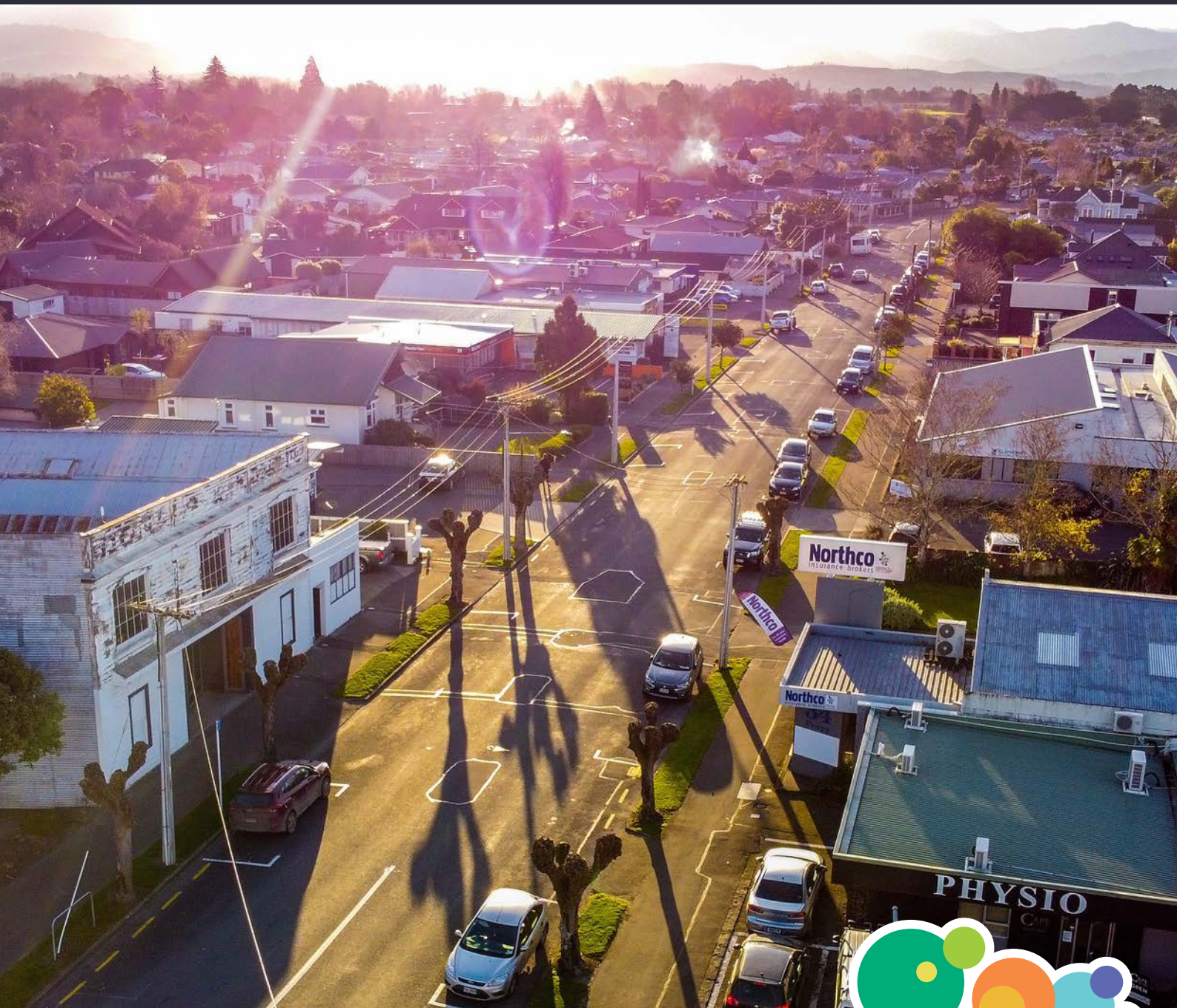


MAHERE Ā-TAU 2023/24

MASTERTON DISTRICT COUNCIL ANNUAL PLAN 2023/24



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TE KAUNIHERA Ā-ROHE O WHAKAORIORI

MASTERTON
DISTRICT COUNCIL

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OVERVIEW - HE TIROHANGA WHĀNUI



MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE - TE KARERE NĀ TE KOROMATUA ME TE TUMUAKI

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

We would like to introduce Masterton District Council's Annual Plan that outlines our key projects and activities for the 2023/24 financial year and associated budget.

The 2023/24 Annual Plan has been developed during a period of economic challenge following the COVID-19 pandemic. Inflation is at a high, supply chains have been disrupted and the cost of delivering the projects that we had planned in our 2021-31 Long-Term Plan (LTP) has escalated hugely.

We know the economic environment is impacting our community and we are very aware of the increasing cost of living. We have worked hard to mitigate cost increases by pausing or deferring any activity or spend that is not absolutely necessary this year. By doing this, we have arrived at an average rates increase of 6.2 per cent despite the increases in our costs.

In 2021 we called our Long-Term Plan "Stepping Up for our Mokopuna". We still want to do that. We want our district and our people to progress and be proud. But we need to find different ways of delivering for our community in more difficult times.

We are still committed to our infrastructure renewals programme. Over the next 12 months we will be investing in a range of renewal projects to maintain and improve our infrastructure assets. This includes working to address the wastewater challenges that have been an issue for parts of our community since the February 2022 rain event; and reinstating rural roads that were damaged by various weather events including the most recent Cyclone Gabrielle. To us, this is an essential part of delivering for our community.

We will continue to consider the way we move forward as an organisation with reforms such as the Three Waters and Resource Management Act, and the review of the Future for Local Government.

There will be opportunities for conversations with our community over the year as we develop our 2024-34 Long-Term Plan (LTP). This plan will set the direction and identify key projects for the next ten years. Council has commenced a review of levels of service as part of the LTP process to explore opportunities to mitigate future rates increases and to pursue efficiencies.

We expect the economic environment to continue to present challenges over the coming year, and one of our Council values stands out in the current context. Hīkina Te Mānuka is about rising to the challenge - we need to be innovative, work hard and work collaboratively with our community as we face these challenges.

Ngā mihi,



David Hopman
Chief Executive



Gary Caffell
Mayor



PURPOSE OF THE ANNUAL PLAN - TE HOAKETANGA O TE MAHERE Ā-TAU

Every three years we develop a Long-Term Plan (LTP) in consultation with our community. This sets our vision, direction, budgets and work programme for a ten-year period. In June 2021, Masterton District Council adopted its 2021-31 LTP.

The LTP provides a blueprint, however things can change. For the two years between each LTP, Council therefore develops an annual plan. The annual plan process provides an opportunity to review our work programme and enables flexibility to respond if changes are needed. The Annual Plan document outlines how we will progress the LTP in the coming year.

The 2023/24 Annual Plan is year three of the LTP.

The purpose of the annual plan is to:

- describe Council’s activities for 2023/24 and the associated costs and funding
- demonstrate links between activities planned and the community outcomes of the Masterton district
- provide integrated decision-making and co-ordination of Council’s resources
- provide a basis for accountability of the Council to the community.

Each year we also produce an annual report which is our key accountability document. The annual report lets you know how well we performed against what was set in the long-term and annual plan. It outlines key decisions that were made, how we performed financially and against the performance measures that we set in the Long-Term Plan.

Copies of the 2021-31 LTP and past annual reports are available on our website www.mstn.govt.nz.



ANNUAL PLAN CONSULTATION - MATAPAKI WHĀNUI MAHERE Ā-TAU

There were three topics that Council wanted feedback on before confirming our budget for the 2023/24 year:

- Our proposal to reduce the rates impact in 2023/24 which included:
 - Increasing fees and charges for most services - our community indicated support for this proposal and fee changes have been incorporated in this plan.
 - Introducing new e-waste disposal fees estimated to generate \$10,000 per annum - this was the proposal to reduce rates that had the least support from our community, and at an annual cost of approximately \$1 per household it was decided to maintain the status quo and continue with free e-waste disposal.
 - Reducing community grants funding for the year by \$22,000 and reducing community events grants funding by \$66,000 - our community indicated support for this proposal and it has been incorporated in this plan.
 - Reducing the Council events budget by \$22,000 - our community indicated support for this proposal and it has been incorporated in this plan.
- Whether we should become a Dark Sky Reserve - Council has allowed provision of up to \$20,000 in this plan to meet the requirements to be accredited as a Dark Sky Reserve.
- Whether we should support the Five Towns Trail project at a cost of \$27,624 in 2023/24 - Council made the decision not to support the Five Towns Trail project in 2023/24 given Masterton would benefit least from the project.

Our consultation document "Delivering in Difficult Times" included a proposed average rates increase of 7.9 per cent. The increase in rates is primarily the result of increasing costs of delivering services for our community, with inflation being the key driver.

In the final plan, we have reduced the average rates increase to 6.2 per cent. This has been done in response to submissions received. The Council have gone back to the operational budgets and made reductions to expenditure budgets. Those reductions are not expected to impact the levels of service provided by the Council, but provide no buffer for unexpected costs. A further reason for the reduction has been more growth in the rating base than we initially anticipated, particularly in urban Masterton. Rates increases in the urban ward are expected to increase on average 5.3 per cent and in the rural ward an average of 9.1 per cent.

Annual Plan consultation ran from 31 March to 1 May 2023. During that period Council ran ten face to face engagement activities attended by elected members and staff, and the Mayor was available to meet with our community each Thursday afternoon. There was also a range of social media activity and promotion. In total, 203 submissions were received, and 23 submitters chose to speak to Council about their submission at the hearings held on 18 and 19 May 2023.

All submissions, comments and feedback, as well as staff advice and new information, such as the changes to the Three Waters Reform announced on 13 April 2023, were taken into consideration when council made the decisions that have been included in the 2023/24 Annual Plan.

During the consultation period Council also asked for community feedback to inform the development of the 2024-34 Long-Term Plan (LTP) including seeking views on a reduced scope for the Civic Facility project. Submitters signalled a preference for a reduced scope facility to be built on the existing Town Hall site and for a stand-alone Library on the existing Library site. Council will be defining and assessing options over the coming year for consultation as part of the LTP process.

Ideas to vary levels of service were also sought and will be considered as part of the level of service review for the 2024-34 LTP.

OUR PLAN IN BRIEF - TE WHAKARĀPOPOTONGA O TŌ TĀTOU MAHERE

We started our budget estimates with a projected 14.2% increase in rates required for 2023/24 based on the activities we had planned to do this year. We have worked hard to mitigate the rates increase. There are a few variations to what we planned in the 2021-31 Long-Term Plan (LTP) for this year, and these are outlined below.

Rates Increase

The average rates increase is 6.2 per cent. This is 0.7 per cent more than the 5.5 per cent we projected for Year 3 of the LTP, but less than the 10.4 per cent limit that we set in our Financial Strategy. The key drivers for this increase are:

- increasing costs to deliver services (inflation)
- interest rate increases pushing up our debt servicing costs
- rising insurance costs
- responding to multiple storm events, reducing our roading damage reserve fund which now needs to be rebuilt and
- increased asset valuations driving up our depreciation costs and impacting our ability to afford to renew the community's assets.

The rates impact will vary across the different property types, with variations between urban and rural properties (an average increase of 5.3 per cent for urban and 9.1 per cent for rural).

The 2023/24 Annual Plan outlines the Council's intentions for the coming year but does not bind the Council to act. We will continue to monitor and respond to the external environment.

Inflation

Inflation has continued to be a hot topic for New Zealand over the past year, impacting Councils and households across the country. Inflation is higher than we forecast for Year 3 of the LTP. In the LTP we forecast 2.5 per cent (which is based on BERL's mid-scenario for the Local Government Cost Index - LGCI at September 2021). In March 2023, the Consumers Price Index (CPI) was 6.7 per cent compared to 1.4 per cent in December 2020 when we were preparing our LTP. The LGCI for the year to June 2023 was revised to 5.9 per cent. Nationally, wage inflation was 4.3 per cent in year to March 2023 (Stats NZ). We have adjusted our budgets to reflect the increased costs we will be paying to deliver services, but looked to hold expenditure budgets wherever possible.

Capital Costs

Supply issues linked to the COVID-19 pandemic are still impacting some of our capital projects: it can be harder to get some of the materials and resources, including contractors, we need to deliver projects, and because of this the cost of these materials is increasing. In the coming year, this is likely to be exacerbated by Cyclone Gabrielle recovery efforts. We haven't materially changed our capital programme but these supply issues and increasing costs may mean we deliver less with that budget (e.g. fewer kilometres of pipe or road renewals) and/or some projects may not be delivered on schedule.

Operational Costs

The higher inflation rate continues to drive up the cost of delivering services for our community. For example, higher fuel costs are increasing some contract costs such as waste collection and disposal and maintaining our parks and green spaces.

In particular:

- Insurance costs on buildings have increased at least 27% due to premium rates increasing and the replacement value of the assets increasing because of the high costs of construction.

- The cost of professional indemnity insurance is increasing 40% as insurers change their view of the level of risk associated with Councils' regulatory functions (ie an increasingly litigious environment).
- Many of the Council's services are contracted out and those contracts are subject to cost escalations based on movements in cost indexes. The Council's only option to not pass on those cost increases is to reduce what we ask the contractors to do, which will result in lower levels of service to Masterton residents. The time to debate and discuss what those levels of service should be is during the Long-Term Plan consultation (scheduled for April 2024).

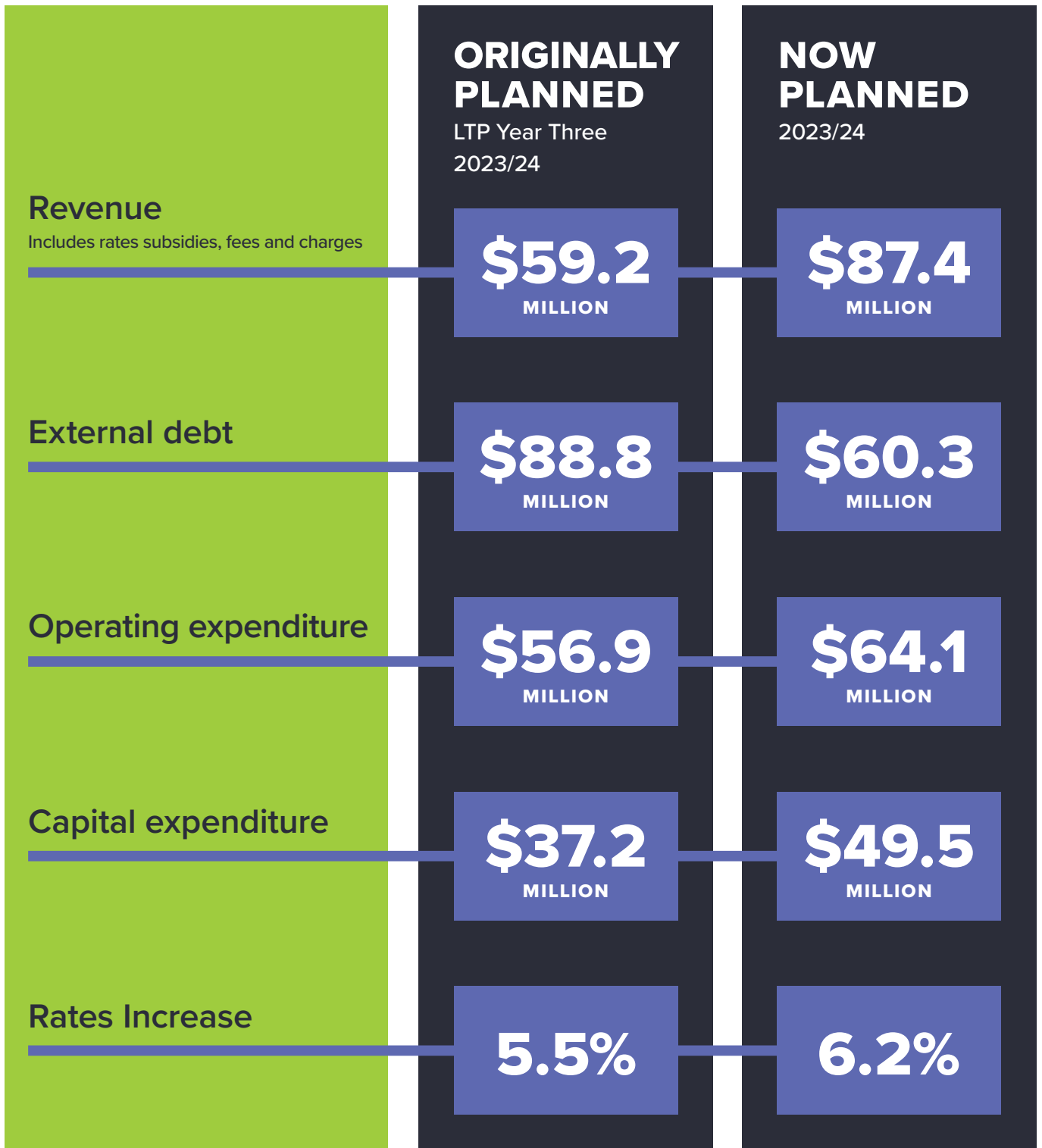
Key 2023/24 Annual Plan Projects

Key 2023/24 Annual Plan projects include:

- defining and assessing options for consultation to decide the future of the Civic Facility project, taking into consideration feedback from our community received via the 2023/24 Annual Plan consultation process.
- progressing wastewater renewals work to mitigate the challenges that have been impacting some members of our community for a substantial period of time.
- reinstating rural roads that were damaged in recent weather events.
- delivering our new animal shelter
- progressing the review of the Wairarapa Combined District Plan, with the proposed plan scheduled for consultation in 2023.

More information about these projects is included in the "What's Happening This Year" and the Council activities sections of the Annual Plan.

The Council's operating expenditure budget for 2023/24 is \$64.1 million (LTP Yr3 = \$56.9 million) and its capital expenditure budget is \$49.5 million (LTP Yr3 \$37.2 million).



Key Changes

Listed below are some of the key changes from Year 3 of the LTP that are included in the 2023/24 Annual Plan:

- Operational budgets across the range of Council activities have been increased, reflecting inflationary effects.
- Projected revenue has been increased in alignment with fee increases that we consulted on as part of the 2023/24 Annual Plan Consultation Process. Many of the fee increases are approximately the rate of local government inflation (5.9%); however, some increases are more than inflation to off-set increased costs and better align with Council’s funding policy. These areas include building, planning, environmental health and cemetery fees. Solid waste fee increases reflect the \$20 per tonne increase in the Government’s waste levy as well as the inflationary impacts on our operational costs. The alternative to increasing fees is to increase the rates subsidy for these services. Our community indicated through the consultation process that they would prefer to increase the user pays fees.
- We have identified potentially unspent rates funding from the 2022/23 year and have built that into the 2023/24 budget. We have continued with the LTP financial strategy of smoothing the rates increases across the ten years. In year 3 we have utilised some \$1.04 million of funding internally borrowed from our reserve funds and will repay these funds in the last five years of the LTP.
- We anticipate interest expense on term debt to be more than expected as interest rates have risen significantly since the LTP. The Council has fixed a proportion of the interest rates on loans at terms longer than 1 year which mitigates the impact of market interest rate changes in 2023/24. Provision has been made to pre-fund a loan repayment during the year, but this is expected to be cost-neutral with interest income earned while the funds are on deposit.
- The capital programme for Community Facilities includes a number of projects that were scheduled for 2022/23 that will carry over to 2023/24. Some roading renewals that were scheduled for 2022/23 have also been carried forward to 2023/24. A lack of contractor availability to complete the work has contributed to these carry forwards. The 2023/24 wastewater renewals programme reflects utilisation of 'Better Off' funding that the Council was allocated as part of the Government's Affordable Waters proposed changes.
- We have also made adjustments to capital budgets for the timing of some projects including the following (further detail on key projects is included under What’s Happening This Year):

What’s Changed:	LTP Budget/Forecast for Year 3:	2023/24 Annual Plan Budget:	What this means for Masterton:
Higher inflation is driving up the cost of delivering services for our community. It’s costing us more to go about our day-to-day business - the cost of delivering services and projects has increased across the range of Council activities.	2.5 per cent LGCI The LGCI (Local Government Cost Index) is the measure of inflation for Councils based on things that Councils buy, like pipes and roading materials.	5.9 per cent LGCI	We have had to adjust our operating budgets to reflect these increased costs to keep delivering the same services for our community.

What's Changed:	LTP Budget/Forecast for Year 3:	2023/24 Annual Plan Budget:	What this means for Masterton:
Interest Rates on Borrowing have increased.	2.8 per cent	5.2 per cent	This increases costs where Council has previously borrowed to fund projects, such as the upgrade of the Homebush Wastewater Treatment Plant.
Insurance is expected to increase by at least 20% due to the hardening of the insurance market and the increased risks that they perceive. Insurance claims associated with Cyclone Gabrielle may potentially impact even more before we renew our policies in June 2023.	2.5 per cent	+20 per cent minimum, estimated \$215,000 increase (0.6% of rates)	We have increased our provision for insurance premiums by 20 per cent across most policies.
Supply and demand challenges continue to impact our project delivery. We can't always get the materials we need (e.g. water pipes) and our contractors can't always get the staff they need to deliver the work. We expect this may get worse before it gets better given the work that will be needed to repair damage caused by Cyclone Gabrielle.	We assumed we would be able to access the materials and labour needed to deliver the projects we included in the 2021-31 LTP.	Discussion of impacts on specific projects follow.	These challenges have resulted in delays and increased costs for some projects. They also increase costs of routine work, like the maintenance of our roads and many projects we had planned.

What's Changed:	LTP Budget/Forecast for Year 3:	2023/24 Annual Plan Budget:	What this means for Masterton:
<p>Demand for services has also increased in some areas. For example, with population growth we are receiving more waste and more recycling which has increased processing costs.</p>	<p>Estimated population of 27,500 (June 2020)</p>	<p>Estimated population of 29,000 (June 2022)</p>	<p>We try to pass on these costs via user pays fees and charges rather than funding the extra directly from rates.</p>
<p>The estimated cost for building the Civic Facility has increased. Given that, we're revisiting the scope of this project. Feedback that we received on what should be included in the Civic facility will help us shape up some options for consideration as part of the 2024-34 LTP.</p>	<p>\$30.8 million + 30 per cent contingency</p>	<p>Estimated cost is approx. \$71.3 million (including contingency)</p>	<p>We will use your feedback to help us identify options for a revised scope.</p> <p>We will consult and make a decision on the future of this project next year as part of the 2024-34 LTP.</p>
<p>The estimated cost of the Animal Shelter has increased. We need to proceed with this project to ensure we meet our legal and regulatory obligations under the Dog Control Act and for animal welfare standards. The funding solution for the animal shelter that was included in the 2022/23 budget (\$1.3m from loan) has been carried forward</p>	<p>\$1.3 million</p>	<p>To be confirmed but based on other cost increases, we are expecting the total cost to be close to \$2.5 million.</p>	<p>We will have a new pound facility that meets core MPI standards, has better health and safety provisions and offers a better level of service to our community. The funding solution is proposed to be \$1.5m from loan and \$1.0m from Council's General Capital Fund.</p>



What's Changed:	LTP Budget/Forecast for Year 3:	2023/24 Annual Plan Budget:	What this means for Masterton:
<p>There have been some delays with the Hood Aerodrome development. Funding for Hood that hasn't been spent in the 2022/23 year will be carried forward.</p>	<p>\$17 million (\$7 million from MDC and \$10 million from Provincial Development Unit (PDU) in two stages.</p>	<p>Provision has been made for up to \$3.5 million to partially complete stage 1, dependent on PDU funding being available.</p>	<p>We will work on completing Stage 1 of the Hood development as funding allows, and then confirm plans and timelines for Stage 2 and beyond. If there are any significant changes to the project, we will seek your feedback through the 2024-34 LTP.</p>
<p>We have deferred roading urbanisation upgrades in Millard Avenue area while we work through some details that need to be finalised before we can progress the wastewater upgrade.</p>	<p>\$2.0 million over 2 years</p>		<p>We will progress the wastewater upgrade once the details are addressed. We will review the roading upgrades once we know the timeline for the wastewater improvements.</p>
<p>The cost of replacing the surface of the All-Weather Athletics Track at Colin Pugh Sportsbowl has increased. Given that, we have deferred the work for one year while we explore other options.</p>	<p>\$418,000</p>	<p>Estimated cost is approx. \$650,000 deferred to the 2024-34 LTP</p>	<p>Urgent repairs will be undertaken as needed. Our community will be able to continue to use the All-Weather Athletics Track over the coming year while we explore what options are available to us. We will consult on viable options as part of the 2024-34 LTP.</p>
<p>We have purchased land to build water storage reservoirs at Kaituna Water Treatment Plant, but we are still awaiting the outcome of the Natural Resources Plan (NRP) before progressing to detailed design. It is anticipated that the NRP will restrict Council's ability to take water from the Waingawa River at times, which is the key driver for the construction of the storage ponds.</p>	<p>\$7.4 million to build water storage reservoirs at the Kaituna Water Treatment Plan.</p>	<p>We have assumed this will move to the 2024-34 LTP. This has been included in the work plan submitted to the Three Waters transition unit.</p>	<p>We will continue to provide the water supply service level that we committed to in the 2021-31 LTP until water services are transitioned to the new water service entity under the Three Waters Reform. This project has been included in the workplan submitted to the Three Waters Transition unit for them to progress once there is certainty around the water take limits.</p>

What's Changed:	LTP Budget/Forecast for Year 3:	2023/24 Annual Plan Budget:	What this means for Masterton:
<p>Wastewater network renewals has additional funding. The Council allocated \$2.25M of the Three Waters 'Better Off' funding to increase the amount of sewer pipe renewals to address the problem of stormwater infiltration into the network. Given the 13 April announcements regarding Three Waters that extends the timeline for transition, and the removal of Tranche 2 funding, Council are exploring the potential to transfer further funding from Better Off projects that haven't yet commenced to wastewater renewals.</p>	<p>\$1.28M to sewer renewals</p>	<p>\$2.25M additional funding has been allocated to be spent between Jan 2023 and June 2024.</p> <p>The potential to allocate more Better Off funding to wastewater renewals is also being explored.</p>	<p>Contract works have been identified, but the availability of contractors and their ability to deliver the works within the timeframe remain uncertain. However, given the extended timeframe for the transition of Three Waters, the deadline for spending the initial funding could be extended if needed.</p>
<p>Roading is our biggest cost, and the roading budget has increased. This is a result of the increased costs of roading work; reduced Waka Kotahi funding (from 57% to 56%); and the need to replace our flood damage fund after the last year. In the current year we also have need to reinstate roads damaged in recent weather events.</p>	<p>\$8.3m rates required in Year 3 of the LTP (a \$0.53m increase from Year 2)</p>	<p>\$1.0m additional rates required than 2022/23, a 13% increase</p> <p>Plus an additional \$18 million (approximately) to reinstate roads damaged in recent weather events, including Cyclone Gabrielle.</p>	<p>We will continue to provide the roading service level that we committed to in the 2021-31 LTP, delivered as year 3 of our Land Transport programme.</p> <p>We will replace \$500,000 of the flood damage funding that we have had to use over the last year.</p> <p>We will loan fund the additional provision needed to reinstate damaged roads. We have also requested consideration for additional funding from Waka Kotahi to assist with this.</p>

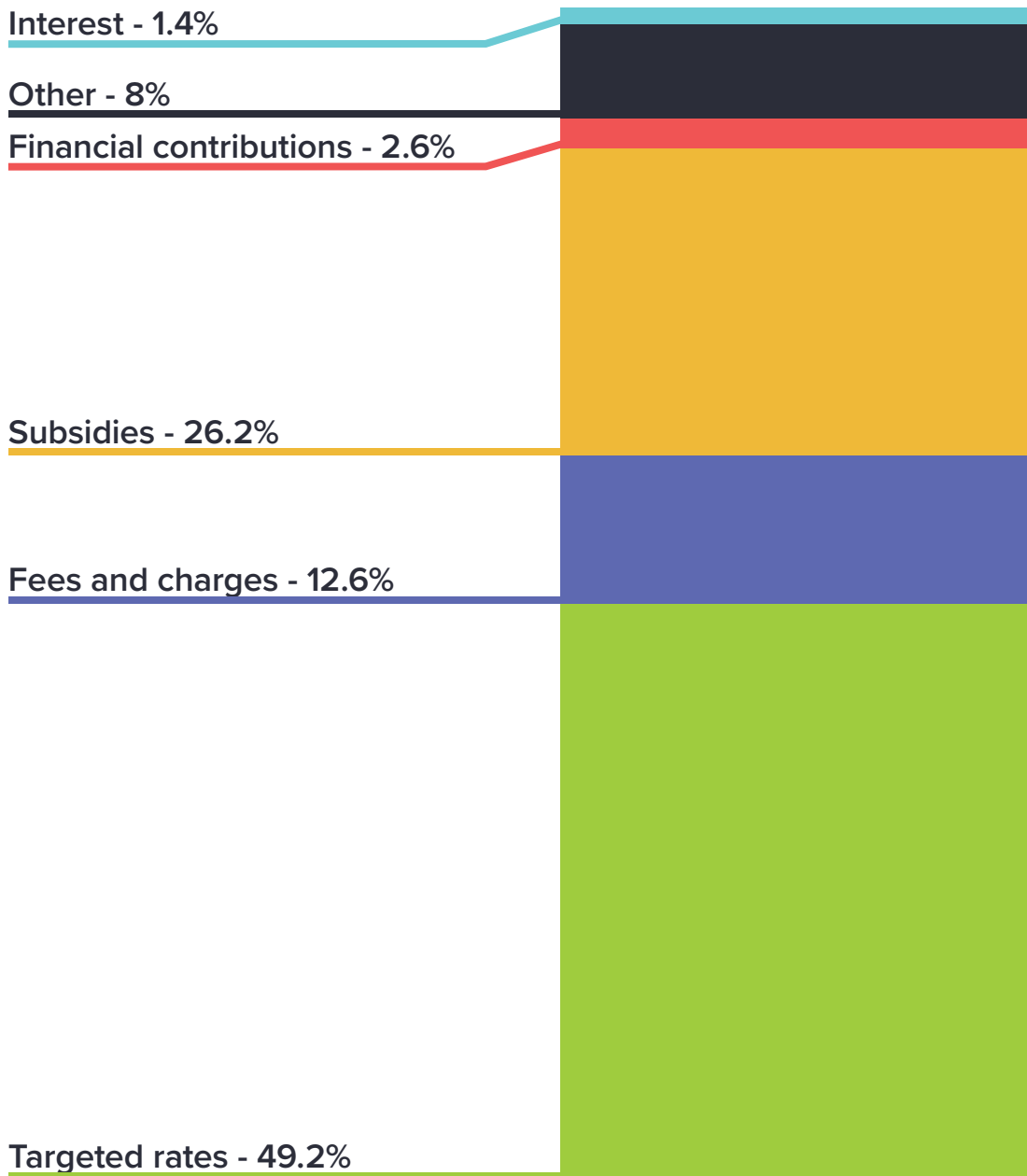
What's Changed:	LTP Budget/Forecast for Year 3:	2023/24 Annual Plan Budget:	What this means for Masterton:
<p>Rates will increase by an average of 6.2%. This is more than we forecast in 2021 when we adopted the 2021-31 LTP. The reasons for the increase are outlined in this document.</p>	<p>5.5% (increase after growth)</p>	<p>6.2% (average rates increase, after growth)</p>	<p>The rates increase is more than we forecast for Year 3 but is within the limit set in our 2021 Financial Strategy, which is 10.4%. This limit is the Local Government Cost Index (LGI) of 5.9% plus 4.5% (after allowing for growth).</p> <p>Our original projected rates increase was 14.2%. We have worked hard to reduce this. We will continue to look for opportunities to reduce costs through the 2024-34 LTP process.</p>

WHAT YOU GET FOR YOUR RATES DOLLAR - KO TE HUA KA PUTA NĀ O REITI

This is what your 2023/24 monthly rates pay for based on an average-value Masterton property (including GST):

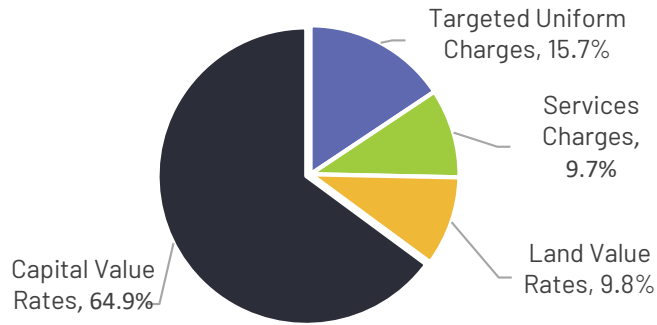


WHERE THE MONEY COMES FROM - TE WHAKAWEHEWENGA O TE PŪTEA

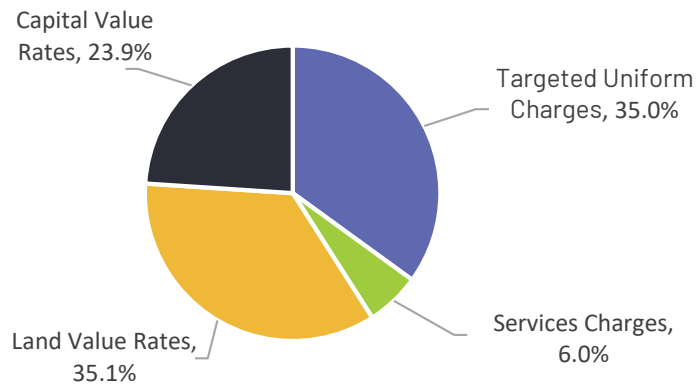


Breakdown of Targeted Rates

URBAN RATES \$36.1m (incl GST)



RURAL RATES \$11.6m (incl GST)



Urban Rates \$ 36.1 million (incl GST)

- Targeted uniform charges, 15.7 %
- Services charges, 9.7 %
- Land value rates, 9.8%
- Capital value rates, 64.9 %

Rural Rates \$11.6 million (incl GST)

- Capital value rates, 23.9 %
- Targeted uniform charges, 35.0%
- Land value rates, 35.1%
- Services charges, 6.0 %



WHAT'S HAPPENING THIS YEAR - HE AHA NGĀ MAHI O TE TAU NEI

The following is a summary of what we will be prioritising in 2023/24:

CIVIC FACILITY

As part of the development of the 2021-31 LTP we consulted on funding for the new Civic Facility. At that time the estimated cost of the facility was \$30.8 million. The latest information we have from the quantity surveyor now estimates the cost at \$57.14 million, with a recommended construction contingency of \$14.2 million, which would lift the cost to \$71.3 million. Given the revised cost estimates, Council took the opportunity to consult with our community (alongside the 2023/24 Annual Plan) to inform a reduced scope. Feedback from submitters indicates a preference for a reduced scope facility on the existing Town Hall site, and a stand-alone Library on the existing Library site. The 2023/24 Annual Plan includes provision of \$300,000 to enable definition and assessment of options that reflect community feedback, and to consult on those as part of the 2024-34 LTP.

RENEWING OUR EXISTING ASSETS

A programme of renewals is planned in this financial year for our key infrastructure assets. This includes \$1.17 million for wastewater renewals, and an additional \$2.25 million of Three Waters Better Off funding that has been allocated to targeted wastewater renewals for areas that have been most impacted by wastewater challenges since the February 2022 rain event. Council are also exploring potential to reallocate further Better Off funding from projects that have not yet commenced to increase this provision. Renewals for roads have an allocation of \$5.599 million. We will also be reinstating rural roads that have been damaged in recent weather events, including Cyclone Gabrielle. The cost of reinstatement is estimated at \$18 million, to be loan funded. We have requested consideration for additional funding support from Waka Kotahi. There is also an ongoing programme of footpath upgrades that will be progressed, with a budget of \$0.566 million; an ongoing programme of water main renewals with a budget allocation of \$1.5 million; and provision of \$0.32 million for stormwater renewals and upgrades.

LOOKING AFTER OUR ANIMALS

In 2023/24 we will start building the new animal shelter (deferred from 2021/22). The new facility will meet all essential Ministry for Primary Industries (MPI) Animal Welfare standards. The cost of building the facility to meet essential MPI Animal Welfare standard, and building material costs, has increased. We are fortunate in that we are building on land already owned by the Council so all costs are solely related to the new build. We have revised the scope and prioritised all critical elements to reduce the cost impact of this project while still delivering a safer and more user-friendly facility for both animals and our staff. \$2.5 million has been allowed for this project in 2023/24. The new facility will enable a better level of service for dog owners and enhance community safety and wellbeing.

DEVELOPING HOOD AERODROME

Work will continue at Hood Aerodrome over the coming year with some construction work carried forward from 2022/23. We were successful in securing Provincial Development Unit (PDU) funding to progress development. This development will ensure we meet the long-term air transport needs of our community, including medical transport, resilience and tourism.

MASTERTON REVAMP

Our 2021-31 LTP included provision of \$34.3 million over ten years from 2024/25 (Year 4 of the LTP) to implement the Town Centre Strategy and revamp Masterton. We have now received what are known as 'detailed designs' for the Revamp, which provide more information and enable more accurate cost estimates. We expect the cost of what we had planned to deliver will have escalated. Given that, we will be looking at options to reduce the scope of what was planned for the Town Centre revamp. There is some essential work that needs to be completed such as replacing water pipes in the Town Centre and it may be more cost effective to do other work at the same time. We are working on understanding our options and exploring costs to enable a decision as part of the 2024-34 LTP.

HIGH COURT APPLICATION TO DEVELOP PUBLIC HOUSING

As part of the development of the 2021-31 LTP we agreed to make vacant land at Panama Village available for public housing. In 2021/22 we undertook an LTP amendment to enable that. We are currently seeking High Court approval to sell the vacant land (the preferred option) or lease the vacant land (if sale is not approved) on the condition it is used to develop more public housing for our community. We expect a decision in 2023/24. If the High Court approves our application, we will proceed with selling the vacant land for public housing. If the High Court does not approve our application, we will undertake further consultation with our community regarding the lease option.

URBANISATION AND DEVELOPMENT

Work will continue to urbanise areas of Masterton where there has been growth and development, funded by subdivision contributions. In 2023/24 there is provision of \$1.480 million for water and wastewater in Millard Avenue (deferred from 2022/23); and to form a new road between Kitchener and Gordon Streets (\$0.45 million also deferred from 2022/23). Financial contributions from the developments that will benefit from the upgrades are also allowed for in revenue projections.

RESPONDING TO THREE WATERS AND OTHER REFORMS

The Three Waters Reform and the Future of Local Government Reform being progressed through central government will continue in 2023/24. In April 2023 the government announced changes to the Three Waters Reform, including extending the timeline for transition and removing the Tranche 2 Better Off Funding. Given that, Council is exploring options to transfer some of this funding from projects that haven't yet commenced to further targeted wastewater renewals. The final report on the Future of Local Government was released in June 2023. The Environment Select Committee is due to report back on the Natural and Built Environment and Spatial Planning Bills late June 2023. These Bills propose significant reform to the resource management system in New Zealand. We will continue to share information and assess what the reforms might mean for Masterton.

PARTNERSHIPS WITH MANA WHENUA

The Council is committed to strengthening and maintaining opportunities for greater decision-making between the Council and mana whenua that go beyond minimum legislative requirements. In 2023/24 we will be continuing our work with iwi entities to progress our cultural competency framework. We will also be reviewing Memorandums of Partnership (MOPs) with Rangitāne o Wairarapa and Kahungunu ki Wairarapa; and developing MOPs with Rangitāne Tū Mai Rā Trust and Kahungunu ki Wairarapa Tāmaki Nui ā Rua Settlement Trust (the two Post Settlement Governance Entities).

WAIRARAPA DISTRICT PLAN REVIEW

We are currently working with Carterton and South Wairarapa District Councils to review the Wairarapa Combined District Plan which contains rules to manage development in the region. The operative District Plan was written a decade ago and must be reviewed every 10 years. The review is looking at whether the District Plan is still applicable, reflects the values of our communities today and aligns with legislative changes over the last ten years, particularly around climate change and the Resource Management Act reforms. A draft district plan was released for public consultation in 2022; and the proposed Plan will be available for consultation in 2023.

CLIMATE CHANGE ACTION

In 2023/24 we will continue to implement Council's Corporate Carbon Emission Reduction Plan and the District Climate Action Plan. These Plans include actions from across the organisation and in the wider community to help mitigate and/or adapt to climate change.

POLICY AND STRATEGY REVIEWS / DEVELOPMENT

A range of policy reviews are underway that will require community input in 2023/24 including the review of the Revenue and Finance Policy, Wairarapa Local Alcohol Policy and the Wairarapa Gambling and TAB Venues Policy. We will also be reviewing the suite of policies that align with the development of a Long-Term Plan (LTP) as we progress the 2024-34 LTP.

LONG-TERM PLANNING FOR OUR FUTURE

We are currently working with the Wellington Regional Leadership Committee on the development of a Future Development Strategy for the Wellington region. The Strategy provides a 30-year horizon for growth across the region and is scheduled for consultation September/October 2023.

We are also working with elected members to develop the 2024-34 LTP. This will set our vision, direction, work programme and budget for a ten-year period from 2024. The LTP provides an opportunity to take a longer-term view of Council activities and services, the level of service we will provide, how we will fund that (general rates, targeted rates, fees and charges) and how we measure our performance in delivering these services. There will be opportunities for community input into the LTP as we progress that. The 2024-34 LTP must be adopted by 30 June 2024.

INFRASTRUCTURE & FINANCIAL STRATEGY SUMMARIES

Council's Financial and Infrastructure Strategies were adopted alongside the 2021-31 LTP. The aim of the Financial Strategy is to maintain service delivery while ensuring financial stability. The Infrastructure Strategy sets out how assets are managed in order to ensure services are efficiently delivered to the district. More information on the Financial and Infrastructure Strategies is available in the 2021-31 Long-Term Plan. These strategies will also be reviewed over the coming year as part of the development of the 2024-34 LTP.

ENGAGEMENT AND CONSULTATION WITH OUR COMMUNITY

As we have noted under previous headings, there are a range of projects, policies, plans and decisions to be made that we will be talking to our community about over the next twelve months. All opportunities to have a say and information about the various topics for discussion will be listed on our website.

COUNCIL ACTIVITIES - NGĀ MAHI O TE KAUNIHERA



ROADS, STREETS, FOOTPATHS AND PARKING AREAS - NGĀ HUARAHI WAKA, ARA-HIKOI, ME NGĀ TŪRANGA WAKA

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.

Our Roads, Streets, Footpaths and Parking priorities for 2023/24 are:

- Reinstatement of rural roads that were damaged over the past year due to the various weather events, including damage resulting from Cyclone Gabrielle. We have allowed \$18.92 million for that work which will be loan funded and/or subsidised by Waka Kotahi. We have sought additional relief funding from Waka Kotahi to support the work required. We are awaiting the outcome of that request.
- Continuing work to complete the formation of the 'paper road' between Kitchener Street and Gordon Street which will connect these streets. \$0.45 million has been allowed for this work funded by development contributions.
- Continuing work to upgrade the entrances to our town as part of the broader programme of work to implement our Town Centre Strategy. In 2023/24 the focus will be the Southern entrance, with provision of \$0.36 million allowed for this work.
- Progressing our roading renewal programme to improve the condition and safety. \$5.599 million has been allowed for subsidised roading renewals across the rural and urban roading network.
- Continuing work to improve our footpath network to meet community expectations. \$0.566 million has been allowed for footpath renewals in 2023/24.

The Roads, Streets, Footpaths and Parking non-financial performance measures are available in the 2021-31 Long-Term Plan.

ROADING			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$		\$	\$
	Operating Costs		
6,263,191	Road maintenance - subsidised	6,476,049	6,365,682
1,336,373	Road maintenance - non-subsidised	1,407,636	1,399,839
260,000	Flood damage provision	-	-
7,285,737	Depreciation	8,752,342	7,234,583
15,145,302		16,636,027	15,000,103
	Operating Income		
3,215,131	Waka Kotahi subsidy (on maint)*	3,095,638	3,029,757
200,000	Local authority petrol tax	200,000	200,070
2,396,000	Other recoveries - incl financial contributions	696,000	458,024
5,811,131		3,991,638	3,687,850
	Appropriations		
(461,800)	Transfers from reserves	(180,000)	(50,000)
2,300,000	Transfers to reserves	1,100,000	381,000
68,107	Provision for loan repayments	67,212	152,134
(6,678,600)	Reverse depreciation**	(8,172,410)	(6,528,700)
\$4,561,877	Rates Requirement	\$5,459,191	\$5,266,687

* 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.

ROADING				
Annual Plan 2022/23	Capital Expenditure Summary	Source of Funds	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Capital Projects		\$	\$
	Subsidised Roading			
3,404,687	Roading Renewals - rural	Rates & Subsidy	3,201,160	1,937,560
1,659,844	Roading renewals - urban	Rates & Subsidy	2,398,332	1,887,732
-	Roading Renewals - rural (loan funded)	Rates & Loan	-	1,263,600
-	Roading renewals - urban (loan funded)	Rates & Loan	-	210,600
204,200	Bridge renewals	Rates & Subsidy	-	-
581,583	Footpath upgrading [incl reseals]	Rates, Depn & Subsidy	565,777	565,777
3,750,000	Bridge - Waipoua River	Depn Reserve & Subsidy	-	-
430,000	Bridge - Te Mara replacement	Depn Reserve & Subsidy	-	-
1,559,373	Rural/Urban Minor Improvement projects	Depn Reserve, Rates & Subsidy	1,741,210	1,051,210
935,000	Retaining wall - Kerosene Ridge	Depn Reserve & Subsidy	-	-
-	Cyclone Damage Reinstatment	Loan & Subsidy	18,920,000	-
-	Masterton Revamp - subsidised portion	Subsidy & Depn Reserve	-	-
141,470	Cycleways	Rates & Subsidy	215,180	73,710
12,666,157	Total Subsidised Roading		27,041,659	6,990,189
	Non-subsidised Roading			
102,100	Carpark reseal	Depn Reserve	62,120	42,120
3,700,000	Urbanisation of Millard Ave - Roading	Subdiv Contrib	-	1,196,524
10,000	CBD Recycling Bins	Depn Reserve	-	-
102,100	Masterton Revamp	Loan/Development Contributions	105,300	105,300
17,792	Carpark Lighting - safety initiative	Subdiv Contrib	-	-
185,000	What's Our Welcome- North Entrance	Loan	-	-
380,000	What's Our Welcome- South Entrance	Loan	360,000	-
1,290,000	Kitchener to Gordon - link road	Subdiv Contrib	450,000	-
5,786,992	Total Non-subsidised Roading		977,420	1,343,944
18,453,149	Total		28,019,079	8,334,133
	Capital Funding			
(7,219,710)	Waka Kotahi subsidy (roading)		(18,927,329)	(2,772,119)
(7,319,342)	Transfers from reserves		(710,120)	(1,076,869)
(667,100)	Loan funds		(5,006,100)	(1,409,462)
(15,206,152)	Total other funding		(24,643,549)	(5,258,450)
\$3,246,998	Rates Requirement (Capital)		\$3,375,530	\$3,075,683

ROADING			
Annual Plan 2022/23	Rates Requirement Summary	Annual Plan 2023/24	LTP Year 3 2023/24
\$		\$	\$
6,410,574	Subsidised roading	6,868,578	6,772,220
1,165,307	Non-subsidised roading (urban)	1,264,384	1,202,497
232,994	Non-subsidised roading (rural)	201,759	367,653
-	Storm Damage Provision	500,000	-
\$7,808,875	Rates Requirement	\$8,834,722	\$8,342,370

WATER SUPPLIES (URBAN AND RURAL) - HOPUA WAI (TĀONE ME TE TAIWHENUA)

Water is provided to the urban reticulation system and the Waingawa industrial area. In rural areas, we support the provision of non-drinking and water race supplies as well as a small number of communally-owned water schemes.

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

Our Water Supply priorities for 2023/24 are:

- Continuing to supply safe drinking water to the community.
- Progressing the ongoing programme of water main renewals with a budget allocation of \$1.5 million.
- Extending the Millard Avenue water supply. This was programmed for 2022/23 but not completed due to capacity challenges. Provision of \$180,000 has been allowed in 2023/24, funded by development contributions.
- Completing the installation of water meters on urban properties. \$0.5 million has been allowed for this work.
- Ongoing support for rural water supplies.

The Water Supplies non-financial performance measures are available in the 2021-31 Long-Term Plan.

URBAN WATER SUPPLY			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
1,542,397	Water treatment costs	1,742,975	1,582,481
1,203,974	Water reticulation costs	1,444,008	1,222,531
1,782,074	Depreciation	2,093,372	1,927,598
4,528,445		5,280,355	4,732,610
	Operating Income		
313,478	User charges	313,478	336,472
111,200	Internal Recoveries	130,800	107,114
424,678		444,278	443,586
	Appropriations		
327,403	Provision for loan repayments	291,117	360,950
(221,860)	Reverse depreciation	(605,000)	(309,116)
\$4,209,309	Rates Requirement	\$4,522,194	\$4,340,858

RURAL WATER SUPPLIES			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
271,182	Rural water supplies & rates	283,355	298,502
154,855	Depreciation	194,589	163,398
426,036		477,944	461,900
	Operating Income		
226,000	Rural water scheme charges	236,600	244,394
	Appropriations		
6,944	Provision for loan repayment	5,928	6,806
(69,650)	Reverse depreciation	(94,456)	(82,631)
\$137,330	Rates Requirement	\$152,816	\$141,680

WATER SUPPLIES				
Annual Plan 2022/23	Capital Expenditure Summary	Source of Funds	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$			\$	\$
	Capital Projects			
	Urban water treatment			
50,000	WTP Consent Renewal - take	Depn Reserve	-	-
98,000	WTP - plant & equipment renewals	Depn Reserve	163,900	165,075
82,000	WTP - plant & equipment upgrades	Subdiv contrib	75,000	74,550
20,000	WTP - building renewals	Depn Reserve	25,000	21,300
-	Raw water storage dams	Loan	-	7,455,000
250,000	Total Urban water treatment		263,900	7,715,925
	Urban water reticulation			
1,800,000	Water mains renewals (reticulation)	Loan/Depn Reserve	1,500,000	3,514,500
50,000	Water connections replacements	Depn Reserve	106,500	106,500
600,000	Water meters project completion	Loan	500,000	-
180,000	Urbanisation of Millard Ave	Subdiv contrib	180,000	-
2,630,000	Total Urban water reticulation		2,286,500	3,621,000
	Rural water supply			
25,000	Wainuioru water supply renewals	Depn Reserve	31,950	31,950
-	Tinui water supply upgrades	Depn Reserve	5,325	5,325
25,000	Total Rural water supply		37,275	37,275
2,905,000	Total		2,587,675	11,374,200
	Capital Funding			
(1,765,000)	Transfers from reserves		(1,637,675)	(1,522,950)
-	External funds		-	-
(1,140,000)	Loan funds		(950,000)	(9,851,250)
(2,905,000)	Total capital funding		(\$2,587,675)	(\$11,374,200)
\$0	Rates requirement		\$0	\$0

WATER SERVICES			
Annual Plan 2022/23	Rates Requirement Summary	Annual Plan 2023/24	LTP Year 3 2023/24
\$		\$	\$
4,209,309	Masterton urban water supply	4,522,194	4,340,858
52,463	Tinui water supply	61,119	45,211
62,059	Opaki water race	66,584	67,176
22,809	Miscellaneous rural water costs	25,113	29,293
\$4,346,640	Rates Requirement	\$4,675,010	\$4,482,539

WASTEWATER SERVICES - RATONGA WAI PARU

Wastewater Services are provided to residential, commercial and industrial properties in the urban area, Waingawa industrial area, Riversdale, Castlepoint and Tinui. There are 9,938 wastewater connections.

This includes maintaining our network of pipes, pump stations, treatment plants, wetland cells and a waste stabilisation pond.

Our Wastewater Services priorities for 2023/24 are:

- Continuing renewal work on wastewater infrastructure. An allocation of \$3.286 million has been allowed for work in the urban area. This includes external funding of \$2.25 million allocated to targeted wastewater renewals via the Three Waters Better Off funding package in the 2023/24 financial year.
- Completing the Colombo Road Pump Station build, deferred from 2022/23. Provision of \$1.2 million has been allowed in 2023/24 for this work.
- Improving wastewater services in the Millard Avenue area to urban standards. This work was scheduled in 2022/23 but was not completed due to capacity challenges. \$1.3 million has been allowed in 2023/24 for this work, funded by development contributions.
- Extending the irrigation area at Homebush wastewater treatment plant, with a loan funded provision of \$0.533 million allowed in 2023/24.

The Wastewater Services non-financial performance measures are available in the 2021-31 Long-Term Plan.

WASTEWATER SERVICES - URBAN			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
1,283,238	Sewerage reticulation	1,612,534	1,227,490
2,312,722	Wastewater treatment	2,824,260	2,048,577
2,728,541	Depreciation	3,411,153	2,799,892
6,324,501		7,847,947	6,075,959
	Operating Income		
499,993	User Charges & lease income	540,993	596,999
	Appropriations		
-	Transfers from reserves	-	-
2,589,729	Provision for loan repayments	2,373,438	2,708,501
(1,504,000)	Reverse depreciation	(2,123,441)	(1,195,000)
\$6,910,237	Rates Requirement	\$7,556,951	\$6,992,461

WASTEWATER SERVICES - RURAL			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$		\$	\$
	Operating Costs		
123,233	Castlepoint sewerage scheme	134,601	112,223
173,039	Riversdale Beach sewerage scheme	212,207	166,838
14,384	Tinui sewerage scheme	21,814	18,205
425,589	Depreciation	547,856	428,035
736,245		916,478	725,301
	Operating Income		
30,155	User charges & other income	30,155	21,041
123,000	Riversdale Beach capital contributions	170,000	123,000
153,155		200,155	144,041
	Appropriations		
(50,000)	Transfers from reserves	(50,000)	(50,000)
162,751	Provision for loan repayments	170,524	171,713
(297,100)	Reverse depreciation	(395,277)	(252,000)
\$398,741	Rates Requirement*	\$441,570	\$450,974

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

WASTEWATER SERVICES				
Annual Plan 2022/23	Capital Expenditure Summary	Source of Funds	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$			\$	\$
	Capital Projects			
	Urban Sewerage system			
-	Network investigations	Depn Reserves	-	106,500
1,524,200	Sewer reticulation renewals	Depn Reserves/External	3,286,500	1,171,500
1,300,000	Millard Ave & Andrew St sewer extension	Subdiv contrib	1,300,000	-
55,000	Homebush plant & equipment renewals	Depn Reserve	53,250	53,250
-	Colombo Road sewer pump station	Loan	1,200,000	-
300,000	Homebush irrigation extension	Loan	532,500	532,500
3,179,200	Total Urban Sewerage system		6,372,250	1,863,750
	Rural Sewerage schemes			
200,000	Castlepoint wastewater upgrade	Reserves	-	-
100,000	Castlepoint wastewater consent upgrade	Reserves	-	-
15,000	Castlepoint sewerage plant renewals	Reserves	10,650	10,650
40,000	Riversdale Beach scheme renewals	Depn Reserve	31,950	31,950
355,000	Total Rural Sewerage system		42,600	42,600
3,534,200	Total		6,414,850	1,906,350
	Capital Funding			
(300,000)	Loan funds		(1,732,500)	(532,500)
-	External funds		(2,115,000)	-
(3,234,200)	Transfer from reserves		(2,567,350)	(1,373,850)
(\$3,534,200)	Total capital funding		(\$6,414,850)	(\$1,906,350)
\$0	Rates Requirement (Capital)		\$0	\$0

WASTEWATER SERVICES			
Annual Plan 2022/23	Rates Requirement Summary	Annual Plan 2023/24	LTP Year 3 2023/24
\$		\$	\$
6,910,237	Masterton urban wastewater system	7,556,951	6,992,461
113,111	Castlepoint sewerage scheme	120,883	139,197
220,319	Riversdale Beach sewerage scheme	245,890	248,452
45,729	Riversdale Beach capital contributions	45,586	38,584
19,582	Tinui sewerage scheme	29,211	24,741
\$7,308,978	Rates Requirement	\$7,998,521	\$7,443,435

Note: Includes Riversdale Capital Rates

STORMWATER - WAIMARANGAI

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.

Our Stormwater priorities for 2023/24 are:

- Renewing and upgrading stormwater systems, with a \$319,500 provision this year.
- Improved flood protection and stopbank pipe upgrades. Provision of \$372,750 has been allowed for this work.

The Stormwater non-financial performance measures are available in the 2021-31 Long-Term Plan.

STORMWATER			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
457,734	Stormwater	561,334	440,692
422,424	Depreciation	594,302	427,052
880,158		1,155,636	867,745
	Operating Income		
-	User charges & other income	-	-
	Appropriations		
41,883	Provision for loan repayments	39,567	49,122
(80,000)	Reverse depreciation	(272,987)	(60,999)
\$842,041	Rates Requirement	\$922,216	\$855,868

STORMWATER					
Annual Plan 2022/23	Capital Expenditure Summary		Source of Funds	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$				\$	\$
	Capital Projects				
	Stormwater				
320,000	Stormwater renewal & upgrades	Depn Reserve	319,500	319,500	
-	Stopbank - associated pipe work upgrade	Loan	213,000	213,000	
155,000	Projects to Increase LOS	Loan	-	-	
-	Urbanisation of Millard Ave	Reserves	-	426,000	
-	Stormwater consent	Depn Reserve	-	-	
-	Improve flood protection	Depn Reserve	159,750	159,750	
475,000	Total Stormwater		692,250	1,118,250	
	Capital Funding				
(155,000)	Loan funds		(213,000)	(213,000)	
(320,000)	Transfer from reserves		(479,250)	(905,250)	
(\$475,000)	Total capital funding		(\$692,250)	(\$1,118,250)	
\$0	Rates Requirement (Capital)		\$0	\$0	

SOLID WASTE MANAGEMENT - TARI WHAKARITE PARAPARA

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 six closed landfill sites (Nursery Road, Riversdale, Castlepoint, Mauriceville, Hastwell and Tinui) and three transfer stations (Nursery Road, Castlepoint and Riversdale), including associated buildings and the weighbridge at the urban landfill.

Our Solid Waste Management priorities for 2023/24 are:

- Progressing a programme of renewals work at the Nursery Road Transfer Station. \$400,000 has been allowed in 2023/24 for this work.
- Continuing landfill capping as part of a longer term programme of work with provision of \$20,920 in 2023/24.
- Working with councils across the Wellington region to review the joint Waste Management and Minimisation Plan (WMMP). The WMMP is scheduled for community consultation approximately August 2023, with a view to having the new WMMP in place before the end of 2023.

The Solid Waste Management non-financial performance measures are available in the 2021-31 Long-Term Plan.

SOLID WASTE MANAGEMENT				
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24	
\$	Operating Costs	\$	\$	
331,955	Urban refuse collection costs	327,803	304,191	
3,268,573	Transfer station operation & refuse disposal	4,062,671	2,943,402	
1,708,401	Waste minimisation (incl recyc & composting)	1,798,576	1,521,841	
321,499	Rural waste operations	334,277	290,113	
5,630,427		6,523,327	5,059,547	
	Operating Income			
3,812,400	User charges - external	4,435,400	3,355,938	
159,000	User charges - internal	180,400	82,779	
260,000	Recoveries - waste levy	430,000	354,960	
220,000	Recoveries from bag sales	240,000	276,660	
4,451,400		5,285,800	4,070,337	
	Appropriations			
(30,000)	Transfers from reserves	(30,000)	(43,600)	
204,707	Provision for loan repayments	197,711	214,403	
(69,000)	Reverse depreciation	(92,281)	(95,000)	
\$1,284,734	Rates Requirement	\$1,312,957	\$1,065,013	

SOLID WASTE SERVICES				
Annual Plan 2022/23	Capital Expenditure Summary	Source of Funds	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Capital Projects		\$	\$
	Solid Waste Management			
20,320	Nursery Road landfill capping	Depn Reserve	20,920	20,920
150,000	Nursery Road transfer station renewals	Depn Reserve	400,000	20,920
170,320	Total Solid Waste Management		420,920	41,840
	Capital Funding			
	External funds		(200,000)	-
(170,320)	Transfer from reserves		(220,920)	(41,840)
(\$170,320)	Total capital funding		(\$420,920)	(\$41,840)
\$0	Rates Requirement (Capital)		\$0	\$0

SOLID WASTE SERVICES			
Annual Plan 2022/23	Rates Requirement Summary	Annual Plan 2023/24	LTP Year 3 2023/24
\$		\$	\$
752,451	Recycling collection	753,247	731,018
(195,815)	Refuse transfer station & landfill	(47,835)	(129,043)
432,599	Waste minimisation	299,268	196,416
295,499	Rural refuse services	308,277	266,623
\$1,284,734	Rates Requirement	\$1,312,957	\$1,065,013

COMMUNITY FACILITIES AND PARKS - NGĀ WHARE O TE HAPORI ME NGĀ PAKA

We provide and support a wide range of facilities and parks throughout the district for use by the community. The facilities we provide include:

- 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
- The Masterton Airport (Hood Aerodrome).

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

Our Community Facilities and Parks priorities for 2023/24 are:

- Undertaking work to define options and assess associated costs for a civic facility that reflect feedback received from our community during the Annual Plan consultation period. This indicated that submitters agree the civic facility as scoped in the 2021-31 Long-Term Plan (LTP) is no longer affordable, and that they would prefer a facility with a reduced scope on the Town Hall site and an upgrade of the existing Library in its current location. This work will inform options for consultation as part of the 2024-34 LTP and enable a decision on the future of this project. The 2023/24 Annual Plan includes provision of \$300,000 to progress options and consult further on those.
- Making vacant land at Panama Village available for the development of public housing. In 2022/23 we commenced the process to seek High Court approval to sell (preferred) or lease (if sale is not approved) the land for public housing. A decision is expected in the coming year. We have also allowed \$483,690 to renew our existing housing stock and to develop car-parking at Panama Village.
- Progressing work at Hood Aerodrome to support resilient air transport infrastructure for the Wairarapa. Central government funding was secured in 2020 to support this five year programme of work. In 2023/24 we have allowed \$3.8 million of capital expenditure to continue to progress redevelopment work including widening of the runway and precinct upgrades.
- Continuing to improve our sports facilities. In 2023/24 we have allowed \$1.26 million for sportfield buildings including completing the seismic strengthening improvements at the Queen Elizabeth Park Sports Club; progressing work at Douglas Villa and Memorial Park; and investigating options for the South Park sports building.
- Completing a Condition and Energy Assessment of the Trust House Recreation Centre in the first quarter of 2023/24. This will help to inform and prioritise work needed at the centre, which will be considered as part of the 2024-34 LTP. \$500,000 has been allowed for renewals work at the Trust House Recreation Centre in the 2023/24 year. This includes replacing the backup heating system, refreshing the stadium changing facilities and replacing the toddler pool roof. Some insurance funding is anticipated for the toddler pool roof.

- Assessing options to resolve artificial turf faults at the Sports Bowl for consideration as part of the 2024-34 LTP. Budget provision had been allowed for work to replace the turf in 2023/24, however given inflationary impacts, the estimated cost is now more than was budgeted and work has been deferred while we explore all options.
- Continuing the improvements at the Riverside and Archer Street cemeteries. \$330,000 has been allowed for this work.
- Finalising the Riversdale Beach management plan. Work on the plan commenced in 2021/22 and is expected to be completed in the 2023/24 year, with any project work feeding into the 2024-34 Long Term Plan.
- Progressing work on a Reserve Management Plan for Queen Elizabeth Park. This work was carried forward from 2021/22 and is expected to be completed in the 2023/24 year. The Plan will assist us with planning and prioritising work in the Park.
- Upgrading playgrounds at Henley Lake and Mawley Park.
- Progressing the establishment of a Youth Hub at the Skatepark.

The Community Facilities and Parks non-financial performance measures are available in the 2021-31 Long-Term Plan.

COMMUNITY FACILITIES & ACTIVITIES			
Annual Plan 2022/23	Rates Requirement Summary	Annual Plan 2023/24	LTP Year 3 2023/24
\$		\$	\$
3,525,831	Parks, reserves & sportsfields	3,543,263	3,690,295
1,432,480	Trust House Recreation Centre	1,503,867	1,634,674
195,827	Cemeteries	167,941	217,932
544,872	District building	511,275	1,013,568
169,556	Housing for the elderly	195,593	187,921
317,394	Other rental properties	352,396	446,240
493,173	Public conveniences	496,544	485,658
144,446	Rural halls	143,389	171,353
36,081	Forestry	34,927	32,359
163,894	Mawley Park	153,971	190,690
327,891	Masterton Airport	427,755	562,255
2,105,726	Library	2,190,117	2,071,767
525,155	Archives	651,178	573,277
\$9,982,325	Rates Requirement	\$10,372,216	\$11,277,989

LIBRARY & ARCHIVE			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
1,853,973	Operating costs - Library	1,931,439	1,740,723
523,555	Operating costs - Archive	622,187	517,209
180,000	Depreciation - books	216,576	243,462
149,193	Depreciation - bldg, furniture & equip	130,545	194,194
2,706,721		2,900,747	2,695,588
	Operating Income		
23,109	Grants & donations	26,000	31,847
21,823	User charges & other recoveries	21,323	45,082
44,932		47,323	76,930
	Appropriations		
19,092	Provision for loan repayments	27,871	56,386
(50,000)	Reverse depreciation	(40,000)	(30,000)
\$2,630,882	Rates Requirement	\$2,841,295	\$2,645,044

Analysis of Rates Requirement			
2,105,726	Library	2,190,117	2,071,767
525,155	Archive	651,178	573,277
\$2,630,882		\$2,841,295	\$2,645,044

PROPERTY			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
873,902	District Building	961,830	1,254,079
610,645	Housing for the Elderly	631,222	526,257
516,632	Mawley Holiday Park	576,393	521,566
1,058,612	Other Property	1,126,337	962,397
805,717	Depreciation	832,309	1,196,179
3,865,509		4,128,091	4,460,478
	Operating Income		
775	Rental income - Halls & Dist. Bldg	775	797
440,713	Rental income - Housing for Elderly	464,310	521,916
266,334	Rental income - Other Property	274,399	273,944
487,200	Mawley Holiday Park	560,000	506,340
0	Forestry harvest proceeds	-	-
37,500	Internal recoveries - forestry	37,500	31,320
687,972	Internal recoveries - offices rental	751,348	654,372
1,920,494		2,088,332	1,988,690
	Appropriations		
(125,000)	Transfers from reserves	(115,000)	(40,000)
349,400	Provision for loan repayments	311,095	419,136
(300,000)	Reverse depreciation	(347,759)	(323,135)
\$1,869,415	Rates Requirement	\$1,888,095	\$2,527,789

PARKS, RESERVES & SPORTSFIELDS			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
2,438,083	Parks & reserves maintenance	2,477,122	2,365,754
606,837	Sportsfields maintenance	540,723	597,287
784,226	Depreciation	816,151	1,161,113
3,829,146		3,833,996	4,124,155
	Operating Income		
31,670	Miscellaneous parks income	31,670	32,575
31,615	Sportsground rentals	31,614	32,518
63,285		63,284	65,093
	Appropriations		
(135,000)	Transfers from reserves	(135,000)	(150,000)
131,969	Provision for loan repayments	125,717	150,634
(237,000)	Reverse depreciation	(218,166)	(369,400)
\$3,525,831	Rates Requirement	\$3,543,263	\$3,690,295

TRUST HOUSE RECREATION CENTRE			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
1,136,449	Recreation centre operating costs**	1,260,783	1,142,761
542,684	Depreciation	554,771	768,398
1,679,133		1,815,554	1,911,158
	Operating Income		
31,000	Grants & recoveries	152,000	36,978
	Appropriations		
-	Transfers from reserves	(15,000)	-
29,347	Provision for loan repayments	30,313	30,494
(245,000)	Reverse depreciation	(175,000)	(270,000)
\$1,432,480	Rates Requirement	\$1,503,867	\$1,634,674

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

CEMETERIES			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
295,781	Cemeteries operating and maintenance	290,770	290,007
	Operating Income		
69,954	Burial fees and sale of plots	94,955	83,288
	Appropriations		
(30,000)	Transfers from reserves	(30,000)	-
-	Provision for loan repayments	2,126	11,213
\$195,827	Rates Requirement	\$167,941	\$217,932

MASTERTON AIRPORT (HOOD AERODROME)			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
508,435	Airport operation & maintenance	617,702	536,743
136,040	Depreciation	146,304	214,576
644,474		764,006	751,319
	Operating Income		
301,619	Leases and other income	301,621	293,233
	Appropriations		
(20,000)	Transfers from reserves	(40,000)	(20,000)
60,036	Provision for loan repayments	85,992	200,169
(55,000)	Reverse depreciation	(80,622)	(76,000)
\$327,891	Rates Requirement	\$427,755	\$562,255

COMMUNITY FACILITIES / ACTIVITIES				
Annual Plan 2022/23	Capital Expenditure Summary	Source of Funds	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$			\$	\$
	Parks & Reserves			
50,000	Queen Elizabeth Park Upgrades	Reserve Contrib.	12,029	12,029
65,000	QE Park structures/facilities renewals	Depn Reserve Contributions/	180,000	66,944
114,000	Recreation trails network (urban & rural)	Loans	30,000	23,012
17,000	Street trees renewals & new	Reserves	22,500	17,521
12,000	Castlepoint furniture renewals	Depn Reserve	-	-
20,000	Parks & Open Spaces - Signage	Depn Reserve	75,000	20,920
200,000	Henley Lake - lake level management	Loan	409,200	209,200
22,000	Henley - landscape development	Reserves	20,920	20,920
7,500	Henley Lake buildings upgrades	Depn Reserve	5,230	5,230
100,000	QE Park lake alt water source	Loan	25,000	-
82,000	Carpark Reseals Urban Reserves	Depn Reserve Depn Reserve/	-	-
147,500	Urban reserves upgrades	Contributions	136,610	73,220
837,000	Total Parks, Reserves & Sportsfields		916,489	448,996
	Sportsfields			
1,395,000	Sportsfield buildings renewals	Depn Reserve/External	1,196,336	130,750
10,000	Netball facility upgrade	Depn Reserve	1,046	1,046
20,000	Colin Pugh Sports Bowl - track renewal	Depn Reserve	20,000	418,400
6,000	South Park Sports Facilities Provision	Depn Reserve	25,104	25,104
22,000	Cricket grandstand upgrade	Depn Reserve	20,920	20,920
1,453,000	Total Sportsfields		1,263,406	596,220
	Trust House Recreation Centre			
15,000	Outdoor Pools plant upgrades	Depn Reserve	-	-
550,000	Building & Services renewals	Depn Reserve	500,000	457,102
60,000	Other Plant & Equip	Depn Reserve	-	-
625,000	Total Recreation Centre		500,000	457,102
	Cemeteries			
400,000	Cemetery renovations & extensions	Reserves/Loan	330,000	52,650
	District Buildings			
120,000	Building upgrades	Depn Reserve	100,000	11,715
50,000	Queen Street bldg leasehold improv.	Depn Reserve Loan/External	10,000	-
300,000	Civic facility - develop options	Funds	300,000	9,518,600
470,000	Total District Buildings		410,000	9,530,315

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COMMUNITY FACILITIES / ACTIVITIES continued				
Annual Plan 2022/23	Capital Expenditure Summary	Source of Funds	Annual Plan 2023/24	LTP Amended Year 3 2023/24
			\$	\$
	Housing for the Elderly			
500,000	Pensioner housing upgrades & renewals	Depn Reserve Sale proceeds/	98,000	97,278
1,082,000	Panama land - stormwater & other	Reserves	350,000	-
1,582,000	Total Pensioner Housing		448,000	97,278
	Other Property			
12,500	Public conveniences	Depn Reserve	15,000	13,598
10,500	Castlepoint Toilets upgrade	Depn Reserve	-	-
-	Rural halls upgrades	Depn Reserve	15,845	15,690
10,000	Riversdale Beach toilets upgrade	Reserves Depn Reserve	11,500	11,506
52,000	Rental Property upgrades	/Loan	155,690	120,290
-	Upgrade other Council buildings	Depn Reserve	-	-
5,000	Mawley Park - Playground	Depn Reserve	5,000	-
124,000	Mawley Park facility upgrades	Depn Reserve	50,150	26,150
214,000			253,185	187,234
	Airport			
-	Runway reseal & remarking	Depn Reserve	-	-
		Loan/External		
1,010,000	Hanger area expansion	Funds	-	-
3,200,000	Airport runway and precinct upgrades - taxiway and apron - stage 1	Loan/External Funds	1,500,000	-
8,000	Equipment upgrades	Depn Reserve	2,500	-
		Loan/External		
2,500,000	Runway widening & development	Funds	2,300,000	-
		Loan/External		
-	Runway construction & road realignment- stage 2	Funds	-	2,484,766
6,718,000	Total Airport		3,802,500	2,484,766
	Library & Archive			
182,880	Book stock renewals	Depn Reserve	152,880	188,280
25,400	Computer & equipment replacements	Depn Reserve	31,380	31,380
11,500	Renew furniture/fittings	Depn Reserve	11,506	11,506
630,000	Archive shelving	Reserves/Loan	-	-
849,780	Total Library & Archive		195,766	231,166
13,148,780	Total		8,119,346	14,085,727
	Funding			
(4,806,780)	Transfers from reserves		(3,307,146)	(1,768,561)
(4,832,000)	Loan funds		(2,272,200)	(10,634,715)
(3,510,000)	External funding		(2,540,000)	(1,682,451)
(\$13,148,780)	Total capital funding		(\$8,119,346)	(\$14,085,727)
\$0	Rates requirement		\$0	\$0

REGULATORY SERVICES - MANA WHAKARITERITE

Regulatory Services involves delivering on our responsibilities under legislation, including:

- Resource management and planning;
- Building control;
- Environmental health and alcohol licensing;
- Bylaws;
- Parking control;
- Animal control; and
- Financial contributions and staffing support for civil defence and emergency management provided by the Wellington Region Emergency Management Office (WREMO).

Our Regulatory Services priorities for 2023/24 are:

- Completing the new animal shelter, deferred from 2021/22. Funding of \$2.5 million (loan funded) has been allowed in the current year to complete the build.
- Progressing the review of the operative Wairarapa Combined District Plan with the proposed District Plan to be notified in mid-October 2023 and hearings to commence in early 2024.
- Maintaining our Building Consent Authority Accreditation so we can continue to grant building consents and certify building work in our district. The next IANZ assessment is scheduled for November 2024.
- Maintaining the Quality Management System that supports the provision of a good quality food verification service.
- Completing the decision process for all earthquake prone buildings in our district as seismic assessments are provided, and issuing Earthquake Prone notices where applicable.
- Progressing swimming pool inspections in the urban and rural areas.
- Introducing and maintaining Territorial Authority Compliance Schedule and Building Warrant of Fitness (BWOF) auditing.
- Exploring options for replacing parking meters.

The Regulatory Services non-financial performance measures are available in the 2021-31 Long-Term Plan.

REGULATORY SERVICES			
Annual Plan 2022/23	Rates Requirement Summary	Annual Plan 2023/24	LTP Year 3 2023/24
\$		\$	\$
1,170,205	Resource Management and Planning	1,259,158	1,031,781
768,052	Building Development	1,144,840	673,253
648,301	Environmental Services	712,562	606,755
272,944	Emergency Management	284,033	266,908
134,926	Animal Services	138,455	145,280
3,321	Parking Control	2,729	(38,584)
\$2,997,748	Rates Requirement	\$3,541,777	\$2,685,392

REGULATORY SERVICES				
Annual Plan 2022/23	Capital Expenditure Summary	Source of Funds	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Capital Projects		\$	\$
	Regulatory Services			
6,000	Environmental Health testing equip.	Depn Reserve	2,000	8,368
2,400	Animal Services - equipment	Depn Reserve	30,000	1,674
1,400,000	Animal Services - new animal shelter	Loan	2,500,000	-
20,000	Building Development - equipment	Depn Reserve	15,000	14,644
20,000	Replace parking meters	Depn Reserve	-	-
1,448,400	Total Regulatory		2,547,000	24,686
	Capital Funding			
(48,400)	Transfers from reserves		(1,047,000)	(24,686)
(1,400,000)	Loan Funds		(1,500,000)	-
(\$1,448,400)	Total capital funding		(\$2,547,000)	(\$24,686)
\$0	Rates Requirement		\$0	\$0

RESOURCE MANAGEMENT & PLANNING			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$		\$	\$
	Operating Costs		
1,587,441	Resource management & planning	1,477,909	863,049
501,015	Wairarapa Combined District Plan development (MDC share)	425,000	627,444
161,471	River scheme contributions	160,971	166,085
2,249,927		2,063,880	1,656,578
	Operating Income		
418,222	User charges - incl consent fees	323,222	168,297
1,408,500	Reserves & Infrastructure Contributions	1,353,500	1,002,000
1,826,722		1,676,722	1,170,297
	Appropriations		
(801,500)	Transfers from reserves	(581,500)	(601,500)
1,548,500	Transfers to reserves - incl Contributions	1,453,500	1,147,000
\$1,170,205	Rates Requirement	\$1,259,158	\$1,031,781

BUILDING DEVELOPMENT			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$		\$	\$
	Operating Costs		
2,402,688	Building development operating costs	2,364,631	2,064,449
-	Earthquake building assessments	10,000	-
2,402,688		2,374,631	2,064,449
	Operating Income		
1,634,636	Consent fees & charges	1,229,791	1,391,196
-	Recoveries - Eq building owners (2018/19)	-	-
1,634,636		1,229,791	1,391,196
	Appropriations		
\$768,052	Rates Requirement	\$1,144,840	\$673,253

ENVIRONMENTAL SERVICES & LICENSING			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$		\$	\$
	Operating Costs		
890,647	Environmental Health other operating costs	959,268	846,001
223,042	Alcohol Act enforcement activities	239,826	211,622
1,113,689		1,199,094	1,057,623
	Operating Income		
66,369	License fees & charges	71,306	41,339
89,827	Alcohol licensing fees & charges	77,820	92,394
294,191	Internal recoveries	322,406	307,135
450,388		471,532	440,868
	Appropriations		
(15,000)	Tsf from reserves	(15,000)	(10,000)
\$648,301	Rates Requirement	\$712,562	\$606,755

EMERGENCY MANAGEMENT			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$		\$	\$
	Operating Costs		
161,942	CD/EM - Wairarapa Costs	166,011	152,820
133,980	WREMO CD/Emergency Mgmt (MDC share)	141,000	137,808
295,922		307,011	290,628
	Operating Income		
25,978	Misc recoveries - CD/EM Wairarapa	25,978	26,721
	Appropriations		
3,000	Tsf to reserves - self insurance	3,000	3,000
\$272,944	Rates Requirement	\$284,033	\$266,908

ANIMAL SERVICES			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
669,315	Animal services & pound costs	722,181	683,086
	Operating Income		
523,550	Dog registration fees & fines	582,350	550,274
	Appropriations		
(15,000)	Transfers from reserves	(8,000)	-
12,761	Provision for loan repayments	11,624	50,468
(8,600)	Reverse depreciation	(5,000)	(38,000)
\$134,926	Rates Requirement	\$138,455	\$145,280

PARKING CONTROL			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
202,737	Parking control costs	223,089	198,991
18,084	Depreciation - meters	18,140	44,838
220,821		241,229	243,829
	Operating Income		
217,500	Parking meters and fines	238,500	282,413
	Appropriations		
\$3,321	Rates Requirement	\$2,729	(\$38,584)

LEADERSHIP, STRATEGY AND CORPORATE SERVICES - MANA WHAKAHAERE ME NGĀ RATONGA ŌKAWA

Leadership, Strategy and Corporate Services provides strategic direction and leadership to the Council and our community; enables democratic decision-making that is open, transparent and accountable, and supports the effective and efficient operation of all Council activities. This includes working with mana whenua, consulting with our community on key decisions, running the local body election 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 leadership.

Our Leadership, Strategy and Corporate Services priorities for 2023/24 are:

- Supporting elected members to develop the 2024-34 Long-Term Plan (LTP), which must be adopted by 30 June 2024. A priority for this LTP is a review of levels of service. Consultation on the LTP is scheduled for March/April 2024.
- Representing Masterton district on Wellington Regional Leadership Committee (WRLC) projects including: the Future Development Strategy (scheduled for public consultation in October 2023); Regional Food Systems Strategy; Regional Economic Development Plan; Regional Housing Action Plan; Regional Climate Change Impacts Assessments and Adaptation Plan; and the Regional Emissions Reduction Strategy.
- Implementing Council's Corporate Carbon Emission Reduction Plan and the District Climate Change Action Plan.
- Working with Iwi entities to progress work on our cultural competency framework.
- Progressing the review of Memorandum's of Partnership (MOPs) with Rangitāne o Wairarapa and Kahungunu ki Wairarapa; and developing MOPs with Rangitāne Tū Mai Rā Trust and Ngati Kahungunu ki Wairarapa Tāmaki Nui ā Rua Treaty Settlement Trust (the two Post Settlement Governance Entities).
- Progressing our *He Hiringa Tangata, He Hiringa Whenua* Wellbeing Strategy Implementation Plan. In 2023/24, we will complete the youth hub at the Skatepark which was deferred in 2021/22.
- Providing ongoing funding and supporting the implementation of the Wairarapa Economic Development Strategy, including undertaking the work required for Masterton district to join the Wairarapa Dark Sky Reserve.
- Continuing to participate in processes and discussions relating to Government reforms such as the Three Waters and Resource Management Act reforms and the Future for Local Government.
- Reviewing and developing policies and strategies including progressing the review of the Local Alcohol Policy and Wairarapa Class 4 Gambling and TAB Venues Policy. We will also review all policies associated with the 2024-34 Long-Term Plan including Council's Revenue and Finance Policy.
- Continuing our focus on business improvement to enhance systems and processes across the organisation.

LEADERSHIP, STRATEGY & CORPORATE SERVICES			
Annual Plan 2022/23	Rates Requirement Summary	Annual Plan 2023/24	LTP Year 3 2023/24
\$		\$	\$
819,961	Representation	\$918,808	749,519
\$0	Roading Advisory Services	\$0	\$0
(\$0)	Asset & Project Management	-	-
(\$0)	Corporate Services	-	0
1,101,370	Community Development	1,126,373	1,288,819
564,992	Arts and Culture	562,232	619,031
1,015,400	Economic Development and Promotion	912,958	1,090,174
368,158	Environmental Initiatives	451,208	343,112
\$3,869,880	Rates Requirement	\$3,971,579	\$4,090,655

Note: after internal costs allocated to operating activity areas.

REPRESENTATION			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
593,550	Mayor & councillors remuneration	657,564	543,191
31,612	Reporting & consultation	35,000	7,830
131,000	Election costs	25,000	36,540
753,939	Operating expenses	863,783	661,637
1,510,101		1,581,347	1,249,198
	Operating Income		
546,640	Internal allocation of governance	612,539	499,679
63,500	Misc Income (election recoveries) (per Funding Policy 40% internal)	-	-
610,140		612,539	499,679
	Appropriations		
(80,000)	Transfers from reserves	(50,000)	-
\$819,961	Rates Requirement	\$918,808	\$749,519

ROADING ADVISORY SERVICES			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
1,127,116	Professional staff & operating costs	1,289,469	1,103,686
13,028	Depreciation	15,316	9,065
1,140,144		1,304,785	1,112,751
	Operating Income		
1,129,720	Prof. services - Roothing	1,294,361	1,102,000
10,424	External income	10,424	10,751
1,140,144		1,304,785	1,112,751
	Appropriations		
\$0	Rates Requirement	\$0	\$0

ASSET & PROJECT MANAGEMENT			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
1,980,402	Professional staff & operating costs	2,015,008	1,995,093
	Operating Income		
1,959,738	Internal charges	1,994,344	1,973,733
20,664	External recoveries	20,664	21,361
1,980,402		2,015,008	1,995,093
	Appropriations		
(\$0)	Rates Requirement	\$0	\$0

DEVELOPMENT (Social, Cultural, Economic & Environmental)			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$		\$	\$
	Operating Costs		
1,459,432	Community development	1,464,086	1,658,275
641,762	Arts & culture	639,002	645,415
1,143,324	Economic development	989,575	1,118,850
428,158	Environmental initiatives	1,083,708	363,992
47,034	Depreciation	36,725	58,693
3,719,709		4,213,096	3,845,225
	Operating Income		
2,436	Government grants	2,436	2,506
30,957	Creative NZ grants	30,957	31,842
60,657	Events grants & other recoveries	569,341	173,910
58,100	Internal Recoveries	40,000	58,210
152,151		642,734	266,467
	Appropriations		
(525,000)	Transfers from reserves	(522,500)	(254,000)
7,361	Provision for loan repayments	4,909	16,379
-	Reverse depreciation	-	-
\$3,049,919	Rates Requirement	\$3,052,771	\$3,341,136

CORPORATE SERVICES			
Annual Plan 2022/23	Cost of Service Statement	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Operating Costs	\$	\$
2,217,838	Management & administration	1,904,264	1,662,272
1,807,297	Financial management	2,357,804	1,820,167
1,393,654	Strategic planning	1,537,645	1,256,095
1,122,355	Information systems	1,306,402	988,575
926,397	Communications & engagement	867,437	745,329
690,588	Human Resources	711,328	753,263
129,616	Council vehicle fleet costs	172,485	182,667
8,287,745		8,857,365	7,408,368
	Operating Income		
653,718	Miscellaneous income & recoveries	494,943	489,490
348,500	Interest income (external)	1,173,500	377,500
250,423	Interest income (on internal loans)	420,165	252,998
5,785,740	Support services allocated internally	6,316,272	5,541,712
129,616	Council Vehicle Fleet Recovery	172,485	182,667
7,167,997		8,577,365	6,844,368
	Appropriations		
(1,414,748)	Transfers from reserves	(855,000)	(865,000)
60,000	Transfers to reserves	25,000	60,000
235,000	Transfers to reserves - interest	550,000	241,000
(\$0)	Rates Requirement	\$0	\$0

LEADERSHIP, STRATEGY & CORPORATE SERVICES				
Annual Plan 2022/23	Capital Expenditure Summary	Source of Funds	Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Capital Projects		\$	\$
	Corporate Services			
20,000	Document mgmt. system	Depn Reserve	50,000	-
130,000	IT equipment replacement	Depn Reserve	100,000	94,140
50,000	IT upgrades & Innovation Projects	Depn Reserve	40,000	-
30,000	Website Upgrade	Reserves	-	-
-	GIS aerial photos & data capture	Depn Reserve	36,000	36,610
115,000	Pool Vehicle replacement	Depn Reserve	190,000	104,600
10,000	Audio Visual Equipment	Depn Reserve	10,000	-
80,000	IT systems projects	Depn Reserve	-	-
-	Meeting Room & Communication Technology	Depn Reserve	30,000	-
435,000	Total Corporate Services		456,000	235,350
	Development			
24,000	CBD Security Cameras	Depn Reserve	20,920	20,920
-	Christmas Decorations	Depn Reserve	20,920	20,920
-	Flag Trax	Depn Reserve	-	-
300,000	Youth hub building at Skatepark	Reserves	300,000	-
12,000	Decorative lighting (upgrade LED)	Reserves	5,230	5,230
336,000	Total Development		347,070	47,070
771,000	Total		803,070	282,420
	Capital Funding			
(771,000)	Transfers from reserves		(803,070)	(282,420)
-	Loan funds		-	-
-	External funding		-	-
(771,000)	Total capital funding		(\$803,070)	(\$282,420)
-	Rates Requirement		-	-

FINANCIAL INFORMATION - NGĀ PĀRONGO PŪTEA



FORECAST FINANCIAL STATEMENTS - TE TIROHANGA WHĀNUI MŌ TE PUTEA

MASTERTON DISTRICT COUNCIL		ANNUAL PLAN 2023/24		
PROSPECTIVE STATEMENT OF FINANCIAL POSITION				
NZ \$	Notes	Forecast to 30 June 2023	2023/24 Annual Plan	2023/24 Year 3 LTP*
CURRENT ASSETS				
Cash & Bank Accounts		3,119,088	4,502,967	4,532,506
Financial Assets - Current		5,397,305	5,005,251	6,602,697
Inventories		394,430	396,930	255,564
Debtors & Other Receivables		4,487,410	4,807,032	4,358,759
Total Current Assets		13,398,233	14,712,180	15,749,526
NON-CURRENT ASSETS				
Property, Plant & Equipment		143,888,010	169,620,247	165,411,826
Infrastructural Assets		934,828,797	961,276,300	823,940,832
Intangible Assets		2,732,860	2,394,132	3,086,195
Forestry assets		432,002	452,182	374,899
Investment Property Assets		-	-	-
Derivative financial instruments		578,907	428,900	-
Investments in CCO's & other similar entities		225,958	238,327	234,865
Other Non-current financial assets		13,811,214	13,349,513	10,490,576
Total Non-Current Assets		1,096,497,748	1,147,759,601	1,003,539,193
TOTAL ASSETS		1,109,895,981	1,162,471,781	1,019,288,719
CURRENT LIABILITIES				
Creditors & Other Payables		10,382,170	10,295,170	7,000,693
Employee Benefits - Current Portion		1,278,082	1,078,000	1,109,336
Provisions - Current Portion		20,000	20,000	10,000
Financial liabilities - current portion	3	5,100,000	11,200,000	11,200,000
Total Current Liabilities		16,780,252	22,593,170	19,320,029
NON-CURRENT LIABILITIES				
Financial liabilities	3	46,600,000	49,099,812	75,588,316
Derivative financial instruments		4,969	1,471	7,002,121
Employee benefits		11,853	10,853	-
Provisions & other liabilities		111,559	32,351	-
Total Non-Current Liabilities		46,728,381	49,144,487	82,590,437
NET ASSETS		\$ 1,046,387,348	\$ 1,090,734,124	\$ 917,378,253
EQUITY				
Ratepayers' Equity		448,968,736	470,671,854	463,124,780
Asset Revaluation Reserves		571,716,347	592,889,224	429,661,015
Special funds & restricted reserves	4	25,702,265	27,173,046	24,592,458
TOTAL EQUITY		\$ 1,046,387,348	\$ 1,090,734,124	\$ 917,378,253

MASTERTON DISTRICT COUNCIL		ANNUAL PLAN 2023/24			
PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE					
OPERATING REVENUE			2022/23	2023/24	2023/24
NZ \$	Notes	Annual Plan	Annual Plan	Year 3 LTP*	
Rates revenue		37,679,274	40,840,994	39,505,265	
Rural sewerage schemes capital contrib.		50,446	50,303	40,443	
Financial contributions		3,831,498	2,123,500	1,505,997	
Roading subsidies - Waka Kotahi		10,434,841	22,022,968	5,801,875	
Fees and charges		10,114,704	10,244,186	9,244,810	
Interest and dividends		357,250	1,184,750	468,745	
Other revenue		4,279,376	6,547,093	2,642,314	
Gain on sale of assets		4,333,300	4,333,300	-	
Total Operating Revenue	2	71,080,690	87,347,095	59,209,449	
OPERATING EXPENDITURE					
Personnel costs		14,126,104	14,723,796	13,160,082	
Finance costs		1,708,613	2,965,665	1,845,111	
Depreciation & amortisation		15,966,833	18,946,210	17,462,219	
Other Operating costs		26,294,340	27,537,524	24,477,600	
Total Operating Expenditure		58,095,891	64,173,195	56,945,012	
Net Surplus / (Deficit)**		\$ 12,984,800	\$ 23,173,900	\$ 2,264,437	
Revaluations			21,172,877	7,708,139	
Total Comprehensive Revenue & Expenses		\$ 12,984,800	\$ 44,346,777	\$ 9,972,576	
*LTP Amended 15/06/22	**Note: Income Tax is nil				
Note: value of rates on Council Properties assumed		711,500	737,700	697,553	

MASTERTON DISTRICT COUNCIL		ANNUAL PLAN 2023/24		
PROSPECTIVE STATEMENT OF CASHFLOWS				
NZ \$	Notes	2022/23	2023/24	2023/24
		Annual Plan	Annual Plan	Year 3 LTP*
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was received from:				
				*LTP Amended 15/06/22
Rates		37,643,845	40,800,398	39,475,506
Grants, subsidies & donations		14,351,028	27,950,537	8,098,473
Petrol tax		200,000	200,000	200,070
Other revenue		14,852,105	12,500,493	10,883,245
Interest on investments		357,250	1,184,750	468,745
		67,404,227	82,636,178	59,126,039
Cash was applied to:				
Payments to suppliers and employees		36,303,093	42,628,610	39,161,103
Interest paid		1,708,613	2,965,665	1,845,111
		38,011,706	45,594,275	41,006,214
Net cash flow from operating activities		29,392,521	37,041,903	18,119,825
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was received from:				
Sale of fixed assets		5,365,000	5,365,000	20,000
Term investments, shares & advances		1,080,553	461,701	842,982
Forestry/investment property proceeds		-	-	-
		6,445,553	5,826,701	862,982
Cash was applied to:				
Purchase of fixed assets		41,937,549	50,464,217	37,167,605
Term investments, shares & advances		5,503	12,369	2,676
		41,943,053	50,476,586	37,170,281
Net cash flow from investing activities		(35,497,500)	(44,649,885)	(36,307,299)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was received from:				
Drawdown of public debt		8,494,100	11,673,800	22,640,926
		8,494,100	11,673,800	22,640,926
Cash was applied to:				
Repayment of public debt (incl Finance Leases)		3,300,449	3,073,993	3,886,418
		3,300,449	3,073,993	3,886,418
Net cash flow from financing activities		5,193,651	8,599,807	18,754,508
NET INCREASE/(DECREASE) IN CASH HELD				
		(911,328)	991,825	567,034
Add cash at start of year (1 July)		13,358,772	8,516,393	10,568,169
BALANCE AT END OF YEAR (30 JUNE)		12,447,444	9,508,218	11,135,203
REPRESENTED BY:				
Cash & bank		4,345,327	4,502,967	4,532,506
Short term deposits		8,102,117	5,005,251	6,602,697
BALANCE AT END OF YEAR (30 JUNE)		12,447,444	9,508,218	11,135,203
The closing balance of 2021/22 is the Plan position. An updated forecast position has been used as the opening balance for 2022/23				

MASTERTON DISTRICT COUNCIL		ANNUAL PLAN 2023/24		
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY				
NZ \$	Notes	2022/23 Forecast	2023/24 Annual Plan	2023/24 Year 3 LTP*
Ratepayer's Equity		456,714,681	448,968,736	461,396,532
Special Funds & Reserves		28,320,541	25,702,265	24,056,268
Revaluation Reserves		500,293,219	571,716,347	421,952,876
EQUITY AT START OF YEAR		985,328,441	1,046,387,348	907,405,677
Comprehensive Revenue & Expenses for the year		61,058,907	44,346,777	9,972,576
Total recognised revenue & expenses for the period		\$ 61,058,907	\$ 44,346,777	\$ 9,972,576
Ratepayer's Equity		448,968,736	470,671,854	463,124,780
Special Funds & Reserves		25,702,265	27,173,046	24,592,458
Revaluation Reserves		571,716,347	592,889,224	429,661,015
EQUITY AT END OF YEAR		1,046,387,348	1,090,734,124	917,378,253

*LTP Amended 15/06/22

TREASURY POLICY CHECK				
Net External Debt		29,146,435	37,203,754	64,927,671
Operating Revenue		71,080,690	87,347,095	59,209,449
Rates Revenue		37,679,274	40,840,994	39,505,265
Net Interest on Net Debt		1,351,363	1,780,915	1,376,366
Net Debt as a % of Operating Revenue (limit = 150%)		41.0%	42.6%	109.7%
Net Interest expense as a % of Operating Revenue (limit = 10%)		1.9%	2.0%	2.3%
Net Interest expense as a % of Rates Revenue (limit = 15%)		3.6%	4.4%	3.5%
Number of rateable properties (estimated)		12,650	13,512	12,858
Average rates per property (excl GST)		\$ 3,035	\$ 3,077	\$ 3,127
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.				

NOTE 1			
RATES REQUIREMENT STATEMENT			
Prior Year Plan 2022/23		Annual Plan 2023/24	LTP Year 3*** 2023/24
		\$	\$
6,410,574	Roading		
	Subsidised Roothing	7,368,578	6,772,220
1,398,301	Non-subsidised Roothing	1,466,143	1,570,150
	Water Services		
4,209,309	Urban Water supply	4,522,194	4,340,858
137,330	Rural Water supplies & races	152,816	141,680
	Wastewater Services		
6,910,237	Urban Sewerage system	7,556,951	6,992,461
398,741	Rural Sewerage systems	441,570	450,974
	Stormwater Services		
842,041	Urban Stormwater System	922,216	855,868
	Solid Waste Services		
99,684	Solid Waste Management	260,442	137,580
1,185,050	Waste Minimisation Services	1,052,515	927,434
	Community Facilities/Activities		
3,525,831	Parks, Reserves & Sportsfields	3,543,263	3,690,295
1,432,480	Trust House Recreation Centre	1,503,867	1,634,674
195,827	Cemeteries	167,941	217,932
2,630,882	Library & Archive	2,841,295	2,645,044
1,705,521	Property	1,734,124	2,337,099
327,891	Airport	427,755	562,255
163,894	Mawley Park	153,971	190,690
	Regulatory Services		
1,170,205	Resource Management & Planning	1,259,158	1,031,781
648,301	Environmental Services	712,562	606,755
768,052	Building Development	1,144,840	673,253
3,321	Parking Control	2,729	(38,584)
134,926	Animal Services	138,455	145,280
272,944	Emergency Management	284,033	266,908
	Leadership, Strategy & Corporate Services		
819,961	Representation	918,808	749,519
(0)	Internal Functions (net)	-	0
1,101,370	Community Development	1,126,373	1,288,819
564,992	Arts and Culture	562,232	619,031
1,015,400	Economic Development	912,958	1,090,174
368,158	Environmental Initiatives	451,208	343,112
\$ 38,441,221	Total Rates Requirement	\$ 41,628,998	\$ 40,243,261
38,381,221	MDC Rates Revenue*	41,528,998	40,210,954
(50,446)	less rural sewerage capital contributions	(50,303)	(43,301)
38,330,774		41,478,694	40,167,653
8.6%	% Change (pre growth) from prior year	8.2%	6.5%
6.8%	% Change (after growth) from prior year**	6.2%	5.5%
225,000	Penalty Revenue	275,000	215,378
(165,000)	Rates Remissions	(175,000)	(183,071)
\$ 38,390,774	Net Rates Revenue	\$ 41,578,694	\$ 40,199,960

* 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.

***LTP Amended 15/06/22

NOTE 2

PROSPECTIVE SUMMARY OF REVENUE

OPERATING INCOME	2022/23	2023/24	2023/24
	Annual Plan	Annual Plan	Year 3 LTP*
	\$ 000's	\$ 000's	\$ 000's
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Targeted Rates (including penalties)	37,679	40,841	39,505
Rural sewerage schemes capital contrib.	50	50	40
Financial Contributions	3,831	2,124	1,506
Waka Kotahi Subsidy	10,435	22,023	5,802
Other Government Grants	3,871	5,839	2,131
Other Grants	45	89	165
Other Non Exchange Revenue	709	746	830
Revaluation Gains	36	55	18
REVENUE FROM EXCHANGE TRANSACTIONS			
Interest	354	1,181	459
Dividends	4	4	10
Fees & User charges	9,733	9,863	8,743
Other Gains/(losses)- Profit on Sale of Assets	4,333	4,333	-
TOTAL OPERATING REVENUE	71,081	87,347	59,209
RATES REMISSIONS			
Rates revenue is shown net of rates remissions.			
Rates remissions estimated per year:	(165)	(175)	(183)

*LTP Amended 15/06/22

NOTE 3			
PROSPECTIVE STATEMENT OF PUBLIC DEBT (EXTERNAL)			
	Forecast as at 30-Jun-23 (\$ 000)	Annual Plan 2023/24 (\$ 000)	LTP Year 3 2023/24 (\$ 000)
Opening Balance	50,000	51,700	68,034
Loans raised during the year	5,000	11,674	22,641
Less repayments during the year	(3,300)	(3,074)	(3,886)
Balance as at 30 June	51,700	60,300	86,788
Less current borrowings repayable in 12 months	(3,074)	(3,569)	(4,446)
Closing balance for non-current borrowings	\$ 48,626	56,731	82,342
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	641	5,626	4,086
Water Services	7,201	7,886	16,197
Sewerage Services	33,698	33,221	31,236
Stormwater Services	402	575	720
Solid Waste Services	1,377	1,226	1,213
Leadership & Strategy	124	121	391
Community Facilities/ Activities	7,957	9,852	31,730
Regulatory Services	300	1,792	1,215
	\$ 51,700	\$ 60,300	\$ 86,788

PUBLIC DEBT (INTERNAL)			
	Forecast as at 30-Jun-23 (\$ 000)	Annual Plan 2023/24 (\$ 000)	LTP Year 3 2023/24 (\$ 000)
Opening Balance	9,263	7,548	8,589
Loans raised during the year	-	-	-
Less repayments during the year	(1,715)	(671)	(712)
Closing Balance as at 30 June	\$ 7,548	6,877	7,877
SCHEDULE OF INTERNAL LOAN END OF YEAR BALANCES BY GROUPS OF ACTIVITIES			
Roading	687	641	601
Water Services	890	858	965
Sewerage Services	2,313	1,978	1,948
Solid Waste Services	245	199	198
Leadership & Strategy	6	4	4
Community Facilities/ Activities	3,262	3,056	4,025
Regulatory Services	145	141	135
	\$ 7,548	\$ 6,877	\$ 7,877

**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 2023/24 year. The management of financial reserves forms an integral part of meeting the obligations of prudent financial management. The Council tracks some 30 separate reserve accounts, but many have similar purposes and have been grouped together here.

Council Created Reserves

Purpose and application

General Capital Reserves

These funds have been set aside from the sale of assets. They can be utilised for new asset purchases and to fund one-off Council projects and grants.

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.

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.

Plant & Equipment Depreciation Funds

These funds are built up from depreciation on plant and equipment and are used to fund replacements.

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.

	Forecast Opening Balance 2023	Transfers In 2023/24	Transfers Out 2023/24	Forecast Closing Balance 2024
	\$ 000's	\$ 000's	\$ 000's	\$ 000's
	4,578	-	1,327	3,251
	886	546	220	1,212
	2,480	653	270	2,864
	1,187	647	773	1,061
	5,225	7,229	3,381	9,073

PROSPECTIVE STATEMENT OF SPECIAL FUNDS & RESERVES (CONTINUED)

Council Created Reserves Purpose and application	Forecast Opening Balance 2023 \$ 000's	Transfers In 2023/24 \$ 000's	Transfers Out 2023/24 \$ 000's	Forecast Closing Balance 2024 \$ 000's
<p>Roading, Bridges & Flood Damage Funds</p> <p>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.</p>	4,500	1,668	517	5,651
<p>Urban Infrastructure Depreciation Funds</p> <p>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.</p>	6,406	3,668	4,397	5,676
<p>Miscellaneous Funds</p> <p>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.</p>	326	409	2,465	(1,730)
<p>Crematorium Fund - ex Mrs Smart bequest</p> <p>To manage a bequest made to establish a crematorium.</p>	115	-	-	115
	\$ 25,702	\$ 14,820	\$ 13,350	\$ 27,173

NOTE 5**PROSPECTIVE SUMMARY OF REVALUATION RESERVE MOVEMENTS**

	2022/23 Forecast Annual Plan \$ 000's	2023/24 Annual Plan \$ 000's	2023/24 Year 3 LTP \$ 000's
Revaluation Reserve			
Opening balance	500,293	571,716	421,953
Revalue Movements	71,423	21,173	7,708
Closing Balance	571,716	592,889	429,661
	2022/23 Forecast Annual Plan \$ 000's	2023/24 Annual Plan \$ 000's	2023/24 Year 3 LTP \$ 000's
Revaluation Movements by groups			
Infrastructure			
Roading	49,067	-	-
Water Services	5,215	-	-
Sewerage Services	13,145	-	-
Stormwater Services	111	-	-
Solid Waste Services	3,463	-	-
	71,000	-	-
Other Asset Revaluation Reserve Movements			
Building	-	7,682	3,451
Land	-	13,491	4,257
Other	423	-	-
	423	21,173	7,708
Total revaluation movements	71,423	21,173	7,708

PROSPECTIVE CAPITAL SUMMARY STATEMENT			
Prior Year Plan 2022/23		Annual Plan 2023/24	LTP Amended Year 3 2023/24
\$	Roading	\$	\$
12,666,157	Subsidised Roothing	27,041,659	6,990,189
5,786,992	Non-subsidised Roothing	977,420	1,343,944
	Water Services		
2,880,000	Urban Water supply	2,550,400	11,336,925
25,000	Rural Water supplies & races	37,275	37,275
	Sewerage Services		
3,179,200	Urban Sewerage system	6,372,250	1,863,750
355,000	Rural Sewerage systems	42,600	42,600
	Stormwater Services		
475,000	Urban Stormwater System	692,250	1,118,250
	Solid Waste Services		
170,320	Solid Waste	420,920	41,840
	Community Facilities/Activities		
837,000	Parks & Reserves	916,489	448,996
1,453,000	Sportsfields	1,263,406	596,220
625,000	Trust House Recreation Centre	500,000	457,102
400,000	Cemeteries	330,000	52,650
849,780	Library & Archive	195,766	231,166
2,266,000	Property	1,111,185	9,814,827
6,718,000	Airport	3,802,500	2,484,766
	Regulatory Services		
6,000	Environmental Services	2,000	8,368
20,000	Building Development	15,000	14,644
20,000	Parking Control	-	-
1,402,400	Animal Services	2,530,000	1,674
-	Emergency Management	-	-
	Leadership, Strategy & Corporate Services		
435,000	Corporate Services	456,000	235,350
336,000	Development	347,070	47,070
\$ 40,905,849	Total Capital expenditure	\$ 49,604,190	\$ 37,167,605
	Funded by		
(7,219,710)	Waka Kotahi subsidy (roading)	(18,927,329)	(2,772,119)
(18,435,042)	Transfers from reserves	(10,772,531)	(6,996,426)
(8,494,100)	Loan funds	(11,673,800)	(22,640,926)
(3,246,998)	Rates	(3,375,530)	(3,075,683)
(3,510,000)	Other (External funding)	(4,855,000)	(1,682,451)
\$ (40,905,849)		\$ (49,604,190)	\$ (37,167,605)

BENCHMARKS - NGĀ TAUMATA

As per the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Local Government Act 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.

ANNUAL PLAN DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2023

Benchmark Planned: 2022/23 Annual Plan (in brackets)

Rates Affordability Benchmarks	LTP Yr3	Met
<ul style="list-style-type: none"> Quantified limit on rates income (using revised LGCI and growth)* 	\$42.35m	Yes (\$40.84m)
<ul style="list-style-type: none"> Quantified limit on rates increase (per LTP, after growth)** 	5.5%	No (6.2%)
<ul style="list-style-type: none"> Quantified limit on rates increase (using revised LGCI)* 	10.4%	Yes (6.2%)
Debt Affordability Benchmarks		
<ul style="list-style-type: none"> Quantified limit on borrowing (net debt/revenue) 	<150%	Yes (42.6%)
<ul style="list-style-type: none"> Debt servicing benchmark < 10% (net borrowing costs/revenue) 	2.4%	Yes (2.0%)
Other Benchmarks		
<ul style="list-style-type: none"> Balanced budget benchmark > 100% 	101%	Yes (126%)
<ul style="list-style-type: none"> Balanced budget benchmark > 100% (excl one-off capital revenue) 	98.3%	No (96.4%)
<ul style="list-style-type: none"> Essential Services benchmark > 100% 	116.5%	Yes (120.5%)

*The LG Cost Index for 2023/24 (as forecast by BERL) in the LTP and applied to costs for Year 3 of the LTP was 2.9%. It was revised to 5.9% in September 2022.

**Planned rates increase figure in the LTP are after allowing for growth in the rating base of 1.0%. Actual growth in 2022/23 is now expected to be 2.0%.

FUNDING IMPACT STATEMENT - TAUĀKI Ā-PUTEA

FUNDING IMPACT STATEMENT			
As required by the Local Government (Financial Reporting) Regulations 2014			
	Annual Plan	LTP Amended Year 3	Annual Plan
COUNCIL	2022/23	2023/24	2023/24
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General rates, uniform charges, rates penalties	225	215	275
Targeted rates	37,505	39,330	40,616
Subsidies and grants (for operating)	3,621	3,644	4,368
Fees & charges	10,115	9,245	10,244
Interest & dividends	357	469	1,185
Other receipts (incl petrol tax & fines)	328	328	364
Total operating funding (A)	52,151	53,231	57,052
Applications of Operating Funding			
Payments to staff and suppliers	40,420	37,638	42,261
Finance costs	1,709	1,845	2,966
Other operating funding applications	-	-	-
Total applications of operating funding (B)	42,129	39,483	45,227
Surplus/(Deficit) of operating funding (A-B)	10,021	13,748	11,825
Sources of Capital Funding			
Subsidies & grants for capital expenditure	10,730	4,455	23,582
Development & financial contributions	3,831	1,506	2,124
Increase /(decrease) in debt	5,194	18,755	8,600
Gross proceeds from sale of assets	5,365	20	5,365
Lump sum contributions	-	-	200
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	25,120	24,735	39,871
Application of Capital Funding			
Capital expenditure:			
- to meet additional demand	7,552	1,623	2,280
- to improve level of service	15,091	22,133	12,954
- to replace existing assets	18,263	13,412	34,371
Increase/(decrease) in reserves	(6,476)	536	1,421
Increase/(decrease) in investments	711	780	671
Total application of capital funding (D)	35,141	38,484	51,696
Surplus / (deficit) of capital funding (C-D)	(10,021)	(13,748)	(11,825)
Funding balance (A-B)-(C-D)	0	0	0

FUNDING IMPACT STATEMENT	Annual Plan	LTP Amended	Annual Plan
	2022/23	Year 3	2023/24
	2023/24	2023/24	2023/24
Reconciliation	(\$000)	(\$000)	(\$000)
- between FIS & Financial Statements			
Operating Funding (revenue) - per FIS	52,151	53,231	57,052
Capital Funding (revenue)- per FIS	14,561	5,961	25,706
	66,712	59,192	82,758
Operating Revenue - per Stmt of Comp. Revenue & Expense	71,081	59,209	87,347
Less Other Gains/(losses)- on revaluation & disposal	4,389	18	4,389
	66,692	59,192	82,958
Operating Expenditure - per FIS	42,129	39,483	45,227
Add depreciation	15,967	17,462	18,946
	58,096	56,945	64,173
Operating Expenditure - per Stmt of Comp. Revenue & Expense	58,096	56,945	64,173
Capital Expenditure - per FIS	40,906	37,168	49,604
Capital Expenditure - per Cost of Service Statements	40,906	37,168	49,604
Transfer to/(from) Reserves - per COSS	(17,992)	(7,317)	(10,268)
Depreciation transferred to reserves - per COSS	6,151	7,832	6,324
Proceeds from sale of assets - Tsf to reserves	5,365	20	5,365
	(6,476)	536	1,421
Increase/(Decrease) in Reserves - per FIS	(6,476)	536	1,421

FUNDING IMPACT STATEMENT

As required by the Local Government (Financial Reporting) Regulations 2014

	Annual Plan 2022/23 (\$000)	LTP Amended Year 3 2023/24 (\$000)	Annual Plan 2023/24 (\$000)
ROADING			
Sources of Operating Funding			
General rates, uniform charges, rates penalties	-	-	-
Targeted rates	7,809	8,342	8,835
Subsidies and grants (for operating)	3,215	3,030	3095.639
Fees & charges	96	77	96
Internal charges & overheads recovered	-	-	-
Interest & dividends	-	-	-
Other receipts (incl petrol tax & fines)	200	200	200
Total operating funding (A)	11,320	11,649	12,226
Applications of Operating Funding			
Payments to staff and suppliers	6,370	6,156	6,256
Finance costs	14	75	33
Internal charges and overheads applied	1,476	1,535	1,594
Other operating funding applications	-	-	-
Total applications of operating funding (B)	7,860	7,766	7,884
Surplus/(Deficit) of operating funding (A-B)	3,460	3,884	4,343
Sources of Capital Funding			
Subsidies & grants for capital expenditure	7,220	2,772	18,927
Development & financial contributions	2,300	381	600
Increase /(decrease) in debt	599	1,257	4,939
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	10,119	4,410	24,466
Application of Capital Funding			
Capital expenditure:			
- to meet additional demand	4,990	1,197	450
- to improve level of service	3,331	1,230	2,422
- to replace existing assets	10,132	5,907	25,147
Increase/(decrease) in reserves	(4,874)	(40)	790
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	13,579	8,294	28,809
Surplus / (deficit) of capital funding (C-D)	(3,460)	(3,884)	(4,343)
Funding balance (A-B)+(C-D)	0	0	0

FUNDING IMPACT STATEMENT

As required by the Local Government (Financial Reporting) Regulations 2014

	Annual Plan 2022/23 (\$000)	LTP Amended Year 3 2023/24 (\$000)	Annual Plan 2023/24 (\$000)
WATER SERVICES			
Sources of Operating Funding			
General rates, uniform charges, rates penalties	-	-	-
Targeted rates	4,347	4,483	4,675
Subsidies and grants (for operating)	-	-	-
Fees & charges	534	576	545
Internal charges & overheads recovered	111	107	131
Interest & dividends	5	5	5
Other receipts (incl petrol tax & fines)	-	-	-
Total operating funding (A)	4,997	5,171	5,356
Applications of Operating Funding			
Payments to staff and suppliers	1,866	1,990	2,094
Finance costs	225	178	376
Internal charges and overheads applied	927	935	1,001
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,018	3,104	3,470
Surplus/(Deficit) of operating funding (A-B)	1,980	2,067	1,886
Sources of Capital Funding			
Subsidies & grants for capital expenditure	-	-	-
Development & financial contributions	-	-	-
Increase /(decrease) in debt	806	9,483	653
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	806	9,483	653
Application of Capital Funding			
Capital expenditure:			
- to meet additional demand	180	-	180
- to improve level of service	682	7,593	564
- to replace existing assets	2,043	3,781	1,844
Increase/(decrease) in reserves	(120)	176	(49)
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	2,785	11,550	2,539
Surplus / (deficit) of capital funding (C-D)	(1,980)	(2,067)	(1,886)
Funding balance (A-B)+(C-D)	0	0	0

FUNDING IMPACT STATEMENT

As required by the Local Government (Financial Reporting) Regulations 2014

	Annual Plan 2022/23 (\$000)	LTP Amended Year 3 2023/24 (\$000)	Annual Plan 2023/24 (\$000)
WASTEWATER SERVICES			
Sources of Operating Funding			
General rates, uniform charges, rates penalties	-	-	-
Targeted rates	7,309	7,443	7,999
Subsidies and grants (for operating)	-	-	-
Fees & charges	492	589	532
Internal charges & overheads recovered	38	29	39
Interest & dividends	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-
Total operating funding (A)	7,839	8,061	8,570
Applications of Operating Funding			
Payments to staff and suppliers	1,423	1,433	1,637
Finance costs	1,214	912	1,782
Internal charges and overheads applied	1,269	1,228	1,387
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,907	3,573	4,805
Surplus/(Deficit) of operating funding (A-B)	3,933	4,488	3,764
Sources of Capital Funding			
Subsidies & grants for capital expenditure	-	-	2,115
Development & financial contributions	123	123	170
Increase /(decrease) in debt	(2,452)	(2,348)	(811)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(2,329)	(2,225)	1,474
Application of Capital Funding			
Capital expenditure:			
- to meet additional demand	1,300	-	1,300
- to improve level of service	300	639	1,733
- to replace existing assets	1,934	1,267	3,382
Increase/(decrease) in reserves	(1,931)	357	(1,177)
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	1,603	2,263	5,238
Surplus / (deficit) of capital funding (C-D)	(3,933)	(4,488)	(3,764)
Funding balance (A-B)+(C-D)	0	0	0

FUNDING IMPACT STATEMENT

As required by the Local Government (Financial Reporting) Regulations 2014

	Annual Plan 2022/23 (\$000)	LTP Amended Year 3 2023/24 (\$000)	Annual Plan 2023/24 (\$000)
STORMWATER SERVICES			
Sources of Operating Funding			
General rates, uniform charges, rates penalties	-	-	-
Targeted rates	842	856	922
Subsidies and grants (for operating)	-	-	-
Fees & charges	-	-	-
Internal charges & overheads recovered	-	-	-
Interest & dividends	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-
Total operating funding (A)	842	856	922
Applications of Operating Funding			
Payments to staff and suppliers	206	202	204
Finance costs	15	15	21
Internal charges and overheads applied	237	224	336
Other operating funding applications	-	-	-
Total applications of operating funding (B)	458	441	561
Surplus/(Deficit) of operating funding (A-B)	384	415	361
Sources of Capital Funding			
Subsidies & grants for capital expenditure	-	-	-
Development & financial contributions	-	-	-
Increase /(decrease) in debt	113	164	173
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	113	164	173
Application of Capital Funding			
Capital expenditure:			
- to meet additional demand	-	426	-
- to improve level of service	155	213	213
- to replace existing assets	320	479	479
Increase/(decrease) in reserves	22	(539)	(158)
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	497	579	534
Surplus / (deficit) of capital funding (C-D)	(384)	(415)	(361)
Funding balance (A-B)+(C-D)	0	0	0

FUNDING IMPACT STATEMENT

As required by the Local Government (Financial Reporting) Regulations 2014

	Annual Plan 2022/23 (\$000)	LTP Amended Year 3 2023/24 (\$000)	Annual Plan 2023/24 (\$000)
SOLID WASTE SERVICES			
Sources of Operating Funding			
General rates, uniform charges, rates penalties	-	-	-
Targeted rates	1,285	1,065	1,313
Subsidies and grants (for operating)	260	355	430
Fees & charges	4,032	3,633	4,675
Internal charges & overheads recovered	159	83	180
Interest & dividends	-	-	-
Other receipts (incl petrol tax & fines)	-	-	-
Total operating funding (A)	5,736	5,135	6,599
Applications of Operating Funding			
Payments to staff and suppliers	4,887	4,257	5,672
Finance costs	51	36	71
Internal charges and overheads applied	489	475	534
Other operating funding applications	-	-	-
Total applications of operating funding (B)	5,427	4,768	6,277
Surplus/(Deficit) of operating funding (A-B)	309	367	322
Sources of Capital Funding			
Subsidies & grants for capital expenditure	-	-	-
Development & financial contributions	-	-	-
Increase/(decrease) in debt	(205)	(214)	(198)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	200
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(205)	(214)	2
Application of Capital Funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve level of service	20	21	21
- to replace existing assets	150	21	400
Increase/(decrease) in reserves	(66)	111	(97)
Increase/(decrease) in investments			
Total application of capital funding (D)	105	153	324
Surplus / (deficit) of capital funding (C-D)	(309)	(367)	(322)
Funding balance (A-B)+(C-D)	0	0	0

FUNDING IMPACT STATEMENT

As required by the Local Government (Financial Reporting) Regulations 2014

	Annual Plan 2022/23 (\$000)	LTP Amended Year 3 2023/24 (\$000)	Annual Plan 2023/24 (\$000)
COMMUNITY FACILITIES / ACTIVITIES			
Sources of Operating Funding			
General rates, uniform charges, rates penalties	-	-	-
Targeted rates	9,982	11,278	10,372
Subsidies and grants (for operating)	42	51	165
Fees & charges	1,645	1,703	1,775
Internal charges & overheads recovered	744	705	808
Interest & dividends	-	85	-
Other receipts (incl petrol tax & fines)	-	-	-
Total operating funding (A)	12,414	13,822	13,120
Applications of Operating Funding			
Payments to staff and suppliers	7,653	7,273	7,646
Finance costs	177	584	361
Internal charges and overheads applied	2,579	2,575	3,008
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,409	10,433	11,016
Surplus/(Deficit) of operating funding (A-B)	2,005	3,390	2,104
Sources of Capital Funding			
Subsidies & grants for capital expenditure	3,510	1,682	2,540
Development & financial contributions	0	0	-
Increase/(decrease) in debt	4,242	9,767	1,689
Gross proceeds from sale of assets	5,345		5,345
Lump sum contributions			
Other dedicated capital funding	-		
Total sources of capital funding (C)	13,097	11,449	9,574
Application of Capital Funding			
Capital expenditure:			
- to meet additional demand	1,082	-	350
- to improve level of service	8,813	12,436	5,162
- to replace existing assets	3,254	1,649	2,608
Increase/(decrease) in reserves	1,953	753	3,559
Increase/(decrease) in investments		-	-
Total application of capital funding (D)	15,102	14,839	11,678
Surplus / (deficit) of capital funding (C-D)	(2,005)	(3,390)	(2,104)
Funding balance (A-B)+(C-D)	0	0	0

FUNDING IMPACT STATEMENT

As required by the Local Government (Financial Reporting) Regulations 2014

	Annual Plan 2022/23 (\$000)	LTP Amended Year 3 2023/24 (\$000)	Annual Plan 2023/24 (\$000)
REGULATORY SERVICES			
Sources of Operating Funding			
General rates, uniform charges, rates penalties	-	-	-
Targeted rates	2,998	2,685	3,542
Subsidies and grants (for operating)	-	-	-
Fees & charges	2,845	2,424	2,379
Internal charges & overheads recovered	294	307	322
Interest & dividends	4	1	6
Other receipts (incl petrol tax & fines)	128	128	164
Total operating funding (A)	6,268	5,545	6,413
Applications of Operating Funding			
Payments to staff and suppliers	5,078	4,206	4,741
Finance costs	8	34	16
Internal charges and overheads applied	1,823	1,644	2,106
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,909	5,884	6,863
Surplus/(Deficit) of operating funding (A-B)	(641)	(339)	(450)
Sources of Capital Funding			
Subsidies & grants for capital expenditure	-	-	-
Development & financial contributions	1,409	1,002	1,354
Increase /(decrease) in debt	1,387	(50)	1,488
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	2,796	952	2,842
Application of Capital Funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve level of service	1,400	-	2,500
- to replace existing assets	48	25	47
Increase/(decrease) in reserves	707	588	(155)
Increase/(decrease) in investments	-	-	-
Total application of capital funding (D)	2,155	613	2,392
Surplus / (deficit) of capital funding (C-D)	641	339	450
Funding balance (A-B)+(C-D)	0	0	0

FUNDING IMPACT STATEMENT

As required by the Local Government (Financial Reporting) Regulations 2014

	Annual Plan 2022/23 (\$000)	LTP Amended Year 3 2023/24 (\$000)	Annual Plan 2023/24 (\$000)
LEADERSHIP, STRATEGY & CORPORATE SERVICES			
Sources of Operating Funding			
General rates, uniform charges, rates penalties			
Targeted rates	3,870	4,091	3,972
Subsidies and grants (for operating)	104	208	678
Fees & charges	470	244	242
Internal charges & overheads recovered	10,128	9,889	11,134
Interest & dividends	349	378	1,174
Other receipts (incl petrol tax & fines)	-	-	-
Total operating funding (A)	14,921	14,809	17,199
Applications of Operating Funding			
Payments to staff and suppliers	13,311	12,527	14,087
Finance costs	6	11	306
Internal charges and overheads applied	3,013	2,795	3,311
Other operating funding applications	-	-	-
Total applications of operating funding (B)	16,330	15,333	17,704
Surplus/(Deficit) of operating funding (A-B)	(1,409)	(524)	(505)
Sources of Capital Funding			
Subsidies & grants for capital expenditure	-	-	-
Development & financial contributions	-	-	-
Increase /(decrease) in debt	(7)	(16)	(5)
Gross proceeds from sale of assets	20	20	20
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	13	4	15
Application of Capital Funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve level of service	390	-	340
- to replace existing assets	381	282	463
Increase/(decrease) in reserves	(2,167)	(803)	(1,293)
Increase/(decrease) in investments			
Total application of capital funding (D)	(1,396)	(520)	(490)
Surplus / (deficit) of capital funding (C-D)	1,409	524	505
Funding balance (A-B)+(C-D)	0	0	0

REVENUE AND FINANCING POLICY - SUMMARY STATEMENT - KAUPAPAHERE Ā-PŪTEA

Introduction

The full Revenue and Financing Policy is included in the 2021-31 Long-Term Plan. The Policy, as applied to the 2023/24 Annual Plan is shown in the following Rating Funding Impact Statement. The Policy was scheduled to be reviewed prior to the 2021-31 Long-Term Plan, but due to the impacts of the COVID-19 lockdowns and recovery period through much of 2020, the review was not able to be completed. The policy will be reviewed in the coming year (2023/24).

The basis of the current policy has evolved over 25 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 LGA (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 was part of the supporting information for the 2021-31 Long-Term Plan and was subject to public consultation as part of the 2021-31 Long-Term Plan process.

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 Tatauranga Aotearoa Census data 2018)

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

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

Rateable Properties		Separately Rateable Units 2023	
Rural	4,089	Rural	4,020
Urban	9,322	Urban	10,109
Total	13,411	Total	14,129

Rating Valuation Totals (effective valuation date Sept 2020)

			Change (over 1 year) as a result of growth, since June 2022
Land value	Rural	\$2,648 million	+0.4%
	Urban	\$2,129 million	+2.6%
	Total	\$4,777 million	+1.4%
Capital value	Rural	\$4,033 million	+0.6%

			Change (over 1 year) as a result of growth, since June 2022
	Urban	\$4,942 million	+2.8%
	Total	\$8,975 million	+1.8%

2023/24 Impacts

The Council's 2023/24 rates required is 8.2 per cent more than the prior year (before growth). Growth in property numbers and rateable values since June 2022 reduces that by 2.0 per cent, bringing the average increase to 6.2 per cent. That increase will have variations between properties depending on location and values. This is due to targeted roading rates increasing more than other rates and the rural area paying a higher proportion of those rates.

Overall, the 2023/24 budget changes result in an average 5.3 per cent increase (after growth) for the Urban ward and an average of 9.1 per cent increase (after growth) for the Rural ward.

- Urban residential properties will pay (on average) increased rates of 5.1 per cent
- Urban commercial properties will pay (on average) increased rates of 5.4 per cent.
- Rural farm property increases average 10.3 per cent.
- Rural lifestyle properties will pay on average 8.5 per cent more.
- Beach properties will increase on average between 8.5 per cent (Riversdale Beach) and 8.8 per cent (Castlepoint Beach).

Policy Changes Summary

There are no policy changes to note.

Overall Mix of Rates Types

The prior year (2022/23) Rating Policy mix can be summarised in the table below:

Rates Type	Urban	Rural
Targeted Uniform Charges*	15.8%	35.8%
Services Charges	9.6%	5.9%
Land Value Rates	9.4%	34.0%
Capital Value Rates	65.2%	24.3%

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

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

After incorporating the proposed rates required for Year 3 (2023/24) of the Long-Term Plan the rating mix is summarised as follows (subject to roundings):

Rates Type	Urban	Rural
Targeted Uniform Charges*	15.7%	35.8%

Rates Type	Urban	Rural
Services Charges	9.7%	5.9%
Land Value Rates	9.4%	34.0%
Capital Value Rates	65.2%	24.3%

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

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

After applying the rates set out in the Rating Funding Impact Statement Summary (that follows), the sample properties below show the impact of the changes from the prior year.

RATES EXAMPLES INCLUDING GST	CAPITAL VALUE (AT SEP 2020)	2022/23 MDC RATES	2023/24 MDC RATES	6.2% ave	
				% Change	\$ Change pa
Masterton - residential, low value	\$ 330,000	\$ 2,408	\$ 2,533	5.2%	\$ 125
Masterton - residential, mid value	\$ 470,000	\$ 3,027	\$ 3,182	5.1%	\$ 155
Masterton - residential, high value	\$ 830,000	\$ 4,699	\$ 4,938	5.1%	\$ 239
Masterton - central, small area	\$ 530,000	\$ 3,334	\$ 3,505	5.2%	\$ 172
Riversdale Beach	\$ 700,000	\$ 2,845	\$ 3,087	8.5%	\$ 241
Castlepoint	\$ 650,000	\$ 2,576	\$ 2,802	8.8%	\$ 226
Rural - lifestyle, 2 ha	\$ 835,000	\$ 2,028	\$ 2,201	8.5%	\$ 173
Rural - forestry	\$ 2,080,000	\$ 5,006	\$ 5,525	10.4%	\$ 519
Rural - hill country farm	\$ 4,790,000	\$ 10,526	\$ 11,610	10.3%	\$ 1,084
Rural - dairy farm	\$ 8,760,000	\$ 18,862	\$ 20,836	10.5%	\$ 1,974
Commercial - industrial	\$ 2,200,000	\$ 19,461	\$ 20,378	4.7%	\$ 917
Commercial - Queen St shop	\$ 455,000	\$ 5,489	\$ 5,783	5.4%	\$ 294

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

RATING FUNDING IMPACT STATEMENT - TAUĀKI Ā-PŪTEA O NGĀ REITI

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 Annual Plan and Rates Resolution prior to 30 June 2023.

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 2023/24 totals \$41.6 million (excl GST) and will be provided by the various rating mechanisms outlined within the Revenue & Financing Policy (adopted as part of the 2021-31 Long-Term Plan).

1.6 The Policy, adopted in June 2018, and reconfirmed in June 2021, has been assumed to apply for the ten years of the 2021-31 LTP, but will be reviewed in 2023, prior to the 2024-34 Long Term Plan. The table on the following page illustrates the application of the policy to the funding requirements of the 2023-24 Annual Plan.

1.7 In addition to operating expenditure, the Council has a capital works programme of \$49.6 million (excluding GST) scheduled for 2023/24.

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)		2023/24 Annual Plan			Prior Year 2022/23		
		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	3,064	3,554	6,618	2,752	3,134	5,885
Representation & Development Rate	CV rate	3,073	892	3,965	2,997	870	3,867
Regulatory Services Rate	CV rate	2,630	763	3,393	2,213	642	2,855
Sundry Facilities & Services Rate	CV rate	2,467	770	3,237	2,368	725	3,093
Targeted Uniform Charge	Chrg	3,498	2,013	5,512 *	3,276	1,956	5,232 *
Targeted Rooding Charge	Chrg	668	1,528	2,196 *	568	1,342	1,910 *
		15,400	9,520	24,920	14,173	8,671	22,842
Targeted Rates							
Recycling Collection Charge	Chrg	758	-	758 *	751	-	751 *
Civic Amenities Rate	CV rate	3,200	-	3,200	3,133	-	3,133
Urban Water Supply Rate	CV rate	3,382	-	3,382	3,150	-	3,150
Urban Water Supply Charge	Chrg	1,128	-	1,128	1,053	-	1,053
Urban Sewerage Rate	CV rate	5,625	-	5,625	5,153	-	5,153
Urban Sewerage Charge	Chrg	1,884	-	1,884	1,717	-	1,717
Beach Collections Charge	Chrg	-	109	109	-	98	98
Rural water & sewerage rates**	Chrg	27	445	472	26	403	429
		16,004	554	16,558	14,983	501	15,484
Total Rates**		31,404	10,074	41,478	29,156	9,173	38,326
Percentage Change (after growth)		5.3%	9.1%	6.2%	6.9%	6.4%	6.8%
* Charges (per sec 21(2)(b)) as % of Total Rates not to exceed 30%				20.4%	19.8%		
** Note: figures above exclude Riversdale & Tinui capital contributions							
Riversdale Beach sewerage capital contributions			46	46	59	59	
Tinui sewerage capital contributions			5	5	5	5	

RATING FUNDING IMPACT STATEMENT SUMMARY - 2023-24

DISTRICT VALUES

(ESTIMATED for 30-6-23)	U1	U2	Total Urban	Total Rural	Total District
Differential	1	2.0		-	
District Land Value	1,849,394,400	279,329,500	2,128,723,900	2,647,734,600	4,776,458,500
District Capital Value	4,343,356,900	598,822,100	4,942,179,000	4,032,685,155	8,974,864,155
Targeted Uniform Charges (no.)	9,366	743	10,109	4,020	14,129
Water Charges (no.)	9,363	697	10,059	-	10,059
Sewerage Charges (no.)	9,183	709	9,891	-	9,891
Recycling Charges (no.)	9,206	703	9,909	-	9,909

Note: the valuation figures and numbers of charges listed above are an estimate of the values and numbers as at 30 June 2023

All Rates INCLUDING GST at 15%

	Rating Requirement			UNIFORM CHARGES AND RATES IN \$		
	Urban	Rural	Total	Residential	Non-residential	Rural
TARGETED CHARGES	\$ 36,113,661	\$ 11,644,686	\$ 47,758,347			
Uniform Charge	4,017,478	2,317,352	6,334,831	\$ 398.00	\$ 398.00	\$ 576.00
Roading Charge	768,246	1,756,740	2,524,986	\$ 76.00	\$ 76.00	\$ 437.00
Recycling Collection Charge	871,948	-	871,948	\$ 88.00	\$ 88.00	-
sub total	5,657,672	4,074,092	9,731,765			
	15.67%	35.0%	20.4%			
Water Charge	1,297,611	-	1,297,611	\$ 129.00	\$ 129.00	-
Sewerage Charge	2,166,129	-	2,166,129	\$ 219.00	\$ 219.00	-
sub total	3,463,740	-	3,463,740	\$ 910.00	\$ 910.00	\$ 1,013.00
	9.7%	-	7.3%			
TARGETED LAND VALUE RATES						
Roading Rate	3,523,734	4,086,804	7,610,538	0.001463	0.002926	0.001544
	3,523,734	4,086,804	7,610,538	0.001463	0.002926	0.001544
	9.76%	35.1%	16.2%			
TARGETED CAPITAL VALUE RATES						
Representation & Devlpmt Rate	3,533,593	1,025,882	4,559,475	0.000638	0.001276	0.000254
Regulatory Services Rate	3,023,498	877,790	3,901,288	0.000546	0.001092	0.000218
Sundry Facilities Rate	2,837,529	885,065	3,722,594	0.000512	0.001024	0.000219
Civic Amenities Rate	3,679,986	-	3,679,986	0.000664	0.001328	-
Water Rate	3,890,420	-	3,890,420	0.000680	0.001360	-
Sewerage Rate	6,467,526	-	6,467,526	0.001126	0.002252	-
sub total	23,432,552	2,788,736	26,221,288	0.004165	0.008330	0.000693
	64.9%	23.9%	55.8%			
	36,077,699	10,949,632	47,027,331			
OTHER TARGETED RATES						
Beach refuse & recycling collection	Targeted Chrg	125,280		\$ 240.00	Beach collections	
Opaki water race	Targeted LV rate	76,388		0.001652	per SLV of serviced properties	
Tinui water supply	Targeted Chrg	16,413		\$ 529.00	per connection	
Castlepoint sewerage	Targeted Chrg	127,182		\$ 620.00	per connection	
*RBCSS - connected charge	Targeted Chrg	272,203		\$ 670.00	per property using the system	
RBCSS - service available	Targeted Chrg	9,765		\$ 155.00	per servicable, but not connected property	
RBCSS - Capital TP Yr 14 of 20	Targeted Chrg	52,424	time payments	\$ 1,643.40	31.9	paying off capital
Tinui sewerage - TP stage I	Targeted Chrg	213	time payments	\$ 212.50	1	paying off stage I
Tinui sewerage - TP stage I & II	Targeted Chrg	5,212	time payments	\$ 744.50	7	paying off stage I & II
Tinui sewerage - operating	Targeted Chrg	9,975	operating	\$ 525.00	per connection	
Sewerage tmt charge (liquid only)	35,963			\$ 525.00	per equivalent connection	
Total Rates	\$ 36,113,661	\$ 11,644,686	\$ 47,758,347			

TP = time payment

*RBCSS = Riversdale Beach Community Sewerage Scheme

2. DIFFERENTIAL RATES ACROSS THE DISTRICT

2.1 The Council continues 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 2023/24 will be:

U1	0.001463 per dollar of land value raising	\$2,706,000
U2	0.002926 per dollar of land value raising	\$817,000
R1	0.001544 per dollar of land value raising	\$4,087,000
	Total	<u>\$7,610,000</u>

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

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

Representation & Development Rate – estimated per dollar of Capital Value for 2023/24 will be:

U1	0.000638 per dollar of capital value raising	\$2,770,000
U2	0.001276 per dollar of capital value raising	\$764,000
R1	0.000254 per dollar of capital value raising	\$1,026,000
	Total	<u>\$4,560,000</u>

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

- Governance and Representation

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

Regulatory Services Rate – estimated per dollar of Capital Value for 2023/24 will be:

U1	0.000546 per dollar of capital value raising	\$2,370,000
U2	0.001092 per dollar of capital value raising	\$654,000
R1	0.000218 per dollar of capital value raising	\$878,000
	Total	<u>\$3,902,000</u>

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

- Resource Management and District Planning
- Environmental Health, Building and General Inspection Services
- Civil Defence and Emergency Management

Sundry Facilities & Services Rate – estimated per dollar of Capital Value for 2023/24 will be:

U1	0.000512 dollar of capital value raising	\$2,224,000
U2	0.001024 per dollar of capital value raising	\$613,000
R1	0.000219 per dollar of capital value raising	\$885,000
	Total	<u>\$3,722,000</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 sets 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 2023/24 will be:

U1 and U2	\$398.00 per part of rating unit raising	\$4,023,000
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R1	\$576.00 per part of rating unit raising	\$2,316,000
	Total	<u>\$6,339,000</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 (rated proportion)
- 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 sets a differential targeted roading charge on each separately used or inhabited part of a rating unit.

4.2 The estimated roading charge for 2023/24 will be:

U1 and U2	\$76.00 per part of rating unit raising	\$768,000
R1	\$437.00 per part of rating unit raising	\$1,757,000
	Total	<u>\$2,525,000</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 2023/24 will be:

U1	(0.000664 per dollar of capital value) raising	\$2,885,000
U2	(0.001328 per dollar of capital value) raising	\$795,000
	Total	<u>\$ 3,680,000</u>

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 uses 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 sets 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 2023/24 are:

Urban Water Supply Charge

Connected \$129.00 raising \$1,298,000

Urban Water Supply Rate charged on connected and serviceable - estimated per dollar of capital value for 2023/24 will be:

U1+R1	(0.000680 per dollar of capital value) raising	\$ 2,992,000
U2	(0.001360 per dollar of capital value) raising	\$898,000
	Total	<u>\$ 3,890,000</u>

Raising a total of \$5,188,000

Urban (Metered) Water Supply on metered properties

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

8.5 The estimated rates for 2023/24 are as follows:

Price per cubic metre for between 50 and 100m ³ per quarter	\$1.74
Price per cubic metre for consumption over 100m ³ per quarter	\$2.23

Minimum charge per quarter of \$71.00 for 50m³ per quarter or below

9. URBAN SEWERAGE RATES

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

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

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

9.3 The estimated rates for 2023/24 are:

Urban Sewerage Charge

Connected \$219.00 raising \$2,166,000

Urban Sewerage Rate charged on connected and serviceable rating units - estimated per dollar of capital value for 2023/24 will be:

U1 + R1	(0.001126 per dollar of capital value) raising	\$4,983,000
U2	(0.002252 per dollar of capital value) raising	\$ 1,486,000
	Total	<u>\$ 6,469,000</u>

Raising a total of \$8,635,000

10. RECYCLING COLLECTION RATE

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

10.2 The rate for 2023/24 is proposed as: Serviced Property \$88.00 raising \$872,000.

11. RURAL TARGETED SERVICES RATES

11.1 The Council sets a targeted rate for **Beach Refuse and Recycling Collection** services on the basis of a fixed charge per property at Castlepoint and Riversdale Beach to which the services are available.

The uniform charge per property for 2023/24 is: \$240.00

Raising a total of \$125,000

11.2 The Council set targeted rates for the **Opaki Water Race** on the basis of land value of the properties serviced. The land value rate for 2023/24 is \$0.001652

Raising a total of \$76,000

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

The uniform charge per property for 2023/24 is: \$529.00

Raising a total of \$16,000

11.4 The Council set targeted rates for the **Castlepoint Sewerage Scheme** on the basis of connected rating units. The uniform charge per connection for 2023/24 is: \$620.00

Raising a total of \$127,000

11.5 The Council 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 2023/24 will be: \$670.00 raising a total of approximately \$272,000

Serviceable - a uniform charge per serviceable rating unit for 2023/24 will be: \$155.00 raising a total of approximately \$10,000

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 14 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 set three targeted rates for the **Tinui Sewerage Scheme** for the 2022/23 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 2023/24 is: \$525.00 raising a total of approximately \$10,000

The Part Capital Contribution Stage I (1 property) for 2023/24 is: \$212.50

The Part Capital Contribution Stage I & II (7 properties) for 2023/24 is: \$744.50

11.7 The Council 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 2023/24 is: \$525.00 raising a total of \$36,000.

12. FUTURE TARGETED RATES – FLAGGED FOR INFORMATION

12.1 Private costs recovered

The Council may set a targeted rate in 2024/25 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 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 – \$0.001360 per dollar of Capital Value on serviceable properties, plus a \$129.00 fixed charge per separately identifiable connection. Note: metered connections will be required to pay the water meter charges noted above.

Sewerage – \$0.002252 per dollar of Capital Value on serviceable properties, plus \$219.00 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 21 August 2023

2nd instalment 20 November 2023

3rd instalment 20 February 2024

4th instalment 20 May 2024

15. PENALTY CHARGES

Penalties will be applied as follows:

10% charged on the balance of the first instalment of rates remaining unpaid after 22 August 2023.

10% charged on the balance of the second instalment of rates remaining unpaid after 21 November 2023.

10% charged on the balance of the third instalment of rates remaining unpaid after 21 February 2024.

10% charged on the balance of the fourth instalment of rates remaining unpaid after 21 May 2024.

Arrears penalty charges

10% charged on the balance of arrears unpaid as at 30 June 2023. The penalty will be applied 7th July 2023.

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.

SCHEDULE OF FEES AND CHARGES - NGĀ RĀRANGI UTU ME NGĀ UTU WHAKAHAERE 2023/24

Fees and charges are reviewed annually as part of the Annual or Long-Term Plan process. The Fees and Charges Schedule for 2023/24 is available on our website www.mstn.govt.nz under Fees and Charges

Phone

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

Email

mdc@mstn.govt.nz

Visit

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

Write to

Masterton District Council
PO Box 444, Masterton 5840
www.mstn.govt.nz

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