaluations		6,982,246		50,650,639	7,717,581	-	64,640,476	10,077,502	-	62,388,830	10,460,192	-
Total Comprehensive Revenue & Expenses		\$ 7,798,749	\$ 8,239,720	\$ 58,186,386	\$ 11,392,718	\$ 9,355,761	\$ 74,193,253	\$ 15,507,643	\$ 8,972,059	\$ 70,640,431	\$ 20,973,943	\$ 12,653,851
*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		10,693,005	5,212,706	3,818,906	2,558,355	2,892,400	4,944,838	5,043,734	5,144,609	5,247,501	5,352,451	5,934,066
Financial Assets - Current		6,499,400	6,824,370	6,477,102	6,965,843	7,174,818	7,390,063	7,611,765	8,346,669	8,572,305	8,829,474	9,094,358
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		20,712,894	16,560,515	14,864,675	14,138,521	14,727,629	17,041,835	17,409,397	18,292,584	18,668,970	19,079,400	19,974,669
NON-CURRENT ASSETS												
Property, Plant & Equipment		126,232,172	138,901,262	156,016,439	171,166,845	176,980,006	175,700,942	182,733,301	179,716,952	176,176,171	185,857,362	182,250,855
Infrastructural Assets		744,146,624	755,816,448	815,000,783	832,667,229	849,539,486	927,195,504	928,935,548	932,149,074	999,379,696	997,038,377	993,377,056
Intangible Assets		3,519,233	3,346,714	3,433,333	3,062,195	2,854,162	2,784,776	2,398,451	1,967,707	1,809,010	1,287,699	778,998
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		276,200	278,962	281,752	284,569	287,415	290,289	293,192	296,124	299,085	302,076	305,097
Derivative financial instruments		-	-	-	-	-	-	-	-	-	-	-
Investments in CCO's & other similar entities		220,868	240,559	238,383	238,093	237,478	236,680	229,300	230,291	230,217	228,815	224,680
Other Non-current financial assets		10,872,712	10,500,000	10,000,000	10,550,534	11,121,051	15,258,760	21,520,475	27,258,671	38,054,157	47,516,133	62,265,870
Total Non-Current Assets		885,773,055	909,614,353	985,327,832	1,018,344,364	1,041,413,142	1,121,808,216	1,136,468,494	1,141,994,855	1,216,343,077	1,232,644,839	1,239,457,591
TOTAL ASSETS		906,485,949	926,174,869	1,000,192,507	1,032,482,885	1,056,140,771	1,138,850,051	1,153,877,892	1,160,287,440	1,235,012,047	1,251,724,239	1,259,432,259
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	6,140,175	6,477,449	6,854,349	7,228,325	7,546,192	7,698,682
Total Current Liabilities		18,555,545	17,093,310	14,745,550	19,320,029	16,693,033	16,104,062	16,503,219	16,942,122	17,378,220	17,758,330	17,973,186
NON-CURRENT LIABILITIES												
Financial liabilities	3	41,939,200	54,860,635	73,079,674	89,402,854	106,331,975	115,436,973	114,558,013	111,556,600	115,204,678	110,562,817	105,402,130
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		9,377	9,378	-	-	-	-	-	-	-	-	-
Provisions & other liabilities		40,649	30,649	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities		48,991,347	61,902,783	80,081,795	96,404,975	113,334,096	122,439,094	121,560,134	118,558,721	122,206,799	117,564,938	112,404,251
NET ASSETS		\$ 838,939,057	\$ 847,178,777	\$ 905,365,163	\$ 916,757,881	\$ 926,113,642	\$ 1,000,306,895	\$ 1,015,814,538	\$ 1,024,786,597	\$ 1,095,427,028	\$ 1,116,400,971	\$ 1,129,054,822
EQUITY												
Ratepayers' Equity		436,963,812	448,888,806	459,768,961	462,757,132	472,325,965	477,054,008	476,407,166	479,255,628	476,810,618	477,947,769	475,474,793
Asset Revaluation Reserves		371,760,246	371,760,246	422,410,885	430,128,466	430,128,466	494,768,942	504,846,444	504,846,444	567,235,274	577,695,467	577,695,467
Special funds & restricted reserves	4	30,214,999	26,529,725	23,185,317	23,872,283	23,659,211	28,483,945	34,560,928	40,684,525	51,381,136	60,757,735	75,884,562
TOTAL EQUITY		\$ 838,939,057	\$ 847,178,777	\$ 905,365,163	\$ 916,757,881	\$ 926,113,642	\$ 1,000,306,895	\$ 1,015,814,538	\$ 1,024,786,597	\$ 1,095,427,028	\$ 1,116,400,971	\$ 1,129,054,822

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	436,963,812	448,888,806	459,768,961	462,757,132	472,325,965	477,054,008	476,407,166	479,255,628	476,810,618	477,947,769
Special Funds & Reserves		28,620,419	30,214,999	26,529,725	23,185,317	23,872,283	23,659,211	28,483,945	34,560,928	40,684,525	51,381,136	60,757,735
Revaluation Reserves		350,499,700	371,760,246	371,760,246	422,410,885	430,128,466	430,128,466	494,768,942	504,846,444	504,846,444	567,235,274	577,695,467
EQUITY AT START OF YEAR		815,558,798	838,939,057	847,178,777	905,365,163	916,757,881	926,113,642	1,000,306,895	1,015,814,538	1,024,786,597	1,095,427,028	1,116,400,971
Comprehensive Revenue & Expenses for the year		23,380,259	8,239,720	58,186,386	11,392,718	9,355,761	74,193,253	15,507,643	8,972,059	70,640,431	20,973,943	12,653,851
Total recognised revenues & expenses for the period		\$ 23,380,259	\$ 8,239,720	\$ 58,186,386	\$ 11,392,718	\$ 9,355,761	\$ 74,193,253	\$ 15,507,643	\$ 8,972,059	\$ 70,640,431	\$ 20,973,943	\$ 12,653,851
Ratepayer's Equity		436,963,812	448,888,806	459,768,961	462,757,132	472,325,965	477,054,008	476,407,166	479,255,628	476,810,618	477,947,769	475,474,793
Special Funds & Reserves		30,214,999	26,529,725	23,185,317	23,872,283	23,659,211	28,483,945	34,560,928	40,684,525	51,381,136	60,757,735	75,884,562
Revaluation Reserves		371,760,246	371,760,246	422,410,885	430,128,466	430,128,466	494,768,942	504,846,444	504,846,444	567,235,274	577,695,467	577,695,467
EQUITY AT END OF YEAR		838,939,057	847,178,777	905,365,163	916,757,881	926,113,642	1,000,306,895	1,015,814,538	1,024,786,597	1,095,427,028	1,116,400,971	1,129,054,822

TREASURY POLICY CHECK												
Net External Debt		21,653,215	40,082,999	57,645,282	80,290,029	92,706,229	93,746,808	86,630,188	77,430,709	70,328,822	56,182,136	35,581,837
Operating Revenue		50,828,630	61,634,580	61,691,558	59,983,672	67,613,969	70,847,181	68,595,681	73,492,815	75,570,600	79,113,135	82,875,872
Rates Revenue		32,306,638	34,715,261	37,132,950	39,728,339	42,464,786	45,382,553	48,183,907	51,164,838	53,891,737	57,001,387	60,218,520
Net Interest on Net Debt		1,570,941	1,421,735	1,528,454	1,734,266	2,406,367	2,757,991	2,939,451	2,898,413	2,784,143	2,872,054	2,726,646
Net Debt as a % of Operating Revenue (limit = 150%)		42.6%	65.0%	93.4%	133.9%	137.1%	132.3%	126.3%	105.4%	93.1%	71.0%	42.9%
Net Interest expense as a % of Operating Revenue (limit = 10%)		3.1%	2.3%	2.5%	2.9%	3.6%	3.9%	4.3%	3.9%	3.7%	3.6%	3.3%
Net Interest expense as a % of Rates Revenue (limit = 15%)		4.9%	4.1%	4.1%	4.4%	5.7%	6.1%	6.1%	5.7%	5.2%	5.0%	4.5%
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	\$ 2,784	\$ 2,962	\$ 3,152	\$ 3,293	\$ 3,502	\$ 3,700	\$ 3,909	\$ 4,097	\$ 4,312	\$ 4,532

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 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	34,699,314	37,111,030	39,698,456	42,430,841	45,338,681	48,143,382	51,119,148	53,853,351	56,911,986	60,126,029
Grants, subsidies & donations		8,945,765	16,894,652	14,273,395	9,215,769	13,823,304	13,830,056	8,458,967	10,046,817	9,090,425	9,239,351	9,449,483
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	8,378,239	9,466,479	10,399,393	10,659,699	10,883,375	11,236,674	11,539,941	11,809,386	12,113,566	12,258,264
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	60,593,205	61,405,954	59,897,446	67,526,389	70,693,193	68,508,853	73,404,662	75,481,079	79,022,197	82,620,643
Cash was applied to:												
Payments to suppliers and employees		34,184,602	38,111,020	34,883,098	38,000,483	36,153,694	36,308,867	38,326,365	39,333,965	40,523,411	41,629,885	42,637,643
Interest paid		2,148,779	1,852,735	1,889,514	2,118,025	2,812,762	3,187,033	3,391,160	3,372,780	3,281,210	3,391,848	3,269,173
		36,333,381	39,963,755	36,772,612	40,118,508	38,966,456	39,495,900	41,717,525	42,706,745	43,804,621	45,021,733	45,906,816
Net cash flow from operating activities		14,543,635	20,629,450	24,633,342	19,778,936	28,559,933	31,197,294	26,791,328	30,697,917	31,676,459	34,000,463	36,713,828
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	372,712	502,178	290	616	798	7,380	-	73	1,401	4,134
Forestry/investment property proceeds		2,165,805	-	190,177	-	-	68,435	-	-	-	-	171,391
		4,023,614	392,712	712,355	20,290	20,616	89,233	27,380	20,000	20,073	21,401	195,525
Cash was applied to:												
Purchase of fixed assets		24,416,524	39,059,235	42,405,803	42,443,682	40,996,134	32,326,308	19,694,708	21,518,439	24,594,572	19,873,776	16,304,918
Term investments, shares & advances		20,000	39,691	550,534	570,517	4,137,709	6,261,715	5,739,187	10,795,486	9,461,974	14,749,737	14,749,737
		24,436,524	39,098,926	42,405,803	42,994,216	41,566,651	36,464,017	25,956,423	27,257,626	35,390,058	29,335,750	31,054,655
Net cash flow from investing activities		(20,412,910)	(38,706,214)	(41,693,448)	(42,973,926)	(41,546,035)	(36,374,784)	(25,929,043)	(27,237,626)	(35,369,985)	(29,314,350)	(30,859,130)
CASH FLOWS FROM FINANCING ACTIVITIES												
Cash was received from:												
Drawdown of public debt		5,824,200	15,587,489	18,772,744	26,577,490	18,372,443	12,952,881	5,598,489	3,852,936	10,876,403	2,904,331	2,537,994
		5,824,200	15,587,489	18,772,744	26,577,490	18,372,443	12,952,881	5,598,489	3,852,936	10,876,403	2,904,331	2,537,994
Cash was applied to:												
Repayment of public debt (incl Finance Leases)		2,590,412	2,666,054	3,453,705	4,154,310	4,843,321	5,507,708	6,140,175	6,477,449	6,854,349	7,228,325	7,546,192
		2,590,412	2,666,054	3,453,705	4,154,310	4,843,321	5,507,708	6,140,175	6,477,449	6,854,349	7,228,325	7,546,192
Net cash flow from financing activities		3,233,788	12,921,435	15,319,039	22,423,180	13,529,122	7,445,173	(541,686)	(2,624,513)	4,022,054	(4,323,994)	(5,008,198)
NET INCREASE/(DECREASE) IN CASH HELD		(2,635,487)	(5,155,329)	(1,741,068)	(771,810)	543,020	2,267,683	320,599	835,778	328,528	362,119	846,500
Add cash at start of year (1 July)		8,890,265	17,192,405	12,037,076	10,296,008	9,524,198	10,067,218	12,334,901	12,655,500	13,491,278	13,819,806	14,181,925
BALANCE AT END OF YEAR (30 JUNE)		6,254,778	12,037,076	10,296,008	9,524,198	10,067,218	12,334,901	12,655,500	13,491,278	13,819,806	14,181,925	15,028,425
REPRESENTED BY:												
Cash & bank		3,033,130	5,212,706	3,818,906	2,558,355	2,892,400	4,944,838	5,043,734	5,144,609	5,247,501	5,352,451	5,934,066
Short term deposits		3,221,648	6,824,370	6,477,102	6,965,843	7,174,818	7,390,063	7,611,765	8,346,669	8,572,305	8,829,474	9,094,358
BALANCE AT END OF YEAR (30 JUNE)		6,254,778	12,037,076	10,296,008	9,524,198	10,067,218	12,334,901	12,655,500	13,491,278	13,819,806	14,181,925	15,028,425
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
\$	Roading	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4,875,610	Subsidised Rooding	5,793,048	6,561,670	7,208,604	7,456,725	7,877,941	8,233,015	8,961,365	9,732,887	11,038,201	12,744,460
1,607,642	Non-subsidised Rooding	1,676,175	1,479,175	1,815,455	2,157,245	2,466,825	2,933,513	3,342,842	3,626,271	4,045,854	4,425,935
	Water Services										
3,387,678	Urban Water supply	3,561,962	4,015,799	4,110,341	4,893,617	5,232,769	5,685,833	5,930,574	6,224,979	6,424,919	6,611,501
103,545	Rural Water supplies & races	123,565	135,318	138,000	137,103	146,244	110,541	112,831	118,295	120,384	122,859
	Wastewater Services										
6,533,166	Urban Sewerage system	6,512,495	6,671,285	6,824,156	6,866,961	7,468,135	7,698,132	7,959,632	8,556,428	9,418,476	9,682,946
335,295	Rural Sewerage systems	367,397	429,998	456,261	470,040	498,864	508,469	515,721	553,532	579,524	588,273
	Stormwater Services										
561,016	Urban Stormwater System	668,807	799,445	858,645	906,760	955,342	989,829	1,080,225	1,197,953	1,261,284	1,318,860
	Solid Waste Services										
926,555	Solid Waste Management	892,963	1,019,467	1,063,048	1,132,706	1,089,557	1,139,615	1,192,417	1,207,296	1,213,515	1,157,497
245,422	Waste Minimisation Services	372,383	412,606	422,594	428,492	435,832	460,036	482,148	489,706	503,468	510,743
	Community Facilities/Activities										
3,075,430	Parks, Reserves & Sportsfields	3,272,210	3,387,823	3,740,344	4,001,853	4,355,642	4,609,902	4,757,235	4,752,171	4,549,718	4,769,150
1,168,128	Trust House Recreation Centre	1,436,863	1,502,317	1,669,646	1,706,083	1,808,569	1,893,108	1,999,951	2,114,211	2,158,483	2,173,700
138,961	Cemeteries	152,867	175,123	211,517	221,642	231,452	245,735	261,384	272,979	285,826	297,067
2,251,287	Library & Archive	2,406,949	2,391,044	2,454,107	2,382,512	2,467,588	2,581,846	2,734,021	2,798,143	2,891,520	2,949,587
1,462,692	Property	1,615,122	1,908,894	2,249,455	2,729,840	3,038,393	3,136,905	3,408,626	3,569,705	3,679,475	3,781,782
326,409	Airport	314,834	515,111	573,735	753,022	968,460	1,095,172	1,086,250	1,099,885	1,082,463	1,105,665
167,710	Mawley Park	168,994	170,158	188,867	189,098	192,808	199,736	211,015	211,013	213,192	217,046
	Regulatory Services										
885,274	Resource Management & Planning	975,371	1,033,362	1,032,892	1,049,219	1,064,801	1,127,629	1,224,317	1,248,653	1,286,450	1,309,797
516,493	Environmental Services	570,695	547,993	564,828	581,843	590,037	645,084	730,207	745,799	777,374	785,380
641,044	Building Development	635,732	672,531	626,082	677,760	614,011	751,712	780,107	868,255	820,270	912,927
5,771	Parking Control	(24,337)	(34,036)	(39,457)	(46,602)	(48,534)	(42,272)	(33,949)	(36,759)	(37,588)	(40,798)
86,864	Animal Services	90,296	98,132	103,373	106,405	108,398	115,240	125,124	127,396	132,193	139,386
246,931	Emergency Management	253,277	253,224	261,759	265,494	272,155	287,171	304,928	312,317	322,213	329,215
	Leadership, Strategy & Corporate Services										
793,599	Representation	727,267	734,314	739,752	754,714	791,480	827,487	877,394	915,127	921,433	943,723
0	Internal Functions (net)	(0)	0	0	0	(0)	(0)	(0)	(0)	0	(0)
907,723	Community Development	1,121,476	1,193,179	1,309,798	1,430,151	1,514,243	1,641,941	1,730,889	1,771,064	1,823,037	1,864,182
523,398	Arts and Culture	583,181	596,521	615,414	629,378	645,632	674,852	706,028	723,896	746,331	764,211
1,016,481	Economic Development	857,791	902,284	984,433	1,059,689	1,089,761	1,143,916	1,209,458	1,240,762	1,277,146	1,314,467
247,723	Environmental Initiatives	297,285	290,145	299,059	305,789	313,705	328,020	344,286	353,170	364,143	372,793
\$ 33,037,845	Total Rates Requirement	\$ 35,424,665	\$ 37,862,882	\$ 40,482,707	\$ 43,247,539	\$ 46,190,111	\$ 49,022,166	\$ 52,035,027	\$ 54,795,134	\$ 57,899,305	\$ 61,152,355
33,072,845	MDC Rates Revenue*	35,384,665	37,831,363	40,450,400	43,214,425	46,156,168	48,987,375	51,999,366	54,758,581	57,861,839	61,113,952
(60,307)	less rural sewerage capital contributions	(53,304)	(50,446)	(47,588)	(44,730)	(44,730)	(40,013)	(40,013)	(40,013)	(40,013)	-
33,012,538		35,331,361	37,780,917	40,402,811	43,169,694	46,111,438	48,947,362	51,959,353	54,718,568	57,821,826	61,113,952
3.5%	% Change (pre growth) from prior year	7.0%	6.9%	6.9%	6.8%	6.8%	6.2%	6.2%	5.3%	5.7%	5.7%
2.0%	% Change (after growth) from prior year**	5.5%	5.7%	5.9%	5.8%	5.8%	5.2%	5.2%	4.3%	4.7%	4.7%
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	\$ 35,371,361	\$ 37,812,436	\$ 40,435,118	\$ 43,202,809	\$ 46,145,381	\$ 48,982,153	\$ 51,995,013	\$ 54,755,120	\$ 57,859,292	\$ 61,152,355

* 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	34,715	37,133	39,728	42,465	45,383	48,184	51,165	53,892	57,001	60,219
Rural sewerage schemes capital contrib.	60	53	48	45	45	40	40	40	40	-	-
Financial Contributions	1,258	1,481	1,493	1,506	1,528	1,541	1,554	1,577	1,589	1,602	1,616
NZTA Subsidy	7,165	8,493	8,968	7,232	10,946	12,031	8,135	9,715	8,750	8,889	9,090
Other Government Grants	938	8,243	1,081	1,818	1,637	1,625	146	149	153	158	162
Other Grants	842	159	4,225	165	1,240	174	178	183	187	192	198
Other Non Exchange Revenue	649	692	763	798	823	843	865	887	912	941	970
Revaluation Gains	30	38	30	21	21	19	20	21	22	23	15
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	7,329	7,590	8,286	8,502	8,762	9,022	9,283	9,528	9,787	10,065
TOTAL OPERATING REVENUE	50,829	61,635	61,692	59,984	67,614	70,847	68,596	73,493	75,571	79,113	82,876
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	49,939	62,861	78,180	100,603	114,132	121,577	121,035	118,411	122,433	118,109
Loans raised during the year	1,439	15,587	18,773	26,577	18,372	12,953	5,598	3,853	10,876	2,904	2,538
Less repayments during the year	(2,600)	(2,666)	(3,454)	(4,154)	(4,843)	(5,508)	(6,140)	(6,477)	(6,854)	(7,228)	(7,546)
Balance as at 30 June	49,939	62,861	78,180	100,603	114,132	121,577	121,035	118,411	122,433	118,109	113,101
Less current borrowings repayable in 12 months	(2,666)	(3,454)	(4,154)	(4,843)	(5,508)	(6,140)	(6,477)	(6,854)	(7,228)	(7,546)	(7,699)
Closing balance for non-current borrowings	\$ 47,273	\$ 59,407	74,025	95,760	108,624	115,437	114,558	111,557	115,205	110,563	105,402

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	737	3,349	6,307	11,392	15,165	20,898	24,393	25,710	26,884	26,124	25,337
Water Services	4,388	5,387	5,601	15,112	16,959	18,624	18,135	17,653	17,999	16,990	15,937
Sewerage Services	37,317	35,316	32,969	30,955	31,400	30,827	27,771	24,957	27,994	25,870	24,300
Stormwater Services	480	507	617	868	875	1,092	1,486	1,956	2,345	2,731	2,565
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	5,167	14,651	29,255	39,087	46,791	47,453	46,834	45,999	44,869	44,345	43,134
Regulatory Services	177	1,697	1,645	1,585	1,524	1,461	1,394	1,325	1,253	1,177	1,098
	\$ 49,939	\$ 62,861	\$ 78,180	\$ 100,603	\$ 114,132	\$ 121,577	\$ 121,035	\$ 118,411	\$ 122,433	\$ 118,109	\$ 113,101

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	8,964	8,292	7,638	6,956	6,336	5,761	5,258	4,801	4,368	3,916
Loans raised during the year	-	-	-	-	-	-	-	-	-	-	-
Less repayments during the year	(675)	(672)	(654)	(683)	(619)	(576)	(503)	(457)	(433)	(452)	(472)
Closing Balance as at 30 June	\$ 8,964	\$ 8,292	7,638	6,956	6,336	5,761	5,258	4,801	4,368	3,916	3,444

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

Roading	524	486	445	403	370	344	318	291	262	232	201
Water Services	410	392	373	353	331	309	286	262	237	211	183
Sewerage Services	2,931	2,620	2,304	1,975	1,698	1,454	1,284	1,143	1,026	904	777
Solid Waste Services	336	291	245	197	146	94	52	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	3,789	3,559	3,318	3,065	2,807	2,538	2,257
	\$ 8,964	\$ 8,292	\$ 7,638	\$ 6,956	\$ 6,336	\$ 5,761	\$ 5,258	\$ 4,801	\$ 4,368	\$ 3,916	\$ 3,444

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.

Council Created Reserves	Projected Opening Balance 2021	Transfers In 2021/31	Transfers Out 2021/31	Projected Closing Balance 2031
Purpose and application	\$ 000's	\$ 000's	\$ 000's	\$ 000's
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.	383	2,720	3,400	297
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.	2,164	4,737	924	5,977
Plant & Equipment Depreciation Funds These funds are built up from depreciation on plant and equipment and are used to fund replacements	1,515	5,769	6,545	740
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.	5,400	31,569	16,505	20,464

PROSPECTIVE STATEMENT OF SPECIAL FUNDS & RESERVES (CONTINUED)

Council Created Reserves	Forecast Opening Balance 2021	Transfers In 2021/31	Transfers Out 2021/31	Forecast Closing Balance 2031
Purpose and application	\$ 000's	\$ 000's	\$ 000's	\$ 000's
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.	6,473	21,421	7,581	20,313
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.	7,008	47,329	35,712	18,625
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.	2,026	13,018	10,625	4,419
Crematorium Fund - ex Mrs Smart bequest				
To manage a bequest made to establish a crematorium.	115	-	-	115
	\$ 30,215	\$ 126,994	\$ 81,325	\$ 75,885

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	371,760	371,760	422,411	430,128	430,128	494,769	504,846	504,846	567,235	577,695
Revalue Movements	21,261	-	50,651	7,718	-	64,640	10,078	-	62,389	10,460	-
Closing Balance	371,760	371,760	422,411	430,128	430,128	494,769	504,846	504,846	567,235	577,695	577,695
	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	-	-	35,416	-	-	44,276	-	-	42,800	-	-
Water Services	-	-	3,969	-	-	5,287	-	-	5,085	-	-
Sewerage Services	-	-	8,710	-	-	11,673	-	-	11,229	-	-
Stormwater Services	-	-	78	-	-	103	-	-	99	-	-
Solid Waste Services	-	-	2,154	-	-	2,870	-	-	2,760	-	-
	0	-	50,327	-	-	64,209	-	-	61,974	-	-
Other Asset Revaluation Reserve Movements											
Building	9,609	-	-	3,488	-	-	4,555	-	-	4,728	-
Land	11,651	-	-	4,229	-	-	5,523	-	-	5,732	-
Other	-	-	324	-	-	431	-	-	415	-	-
	21,261	-	324	7,718	-	431	10,078	-	415	10,460	-
Total revaluation movements	21,261	-	50,651	7,718	-	64,640	10,078	-	62,389	10,460	-

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	9,418,340	10,550,902	7,449,864	13,922,936	15,708,214	8,576,932	11,209,833	9,313,728	9,381,118	9,556,220
2,627,206	Non-subsidised Roothing	2,776,695	3,313,519	6,071,503	3,474,999	3,143,965	4,467,526	3,151,187	2,301,003	491,031	531,434
	Water Services										
3,950,480	Urban Water supply	4,415,000	2,549,890	11,336,925	4,053,525	4,179,951	2,245,575	2,306,760	2,794,235	2,240,790	1,639,540
200,000	Rural Water supplies & races	715,000	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	1,702,000	1,992,900	1,863,750	4,809,080	3,749,040	1,362,750	2,147,250	7,587,080	3,305,000	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	643,000	459,900	1,207,092	576,869	627,827	1,273,875	966,876	891,100	925,400	411,600
	Solid Waste Services										
90,420	Solid Waste	220,000	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	1,354,074	448,996	1,230,426	705,466	260,865	257,961	185,952	1,298,500	-
2,210,000	Sportsfields	2,542,500	582,859	596,220	2,008,120	238,367	123,279	178,292	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	361,750	219,456	231,166	231,768	243,321	244,296	256,360	263,432	270,725	278,681
1,413,050	Property	6,880,300	17,694,859	9,814,827	5,702,780	1,365,460	269,970	354,032	211,818	322,420	36,569
1,810,000	Airport	5,658,930	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	1,548,000	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	\$ 39,059,235	\$ 42,405,803	\$ 42,443,682	\$ 40,996,134	\$ 32,326,308	\$ 19,694,708	\$ 21,518,439	\$ 24,594,572	\$ 19,873,776	\$ 16,304,918
	Funded by										
(3,837,804)	NZ Transport Agency subsidy (roading)	(5,462,637)	(6,014,014)	(4,171,924)	(7,796,844)	(8,796,600)	(4,803,082)	(6,277,506)	(5,215,687)	(5,253,426)	(5,351,483)
(11,992,275)	Transfers from reserves	(8,272,213)	(9,199,392)	(6,733,877)	(8,763,421)	(5,374,134)	(5,519,287)	(7,501,706)	(4,404,441)	(7,588,328)	(4,210,704)
(5,824,200)	Loan funds	(15,587,489)	(18,772,744)	(26,577,490)	(18,372,443)	(12,952,881)	(5,598,489)	(3,852,936)	(10,876,403)	(2,904,331)	(2,537,994)
(2,017,246)	Rates	(2,906,963)	(3,406,386)	(3,277,940)	(3,494,185)	(3,719,854)	(3,773,850)	(3,886,291)	(4,098,040)	(4,127,692)	(4,204,737)
(745,000)	Other (External funding)	(6,829,933)	(5,013,267)	(1,682,451)	(2,569,240)	(1,482,839)	-	-	-	-	-
\$ (24,416,524)		\$ (39,059,235)	\$ (42,405,803)	\$ (42,443,682)	\$ (40,996,134)	\$ (32,326,308)	\$ (19,694,708)	\$ (21,518,439)	\$ (24,594,572)	\$ (19,873,776)	\$ (16,304,918)

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,	3,529,940	3,874,157	3,660,835	3,791,826	3,965,196	4,177,317	4,280,412	4,475,090	4,640,595	4,904,221
1,747,429	Roading renewals - urban	Rates & Subsidy	1,478,900	1,664,044	2,098,332	1,941,421	1,994,647	2,063,321	2,148,615	2,208,041	2,284,148	2,362,791
115,000	Bridge renewals	Rates & Subsidy Depn Reserve &	-	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	285,000	2,629,075	-	-	-	-	-	-	-	-
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 Subsidy & Depn	200,000	-	-	3,797,500	7,254,000	-	-	-	-	-
-	Masterton Revamp - subsidised portion	Reserve	2,012,000	-	-	2,184,105	-	-	2,377,353	-	-	-
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		9,418,340	10,550,902	7,449,864	13,922,936	15,708,214	8,576,932	11,209,833	9,313,728	9,381,118	9,556,220
	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	-	-	-	-	-	-	-	-	-	-
400,000	Gordon Street upgrade	Subdiv Contrib	140,000	142,940	-	-	-	137,760	-	-	-	-
50,000	Urbanisation of Millard Ave - Roading	Subdiv Contrib	-	-	1,196,524	783,045	-	-	-	-	-	-
10,000	CBD Recycling Bins	Depn Reserve	-	-	-	-	-	-	-	-	-	-
1,400,000	Masterton Revamp	Loan	1,309,664	2,601,882	3,737,739	2,192,854	3,099,325	4,082,946	2,277,247	1,211,068	-	-
120,000	Neighbourhood Planning - provision	Rates /Reserves	-	-	-	-	-	-	-	-	-	-
60,000	Carpark Lighting - safety initiative	Subdiv Contrib	-	-	-	-	-	-	-	-	-	-
-	What's Our Welcome- North Entrance	Loan	1,150,000	-	-	-	-	-	-	-	-	-
-	What's Our Welcome- South Entrance	Loan	92,031	466,597	1,095,120	-	-	-	-	-	-	-
-	What's Our Welcome- Western Railway		-	-	-	-	-	-	-	-	-	-
-	Connection Entrance	Loan	-	-	-	-	-	143,500	-	900,644	-	479,994
-	What's Our Welcome- Eastern Coastal		-	-	-	-	-	-	-	-	-	-
-	Connection - trees	Loan	-	-	-	-	-	57,400	-	140,691	441,031	-
-	Chamberlain Rd upgrade	Subdiv Contrib	-	-	-	325,500	-	-	354,300	-	-	-
-	Kitchener to Gordon - link road	Subdiv Contrib	-	-	-	130,200	-	-	472,400	-	-	-
2,627,206	Total Non-subsidised Roading		2,776,695	3,313,519	6,071,503	3,474,999	3,143,965	4,467,526	3,151,187	2,301,003	491,031	531,434
9,360,195	Total Capital Funding		12,195,035	13,864,421	13,521,367	17,397,935	18,852,179	13,044,458	14,361,020	11,614,731	9,872,149	10,087,655
(3,837,804)	NZ Transport Agency subsidy (roading)		(5,462,637)	(6,014,014)	(4,171,924)	(7,796,844)	(8,796,600)	(4,803,082)	(6,277,506)	(5,215,687)	(5,253,426)	(5,351,483)
(2,045,146)	Transfers from reserves		(1,189,740)	(1,375,542)	(760,034)	(1,929,933)	(44,640)	(183,680)	(1,919,975)	(48,600)	(50,000)	(51,440)
(1,460,000)	Loan funds		(2,635,695)	(3,068,479)	(5,311,469)	(4,176,972)	(6,291,085)	(4,283,846)	(2,277,247)	(2,252,403)	(441,031)	(479,994)
(7,342,949)	Total other funding		(9,288,072)	(10,458,035)	(10,243,427)	(13,903,749)	(15,132,325)	(9,270,608)	(10,474,729)	(7,516,691)	(5,744,457)	(5,882,918)
\$2,017,246	Rates Requirement (Capital)		\$2,906,963	\$3,406,386	\$3,277,940	\$3,494,185	\$3,719,854	\$3,773,850	\$3,886,291	\$4,098,040	\$4,127,692	\$4,204,737

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	Loan	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	800,000	-	-	-	-	-	-	-	-	-
-	WTP SCADA and electrical upgrades - stimu	External Funds	120,000	-	-	-	-	-	-	-	-	-
-	Fish Inlet - Stimulus project	External Funds	70,000	-	-	-	-	-	-	-	-	-
-	bulk tanker water supply terminal constructi	External Funds	85,000	-	-	-	-	-	-	-	-	-
260,000	Total Urban water treatment		2,215,000	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	1,230,090	1,533,000	3,333,546	3,562,789	3,691,993	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	-	-	-	-	-	-	-	-	-	-
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	169,910	-	180,954	187,411	194,207	201,343	-	-	-	-
3,690,480	Total Urban water reticulation		2,200,000	2,248,400	3,621,000	3,805,350	3,943,350	1,955,250	2,049,090	2,546,000	1,322,000	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	-	-	-	-	-	-	-	-	-	-
200,000	Total Rural water supply		715,000	30,660	37,275	33,090	40,005	35,550	42,945	38,190	46,270	41,160
4,150,480	Total		5,130,000	2,580,550	11,374,200	4,086,615	4,219,956	2,281,125	2,349,705	2,832,425	2,287,060	1,680,700
	Capital Funding											
(2,000,480)	Transfers from reserves		(1,605,973)	(2,120,650)	(1,577,236)	(1,627,998)	(1,835,637)	(1,942,194)	(1,957,065)	(1,559,425)	(2,287,060)	(1,680,700)
-	External funds		(2,355,000)	-	-	-	-	-	-	-	-	-
(2,150,000)	Loan funds		(1,169,027)	(459,900)	(9,796,964)	(2,458,617)	(2,384,319)	(338,931)	(392,640)	(1,273,000)	-	-
(4,150,480)	Total capital funding		(\$5,130,000)	(\$2,580,550)	(\$11,374,200)	(\$4,086,615)	(\$4,219,956)	(\$2,281,125)	(\$2,349,705)	(\$2,832,425)	(\$2,287,060)	(\$1,680,700)
\$0	Rates requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

WASTEWATER 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		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Urban Sewerage system												
50,000	Network investigations	Depn Reserves	-	-	106,500	110,300	-	-	-	-	-	-
1,300,000	Sewer reticulation renewals	Depn Reserves	1,002,940	1,124,200	1,068,131	1,768,043	1,146,360	1,188,484	2,085,900	1,145,700	2,511,800	1,234,800
20,000	Urbanisation of Millard Ave	Subdiv contrib	-	817,600	-	-	-	-	-	-	-	-
310,000	Homebush plant & equipment renewals	Depn Reserve	152,000	51,100	53,250	66,180	205,740	59,250	61,350	76,380	132,200	137,200
	Homebush aerators - stimulus project	External Funds	450,000	-	-	-	-	-	-	-	-	-
	Wastewater renewals - CBD project	Depn Reserve	97,060	-	103,369	107,057	110,940	115,016	-	-	-	-
	Homebush consent renewal & plant upgrade	Loan	-	-	-	-	-	-	-	-	661,000	2,058,000
300,000	Homebush irrigation extension	Loan	-	-	532,500	2,757,500	2,286,000	-	-	6,365,000	-	-
1,980,000	Total Urban Sewerage system		1,702,000	1,992,900	1,863,750	4,809,080	3,749,040	1,362,750	2,147,250	7,587,080	3,305,000	3,430,000
Rural Sewerage schemes												
-	Castlepoint wastewater upgrade	Reserves	-	204,400	-	-	-	-	-	-	-	-
-	Castlepoint wastewater plant consent upgra	Reserves	-	102,200	-	-	-	-	-	-	-	-
5,000	Castlepoint sewerage plant renewals	Reserves	10,000	10,220	10,650	11,030	11,430	11,850	12,270	12,730	92,540	13,720
70,000	Riversdale Beach scheme renewals	Depn Reserve	30,000	30,660	31,950	33,090	34,290	35,550	36,810	38,190	39,660	41,160
75,000	Total Rural Sewerage system		40,000	347,480	42,600	44,120	45,720	47,400	49,080	50,920	132,200	54,880
2,055,000	Total		1,742,000	2,340,380	1,906,350	4,853,200	3,794,760	1,410,150	2,196,330	7,638,000	3,437,200	3,484,880
Capital Funding												
(300,000)	Loan funds		-	-	(532,500)	(3,088,400)	(2,286,000)	-	(368,100)	(6,365,000)	(1,322,000)	(2,058,000)
	External funds		(450,000)	-	-	-	-	-	-	-	-	-
(1,755,000)	Transfer from reserves		(1,292,000)	(2,340,380)	(1,373,850)	(1,764,800)	(1,508,760)	(1,410,150)	(1,828,230)	(1,273,000)	(2,115,200)	(1,426,880)
(\$2,055,000)	Total capital funding		(\$1,742,000)	(\$2,340,380)	(\$1,906,350)	(\$4,853,200)	(\$3,794,760)	(\$1,410,150)	(\$2,196,330)	(\$7,638,000)	(\$3,437,200)	(\$3,484,880)
\$0	Rates Requirement (Capital)		\$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	300,000	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	63,000	-	88,842	69,489	284,927	-	77,301	-	-	-
402,000	Total Stormwater		643,000	459,900	1,207,092	576,869	627,827	1,273,875	966,876	891,100	925,400	411,600
	Capital Funding											
-	Loan funds		(63,000)	(153,300)	(301,842)	(69,489)	(284,927)	(474,000)	(568,101)	(509,200)	(528,800)	-
(402,000)	Transfer from reserves		(580,000)	(306,600)	(905,250)	(507,380)	(342,900)	(799,875)	(398,775)	(381,900)	(396,600)	(411,600)
(\$402,000)	Total capital funding		(\$643,000)	(\$459,900)	(\$1,207,092)	(\$576,869)	(\$627,827)	(\$1,273,875)	(\$966,876)	(\$891,100)	(\$925,400)	(\$411,600)
\$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	20,000	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		220,000	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		(220,000)	(20,320)	(41,840)	(21,460)	(44,040)	(22,620)	(46,400)	(83,440)	(49,000)	(25,220)
(\$90,420)	Total capital funding		(\$220,000)	(\$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

COMMUNITY FACILITIES / ACTIVITIES												
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
\$			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Parks & Reserves												
90,250	Queen Elizabeth Park Upgrades	Reserve Contrib.	50,000	50,800	12,029	160,950	-	-	-	-	-	-
-	Upgrade Kidz Own Playground	Depn Reserve	-	-	-	159,480	-	-	172,411	-	-	-
275,000	QE Park structures/facilities renewals	Depn Reserve	20,400	62,992	66,944	65,453	38,535	42,413	32,480	185,952	73,500	-
248,662	Recreation trails network (urban & rural)	Contributions/										
16,750	Street trees renewals & new	Loans	140,000	111,760	23,012	109,446	24,222	115,362	25,520	-	-	-
-	Castlepoint furniture renewals	Reserves	16,750	17,018	17,521	17,973	18,442	18,944	19,430	-	-	-
30,000	Castlepoint Seawall Handrails	Depn Reserve	-	10,160	-	-	11,010	-	-	-	-	-
4,042	Parks & Open Spaces - Signage	Depn Reserve	30,000	-	-	-	-	-	-	-	-	-
-	Henley lake Dump station	Depn Reserve	20,000	20,320	20,920	2,146	2,202	2,262	2,320	-	-	-
80,000	Henley Lake - lake level management	Reserves	30,000	-	-	-	-	-	-	-	-	-
-	Henley Lake - lake level management	Loan	-	203,200	209,200	214,600	220,200	56,550	-	-	-	-
-	Waipoua Cycle/Pedestrian Bridge	Depn Reserve/ Loan	312,000	-	-	-	-	-	-	-	-	-
-	Henley - landscape development	Reserves	20,000	20,320	20,920	11,803	-	19,679	-	-	-	-
140,000	Henley Lake buildings upgrades	Depn Reserve	55,000	5,080	5,230	26,825	5,505	5,655	5,800	-	-	-
-	QE Park lake alt water source	Loan	50,000	101,600	-	-	-	-	-	-	-	-
-	Carpark Reseals Urban Reserves	Depn Reserve	24,000	80,264	-	32,550	-	-	-	-	-	-
50,000	Percy's Reserve up-grade	Reserves	-	-	-	-	-	-	-	-	-	-
30,000	Grassing Henley Lake overflow car-park	Reserves	50,000	-	-	-	-	-	-	-	-	-
-	Waipoua Precinct	Loan	-	508,000	-	375,550	385,350	-	-	-	-	-
-	Water Use project - recreation facilities	Loan	-	-	-	-	-	-	-	-	1,225,000	-
-	Urban reserves upgrades	Depn Reserve/										
-	Urban reserves upgrades	Contributions	115,000	162,560	73,220	53,650	-	-	-	-	-	-
964,704	Total Parks, Reserves & Sportsfields		933,150	1,354,074	448,996	1,230,426	705,466	260,865	257,961	185,952	1,298,500	-
Sportsfields												
750,000	Sportsfield buildings renewals	Depn Reserve/External	933,500	554,736	130,750	1,764,549	113,403	38,454	14,732	71,520	248,063	-
-	Netball facility upgrade	Depn Reserve	1,000	8,819	1,046	76,183	1,101	80,301	47,560	1,192	858,725	-
110,000	Colin Pugh Sports Bowl - track renewal	Depn Reserve	8,000	10,160	418,400	139,490	110,100	-	-	-	-	-
-	South Park Sports Facilities Provision	Depn Reserve	-	6,096	25,104	-	-	-	-	-	-	-
1,350,000	Skatepark upgrade	External Funds/										
-	Skatepark upgrade	Reserves	1,600,000	-	-	-	-	-	-	-	-	-
-	Cricket grandstand upgrade	Depn Reserve	-	3,048	20,920	27,898	13,763	4,524	116,000	-	-	-
2,210,000	Total Sportsfields		2,542,500	582,859	596,220	2,008,120	238,367	123,279	178,292	72,712	1,106,788	-
Trust House Recreation Centre												
110,000	Building & Services renewals	Depn Reserve /Loan	195,000	605,394	457,102	262,724	412,325	415,043	246,848	-	-	-
90,000	Other Plant & Equip	Depn Reserve /Loan	60,000	-	-	642,920	44,040	-	-	-	-	-
280,000	Total Recreation Centre		255,000	605,394	457,102	905,644	456,365	415,043	246,848	-	-	-
Cemeteries												
268,900	Cemetery renovations & extensions	Reserves/Loan	94,000	387,909	52,650	21,460	-	-	23,200	-	-	-
District Buildings												
20,000	Facilities & equipment renewals	Depn Reserve	-	-	-	-	-	-	-	-	-	-
55,000	Building upgrades	Depn Reserve	154,300	17,475	11,715	12,018	12,331	14,929	128,992	23,482	32,095	-
22,000	Queen Street bldg leasehold improv.	Depn Reserve	-	-	-	-	-	-	-	-	-	-
250,000	Civic facility - including land purchase	Loan/External										
250,000	Civic facility - including land purchase	Funds	4,945,000	10,160,000	9,518,600	5,116,064	1,101,000	-	-	-	-	-
347,000	Total District Buildings		5,099,300	10,177,475	9,530,315	5,128,082	1,113,331	14,929	128,992	23,482	32,095	-

continues over page

COMMUNITY FACILITIES / ACTIVITIES continued												
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
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing for the Elderly												
266,050	Pensioner housing upgrades & renewals	Depn Reserve	341,000	251,968	97,278	223,828	124,413	167,388	143,840	158,536	116,375	-
-	New Build Panama	Loan	500,000	7,112,000	-	-	-	-	-	-	-	-
266,050	Total Pensioner Housing		841,000	7,363,968	97,278	223,828	124,413	167,388	143,840	158,536	116,375	-
Other Property												
20,000	Public conveniences	Depn Reserve	19,000	12,192	13,598	273,615	-	-	-	-	-	-
250,000	Castlepoint Toilets upgrade	Depn Reserve /External funds	-	10,160	-	-	11,010	-	-	-	-	-
60,000	Rural halls & Fire Station upgrades	Depn Reserve	85,000	-	15,690	-	-	8,483	-	-	9,188	-
-	Riversdale Beach toilets upgrade	Reserves	-	10,160	11,506	21,460	5,505	-	5,800	-	-	-
355,000	Rental Property upgrades	Depn Reserve /Loan	762,000	47,752	120,290	28,971	56,151	67,860	58,000	29,800	66,150	23,959
50,000	Upgrade other Council buildings	Depn Reserve	-	-	-	-	-	-	-	-	-	-
-	Mawley Park - Playground	Depn Reserve	-	5,080	-	-	-	-	5,800	-	-	-
65,000	Mawley Park facility upgrades	Depn Reserve	74,000	68,072	26,150	26,825	55,050	11,310	11,600	-	98,613	12,610
800,000	Total Other Property		940,000	153,416	187,234	350,871	127,716	87,653	81,200	29,800	173,950	36,569
Airport												
160,000	Runway reseal & remarking	Depn Reserve	10,000	-	-	-	-	-	-	-	-	-
80,000	Airport fencing & roading upgrades	Depn Reserve	-	-	-	-	-	-	-	-	-	-
420,000	Hanger area expansion	Loan	260,000	-	-	-	-	-	-	-	-	-
	Airport runway and precinct upgrades - taxiway and apron - stage 1	Loan/External Funds/Depn Reserve	3,348,750	-	-	298,510	807,326	-	-	21,870	-	-
	Equipment Upgrades	Depn Reserve	5,000	-	-	-	-	-	-	-	-	-
1,000,000	Runway widening & development	Loan	1,748,000	1,015,385	-	-	-	-	-	-	-	-
	Runway construction & road realignment- stage 2	Loan/External Funds	287,180	585,759	2,484,766	3,406,403	-	-	-	-	-	-
	Certification & safety management system	External Funds	-	-	-	-	675,513	-	-	-	-	-
150,000	Runway lights replacement	Depn Reserve	-	-	-	-	-	-	-	-	-	-
1,810,000	Total Airport		5,658,930	1,601,143	2,484,766	3,704,913	1,482,839	-	-	21,870	-	-
Library & Archive												
180,000	Book stock renewals	Depn Reserve	180,000	182,880	188,280	193,140	198,180	203,580	208,800	214,560	220,500	226,980
45,750	Computer & equipment replacements	Depn Reserve	45,750	25,400	31,380	26,825	33,030	28,275	34,800	35,760	36,750	37,830
15,500	Renew furniture/fittings	Depn Reserve	11,000	11,176	11,506	11,803	12,111	12,441	12,760	13,112	13,475	13,871
125,000	Archive extension (incl. shelving)	Reserves/Loan	125,000	-	-	-	-	-	-	-	-	-
566,250	Total Library & Archive		361,750	219,456	231,166	231,768	243,321	244,296	256,360	263,432	270,725	278,681
7,512,904	Total		16,725,630	22,445,694	14,085,727	13,805,110	4,491,817	1,313,453	1,316,693	755,784	2,998,433	315,250
Funding												
(5,253,704)	Transfers from reserves		(3,043,500)	(2,341,362)	(1,768,561)	(2,656,906)	(1,302,428)	(811,741)	(1,069,845)	(755,784)	(2,385,933)	(315,250)
(1,514,200)	Loan funds		(9,777,190)	(15,091,066)	(10,634,715)	(8,578,965)	(1,706,550)	(501,712)	(246,848)	-	(612,500)	-
(745,000)	External funding		(3,904,940)	(5,013,267)	(1,682,451)	(2,569,240)	(1,482,839)	-	-	-	-	-
(\$7,512,904)	Total capital funding		(\$16,725,630)	(\$22,445,694)	(\$14,085,727)	(\$13,805,110)	(\$4,491,817)	(\$1,313,453)	(\$1,316,693)	(\$755,784)	(\$2,998,433)	(\$315,250)
\$0	Rates requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

REGULATORY 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		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Regulatory Services											
8,000	Environmental Health testing equip.	Depn Reserve	8,000	8,128	8,368	8,584	8,808	31,668	9,280	9,536	9,800	10,088
20,000	Animal Services - equipment	Depn Reserve	24,000	1,626	1,674	6,009	1,762	1,810	6,496	1,907	1,960	7,062
400,000	Animal Services - new animal shelter	Loan	1,524,000	-	-	-	-	-	-	-	-	-
10,000	Animal & Bylaws signage	Depn Reserve	-	-	-	-	-	-	-	-	-	-
14,000	Building Development - equipment	Depn Reserve	4,000	24,384	14,644	4,292	4,404	4,524	4,640	4,768	4,900	5,044
58,000	Emergency Mgmt. - comms & welfare centres	Depn Reserve	-	-	-	-	-	-	-	-	-	-
-	Replace parking meters	Depn Reserve	-	406,400	-	-	-	-	-	-	-	-
510,000	Total Regulatory		1,560,000	440,538	24,686	18,885	14,974	38,002	20,416	16,211	16,660	22,194
	Capital Funding											
(110,000)	Transfers from reserves		(36,000)	(440,538)	(24,686)	(18,885)	(14,974)	(38,002)	(20,416)	(16,211)	(16,660)	(22,194)
(400,000)	Loan Funds		(1,524,000)	-	-	-	-	-	-	-	-	-
(\$510,000)	Total capital funding		(\$1,560,000)	(\$440,538)	(\$24,686)	(\$18,885)	(\$14,974)	(\$38,002)	(\$20,416)	(\$16,211)	(\$16,660)	(\$22,194)
\$0	Rates Requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

DRAFT

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		-	-	-	-	-	-	-	-	-	-

Revenue and Financing Policy

INTRODUCTION

Set out on the following pages is the Council's Revenue & 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 is 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 NZ Transport Agency (NZTA) 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)

Masterton Rural	5,743	22.5%
Urban	19,814	77.5%
	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
<hr/>		<hr/>	
	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	\$2,617 million	+45.2%
	Urban	\$2,040 million	+66.7%
	Total	<hr/> \$4,657 million	+53.9%
Capital value	Rural	\$3,944 million	+40.9%
	Urban	\$4,686 million	+55.7%
	Total	<hr/> \$8,630 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 NZTA 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 are 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 has been 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 roading 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 is 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 roading programme make up 2.7% of the increase and the rural share of that activity is higher.

Overall, the 2021/22 budget changes result in an average 4.7% increase (after growth) for the urban ward and an average of 8.1% increase (after growth) for the rural ward. Some 4.8% of the rural increase is due to the increased spending on subsidised roading.

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 8.7%, plus or minus the effects of the revaluation.
- Rural lifestyle properties can expect to pay 8.9% 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 8% and 9%, 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 (85% 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
- Rooding 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%

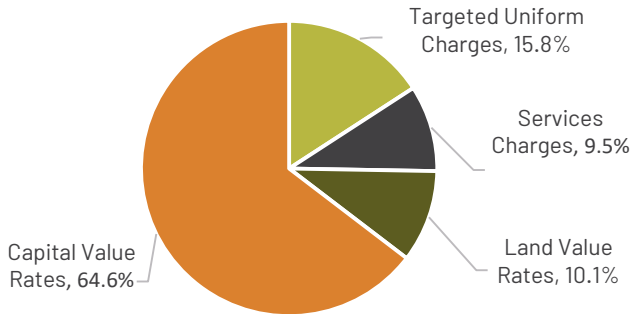
After incorporating the changes noted in the commentary above, and incorporating the proposed rates required for year one (2021/22) of the LTP the rating mix is summarised as follows (subject to roundings):

Rates Type	Urban	Rural
Targeted Uniform Charges*	15.8%	35.7%
Services Charges	9.5%	6.0%
Land Value Rates	10.1%	34.3%
Capital Value Rates	64.6%	24.0%

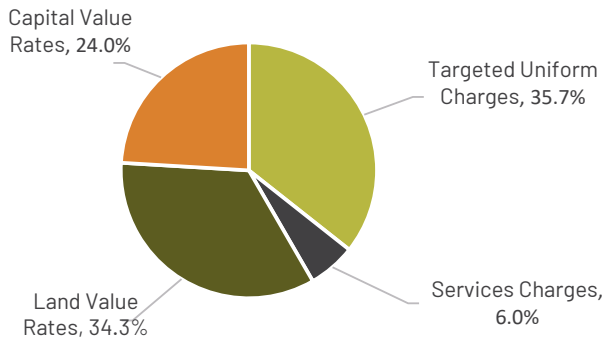
The differential on value-based rates on urban non-residential properties = 2 times

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

URBAN RATES (2021/22 \$30.8m)



RURAL RATES (2021/22 \$9.9m)



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 races 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		✓
- 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.

** This 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 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 (eg 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:

	Urban	Rural
Population	77.5% (19,814)	22.5% (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 Rooding – 31 : 69 (urban:rural) This reflects where the subsidised rooding 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 rooding 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 NZTA 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.

DRAFT

REVENUE & FINANCING POLICY - SUB-ACTIVITY FUNDING ANALYSIS SUMMARY

Activity	Theoretical Funding Analysis		Operational Funding Analysis		Comment	2018/19	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	743,690	78.0%	CV	22.0%	CV	Population
Community Development	80%	20%	100%	0%		1,266,944	78.0%	CV	22.0%	CV	Population
Arts & Culture	50%	50%	100%	0%		509,682	78.0%	CV	22.0%	CV	Population
Economic Development	50%	50%	100%	0%		1,088,747	78.0%	CV	22.0%	CV	Population
Parks, Reserves & Sportsfields	80%	20%	95%	5%	Low level of user charges	2,836,759	78.0%	CV	22.0%	TU Chrg	Population
Recreation Centre	50%	50%	70%	30%	External revenue to facility manager	1,069,204	78.0%	TU Chrg	22.0%	TU Chrg	Population
Cemetreies	20%	80%	40%	60%	Burial fees & sale of plots	102,196	78.0%	CV	22.0%	TU Chrg	Population
District Building	40%	60%	60%	40%	Hall hire & internal rents	848,500	78.0%	CV	22.0%	CV	Population
Housing for the Elderly	0%	100%	5%	95%	Rentals set below market	43,449	78.0%	CV	22.0%	CV	Population
Other Property	0%	100%	20%	80%	Rentals	303,642	78.0%	CV	22.0%	CV	Population
Public Conveniences	80%	20%	100%	0%		352,322	78.0%	CV	22.0%	CV	Population
Rural Halls	80%	20%	95%	5%	Hall hire & internal rents	113,329	5%	CV	95%	CV	Location of service
Mawley Park	10%	90%	25%	75%		106,727	78.0%	CV	22.0%	CV	Population
Library	70%	30%	92%	8%	Recoveries	1,824,072	78.0%	TU Chrg	22.0%	TU Chrg	Population
Archives	90%	10%	95%	5%	Recoveries	404,223	78.0%	TU Chrg	22.0%	TU Chrg	Population
Forestry	40%	60%	40%	60%	Internal charge to roading	25,479	78.0%	TU Chrg	22.0%	TU Chrg	Population
Airport	20%	80%	35%	65%		204,710	78.0%	CV	22.0%	CV	Population
Resource Mgmt & Planning	80%	20%	85%	15%	Consent fees income	888,803	78.0%	CV	22.0%	CV	Population
Environmental Health	30%	70%	35%	65%	Largely internal recoveries	462,243	78.0%	CV	22.0%	CV	Population
Building Inspection	10%	90%	15%	85%	Consent fees income	380,809	78.0%	CV	22.0%	CV	Population
Dog Control	40%	60%	15%	85%	Dog fees	81,905	78.0%	TU Chrg	22.0%	TU Chrg	Population
Parking Control	0%	100%	0%	100%	Meters & fines, offsets Econ Dev	(58,051)					
Emergency Mgmt/CD	100%	0%	100%	0%		246,763	78.0%	CV	22.0%	CV	Population
Urban Water supply	40%	60%	25%	75%	Targeted charge & CV rate	3,587,548	100%	25% TUChrg/75% CV	0%		Location of service
Rural Water supplies	0%	100%	0%	100%	Targeted rates	67,235			100%	Targeted rates & chrgs	Location of service
Other rural water services	100%	0%	100%	0%		46,139			100%	CV	Location of service
Urban Wastewater system	40%	60%	25%	75%	Trade waste chrgs, rates split btwn Chrg & CV	7,823,969	100%	25% TUChrg/75% CV	0%		Location of service
Stormwater	100%	0%	100%	0%	Urban area only	570,200	100%	CV	0%		Location of service
Castlepoint sewerage	0%	100%	0%	100%	Targeted charge	73,393	0%		100%	Targeted chrg	Location of service
Riversdale Beach sewerage	20%	80%	0%	100%	Targeted charge	265,029	0%		100%	Targeted chrg	Location of service
Tinui sewerage (operating)	0%	100%	0%	100%	Targeted charge	13,776	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)	(62,947)	78.0%	CV	22.0%	CV	Population
Recycling kerbside collection	0%	100%	0%	100%	Targeted charge (TUC, serviced rating units)	529,174	100%	TUChrg	0%		Location of service
Recycling & composting	30%	70%	70%	30%	Composting gate charges	382,526	78.0%	CV	22.0%	CV	Population
Rural refuse	0%	100%	90%	10%	Rural gate fees	267,423	10%	CV	90%	TU Chrg/Targeted beach chrg	Location of service
Subsidised Roothing	30%	70%	30%	70%	NZTA subsidy = 57%, Roothing TU Chrg & LV	5,443,929	25%	30% TU Chrg/70% LV	75%	30% TU Chrg/70% LV	Location of service
Non-subsidised roading urban	20%	80%	20%	80%	Roothing LV rate	1,401,576	100%	LV	0%		Location of service
Non-subsidised roading rural	30%	70%	30%	70%	Roothing TU chrg & LV rate	220,876	0%		100%	30% TU Chrg/70% LV	Location of service
Total						\$ 34,475,995					

= 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.

Allocations 2018/19 Allocation				Index	C	Targeted uniform charge (TUC)					
Urban	Rural	Urban	Rural	Notes	CV	Capital value rate	LV	Land value rate			
				URBAN RATES			RURAL RATES				
				Type	Rate Name	Amount	Type	Rate Name	Amount	TOTAL	
77.5%	22.5%	\$ 647,444	\$ 187,968		CV	Representation & Development	\$	187,968	\$	835,412	
77.5%	22.5%	\$ 1,263,043	\$ 366,690	4	CV	Representation & Development	\$	366,690	\$	1,629,733	
77.5%	22.5%	\$ 519,173	\$ 150,728		CV	Representation & Development	\$	150,728	\$	669,900	
77.5%	22.5%	\$ 741,977	\$ 215,413		CV	Representation & Development	\$	215,413	\$	957,390	
77.5%	22.5%	\$ 2,913,064	\$ 845,728		CV	Civic Amenities rate	\$	845,728	\$	3,758,793	
77.5%	22.5%	\$ 1,279,158	\$ 371,369		C	TUC	\$	371,369	\$	1,650,527	
77.5%	22.5%	\$ 136,089	\$ 39,510		C	Civic Amenities rate	\$	39,510	\$	175,598	
77.5%	22.5%	\$ 475,394	\$ 138,018		CV	Sundry facilities rate	\$	138,018	\$	613,412	
77.5%	22.5%	\$ 289,937	\$ 84,175		CV	Sundry facilities rate	\$	84,175	\$	374,113	
77.5%	22.5%	\$ 421,366	\$ 122,332		CV	Sundry facilities rate	\$	122,332	\$	543,698	
5.0%	95.0%	\$ 8,626	\$ 163,888	5	CV	Sundry facilities rate	\$	163,888	\$	172,514	
77.5%	22.5%	\$ 89,828	\$ 26,079		CV	Sundry facilities rate	\$	26,079	\$	115,908	
77.5%	22.5%	\$ 150,446	\$ 43,678		CV	Sundry facilities rate	\$	43,678	\$	194,123	
77.5%	22.5%	\$ 1,669,807	\$ 484,783		C	TUC	\$	484,783	\$	2,154,590	
77.5%	22.5%	\$ 472,965	\$ 137,312		C	TUC	\$	137,312	\$	610,277	
77.5%	22.5%	\$ 280,279	\$ 81,371		CV	Civic Amenities rate	\$	81,371	\$	361,650	
77.5%	22.5%	\$ 868,318	\$ 252,092		CV	Regulatory services rate	\$	252,092	\$	1,120,411	
77.5%	22.5%	\$ 1,074,014	\$ 311,811		CV	Regulatory services rate	\$	311,811	\$	1,385,825	
77.5%	22.5%	\$ 80,385	\$ 23,338		C	TUC	\$	23,338	\$	103,723	
77.5%	22.5%	\$ 225,478	\$ 65,461		CV	Regulatory services rate	\$	65,461	\$	290,939	
100.0%	0.0%	\$ 4,091,631	\$ -		C/CV	Water supply rate and Charge	\$	-	\$	4,091,631	
0.0%	100.0%	\$ -	\$ 70,339		LV	Opaki water race	\$	70,339	\$	70,339	
0.0%	100.0%	\$ -	\$ 14,120		C	Tinui water supply charge	\$	14,120	\$	14,120	
0.0%	100.0%	\$ -	\$ 69,843		CV	Sundry facilities rate	\$	69,843	\$	69,843	
100.0%	0.0%	\$ 7,480,912	\$ -		C/CV	Sewerage system - urban	\$	-	\$	7,480,912	
100.0%	0.0%	\$ 768,260	\$ -		CV	Sundry facilities rate	\$	-	\$	768,260	
0.0%	100.0%	\$ -	\$ 98,097		C	Castlepoint sewerage charge	\$	98,097	\$	98,097	
0.0%	100.0%	\$ -	\$ 297,012		C	Riversdale sewerage charges	\$	297,012	\$	297,012	
0.0%	100.0%	\$ -	\$ 14,559		C	Tinui sewerage charges	\$	14,559	\$	14,559	
100.0%	0.0%	\$ 723,267	\$ -		C	Kerbside recycling charge	\$	-	\$	723,267	
77.5%	22.5%	\$ 338,531	\$ 98,283		CV	Sundry facilities rate	\$	98,283	\$	436,814	
10.0%	90.0%	\$ 29,342	\$ 264,080	7	CV	Sundry facilities rate	\$	264,080	\$	293,423	
31.0%	69.0%	\$ 2,062,889	\$ 4,591,592	6	LV/C	Roading rate and Charge	\$	4,591,592	\$	6,654,482	
100.0%	0.0%	\$ 1,675,231	\$ -		LV	Roading rate	\$	-	\$	1,675,231	
0.0%	100.0%	\$ -	\$ 250,194		LV/C	Roading rate and Charge	\$	250,194	\$	250,194	
\$ 30,804,482				\$ 9,887,883	Total	2021/22 Total	\$	30,804,482	\$	40,692,365	
				Actual - 2020/21 Annual Plan	\$	28,993,017	Actual - 2020/21 Annual Plan	\$	9,040,755	\$	38,033,772
					Other increases	\$	1,811,465		Other increases	\$	2,658,593
					Net Increase (before growth)	\$	1,811,465		Net Increase (before growth)	\$	2,658,593
				Estimated effect of growth in rating base	\$	444,405	Estimated effect of growth in rating base	\$	111,443	\$	555,849
				% Change (after growth)	4.7%	% Change (after growth)	8.1%	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 policy.
- 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.

Financial Prudence Benchmarks

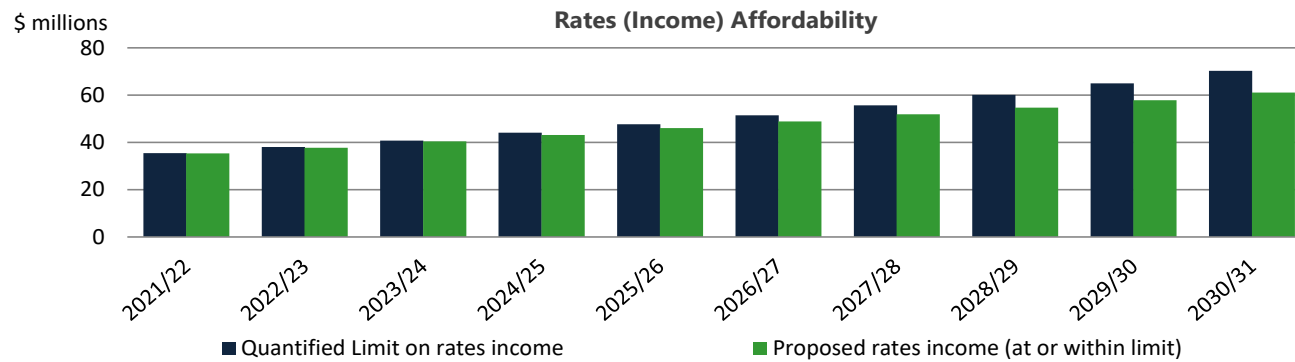
LOCAL GOVERNMENT ACT 2002 - Financial Disclosures

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.

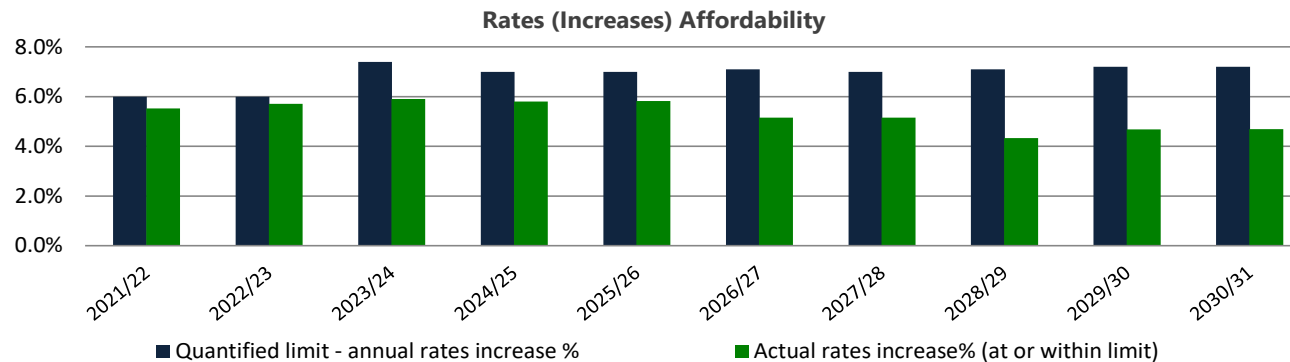
Benchmarks - per LG (Financial Reporting and Prudence) Regulations 2014

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.



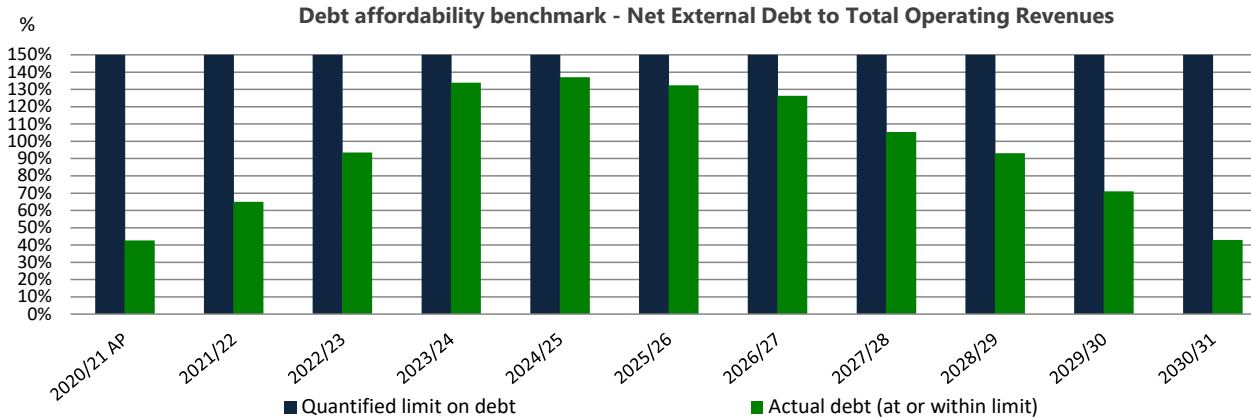
As per above, the Council's quantified rates income increase limits as a percentage each year is based on LGCI plus 4.5%. The planned percentage rates increases (after growth) are compared to the limit in the graph below.



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).



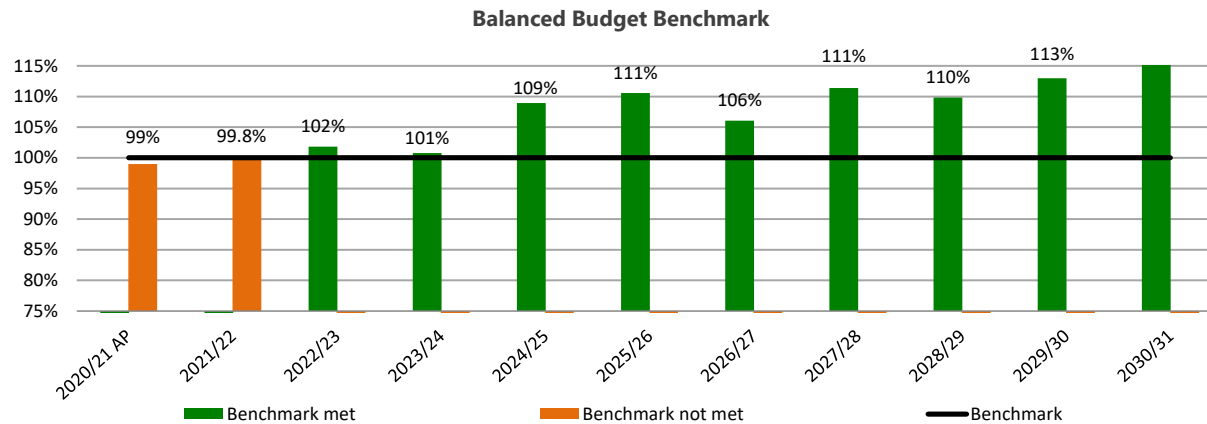
(1) Net External Debt is defined as gross external debt less all financial assets, including cash in bank.

(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.

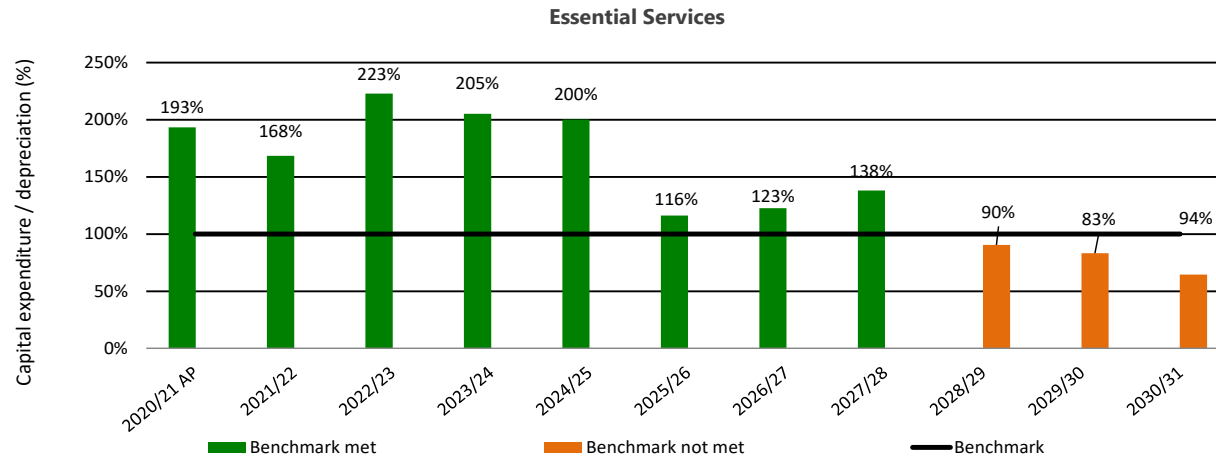


Note: the Council has achieved a balanced budget as per the accounting definition, but by excluding the financial contributions income and one-off capital funding, the operating revenue falls just under operating expenditure in year one of the LTP.

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.

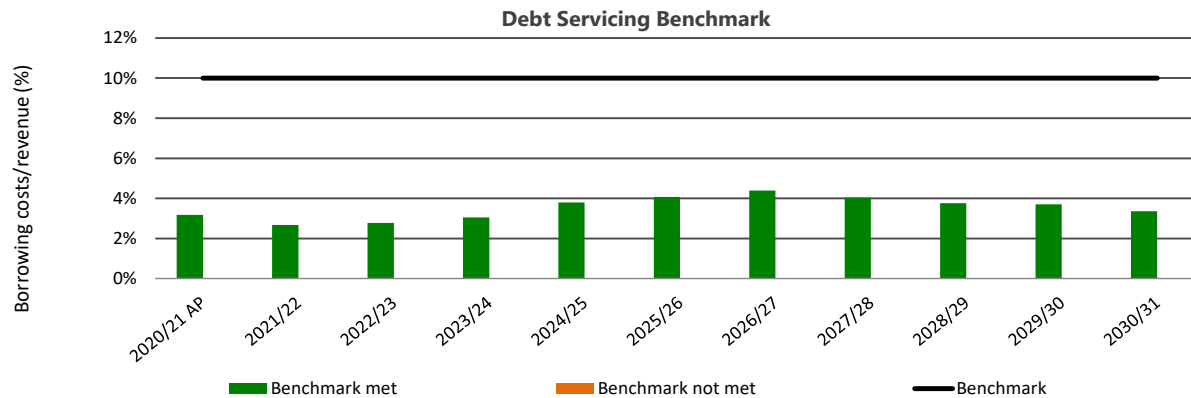


Note: many essential services assets have long lives and are at various stages through those lives. The Council's replacement and renewal expenditure does not automatically follow the accounting measure of decline in service (depreciation). The Council's asset management plans for each service outline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



Funding Impact Statements

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
COUNCIL	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)
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	34,559	36,970	39,558	42,289	45,196	47,992	50,967	53,688	56,752	59,963
Subsidies and grants (for operating)	4,363	4,602	3,246	3,361	3,457	3,551	3,656	3,769	3,875	3,986	4,098
Fees & charges	7,362	7,715	8,045	8,757	8,988	9,259	9,532	9,804	10,065	10,342	10,637
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	47,823	49,141	52,603	55,698	59,008	62,219	65,618	68,744	72,235	75,893
Applications of Operating Funding											
Payments to staff and suppliers	34,961	36,639	35,585	36,475	36,927	37,448	38,388	39,396	40,586	41,692	42,871
Finance costs	2,149	1,853	1,890	2,118	2,813	3,187	3,391	3,373	3,281	3,392	3,269
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	37,110	38,492	37,475	38,593	39,739	40,635	41,779	42,769	43,867	45,084	46,141
Surplus/(Deficit) of operating funding (A-B)	7,847	9,331	11,666	14,010	15,958	18,372	20,440	22,849	24,877	27,151	29,753
Sources of Capital Funding											
Subsidies & grants for capital expenditure	3,838	12,293	11,027	5,854	10,366	10,279	4,803	6,278	5,216	5,253	5,351
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	12,921	15,319	22,423	13,529	7,445	(542)	(2,625)	4,022	(4,324)	(5,008)
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	26,715	28,050	29,804	25,444	19,354	5,835	5,250	10,847	2,552	2,151
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	470	640	8,686	1,623	1,239	-	138	851	-	-	-
- to improve level of service	10,605	23,202	18,216	27,130	20,797	18,167	7,002	4,932	11,487	4,803	4,289
- to replace existing assets	13,341	15,218	15,504	13,691	18,960	14,159	12,555	15,736	13,107	15,071	12,016
Increase/(decrease) in reserves	(5,769)	(3,685)	(3,344)	687	(213)	4,825	6,077	6,124	10,697	9,377	15,127
Increase/(decrease) in investments	694	672	654	683	619	576	503	457	433	452	472
Total application of capital funding (D)	19,342	36,046	39,716	43,813	41,402	37,727	26,275	28,099	35,724	29,703	31,903
Surplus / (deficit) of capital funding (C-D)	(7,847)	(9,331)	(11,666)	(14,010)	(15,958)	(18,372)	(20,440)	(22,849)	(24,877)	(27,151)	(29,753)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT	Annual Plan 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
Reconciliation - between FIS & Financial Statements	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Operating Funding (revenue) - per FIS	44,958	47,823	49,141	52,603	55,698	59,008	62,219	65,618	68,744	72,235	75,893
Capital Funding (revenue)- per FIS	5,841	13,774	12,521	7,360	11,895	11,821	6,357	7,854	6,805	6,856	6,967
	<u>50,798</u>	<u>61,596</u>	<u>61,661</u>	<u>59,963</u>	<u>67,592</u>	<u>70,828</u>	<u>68,576</u>	<u>73,472</u>	<u>75,549</u>	<u>79,091</u>	<u>82,861</u>
Operating Revenue - per Stmt of Comp. Revenue & Expense	50,829	61,635	61,692	59,984	67,614	70,847	68,596	73,493	75,571	79,113	82,876
Less Other Gains/(losses)- on revaluation	30	38	30	21	21	19	20	21	22	23	15
	<u>50,798</u>	<u>61,596</u>	<u>61,661</u>	<u>59,963</u>	<u>67,592</u>	<u>70,828</u>	<u>68,576</u>	<u>73,472</u>	<u>75,549</u>	<u>79,091</u>	<u>82,861</u>
Operating Expenditure - per FIS	37,110	38,492	37,475	38,593	39,739	40,635	41,779	42,769	43,867	45,084	46,141
Add depreciation	12,902	14,903	16,681	17,716	18,519	20,659	21,386	21,752	23,452	23,515	24,081
	<u>50,012</u>	<u>53,395</u>	<u>54,156</u>	<u>56,309</u>	<u>58,258</u>	<u>61,294</u>	<u>63,166</u>	<u>64,521</u>	<u>67,319</u>	<u>68,599</u>	<u>70,222</u>
Operating Expenditure - per Stmt of Comp. Revenue & Expense	50,012	53,395	54,156	56,309	58,258	61,294	63,166	64,521	67,319	68,599	70,222
Capital Expenditure - per FIS	24,417	39,059	42,406	42,444	40,996	32,326	19,695	21,518	24,595	19,874	16,305
Capital Expenditure - per Cost of Service Statements	24,417	39,059	42,406	42,444	40,996	32,326	19,695	21,518	24,595	19,874	16,305
Transfer to/(from) Reserves - per COSS	(13,408)	(9,651)	(10,690)	(7,111)	(8,554)	(4,734)	(3,810)	(4,228)	(1,099)	(4,060)	(659)
Depreciation transferred to reserves - per COSS	5,219	5,946	7,135	7,778	8,321	9,470	9,867	10,332	11,776	13,417	15,594
Proceeds from sale of assets - Tsf to reserves	2,420	20	210	20	20	88	20	20	20	20	191
	<u>(5,769)</u>	<u>(3,685)</u>	<u>(3,344)</u>	<u>687</u>	<u>(213)</u>	<u>4,825</u>	<u>6,077</u>	<u>6,124</u>	<u>10,697</u>	<u>9,377</u>	<u>15,127</u>
Increase/(Decrease) in Reserves - per FIS	(5,769)	(3,685)	(3,344)	687	(213)	4,825	6,077	6,124	10,697	9,377	15,127

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	7,469	8,041	9,024	9,614	10,345	11,167	12,304	13,359	15,084	17,170
Subsidies and grants (for operating)	4,127	3,031	2,954	3,060	3,149	3,234	3,332	3,437	3,534	3,636	3,739
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	10,763	11,263	12,362	13,048	13,873	14,800	16,052	17,213	19,049	21,247
Applications of Operating Funding											
Payments to staff and suppliers	7,323	5,965	5,950	6,261	6,452	6,638	6,830	7,028	7,233	7,443	7,660
Finance costs	17	27	100	169	316	421	580	678	713	745	723
Internal charges and overheads applied	1,282	1,479	1,437	1,497	1,517	1,551	1,757	2,031	2,077	2,170	2,196
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	8,622	7,471	7,486	7,927	8,285	8,610	9,166	9,737	10,022	10,358	10,579
Surplus/(Deficit) of operating funding (A-B)	2,238	3,292	3,777	4,434	4,763	5,263	5,634	6,315	7,191	8,691	10,668
Sources of Capital Funding											
Subsidies & grants for capital expenditure	3,838	5,463	6,014	4,172	7,797	8,797	4,803	6,278	5,216	5,253	5,351
Development & financial contributions	250	375	378	381	389	392	395	403	406	409	413
Increase/(decrease) in debt	1,409	2,573	2,918	5,042	3,740	5,707	3,470	1,289	1,145	(789)	(819)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	5,497	8,411	9,310	9,595	11,926	14,896	8,668	7,970	6,766	4,873	4,946
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	450	140	143	1,197	1,239	-	138	827	-	-	-
- to improve level of service	3,389	4,115	4,699	5,958	7,615	12,025	6,003	4,046	3,987	2,226	2,078
- to replace existing assets	5,521	7,940	9,022	6,367	8,544	6,827	6,903	9,488	7,628	7,646	8,009
Increase/(decrease) in reserves	(1,626)	(492)	(778)	508	(709)	1,307	1,257	(76)	2,342	3,692	5,527
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	7,735	11,703	13,087	14,030	16,689	20,159	14,302	14,285	13,957	13,564	15,614
Surplus / (deficit) of capital funding (C-D)	(2,238)	(3,292)	(3,777)	(4,434)	(4,763)	(5,263)	(5,634)	(6,315)	(7,191)	(8,691)	(10,668)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
WATER SERVICES	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	3,491	3,686	4,151	4,248	5,031	5,379	5,796	6,043	6,343	6,545	6,734
Subsidies and grants (for operating)	-	440	-	-	-	-	-	-	-	-	-
Fees & charges	512	517	532	560	572	585	594	608	626	647	668
Internal charges & overheads recovered	101	103	105	108	110	113	116	119	122	125	128
Interest & dividends	10	5	5	5	5	5	6	6	6	6	6
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	4,113	4,750	4,792	4,921	5,718	6,082	6,512	6,776	7,097	7,323	7,537
Applications of Operating Funding											
Payments to staff and suppliers	1,581	2,237	1,844	1,898	1,932	1,976	1,977	2,021	2,075	2,136	2,199
Finance costs	168	161	160	150	419	470	516	503	488	497	469
Internal charges and overheads applied	882	911	881	924	941	966	1,095	1,261	1,289	1,347	1,365
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,631	3,309	2,884	2,972	3,291	3,412	3,588	3,785	3,852	3,980	4,032
Surplus/(Deficit) of operating funding (A-B)	1,482	1,442	1,908	1,949	2,427	2,670	2,924	2,991	3,244	3,343	3,505
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	2,355	-	-	-	-	-	-	-	-	-
Development & financial contributions	10	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	1,974	980	195	9,490	1,826	1,644	(512)	(506)	320	(1,035)	(1,080)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,984	3,335	195	9,490	1,826	1,644	(512)	(506)	320	(1,035)	(1,080)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	20	-	613	-	-	-	-	25	-	-	-
- to improve level of service	2,120	3,445	82	7,774	276	299	296	98	102	106	110
- to replace existing assets	2,010	1,685	1,886	3,600	3,811	3,921	1,985	2,227	2,731	2,181	1,571
Increase/(decrease) in reserves	(684)	(353)	(477)	65	166	94	130	135	732	20	745
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	3,467	4,777	2,104	11,439	4,253	4,314	2,412	2,484	3,565	2,308	2,425
Surplus / (deficit) of capital funding (C-D)	(1,482)	(1,442)	(1,908)	(1,949)	(2,427)	(2,670)	(2,924)	(2,991)	(3,244)	(3,343)	(3,505)
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	6,880	7,101	7,280	7,337	7,967	8,207	8,475	9,110	9,998	10,271
Subsidies and grants (for operating)	-	500	-	-	-	-	-	-	-	-	-
Fees & charges	475	486	556	573	589	602	616	629	646	666	686
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	7,904	7,691	7,883	7,956	8,599	8,854	9,137	9,789	10,698	10,992
Applications of Operating Funding											
Payments to staff and suppliers	1,315	1,877	1,401	1,432	1,460	1,502	1,526	1,559	1,612	1,647	1,694
Finance costs	1,659	1,392	1,071	905	878	889	871	787	705	789	728
Internal charges and overheads applied	1,327	1,211	1,182	1,225	1,238	1,264	1,399	1,580	1,616	1,684	1,706
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	1
Total applications of operating funding (B)	4,301	4,480	3,654	3,562	3,576	3,654	3,796	3,926	3,933	4,120	4,129
Surplus/(Deficit) of operating funding (A-B)	3,059	3,425	4,037	4,321	4,381	4,945	5,058	5,211	5,856	6,578	6,863
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)	(2,311)	(2,663)	(2,343)	168	(818)	(3,226)	(2,955)	2,920	(2,246)	(1,698)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(1,864)	(1,738)	(2,540)	(2,220)	291	(695)	(3,103)	(2,832)	3,043	(2,123)	(1,575)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	818	-	-	-	-	-	-	-	-
- to improve level of service	370	-	-	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	1,273	2,776	1,427
Increase/(decrease) in reserves	(860)	(55)	(844)	195	(181)	456	545	183	1,261	1,018	1,804
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	1,195	1,687	1,497	2,101	4,672	4,250	1,955	2,379	8,899	4,456	5,289
Surplus / (deficit) of capital funding (C-D)	(3,059)	(3,425)	(4,037)	(4,321)	(4,381)	(4,945)	(5,058)	(5,211)	(5,856)	(6,578)	(6,863)
Funding balance (A-B)+(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
STORMWATER SERVICES	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	561	669	799	859	907	955	990	1,080	1,198	1,261	1,319
Subsidies and grants (for operating)	-	200	-	-	-	-	-	-	-	-	-
Fees & charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	561	869	799	859	907	955	990	1,080	1,198	1,261	1,319
Applications of Operating Funding											
Payments to staff and suppliers	172	298	296	202	206	211	171	175	181	186	192
Finance costs	21	17	15	16	24	24	30	41	54	65	75
Internal charges and overheads applied	211	219	217	225	230	235	255	285	291	303	308
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	405	535	528	443	460	470	456	501	526	554	576
Surplus/(Deficit) of operating funding (A-B)	156	334	271	415	447	486	534	579	672	708	743
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(35)	27	110	251	7	217	394	470	388	386	(166)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(35)	27	110	251	7	217	394	470	388	386	(166)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	-	426	-	-	-	-	-	-	-
- to improve level of service	72	163	153	302	235	285	474	568	509	529	-
- to replace existing assets	330	480	307	479	342	343	800	399	382	397	412
Increase/(decrease) in reserves	(281)	(283)	(78)	(541)	(123)	75	(346)	82	169	168	166
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	121	360	382	666	454	703	928	1,049	1,060	1,094	577
Surplus / (deficit) of capital funding (C-D)	(156)	(334)	(271)	(415)	(447)	(486)	(534)	(579)	(672)	(708)	(743)
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	1,265	1,432	1,486	1,561	1,525	1,600	1,675	1,697	1,717	1,668
Subsidies and grants (for operating)	100	90	91	94	96	99	101	104	106	109	112
Fees & charges	2,680	2,613	2,716	2,860	2,931	3,005	3,079	3,156	3,238	3,326	3,416
Internal charges & overheads recovered	83	71	74	81	83	85	87	89	91	94	96
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	4,035	4,040	4,314	4,520	4,672	4,714	4,867	5,023	5,133	5,246	5,293
Applications of Operating Funding											
Payments to staff and suppliers	3,387	3,352	3,461	3,684	3,776	3,871	3,967	4,065	4,171	4,284	4,401
Finance costs	76	61	45	36	33	28	23	18	12	20	15
Internal charges and overheads applied	533	473	455	483	487	501	577	664	680	713	720
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,996	3,886	3,961	4,203	4,296	4,400	4,566	4,747	4,863	5,017	5,136
Surplus/(Deficit) of operating funding (A-B)	39	154	352	317	376	315	301	276	270	229	158
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(187)	(182)	(202)	(215)	(222)	(231)	(228)	(206)	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)	(215)	(222)	(231)	(228)	(206)	294	(205)	(127)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve level of service	40	20	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)	(248)	130	61	132	39	50	24	4	(26)	6
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	(148)	(28)	150	102	154	83	73	71	564	23	31
Surplus / (deficit) of capital funding (C-D)	(39)	(154)	(352)	(317)	(376)	(315)	(301)	(276)	(270)	(229)	(158)
Funding balance (A-B)+(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
COMMUNITY FACILITIES / ACTIVITIES	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	8,591	9,368	10,050	11,088	11,984	13,063	13,762	14,458	14,818	14,861	15,294
Subsidies and grants (for operating)	51	189	50	51	53	54	55	57	58	60	61
Fees & charges	1,565	1,628	1,668	2,086	2,140	2,242	2,328	2,385	2,451	2,510	2,595
Internal charges & overheads recovered	593	675	685	705	723	741	759	778	798	820	842
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	10,799	11,861	12,454	13,930	14,899	16,099	16,905	17,678	18,126	18,250	18,792
Applications of Operating Funding											
Payments to staff and suppliers	6,512	7,087	6,944	7,179	7,389	7,605	7,806	8,227	8,488	8,769	9,098
Finance costs	207	189	436	787	1,089	1,303	1,321	1,298	1,264	1,233	1,218
Internal charges and overheads applied	2,609	2,540	2,441	2,546	2,577	2,642	2,989	3,410	3,481	3,629	3,662
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	9,328	9,816	9,821	10,512	11,055	11,550	12,115	12,935	13,233	13,630	13,978
Surplus/(Deficit) of operating funding (A-B)	1,471	2,044	2,633	3,418	3,844	4,550	4,790	4,744	4,893	4,620	4,814
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	3,905	5,013	1,682	2,569	1,483	-	-	-	-	-
Development & financial contributions	-	-	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	967	9,226	14,373	9,591	7,468	431	(860)	(1,088)	(1,388)	(793)	(1,493)
Gross proceeds from sale of assets	2,420	-	190	-	-	68	-	-	-	-	171
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	745	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4,132	13,131	19,577	11,274	10,038	1,983	(860)	(1,088)	(1,388)	(793)	(1,321)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	500	7,112	-	-	-	-	-	-	-	-
- to improve level of service	4,126	13,382	13,262	12,436	9,767	3,250	206	180	23	1,257	-
- to replace existing assets	3,387	2,844	2,072	1,649	4,038	1,242	1,108	1,137	732	1,741	315
Increase/(decrease) in reserves	(1,910)	(1,550)	(236)	606	77	2,040	2,617	2,339	2,749	829	3,178
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	5,603	15,175	22,209	14,691	13,882	6,532	3,930	3,656	3,505	3,828	3,493
Surplus / (deficit) of capital funding (C-D)	(1,471)	(2,044)	(2,633)	(3,418)	(3,844)	(4,550)	(4,790)	(4,744)	(4,893)	(4,620)	(4,814)
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	2,501	2,571	2,549	2,634	2,601	2,885	3,131	3,266	3,301	3,436
Subsidies and grants (for operating)	-	-	-	-	-	-	-	-	-	-	-
Fees & charges	1,818	2,166	2,263	2,358	2,428	2,489	2,570	2,672	2,740	2,819	2,888
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	5,077	5,248	5,344	5,509	5,548	5,924	6,284	6,499	6,627	6,845
Applications of Operating Funding											
Payments to staff and suppliers	3,587	4,037	4,117	3,997	3,856	3,498	3,649	3,656	3,822	3,843	4,019
Finance costs	-	7	51	44	44	42	40	39	37	35	32
Internal charges and overheads applied	1,393	1,620	1,558	1,626	1,667	1,709	1,935	2,282	2,329	2,430	2,467
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	4,980	5,663	5,726	5,667	5,568	5,249	5,625	5,977	6,188	6,307	6,519
Surplus/(Deficit) of operating funding (A-B)	(410)	(586)	(478)	(323)	(59)	299	299	307	311	320	326
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	1,520	(52)	(60)	(61)	(64)	(66)	(69)	(72)	(76)	(79)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,275	2,503	940	942	956	963	969	981	988	995	1,001
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve level of service	458	1,528	-	-	4	-	-	5	-	-	5
- to replace existing assets	52	32	441	25	15	15	38	16	16	17	17
Increase/(decrease) in reserves	355	357	22	595	878	1,247	1,230	1,268	1,283	1,298	1,305
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	865	1,917	462	620	897	1,262	1,268	1,289	1,299	1,315	1,327
Surplus / (deficit) of capital funding (C-D)	410	586	478	323	59	(299)	(299)	(307)	(311)	(320)	(326)
Funding balance (A-B)+(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
LEADERSHIP, STRATEGY & CORPORATE SERVICES	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	3,489	3,587	3,716	3,948	4,180	4,355	4,616	4,868	5,004	5,132	5,259
Subsidies and grants (for operating)	84	152	151	156	159	163	167	172	176	181	186
Fees & charges	244	232	235	242	248	255	261	267	275	282	290
Internal charges & overheads recovered	9,326	9,454	9,039	9,474	9,620	9,861	11,290	13,200	13,470	14,066	14,224
Interest & dividends	566	425	355	378	400	423	445	468	490	513	535
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	13,709	13,850	13,497	14,198	14,607	15,057	16,780	18,974	19,415	20,174	20,495
Applications of Operating Funding											
Payments to staff and suppliers	11,042	11,986	11,798	12,062	12,103	12,416	12,737	12,938	13,291	13,682	13,926
Finance costs	-	-	12	11	11	10	10	10	9	9	8
Internal charges and overheads applied	2,856	2,639	2,521	2,647	2,713	2,785	3,132	3,600	3,674	3,821	3,886
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	13,897	14,624	14,332	14,720	14,827	15,212	15,879	16,548	16,975	17,512	17,820
Surplus/(Deficit) of operating funding (A-B)	(188)	(774)	(835)	(522)	(220)	(155)	901	2,427	2,440	2,662	2,675
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	120	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(2)	417	(14)	(16)	(17)	(18)	(16)	(17)	(18)	(18)	(19)
Gross proceeds from sale of assets	-	20	20	20	20	20	20	20	20	20	20
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(2)	557	6	4	3	2	4	3	2	2	1
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve level of service	30	549	-	-	11	-	-	12	-	-	13
- to replace existing assets	306	295	254	282	225	281	311	249	286	288	265
Increase/(decrease) in reserves	(525)	(1,061)	(1,083)	(800)	(453)	(433)	593	2,169	2,156	2,375	2,398
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	(190)	(217)	(829)	(518)	(217)	(152)	904	2,430	2,442	2,663	2,675
Surplus / (deficit) of capital funding (C-D)	188	774	835	522	220	155	(901)	(2,427)	(2,440)	(2,662)	(2,675)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

Setting the Rates

Rating Funding Impact Statement

1 Introduction

- 1.1 A Funding Impact Statement must be prepared pursuant to Schedule 10 of the Local Government Act 2002.
- 1.2 Various sections of the Local Government (Rating) Act 2002 refer to the Funding Impact Statement. Those sections require:
- The basis of setting the general rate, i.e. land or capital value (Section 13).
 - Any category or categories that will be used for differentiating the general rate (Section 14).
 - The function or functions for which a targeted rate will be set (Section 16).
 - Any category or categories of land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate (Section 17).
 - Any factor that will be used to calculate liability for a targeted rate (Section 18).
 - An indication that Council wishes to set a charge for water supply by volume of water consumed if Council is intending to do so (Section 19).
- 1.3 **Important**
Throughout this statement a level of rate or charge is specified. 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 the Annual 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 & 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 Draft 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	2,711	2,947	5,658	2,257	2,694	4,950
Representation & Development Rate	CV rate	2,758	801	3,559	2,728	770	3,498
Regulatory Services Rate	CV rate	1,885	547	2,432	1,788	504	2,292
Sundry Facilities & Services Rate	CV rate	2,239	720	2,959	1,998	627	2,625
Targeted Uniform Charge	Chrg	3,071	1,804	4,874 *	2,757	1,628	4,385 *
Targeted Rooding Charge	Chrg	540	1,263	1,803 *	384	1,156	1,540 *
		13,203	8,081	21,284	11,912	7,378	19,290
Targeted Rates							
Recycling Collection Charge	Chrg	626	-	626 *	605	-	605 *
Civic Amenities Rate	CV rate	2,895	-	2,895	2,765	-	2,765
Urban Water Supply Rate	CV rate	2,671	-	2,671	2,543	-	2,543
Urban Water Supply Charge	Chrg	887	-	887	847	-	847
Urban Sewerage Rate	CV rate	4,856	-	4,856	4,879	-	4,879
Urban Sewerage Charge	Chrg	1,621	-	1,621	1,634	-	1,634
Beach Collections Charge	Chrg	-	88	88	-	87	87
Rural water & sewerage rates**	Chrg	24	376	400	24	336	360
		13,581	464	14,045	13,297	423	13,720
Total Rates**		26,784	8,546	35,330	25,209	7,801	33,010
Percentage Change (after growth)		4.7%	8.1%	5.5%	1.7%	3.3%	2.0%
* Charges (per sec 21(2)(b)) as % of Total Rates not to exceed 30%				20.7%	19.8%		
** Note: figures above exclude Riversdale & Tinui capital contributions							
Riversdale Beach sewerage capital contributions			49	49	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	1,766,323,400	273,500,000	2,039,823,400	2,617,000,000	4,656,823,400
District Capital Value	4,095,200,000	590,500,000	4,685,700,000	3,944,132,000	8,629,832,000
Targeted Uniform Charges (no.)	8,981	720	9,701	3,884	13,585
Water Charges (no.)	8,958	666	9,624	-	9,624
Sewerage Charges (no.)	8,794	670	9,464		9,464
Recycling Charges (no.)	8,812	666	9,478		9,478

Note: the valuation figures and numbers of charges listed above are an estimate of the values and numbers as at 30 June 2021.

	Rating Requirement			UNIFORM CHARGES AND RATES IN \$		
	Urban	Rural	Total	Residential	Non-residential	Rural
TARGETED CHARGES	\$ 30,804,482	\$ 9,887,883	\$ 40,692,365			
Uniform Charge	3,529,942	2,072,994	5,602,936	\$ 364.00	\$ 364.00	\$ 534.00
Roading Charge	620,864	1,452,616	2,073,480	\$ 64.00	\$ 64.00	\$ 374.00
Recycling Collection Charge	720,328	-	720,328	\$ 76.00	\$ 76.00	\$ 0.00
sub total	4,871,134	3,525,610	8,396,744			
	15.81%	35.7%	20.6%			
Water Charge	1,020,144	-	1,020,144	\$ 106.00	\$ 106.00	\$ 0.00
Sewerage Charge	1,864,408	-	1,864,408	\$ 197.00	\$ 197.00	\$ 0.00
sub total	2,884,552	-	2,884,552	\$ 807.00	\$ 807.00	\$ 908.00
TARGETED LAND VALUE RATES	9.5%		28.2%			
Roading Rate	3,117,256	3,389,171	6,506,427	0.001348	0.002695	0.001295
	10.12%	34.3%	16.2%	0.001348	0.002695	0.001295
TARGETED CAPITAL VALUE RATES						
Representation & Devlpmt Rate	3,171,637	920,798	4,092,435	0.000601	0.001202	0.000233
Regulatory Services Rate	2,167,810	629,364	2,797,175	0.000411	0.000822	0.000160
Sundry Facilities Rate	2,574,670	827,668	3,402,338	0.000488	0.000976	0.000210
Civic Amenities Rate	3,329,432	-	3,329,432	0.000631	0.001262	-
Water Rate	3,071,487	-	3,071,487	0.000564	0.001128	-
Sewerage Rate	5,584,545	-	5,584,545	0.001021	0.002042	-
sub total	19,899,581	2,377,830	22,277,411	0.003716	0.007432	0.000603
	64.6%	24.0%	55.6%			
OTHER TARGETED RATES	30,772,523	9,292,611	40,065,134			
Beach refuse & recycling collection	Targeted Chrg	101,146		\$ 206.00		Beach collections
Opaki water race	Targeted LV rate	70,339		0.001536		per SLV of serviced properties
Tinui water supply	Targeted Chrg	14,120		\$ 455.00		per connection
Castlepoint sewerage	Targeted Chrg	98,097		\$ 490.00		per connection
*RBCSS - connected charge	Targeted Chrg	231,500		\$ 604.00		per property using the system
RBCSS - service available	Targeted Chrg	9,636		\$ 132.00		per servicable, but not connected property
RBCSS - Capital TP Yr 12 of 20	Targeted Chrg	55,876	time payments	\$ 1,643.40	34.0	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	9,135	operating	\$ 457.00		per connection
Sewerage tmt charge (liquid only)		31,959		\$ 477.00		per equivalent connection
Total Rates	\$ 30,804,482	\$ 9,887,883	\$ 40,692,365			

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	0.001348 per dollar of land value raising	\$2,380,000
U2	0.002696 per dollar of land value raising	\$738,000
R1	0.001295 per dollar of land value raising	\$3,389,000
	Total	<u>\$6,507,000</u>

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

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

Representation & Development Rate – estimated per dollar of Capital Value for 2021/22 will be:

U1	0.000601 per dollar of capital value raising	\$2,461,000
U2	0.001202 per dollar of capital value raising	\$710,000
R1	0.000233 per dollar of capital value raising	\$921,000
	Total	<u>\$4,092,000</u>

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	0.000411 per dollar of capital value raising	\$1,683,000
U2	0.000822 per dollar of capital value raising	\$485,000
R1	0.000160 per dollar of capital value raising	\$629,000
	Total	<u>\$2,797,000</u>

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	0.000488 per dollar of capital value raising	\$1,998,000
U2	0.000976 per dollar of capital value raising	\$576,000
R1	0.000210 per dollar of capital value raising	\$828,000
	Total	<u>\$3,402,000</u>

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	\$364.00 per part of rating unit raising	\$3,530,000
-----------	--	-------------

R1	\$534.00 per part of rating unit raising	\$2,073,000
	Total	<u>\$5,603,000</u>

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	\$64.00 per part of rating unit raising	\$621,000
R1	\$374.00 per part of rating unit raising	\$1,453,000
	Total	<u>\$2,074,000</u>

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	(0.000631 per dollar of capital value) raising	\$2,584,000
U2	(0.001262 per dollar of capital value) raising	\$745,000
	Total	<hr/> \$ 3,329,000

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:

Raising a total of \$101,100.

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 \$0.001536

Raising a total of \$70,300.

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: \$455.00

Raising a total of \$14,100.

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: \$490.00

Raising a total of \$98,100.

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: \$604.00 raising a total of approximately \$231,500.

Serviceable - a uniform charge per serviceable rating unit for 2021/22 will be: \$132.00 raising a total of approximately \$9,600.

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: \$457.00 raising a total of approximately \$9,100.

The Part Capital Contribution Stage I (1 property) for 2021/22 is: \$212.50

The Part Capital Contribution Stage I & II (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 - \$0.001128 per dollar of Capital Value on serviceable properties, plus a \$106.00 fixed charge per separately identifiable connection. Note: metered connections will be required to pay the water meter charges note above.

Sewerage – \$0.002042 per dollar of Capital Value on serviceable properties, plus \$197.00 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 20 November 2021
- 3rd instalment 22 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 20 November 2021.
- 10% charged on the balance of the third instalment of rates remaining unpaid after 22 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 $0.001295 \times (a) =$

Value (CV) Rates $0.000603 \times (b) =$

Targeted Annual Charge (where applicable)	534.00
Targeted Rooding Charge (where applicable)	374.00
Beach collections (where application)	206.00
Castlepoint Sewerage (where applicable)	490.00
Riversdale Sewerage (where applicable)	604.00
Tinui Sewerage (where applicable)	45700
Tinui Water Supply (where applicable)	455.00
Sewage treatment (liquid waste to urban sewer)	477.00

(Note: result excludes Greater Wellington RC rates)

\$ _____

Revenue & Financing Policy

RATES EXAMPLES - SAMPLE PROPERTIES, 2021/22 Budget

Sample Properties	Sep 2020 LV	Sep 2020 CV	% LV Change	% CV Change	20/21 Actual Rates	21/22 Budget (using Old Values)	% Change (budget)	\$ Change (budget)	21/22 Budget, New Values	% Change (value)	\$ Change (value)	Overall Change %	Overall Change \$
RURAL examples													
Example - typical lifestyle	395,000	835,000	46%	34%	1,768	1,925	8.9%	157	1,923	-0.1%	(2)	8.8%	155
Example - farm 1	4,700,000	5,320,000	55%	51%	8,696	9,461	8.8%	766	10,202	8.5%	740	17.3%	1,506
Example - farm 2 3 dwgs	7,600,000	8,760,000	13%	15%	19,727	21,468	8.8%	1,741	17,847	-18.4%	(3,621)	-9.5%	(1,880)
Example - farm 3 (hill) 2 dwgs	4,060,000	4,790,000	53%	48%	8,674	9,441	8.8%	767	9,961	6.0%	521	14.8%	1,288
Example - forestry block	1,990,000	2,080,000	20%	19%	5,000	5,443	8.9%	443	4,739	-14.1%	(704)	-5.2%	(261)
Example - Beach, Castlepoint	310,000	650,000	59%	34%	2,166	2,366	9.2%	200	2,397	1.4%	31	10.7%	231
Example - Beach , Riversdale	440,000	700,000	63%	43%	2,424	2,626	8.3%	202	2,712	3.5%	85	11.9%	287
URBAN RESIDENTIAL examples													
Example - median urban residential	215,000	470,000	48%	45%	2,684	2,817	5.0%	133	2,844	1.0%	27	6.0%	160
Example - low value urban residential	170,000	330,000	72%	57%	2,010	2,117	5.4%	108	2,263	7.2%	145	12.6%	253
Example - high value urban residential	390,000	830,000	50%	34%	4,408	4,606	4.5%	198	4,417	-4.3%	(188)	0.2%	10
Example - unit in Holdsworth Village	142,000	400,000	35%	51%	2,304	2,418	5.0%	114	2,485	2.9%	67	7.9%	181
Example - small, inner CBD	265,000	530,000	56%	43%	2,960	3,106	4.9%	146	3,134	1.0%	28	5.9%	174
URBAN COMMERCIAL examples													
Example - median commercial (shop)	370,000	455,000	35%	1%	6,365	6,687	5.1%	322	5,186	-23.6%	(1,501)	-18.5%	(1,179)
Example - Queen St building	1,050,000	1,360,000	35%	0%	19,791	20,782	5.0%	991	16,167	-23.3%	(4,615)	-18.3%	(3,624)
Example - industrial	390,000	2,200,000	34%	35%	18,575	19,107	2.9%	532	18,211	-4.8%	(896)	-2.0%	(364)
Example - CBD building	2,110,000	4,860,000	35%	23%	46,989	48,791	3.8%	1,802	42,619	-13.1%	(6,172)	-9.3%	(4,370)
Example - service station	1,090,000	1,600,000	35%	15%	17,951	18,801	4.7%	850	15,638	-17.6%	(3,163)	-12.9%	(2,313)
Example - supermarket	3,500,000	10,500,000	70%	65%	73,491	76,045	3.5%	2,554	88,288	16.7%	12,244	20.1%	14,797

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 the NZ Transport Agency (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

MDA 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.

DRAFT

Masterton District Council

2021-31 Draft Long Term Plan

Section 101(3) Analysis - consideration of appropriate sources of funding.

The following analysis has been prepared as a record of the consideration given by the Council while reviewing the Revenue & Financing Policy for inclusion with the **2018-28 Long Term Plan**. The analysis has not been updated for the 2021-31 Long Term Plan due to resourcing issues related to COVID-19 during 2020. The Council was unable to programme in a review of the Revenue & Financing Policy (including a section 101(3) analysis). This work is scheduled for the second half of 2021.

Activity	Who Benefits and how should it be funded	Allocation of Cost
Subsidised Roothing	<p>The Council provides a network of roads throughout the District. Public benefits arise through the provision of the essential infrastructure for the local economy and community to function. Private benefits accrue to individual road users. Exacerbators include heavy transport operators who carry tonnages in excess of road design or road condition limits.</p> <p>All motorists currently pay fuel taxes and vehicle registration fees to the government. Truck operators pay road user charges. Council receives a share of this funding via a subsidy from NZ Transport Agency (NZTA). Local petrol taxes can also contribute to the funding of this activity.</p> <p>For the Council share, the District-wide roading network should be funded by general rates levied on all properties and split between urban and rural wards to recognise the different expenditure levels in each ward. Land values best reflect productive use of land that the roading network serves (in preference to Capital Values).</p> <p>Renewals are done as part of the roading programme approved to attract the NZTA subsidy and so are funded by both subsidy and rates. Asset additions (e.g. seal extension) are done as part of the subsidised programme if possible, but if it does not qualify for subsidy, direct beneficiaries of the upgrade should pay the equivalent of the subsidy.</p>	<p>The NZTA subsidy base rate is 57%.</p> <p>The current Land Value split between urban and rural wards is 44/56 (urban/rural) excluding the non-residential differential. The average ratio of spending in the subsidised programme for the first three years of the 2021-31 LTP is 31/69 (previously 26/74). Use of a General Rate would need a differential applied between the three wards to ensure equity. To ensure rural ratepayers are paying the cost of the service being provided, the costs will be allocated 31/69 between rating wards (urban/rural) before rating tools are selected.</p> <p>The Council has chosen to recognise the public benefit of the roading network by allocating 30% of the rates required to fund the costs of subsidised roading in each ward, by way of a targeted charge in each ward. The balance to be funded within each ward, charged by way of a differential targeted rate assessed on land value (LV).</p> <p>After targeted uniform charges spread 30% of the costs, LV is considered the best of the available tools to allocate roading costs between properties. A property's land value, particularly in the rural area, bears some relationship to the economic benefit which is derived from the roading network.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
Non-Subsidised Rooding – Rural	The non-subsidised rooding costs that are specific to the rural ward are a benefit to ratepayers in that ward, so should be allocated in full to the rural ward	The rates required are allocated on the same basis as the rural ward share above, i.e. split between a targeted Rooding Charge (currently collecting 30%) and LV Rooding rate (70%).
Non-Subsidised Rooding – Urban	<p>The non-subsidised rooding and footpath costs include street verge mowing, CBD footpaths and street trees. There is a large element of ‘public good’ - all ratepayers can use and enjoy the assets/services. They are provided within the urban ward and past practice has been all costs are allocated to the urban ward. A share of local petrol taxes are allocated to offset costs, but rates will be the principle source of funding.</p> <p>Renewals of assets such as footpaths are funded via a depreciation reserve that is funded by annual rates.</p>	The rate funding required is currently 100% from the urban ward and collected via the targeted Rooding Rate based on land values.
Urban Water Supply	<p>A treated and reticulated water supply contributes to public health and fire safety. It is one of the core services that ensure the local community and economy are sustainable.</p> <p>Private benefits arise to the consumers of the water. The private benefit is assessed at 60% of the costs.</p> <p>Council does not yet have universal water meters on urban properties connected to the water supply network, so charging on the basis of usage is not possible. Water meters will be introduced in years 2 and 3 of the LTP.</p> <p>Council has introduced meters to measure usage of major commercial users with the intention of charging for usage at some time in the future.</p> <p>Those connected properties outside the urban area do generally have water meters and are charged based on usage.</p> <p>Renewal of the infrastructure is undertaken with a mixture of loan funding and use of depreciation</p>	<p>The funding requirement, after deducting income from rural metered properties, is allocated by way of:</p> <ul style="list-style-type: none"> • 25% as a Targeted Charge for Water, levied on each connected and separately used or inhabited portion of a property. This has the effect of spreading a portion the cost of the service evenly across all properties. The modification from 40% to 25% have been done per section 101(3)b – to spread the impact of valuation changes. • The balance of 75% by way of a differential targeted Water Supply Rate charged on the capital value of properties in the urban area. The capital value rate has the effect of charging higher value properties more for the water supply – this being a rough proxy for usage and value protected for fire fighting. All properties within the supply area are charged this rate to

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>reserves. Financial contributions are required from developers (per the District Plan) to fund upgrading of the infrastructure and expansion of the area serviced.</p>	<p>recognise the ability to access the infrastructure.</p> <p>The Council will be installing water meters on all connected properties, but has not yet determined a charging mechanism to incorporate a split between user charges and targeted rates for a fixed quantity of water.</p>
<p>Rural Water Supplies</p>	<p>The range of rural water supplies the Council provides are all seen as providing a private benefit to the connected properties, whether they are a water race, untreated supply or potable supply.</p> <p>Full cost recovery from the connected properties is the theoretical position. Testing and monitoring costs of all rural water supplies (including those not operated by the Council) cannot currently be recovered from the supply operators, hence the costs are recovered through rural rates.</p>	<p>Opaki water race - targeted rate on LV</p> <p>Tinui water supply – targeted charge</p> <p>The Tinui water supply services some 30 properties but the full costs of the supply make it uneconomic to charge full cost recovery, hence a general rural ratepayer subsidy of approximately 65% is provided for in funding the scheme.</p> <p>Taueru water supply – targeted charge</p> <p>Upper Plain water supply – targeted charge</p> <p>Wainuioru water supply – invoiced charge as per separate scheme rules, set under delegated authority of Council.</p> <p>Other rural water costs – allocated 100% rural – rated as part of the differential general Sundry Facilities and Services capital value rate.</p>
<p>Urban Sewerage</p>	<p>A reticulated sewer network and treatment plant contributes to a high standard of public health. It is one of the core services that ensure the local community, economy and environmental impact are sustainable.</p> <p>Private benefits arise to the connected properties from which effluent is taken. The nominal network (public) benefit versus private benefit is assessed at 50/50.</p> <p>Council has a trade waste by-law which is designed to monitor and reduce the potentially inappropriate use of the sewerage system. Because the level and nature of trade waste discharges, the funding generated is minor.</p>	<p>Trade waste charges and septic tank waste charges generate income before the rates required from all serviced properties are calculated.</p> <p>The funding requirement (from rates) is funded by way of:</p> <ul style="list-style-type: none"> • 25% from Targeted Charge for Sewerage, levied on each connected and separately used or inhabited portion of a property. This has the effect of spreading a portion the cost of the service evenly across all properties. <p>The balance of 75% by way of a differential targeted Sewerage Rate charged on the capital value of properties in the urban area. The capital value rate has the effect of charging</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>Renewal of the infrastructure is undertaken with a mixture of loan funding and use of depreciation reserves. Financial contributions are required from developers (per the District Plan) to fund any upgrading of the infrastructure and expansion of the area serviced.</p>	<p>higher value properties more for the sewerage than lower value ones – this being a rough proxy for usage. All properties within the supply area are charged this rate to recognise the ability to access the infrastructure.</p> <p>A Sewerage Charge is levied on those properties (per residential equivalent) that are outside the urban serviced area, but discharge liquid effluent to the Masterton sewerage system – (Milford Downs & Rathkeale College)</p>
<p>Rural Sewerage</p>	<p>There are three separate rural sewerage schemes at Castlepoint, Riversdale and Tinui.</p> <p>Each has its own cost structures and each is expected to be fully funded by the connected properties.</p> <p>The Riversdale Beach sewerage scheme is a new reticulated system servicing the Riversdale Beach settlement.</p> <p>Tinui septic tank system has been upgraded and the costs of the upgraded service will be met by the users/connected properties.</p> <p>The Castlepoint sewerage scheme is a reticulated system servicing the Castlepoint Beach settlement.</p> <p>The funding of renewals at Castlepoint and Riversdale is from depreciation reserves. New capital works and scheme extensions are funded from a combination of loans and capital contributions.</p>	<p>A Castlepoint Sewerage targeted rate is charged to fund the costs of operating the Castlepoint scheme. This is a flat charge on each connection. The camping ground has been assessed at 16 equivalent connections.</p> <p>A Riversdale Sewerage targeted rate is charged to fund the costs of operating the Riversdale Scheme. This is a flat charge on each assessed Residential Equivalent (RE) property connected in the serviced area. In addition a flat charge is levied on each serviceable property that is not yet connected to the scheme.</p> <ul style="list-style-type: none"> • The capital funding of the Riversdale Beach scheme was from a combination of capital contribution, Council reserves, Government subsidies and a loan. Individual properties connected to the scheme paid a capital contribution rate to recover each property's share of the costs of the scheme. Some 40 properties are paying off their contribution over 20 years. <p>A Tinui sewerage rate is charged to cover the operating costs of the small reticulation network and ponds. A 25% general rural ratepayer subsidy is allowed for on the basis of affordability. A capital contribution rate is charged on 8 of the 20 connections as they pay off</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
		their share of the costs of upgrading the scheme.
Stormwater	<p>There are public safety and health benefits in the Council providing infrastructure to remove stormwater from urban built-up areas, reducing the risk of flooding.</p> <p>There are private benefits to property owners whose properties are at risk of inundation but no practical means to differentiate how much to charge, other than through rates.</p> <p>A large share of the costs relate to the CBD stormwater upgrade undertaken in the mid 1990s. Renewals will be funded by way of depreciation reserves.</p>	<p>The rates required are funded as part of the targeted urban Sundry Facilities and Services Rate, charged on capital value.</p> <p>The proportionately larger benefit received by commercial (CBD) properties is a further justification for the commercial differential.</p>
Stormwater - rural	Both Riversdale and Castlepoint beaches have a number of stormwater assets in place. The value of these is significant but operating costs are minimal.	The Riversdale costs to rate for are included in the beach sewerage scheme rates, paid for by the properties connected. The costs of Castlepoint stormwater assets, excluding the seawall, are recovered via the Castlepoint Sewerage charge.
Refuse Collection	<p>The Council provides a convenient, domestic rubbish bag collection and disposal service, contributing to a tidy, clean, healthy and safe environment. All urban and beach resort property owners have the opportunity to use the collection service.</p> <p>The benefits are regarded as fully 'private', as the generators of the waste should pay the cost of disposing of it. By charging a full cost recovery for the service, the pricing also acts as an incentive to reduce waste volumes, thereby contributing to an environmental outcome.</p>	<p>The target is to fund the service by the recoveries received from the sale of official Council rubbish bags however charges will be set at a level that will recover as much of the costs as possible while still encouraging appropriate behaviours to minimise waste and recycle.</p> <p>The bags are sold via retail outlets. The cost of the bag includes the pick up from the gate and the disposal on a landfill.</p>
Urban Transfer Station	The provision of a landfill/transfer station contributes to a tidy, clean, healthy and safe environment.	Users can be identified and charged by way of a weighbridge and manned gate fee kiosk.

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>There are private benefits to those who wish to dispose of their refuse via the Council-provided facility. The waste generators can range from domestic households to commercial and industrial waste and hazardous wastes.</p> <p>The level of service of the facility in terms of opening hours is directly related to costs, hence the convenience of seven days per week opening should be paid for by the users of the facility. Retention of large volume customers is seen as desirable to ensure the lowest cost per tonne can be achieved for all users.</p>	<p>The Council has a target of 100% cost recovery via user (gate fee) charges however variable volumes may result in revenue greater than or less than the budget target income. Some landfill closure costs are not appropriate to fund from current waste volumes.</p> <p>The balance of costs are funded by CV rates, which recognises the public good aspect of the long opening hours of the transfer station and to hold the gate charges at an economically affordable level.</p> <p>Discounted tonnage rates can be negotiated for high volume customers.</p> <p>The provision of new infrastructure can be funded by user charges, waste levy grants, reserves and loans.</p>
Waste Minimisation	<p>This activity incorporates recycling and composting where there are real environmental benefits through the reduced use of resources and the removal of items from the residual waste stream to landfill.</p> <p>Private benefits arise to those who are disposing of the materials they no longer want, but in the interests on encouraging recycling, the Council has decided to continue to accept recyclable materials free of charge at the transfer station and offer a recycling collection service in urban areas.</p> <p>Compostable materials are separately identifiable and can be charged for. Current policy is to achieve as much as possible from those depositing compostable materials, while still pricing the service at a level that encourages composting and recycling.</p>	<p>User charge income is collected for composting with charges set to recover approximately 80% of the costs.</p> <p>A recycling collection service is provided in the urban areas and rated for with a targeted charge - see next section.</p> <p>The balance of costs (largely recycling) to be rated are allocated on population split between urban and rural and funded by way of the differential general Sundry Facilities Rate.</p> <p>Funding of expansion of the waste processing and minimisation facilities will be by loan funding and subsidies from the Waste Levy.</p>
Recycling Kerbside Collection	Recycling has environmental benefits through the reduced use of resources. It	<p>The service is available to all in the refuse collection area.</p> <p>The Council has decided to fund the activity by way of a targeted rate, set on a uniform basis and charged on every</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>also removes items from the residual waste stream to landfill.</p> <p>Private benefits arise to those who are disposing of the materials via a collection service from their gate.</p> <p>The Council is prepared to provide the collection service in the urban area and has also introduced a service in some rural areas.</p> <p>The cost recovery needs to include a share of the contract costs for handling the recyclable materials, as well as the cost of the collection.</p>	<p>separate used or inhabited portion of a rating unit in the serviced areas.</p> <p>If a food waste collection is implemented, the costs will be recovered via the targeted charge described above.</p> <p>At Castlepoint and Riversdale Beaches the cost of the refuse and recycling collections is charged as a targeted rate on serviceable properties (see below)</p>
Rural Refuse	<p>The provision of two transfer stations and specific collection services in parts of the rural area helps contribute to a tidy, clean, healthy and safe environment.</p> <p>Refuse & recycling collection services are provided to some rural communities. Full user pays is difficult to achieve as it is not cost effective. Collection services are only part funded from bag charges as rural collection and disposal costs are higher than in the urban area.</p> <p>There are private benefits to those who dispose of their refuse via the Council-provided facilities.</p> <p>The costs of operating the rural transfer station sites are high in relation to the volumes received. Targeted rating of the localities serviced has been consulted on with the communities. Council has signalled it wishes to move away from general rating funding services in specific localities.</p> <p>Upgrading of facilities will be funded by way of loans.</p>	<p>User charge income at rural transfer stations is currently targeted to recover approximately 5% of costs.</p> <p>The costs of providing Riversdale and Castlepoint refuse & recycling services can be identified and will be partly charged as a targeted rate on those beach properties which receive the service. Currently 32% of rural refuse services are collected by way of the Beach Collections Rate.</p> <p>The balance of the cost of providing the rural refuse services (approx. 68%) is allocated 90/10 between rural and urban respectively. In the urban area the cost is included in the differential general Sundry Facilities Rate. In the rural ward, after the targeted beach collection rate, the balance is part of the rural Uniform Annual Charge.</p> <p>Additional targeted rates will be considered in future years.</p>
Parks & Reserves	<p>Public benefits arise from the amenity value of residents having access to open space areas for relaxation and recreation. Council provides these amenities for all of the community and</p>	<p>Net operating cost (approx 95% of total costs), is funded in the urban ward by a differential targeted rate based on CV. In the rural ward it is funded as part of</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>does not wish to separately charge individuals based on use.</p> <p>A small amount of revenue is achieved through the lease of depot facilities to contractors.</p> <p>Costs of maintaining beach reserves are included in the overall activity costs and include costs associated with the Castlepoint seawall.</p>	<p>the rural Targeted Uniform Charge (TUC).</p> <p>The varying rating treatment between wards is needed because the Civic Amenities CV rate is only applied in the urban ward where the parks amenity values are seen to enhance all other property values. The use of the TUC in the rural ward sees funding equated closer to units of habitation than valuations.</p> <p>Renewals and new assets are funded by way of reserves contributions from developers, depreciation reserves and loan funding.</p>
Sportsfields	<p>The provision of sportsfields encourages an active, healthy, community. This is considered to provide benefits to the community as a whole.</p> <p>Private benefits accrue to individuals who have access to the facilities and to sports associations who also utilise them.</p> <p>Council policy is to try and recover from sports clubs 50% of the marginal costs of maintaining the sportsfield for the intended sport. Variations may be made on a case by case basis. Rate remissions are also applied to sportsfields.</p>	<p>User charges generate approximately 5% of operating costs.</p> <p>The net operating cost is funded in the rural ward as part of the rural TUC. The use of the TUC sees funding equated closer to units of habitation than valuations.</p> <p>The urban share is funded as part of the differential targeted CV rate (Civic Amenities) in the urban area. The Civic Amenities CV rate is only applied in the urban ward as the sportsfield amenity values are seen to enhance all other property values.</p>
Recreation Centre	<p>Public benefits of the Centre are a healthy and fit community and the availability of a facility in which the public can access indoor sporting facilities, supervised indoor and outdoor swimming, and learn-to-swim education provision. The encouragement of active, healthy pursuits keeps young people engaged. The facility increases the District's attractiveness as a place to live, work, visit and invest.</p> <p>Private benefits accrue to individual users through their use in a controlled environment, whether as swimmers, spectators, sports participants or event</p>	<p>User charges and other recoveries by the Council or the facility operator are targeted at 30% of total operating costs.</p> <p>The facility operator charges the Council a contract fee net of these user charge recoveries, giving the operator an incentive to maximise usage, while there is a requirement to report the usage and income figures.</p> <p>The balance of the operational funding required is via the Targeted Uniform Charge (TUC) in both urban and rural wards. Not all depreciation is funded</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>organisers. Private benefit has been assessed at approximately 70% of the costs of the facility.</p> <p>The Council has modified this, taking account of the disincentive which high user fees would have on use, particularly to the lower socio-economic groups who are understood to value the swimming pools highly as a community amenity. The modified private benefit/user charge target is 30%.</p>	<p>because some 50% of the value of the new facility, built in 2004, was funded by external grants.</p> <p>Asset renewal and minor capital items will be funded by depreciation reserves. Future replacement is assumed to be at least 50% funded by external funding.</p>
Cemeteries	<p>Public benefits include the appropriate burial of the deceased while meeting the spiritual and emotional needs of families. Cemeteries also have public open space benefits and heritage value. Private benefits accrue to families of the deceased. This is assessed at 60% of the costs.</p>	<p>Burial fees are set to at least recover the contractor's costs to undertake the work. Income from sales of burial plots takes some account of the on-going maintenance of the plot for the next 50 years. Maintenance of existing/historical plots is funded by rates.</p> <p>The 40% public share is recovered via the TUCs in the urban and rural wards. Cemetery extensions are funded by the lawn cemetery reserve fund.</p> <p>Service level Improvements will be funded from a combination of reserves, rates and loans.</p>
Library	<p>Public benefits of libraries include the promotion of literacy and contributing to the quality of life of citizens. Libraries are a key part of the education framework in a community where benefits are believed to accrue through a literate society.</p> <p>Private benefits do accrue to users of library services and programmes, however user charges are believed to act as disincentives to those on low incomes who potentially can benefit the most.</p>	<p>All user charges, fines and grants currently recover approximately 7% of operating costs.</p> <p>Rates funding is expected to cover the remaining 93% of library costs. Rates funding is levied as part of the Target Uniform Charge (TUC) in both urban and rural areas.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
Archive	<p>Public benefits arise from the cataloguing and storing of historically significant information and the collection is an education resource to help younger generations understand the past.</p> <p>Private benefits accrue to individuals who undertake research using the records. People who deposit records gain a safe and secure storage facility, but in order to encourage the preservation of historical material, no charge is made on people who deposit material.</p>	<p>In the interests of public access, charges to researchers are minimal. Recoveries are approximately 5% of costs.</p> <p>Rates funding is levied as part of the Targeted Uniform Charge in both urban and rural areas.</p> <p>Note: the Wairarapa Archive is located in Masterton District and provides a service to the whole of the Wairarapa, but no funding is provided by the other Wairarapa Councils.</p>
District Building	<p>While the Town Hall & District Building are closed due to structural issues, no rental revenue is expected to be generated. The Council may chose to hire out rooms to the public in Waiata House. Private benefit accrues to venue hirers. The Council organisation will utilise the Waiata House office space and a market rental is identified to be charged internally. Other office space leased by the Council will be charged to activities internally.</p>	<p>Venue hire income recovers approximately 2% of costs, internal rental income recovers some 33% of costs. The remaining public benefit of 66% is charged as part of the differential targeted Sundry Facilities CV rate.</p> <p>Renewals are funded by way of depreciation funding. Upgrading of public facilities, and office space, will be loan funded.</p> <p>The proposed Performing Arts & Events Centre that will replace the Town Hall will be funded by a loan.</p>
Housing for the Elderly	<p>The provision of low cost accommodation to pensioners with low asset holdings was encouraged by central governments in the 1970s through the provision of low interest loans. The public benefit is a better social environment for all members of the community.</p> <p>The Council has had a policy no ratepayer funding subsidising the activity – i.e. the private benefit of the accommodation should be 100% user pays. However by holding rents to below 30% of the pension, the income generated is insufficient to cover all costs (including depreciation) so not all depreciation has been funded to reserves.</p>	<p>The Council (in 2015) has chosen to fund up to 10% of the activity's operating costs from rates to supplement the user pays income. There remains a funding shortfall of around 30% which is unfunded. If the Council rebuilds in the future both loans and Government subsidies would be the principal elements of the capital funding.</p> <p>Capital renewals and major redecoration costs are funded from depreciation reserves.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
Other Property	<p>The Council holds certain assets for strategic purposes, some related to service delivery such as water supply or parks. The funding policy aim is to achieve market rental returns wherever possible. Not all miscellaneous property held by the Council achieves break-even rental return to cover all holding costs.</p> <p>Mawley Park camping ground is an example where the operating costs are met from revenue but renewals and depreciation costs are funded by rates.</p>	<p>Rental income would ideally fund 100% of this activity. Any shortfall is charged as part of the differential general Sundry Facilities CV rate.</p> <p>Asset purchases are funded from general capital reserves.</p>
Public Conveniences	<p>Public benefits include health, convenience and cleanliness of public toilet facilities. There are economic benefits to the district from providing public toilets at beach resorts.</p> <p>Public toilets provide a private benefit to individual users who can be identified and could be charged, but it is not considered economically feasible to do so. CBD businesses benefit from the CBD restrooms.</p>	<p>100% funded from rates as part of the differential targeted Sundry Facilities CV rate. The commercial differential means CBD businesses will pay proportionately more.</p> <p>Asset renewals are funded from depreciation reserves. New assets will be funded by loans.</p>
Rural Halls	<p>Rural people can gain a sense of 'community' from the provision of a rural hall.</p> <p>Private benefits arise for users of the halls and rural holding paddocks. Usage of both rural halls and holding paddocks is low and there are few practical means of monitoring usage and collecting revenue, hence only 5% user charges recovery is expected.</p>	<p>Of the rateable costs, 95% are allocated to the rural ward. Rates funding is charged as part of the differential targeted Sundry Facilities CV rate.</p> <p>Renewals are funded from depreciation although not all depreciation is funded.</p> <p>Disposal of some halls and holding paddocks may be the outcome of a review of the holdings. Proceeds would be held within the General Capital Reserve.</p>
Forestry	<p>A public benefit is seen in the utilisation of otherwise unproductive land to produce a return to ratepayers.</p> <p>Costs associated with the management of roadside forestry are charged to the non-subsidised rural roading activity.</p>	<p>After the allocation of costs to roading, the residual costs are rated as part of the Targeted Uniform Charge in both urban and rural wards. Net proceeds from harvest are added to reserve funds.</p>
Airport	<p>There is a public benefit from the provision of the only sealed runway in</p>	<p>Ground leases are set based on market rentals. A landing charges regime is in</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>the Wairarapa, encouraging industry and investment. The facility provides opportunities for recreational activities related to aviation and for events. The public benefit is assessed as 10% of operating costs.</p> <p>Private users benefit from access to facilities. Commercial aircraft operators and other lessees gain access to the airport to undertake their businesses. Recreational users and event organisers benefit through access to a venue.</p>	<p>place. Special events (such as air shows) pay per use. The user charge income target is 80% to 90% of costs.</p> <p>The balance of costs is funded from rates.</p> <p>Rates funding is charged as part of the differential targeted Sundry Facilities CV rate.</p> <p>Renewals of assets (runway surface and lights are the main assets) are funded from depreciation. Development will be funded by loans, capital contributions and the extra revenue generated from leases.</p>
Resource Management and Planning	<p>Public benefits arise from the application of a consistent set of rules for sustainable management of the District's resources. There are fair opportunities for change (development) and control of adverse effects. The public gains a better quality of life through control of nuisances and adverse environmental effects. The council also enables members of the public to seek advice on planning issues.</p> <p>Private benefits arise to developers from advice about planning processes and the value they gain from gaining a consent to progress a development.</p>	<p>Consent fees are set to recover approximately 20% of the costs of providing advice and processing consents.</p> <p>Land Information Memoranda are charged as full cost recovery of time spent retrieving the information supplied. Some resource management costs have no opportunity for cost recovery.</p> <p>Rates will fund approximately 85% of costs via the differential targeted Regulatory Services rate.</p> <p>Financial contributions charged under the District Plan are included as revenue in this activity but are not used to offset operating costs – they are transferred directly to reserve funds.</p>
Building Services	<p>The public benefits through the Council enforcing legislative standards being applied to buildings and construction.</p> <p>Private benefit arises to current owners and occupiers who gain the protection of consistent standards applied to their asset, protecting the value of the investment in that asset.</p> <p>The public benefit is assessed at up to 15% of the costs of the activity.</p>	<p>The percentage funded by consents is dependent on the level of building activity in the district. The proportion funded from rates will therefore vary from year to year.</p> <p>Rates required are included in the differential targeted Regulatory Services Rate charged on capital value.</p>
Environmental Services (incl Alcohol & Bylaws)	<p>The public benefit is in the maintenance of food hygiene standards of food premises.</p> <p>Liquor licensing contributes to public health and safety. Water supply</p>	<p>Monitoring and compliance work done for Council functions such as water supplies, sewerage and solid waste are</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>monitoring provides confidence in potable water supplies.</p> <p>Noise control and swimming pool fence compliance are regulatory activities designed to ensure a safe and 'livable' community.</p> <p>Private benefits accrue to businesses selling food and liquor. Water supply consumers and sewerage and solid waste customers all benefit indirectly through the monitoring regimes undertaken. There are few opportunities to recover costs from noise complaints or swimming pool fence compliance.</p> <p>The overall public benefit target (i.e. rates component) is set at 35% of costs. There are public safety benefits from the monitoring and control of nuisances such as abandoned vehicles, wandering stock, long grass and overhanging trees.</p> <p>Private benefits accrue to the neighbours of people who infringe, but there is no means to charge them. Infringers (exacerbators) are charged for the costs incurred in rectifying the issues (i.e. removing abandoned cars, cutting long grass), but recovery of all costs is often not possible.</p>	<p>charged out internally to those activities.</p> <p>Liquor licensing fees are set by Council via the Local Alcohol Policy.</p> <p>The 35% of costs which are recovered via rates are included in the differential targeted Regulatory Services Rate charged on capital value.</p> <p>A 10% target has been set for recoveries.</p> <p>The rates required are included in the differential targeted Regulatory Services Rate charged on capital value.</p>
Parking	<p>Public benefit is the efficient turnover of parking spaces. Safety, amenity, convenience and community health (disabled parking) benefits also arise.</p> <p>Private benefit accrues to motorists, retailers and other businesses.</p> <p>Exacerbators are those who park illegally or do not comply with bylaws – infringement income results.</p>	<p>Income from parking meters and parking fines is greater than the activity's costs so generates a surplus – this is used to offset the rates charged for economic development and providing amenities in the CBD (Security cameras, under-verandah lighting etc).</p>
Dog Control	<p>General public benefits arise through the enforcement of dog control legislation. Benefits include safety,</p>	<p>Dog control registration fees are set to recover the majority of costs of this activity. Other income is generated by way of infringement fines and pound fees.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>health and reduced public nuisances (barking, fouling).</p> <p>Private benefits arise to dog owners through education and registration. Dog owners who infringe the law (exacerbators) are charged through infringement fines.</p> <p>Council points to the Dog Control Act 1996 which expects dog owners to pay the full costs of dog control, while allowing a small portion to be rates funded.</p>	<p>The Council believe an 85/15 split between dog fees and rates is appropriate to recognise the public benefit to non dog owners. The rated component is charged as part of the Targeted Uniform Charge in each ward.</p>
Civil Defence & Emergency Management	<p>There are a wide range of risks to which the community is vulnerable and everyone benefits from the Council's work in risk reduction, readiness and recovery.</p> <p>While some groups may be more vulnerable than others, ultimately, everyone benefits.</p>	<p>The rates required for Emergency Management are included in the differential targeted Regulatory Services Rate charged on capital value.</p>
Representation	<p>The whole community benefits through the system of democratic local representation.</p> <p>The Council is also the organisation's governing body. Representation comprises five (5) councillors elected at large plus four (4) urban and one (1) rural councillor.</p> <p>Hence an 80% Urban & 20% Rural split for the allocation of costs is considered appropriate.</p>	<p>40% of costs are allocated as overheads. The balance of 60% is to be rated based on the differential targeted Representation & Development Rate based on Capital Values (CV). Allocation between urban and rural wards is modified to be on population, as Council consider all councilors represent all ratepayers.</p> <p>Rating is considered to be the best available tool to apportion costs of the public benefit and CV is considered to be the best available measure of 'ability to pay'.</p>
Community Development	<p>There are general community 'well-being' benefits which arise from the provision of this activity. Community groups and individuals who benefit may also find other funding sources, but Council does not intend to recover any portion of the funding it gives, hence Council cost is considered to be 100% public benefit.</p>	<p>100% funded by the differential targeted Representation & Development Rate based on CV.</p> <p>Rating is considered to be the best available tool to apportion costs of the public benefit and CV is considered to be the best available measure of 'ability to pay'. Some one-off grants to community groups for facilities can be funded from Council's reserves funds.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	Environmental initiatives are included in this category of costs.	
Arts & Culture	<p>The community 'well-being' benefits (i.e. quality of life) include a better informed and educated community through access to history, arts, music and culture.</p> <p>A private benefit is recognised as accruing to individuals from activities such as visiting an art exhibition and that private benefit is assessed at 20% of the costs of the activity.</p> <p>Consequently, the Council's service contract with the Wairarapa Cultural Trust, being the largest portion of the Arts & Culture activity, requires Aratoi to achieve at least 20% of its funding from sources other than the Masterton District Council.</p>	<p>100% funded by the differential targeted Representation & Development Rate based on CV. Rating is considered to be the best available tool to apportion costs of the public benefit and CV is considered to be the best available measure of 'ability to pay'.</p>
Economic Development and Promotion	<p>Public benefits include supporting the local business sector and economy through running an in-house economic development unit and funding the tourism agency Destination Wairarapa and providing support and funding for a range of events and promotions.</p> <p>There are private benefits to businesses and tourism operators, who pay separate subscriptions to Destination Wairarapa. Special project grants may be funded as one-offs from Council reserve funds.</p>	<p>100% funded by the differential targeted Representation & Development Rate based on CV.</p> <p>Rating is considered to be the best available tool to apportion costs of the public benefit and CV is considered to be the best available measure of 'ability to pay'.</p> <p>A targeted rate on commercial area businesses has been considered, but this was not pursued given that the loading of the commercial differential on businesses already has a similar effect.</p>
CBD Amenities	<p>Public safety and security are enhanced by security cameras and under-veranda lighting.</p> <p>Business owners in the CBD benefit from better security for their property. Private property owners would benefit from undergrounding of power lines and this would be addressed as part of any project spend on undergrounding power.</p> <p>Capital expenditure on renewals will be from depreciation reserves, asset extensions will be from a combination of external funding and Council reserves.</p>	<p>Operating costs 100% funded by a differential targeted rate based on CV.</p> <p>Rating is considered to be the best available tool to apportion costs of the public benefit and CV is considered to be the best available measure of 'ability to pay'.</p> <p>User pays is not practicable and a targeted rate on commercial area businesses has been considered but not pursued given that the loading of the commercial differential on businesses already has a similar effect.</p>



TREASURY MANAGEMENT POLICY

(Including Liability Management Policy and Investment Policy)

Applicable to:	All employees
Issued by:	Chief Executive
Policy Number:	MDC025
Last Approved:	June 2020
Review Date:	March 2021
Contact Person	Manager Finance

CONTENTS

1. Purpose.....	3
2. Objective	3
3. Scope	3
4. Principles of Treasury Activity	3
5. Delegation of Authority.....	4
6. Liability Management Policy	4
6.1 Borrowing Limits	4
6.2 Borrowing Mechanisms.....	4
6.3 Security	5
6.4 Debt Repayment	5
6.5 Guarantees, Contingent Liabilities and Other Financial Arrangements	5
6.6 Internal Borrowing	5
6.7 New Zealand Local Government Funding Agency (LGFA) Limited	5
7. Investment Policy	6
7.1 Acquisition of New Investments	6
7.2 Equity Investments	6
7.3 Property Investment.....	7
7.4 Financial Investments	7
7.5 Internal Loans/Investments	9
7.6 Investment Management and Reporting Procedures	9
8. Risk Recognition/Identification Management.....	9
8.1 Liquidity and Funding Risk	9
8.2 Interest Rate Risk on External Borrowing.....	10
8.3 Financial Investment Interest Rate/Maturity limits.....	11
8.4 Counterparty Credit Risk.....	12
8.5 Financial Instruments	12
9. Other	12
9.1 Foreign Currency	12
9.2 Operational Risk.....	12
9.3 Legal Risk.....	12
10. Measuring Treasury Performance	13
11. Exceptions	13
12. Review of Policy.....	13
13. Reporting.....	14
14. Definitions	14
15. Related Documents	15
16. Version Control	15
Appendix 1: Approved Financial Instruments	
Appendix 2: Investment Counterparty Limits	

1. PURPOSE

The purpose of the Treasury Management Policy is to ensure Masterton District Council (Council) undertakes its borrowing and investment activities, prudently, efficiently and in accordance with the requirements of the:

- Local Government Act 2002 (LGA);
- Local Government (Financial Reporting and Prudence) Regulations 2014;
- Trustee Act 1956; and
- Liability Management Policy and Investment Policy as outlined within this document.

2. OBJECTIVE

The objective of this Policy is to control and manage borrowing costs, investment returns, liquidity and risks associated with managing the Council's financial assets and liabilities.

3. SCOPE

This policy applies to all Council borrowing and investment activity (referred to as treasury activity).

This policy does not apply to other aspects of Council's financial operations (e.g. transactional banking and systems of internal control)

4. PRINCIPLES OF TREASURY ACTIVITY

Council will undertake all treasury activities in accordance with the LGA and the following principles:

- To prudently manage Council's Treasury liability and investment policies, and all identified treasury risks within policy limits and parameters.
- Minimise costs and risks in the management of Council's borrowing through flexibility and spread of debt maturities.
- Where debt is raised for a specific activity or project, the debt servicing and repayment is funded from the revenue mechanisms associated with that activity.
- Manage investments to optimise returns in the long term whilst balancing risk and return considerations.
- Safeguard Council's financial assets and investment capital through restricting assets classes to low risk and accepting lower returns that will result.
- Maintain appropriate liquidity levels and manage Council's cash flows to meet known and predictable funding requirements.
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- Ensure that financial planning will not impose an unequitable spread of costs/benefits over current and future ratepayers.
- To ensure adequate internal controls exist to protect Council's financial assets and to prevent unauthorised transactions.
- Ensure compliance with all risk control limits, financial ratios, and external lender requirements.
- Develop and maintain relationships with financial institutions, LGFA, investors and investment counterparties.

Council is risk averse and will avoid risk in its treasury management activities. Council seeks to manage, not capitalise on, any risk associated with interest rates, liquidity, funding, default or credit, and operations. Any activity which may be construed as speculative in nature is not permitted under this policy.

5. DELEGATION OF AUTHORITY

Council will ensure effective controls over treasury management and segregation of duties controls are in place. All treasury activities will be undertaken in accordance with the authority limits set out in the Governance Delegations Manual and the Chief Executive and Staff Delegations Manual.

6. LIABILITY MANAGEMENT POLICY

Council may borrow in order to:

- raise specific debt associated with projects and capital expenditure;
- fund the balance sheet as a whole, including working capital requirements; or
- fund assets whose useful lives extend over several generations of ratepayers

Borrowing provides a basis to achieve inter-generational equity by aligning long-term assets with long-term funding sources, ensuring that costs are met by those ratepayers benefiting from the investment.

6.1 Borrowing Limits

Council will manage external borrowing within the limits detailed in the table below.

Item	Borrowing Limit
Net External Debt/Total Revenue	<150%
Net Interest on External Debt/Total Revenue	<10%
Net Interest on External Debt/Annual Rates Income	<15%
Net Interest on Internal and External Debt/Annual Rates Income	<20%
Liquidity (External term debt + unutilised committed loan facilities + cash and cash equivalents / External term debt)	>110%

Borrowing limit definitions are outlined within the Appendices.

Financial covenants are measured on Council only, there is no consolidated group.

Disaster recovery requirements will be met through the liquidity ratio and special reserve funds that held as term investments.

Net External Debt is defined as Total External Borrowing less all Financial Assets (as listed in the Statement of Financial Position) and is consistent with the LGFA's definition. See Section 13 of this policy for the LGFA's definition of Net Debt.

Approval of Borrowing

New debt and the debt repayment programme is approved at the time of adopting the Long Term Plan (LTP) or Annual Plan. Council's Financial Strategy (as included in the LTP) depicts the impact of the changing levels of debt and investments over the future ten year period.

All projected external borrowing is approved in advance by the Council as part of the Annual Plan or LTP process, or by resolution of the Council.

6.2 Borrowing Mechanisms

Council will use the most appropriate and cost effective borrowing method available. Approved borrowing mechanisms include:

- issuing stock/bonds;
- commercial paper (CP) and debentures;
- direct bank borrowing;
- bonds issued by New Zealand Local Government Funding Agency (LGFA);
- accessing the short and long-term wholesale/retail debt capital markets directly or indirectly (including LGFA bespoke and short-term lending);
- accessing stand-by facilities with the LGFA; and
- internal borrowing – offset by cash holdings of reserves and special funds.

6.3 Security

Council's security is provided by a charge over rates revenue, offered through a Debenture Trust Deed.

Under the Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government (Rating) Act 2002. The security offered by Council ranks equally with other lenders.

With Council approval, security may be offered by providing a charge over one or more of Council's assets. Physical assets will be charged only where:

- there is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. project finance); or
- Council considers a charge over physical assets to be appropriate.

Any pledging of physical assets must comply with the terms and conditions contained within the security arrangement.

6.4 Debt Repayment

All portions of debt will be progressively repaid or refinanced as it falls due, in accordance with the applicable borrowing mechanism.

Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

6.5 Guarantees, Contingent Liabilities and Other Financial Arrangements

Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, Trusts, or business units, if the purposes of the loan are in line with Council's strategic objectives.

Council will not guarantee loans to Council-Controlled Trading Organisations, in accordance with the LGA (s.62).

Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed. Guarantees given will not exceed any amount agreed by Council or Council committee. The Manager Finance will monitor guarantees and report annually to Council.

Conditions to financial arrangements, such as loan advances, are detailed later in this document.

6.6 Internal Borrowing

Internal loans are sourced from Council's cash investments and are recognised as a valid means of funding projects, minimising the cost of borrowing while providing a market return on investment funds.

6.7 New Zealand Local Government Funding Agency (LGFA) Limited

Regardless of any other provision in this policy, Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers appropriate:

- contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA e.g. borrower notes;
- provide a guarantee over the indebtedness of the LGFA and to the extent of the Council's shareholding percentage in the LGFA itself;
- commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over Council's rates and rates revenue (using a Debenture Trust Deed), or
- subscribe for shares and uncalled capital in the LGFA.

7. INVESTMENT POLICY

Council's primary objective is to protect its investment capital and ensure that a prudent approach to risk/return is applied, in accordance with this policy.

Council may hold financial, property, forestry, and equity investments if there is strategic, commercial, economic or other valid reason (e.g. where it is the most appropriate way to deliver or administer a Council function).

Generating a commercial return on strategic investments is a secondary objective.

Council will act effectively and appropriately to:

- protect Council's capital;
- ensure investments are available to benefit Council's current and future ratepayers;
- ensure ethical investing principles are followed, where they may be applicable to an investment decision;
- maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements; and
- use investment funds to repay debt.

Council is a net borrower, meaning external debt is more than financial assets. There are strategic reasons to hold investments while also holding debt. However, Council recognises that holding too much in financial assets, which generally earn less than the cost of the debt, is not prudent.

A prudent maximum level of financial assets is regarded as between \$14m and \$16m and a medium term target level is reducing it to \$12m. These totals exclude short term cash and deposits held for working cashflow purposes and any funds held and invested on behalf of related entities.

Investment funds can be used to repay debt early and that debt/investment will be tracked using internal loans/investments.

Council will regularly review its approach to all major investments and the credit rating of approved financial institutions.

7.1 Acquisition of New Investments

With the exception of financial investments, new investments are acquired if an opportunity arises and approval is given by the Council, based on advice and recommendations from Council staff. Before approving any new investments, due consideration will be given to the contribution the investment will make in fulfilling Council's strategic objectives, and the financial risks of owning the investment.

The authority to acquire financial investments is delegated to the Chief Executive and Manager Finance. Financial investments are reported to Council annually. Refer to the Treasury Management Procedures.

7.2 Equity Investments

Equity investments include investments held in CCO/CCTO and other shareholdings.

Equity investments may be held where Council considers there to be strategic community value. Council may also acquire shares that are gifted or are a result of restructuring.

Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment.

Any purchase or disposal of equity investments requires Council approval.

Unless otherwise directed by the Council, the proceeds from the disposal of equity investments will be used firstly to repay any debt relating to the investment and then utilised to reduce other Council debt.

Council recognises that there are risks associated with holding equity investments and to minimise these risks Council, through the relevant committee, monitors the performance of its equity investments on a yearly basis to ensure that the stated objectives are being achieved. Council seeks professional advice regarding its equity investments when appropriate.

New Zealand Local Government Funding Agency Limited

Despite any other clause in this policy, Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

Council's objective in making any such investment will be to:

- obtain a return on the investment; and
- ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for Council.

Council may invest in LGFA bonds and commercial paper as part of its financial investment portfolio.

As a borrower, Council's investment is recognised through shares and borrower notes. As an investor in LGFA shares and as a Guarantor, Council subscribes for uncalled capital in the LGFA.

7.3 Property Investment

Property disposals are managed to ensure compliance with statutory requirements and, where appropriate, consultation with local communities.

Council's property holdings for the provision of services such as parks and reserves, sports fields, senior housing, the district building, rural halls and housing of community groups are not considered property investments under this policy.

Council may acquire property related to the provision or expansion of a service i.e. sewage treatment land or a commercially leased portion of a Council facility. Again, these will not be considered as property investments.

Council may undertake property development initiatives and hold strategic property assets as it thinks appropriate within the local economy.

7.4 Financial Investments

Council may only invest in approved creditworthy counterparties. Credit ratings are monitored and reported quarterly to Council.

Council may invest in approved financial instruments as set out in Appendix 1. These investments are aligned with Council's objective of investing in high credit quality and highly liquid assets.

Council's investment portfolio will be arranged to provide sufficient funds for planned expenditure and allow for the payment of obligations as they fall due. Council prudently manages liquid financial investments as follows:

- Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections.
- Council may choose to hold specific reserves in cash and direct what happens to that investment income.
- Internal investments/borrowing can be used as an alternative to external borrowing.
- Financial investments do not include shares.

Special Funds and Reserve Funds

Liquid assets are not required to be held against all special funds and reserve funds. Council may internally borrow or utilise these funds where possible.

Trust Funds

Where Council holds funds as a trustee, or manages funds in-trust, then such funds must be invested on the terms provided by the other party. If the other party's Investment Policy is not specified then this policy will apply.

Loan Advances

Loan advances may be made from time to time to assist the Council to achieve its investment objectives and Council outcomes. Council approval is required for all loan advances.

Council will make advances and other investments after considering the impact of these on the community and the security and return of the advance.

Council may offer advances at concessionary interest rates (except to a Council Controlled Trading Organisation as per below).

On occasion, Council may approve loans to trusts or other community-based organisations where there is social or community benefit to be achieved from the lending.

Often such lending might be made at significantly discounted or nil interest rates, again in recognition of the clear social and community benefit that is being provided.

Council does not lend to CCTOs on more favourable terms than what it can achieve itself, without charging any rate or rate revenue as security. Council will not guarantee loans to CCTOs in accordance with the LGA (s.62).

Council may allow time for ratepayers to pay rates via postponement arrangements or other agreements to pay off debts over time. Those arrangements are governed by separate policies and are not regarded as Loan Advances.

Council reviews the performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved. Reporting to the Council on the loan advances and guarantees of other entity borrowing must be done at least annually.

Borrowing mechanisms for council controlled organisations and council controlled trading organisations

To better achieve its strategic and commercial objectives, Council may provide financial support in the form of debt funding directly or indirectly to CCO/CCTOs.

Guarantees of financial indebtedness to CCTOs are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital.

Any lending arrangement to a CCO or CCTO must be approved by Council. In recommending an arrangement for approval the Manager Finance considers the following:

- Credit risk profile of the borrowing entity, and the ability to repay interest and principal amount outstanding on due date.
- Impact on Council's credit standing, debt cap amount (where applied), lending covenants with the LGFA and other lenders and Council's future borrowing capacity.
- The form and quality of security arrangements provided.
- The lending rate given factors such as, CCO or CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc.
- Lending arrangements to CCTO must be documented on a commercial arm's length basis. A term sheet, including matters such as borrowing costs, interest payment dates, principal payment dates, security and expiry date is agreed between the parties.
- Accounting and taxation impact of on-lending arrangement.

All lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed and approved by Council's independent legal counsel.

External Funds Management

Investments made through external fund managers will be to a maximum of \$12 million. Investments must be limited to fixed income and cash/cash equivalent securities only.

The current mandate is as follows:

Asset	Allocation	Credit Range
ANZ Wholesale Sovereign Bond Fund	45% - 55%	AA to AAA
ANZ Wholesale High Grade Bond Fund	45% - 55%	A- to AAA

The credit restrictions for funds placed with any one institution (per Appendix 2) do not apply to externally managed funds as the portfolio is held in wholesale bond fund products via a trustee.

This policy allows the addition of other investment management products and fund managers to complement or replace the ANZ bond funds.

Monthly and Quarterly Investment Reports provide a performance summary to ensure the investment guidelines are being adhered to.

Interest Rate Risk Management

This section refers to the externally managed investment portfolio which has a direct exposure to a change in interest rates, impacting the return and capital value of its fixed rate investments.

Management of the bond fund products by the external fund managers assumes the use of interest rate risk management strategies as part of the day-to-day management of the bond fund portfolios.

7.5 Internal Loans/Investments

Investment funds held by Council may be invested in Council capital projects, subject to Council's selection of debt funding for those projects, via the annual planning or LTP cycle.

As a principle, no more than half of the value of special funds and reserves balances is available for internal borrowing/investment. Generally, smaller projects will be funded by way of internal loans.

7.6 Investment Management and Reporting Procedures

Investments and associated risks are monitored and managed, and regularly reported to Council.

Investments that are managed directly by Council are a mix of term and current fixed interest investments, with sufficient minimum immediate cash reserves and a cash buffer maintained.

The performance of investments is regularly reviewed to ensure Council's strategic objectives are being met. Both performance and policy compliance are reviewed through regular reporting.

8. RISK RECOGNITION/IDENTIFICATION MANAGEMENT

The definition and recognition of liquidity, funding, interest rate, counterparty credit, operational and legal risk of Council is detailed below and applies to both the Liability Management Policy and Investment Policy.

The following section excludes investment funds under external management outlined in section 6.5

8.1 Liquidity and Funding Risk

Risk Recognition

Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at acceptable pricing (fees and borrowing margins) and maturity terms of existing loans and facilities.

Liquidity/Funding Risk Control Limits

To ensure funds are available when needed Council ensures that:

- There is sufficient available operating cash flow, liquid investments and committed bank facilities to meet cash flow requirements between rates instalments as determined by the Manager Finance.

- External term loans and committed debt facilities together with available cash/cash equivalents investments must be maintained at an amount of 110% over existing external debt. The liquidity ratio excludes externally managed funds.
- Council has the ability to pre-fund up to 18 months forecast debt requirements including re-financings. Re-financings that have been pre-funded, will remain included within the funding maturity profile until their maturity date.
- The maturity profile of the total committed funding in respect to all external debt/loans and committed debt facilities, is to be controlled by the following system:

Period	Minimum %	Maximum %
0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	10%	60%

- A funding maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this policy. However, maintaining a maturity profile beyond 90-days requires specific approval by Council.
- To minimise concentration risk the LGFA require that no more than the greater of NZD 100 million or 33% of a Council's borrowings from the LGFA will mature in any 12-month period.

8.2 Interest Rate Risk on External Borrowing

Risk Recognition

Interest rate risk is the risk that funding costs will materially impact projections included in the LTP or Annual Plan. This would adversely impact revenue projections, cost control, and capital investment decisions, returns and feasibilities.

The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing/hedging of interest costs. Certainty around interest costs will be achieved through active management of underlying interest rate exposures.

Interest Rate Risk Control Limits

Exposure to interest rate risk is managed and mitigated through the risk control limits defined in the table below.

Council's forecast gross external debt should be within the following fixed/floating interest rate risk control limits.

Forecast gross external debt is the amount of total external debt for a given period. This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed (signed off by the CFO or equivalent), the amount of interest rate fixing in place may have to be adjusted to ensure compliance with the Policy minimum and maximum limits.

Debt Interest Rate Policy Parameters (calculated on rolling monthly basis)					
Debt Period Ending	Debt Amount	Minimum Fixed	Maximum Fixed	Actual Fixed	Compliant (Y/N)
Current		40%	90%		
Year 1		40%	90%		
Year 2		35%	85%		
Year 3		30%	80%		
Year 4		25%	75%		
Year 5		20%	70%		
Year 6		0%	65%		
Year 7		0%	60%		
Year 8		0%	50%		
Year 9		0%	50%		
Year 10		0%	50%		
Year 11 plus		0%	25%		

A fixed-rate maturity profile that is outside the above limits, but self corrects within 90-days is not considered to be a breach of this policy. Maintaining a maturity profile beyond 90-days requires specific approval by Council.

- "Fixed Rate" is defined as all known interest rate obligations on forecast gross external debt, including where hedging instruments have fixed movements in the applicable reset rate.
- "Floating Rate" is defined as any interest rate obligation subject to movements in the applicable reset rate.
- Fixed interest rate percentages are calculated based on the average amount of fixed interest rate obligations relative to the average forecast gross external debt amounts for the given period (as defined in the table above).
- Interest rate swap maturities beyond the maximum LGFA bond maturity must be approved by Council through a specific approval.
- Hedging outside the above risk parameters must be approved by Council.
- Interest rate options must not be sold outright. However, one for one collar option structures are allowable, whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, only the sold side of the collar can be closed out (i.e. repurchased) otherwise, both sides must be closed simultaneously. The sold option leg of the collar structure must not have a strike rate "in-the-money".
- Purchased borrower swaptions mature within 18 months.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate, cannot be counted as part of the fixed rate hedge percentage calculation. (i.e. an ineffective hedge).
- Forward start period on swaps and collar strategies to be no more than 36 months unless the forward start swap/collar starts on the expiry date of an existing swap/collar and has a notional amount which is no more than that of the existing swap/collar.

Hedging outside the above risk parameters must be approved by Council.

8.3 Financial Investment Interest Rate/Maturity limits

The following control limits are designed to manage interest rate and maturity risk on the financial investment portfolio managed internally by Council (i.e. excludes externally managed funds). The portfolio comprises treasury financial investments.

An important objective of the financial investment portfolio is to match the portfolio's maturity term to planned expenditure thereby ensuring that investments are available when required. Financial investments should be restricted to a term that meets future cash flow projections and be mindful of forecast debt associated with future capital expenditure programmes as outlined within the LTP.

Period	Minimum %	Maximum %
0 to 6 months	30%	80%
6 to 12 months	20%	70%
1 to 3 years	0%	50%
3 years plus	0%	20%

The repricing/maturity mix can be changed, within the above limits through sale/purchase of financial investments.

8.4 Counterparty Credit Risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into. Council will only borrow from strongly rated banks with a minimum long-term credit rating of at least "A" (S&P, or equivalent Fitch or Moody's rating).

Treasury related transactions will only be entered into with organisations specifically approved by the Council. Entities and financial instruments are outlined within the Appendices.

Counterparties and limits are only approved on the basis of Standard & Poor's (S&P, or equivalent Fitch or Moody's rating) long and short-term credit ratings matrix provided within the Appendices.

8.5 Financial Instruments

Approved financial instruments for cash management and borrowing, investments, interest rate and foreign exchange risk management are outlined in Appendix 1.

9. OTHER

9.1 Foreign Currency

Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

Generally, all individual commitments over NZ\$100,000 equivalent are hedged using forward foreign exchange contracts, once expenditure is approved, legal commitment occurs and the purchase order is placed, exact timing, currency type and amount are known.

Per the LGA, Council will not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.

Council does not hold investments denominated in foreign currency.

9.2 Operational Risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures and inadequate procedures and controls. Refer to the Treasury Management Procedures.

9.3 Legal Risk

Legal risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, Council may be exposed to such risks.

Council will seek to minimise this risk by the:

- use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties;
- matching of third party confirmations and the immediate follow-up of anomalies; and
- use of expert advice.

Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with Council. All ISDA Master Agreements for financial instruments must be signed under seal by the Council.

Council's CE and/or internal/appointed legal counsel must sign under seal all documentation for new loan borrowings, re-financings and investment structures.

Financial Covenants and Other Obligations

Council will not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

10. MEASURING TREASURY PERFORMANCE

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective and objective measures. The predominant subjective measure is the overall quality of treasury management information. The Chief Executive has primary responsibility for determining this overall quality.

11. EXCEPTIONS

Exceptions to this policy are permitted if it would advance Council's broader social or other policy objectives.

Any resolution authorising an investment under this provision shall note that it departs from Council's ordinary policy and the reasons justifying that departure.

12. REVIEW OF POLICY

The policy is to be formally reviewed every three years, and annually for internal purposes.

The Manger Finance has the responsibility to prepare the annual review report (following the preparation of annual financial statements) that is presented to the Chief Executive. The report will include:

- a recommendation as to changes, deletions and additions to the policy;
- an overview of the treasury function in achieving the stated treasury objectives and performance benchmarks; and
- a summary of breaches of policy and one-off approvals outside policy.

The Council receives the report, approves policy changes and/or rejects recommendations for policy changes. The policy review should be completed and presented to the Council within five months of the financial year-end.

13. REPORTING

Council and management reporting on treasury activities is based on comprehensive and regular communication of the following areas to ensure high standards of governance and control:

- Policy compliance
- Risk/exposure position
- Performance

Council ensures reporting of the Liability and Investment Management Policies is consistent with the requirements of the LGA.

14. DEFINITIONS

TERM	MEANING
Net External Debt:	Net debt is defined as total debt less liquid investments/cash equivalents. When calculating net debt, the LGFA allows the deduction of: <ul style="list-style-type: none"> • Cash, term deposits and any investments held within investment portfolios (whether these are ring fenced or not). Investment portfolios might include listed equities, fixed interest securities, listed property securities or units in managed funds. • LGFA borrower notes can be deducted. • Any council lending to a CCO or CCTO can also be deducted but only where the CCO or CCTO is a going concern and not dependent upon council financial support.
Annual Rates Income:	The amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).
Cash/cash equivalents:	Assets defined as being: <ul style="list-style-type: none"> • overnight cash deposits; • wholesale/retail bank term deposits no greater than 30-days; or • RCDs less than 181 days.
Core External Gross Debt:	The total external debt maturing beyond 12 months.
Floating Rate:	Any interest rate obligation subject to movements in the applicable reset rate.
Investment Property:	Properties owned by Council which Council is actively seeking to sell/dispose or properties held for strategic purposes but are not part of Council's current service delivery needs.
Liquidity Ratio:	External term debt plus unutilised committed bank facilities, plus cash/cash equivalents, divided by current external debt.
Net Debt:	Total consolidated debt less cash/cash equivalents and financial investments.
Net Interest on External Debt:	The amount equal to all interest and financing costs (on external debt) less interest income for the relevant period (and includes interest from Council's externally managed investment funds).
Total Revenue:	Cash earnings from rates, government capital grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g., developer contributions and vested assets).

15. RELATED DOCUMENTS

- Governance Delegations Manual
- CE and Staff Delegations Manuals
- Corporate Risk Management Policy
- Treasury Procedures and Process Manual

16. VERSION CONTROL

Version	Date	Summary of Amendments	Approved By
	24/06/2020	As per Amendments approved by Audit & Risk Committee (see marked up version)	Audit & Risk Committee (May 2020) Council (24 June 2020)

Appendix 1: Approved Financial Instruments

Approved financial instruments (which do not include shares or equities) are as follows:

CATEGORY	INSTRUMENT
Cash management and borrowing	<ul style="list-style-type: none"> • Bank overdraft • Committed cash advance and bank accepted bill facilities (short term and long-term loan facilities) • Loan stock /bond issuance • Floating Rate Note (FRN) • Fixed Rate Note (Medium Term Note/Bond) • Commercial paper (CP)/Promissory notes • Committed stand-by facilities from the LGFA • Forward starting committed debt with the LGFA
Investments	<ul style="list-style-type: none"> • Bank call/term deposits • Bank registered certificates of deposit (RCDs) • Treasury bills • LGFA FRNs/bonds/CP/borrower notes • Local Authority/State Owned Enterprise (SOE) Medium Term Notes (MTNs)/CP/bonds and FRNs (senior) • Corporate CP/MTNs/FRNs bonds (senior) • Building societies short term deposits (up to three months)
Interest rate risk management	<ul style="list-style-type: none"> • Forward rate agreements (FRAs) on bank bills • Interest rate swaps including: <ul style="list-style-type: none"> - Forward start swaps/collars. Start date <24 months, unless linked to existing maturing swaps/collars - Swap extensions and shortenings • Interest rate options on: <ul style="list-style-type: none"> - Bank bills (purchased caps and one for one collars) - Interest rate swaptions (purchased swaptions and one for one collars only)
Foreign exchange management	<ul style="list-style-type: none"> • Spot foreign exchange • Forward exchange contracts (including par forwards) • Purchased options and collars (1:1 only)

Any other financial instrument must be specifically approved by the Council on a case-by-case basis.

All unsecured investment securities must be senior in ranking. The following types of investment instruments are expressly excluded;

- Structured debt where issuing entities are not a primary borrower/ issuer.
- Subordinated debt (other than Borrower Notes subscribed from the LGFA), junior debt, perpetual notes and debt/equity hybrid notes such as convertibles.

Appendix 2: Investment Counterparty Limits

Counterparty /Issuer	Minimum S&P long term/short term credit rating	Investments maximum per counterparty (\$m)	Risk management instruments maximum per counterparty (\$m)	Total maximum per counterparty (\$m)	Maximum investment portfolio percentage
NZ Government	N/A	Unlimited	None	Unlimited	Unlimited
Local Government Funding Agency (LGFA)	AA-/A-1	10.0	None	10.0	< 35%
NZ Registered Bank (minimum rating)	A /A-1	6.0 (with the exception of Council's transactional bankers ¹ which may exceed this for up to 5 working days and when funds are held as pre-funding to match loan maturities)	10.0	20.0	100%
Local authorities	A /A-1	1.5	None	1.5	< 35%
SOEs and Corporates	BBB /A-2	No more than \$0.5m with any single issuer with BBB credit rating.	None	1.5	<35% exposed to SOEs/ corporates < 10% exposed to BBB credit ratings.
Building Societies, incl Wairarapa Building Society ²	BB+ (long term)	2.5	None	2.5	< 15%

Note

Note 1: Limit for Council's principal bankers (Westpac & ANZ) excludes balances in current and call accounts designated as working funds required for operational cash management purposes and deposits held as pre-funding of an up-coming loan maturity.

Note 2: Limit excludes funds held and invested on behalf of other entities.

In determining the usage of the above gross limits, the following product weightings will be used:

- Investments (e.g., Bank Deposits) – Transaction Principal Weighting 100% (unless a legal right of set-off exists).
- Interest Rate Risk Management (e.g., swaps, FRAs) – Transaction Notional Maturity (years) 3%.
- Foreign Exchange - Transactional face value amount x (the square root of the Maturity (years) x 15%).

Development and Financial Contributions Policy



Applicable to:	All Staff	Policy Number:	MDC027
Issued by:	Chief Executive	Last Approved:	2018
Contact person:	Finance Manager Planning Manager	Review Date:	2021

PURPOSE

The purpose of the Development and Financial Contributions Policy is to define the circumstances where Masterton District Council (the Council) will charge development or financial contributions.

SCOPE

This policy applies to contributions required from developers and subdividers.

POLICY STATEMENT

The Council will charge financial contributions using the provisions of section 108 of the Resource Management Act 1991 (RMA), specifically using the Wairarapa Combined District Plan (WCDP) Chapter 23.

As subdivision and growth occurs, the existing amenities and infrastructure come under pressure. Financial contributions are a way of ensuring that any adverse effects from subdivision and development on the environment or on community resources are minimised. Such contributions can be in the form of money, land, works or services and may include the provision of roads or services, the protection of an important historic or natural feature, the visual enhancement of a site through landscape treatment or the provision of access to a hitherto inaccessible river or stream.

The table below details the financial contributions (plus GST) that the Council requires from developers/subdividers.

Type of Contribution	Value of Contribution
Reserves Contribution	Urban 3% of Land Value of each new lot Rural 2% of Land Value of each new lot
Roading Contribution	Urban 2% of Land Value of each new lot Rural 3% of Land Value of each new lot In the rural zone a maximum of \$7,500 plus GST applies per new lot for the Roothing and Reserves contributions combined.
Infrastructure Contribution	<ul style="list-style-type: none"> - Payable where connections can be made to Masterton urban infrastructure services, \$5,000 (plus GST) per lot or per each residential equivalent use of the services. - Payable by existing lots for new connections to Masterton urban services, \$2,000 water supply, \$3,000 sewerage connection. - Capital contributions are payable to join/connect to rural water supply and sewerage schemes – on connection for exiting sections and on creation of title for new subdivisions. Amounts payable for specific schemes are listed in the fees and charges section of the Long-term Plan (LTP). - Capacity specific infrastructure charges may be levied per the WCDP (in accordance with the RMA). These charges are dependent on a development's assessed impact on the future network upgrade needs. The current applicable charges are listed in the fees and charges appendix to the LTP.
Development Levy	Charged on commercial developments of over \$1m, 0.5% of the assessed value of the development. On alterations of commercial

Type of Contribution	Value of Contribution
	premises in excess of \$50,000, 0.5% of assessed value of the alterations.

The contributions are contained in a schedule of conditions for consent in respect to subdivisions of land, where further lots are created, or on application to make a new connection to urban services.

The WCDP makes provision for charging developers for a share of the cost of providing or upgrading infrastructure, where the development is driving the need to upgrade infrastructure to service the development, or the upgrade has occurred in advance of the development and the share is recovering the Council's investment.

As funds are received, they accumulate in the Council reserves and attract interest. There are separate funds for parks and reserves, roading and urban infrastructure contributions. The Council has anticipated a level of income from the contributions and committed some of it to specific capital projects in the 2021-31 LTP. The balance of the income into these funds remains unallocated, but available to be drawn on for projects which qualify with the basis for taking the original contributions.

REVENUE GENERATED

Reserves contributions income averages some \$470,000 per annum over the 10 years of the LTP. Expenditure of these funds includes upgrading of Queen Elizabeth Park and other reserves within the district.

Roading contributions are forecast to average some \$394,000 per annum across the ten years of the 2021-31 LTP. Expenditure of these funds includes the upgrading of Millard Avenue and parts of Gordon Street and Chamberlain Road to full urban standard. Funds may be utilised in the future for roading upgrades and safety improvements.

Urban infrastructure contributions are forecast to average some \$520,000 per annum over the 10 years. Expenditure of these funds provided for in the LTP includes water supply, sewerage reticulation and stormwater asset upgrades. An estimate of \$35,000 per annum is allowed as income tagged to specific infrastructure needs.

Rural sewerage schemes (Riversdale Beach & Castlepoint) have set capital contributions payable on connection or subdivision. Revenue anticipated in the 2021-31 LTP averages \$123,000 pa. This funding will be applied to repay the debt the Council is carrying for those schemes.

POLICY BASIS

Section 101(3) of the Local Government Act (LGA) requires that funding must be met from sources that the local authority determines to be appropriate. Financial contributions are collected in compliance with the WCDP and the objectives and policies are as follows:

Objective – Reserves & Open Space (p18-12)

To substantially manage and develop the reserve and open space network to cater for current and future community needs and to protect and enhance significant environmental assets.

Objective – Sustainable Infrastructure Development (p18-9)

To maintain sustainable and efficient public infrastructure that meets the additional demand generated by development and subdivision, whilst avoiding, remedying or mitigating adverse effects on the environment.

Subdivision, Land Development and Urban Growth (p18-1)

The primary purpose of financial contributions is to ensure development adequately pays for the cost of the additional demand placed on community assets, including:

Reserves Contributions – *Contributions towards meeting the additional demand placed on a district's reserve assets, such as sports fields, parks and open space, and biodiversity.*

Infrastructure Contributions – Contributions towards meeting the additional demand placed on network infrastructure such as roading, water supply, stormwater disposal, and sewage disposal networks.

RESPONSIBILITIES

The Planning Manager has specific responsibilities with respect to applying this policy in alignment with the Wairarapa Combined District Plan.

The Manager Finance has responsibility of ensuring revenues are calculated in accordance with the policy and are collected.

CONSEQUENCES FOR BREACH OF POLICY

It is considered a breach of this policy if the Council not receive the revenue it is entitled to. Controls are in place to ensure contributions are calculated correctly and errors are not made. Intentionally under-charging contributions under this policy would be considered a serious disciplinary matter.

REVIEW OF POLICY

This policy will be reviewed every three years as part of the LTP process.

The next review in 2021 will include the conversion of this policy to one adopted under the provisions of the LGA, sec 106. The ability to charge these development contributions under the provisions in the WCDP and the RMA will be removed by 2022. The LGA requires disclosure of the full methodology of the calculations for contributions.

RELATED DOCUMENTS

Wairarapa Combined District Plan

REFERENCES

Local Government Act 2002
Resource Management Act 1991

VERSION CONTROL

Date	Summary of Amendments	Approved By
2015	Reviewed as part of 2015-25 Long-Term Plan process.	Masterton District Council
27/6/2018	Reviewed as part of 2018-28 Long-Term Plan process.	Masterton District Council
31/03/2021	Reviewed as part of 2021-31 Long-Term Plan process.	Masterton District Council

DRAFT

DRAFT LONG-TERM PLAN 2021-31: FEES AND CHARGES

STATEMENT OF PROPOSAL

We're reviewing our fees and charges as part of the development of the Masterton District Council's draft Long-Term Plan 2021-31, and we're seeking your feedback on our proposed changes.

WHAT ARE FEES AND CHARGES?

Fees and charges are one of the Council's sources of funding and enable us to deliver a variety of services to the community. Fees and charges are targeted at people who benefit directly from using Council services and can be easily and efficiently identified for payment. Examples include services that Council is required to oversee or monitor such as owning a dog, owning a hairdressing business, or building or making alterations to a house and services that involve operating a facility like the cemetery fees, transfer station fees and infrastructure services. Fees and charges are usually set on an annual basis as part of Council's Annual or Long Term Planning cycles.

Our fees and charges cover the following areas:

Animal Services

Infrastructure Contributions

Cemetery Fees

Concession Fees

Environmental Health and Licensing

Housing for the Elderly

Building and Planning

Library Fees

Parking

Trade Waste

Transfer Station

Water and Sewer Services

FOR MORE DETAIL

Further detail on the drivers for these proposed changes are detailed from **page 2** of this Statement of Proposal.

A full list of the proposed changes are included in this Statement of Proposal on **page 5**.

A copy of the current 2020-21 Fees and Charges are available here:

https://mstn.govt.nz/wp-content/uploads/2020/07/Schedule-of-Fees_2020-2021.pdf

HOW YOU CAN HAVE YOUR SAY!

We want to hear what you think about the changes we're proposing.

Submissions are open until **4pm on Monday, 3 May 2021**.

Check out **page 4** of this document for details on how you can have your say.

WHY DO WE HAVE FEES AND CHARGES AND WHAT ARE THEY USED FOR?

We raise the majority of our funding from rates and through fees and charges¹.

The Local Government Act 2002, and some other legislation, gives Councils the ability to prescribe fees for specific areas of Council business (e.g. Dog Control Act 1996 for setting dog registration fees).

Our Revenue and Financing Policy sets out how we will fund the expenditure for each service by determining the proportion of funding that will come from rates and the proportion that will come from user fees and charges. A copy of Council's current Revenue and Financing Policy is available here: <https://mstn.govt.nz/wp-content/uploads/2018/07/Revenue-and-Financing-Policy.pdf>

WHAT CHANGES ARE PROPOSED?

As part of the draft Long-Term Plan 2021-31 process, we are proposing to increase some of our fees and charges. If these proposed changes are adopted by Council, they will come into effect from 1 July 2021. A key driver for the increasing the fees and charges is to better reflect the cost of delivering the services. Costs have increased due to adjustments for inflation, to respond to changes set by central government and to cover borrowing costs for capital projects associated with the services.

More detail on the specific drivers for the proposed changes in each of the fees and charges areas is below.

Animal Services

The proposed increases to fees associated with the animal services activity area reflect:

- inflation adjustments
- borrowing costs for the replacement of the animal shelter facility
- the level of work involved with impounded animals
- the inflationary adjustments that were not passed on last year when we chose not to increase dog registration fees as part of our COVID-19 response (the cost was funded by reserves).

Infrastructure Contributions

There are no changes proposed for the infrastructure contributions.

Cemetery Fees

The small proposed increases to cemetery fees reflect inflation adjustments.

Concession Fees

There are no changes to concession fees as part of the draft Long Term Plan 2021-31 process.

Environmental Health and Licensing

The proposed increases to food premise verification fees better reflect the cost of delivering the service cover inflation adjustments.

Housing for the Elderly

Council sets fees for its senior housing stock at Panama Village, Laurent Place, Bodmin Flats, and Truro Flats. Rental fees are proposed to increase \$2 per week to cover inflation adjustments.

¹ Other ways councils can raise funding includes investments, central government subsidies (e.g. roading), and funding opportunities.

Building

Building fees are increasing to reflect inflationary adjustments and the cost of delivering the services. Some building consent fees, particularly residential new dwellings, have been realigned to match the type of building underway. In particular, the fees for the multi-unit and multi-storey apartments have been altered to reflect the level of processing and the number of inspections.

The compliance schedule amendment fee now incorporates the time for one inspection, and 12A and BWOF administration. Any further work required by officers will be charged the appropriate officer hourly rate.

The building consent list mailer has changed from a monthly fee to an annual fee. A new relocatable transported rural road bond had been introduced to cover repairs to signs and other infrastructure.

The initial swimming pool inspection fee of \$36 has been removed as it was not covering the cost of the officer's time. The low fee had been used as an incentive in the past but as the three-yearly inspection is a legislative requirement the Council considers that all pool owners should pay the cost of this service and it should not be subsidised by the ratepayer.

Planning

In the past the planning fees have been fixed rates for each of the different categories of resource consents. However applications in each category have a wide variety of complexity and the fixed fee has been far below the true cost of the processing time involved for many of the applications. The Council is proposing to move to a deposit being charged at the time of application with further invoicing to cover the total hours involved in processing. The schedule now includes the hourly rates for the planning officers. Most councils across New Zealand charge resource consents on a deposit and time taken basis. This enables the truest match in recovering the cost of processing the applications.

Library Fees

There are no proposed increases to library fees and charges.

Parking

There are no proposed increases to parking fees and charges.

Trade Waste

There are small increases proposed to trade waste fees to reflect inflation adjustments.

Transfer Station

There are small increases proposed for fees relating to our transfer station facilities because the costs of Council disposing of waste to landfill are increasing. If we do not increase these fees, we would have to subsidise the cost with rates, meaning all ratepayers would have to subsidise the people and businesses generating the waste.

The Government has confirmed an increase in the waste levy taking it from \$10 per tonne to \$20 per tonne. This rate will continue to progressively increase annually, reaching \$60 per tonne on 1 July 2024. Half the revenue from the levy will be invested into waste minimisation projects and initiatives to continue a transition towards a circular economy for Aotearoa New Zealand. Half of the levy revenue will continue to be distributed to councils for waste minimisation work.²

Water and Sewer Services

There are small increases proposed to some of these services to reflect inflation adjustments.

² <https://www.wasteminz.org.nz/2021/03/govt-confirms-timeline-for-changes-to-waste-levy/>

HAVE YOUR SAY

Submissions are welcome from any person or organisation who wishes to give feedback. Submissions close at **4pm on Monday, 3 May 2021**.

Written Submissions

Written submissions can be made using either our submission form, sending us an email or writing a letter.

Hardcopy submission forms are available at our Council office, 161 Queen Street, Masterton or from the Masterton District Library.

You can submit them in the following ways:

- Email: send to submissions@mstn.govt.nz with 'Draft Long Term Plan 2021-31: Fees and Charges' in the subject line
- Post: 'Draft Long Term Plan 2021-31: Fees and Charges', Masterton District Council, Freepost 112477, PO Box 444, Masterton
- Hand deliver: 'Draft Long Term Plan 2021-31: Fees and Charges', Masterton District Council, 161 Queen Street, Masterton

Online Submissions

Complete your submission here: www.mstn.govt.nz/current-consultations

WANT MORE INFORMATION?

Further information is available on our Council website. Alternatively, you can contact us on 06 370 6300 to request copies to be sent out to you.

TIMELINE

- Thursday, 1 April 2021: Submissions open.
- Monday, 3 May 2021: Submissions close.
- May/June 2021: Hearing and Deliberations.
- Wednesday, 30 June 2021: Council adoption of the Fees and Charges.

PROPOSED 2021/22 FEES AND CHARGES SCHEDULE

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
HOUSING FOR THE ELDERLY RENTAL	(Nil GST)				
Panama Village					
25 Bedsitter		\$100.00	2	\$102.00	2%
15 One Bedroom		\$108.00	2	\$108.00	2%
4 One Bedroom (double)		\$112.00	2	\$114.00	2%
Laurent Place					
8 Bedsitter		\$96.00	2	\$98.00	2%
4 One Bedroom		\$103.00	2	\$105.00	2%
6 One Bedroom house (double)		\$113.00	2	\$115.00	2%
Bodmin Flats					
8 Bedsitter		\$96.00	2	\$98.00	2%
Truro Flats					
4 One Bedroom		\$103.00	2	\$105.00	2%
4 Garage		\$12.00	2	\$14.00	17%
BUILDING CONSENT AUTHORITY AND PIM FEES	(GST inclusive)				
Description	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 and swimming pool fences	N/A	\$125.00	5	\$130.00	4%
Residential demolition (Rate Per Hour)	\$47.00	\$245.00	-40	\$205.00	-16%
Solid fuel heater	\$47.00	\$350.00	20	\$370.00	6%
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	\$395.00	20	\$415.00	5%
Project Drainage work, e.g. new minor subdivision services, and common drains (up to 10 lots)	\$47.00	\$990.00	50	\$1,040.00	5%
Minor Projects - Garden sheds/Retaining walls/Carports/Decks/Conservatories/ Inground Pools/ Proprietary garage or storage Agricultural Buildings Re-piling - 2 inspections	\$47.00	\$585.00	65	\$650.00	11%
Larger farm buildings (covered yards, wool sheds), incl Plumbing and Drainage	\$94.00	\$1,055.00	45	\$1,100.00	4%
Garages, simple design, single level with plumbing and drainage and/or firewall. If self-contained use dwelling fee.	\$94.00	\$1,350.00	70	\$1,420.00	5%
Residential New Dwellings					
Single Storey value <\$500k		\$3,950.00	250	\$4,200.00	6%
Complex -Single Storey value >\$500k and Multi storey		\$4,450.00	350	\$4,800.00	8%
Transportable dwelling (yard built - to be transported to another district)	\$94.00	\$2,857.00	343	\$3,200.00	12%

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Single storey multi-unit apartment (First unit)	\$373.00	\$2,203.00	1997	\$4,200.00	91%
Single storey Subsequent Units		\$425.00	1675	\$2,100.00	394%
Complex/ Multi storey multi-unit apartment (First Unit)	\$561.00	\$2,576.00	2224	\$4,800.00	86%
Complex Multi Storey Subsequent Units		\$708.00	1692	\$2,400.00	239%
Residential Dwelling Additions & Alterations					
Alterations (minor) up to 3 inspections including processing time		\$1,062.00	58	\$1,120.00	5%
Alterations (major) up to 8 inspections including processing time		\$2,478.00	122	\$2,600.00	5%
Transportable/Relocated Residential Dwellings					
Transportable/Relocated residential dwelling – urban (Resource Consent required for relocated dwellings)	\$561.00	\$1,681.00	119	\$1,800.00	7%
Transportable/Relocated residential dwelling – rural (Resource Consent required for relocated dwellings)	\$561.00	\$1,979.00	121	\$2,100.00	6%
Note; If relocation includes additions or alterations add Additions & Alterations rate.					
Commercial / Industrial					
Commercial demolition	\$47.00	\$585.00	0	\$585.00	0%
Minor commercial work e.g. signs/shop fronts/minor					
Fit outs (no plumbing and drainage)	\$187.00	\$765.00	35	\$800.00	5%
Single tenancy shop fit outs	\$94.00	\$1,204.00	46	\$1,250.00	4%
Use Commercial rate for large subdivision services					
Commercial/Industrial <\$50,000	\$301.00	\$2,278.00	122	\$2,400.00	5%
Commercial/Industrial \$50,001 - \$100,000	\$449.00	\$3,174.00	176	\$3,350.00	6%
Commercial/Industrial \$100,001 - \$150,000	\$598.00	\$4,071.00	209	\$4,280.00	5%
Commercial/Industrial \$150,001 - \$250,000	\$747.00	\$4,966.00	234	\$5,200.00	5%
Commercial/Industrial \$250,001 - \$350,000	\$896.00	\$5,862.00	338	\$6,200.00	6%
Commercial/Industrial \$350,001 - \$500,000	\$1,045.00	\$6,759.00	341	\$7,100.00	5%
Commercial/Industrial \$500,001 - \$1,000,000	\$1,045.00	\$7,356.00	394	\$7,750.00	5%
Commercial/Industrial/Agricultural >\$1,000,000	\$1,045.00	\$7,356.00	394	\$7,750.00	5%
Complexity per \$100,000 over \$1 million		\$421.00	29	\$450.00	7%
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	\$195.00	10	\$205.00	5%
Amendment to Building Consent (Reassessment of amended plans). Charges will also apply if the amendment involves additional inspections.	per hour	\$195.00	10	\$205.00	5%
COMPLIANCE / TA FUNCTIONS					
Swimming pool initial inspection fee		\$36.00		N/A	
Swimming Pool Inspection fee		\$151.00	9	\$160.00	6%
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	\$195.00	10	\$205.00	5%

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Compliance Schedule Amendment (includes one inspection, and 12A and BWOFF administration) any additional time charged at BSO hourly rate		\$148.00	122	\$270.00	82%
BWOFF Annual Renewal Fee		\$104.00	6	\$110.00	6%
BWOFF Technical Audit				\$270.00	
Earthquake Prone Building Report Review/ Status Confirmation	2 hours			\$320.00	
Discretionary Exemption from Building Consent Assessment, Schedule 1(2) of the Building Act		\$281.00	14	\$295.00	5%
Application for Certificate of Public Use (CPU) includes inspection		\$195.00	75	\$270.00	38%
Application for a modification or waiver to a building, consent (per hour, inspections may incur additional charges	per hour	\$195.00	10	\$205.00	5%
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		\$25.00	5	\$30.00	20%
BRANZ levy for work of \$20,000 or more	Charge is per \$1,000 or part thereof	\$1.00	0	\$1.00	0%
MBIE Levy - GST inclusive for work of \$20,444 or more	Charge is per \$1,000 or part thereof	\$1.75	0	\$1.75	0%
Administration - Printing Charge for Issued Consents (Optional)		\$50.00	5	\$55.00	10%
Processing hardcopy certificate applications		\$94.50	5.5	\$100.00	6%
Property search fee (Includes download, scanning documents, email, or writing to disc)		\$20.00	5	\$25.00	25%
Annual Building consent list mailer (Annual charge -emailed)		\$10.00	110	\$120.00	1100%
Notice to fix- Inspections and Administration per hour		\$195.00	10	\$205.00	5%
Relocatable Transported Rural Road Bond				\$2,000.00	
Infrastructure Protection Bond (vehicle crossing bonds)				\$800.00	
Road Damage Bond as set by Road Assets	minimum	\$520.00	0	\$520.00	0%
Photocopying:					
Black - up to A3	each	\$2.00	0	\$2.00	0%
Colour - up to A3	each	\$5.00	0	\$5.00	0%
Black - up to A0	each	\$20.00	0	\$20.00	0%

PLANNING					
Land Information Memorandum (LIM)	(GST inclusive)				
LIM - Standard - 10 days		\$250.00	50	\$300.00	20%
LIM - Urgent - 5 days		\$350.00	100	\$450.00	29%
Certificate of title		\$25.00	5	\$30.00	20%

Resource Consent Fees	(GST inclusive unless stated)				
LAND USE OR SUBDIVISION CONSENTS					
Activity		Fixed		Deposit	
Controlled		\$555.00		\$1,000.00	

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Restricted Discretionary – Non Notified		\$555.00		\$1,200.00	
Restricted Discretionary – Limited Notified		\$950.00		\$1,500.00	
Discretionary		\$950.00		\$1,500.00	
Non Complying		\$1,500.00		\$2,000.00	
Heritage Items *	Free for heritage work only				
PLAN CHANGE & RESOURCE CONSENTS					
Planner	Per hour	\$148.00	32	\$180.00	22%
Senior Planner				\$220.00	
Manager Planning				\$260.00	
Administration				\$100.00	
Plan Change deposit		\$5,100.00	400	\$5,500.00	8%
Deemed Permitted Boundary/Marginal Activities					
Permitted Boundary Activity (PBA)		\$306.00	9	\$315.00	3%
CERTIFICATION					
S223 Certificate		\$255.00	5	\$260.00	2%
S224 Certificate		\$300.00	10	\$310.00	3%
S226 – Existing Use Rights		\$350.00	10	\$360.00	3%
Certificate of Compliance (Permitted activity pursuant to Resource Legislation Amendment Act 2017) and Deemed Permitted Boundary/Marginal Activities		\$350.00	0	\$360.00	0%
Additional Charges					
Public Notification		\$714.00	16	\$730.00	2%
Limited Notification		\$357.00	8	\$365.00	2%
Pre Hearing		\$500.00	10	\$510.00	2%
Hearing		\$1,020.00	30	\$1,050.00	3%
External Consultancy		Actual cost		Actual cost	
Post Decision – Requested changes		\$350.00	50	\$400.00	14%
Post Decision – Minor changes		\$150.00	30	\$180.00	20%

Reserve & Rooding Contributions					
These will not be inflated as they are set in the District Plan					
Reserve Contributions		Rural 2% of land value (plus GST) Urban 3% of land value (plus GST)		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)		Rural 3% of land value (plus GST) Urban 2% of land value (plus GST)	

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Transfer Station Charges – Nursery Road	(Including GST unless stated)				
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*		\$5.00	0.50	\$5.50
Small Trailer, Van, Ute (up to 1.8m x 1.2m x 0.4m high or up to 250kg)	per load*		\$12.00	1.50	\$13.50
Large Trailer, Van, Ute (up to 1.8m x 1.2m x 0.8m high or up to 500kg)	per load*		\$16.00	2.00	\$18.00
Large truck (up to six tonne) – Weigh In/Out (Min \$20 charge per load)	per tonne (+ GST)		\$55.00	5.00	\$60.00
* Council reserves the right to weigh any loads	Refuse to Transfer Station				
Official Masterton District Council 'Blue Bag'	Prepaid	no charge at gate			
Bags – any other bag (up to 30kg)*	per bag		\$6.00	0.50	\$6.50
Car boot or SUV (up to 100kg)*	per load		\$22.00	1.50	\$23.50
Small Trailer, Van, Ute (up to 1.8m x 1.2m x 0.4m high or up to 250kg)*	per load		\$51.00	4.00	\$55.00
Large Trailer, Van, Ute (up to 1.8m x 1.2m x 0.8m high or up to 500kg)*	per load		\$66.00	6.00	\$72.00
Large truck (up to six tonne) – Weigh In/Out	per tonne (excl GST)		\$185.00	13.70	\$198.70
* Council reserves the right to weigh any loads and charge per tonne, minimum charge \$20					
Council Bags – recommended retail price	per bag		\$3.20	0.20	\$3.40
Commercial Prices	(excluding GST unless otherwise stated)		Current Fee	Proposed Change	Proposed new Fee
General Refuse	per tonne		\$185.00	13.70	\$198.70
Construction/demolition refuse	per tonne		\$185.00	13.70	\$198.70
Tyres (more than 4 tyres)	per tonne		\$540.00	15.00	\$555.00
Tyres (car & 4WD only)	each incl GST		\$3.00	1.00	\$4.00
Tyres (car & 4WD, on rims)	each incl GST		\$4.00	1.00	\$5.00
Tyres Truck	each incl GST		\$6.20	1.30	\$7.50
Grease Trap & Special Waste (for burial) *	per tonne		\$185.00	13.70	\$198.70
Sump Waste	per tonne		\$50.00	1.00	\$51.00
Sawdust	per tonne		\$185.00	13.70	\$198.70
Septic tank waste (to sewer) liquid	per tonne		\$68.00	1.50	\$69.50
Poultry (e.g.) waste (to sewer)	per tonne		\$610.00	12.00	\$622.00
Cleanfill (weighed)	per tonne		\$6.00	0.20	\$6.20
Recyclable materials	No charge		No charge		
E-Waste	No charge		No charge		

Rural Recycling Transfer Station Facilities			Current Fee	Proposed Change	Proposed new Fee
Load Size	(Including GST)				
	Green Waste				
Car boot or SUV (up to 100kg)	per load		\$5.00	1.00	\$6.00
Small Trailer, Van, Ute (up to 1.8m x 1.2m x 0.4m high or up to 250kg)	per load		\$12.00	1.50	\$13.50

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Large trailer (up to 500kg) /medium truck (less than 2 tonne)	per tonne		\$65.00	7.00	\$72.00
Large truck (up to six tonne) Min \$20 charge per load	per Cu mtr		\$55.00	5.00	\$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		\$6.00	1.00	\$7.00
Car boot or SUV (up to 100kg)	per load		\$22.00	2.00	\$24.00
Small Trailer, Van, Ute (up to 1.8m x 1.2m x 0.4m high or up to 250kg)	per load		\$51.00	5.00	\$56.00
Large trailer (up to 500kg) /medium truck (less than 2 tonne)	per tonne (estimated)		\$213.00	17.00	\$230.00
Large truck (up to six tonne)	per cubic mtr (estimated)		\$79.00	7.00	\$86.00

Water & Sewer Services Charges					
Activity	(Excluding GST)				
*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	}		*Contract Price		
Renewing 20mm connection			Plus \$165.90 processing and		
*Renewing larger than 20mm connection			inspection fee for each application		
*Keeping service pipe in repair					
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.	}				

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Water	(Including or excluding GST as stated)				
Up to 50,000 litres per 3 months	excl GST	\$50.00	2.00	\$52.00	4%
	incl GST	\$57.50	2.30	\$59.80	4%
50,000 to 100,000 litres per 3 months per 1,000 litres	excl GST	\$1.22	0.05	\$1.27	4%
	incl GST	\$1.40	0.06	\$1.46	4%
Over 100,000 litres per 3 months per 1,000 litres	excl GST	\$1.57	0.06	\$1.63	4%
	incl GST	\$1.80	0.07	\$1.87	4%
2,000-20,000 litres in same load (tanker) per 1,000 litres	excl GST	\$1.91	0.09	\$2.00	5%
	incl GST	\$2.20	0.10	\$2.30	5%

	(Including or excluding GST as stated)				
Bylaws					
Corridor Access Request / Work Access Permit	excl GST	\$39.00	1	\$40.00	3%
	incl GST	\$44.00	1	\$46.00	3%
Additional inspections for permits, consultation etc	excl GST	\$89.00	2	\$91.00	2%
	incl GST	\$102.00	2	\$104.65	2%
No Parking sign hire (per day)	incl GST	\$15.00	0	\$15.00	0%
Administration charge max of 1 hour	incl GST	\$25.00	5	\$30.00	20%

Environmental Health and Licensing	(GST inclusive)				
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	\$134.00	16	\$150.00	12%
	per hour for every additional hr	\$67.00	8	\$75.00	12%
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	\$67.00	23	\$90.00	34%
	per hour for every additional hr	\$67.00	23	\$90.00	34%
Application for proposed new registered licensed premises (offensive trade, camping ground, funeral director, hairdresser and beauty therapists, tattooists, skin piercers)		\$142.00	8	\$150.00	6%
Annual registration beauticians, Nail technicians, tattooists and Skin piercers fees:					
Secondary business activity (chemists/beauty therapy services in conjunction with another activity)		\$56.00	4	\$60.00	7%
Sole business activity e.g. Beauty Therapy Clinics		\$156.00	4	\$160.00	3%
Annual registration - Camp ground		\$180.00	0	\$180.00	0%
Annual registration - Hairdressers		\$156.00	4	\$160.00	3%
Annual registration - Offensive trades		\$156.00	4	\$160.00	3%
Annual registration - Funeral directors		\$120.00	40	\$160.00	33%

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Transfers/change of operator (offensive trade, camping ground, funeral director, hairdresser and beauty therapists, tattooists, skin piercers)		\$150.00	0	\$150.00	0%
Administration charge minimum 1 hour - e.g. on invoice and requests	Hourly rate	\$25.00	20	\$45.00	80%
Verification					
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	\$235.00	35	\$270.00	15%
	For every additional hour	\$67.00	23	\$90.00	34%
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	\$321.00	84	\$405.00	26%
	For every additional hour	\$124.00	16	\$140.00	13%
Compliance and Monitoring					
Complaint driven investigation resulting in issue of improvement notice by Environmental Health officer					
Application for review of issue of improvement notice					
Monitoring of food safety and suitability	Hourly rate for each compliance and monitoring activity (minimum ½ hour charge)	\$134.00	16	\$150.00	12%
Failure to comply with corrective action request within agreed timeframe					
Premises Transitioning to Food Act 2014	Transfer fees on a pro rata basis to the Food Act registration				
Food businesses transitioning from the Food Hygiene Regulations 1974 to the Food Act 2014					
Inspection fee		\$138.00	0	\$138.00	0%
Hourly rate above programmed work		\$88.00	2	\$90.00	2%
Further notes Application for refund of an annual registration fee must be in writing, 50% of total fee retained for administration/inspection, 50% to 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.					

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
The verification frequency for high performing operators on FCP may extend to every eighteen months, further reducing compliance costs for food 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	\$306.00	44	\$350.00	14%
Hawker's licence and mobile shops (including inspection fee) per annum		\$108.00	22	\$130.00	20%
Itinerant trader (including inspection fee) per annum		\$283.00	7	\$290.00	2%
Duplicate licence		\$25.00	0	\$25.00	0%
Street stall - licence	per week	\$25.00	10	\$35.00	40%
Taxicab stand	per annum	\$117.00	13	\$130.00	11%
Pie cart stand - site licence	per week	\$40.00	10	\$50.00	25%
Boarding House	per annum	\$66.00	9	\$75.00	14%
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		\$89.00	61	\$150.00	69%

Resources					
Food Act 2014 Resources		Actual cost plus 15%	0	Actual cost plus 15%	0%
Noise Control					
Noise control charges (Return of seizure equipment) - (Per Callout to Property)		\$73.00	7	\$80.00	10%
Security/ Fire alarm disconnection		Actual cost plus 10%	0	Actual cost plus 10%	0%

Bylaws	(GST inclusive)				
Grazing permit (3 months)		\$29.00	0	\$29.00	0%
Removal of refuse		actual cost plus 10%		actual cost plus 15%	
Rural Rapid Property numbering - Initial		\$29.00	16	\$45.00	55%
- Replacement		\$17.00	0	\$17.00	0%

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		\$204.00	46	\$250.00	23%
Additional charges for storage and costs for rural collection		Actual Cost		Actual Cost	

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Parking					
Parking Meter Charges	(GST inclusive) per hour	\$1.00	0	\$1.00	0%

Parking Offence Infringements	(No GST)				
P101 Parked within an intersection		\$60.00	0	\$60.00	0%
P102 Parked on or within 6 metres of an intersection		\$60.00	0	\$60.00	0%
P104 Parked on or near a pedestrian crossing		\$60.00	0	\$60.00	0%
P107 Parked on broken yellow lines		\$60.00	0	\$60.00	0%
P108 Parked on area reserved for hire or reward		\$60.00	0	\$60.00	0%
P113 Double parking		\$60.00	0	\$60.00	0%
P117 Inconsiderate parking		\$60.00	0	\$60.00	0%
P105 Prohibited area		\$40.00	0	\$40.00	0%
P109 Parked within 6 metres of bus stop		\$40.00	0	\$40.00	0%
P110 Parked across a vehicle entrance		\$40.00	0	\$40.00	0%
P111 Parked near a fire hydrant		\$40.00	0	\$40.00	0%
P112 Parked between fire hydrant and road marking		\$40.00	0	\$40.00	0%
P114 Incorrect kerb parking - left side of the road		\$40.00	0	\$40.00	0%
P115 Parked on footpath		\$40.00	0	\$40.00	0%
P119 Parked on loading zones or EV charging		\$40.00	0	\$40.00	0%
P120 Incorrect angle parking		\$40.00	0	\$40.00	0%
P969 Parked on disabled car parks with permit not		\$150.00	0	\$150.00	0%
P821 Parked across a line marking a space		\$40.00	0	\$40.00	0%
Meter/ Time Limit Infringements					
Not more than 30 minutes		\$12.00	0	\$12.00	0%
More than 30 minutes but not more than 1 hour		\$15.00	0	\$15.00	0%
More than 1 hour but not more than 2 hours		\$21.00	0	\$21.00	0%
More than 2 hours but not more than 4 hours		\$30.00	0	\$30.00	0%
More than 4 hours but not more than 6 hours		\$42.00	0	\$42.00	0%
More than 6 hours		\$57.00	0	\$57.00	0%

Trade Waste Charges					
<p>These charges are split into three types:</p> <ul style="list-style-type: none"> 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. <p>All trade waste charges are additional to the sewerage rates paid.</p>					
Application Fees	(GST exclusive)				
Small discharges		\$188.00	0	\$188.00	0%
Medium discharges		\$355.00	0	\$355.00	0%
Large discharges		\$688.00	0	\$688.00	0%

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Trade Waste Consent Fees					
Small (controlled)		\$235.00	4	\$239.00	2%
Small (conditional)		\$479.00	7	\$486.00	1%
Medium (controlled)		\$802.00	12	\$814.00	1%
Medium (conditional)		\$1,293.00	19	\$1,312.00	1%
Large (controlled)		\$1,724.00	26	\$1,750.00	2%
Large (conditional)		\$2,440.00	37	\$2,477.00	2%
Large (users over Schedule 1 triggers) charged per flow strength and solids as follows:					
Flow (per cubic m)		\$0.74	0	\$0.76	3%
Biological Oxygen Demand (BOD)(kg)		\$2.19	0	\$2.23	2%
Suspended Solids (SS)(kg)		\$2.00	0	\$2.00	0%
Additional inspections		\$102.00	2	\$103.50	1%
Septage waste (to sewer) per tonne		\$68.00	2	\$70.00	3%

Infrastructure Contributions					
<p>The figures below are payable by property owners who are taking up new connections to the various sewerage and water supply services in the Masterton district</p> <p>The contribution is the 'buy in' price for new joiners that connect to the services.</p> <p>All contributions are payable prior to connection.</p>					
New connection to Masterton urban services	Water plus GST	\$2,000.00	0	\$2,000.00	0%
	Sewer plus GST	\$3,000.00	0	\$3,000.00	0%
<p>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</p> <p>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</p>					
Lansdowne (water capacity)	plus GST per lot	\$1,108.00	0	\$1,108.00	0%
Stormwater Cashmere	plus GST per lot	\$220.00	0	\$220.00	0%
Sewer Cashmere	plus GST per lot	\$612.00	0	\$612.00	0%
Solway Crescent	plus GST per lot	\$591.00	0	\$591.00	0%
Taranaki Street	plus GST per lot	\$252.00	0	\$252.00	0%
South Belt (sewer)	plus GST per lot	\$900.00	0	\$900.00	0%
Upper Plain - water (trickle feed off urban supply)	plus gst	\$3,150.00	0	\$3,150.00	0%
Plus connection costs (restriction valve, backflow valve etc)					
Other Rural - (metered) connection to Masterton	plus gst	\$2,250.00	0	\$2,250.00	0%
Plus connection costs (restriction valve, backflow valve etc)					
Rural - connection to Masterton urban sewer	plus gst	\$3,225.00	0	\$3,225.00	0%

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Airport – additional cost recovery for Hood Aerodrome water and wastewater lines	Water additional plus gst	\$3,467.00	0	\$3,467.00	0%
	Wastewater additional plus gst	\$4,655.00	0	\$4,655.00	0%
Airport – new leases, additional cost recovery for water, wastewater and power	plus GST	\$20,000.00	0	\$20,000.00	0%
Tinui wastewater	plus gst	\$9,308.00	0	\$9,308.00	0%
Tinui water supply	plus gst	\$3,340.00	0	\$3,340.00	0%
Castlepoint wastewater	plus gst	\$4,800.00	0	\$4,800.00	0%
Tauweru water supply	plus gst	\$4,264.00	0	\$4,264.00	0%
Riversdale Beach: wastewater - original Scheme Area		\$24,585.00	0	\$24,585.00	0%

Animal Services (including Dog fees)	(GST inclusive)	Current Fee	Proposed Change	Proposed new Fee	% change
Urban entire		\$136.00	33	\$169.00	24%
Urban neutered		\$82.00	21	\$103.00	26%
Responsible Owner (discount 25%)	urban neutered	\$61.50	16	\$77.00	25%
Rural 1st dog, incl working		\$82.00	21	\$103.00	26%
Rural 2nd & sub incl working		\$22.00	6	\$28.00	27%
Permit holder		\$82.00	21	\$103.00	26%
Dangerous neutered		\$126.00	32	\$158.00	25%
Seeing eye dogs		\$0.00	0	\$0.00	0%
Application for RDO		\$20.00	0	\$20.00	0%
Sustenance fee (per day)		\$15.00	0	\$15.00	0%
Poundage Fee: First impounding		\$70.00	5	\$75.00	7%
Second impounding		\$125.00	5	\$130.00	4%
Third & subsequent impounding (within 12 months)		\$160.00	20	\$180.00	13%
Surrender a dog for euthanasia (acceptance must be on prior approval)	actual cost plus 15%				
Micro-chipping of Masterton registered dog		\$20.00	0	\$20.00	0%
Permit - keep more than two dogs in urban area		\$55.00	5	\$60.00	9%
Breeder permit holder urban registration per dog		\$82.00	0	\$82.00	0%
Replacement registration tag		\$5.00	0	\$5.00	0%
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 higher, plus bond	\$10 + 20 bond		\$20+ \$20 bond	
Hire of cat trap	2 week higher, plus bond	\$10 + 20 bond		\$20+ \$20 bond	

Stock Impounding Fees	(GST inclusive)				
Poundage fee for every horse, mare, gelding, colt, filly, foal, mule, ass, ox, bull, cow, steer, heifer or calf		\$77.00	0	\$77.00	0%

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Sustenance fee for every horse, mare, gelding, colt, filly, foal, mule, ass, ox, bull, cow, steer, heifer or calf		\$13.00	0	\$13.00	0%
Poundage fee for every ram, ewe, wether, lamb or goat		\$51.00	4	\$55.00	8%
Sustenance fee for every ram, ewe, wether, lamb or goat		\$8.00	0	\$8.00	0%
Poundage fee for every boar, sow or pig		\$51.00	4	\$55.00	8%
Sustenance fee for every boar, sow or pig		\$13.00	0	\$13.00	0%
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	0	\$26.00	0%
For inserting any notice in one or more newspapers		\$41.00	0	\$41.00	0%
Charge for leading, driving or conveying stock:					
Actual cost incurred, with a minimum charge of		\$77.00	3	\$80.00	4%

Library Charges	(GST inclusive)				
Service	Rental Charge				
Hot Picks	3 week loan	\$2.00	0	\$2.00	0%
Inter-loans		\$10.00	0	\$10.00	0%
Photocopying & Printing	A4 black	\$0.10	0	\$0.10	0%
	A4 colour	\$1.00	0	\$1.00	0%
	A3 black	\$0.20	0	\$0.20	0%
	A3 colour	\$2.00	0	\$2.00	0%
Fax - New Zealand	first page	\$2.00	0	\$2.00	0%
	each additional page	\$1.00	0	\$1.00	0%
Fax - International	first page	\$3.10	0	\$3.10	0%
	each additional page	\$1.00	0	\$1.00	0%
Scan and email		\$1.00	0	\$1.00	0%
Laminating	A4	\$1.50	0	\$1.50	0%
	A3	\$3.00	0	\$3.00	0%
Service	Late Returns				
Hot Picks	per day	\$1.00	0	\$1.00	0%
Books lost or not returned		Replacement cost		Replacement cost	

Cemetery Charges	(GST inclusive)				
Plot Fees					
Lawn Cemetery Plots					
Child no more than 12 mths old		\$192.00	3	\$195.00	2%
Child more than 12 mths but less than 10 yrs		\$362.00	5	\$367.00	1%
All others		\$1,126.00	17	\$1,143.00	2%
Cremations Plots - Berms		\$276.00	4	\$280.00	1%
Interment Fees					

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Lawn Cemetery					
Child no more than 12 mths		\$189.00	3	\$192.00	2%
Child more than 12 mths but less than 10 yrs		\$588.00	9	\$597.00	2%
All others - Urban cemeteries		\$1,175.00	18	\$1,193.00	2%
- Rural cemeteries		\$1,431.00	21	\$1,452.00	1%
Cremations Plots- Berms		\$383.00	6	\$389.00	2%
Other Charges					
Out of District fee- Interment		\$920.00	14	\$934.00	2%
Out of District fee- Cremation		\$383.00	6	\$389.00	2%
Breaking/Removing stone work, concrete		Actual costs			
Interments on Saturday, Sunday & Statutory holidays (this fee is additional to regulation charges)		\$491.00 or actual cost whichever is greater	3	\$498.00 or actual cost whichever is greater	1%
Interments requiring attendance outside core working hours of normal working week (i.e. 0730 - 1630 hours). These charges are additional to regulation fees		Actual costs plus admin fee			
Disinterment		Actual costs			
Availability of sand for hand filling adult plots		\$368.00	6	\$374.00	2%
Availability of soil for hand filling adult plots		\$460.00	7	\$467.00	2%
Purchase of third plot (special conditions apply)		\$1,840.00	28	\$1,868.00	2%
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			

Concession Fees	(GST inclusive)				
Airport Events					
Airport event requiring closure of airfield	per event (e.g. Wings Over Wairarapa)	\$7,500.00	0	\$7,500.00	0%
Airport event restricting airfield use	per event (e.g. TVA airshow)	\$750.00	0	\$750.00	0%
Airport events allowing normal use of airfield	per event	\$250.00	0	\$250.00	0%
Bonds					
Commercial & non-commercial	Dependent on level of impact and displacement to other users as assessed by Council of its agents	\$200 to \$2,000		\$200 to \$2,000	

		2020/21 Fee	Proposed Change (\$)	2021/22 Fee	% change
Concession for use of area/ space reservation in Reserve* (Mobile traders/ Hawkers/ Vendors/ Amusements)	application fee	\$50.00	0	\$50.00	0%
	plus per day or part thereof for up to 10sqm area	\$20.00	0	\$20.00	0%
* 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	0	\$250.00	0%

STEPPING UP FOR OUR MOKOPUNA

LONG-TERM PLAN 2021-31: CONSULTATION DOCUMENT

Tell us what you think about our plans to build a better Masterton:

- funding for a new civic facility
- revamping Masterton
- more housing for seniors.



CONTENTS

NGĀ IHIRANGI

<i>Be mindful of our past... Mahara onamata.....</i>	4
<i>As we move Masterton into the future Kia aro a Whakaoriori ki mua</i>	6
Message from the Mayor and Chief Executive	7
<i>Masterton’s future Te anamata o Whakaoriori</i>	8
<i>The Big Decisions Ngā whakatau nunui.....</i>	10
Funding for a new civic facility	10
Masterton revamp	14
More housing for seniors	21
<i>Responding to key challenges Mau ai te mānuka</i>	24
Climate change.....	24
Water resilience	24
COVID-19 recovery.....	25
<i>What else have we got planned? He aha ake ngā whakaritenga?.....</i>	26
For the next 10 years.....	26
For the next 30 years	31
<i>What about the dollars? Me pēhea te utu?.....</i>	32
What will it cost?	32
What else has changed?.....	34
Fees and charges	35
What does it mean for you?	36
<i>What else is on our radar? He aha ake kei tua?</i>	38
The future of rural halls	38
Revenue and Finance Policy review.....	39
Wairarapa Combined District Plan review	39
Three Waters reform.....	40
<i>Have your say on these proposals too! Me huri ōu whakaaro, ōu kōrero hoki ki ēnei kaupapa kua taka nei!..</i>	41
Wellington Regional Growth Framework	41
Significance and Engagement Policy	41
<i>Tell us what you think! Kōrero mai!.....</i>	42

BE MINDFUL OF OUR PAST... MAHARA ONAMATA...

SOME KEY ACHEIVEMENTS OVER THE PAST 10 YEARS



HOOD AERODROME
DEVELOPMENT PLANS AND
EXTERNAL FUNDING



UPGRADE OF MAWLEY PARK



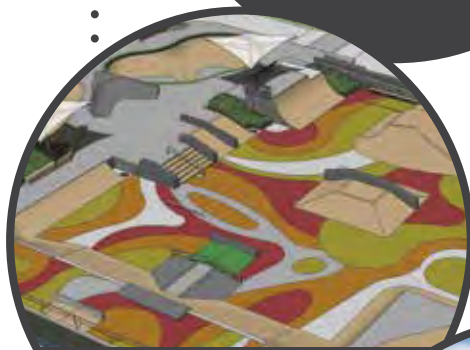
MAYORAL DECLARATION ON
CLIMATE CHANGE



QE PARK IMPROVEMENTS



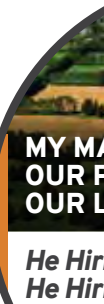
APPOINTMENT OF IWI
REPRESENTATIVES



SKATEPARK PLANS AND
EXTERNAL FUNDING



SMART LIBRARIES LAUNCHED



MY MA
OUR P
OUR L

He Hir
He Hir



HOMEBUSH SEWERAGE
TREATMENT PLANT



NEW PLAYGROUND AT
MCJORROW PARK



LANSDOWNE SH
CENTRE UPG

He Hiringa Tangata, He Hiringa Whenua (Our People, Our Land)

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.

The journey from 2018 to today has been a positive one. 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 consider what path we take next.



AS WE MOVE MASTERTON INTO THE FUTURE

KIA ARO A WHAKAORIORI KI MUA



Photo supplied by Rangitāne Tū Mai Rā Trust

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 rocked the 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'.

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

This year we're calling our plan 'Stepping Up'.

That's because we believe it is time for us all to step up and invest in the future for our mokopuna. Our plan is about boldly moving Masterton/Whakaoriori forward and creating a place that our children, and their children, can be proud of for years to come.

While we are continuing our decades of investment in water, wastewater, and roading, we also have some big opportunities in front of us right now - once in a lifetime opportunities - to really make a difference and create something special for our future generations.

As you think about the big decisions in this plan and how we will pay for them, we encourage you to look way beyond the next few years. Think about what you want Masterton to be like for your children or grandchildren. What will they value when they're your age? Think about the legacy you want to leave future generations.

What we do now will have an impact on our town, our district, and our community for years to come. We can be bold and invest in creating a place that we can all be proud to call home, and that will meet future needs. Or we can choose to do less.

We're stepping up to look after our kids and their future. We're building our place in a way that will really enable Masterton/Whakaoriori to 'fly'. That is how we have framed our plan.

Whether you agree or disagree, or have different suggestions, we want to hear from you.

Now is the time for you to step up, make your submission, and tell us what you think the future should look like for our kids and Masterton/Whakaoriori.



Lyn Patterson,
Mayor



Kath Ross,
Chief Executive



MASTERTON'S FUTURE

TE ANAMATA O WHAKAORIORI

The developments we have planned for Masterton will change our town in a way that hasn't been seen since the 1950s.

WE ARE BUILDING A NEW FUTURE

When we consider the options and opportunities laid out in this 10-year plan, we need to focus on the big picture, not just the next five years. These are long-term decisions - and opportunities - that will shape our community and have long-term consequences for our children.

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

We want 'the best' for all 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.

To achieve that, we need to be future-focussed. Borrowing a phrase that resonated with us all last year, we need to "go hard and go early" - or in our case, go now! That means creating jobs and employment for our current generation and creating something special for those coming later.

Or we can wait and see.

But the longer we wait, the more likely it is that our kids will miss out. Our options will diminish as the cost of these projects escalates over time.

And the longer we wait, the longer we go without. These assets will offer our community more employment now, and better places and spaces in the future - spaces where our community can connect, grow stronger, and thrive.

If we wait too long, we will have to live with the reality of a tired town centre, entrances that don't reflect us or promote our district, and senior members of our community who don't have homes, or are stuck in bigger homes that our whanau and children could use. We'll still have a library that is limited in what it can offer our community and an archive that can no longer store and protect our history.

WHAT FUTURE WILL YOU CHOOSE?

WORRIED ABOUT THE COST?

We know that every opportunity comes with a cost, and we have taken those costs seriously. We know our community is concerned about affordability and that you want to 'keep it real'.

We are looking to combine some projects, like the civic facility and library, that will give us a bigger bang for our buck and enable us to tackle more than one challenge through a single project.

We are planning to use loans to fund projects that have a long-term benefit for our community, spreading the cost over time, up to 50 years for the civic facility.

We are also committed to actively pursuing external funding opportunities wherever we can, to reduce the cost for our community. In the past year we have been successful in securing funding for the Hood Aerodrome development, and our skatepark revamp. We are confident that we can attract additional funding through central government or other partnerships. To explore that funding, these projects need to be in our plan now.

WHAT ARE THE BIG DECISIONS?

We want your opinion on three key projects, and our plan to pay for them, so we can confirm our plan for 2021-31:

1. Funding for the civic facility – investing in a shared, multi-purpose facility

This project will bring our civic facility, library and some front-counter customer services functions together in a new location that aligns with the broader plans for our town. We can wait until we have confirmed external funding to 'push go', or we can get on with it now. See page 10 for details.

2. Masterton revamp

This project is a chance to implement the Town Centre Strategy, we invested almost five years in developing, to create a vibrant heart for our town, and boost its entrances so they are welcoming and reflect who we are. We can do a more extensive revamp, or we can scale it back. See page 14 for details.

3. More housing for seniors

This project will increase public housing for senior members of our community, reducing the number of seniors who face homelessness, while making bigger houses available for our wider community to use. We can build the houses, or we can make the land available so someone else can build these houses. See page 21 for details.

4. Paying for the plan

Our plan takes current and future benefits into consideration. We're planning to borrow the money for these big projects now and spread the repayments over a longer time frame. We will also 'smooth' the impact, knowing our community have had a hard hit in the past year. This will spread the costs over the full life of this plan and beyond, rather than having a bigger impact in any one year. We are also committed to seeking external funding and partnership arrangements wherever we can, to reduce the cost for our community. See page 32.

WHAT DO YOU THINK OF OUR PLANS?

Now is your opportunity to have your say on Council decisions that will impact our community over the next 10 years and beyond.

It's important you have your say on these projects. See the 'Tell us what you think!' section on page 42 for info on how.



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 and effective infrastructure

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

These outcomes reflect the objectives in our Wellbeing and Infrastructure strategies. More information is available on our website.

THE BIG DECISIONS NGĀ WHAKATAU NUNUI

FUNDING THE NEW CIVIC FACILITY

The civic facility project is a once-in-a-lifetime opportunity to create something really special for our future generations - something that will connect our tamariki and mokopuna to their past and support their future.

We want the new civic facility to be fit-for-purpose and future proofed - to be a space that has flexibility for the future so it will be long-lasting. We also want it to reflect our people, our place and our past.

There was enough support from residents last year for the Council to confirm building a new civic facility. We have considered feedback about a new civic facility from our community, including what it should contain, what it could offer for our community, how we can make sure it meets our needs long into the future, and where it would be best located.



We are looking at a site for the facility that embraces the ideas and aspirations our community identified when we developed the Town Centre Strategy in 2018. These include improving links with the Waipoua River, joining things up to create better connections between different parts of our town, and 'greening up' the town centre.

The new civic facility will house a flexible theatre space that seats 500 people and can be used for a variety of performances, events, small conferences, and gatherings. It will have a foyer that can also act as an exhibition space, an information hub that would include some council services, and meeting rooms and kitchen facilities to support the civic facility. These spaces will flow out, connecting with the outdoor surroundings.

Our library is a real community asset but is too small, limiting what we can offer our community. These days modern libraries are known as the 'third space' between home and work, providing a place for community interaction, meeting people or being 'alone together' (doing our own thing in the same space). Libraries should be able to be places of literacy and learning, information, creativity and inspiration, and cultural connections. We haven't got enough space at our community archive either and need to find a permanent home to store our taonga, our treasured possessions.

By including the library and archive, we will create one central community place that will bring together Masterton's history, with cultural, recreational and learning opportunities. Bringing these things together will solve a number of challenges in one building.

We will:

- meet the need for a space for our community to connect socially and culturally
- gain an expanded library to deliver on modern technology opportunities
- safely house our users, visitors, and staff without being too crowded
- provide a secure long-term space for our archive.

HOW WILL THIS PROJECT CONTRIBUTE TO WELLBEING?



The civic facility will provide a place for our community to connect, celebrate, and participate in social, cultural, recreational, and learning opportunities.



It will bring together some of our history and culture in one community space.



The build will incorporate 'green design' and complement our natural environment.



It will provide space for local and touring events, and opportunities for employment, contributing to our economy.



It will be built with future needs in mind, providing modern infrastructure that will last.

Building one facility to meet multiple needs will be more affordable than addressing each challenge on its own. We intend to secure contributions from external parties (like central government and trusts) to assist with the cost and are seeking feedback on the level of the contribution that is necessary to make this project affordable.

The new civic facility, along with our town centre upgrade, is part of our vision to create future-proofed spaces and places for our community, while still incorporating our history. This is one of the most important things we will deliver for our community. We want to do it once, do it right, and create something we can all be proud of.



Artistic impression - indicative only

OUR TWO OPTIONS

The Council will build a civic facility that includes a space for performances, functions and meetings, the library and archive, an information hub that would include some front-counter services, and a foyer area that can act as an exhibition space.

This will improve the level of service for our community, offering a new place for our community to come together, more library space, better storage for our history, and new places for performances and art.

The civic facility will be located on a new site that allows us to build a facility that will remain fit-for-purpose for many years and aligns with our Town Centre Strategy.

The estimated cost of building the new civic facility is \$30.8 million. This incorporates 2,800 square metres of space for the library and archive, and a flexible theatre space seating 500 people that could be used for performances/meetings/functions/exhibitions.

We have estimated additional annual net operating costs at \$1.3 million by Year 5 (2025/26). We will include our front-counter services in this facility so we can consolidate our staffing in two key sites.

OUR PREFERRED OPTION (WHAT WE HAVE BASED OUR PLAN ON)

Build the facility soon with some external funding

Construction would start in 2022/23 and the facility would be completed in 2024/25.

We plan to take out a 50-year loan to fund most of the project (\$26.8 million) and have anticipated a contribution of \$4 million of external funding. By 2025/26, the additional \$1.3 million needed each year translates to \$101 in rates for the average urban residential property (the result of rates increases over five years).

This option will mean we won't 'push go' until we have confirmed external funding of \$4 million. We think we could raise \$4 million by 2022/23. If it takes longer, the project could be delayed and our community would have to wait longer for the improved level of service this project will offer.

Project completed	Total Council spend	Rates per property per year
Civic facility including the library and archive 2024/25	\$26.8 million (loan)	\$101 (from 2025/26)
Operating costs from 2025/26	\$ 1.3 million	

ALTERNATIVE OPTION

Build the facility without external funding

The Council builds the civic facility without reliance on external funding contributions. The timeframe for delivery would still be approximately 2022/23, given the time required to undertake the work needed to prepare to build – e.g. refining designs and seeking consents. With this option we would get on with delivering the project to improve service levels without risking any potential delays that could come with committing to fundraise \$4 million.

Taking this option would mean we borrow the full \$30.8 million over 50 years. This would increase the annual additional cost to \$1.44 million by Year 5 (2025/26) which would equate to \$111 in rates for the average urban residential property (the result of rates increases over five years).

Project completed	Total Council spend	Rates per property per year
Civic facility including the library and archive 2024/25	\$30.8 million (loan)	\$111 (from 2025/26)
Operating costs from 2025/26	\$ 1.3 million	



Check out our questions and answers, and more information about our plans for the civic facility on our website: www.mstn.govt.nz

MASTERTON REVAMP

Our town centre is the heart of Masterton. It's a place where our community connects, whether that's bumping into old friends, hanging out with mates after school, or sharing kai or a coffee. It's also where many of us work, do business, and shop.

Our Town Centre Strategy, adopted by the Council in 2018, recognised the community's desire for our town centre to be a vibrant space, to be greener, and have better connections with the Waipoua river and with other key places like Queen Elizabeth Park. People asked for spaces that reflected our people with local art and our culture on display. Our tamariki wanted space where they could play, be active and have fun. All of these things are part of what we will deliver as we implement the strategy.

The developments we have planned for Masterton will change our town in a way that hasn't been seen since the 1950s. Over the next 10 years, we are planning to complete key projects in the Town Centre Strategy. That includes revamping all three sections of Queen Street and Charlie's Lane, as well as bringing the 'park' (more green space) into Park and Bruce Streets, and developing Dixon Street and the Waipoua River precinct. This will create an exciting and lively hub for our community that includes places for markets and outdoor events. Our town centre will be a space that we can all be proud of, and a place that our community will love to spend time in for years to come.

We also plan to improve the entrances to Masterton. These entrances create a first impression for visitors and greet our whānau when they return home. We want our 'welcome' to be inviting, and to reflect 'us' by promoting what we love about our district.





Much of this work involves roading, cycleways, and pavements, and some of it will qualify for the government roading subsidy, through Waka Kotahi (the New Zealand Transport Agency, or NZTA). We have timed the different stages of the project with NZTA funding rounds. If this funding is not secured for any reason, we will consider scaling back the project or delivering the project over a longer timeframe.

We have also planned work to occur when maintenance is scheduled, to be more efficient and reduce disruption. We are also future proofing development with sustainable environmental design that will address climate impacts, water resilience, promote walking and cycling, and improve safety. Some of this may be eligible for government funding in the future.

The Council and our community invested substantial time and money in developing the Town Centre Strategy, and designing the first stages of work, including lower Queen Street. If we don't proceed with implementing the strategy, there would be no benefit from our investment. Scheduled maintenance work in these areas would still need to be completed and work may have to be re-done when we eventually upgrade these areas in the future.

The Masterton revamp, and our welcome entrances, are key parts of our vision to make Masterton a modern town. We want our district to be a vibrant and welcoming place, from the entrances of Masterton to its very heart.



HOW WILL THIS PROJECT CONTRIBUTE TO WELLBEING?



Creating a vibrant heart in the centre of our town that will provide spaces for our community to connect and spend time together.



Our entrances and our town centre will reflect our local culture and heritage, and our local people, promoting what we are most proud of.



'Greening it up' will improve the look and feel of our town and enable it to better reflect, connect with, and promote our surrounding natural heritage.



A vibrant centre will encourage people to spend more time in our town centre, and to shop locally.



Our hard infrastructure, like roads, footpaths, and pipes, will also be upgraded and improved.

OUR PREFERRED OPTION (WHAT WE HAVE BASED OUR PLAN ON)

Full Masterton revamp over 10 years

The Council will revamp Masterton over the next 10 years, implementing the Town Centre Strategy that was adopted in 2018.

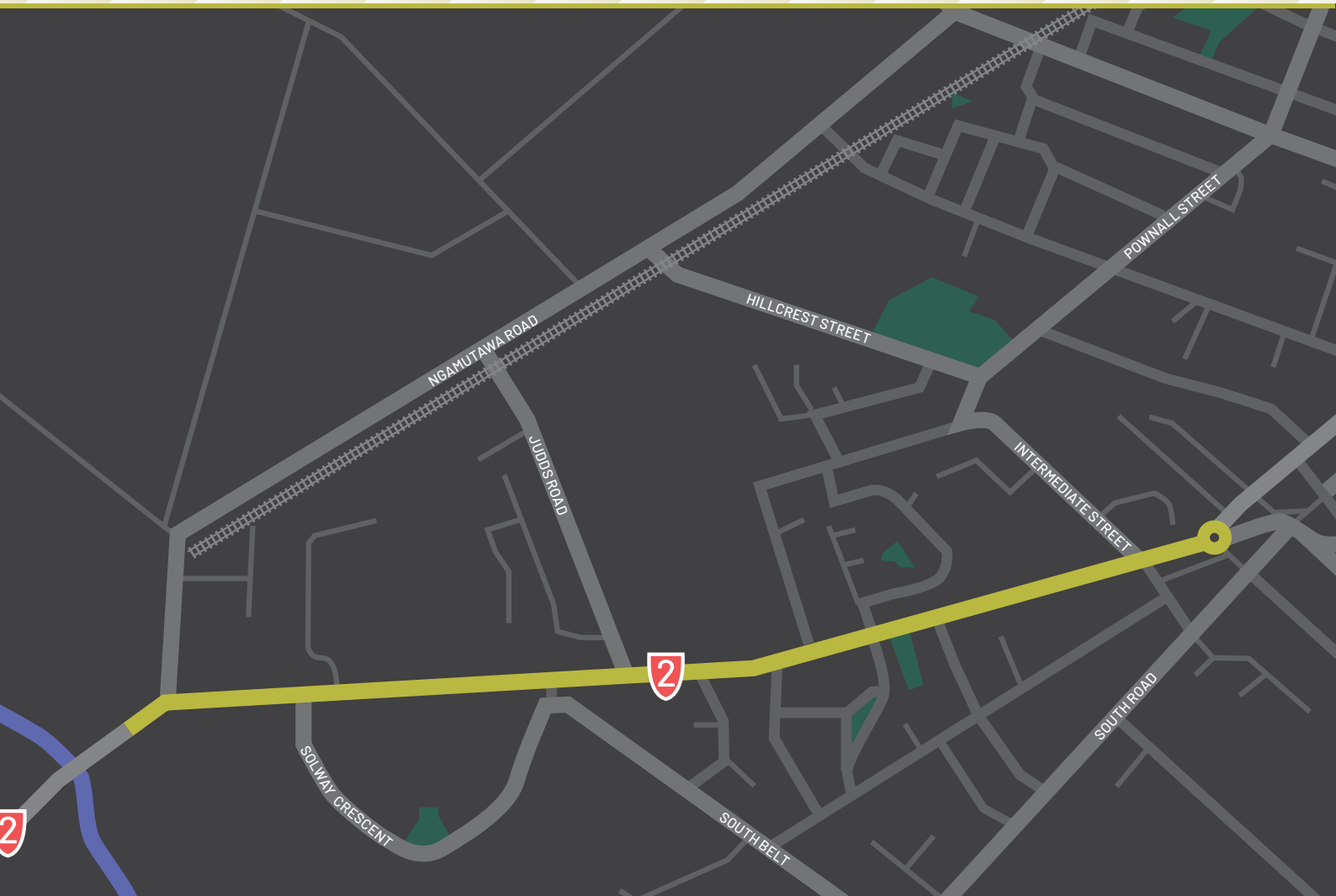
The estimated cost of the Masterton revamp is \$35.4 million over the 10 years of this plan.

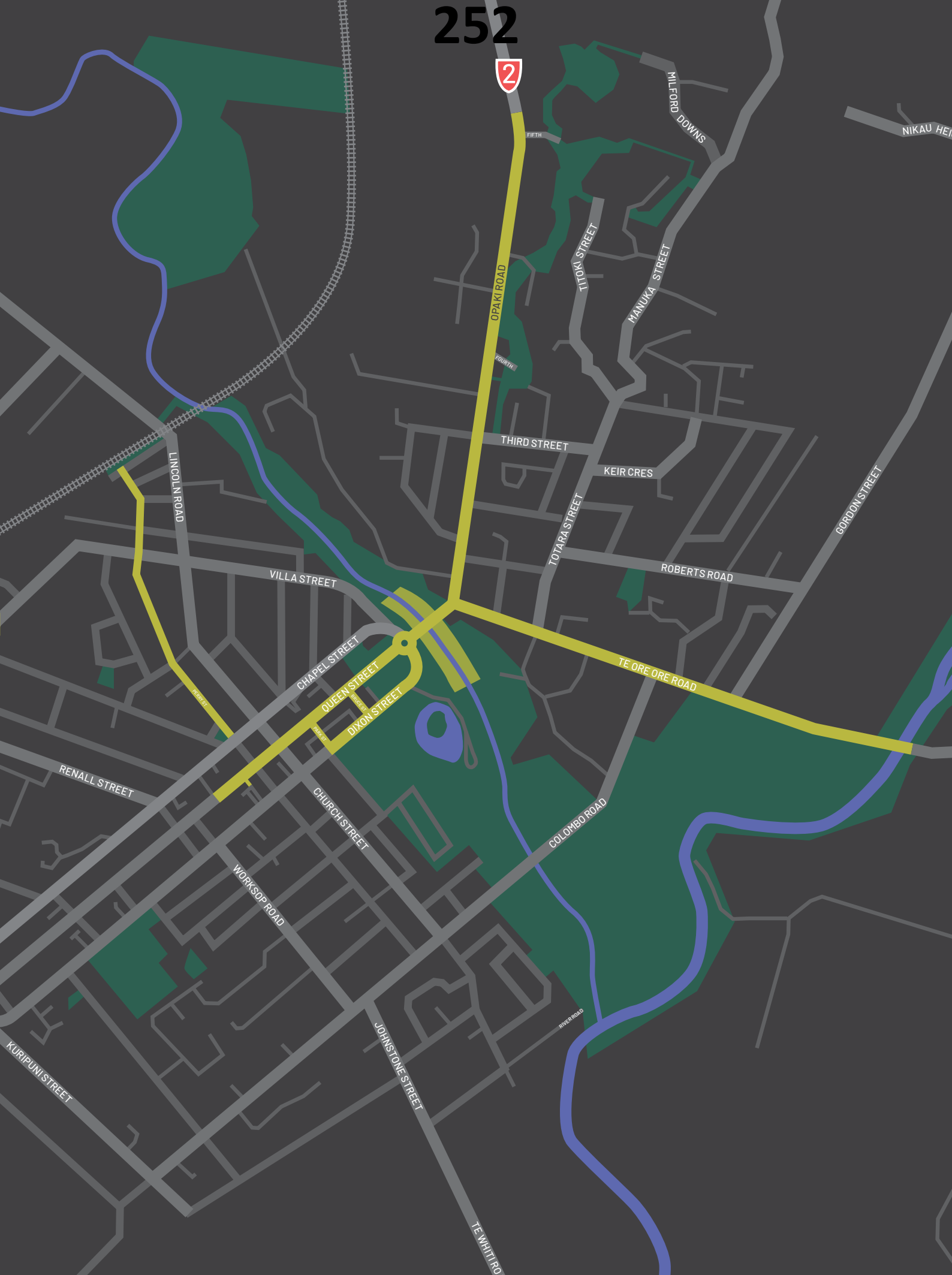
The budget covers key projects in the Town Centre Strategy, starting with lower Queen Street in 2021, and all four 'Welcome to Masterton' entrances (north, south, east and west). This will improve the level of service for our community by offering an enhanced town centre space.

Loan funding of \$27.3 million is needed, along with the government's roading subsidy on some components, and depreciation reserves where we are renewing our assets. (Depreciation reserves are built up by putting aside money each year to pay to replace an asset when it reaches the end of its operational life.) There will be progressive rates increases totalling 5.2 per cent over the 10 years. The additional rates required is forecast to be \$2.3 million by Year 10, converting to \$214 more in rates per year for the average urban residential property by 2030/31.

There may be opportunities to attract further government funding to offset some of these costs but at this stage we cannot guarantee it.

Project completed	Total Council spend	Rates per property per year
Full Masterton Revamp by 2030/31	\$27.3 million (loan)	\$214 (by 2030/31)





ALTERNATIVE OPTION

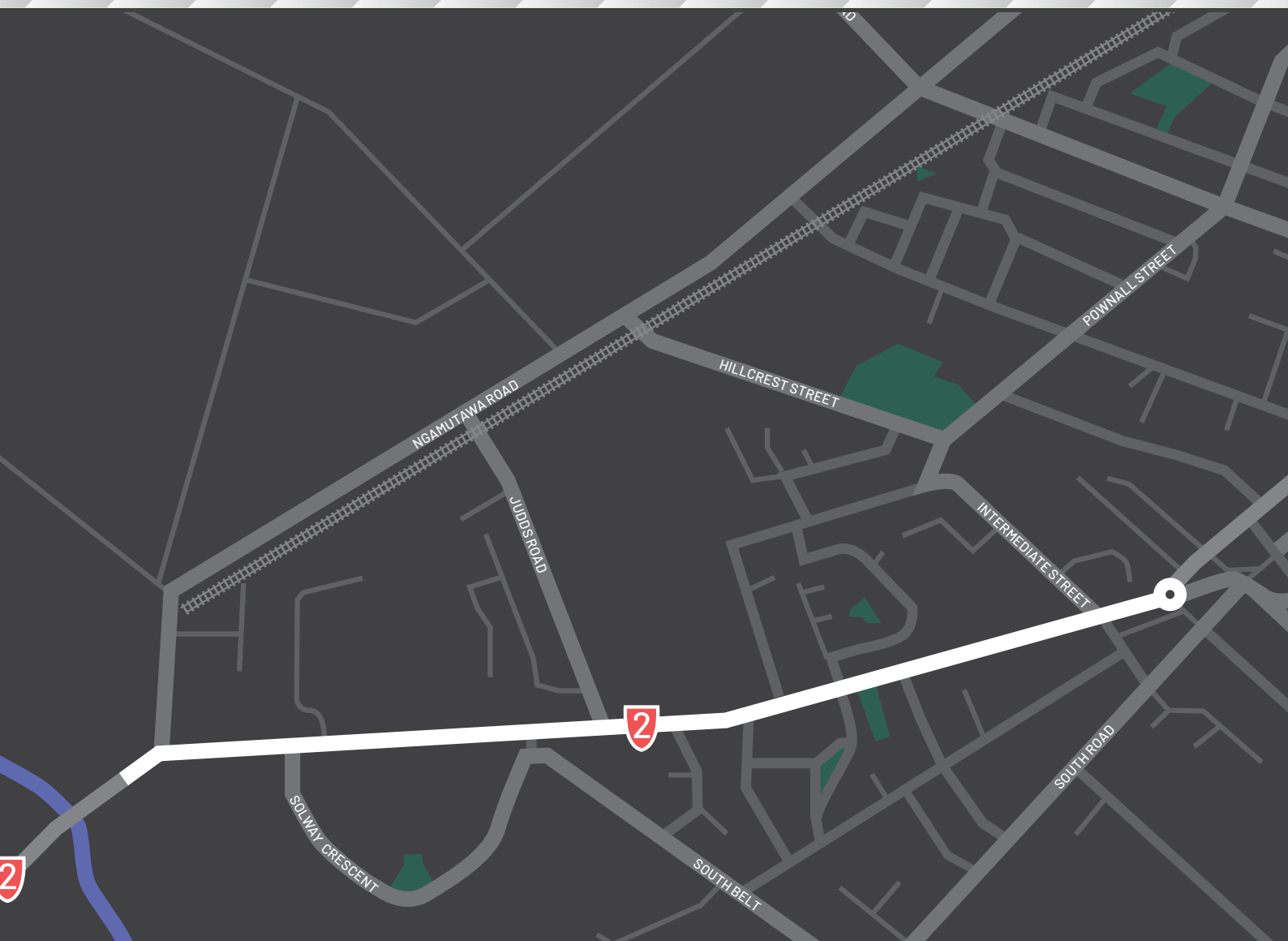
Partial revamp over 10 years

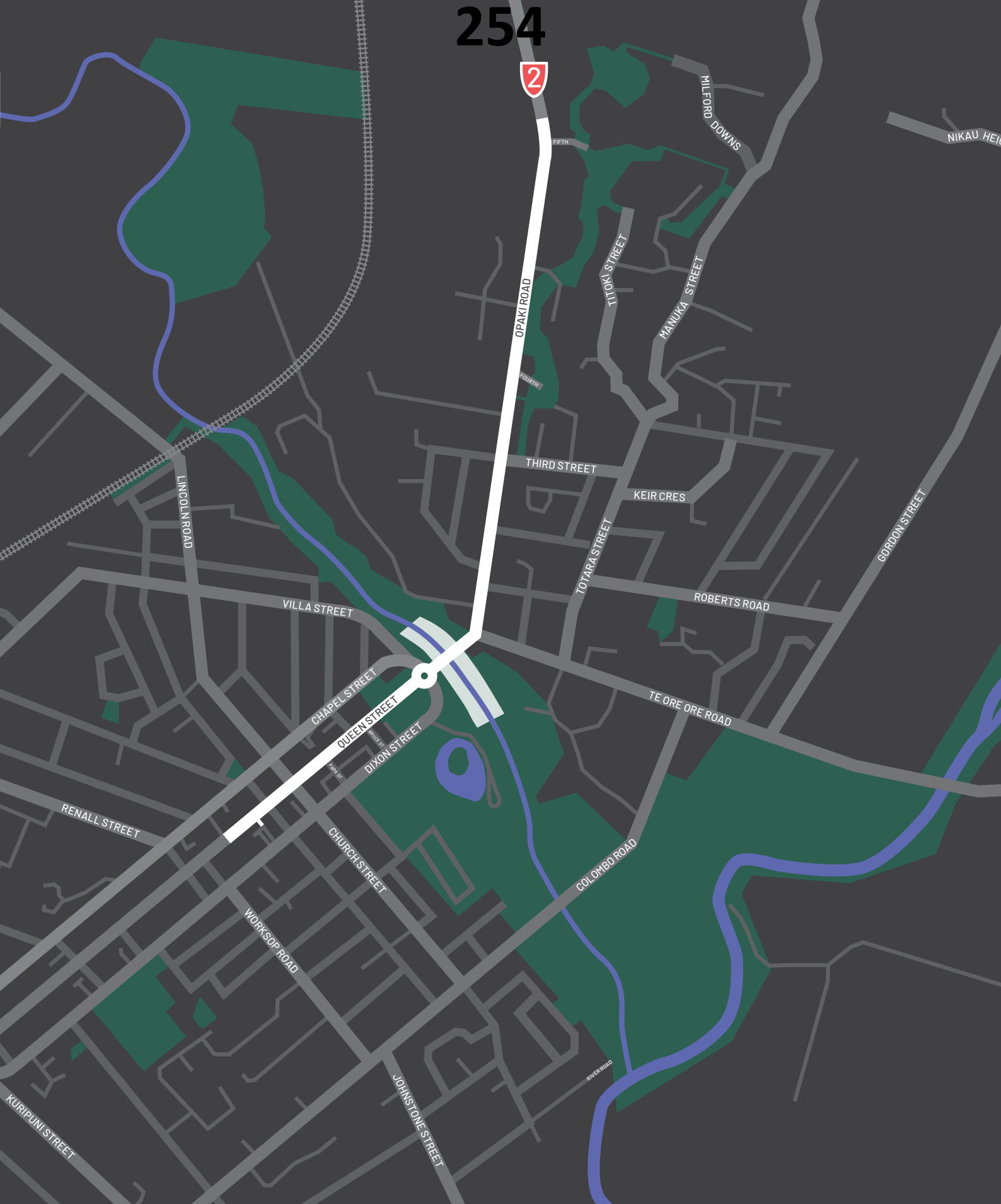
The Council scales back the project, completing all of Queen Street, Charlie’s Lane, the Waipoua River precinct, and our north and south entrances only. Work on Dixon, Park and Bruce Streets would not take place. The east and west entrances to Masterton would not be improved in this plan. This option still improves the level of service for our community by enhancing some areas and entrances of our town centre, but to a lesser extent than our preferred option.

The estimated cost of a partial revamp is \$22.4 million over the 10 years of this plan. With loan funding of \$14.6 million alongside the government’s roading subsidy and depreciation reserves, the additional annual cost to our ratepayers by 2030/31 is expected to be to \$1.3 million. Progressive rates increases over the 10 years will total three per cent, which equates to \$120 more in rates per year for the average urban residential property by 2030/31.

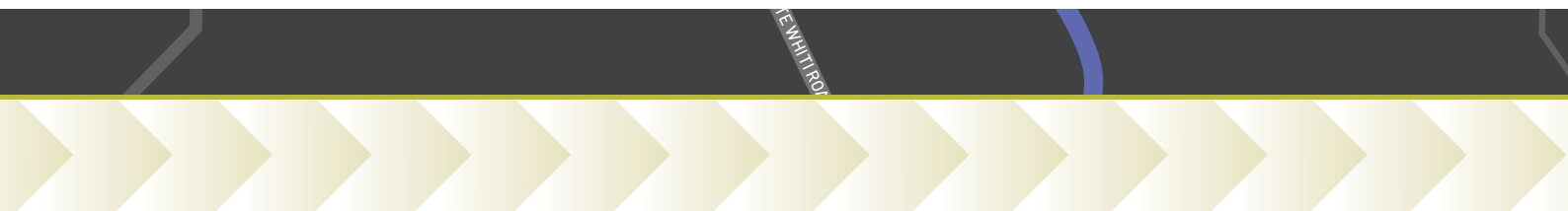
There may be opportunities to attract further government funding to off-set some of these costs but at this stage we cannot guarantee it.

Project completed	Total Council spend	Rates per property per year
Partial Masterton Revamp by 2030/31	\$14.6 million (loan)	\$120 (by 2030/31)





For more information on our Town Centre Strategy or to check out our questions and answers, and information about our plans for the Masterton revamp visit our website: www.mstn.govt.nz





MORE HOUSING FOR SENIORS

A strong community looks after its most vulnerable members, and we want to develop more affordable homes for senior members of our community who are struggling to access appropriate housing.

Currently, the Council's 44 senior housing units at Panama Village occupy about one-third of the available land area, leaving four hectares available for more housing. The Panama land was originally gifted to the community, and under current rules can only be used to accommodate older people or those in need.

A priority in the Council's Wellbeing Strategy, *He Hiringa Tangata, He Hiringa Whenua*, is to advocate for better housing opportunities for all our residents. The government's recent decision on locations for greater public housing investment did not include Masterton, but at a local level we recognise the urgent need for more housing in our district

The Council currently supports senior housing through owning and managing 78 senior housing units in four locations. We are also fortunate to have a range of supportive community providers and organisations in our district, including community trusts, providing public housing.



However, both the Council and the community trusts have waiting lists of people in need of accommodation.

Subsidised rent for public housing is available from the government when a registered Community Housing Provider (CHP) or Kāinga Ora (the government agency that acts as landlord for state housing) manages the public housing stock. This subsidy gives our more vulnerable people the ability to live independently in a safe and healthy home, while receiving a contribution towards their rent. The rate of the subsidy is 25 per cent of a person's income.

Normally, our senior tenants do not come from the Public Housing Register and councils (and therefore our elderly or needy residents) are not eligible for subsidised rent or the additional operational grants available under the government's schemes for new housing. The only way we can take advantage of the subsidy would be if we leased our housing to a Community Housing Provider (or if they operated it for us).

Our current rental criteria for pensioner housing requires residents to be aged 60 or older, receiving a permanent benefit, and having assets of less than \$25,000 (single) or \$35,000 (couple). We have made exceptions based on need and current occupancy rates.

Building more senior housing would be part of a wider strategic approach to housing issues in our district.

OUR PREFERRED OPTION (WHAT WE HAVE BASED OUR PLAN ON)

We build 25 pensioner units

The Council funds and builds 25 units (15 x 1-bedroom units and 10 x 2-bedroom units) on the vacant land at Panama Village and partners with a Community Housing Provider to manage the housing so that tenants can access government-subsidised rent, making it affordable housing. This option improves the level of service for our community by making 25 more houses available.

The estimated cost of building the 25 units with the required infrastructure (including water and wastewater pipes, roading and paving, stormwater, power, landscaping) is \$7.5 million. We have estimated an annual income of \$351,000, which accounts for market rent (the government subsidises the eligible tenants) less the cost for the services of the Community Housing Provider to manage the units.

The Council will fund the capital costs of the project through borrowing. There will be an estimated additional net cost to our ratepayers of \$143,000 per year, which equates to rates of \$11 per year from 2023 for the average urban residential property.



HOW WILL THIS PROJECT CONTRIBUTE TO WELLBEING?



This will help to meet housing needs for senior members of our community. Housing underpins many other wellbeing outcomes, including physical and mental health.



Green design features will be incorporated in our new units.



We will add modern housing infrastructure to our housing portfolio.

Project completed

Total Council spend

Rates per property per year

25 pensioner houses built by 2023

\$7.5 million (loan)

\$11 (from 2023)

ALTERNATIVE OPTION

We offer land and someone else builds more public housing

The Council investigates a means of making the vacant land at Panama Village available for other providers to fund and build more public housing. This option would improve the level of service to our community by making 25 more houses available.

With another provider building units on council land no borrowing is required, and there is no cost to ratepayers. Tenants and providers can potentially access government funding (both for the build work and for ongoing costs).

Project completed	Total Council spend	Rates per property per year
Land is made available for more public housing	No cost	No cost



Check out our questions and answers, and more information about our plans for housing for seniors on our website: www.mstn.govt.nz



RESPONDING TO KEY CHALLENGES MAU AI TE MĀNUKA

CLIMATE CHANGE

Climate change is one of the biggest challenges facing this and future generations. 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 Climate Change Action Plan was recently approved by the Council, setting out a range of actions and targets to decrease the Council’s carbon footprint.
- We are establishing 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 you have suggested, like water storage tanks, as well as how we look after our environment.

WATER RESILIENCE - HAVING ENOUGH WATER

We know having enough water to meet our basic needs is important to our community. We have received a lot of feedback that supports the 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 been jointly developing 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.
- Leak detection is underway with associated water renewals.
- Water meters are being installed and charging will be introduced from Year 2 of the LTP (2022/23).
- Through the Wairarapa Combined District Plan review, we will also be exploring options and tools to support water conservation and resilience.

The Wairarapa Water Project team is exploring resource consent options for a proposed community dam project. If the consent is successful, we will complete an assessment of our options and consider how that project could contribute to water resilience and the wellbeing of our community.



WHAT ABOUT WELLBEING?

Climate change has the potential to impact every facet of our lives and everything we do. It is important for our community’s wellbeing that we take action to mitigate its effects, and adapt to ensure we are resilient in the future.



WHAT ABOUT WELLBEING?

Water is essential for our individual health as well as the health of our environment and economy. Water also has specific cultural significance for Māori. It is critical for our community wellbeing.



COVID-19 AND ECONOMIC 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, 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.



WHAT ABOUT WELLBEING?

The economic consequences of COVID-19 have impacted many in our community – some much harder than others. It is important for the wellbeing of our community that we make sure we ALL benefit from our recovery efforts. We cannot leave anyone behind.

WHAT ELSE HAVE WE GOT PLANNED?

HE AHA AKE NGĀ WHAKARITENGA?

FOR THE NEXT 10 YEARS

Year 1
2021/22

		Year 1 2021/22	
ROADING	Rural road renewals	\$41.3 million	\$3.53m
	Urban road renewals	\$20.2 million	\$1.48m
	Rural and urban minor roading improvements	\$15.5 million	\$1.29m
	Footpath renewals and upgrades	\$6.1 million	\$0.55m
	Urban cycleways	\$532 thousand	\$0.07m
	Colombo Road bridge over the Waipoua	\$2.9 million	\$0.29m
	Gordon Street upgrade	\$420 thousand	\$0.14m
	Millard Avenue urbanisation	\$1.98 million	
	Chamberlain Road upgrade	\$680 thousand	
	Kitchener to Gordon Paper Road development	\$603 thousand	
	Mataikona Road	\$11.2 million	\$0.20m
	THREE WATERS (WATER, STORMWATER AND WASTEWATER)	Wastewater infrastructure renewals	\$14.3 million
Homebush strategy implementation		\$2.7 million	
Increased irrigation at Homebush		\$11.9 million	
Millard Ave wastewater urbanisation		\$817 thousand	
Riversdale wastewater renewals		\$351 thousand	\$0.03m
Castlepoint wastewater renewals		\$196 thousand	\$0.01m
Stormwater renewals		\$3.5 million	\$0.30m
Flood protection		\$825 thousand	\$0.18m
Stormwater treatment		\$2 million	
Urban water storage		\$7.5 million	
Urban water infrastructure renewals		\$22 million	\$1.43m
Wainuioru water supply UV filter		\$680 thousand	\$0.68m





WHAT ABOUT WELLBEING?

In addition to our Big Decisions there are a range of other infrastructure projects we're planning to deliver in this plan – and beyond. Our Infrastructure Strategy looks past the 10 years of this plan, thinking at least 30 years ahead to help us plan to meet the future needs of our community.

Infrastructure includes things like roads and footpaths, water supply networks and wastewater networks. These things are essential for community wellbeing. We want high quality and cost-effective infrastructure that meets the current and future needs of our community.

Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
\$4.08m	\$3.66m	\$3.79m	\$4.19m	\$4.18m	\$4.28m	\$4.72m	\$4.64m	\$4.90m
\$1.66m	\$2.10m	\$1.94m	\$1.99m	\$2.06m	\$2.15m	\$2.21m	\$2.28m	\$2.36m
\$1.56m	\$1.05m	\$1.55m	\$1.59m	\$1.64m	\$1.69m	\$1.73m	\$1.78m	\$1.60m
\$0.55m	\$0.57m	\$0.58m	\$0.60m	\$0.62m	\$0.63m	\$0.65m	\$0.67m	\$0.69m
\$0.07m	\$0.07m	\$0.08m	\$0.08m	\$0.08m	\$0.08m			
\$2.63m								
\$0.14m				\$0.14m				
	\$1.20m	\$0.78m						
		\$0.33m			\$0.35m			
		\$0.13m			\$0.47m			
		\$3.80m	\$7.25m					
\$1.12m	\$1.07m	\$1.77m	\$1.15m	\$1.19m	\$2.09m	\$1.15m	\$2.51m	\$1.23m
							\$0.66m	\$2.06m
	\$0.53m	\$2.76m	\$2.29m			\$6.37m		
\$0.82m								
\$0.03m	\$0.03m	\$0.03m	\$0.03m	\$0.04m	\$0.04m	\$0.04m	\$0.04m	\$0.04m
\$0.01m	\$0.01m	\$0.01m	\$0.01m	\$0.01m	\$0.01m	\$0.01m	\$0.01m	\$0.01m
\$0.31m	\$0.32m	\$0.33m	\$0.34m	\$0.36m	\$0.37m	\$0.38m	\$0.40m	\$0.41m
	\$0.16m	\$0.01m		\$0.44m	\$0.03m			
				\$0.47m	\$0.49m	\$0.51m	\$0.53m	
	\$7.46m							
\$1.64m	\$3.44m	\$3.62m	\$3.75m	\$1.75m	\$2.02m	\$2.55m	\$1.32m	\$1.37m



			Year 1 2021/22	
SOLID WASTE	Landfill capping	\$224 thousand	\$0.02m	
	Nursery Road Transfer Station renewals	\$290 thousand	\$0.20m	
COMMUNITY SPACES AND FACILITIES	Queen Elizabeth Park renewals	\$273 thousand	\$0.05m	
	Kids Own Playground renewals	\$332 thousand		
	New recreation trails	\$549 thousand	\$0.14m	
	New Waipoua cycle and pedestrian bridge	\$312 thousand	\$0.31m	
	Sportsground building renewals and improvements	\$3.87 million	\$0.93m	
	Colin Pugh Sports Bowl track renewal	\$686 thousand	\$0.01m	
	Skatepark revamp	\$1.6 million	\$1.60m	
	Trust House Recreation Centre renewals	\$2.6 million	\$0.20m	
	Senior housing renewals and upgrades	\$1.6 million	\$0.34m	
	Rental property upgrades	\$1.2 million	\$0.76m	
	Hood Airport development	\$14.9 million	\$5.66m	
	REGULATORY	New animal shelter	\$1.5 million	\$1.52m



SOME OF THESE PROJECTS MIGHT NEED A BIT MORE EXPLANATION

Renewals

You'll notice that a lot of these projects are 'renewals'. That means we're doing work to keep the asset in good condition. These projects are really important because they are looking after our existing assets and making sure they remain fit for purpose.

Urban water storage

We're planning to increase the water storage capacity for our urban water supply. Water resilience is one of our key challenges (see Responding to our key challenges on page 24).

Hood Aerodrome development

Last year we were successful with our application for central government funding to develop the aerodrome. 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.

Animal shelter

We're investing in a new animal shelter that will ensure we meet the current code requirements of the Animal Welfare Act.

Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
\$0.02m	\$0.02m	\$0.02m	\$0.02m	\$0.02m	\$0.02m	\$0.02m	\$0.02m	\$0.03m
	\$0.02m		\$0.02m		\$0.02m		\$0.02m	
\$0.05m	\$0.01m	\$0.16m						
		\$0.16m			\$0.17m			
\$0.11m	\$0.02m	\$0.11m	\$0.02m	\$0.12m	\$0.03m			
\$0.56m	\$0.13m	\$1.84m	\$0.11m	\$0.12m	\$0.06m	\$0.07m	\$1.11m	
\$0.01m	\$0.42m	\$0.14m	\$0.11m					
\$0.61m	\$0.46m	\$0.26m	\$0.41m	\$0.42m	\$0.25m			
\$0.25m	\$0.10m	\$0.22m	\$0.12m	\$0.17m	\$0.14m	\$0.16m	\$0.12m	
\$0.05m	\$0.12m	\$0.03m	\$0.06m	\$0.07m	\$0.06m	\$0.03m	\$0.07m	\$0.02m
\$1.60m	\$2.48m	\$3.70m	\$1.48m			\$0.02m		

Trust House Recreation Centre

We need to renew some of the machinery and equipment that runs the pools, and make improvements to the building such as improving energy efficiency to meet environmental targets and improve accessibility for all users. We will also investigate and develop options for 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.

Our sports facilities

We've made a start improving the buildings on our sports grounds, like the cricket grandstand in the park. We are continuing with plans to improve other buildings too, including the Pioneer rugby clubrooms and the Queen Elizabeth Park bowls clubrooms. The surface of the all-weather athletics track at Colin Pugh Sports Bowl requires replacement and we have a five-year plan to renew that.

Our parks

We are continuing work at Queen Elizabeth Park, replacing furniture and doing some landscaping.

Skatepark revamp

Last year we were successful with our application for central government funding to revamp the skatepark. The revamp was designed in partnership with youth and work will be completed in Year 1.

Recreation trails

We are investing in new recreation trails to expand our local networks.

Waipoua cycle and pedestrian bridge

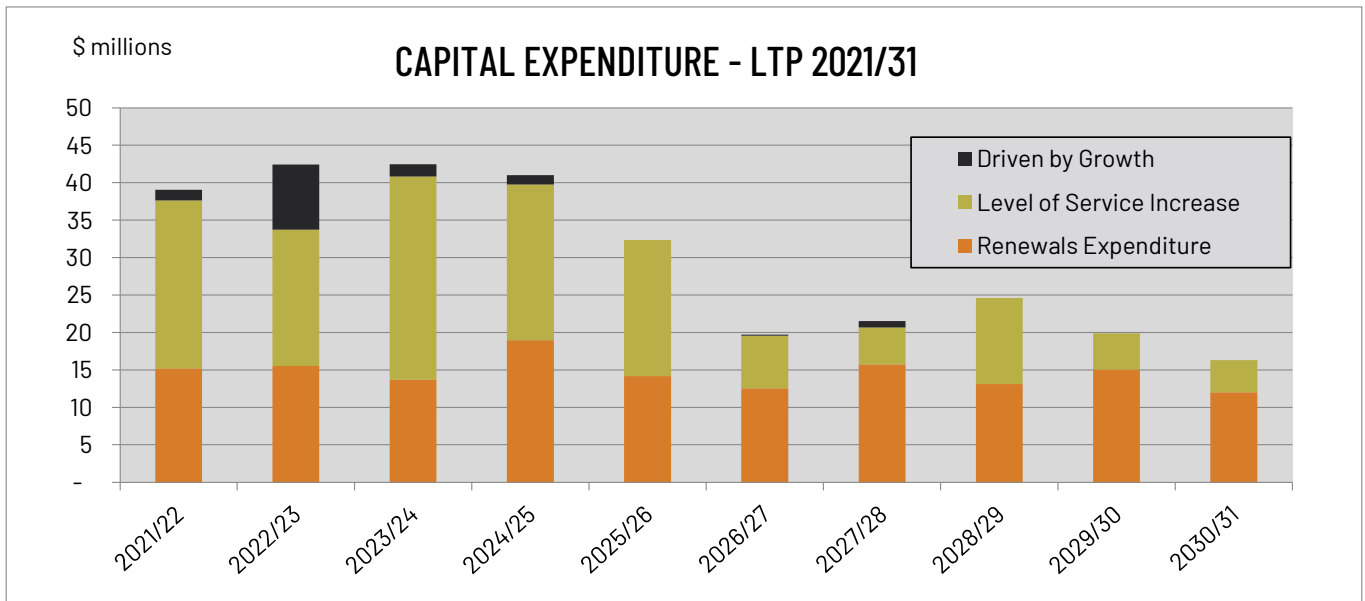
This bridge will connect the recreation trails on each side of the Waipoua River so we can walk or bike a 'river loop'.

Mataikona Road

This road is at risk from coastal erosion and needs investment to ensure it remains useable.



The following graph shows the total capital expenditure programme split between renewal of existing assets, new assets that will provide increased levels of service, and assets that are needed because of growth.



Our asset information tells us that 12 per cent of the value of our water and wastewater assets should be replaced because of their age. Most of our critical assets have been assessed as being in good condition so we plan to only replace assets that are not performing well. The graph above shows our investment over the next 10 years in renewing our assets - it includes \$48 million of water and wastewater renewals (or 18.8 per cent of the replacement cost). The risks involved in renewing the assets on the basis of condition means we might spend more on maintaining the assets or have some failures that will need urgent replacement. We have the funds available to address urgent failures, and have planned the replacement of critical assets that are due for replacement (eg water trunk mains).

The proposed capital programme for the life of this plan is 60 per cent larger than three years ago. The larger capital programme reflects some new projects, many having funding assistance from the government through the shovel-ready funding, the Provincial 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, e.g. the proposed civic facility and Hood Aerodrome upgrading, which require less capacity to deliver on once tenders are secured. 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. Completing the programme over a longer timeframe will add some inflationary cost to the projects. Good planning and clever procurement will minimise this risk.

FOR THE NEXT 30 YEARS

Planning really long-term is important when it comes to looking after our infrastructure and making sure we have the right level of investment at the right time to meet our community's needs in the future.

Things that we take into consideration when we are thinking about our future infrastructure include population growth, the condition of our assets (like how old the pipes are and how long they might last), new technology, the changing legal and regulatory environment, and key challenges like climate change.

Beyond the next 10 years, the single biggest infrastructure investment that we need to make will be extending the Homebush Water Treatment Plant irrigation and upgrading the plant to meet future consent requirements. We expect to invest just over \$10 million in the additional irrigation, and a further \$32 million in the upgrade. This process needs to be underway by 2034.

Over the 30 years from 2021 to 2051, we are planning to invest a total of \$716.19 million in infrastructure.

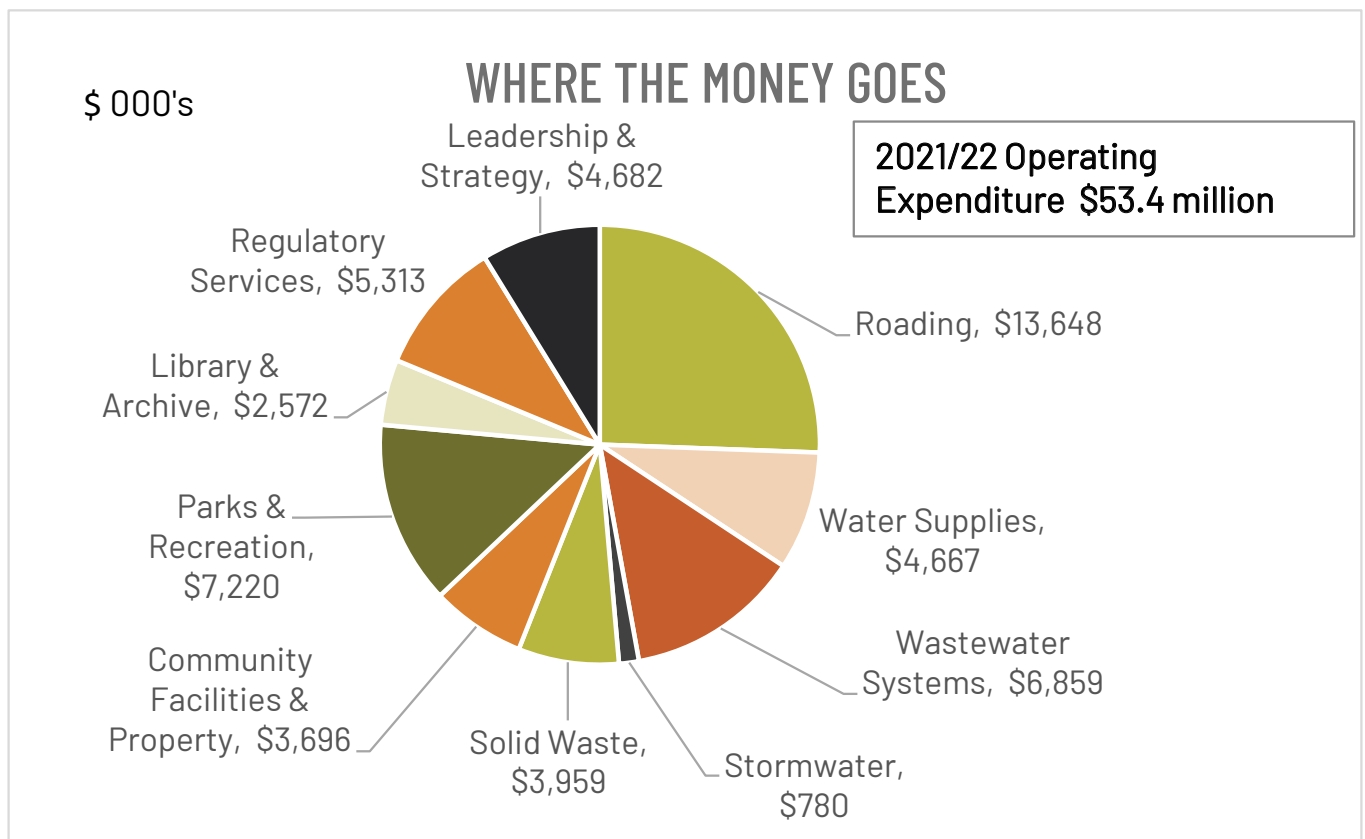


 For more information, see our Infrastructure Strategy and Asset Management Plans on our website: www.mstn.govt.nz

WHAT ABOUT THE DOLLARS? ME PĒHEA TE UTU?

WHAT WILL IT COST?

The expenditure to deliver all our services increases in Year 1, particularly for some of our asset-based services such as roading and community facilities. The diagram below shows how our operating costs in 2021/22 are broken down between our activities.

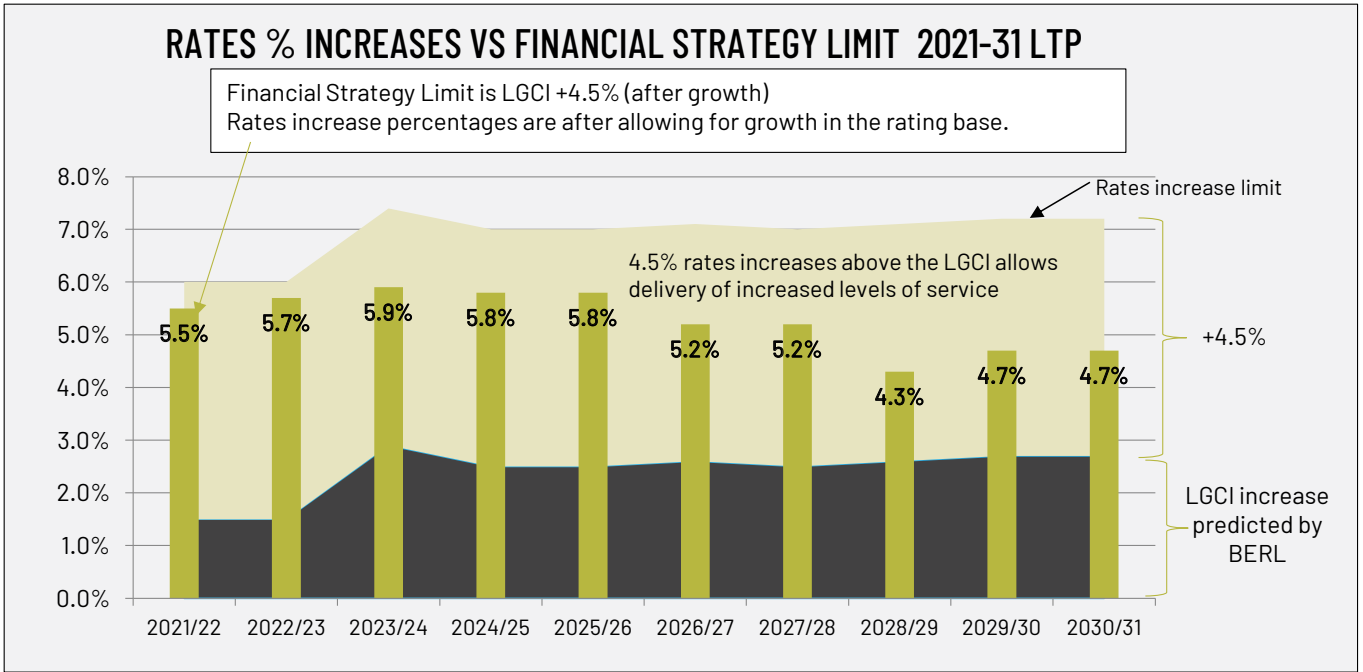


The increased funding we need reflects the full funding required without the COVID-19 relief that the Council provided for in 2020/21 by capping rates at 2 per cent and capping or waiving some fees and charges. The proposed Big Decision projects, the civic facility and Masterton revamp, will contribute to increasing costs from Year 2 onwards.

Our expenditure is funded through a mix of rates, fees and charges, reserves, and subsidies. Wherever possible, we seek external funding to reduce the impact on our community.

We're proposing to cap increases on our rates income across the next 10 years at 4.5 per cent plus the rate of inflation (using the local government cost index to match to our activities).

The Council has smoothed the impact of these increases over the 10 years of the Long-Term Plan. This means that rather than having large rate increases in the first few years, there will be smaller annual rates increases of between 4 per cent and 6 per cent in each year. The smoothing has been achieved by using reserve funds instead of rates, then replacing those reserve funds in the later years.



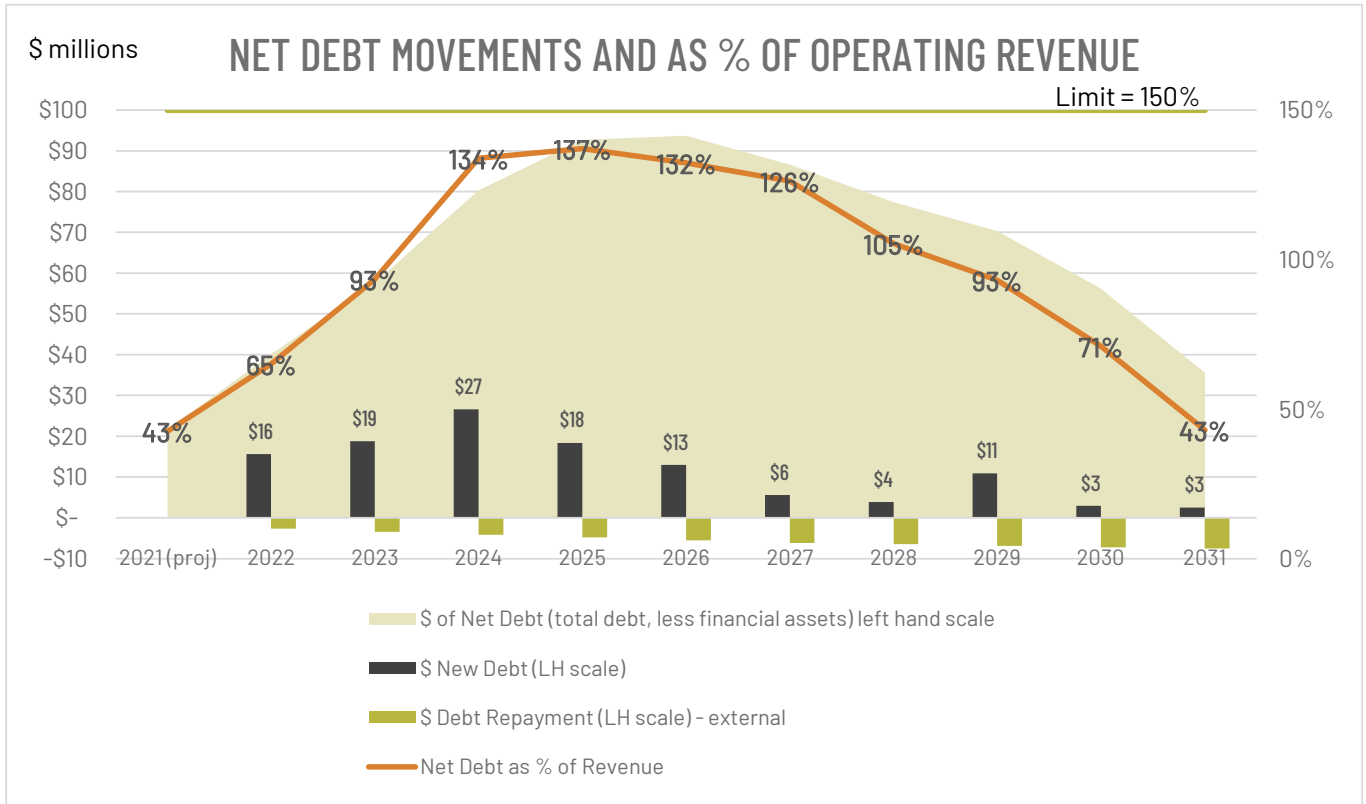
Balanced budget

When setting out its budget, the Council has ensured that the expenditure to deliver services is matched by revenue – this is known as a balanced budget. In each of the 10 years of the LTP, the Council will run a surplus of revenue over expenditure, and will apply that surplus to capital projects and repaying debt. In some years, external funding of capital projects is the reason for much of the surplus.

Our plan for borrowing

All councils set debt limits, which caps total borrowing. The limit is benchmarked by comparing the total debt to our total income. We will hold net debt as a percentage of operating revenue below 150 per cent. The effect of that limit is shown in the graph.





The level of net external debt is projected to increase from \$21.7 million to a maximum of \$93.7 million by Year 5 and then reduces to \$35.6 million.

To build or renew infrastructure is very costly. Infrastructure assets and buildings last a long time and residents over many generations benefit from the services provided by these assets. It's sensible, and prudent, to borrow the money for building and renewing these assets so that the payments are spread over time.

This is also much fairer, as it's not just you and your whanau who benefit from new pipes and buildings. Future residents and businesses significantly benefit from new or improved infrastructure that we put in today. The money being borrowed will be paid back through rates, so ratepayers, current and future, fund a share of the increases in infrastructure expenditure.



For more information see our Financial Strategy on our website: www.mstn.govt.nz

WHAT ELSE HAS CHANGED?

Your property valuation

All properties in the district have been revalued since last year's rates were calculated. The new valuations, assessed by Quotable Value, are based on market values as at 1 September 2020. All sectors (residential, rural, commercial and industrial) have shown an increase in value but the average for each sector is very different (for example, commercial properties increased significantly less than residential) and there is a reasonable variation within each sector.

If all values had increased by the same percentage, everyone would pay the same share of rates as last year. Where a property's valuation increases by less than the average increase, they can expect to pay a smaller share of the total rates. Where a property's valuation increases by more than the average increase, they can expect to pay a bigger share of the total rates.

To understand the impact of the Council's proposed rates increases, combined with the impact of your new property valuation, please use the Council's rating calculator at: www.mstn.govt.nz



FEES AND CHARGES

Fees and charges are targeted at people who choose to use a particular service or make lifestyle decisions, such as owning a dog or having a swimming pool, that the Council is required to oversee or monitor.

We are suggesting some changes to fees and charges from 1 July 2021, including:


- increasing all fees by the rate of inflation.
- increasing some fees by more to better reflect the cost of delivering the service. These fee areas include resource management fees, food premise verification fees, and swimming pool inspection fees.
- increasing dog registration to reflect the cost of building the new animal shelter, and costs that were absorbed last year when we chose not to increase dog registration fees as part of our COVID-19 response.



For a full list of changes, see our Fees and Charges Proposal that is available on our website: www.mstn.govt.nz

WHAT DOES IT MEAN FOR YOU?

How much your rates bill increases depends on where your property is, and its value. For example, rural properties tend to pay more for roading costs, but won't pay for urban water supply and treatment. This year, because our roading budget has increased, rural properties will have a higher percentage rates increase than those in town. Meanwhile, all properties have been revalued and variations in rates will result from the use of the new valuations (see page 32 for details).

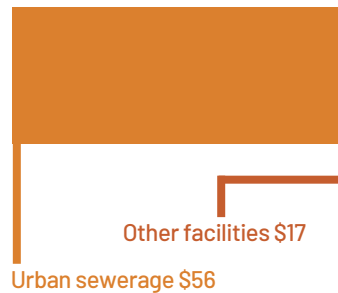
 More information about our financials is available on our website: www.mstn.govt.nz

PROPERTY TYPE

WHAT YOUR RATES

URBAN RESIDENTIAL

Rates up 5% (\$133 a year)
 Extra \$11.08 a month
 Value September 2020
 Land Value \$215,000
 Capital Value \$470,000



BEACH PROPERTY

Rates up 8.3% (\$202 a year)
 Extra \$16.80 a month
 Value September 2020
 Land Value \$440,000
 Capital Value \$700,000



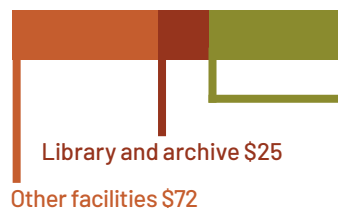
LIFESTYLE BLOCK

Rates up 8.9% (\$157 a year)
 Extra \$13.10 a month
 Value September 2020
 Land Value \$395,000
 Capital Value \$835,000



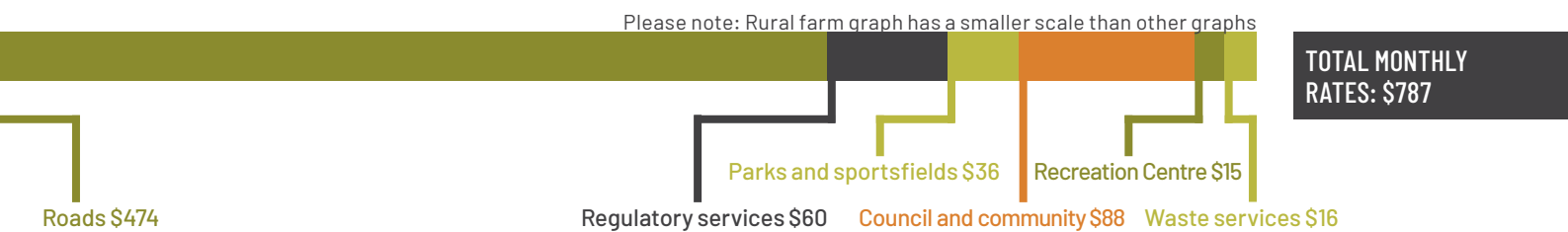
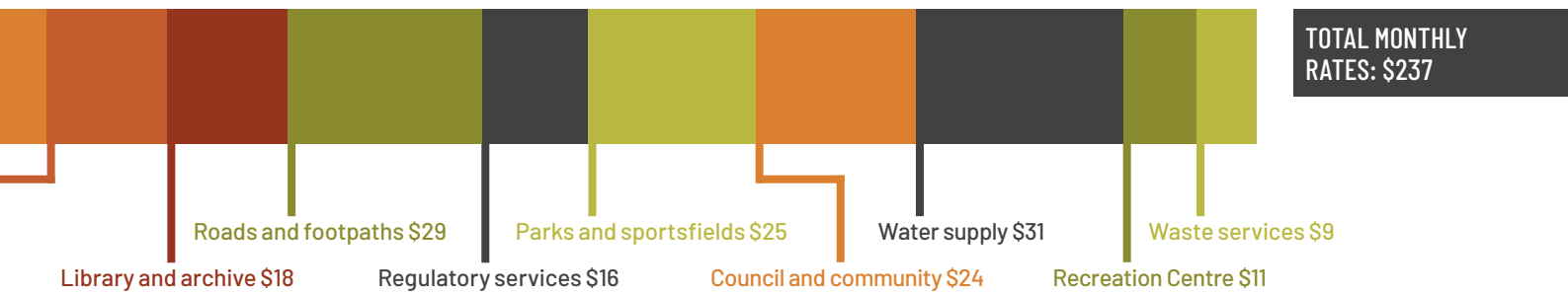
RURAL FARM

Rates up 8.8% (\$767 a year)
 Extra \$63.90 a month
 Value September 2020
 Land Value \$4,060,000
 Capital Value \$4,790,000



Please note: all examples are based on average value or typical properties and exclude movements due to variations from revaluation averages. Rates payable are

PAY FOR (MONTHLY)



rounded to the nearest dollar.

WHAT ELSE IS ON OUR RADAR?

HE AHA AKE KEI TUA?

There are lots of other decisions to be made over the next year that will move Masterton forward and shape the future for our children. We'll be coming back to you later in the year to talk about these issues:

THE FUTURE OF RURAL HALLS

The Council owns seven rural halls throughout our district. The halls are generally in pretty good condition for their age, but not all of them are well used. We're thinking about the best options for their future. We haven't made any decisions yet, and don't have any recommendations, but options that other councils have considered that might be worth us exploring include:

- **Gifting the halls to local community groups** – Success with this has been variable. Some have become vibrant hubs, but in other cases community groups have not had the funds, volunteer base, or expertise needed to maintain the halls
- **Managing the halls in partnership with a local community group, school, or association** – In this arrangement, the Council continues to own the hall and manages core maintenance. The community organisation takes care of the day-to-day management and minor maintenance. We currently have some arrangements like this now, and these halls are well used.
- **Selling the halls** – In other areas, some halls have been sold if they aren't used and no community groups are interested in taking them on.

We're keen to hear what our rural communities think about rural halls and how they use them. We also want to know what they think of the options that other councils have considered, and whether they have any other suggestions. This feedback will help us narrow down some viable options that we can test and explore further. We will then bring these options back to the different hall communities for further discussion.



WHAT ABOUT WELLBEING?

The halls we own date from the 1890s to the 1950s. In the past they have been important community hubs contributing to the wellbeing of our rural communities. However, the way we live and socialise has changed and we don't know if all of these halls still add the value they once did. We want to understand what contributes to the wellbeing of these communities now, and what role our halls have to play in that.





REVENUE AND FINANCE POLICY REVIEW

This policy is about how the Council funds the activities and services that we provide for our community. It outlines things like:

- How much rates funding we allocate for each service, to recognise the value to the community, and how much we collect from user fees and charges.
- How we calculate each rate. For example, is it based on the land or capital value of a property, or do we target expenditure to specific property types like urban, rural or commercial?

We know from your feedback that some of you are keen to see changes to this policy. Our review will start in July 2021 and, once it is completed, we will come back to engage with you on any proposed changes.

WAIRARAPA COMBINED DISTRICT PLAN REVIEW

We have recently started working with Carterton and South Wairarapa District Councils on reviewing the Wairarapa Combined District Plan. The revised plan will be an important tool for supporting water resilience and the climate change response for our community. It will also shape our future by setting rules about how we use our land, how big sections can be, and what trees, natural landscapes and historic buildings we want to protect, as well as how we look after our environment. We will be engaging with you over the coming year as we develop sections of the plan.

We are mindful of the government's planning reforms and will adapt the review to meet the government's requirements.



WHAT ABOUT WELLBEING?

Equity and fairness are important aspects of wellbeing. The policy review will consider how we can structure collecting money to achieve the best outcomes for our community.



WHAT ABOUT WELLBEING?

The District Plan is a key tool for managing our environmental, social and cultural aspirations, alongside growth and economic needs, to achieve the best balance for our community. It is also an important tool for climate change action.

3 WATERS REFORM

Some of you will have heard about the 3 Waters Reform. This 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 3 Waters in May 2021. Once we know what central government is suggesting, we will assess what that means for our community and come back to you before we decide whether to continue to participate in the reform process or opt out.

We expect to be required 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 3 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 you 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: www.dia.govt.nz/Three-Waters-Reform-Programme



WHAT ABOUT WELLBEING?

Water is essential to wellbeing and regardless of the outcome of the 3 Waters Reform, water will continue to be supplied to our community



HAVE YOUR SAY ON THESE PROPOSALS TOO!

ME HURI ŌU WHAKAARO, ŌU KŌRERO HOKI KI ĒNEI KAUPAPA KUA TAKA NEI!

WELLINGTON REGIONAL GROWTH FRAMEWORK

The Wellington region is facing a number of housing and urban development, transport, and resilience challenges for the future. These challenges are regional issues that are best dealt with by councils together, not individually. Many of these challenges cross local council boundaries and the maximum benefit can be gained from tackling these together.

The Wellington Regional Growth Framework (WRGF) is a 30-year spatial plan that covers the eight districts in the Wellington Region and the Horowhenua District, and has involved collaboration between central government, the councils of Wellington/Horowhenua, and iwi partners. Spatial plans set out where we put different things as we expand.

The WRGF identifies recommended areas for housing, public transport and roads, three waters infrastructure (stormwater, wastewater and drinking water), businesses and jobs, in the context of issues such as housing affordability, climate change, resilience, and natural hazards. It also seeks to reflect the housing and urban development aspirations of mana whenua across the region.

The WRGF is one of a number of spatial plans that have been/are being developed around the country under the government's Urban Growth Agenda.

The framework aligns with other work being undertaken including developing a joint Water Resilience Strategy and a district Stormwater Strategy, the development of our Parks and Open Spaces Strategy, and expansion of our recreational cycling trails.


The framework will also be considered as we progress the review of the Wairarapa Combined District Plan. Consultation on the Wellington Regional Growth Framework is being undertaken in a similar timeframe to the Long-Term Plan but not as part of our council consultation.

 For more detailed information on the Wellington Regional Growth Framework and to have your say go to: www.wrgf.co.nz.

SIGNIFICANCE AND ENGAGEMENT POLICY

We are consulting on our draft Significance and Engagement Policy alongside the Long-Term Plan.

All councils are required to have a Significance and Engagement Policy. The policy applies to all decisions that councils make and shows how we determine the importance or significance of an issue, proposal, or decision, and how we plan to engage with the community as part of the decision-making process.

 For further information on the draft Significance and Engagement Policy and to have your say, go to: www.mstn.govt.nz



WHAT ABOUT WELLBEING?

This framework will influence how we grow in the wider context of the Wellington region. This is a really important framework that will influence our community wellbeing. Take the time to have your say!



WHAT ABOUT WELLBEING?

An important part of wellbeing is being part of a community that has opportunities to provide input into decisions that are made and that will influence you. This policy outlines what decisions the Council will discuss with you and how they will go about that. Take the time to have your say!

TELL US WHAT YOU THINK! KŌRERO MAI!

WE WANT YOUR FEEDBACK

This plan will make a difference for our children and their children. It's really important you tell us what you think!



You can submit your thoughts online at: mstn.govt.nz. Online submissions save processing costs and time.



You can email your feedback to: submissions@mstn.govt.nz



You can give us a call and tell us what you think. Our team will be available between 9am and 5pm Monday to Friday (excluding public holidays) on 06 370 6300.



You can write your thoughts down, if that works better for you. Feedback forms can be picked up at our office, 161 Queen Street, or the Masterton library, 54 Queen Street.



You can catch up with us in person at one of our local 'pop-ups' in the community or invite us to one of your meetings to talk about our plans for the future. See our website for information on where and when we'll be out and about in Masterton.

TIMELINE

Submissions open
Friday 1 April 2021

Submissions close
4pm Monday 3 May 2021

Hearings:
Wednesday 19 May and
Thursday 20 May 2021

Council meeting to adopt
the Long-Term Plan 2021-31:
Wednesday 30 June 2021

HAVE
YOUR
SAY!

WE NEED YOUR
SUBMISSIONS BY 4PM
MONDAY 3 MAY 2021.

If you submit feedback on the plan, you can also come and talk to the Council about your thoughts and ideas on Wednesday 19 May 2021 or Thursday 20 May 2021. If there are a lot of people who would like to speak to the Council, we may schedule an additional day.

For every submission we receive, you'll also have the chance to select the school that you would like to see get a funding boost. We'll donate \$1,000 each to the intermediate/high school, and the primary school that gets the most votes relative to their school roll, so even small schools are in with a chance to win! Plus, there are two \$500 travel vouchers up for grabs, so make sure you tell us what you think!

Note: if COVID-19 alert levels change, restrictions may affect some submission options above. At all alert levels, submissions will be welcome online or over the phone.



INDEPENDENT AUDITOR'S REPORT



To the reader:

INDEPENDENT AUDITOR'S REPORT ON MASTERTON DISTRICT COUNCIL'S CONSULTATION DOCUMENT FOR ITS PROPOSED 2021-31 LONG-TERM PLAN

I am the Auditor General's appointed auditor for Masterton District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its Long-term Plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 31 March 2021.

OPINION

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 Long-term Plan, because it:
 - fairly represents the matters proposed for inclusion in the Long-term Plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

UNCERTAINTY OVER THREE WATERS REFORMS

Without modifying our opinion, we draw attention to the disclosure on page 40, outlining the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was prepared as if these services will continue to be provided by the District Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

BASIS OF OPINION

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

RESPONSIBILITIES OF THE COUNCIL AND AUDITOR

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and Long-term Plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and Long-term Plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

INDEPENDENCE AND QUALITY CONTROL

We have complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this audit and our report on the Council's 2020/21 annual report, we have carried out an engagement to audit the Council's Debenture Trust deed, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council.



John Whittal

Audit New Zealand

On behalf of the Auditor General, Wellington, New Zealand







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

COMMUNICATIONS & ENGAGEMENT PLAN

26 MARCH 2021

CONTEXT

In April 2021 Masterton District Council will consult on key work planned for the next 10 years (Long-Term Plan).

The plan will be adopted by the end of June, and includes budgets and the associated impact on rates.

The last Long-Term Plan (2018-28) attracted 335 submissions. It included key consultation issues on water meters, Masterton's town hall, and a concurrent consultation on the Town Centre Revamp.

The draft 2021-31 includes three key consultation issues relating to the civic facility (incorporating the library and archive), the Masterton revamp (re-branded Town Centre revamp), and pensioner housing.

This plan provides specific messaging on the key consultation issues, the LTP process, rates, and the impact of revaluation. Some of the messaging is iterative and we will continue to work on it and respond to the community on specific questions that may arise.

TIMING

In previous years, public discussion of proposed projects in the draft LTP Consultation Document, and associated rates increases, has often been triggered by, the start of the consultation period.

This year, the key elements of the draft LTP have been publicly released prior to the document being audited. This is because the draft was required to be approved by elected members in public session, and the aim was to be demonstrably transparent about some major proposals and their associated cost.

This has generated considerable media and public comment – a potential positive in helping to raise awareness and maximise submissions from the community but raising several issues:

- There is a month before the community can actually make submissions.
- The final LTP document will not be available until late March increasing the risk of misinformation colouring debate.

STRATEGY

- **We will be open, proactive and clear** – a progressive flow of information in the lead-up to the consultation period will help us lead the conversations.
- **The big picture** – when talking about the Long-Term Plan, we will take a holistic view and explain how different elements (such as the consultation issues) influence the big picture.

- **Fit-for-purpose engagement** – we will explore different ways to gather feedback from our community that includes flexibility in how feedback is shared, e.g. including online or in-person conversation for consideration as well as formal submissions.

NB: please see the [CommsApproach](#) for the civic facility for specific strategy related to this part of the Long-Term Plan.

ISSUES/RISK

ISSUE/RISK	MITIGATION
Inaccurate information in public debate, particularly regarding the Civic Facility and future of the old town hall building, overshadows facts in draft Long-Term Plan.	Series of information releases (i.e. Questions and Answers, details of consultation process) establish the Council as the single source of truth.
LTP consultation diverted by views on future of old town hall building	Clear messaging about what decisions have already been made on: <ul style="list-style-type: none"> - civic facility requirements - consideration of other sites - future of old town hall buildings
Speculation/lack of information about site of civic facility raises questions about lack of transparency/trust	Clear explanation of process required to be followed, via release of Questions and Answers, mayoral/CE column.
Focus on the civic facility diverts attention from other elements in LTP	Develop consistent messages that encompass all of the consultation issues into one package, with the civic facility being just one element
Overload of information, resulting in confusion	Clear key messages and call to action. WHAT is it we are doing, WHAT are we asking people to do and HOW do they do it? WHAT will change as a result?
Negative coverage of proposed rates increase	Information about proposed forecast rates increase is introduced with the projects/work having the largest impact on rates
Māori do not feel included in our approach, and lack of engagement with Māori	Ensure we engage directly and appropriately with Iwi, Hapū, Marae and Hapori Māori; that Māori are visible in the consultation approach – e.g. images that reflect the local Māori community; use of te reo Māori in the consultation document and engagement materials where appropriate; te reo Māori posters and/or radio advertisements where appropriate.

ISSUE/RISK	MITIGATION
Youth/Youth Council critical of approach, and lack of engagement with youth	Develop video and/or summary sheet that has key information in easy-to-read (and quickly) format present LTP to youth council meeting <ul style="list-style-type: none"> - utilise appropriate channels (i.e. social media) to reach youth
Complexity of submission form results in non-completions	<ul style="list-style-type: none"> - Aim to keep submission form as simple as possible

OBJECTIVES

Organisational

Long-Term Plan consultation engages a strong response (+330 response) from a cross-section of the community:

- 10 per cent of responders identify as Māori
- 20 per cent of responders are aged under 50

Communications

Widespread awareness amid Masterton residents of the opportunity to give feedback.

Measured by:

- More than 800 visits to the LTP consultation webpage
- Social posting attracts 250+ engagements
- Coverage in the Wairarapa Times Age includes topline key messages

Māori are engaged.

Measured by:

- Māori-targeted engagement/pop-up opportunities taken advantage of (and attendance numbers recorded)
- Kaitakawaenga supports, and is involved in, approach

Younger demographics (aged under 30) are engaged.

Measured by:

- Youth-targeted engagement/pop-up opportunities taken advantage of (and attendance numbers recorded)
- Youth Council supports, and is involved in, approach
- Views of social media posts/videos

Negative coverage of proposed rates increase is minimised.

Measured by:

- Council key messages and/or comments included in any editorial coverage around proposed rates rise (note this does not include letters to the editor)

Communications material, including consultation document, is reading-age appropriate and written in Plain English.

Measured by:

- Consultation document and any summaries meets reading age test of (at least) 15 years according to the Flesch-Kincaid reading age test

AUDIENCES

Audience group	Characteristics	Comms needs
Highly engaged/previous submitters	Engaged in specific topics. Likely to have pre-determined views before consuming information	Clear key messages up front, easy to digest
Newcomers to the region, perhaps haven't submitted before	Unfamiliar with history of some issues	Clear explanations of the "journey" of some issues. E.g. a timeline of civic facility project, decisions made on old town hall site
Civic Facility-driven (either for or against)	Pre-determined views Likely to express frustration with length of time for conclusion Less likely to engage in other issues presented as part of the consultation	Comms that wrap the civic facility into a "package" of planned work, i.e. the Masterton revamp, implementation of the Town Centre Strategy.
Bystanders	Harder to engage. Have some understanding of some issues, but can't assume full awareness of detail.	Clear explanation that tells the whole story in key points.
Mana Whenua and Māori communities	Traditional consultation approaches do not reflect tikanga Māori and are not always inclusive of Māori. Historically, there has been lower engagement in Council consultation processes from people who identify as Māori.	Fit-for-purpose engagement tailored for iwi, hapū, Marae and hapori Māori. - e.g. 'kanohi ki kanohi (face to face) feedback opportunities; use of te reo Māori; utilising existing Iwi mailing lists.
Young professionals/families	Challenging to engage, perhaps struggle to see how it	"What's in it for me" messaging, including linking rates to rental

Audience group	Characteristics	Comms needs
	impacts them (especially if not property owners)	prices, opportunities for their children Easy way to have their say that doesn't require them to complete a lengthy survey
Youth (30 and younger)	Resistant to engage Do not engage in traditional methods	Fit-for-purpose engagement tailored for youth Information on a plate, in a format that suits them Social media push – with incentives/prizes

KEY MESSAGES

Overarching messages:

- Now is the time for us to create a future for Masterton so it's a home that our tamariki and mokopuna can be proud of.
- Have your say – all information we receive in submissions will be provided to elected councillors making the final decisions. They WILL be considered.
- The Long-Term Plan is our guiding document. It helps us set out what steps we're going to take over the next 10 years to deliver our longer-term vision.
- Before we finalise our plans, we want to make it fits with what you're expecting us to deliver.
- The developments we have proposed for Masterton will change our town in a way that hasn't been seen for a generation.
- We need to focus on the big picture and what we want for our town over the next 50 years.
- In some cases, we're finishing work that has already started – Masterton revamp, civic facility.

"Big decision" Consultation Issues:

Civic facility:

- The Council committed in last year's annual plan to build a new multi-purpose civic facility – it's a once-in-lifetime chance to deliver something future generations can use and be proud of.
- And we need to do it once and do it right.
- Bringing the civic facility, library and archive together addresses several challenges the town has. It will:
 - meet the need for a space for our community to connect socially and culturally
 - have an expanded library to deliver on modern technology opportunities

- safely house our users, visitors and staff without congestion
- provide a secure long-term space for our archive.

The site

Assuming no site has been finalised

- The work we've put into this so far has shown us we can't just replace the old town hall with a newer version... we need to think more broadly in terms of how it is used.
- The site of the current town hall might have been the best location in 1915, but it's not anymore
- We are looking at sites that align with our Town Centre Strategy, allowing us to celebrate the connection to the Waipoua River, provide a stronger link to our nationally recognised QEII Park, and most importantly deliver a facility of the size and scale that meets the future needs of our tamariki and mokopuna – something the current town hall site doesn't allow.
- We can't disclose the exact location yet due to commercial sensitivity – we will announce it as soon as we can but we don't want to do something that might increase costs for ratepayers.
- In 2020 Council agreed that locations north of the current town hall site should be looked at.

Old Town Hall

- The future of the old town hall building has not been decided.
- It is not part of the LTP consultation because the Council decided last year to demolish the town hall auditorium, and retain the building's historic facade, civic buildings and civil defence offices. Consideration was also to be given to a conservation plan for the site. This work has yet to be completed.

Masterton revamp

- We're revamping Masterton to make sure visitors and locals are welcomed into our town and want to spend time here.
- We've changed the name from the Town Centre revamp to better reflect that it covers more than the Queen Street area.
- This project is about completing work we have already started – plans based on our the Town Centre Strategy adopted by the council in 2018.
- We've set out a 10-year plan for how, and when, we want to complete different elements of the revamp.
- We want to see quick action as much as our community, but timing depends on availability of contractors – a challenge that many of us are facing.

Pensioner Housing

- A strong community looks after its most vulnerable members, and we want to develop more affordable homes for senior members of our community who are struggling to access appropriate housing.
- Currently, the Council's 44 senior housing units at Panama Village occupy about one-third of the available land area, leaving four hectares available for more housing.
- The Panama land was originally gifted to the community, and under current rules can only be used to accommodate older people or those in need.
- Building more senior housing will be part of a wider strategic approach to housing issues in our district.

RATES

- Rates are the way the council pays for the work it does for the community.
- Where the work has benefit to individuals this is generally covered by fees and charges for specific activity.
- The LTP sets out an average 5.3 per cent increase for 10 years – this is intended to smooth rates increases to provide certainty and avoid some years with much larger increases than others.
- About half of the increase each year is due to inflation.
- The three major projects (civic facility, Masterton revamp, pensioner housing) will be paid for through loans. That debt incurs interest and needs to be repaid over time longer than 10 years (known as debt servicing) and that pushes up the Council's costs and need for increased rates revenue.
- Once the projects are completed the impact on average urban residential rates is:
 - Civic facility - \$101 per year by 2025/26
 - Masterton revamp - \$214 per year by 2030/31
 - Pensioner housing - \$11 per year from 2023

Impact of QV revaluations

- Our rating system uses valuations as one of a number of tools to divide up the rates between properties.
- Revaluations are carried out by Quotable Value, which is entirely separate to the Council.
- When a revaluation occurs, the Council recalculates the rates-per-dollar of value required to collect the total rates income that is needed in the budget.
- The valuations are used to determine each property's share of the rates - rates do not simply increase by the percentage increase of valuations.
- If all valuations in the district increased by the same percentage, every property's rates would only change by the percentage of the Council's budget increase. Where a property's valuation increases by less than the average increase, they can expect to pay a lower share of the total rates the Council needs. Where a property's valuation

increases by more than the average increase for the district, the property owner can expect to pay a higher share of the total rates the Council needs.

- New valuations will not be used for rates calculation until the new financial year, which starts on 1 July 2021.

FEES AND CHARGES

- Fees and charges are targeted at people who choose to use a particular service or make lifestyle choices that the Council is required to oversee or monitor, such as owning a dog or having a swimming pool.
- We are suggesting some changes to fees and charges from 1 July 2021 including, increasing all fees by the rate of inflation.
- We are also proposing to increase some fees by more to better reflect the cost of delivering the service. These fee areas include resource management fees, food premise verification fees, and swimming pool inspection fees.
- We are proposing to increase dog registration fees to reflect the cost of building the new animal shelter, and cover costs that were absorbed last year when we chose not to increase dog registration fees as part of our COVID-19 response.

OTHER TOPICS

Rural halls

- We're keen to hear what our rural communities think about rural halls and how they use them.
- The Council owns seven rural halls throughout our district. We're thinking about the best options for their future. But options that other councils have considered that might be worth us exploring include:
 - Gifting the halls to local community groups – Success with this has been variable. Some have become vibrant hubs, but in other cases community groups have not had the funds, volunteer base or expertise needed to maintain the halls
 - Managing the halls in partnership with a local community group, school or association – In this arrangement, the Council continues to own the hall and manages core maintenance. The community organisation takes care of the day-to-day management and minor maintenance. We currently have some arrangements like that now, and these halls are well used.
 - Selling the halls – In other areas, some halls have been sold if they aren't used and no community groups are interested in taking them on.

Water resilience

- The three Wairarapa Councils have been jointly developing a Water Resilience Strategy.
- The LTP includes \$7.1 million expenditure in 2023/24 for water storage to increase water capacity for urban Masterton supply to 40 days.
- The Wairarapa Water project team is exploring resource consent options for a proposed community dam project. If the consent is successful, we will complete an assessment of our options and consider how that project could contribute to water resilience and the wellbeing of our community.

IMPLEMENTATION/TACTICS

NB: A decision will be made as to the ability to carry out the in-person engagements depending on elected member and staff availability, and COVID-19 alert level.

Tactic	Details	Timeframe	Budget
<i>LTP content public 22 February - Consultation open 1 April to 4:30pm 3 May</i>			
Incentives	<p>Incentives determined to attract submissions. E.g. either \$1,000 travel voucher or two \$500 vouchers (\$1,000 House of Travel voucher already in hand, won by mayor in 2020 duck race).</p> <p>Primary/Intermediate School Prize. E.g. \$2000 donation to the school that gets the most nominations from submitters (as a percentage of the school roll). Could be 2 x \$1,000 primary and secondary</p>	Confirmed Mid-March	\$2,000
Targeted Letters	'Invite us to Your Meeting' letters to targeted stakeholders.	Mid-March	N/A
Media releases	<ul style="list-style-type: none"> - Progress of draft through audit/consultation process - Questions and answers on Big Decision issues - Explanation of rates smoothing - Explanation of impact of revaluation on rates 	During March	N/A
Mayoral/CE column	Myth-busting about openness of process	Late March	N/A
Media release	Issued on 31 March – public pop-ups to follow after Easter (2- 5 April).		N/A
Website update	Simple website page covering off key issues and with key messages and frequently asked questions that we can add to as new questions arise.	During March and ongoing	N/A

Tactic	Details	Timeframe	Budget
Webinar	Hosted by Mayor, presenting and answering questions on LTP proposals	Late March/early April	TBC
Rural/remote communities	Follow advice from Rural Advisory Group Distribution of consultation documents to beach communities, with posters, "Have your say" boxes	1 April	\$200
Posters	Strong key message English and te reo Māori posters	Ready for 1 April	\$50
Radio advertising	Strong key messaging English and te reo Māori advertising Diverse community leaders/role models encouraging community to have a say	Ready for w/c 5 April	\$3,000 MediaWorks \$2,000- NZME
Print advertising	Times-Age (3, 10, 17, 24 April) Midweek (7, 14, 21, 28)	As per dates	\$10,000
Social media promotion (plus incentives)	Videos explaining Big Decision proposals	From now 1 April onwards	\$50
Queen Street pop-up	Pop-ups in Queen Street	8 April (11:30am-1pm), and 22 April	N/A
Open House session at Queen Street	Community invited to come and speak to Elected Members and staff at Queen St	13 April, 6pm-8pm	N/A
Drop-in Te Awhina/Pioneer/Jura fundraisersTBC	For elected members supported by staff	15 April – 11am Date/timing TBC	N/A
Engagement with iwi, hapū, Marae, hapori Māori	Open house session at a local Marae – details TBC Elected members and staff offer to attend scheduled meetings.	TBC	N/A

Tactic	Details	Timeframe	Budget
Car boot sale and farmers market pop-ups	Stalls at car boot sale and Farmer's markets. Promoted ahead of pop-ups	11 April (car boot sale), 8am-11am 17 April, 9am-11am (Farmers market)	\$50 – treat giveaways (eg chocolate)
Distribution via Iwi mailing lists and to Māori organisations – TBC consultation with Tia required	Email and newsletter content developed to target Māori. Distributed through email lists of those organisations willing to support	w/c 5 April	N/A
Distribution through schools and early childhood education newsletters	Newsletter content developed to target parents Distributed through email lists (Anita)	w/c 5 April	N/A
Distribution through rural networks (Fed Farmers, Castlepoint and Riversdale ratepayers Associations), Business Wairarapa	Email content developed to target rural ratepayers, also including promotion of rural engagement sessions	w/c 5 April	N/A
Total budget:			\$17,750
<i>NB – this does not include printing costs for the consultation document</i>			