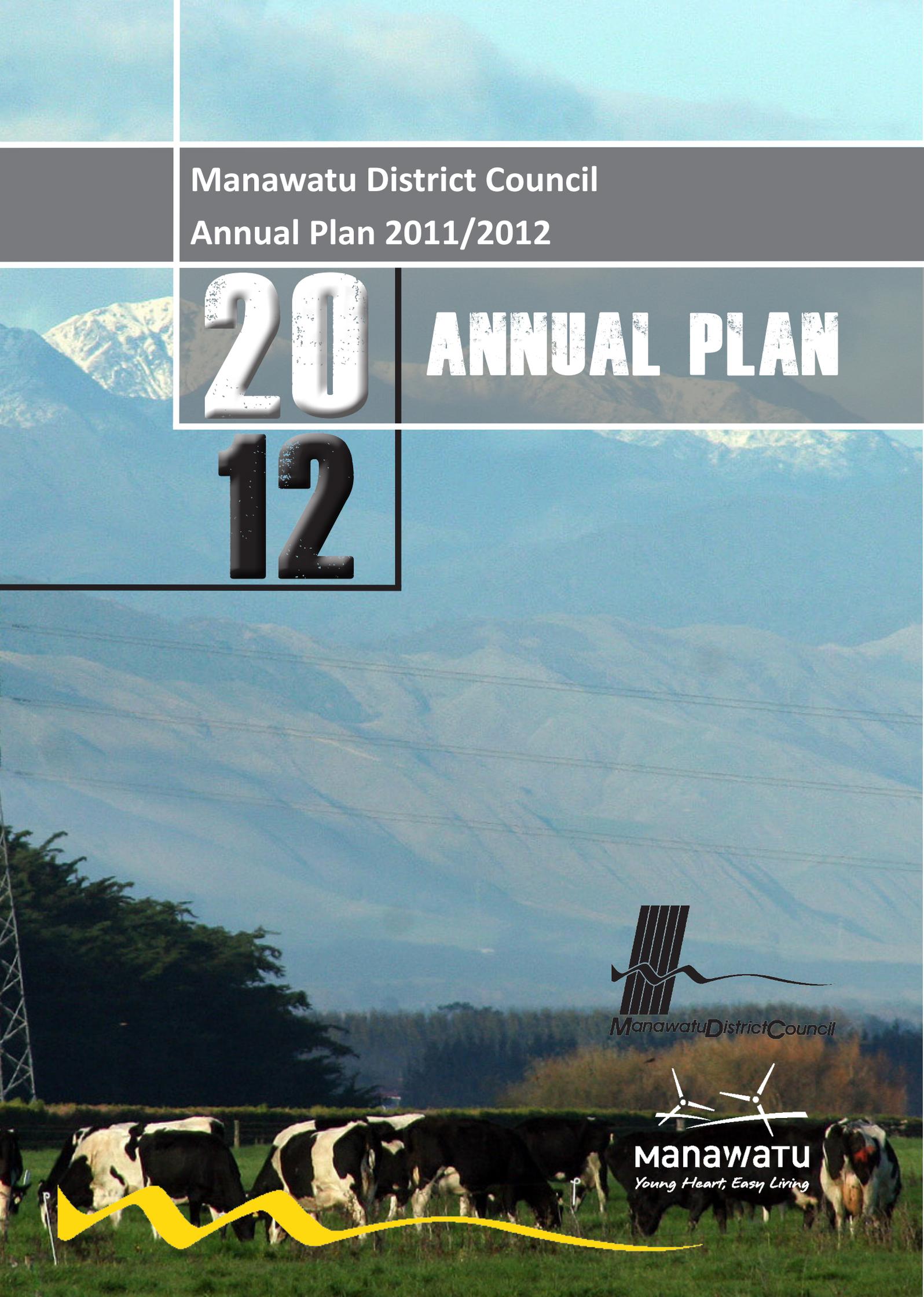


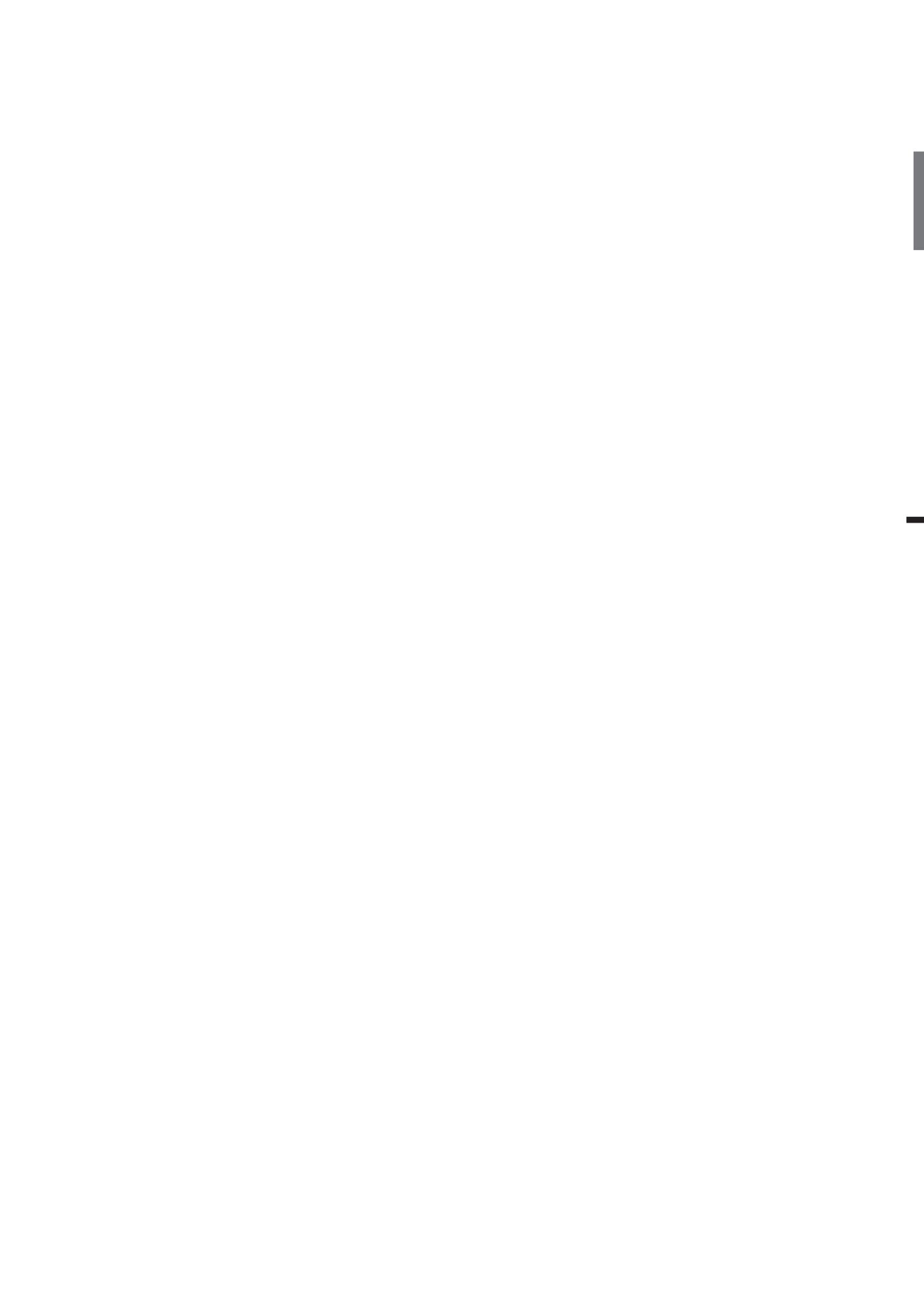
Manawatu District Council  
Annual Plan 2011/2012

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ANNUAL PLAN

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**Manawatu District Council**  
**Annual Plan 2011/2012**

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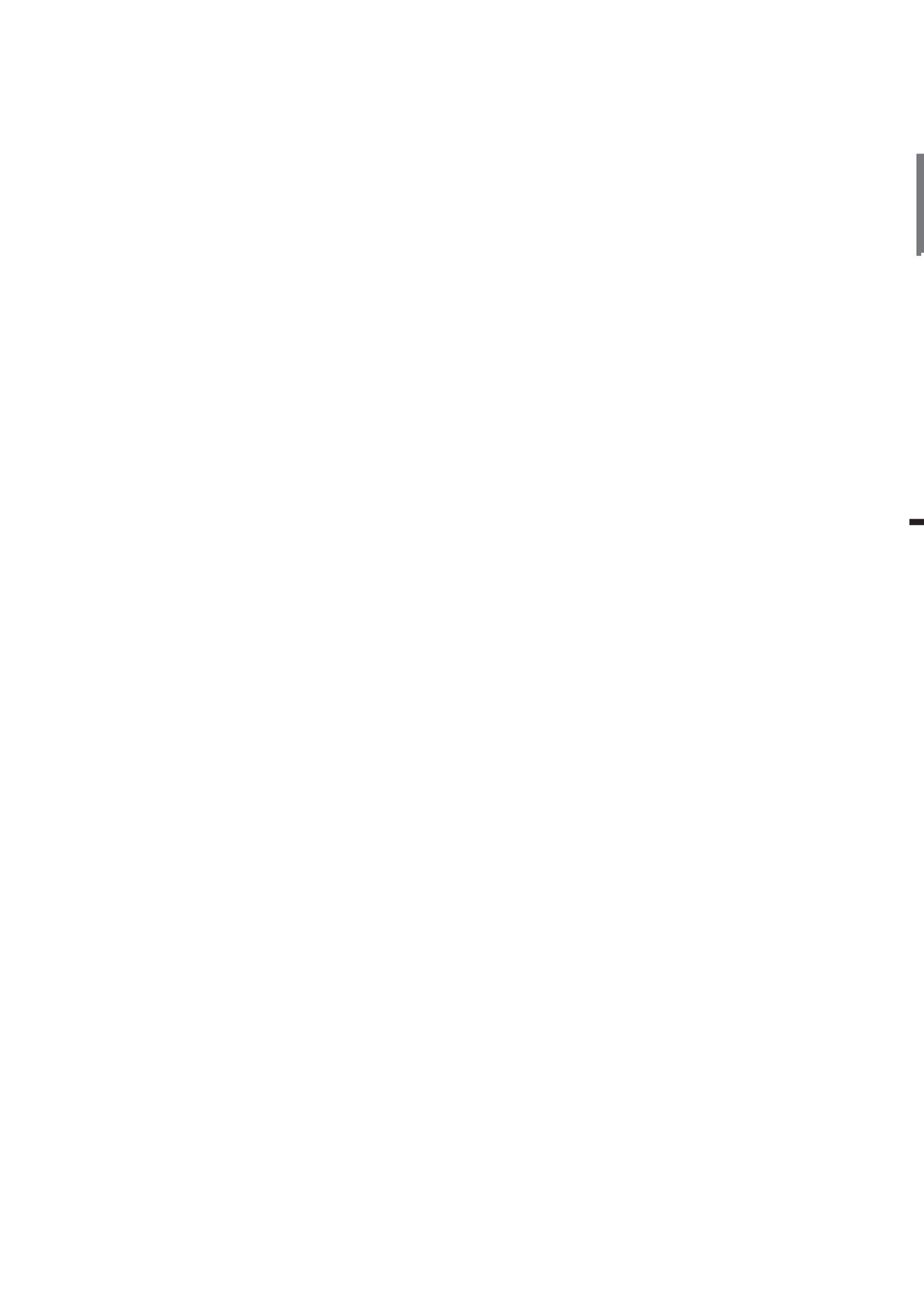
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PART ONE





# INTRODUCTION

## FROM MAYOR AND CHIEF EXECUTIVE

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Council released its Draft Annual Plan with an overall rates increase of 6.7%. It was mindful the proposed increase was high, especially in light of tough economic times, but Council wanted to give its community an opportunity to help prioritise projects.

During the submission week, councillors listened carefully. They gradually reduced the increase, being mindful not to compromise current levels of service. The result - a rates rise of 2.95%.

Council received more than 100 well thought out submissions that assisted it in deliberations. Submissions covered a range of topics. Some of the most popular were the sealing of Main South Road, the Feilding Integrated Family Health Centre, the proposed development at Sanson and various issues around Council's rating policies.

Key outcomes from the hearings include:

### **Main South Road**

Council has decided to seal the remaining unsealed section of Main South Road. Council recognises the economic potential of the northern part of the district. In deciding to seal the road, Council believes the route will be more accessible to tourists as well as locals and add economic benefits, from a tourism and farming perspective, to the region.

Council will add \$2m to the 2011/12 budget, funded by loans.

### **Feilding Integrated Family Health Centre**

Council has decided to contribute up to \$2.5m towards the development of the Feilding Integrated Family Health Centre. Half the loan - \$1.25m - will be interest free while the other half will be subject to market interest rates.

Council is expecting to make loan funds available to the Manawatu Community Trust



Ian McKelvie  
Mayor



Lorraine Vincent  
Chief Executive

over the next two financial years - 2011/12 and 2012/13. However, the Trust is still to finalise the building designs and go through the resource consent process.

The Trust is also seeking funding and support from other sources, including MidCentral Health, for the remaining cost of the project. Council will only support this project if other funding sources are available and the business case is favourable.

### **Sanson Facility Development**

Given the \$2.6m capital cost of this proposed development, and Council's desire to minimise the rates rise, Council has put the Sanson Facility Development project on hold. Council will explore options for collaboration with others in order to share costs and realise possible benefits of co-location, either at the site or nearby. Council will also explore short-term revenue-earning opportunities for the former hotel building.

### **Manfeild Park**

Council opted not to alter its Community Investment grant to the Manfeild Park Trust. In 2011/12, it will fund the trust \$250,000 as detailed in the 2009 Long Term Council Community Plan. Council had proposed to reduce the Community Investment grant by 25% each year from 2011/12. A submission

# INTRODUCTION

## FROM MAYOR AND CHIEF EXECUTIVE

from Manfeild Park Trust requested continuity of funding.

For more information on these projects, please see the 'Major Projects' section of this Plan.

Council adopted the final Annual Plan on 16 June 2011.

### 2011/12 Expenditure Budgets

The 2011/12 Annual Plan allows for budgeted expenditure of:

	2010/11 Annual Plan \$M	2011/12 LTCCP \$M	2011/12 AP \$M
<b>Operating Costs</b> (i.e. maintaining and running existing Council services)	38.8	39.1	38.9
Less depreciation not funded by rates	(3.7)	(3.8)	(3.7)
<b>Capital Costs</b> (i.e. capital projects, loan repayments and transfers to investments)	45.1	25.0	46.6
<b>Total budgeted expenditure</b>	<b>80.2</b>	<b>60.3</b>	<b>81.8</b>

To be funded from:

<b>Rates</b>	24.2	27.1	25.9
<b>Loans</b>	16.7	7.1	27.5
<b>Renewals funded from depreciation</b>	6.4	7.6	7.6
<b>Other Revenue</b> (e.g. fees and charges, subsidies)	24.5	18.3	19.3
<b>Transfers from investments</b>	8.4	0.2	1.5
<b>Total budgeted funding</b>	<b>80.2</b>	<b>60.3</b>	<b>81.8</b>



# MAJOR PROJECTS FOR THE YEAR

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## Democracy

### Links with Palmerston North City Council

Manawatu District Council and Palmerston North City Council have been looking at options to address issues arising from growth (in areas like distribution) that is happening on the boundary between the two councils, especially in the north-east parts of the City.

The councils asked for people's views on either a boundary change or amalgamation. Community feedback showed that people see a need for the councils to take action.

Both councils have agreed to go ahead with the boundary change proposal. This will bring an area from Longburn to Kairanga, through to and including Bunnythorpe, and the area between Bunnythorpe and Ashhurst, into the City.

The two Councils have set up a Joint Boundary Committee. This consists of three Councillors from each council. It is the Committee that makes the decisions from here on, including whether or not the boundary change should proceed. To help it make this decision the Committee has prepared a detailed consultation document. It will seek community views from 7 July to 8 September 2011. People are encouraged to attend public meetings and make submissions.

The Joint Boundary Committee is expected to make its decision by December 2011. The councils expect that the new boundary will be in place by 1 July 2012.

The boundary change does not mean that houses will be built out to the new boundary. The proposed new boundary lines go along the main roads because they are part of the roading networks that link the warehouses in the City with other regions.

The two councils have set up a website where

people can get more information, including maps that show the proposed new boundary line. It is at [www.boundarychange.co.nz](http://www.boundarychange.co.nz).

## Community Funding and Development

### Feilding Integrated Family Health Centre

The Manawatu Community Trust (the Trust) is working towards developing the Feilding Integrated Family Health Centre (FIFHC), to be located at Clevely in Duke Street, Feilding. Should the development go ahead the FIFHC will provide a 'one-stop-shop' for health needs, including GPs, pharmacy facilities and possibly a dentist.

The project is estimated to cost up to \$5.1m, including purchase of the current site buildings, as well as the construction of new buildings.

As a result of Draft Annual Plan hearings Council has decided to assist the project by providing the Trust with a loan of up to \$2.5m. Half the loan - \$1.25m - will be interest free while the other half will be subject to market interest rates.

Council is expecting to make loan funds available to the Trust over the next two financial years - 2011/12 and 2012/13. However, the Trust is still to finalise the building designs and go through the resource consent process. This is likely to take several months so it will not require loan funding from Council until at least December 2011/January 2012.

The Trust is also seeking funding and support from other sources, including MidCentral Health, for the remaining cost of the project. Council will only support this project if other funding sources are available and the business case is favourable.



# MAJOR PROJECTS FOR THE YEAR

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## Economic Development

### Sanson Facility Development

In August 2008 Council purchased a prime site in Sanson. Council has long recognised the strategic importance of Sanson given its location at the junction of two major state highways and its proximity to Ohakea, New Zealand's primary air force base. Sanson is an important gateway to the rest of the Manawatu, Palmerston North and the southern North Island.

Together with Destination Manawatu, Council explored a number of uses for the site. Council engaged Campbell Consulting Ltd. to undertake a feasibility study. The results of this study strongly suggest that the property is ideal as an i-SITE, and that its location lends itself to passing traffic.

Following on from this preliminary feasibility study, further work was done on design concepts and business feasibility.

Given the \$2.6m capital cost, and Council's desire to minimise the rates rise, Council has put the project on hold. Council will explore options for collaboration with others in order to share costs and realise possible benefits of co-location, either at the site or nearby. Council will also explore short-term revenue opportunities for the former hotel building.

### Coach House Fit Out/Regional Archives

As part of the 2010/11 Annual Plan process Council made provision for the purchase of the Coach House at 38-40 Hobson Street, Feilding. Council has since purchased the Coach House for \$650,000, by way of a loan.

Last year Council explored a number of possible uses for the building. The most promising use was for the Regional Archives project, facilitated by Manawatu-Wanganui Local Authority Shared Services Ltd (MW

LASS).

Council and MW LASS propose entering into a lease agreement for use of the building for a regional archive facility. The proposed arrangement sees the cost of the building refit, necessitated by the regional archives project, evenly split between MDC and MW LASS Ltd. Council's total capital outlay for this will be \$423,450. However, this will have a minimal affect on rates, as Council will recover most of the expenditure through the lease revenue.

However, in the first year there will be \$46,035 operating and interest costs, not covered by the revenue.

## District Planning

### Feilding Growth

New challenges to urban environments lie ahead. To enable us to meet these challenges Council decided to review the Feilding Urban Growth Strategy. The review will provide a basis from which to plan for the growth of Feilding.

Council will concentrate generally on the edge of the town where residential growth paths have been previously signalled. We will also examine our existing industrial land bank and capacity for growth.

Council will consider residential infill capacity for future residential development. A targeted approach will be developed identifying where and how residential intensification should occur.

Council has added \$50,000 to the budget for this new project, funded by development contributions.

### District Plan Review

The District Plan affects the day-to-day lives of everybody living, working and visiting the District. The current District Plan is

# MAJOR PROJECTS FOR THE YEAR

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now more than 10 years old and needs to be reviewed.

This project will involve reviewing the existing policies and rules that manage and protect our local environment. This includes the policies and rules that control what you can and cannot do on your property. The review ensures that the District Plan can respond to new issues, opportunities and direction.

The District Plan Review will be undertaken over the next two or more years. Therefore, Council has carried the remaining funding from 2010/11 over to 2011/12.

## Leisure Resources

### Leisure and Recreation Review

Council has added up to \$30,000 to the budget for reviewing and progressing a number of issues within the leisure and recreation area. These include:

- Developing a Leisure and Recreation Strategy
- A review of Council's Leisure Plan and Open Space Framework
- Assessing the desirability/feasibility of a multi-purpose recreational facility, including assessing co-location possibilities
- Possibility of co-locating the Arts Centre with the Library

## Makino Aquatic Centre

### Stage 1 Planning for Makino Aquatic Centre Developments

In 2010/11 Council set aside \$66,000 to look closely at options for the redevelopment of the Makino Aquatic Centre (MAC). As part of this Council formed a focus group comprising community stakeholders. It is important

that all views are represented before Council finally commits to a course of action.

Council does not want to make hasty decisions as any changes at the MAC have implications for future generations of users. Therefore, Council has carried over \$36,000 of the \$66,000 and added \$64,000 to the budget, in order to complete public engagement and to develop/assess concepts that may arise from that process. This brings the total budget for 2011/12 to \$100,000.

### Makino Aquatic Centre Capital Works

As part of the 2009-2019 LTCCP process Council indicated that it wished to undertake capital developments at the Makino Aquatic Centre (MAC) of around \$3.4m, during 2011/12. Council indicated that these developments would not go ahead unless third party grant funding could be secured.

During the 2010/11 Draft Annual Plan process Council received feedback on a revised MAC proposal. The feedback received indicated a wide range of views. In response, Council formed a focus group to assist in identifying options for any redevelopment work. Given the timing of the focus group work and the time required to assess options, Council does not anticipate undertaking any capital developments in 2011/12.

Therefore, Council has pushed the redevelopment out to 2013/14 and will review options, including the outcome from the focus group meetings, during the Long Term Plan process.

## Roading

### Main South Road

As a result of Draft Annual Plan submissions, Council has decided to seal the remaining unsealed section of Main South Road.

Council made this decision in light of the



# MAJOR PROJECTS FOR THE YEAR

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economic potential of the northern part of the district. Main South Road is an integral part of the Country Road project. This project envisages a tourist and cycling route through northern Manawatu, and takes in many of its attractions.

The drive takes in beautiful scenic country. Main South Road is the only part of this route not currently sealed. In deciding to seal the road Council believes the route will be more accessible to tourists as well as locals and will also add economic benefits, from a tourism and farming perspective, to the region.

Council will add \$2m to the 2011/12 budget, funded by loans.

## **A Vision for Cycling**

Council proposes adopting a vision for Cycling in August 2011. The vision is: 'Manawatu: the best place in New Zealand to ride a bike'. This is a region-wide vision, supported by Manawatu District Council, Palmerston North City Council, Destination Manawatu, Sport Manawatu and Vision Manawatu.

This vision encompasses the Active Transport Strategy, cycle education and recreation. For more information, contact Chris Foggin, Council's Economic and Recreation Advisor on 323 0000.



# VARIATIONS

## FROM THE LTCCP

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### **Cemeteries**

#### **Kimbolton Cemetery – New Fence**

The hedge at the rear and running along the western boundary of Kimbolton Cemetery is overgrown.

Council will replace the hedge with an appropriate stock proof fence. Council has added \$10,000 to the budget for this project, to be funded from reserves.

### **Public Conveniences**

#### **Feilding Public Toilet Upgrade**

Council has added up to \$60,000 to the budget for upgrading the Feilding Public Toilets. This proposal results from the levels of service consultation Council undertook during the development of the 2009-2019 LTCCP. Feedback from this exercise suggested that public toilets were unsatisfactory.

Council will use part of this expenditure – approximately \$13,000 – to construct a night toilet within the existing building. Council is concerned about the increasing and excessive amount of vandalism at the Feilding Public Toilets. Closing the main toilets overnight (while leaving the night toilet open) should reduce the risk of vandalism.

#### **Cleaning and Maintenance**

Continuation of the increase in the level of service introduced last year. This is the operating cost of the Bunnythorpe, Rongotea and Sanson facilities.

### **Democracy**

#### **LTP Consultation and Preparation**

In 2010/11 Council set aside \$32,000 for consultation. Most of this funding is for the development of the Long Term Plan, when Council will seek public input. However, most of this funding is not required until

2011/12. Therefore, Council has carried the remaining funding over to 2011/12 (up to \$30,000) and added \$20,000 to the budget for this work. This work will include research assistance, purchase of relevant data and public engagement as part of the LTP development process.

### **Community Funding and Development**

#### **Community Committee Project Fund**

Council has initiated a project called the Community Committee Project Fund (CCPF). The CCPF will provide each community committee within Manawatu District with \$2,700 per annum. This funding will allow committees to undertake small-scale, discrete projects within their communities that are not currently included in Council's contracts or levels of service. Projects on private property will not be included. This project will cost \$40,000, to be funded by reprioritising budgets in the parks and reserves area. There is no impact on rates.

#### **Photovoice and Youth Forum**

As a result of Draft Annual Plan submissions council has added \$30,000 to the budget, funded by reserves, for the Photovoice project and the Youth Forum. These projects provide young people with opportunities to contribute to Council decision-making.

### **Economic Development**

#### **Velodrome Project**

In April Palmerston North City Council and Sport Manawatu were informed that SPARC's preferred tenderer was the Waikato-Bay of Plenty bid. Therefore, Council has removed the \$150,000 it set aside in the Draft Annual Plan as a contribution towards this project. However, Council is fully supportive of the Velodrome project, and will look at funding



# VARIATIONS

## FROM THE LTCCP

again should it proceed in Palmerston North.

### Manfeild Park Trust

Last year, Manfeild Park Trust, Palmerston North and Manawatu District Councils reviewed current loan terms for the \$2,500,000 loan extended to the Trust in April 2007. In MDC's Long Term Council Community Plan process, revenue from the interest of this loan was included.

Council incurs the interest payments on these loans and is required to repay the loan in 2026. For a five year period – between 2010 and 2015 – in order to assist the Trust, the Trust will not be charged interest nor need to make principal repayments. Interest accrued to date will be added to the loan principal and at the end of the five-year period interest and principal repayments default to the original agreement. Interest revenue has been reduced by \$183,000 per year. This is a continuation of the decision Council made in the 2010/11 Annual Plan.

### Manfeild Park Trust – Community Investment

Council opted not to alter its Community Investment grant to the Manfeild Park Trust and will in 2011/12 fund the Trust \$250,000 as detailed in the 2009 Long Term Council Community Plan. Council had proposed to reduce the Community Investment grant by 25% each year from 2011/12. A submission from Manfeild Park Trust to council requested continuity of funding.

In making the decision to maintain grant funding levels, Council noted its commitment to Manfeild Park as a significant local and regional asset. Council also signaled a desire to continue to work with the Trust toward the success of the Manfeild Park facility.

The current operating grant for ground maintenance of the former racecourse land also remains unchanged at \$168,000.

Future Council funding for Manfeild Park Trust and options for the use of land at the edges of the park will be considered during the Council's Long Term Planning process. Work on the LTP has started, with the final 10-year plan due for adoption by Council in June 2012.

Total 2011/12 funding commitment to Manfeild Park Trust is set out in the table below:

MDC commitment to Manfeild Park Trust 2011/12	\$
Community Investment grant	250,000
Operating grant for ground maintenance of former racecourse land	168,100
Interest paid by MDC on \$2.5 million loan to MPT	182,718
NB Interest capitalised annually – MDC not charging interest or requiring repayments until 2015	
<b>Total MDC commitment to Manfeild Park Trust</b>	<b>\$600,818</b>

### Bio Commerce Centre

As a result of Draft Annual Plan deliberations Council has decided to retain funding for the Bio Commerce Centre at \$20,000.

### Cycleways Signage

As a result of Draft Annual Plan submissions council has carried over \$50,000 from 2010/11 to 2011/12 towards cycleway and cycle route signage. Part of the funding is for the Country Road project, led by Destination Manawatu.

### CBD Redevelopment

#### Kimbolton Road

The upgrade of Kimbolton Road has been put on hold as there is a lot of development work in Kimbolton Road at this time. Therefore, Council has carried this project over to



# VARIATIONS

## FROM THE LTCCP

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2011/12.

### **Animal Control**

#### **Dog Pound Upgrade**

Council will upgrade the dog pound facility in Feilding. The upgrade consists of the following three works:

1. Upgrading of the pound driveway
2. Upgrading the inside of the pound
3. Erecting a security fence

These works will increase the security of the pound and lower the ongoing maintenance and operating costs. The internal upgrade will reduce the risk of Parvo – a communicable dog disease – being spread among dogs while they are impounded. This upgrade is estimated to cost around \$60,000, with funding coming from existing sources.

### **Building**

#### **Increased Budget**

Last year Council identified the need for an increase in the levels of service for building inspections. This resulted in an additional staff member being required in the building control area. This along with a contractual increase for the Building Services contract led to a budget increase of about \$146,000 per year, effective from 2010/11. Because this is an annual budget increase, the 2011/12 budget has been increased accordingly. Please note, however, that this is not a \$146,000 increase on last year's budget.

#### **Earthquake Prone Policy**

Council has carried over \$36,000 from 2010/11 to 2011/12 and increased the budget by \$58,000 – from \$36,000 to \$94,000. The increase will cover the cost of initial assessments that will be undertaken by engineers in 2011. Council

intends to start preliminary assessments for earthquake prone buildings in 2011. For more information see page 21.

#### **Sanitary Buildings Policy Review**

Council is required by the Building Act 2004 to review its policy of sanitary buildings every five years. The purpose of the policy is to set out how MDC will identify, assess and take action for dangerous and/or insanitary buildings. There are no financial implications for this review. For more information see page 26.

### **Local Halls and Recreation Complexes**

#### **Kairanga Hall – Additional Maintenance**

The Kairanga Hall Committee has identified major maintenance work. The hall roof is in urgent need of repair as it has rotted, and the heating system needs to be replaced. Council has carried over the \$7,000, set aside in the 2010/11 budget, and added \$23,000 to the budget for this work. Please note that the \$7,000 was originally for painting, but this should not proceed ahead of the more urgent maintenance.

#### **Contribution to Bunnythorpe Community Centre**

As part of the 2009-2019 LTCCP Council committed \$100,000 for the purchase of the old Bunnythorpe Hall site as a contribution towards the development of the Bunnythorpe Community Centre. Council has purchased the site for the market value of \$85,000.

Council's total contribution is \$240,000. This funding is dependent upon the community having:

- security of tenure for the new centre over appropriate land
- additional funding (up to the total value



# VARIATIONS FROM THE LTCCP

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of the new centre) has been raised by the community

At this time the community is still to meet the above conditions. Therefore, Council has carried this funding over to 2011/12.

## **Palmerston North Surf Life Saving Club**

As a result of Draft Annual Plan submissions Council has decided to contribute \$50,000 towards the replacement of the Palmerston North Surf Life Saving Club. This will be funded over two years: \$25,000 in 2011/12 and \$25,000 in 2012/13.

## **Leisureville**

In 2010/11 Council put the Leisureville project on hold, until the final shape of the developments at the Makino Aquatic Centre are known. This decision was made as part of the 2010/11 Annual Plan process.

## **Himatangi Beach Skateboard Park**

As a result of Draft Annual Plan submissions Council has carried over \$15,000 from 2010/11 to 2011/12 for Himatangi Beach Skateboard Park. The budget for 2011/12 is \$31,306.

## **Roading**

### **Traffic Services and Level Crossing Maintenance**

New maintenance contract rates have led to a decrease in Traffic Services maintenance, therefore, Council has reduced this budget by \$125,000, from \$475,000 to \$350,000.

### **Unsealed Road Metalling**

New maintenance contract rates have led to a \$57,788 increase in this budget.

### **Drainage and Structural Renewals**

New maintenance contract rates have led to a \$46,720 decrease in this budget.

### **Traffic Services and Associated Improvements**

New maintenance contract rates have led to a \$37,704 decrease in this budget.

### **Preventative Maintenance**

Due to a change in the way the New Zealand Transport Agency funds roading projects, Council has reduced this budget by \$140,000 – from \$230,000 to \$90,000.

### **Strategic Roding Network**

Council is working with Palmerston North City Council, Horizons Regional Council and the New Zealand Transport Agency to develop a coordinated strategic roading network.

During the course of this process the bypass proposals at Bunnythorpe have been reprioritised and are not likely to commence in the next year or two. Council therefore will consider this project as part of the LTP process.

### **Seal Extensions**

There are no subsidised seal extensions proposed in 2011/12. Therefore, Council has reduced this budget by \$230,002.

### **Pavement Rehabilitation**

The original target for pavement rehabilitation was 14km. This has been reduced to 12km. This reduces the budget by \$450,000. In addition, Council has reduced the budget by a further \$760,000 (non subsidised component of full budget) due to a proposed change in contract procurement methods.

### **Road Studies**

As part of the 2010/11 Annual Plan process Council decided to carry forward funding for Road Studies, from 2011/12 to 2010/11.



# VARIATIONS

## FROM THE LTCCP

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### **Pavement Rehabilitation – Denbigh Street**

Council has Carried forward the unspent budget of \$380,000 from 2010/11 to 2011/12. Denbigh Street stage 2 reconstruction has started but the roading component (\$380,000 of subsidised works) is not scheduled until early in 2011/12.

### **Road Reconstruction (non-subsidised)**

Council has carried over funding for the Denbigh Street stage 2 reconstruction. Work has commenced but the roading component (footpaths, kerb and channel etc) of \$154,000 is not scheduled until early in 2011/12.

### **Solid Waste**

#### **Kerbside Recycling Bins**

As a result of Draft Annual Plan submissions Council has decided to remove the recycling bin project from the Annual Plan. Council will consider this project as part of the Long Term Plan process.

#### **Recycling Centres**

As a result of Draft Annual Plan submissions Council has decided to remove the recycling centres project from the Annual Plan. Council will consider this project as part of the Long Term Plan process.

#### **Solid Waste Disposal Contract**

Due to an increase in disposal costs for solid waste at Bonny Glen landfill, Council has increased this budget by \$75,000 – from \$54,665 to \$129,665.

#### **Implementation of Waste Education Programme**

Council has carried over \$18,000 from 2010/11 to 2011/12 and increased the waste education budget from \$10,000 to \$60,000. This is part of the Waste Management and Minimisation Plan. This will be funded by

the waste minimisation levy. There is no affect on rates.

### **Wastewater**

#### **Pipe Connection from Longburn to Palmerston North**

This project was originally scheduled for 2009/10. It has been carried over to 2011/12 to give Council time to negotiate a connection with Palmerston North City Council. This is part of the Special Consultative Procedure that both councils undertook in January 2011.

#### **Longburn Sewerage Connection Charge to Palmerston North City Council**

In 2010/11 Council set aside \$28,750 as payment to Palmerston North City Council for the Longburn properties that will connect to the Palmerston North City Council wastewater system. This connection is unlikely to go ahead until next year. Therefore, Council has carried this funding over to 2011/12.

#### **Pipework Rehabilitation**

It is necessary to undertake rehabilitation of pipework in Longburn in order to reduce stormwater and ground water infiltration into the reticulation system. Therefore, council has set aside \$20,000 for this new project.

#### **Himatangi Beach Wastewater Scheme**

This project was originally scheduled for 2010/11. Council has carried this funding over to 2011/12. Council decided to proceed with this project in April. Work will start in 2011/12.

#### **Feilding Wastewater Treatment Plant Upgrade**

Council has carried funding for this project over to 2011/12. Before committing to



# VARIATIONS

## FROM THE LTCCP

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this expenditure Council wishes to obtain certainty in terms of the outcome of the resource consent application, currently with Horizons Regional Council.

In order to meet resource consent requirements some parts of the project, which were scheduled for future years, have to be complete in 2011/12. Therefore, Council has also brought forward \$1,100,000 from 2012/13 and increased the budget by \$500,000. This increase will be funded by loans.

### **Arnott Street Extension**

The extension of the wastewater system into Arnott Street, Feilding was included in the Feilding Wastewater growth project in 2010/11. The design work has been completed but physical work is to be completed 2011/12. Therefore Council has carried this funding over to 2011/12.

### **Feilding Wastewater Treatment Plant – Irrigation**

Council has added \$4,000,000 to the budget for irrigation at the Feilding Wastewater Treatment Plant (WWTP). The budget is split as follows:

- \$2,000,000 for additional land purchase for wastewater irrigation because the existing Council-owned land is inadequate.
- \$2,000,000 for procurement of stage 1 of the irrigation system. This covers the purchase of irrigation equipment, land preparation, pipe-work and pump station and the construction of storage lagoons. This will start as soon as Council obtains discharge resource consents for the WWTP. This project is funded by loans.

### **Feilding Wastewater Treatment Plant Sludge Dewatering**

Council has carried over \$1,588,000 from 2010/11 to 2011/12 for sludge dewatering at Feilding Wastewater Treatment Plant. This work has been deferred because of the delay in the upgrade of the wastewater treatment plant liquid stream.

### **Feilding Wastewater Asset Replacement**

Council has carried over \$700,000 from 2010/11 to 2011/12. The design is completed and negotiation with contractors for the physical work is in progress.

### **Feilding Wastewater CCTV/Flow Monitoring**

Council has carried over \$58,000 from 2010/11 to 2011/12. This will give Council enough funds to undertake flow monitoring in the wastewater reticulation network.

### **Feilding Wastewater Infiltration Investigation**

Council has added \$100,000 to the budget to investigate the full scope and location of the infiltration of stormwater into the Feilding Wastewater network. This work will link into both the asset management planned for the reticulation network and the STP upgrade, currently in the planning stage.

### **Emptying of Bunnythorpe, Halcombe and Longburn Sludge Ponds**

Council has carried over \$205,000 from 2010/11 to 2011/12. The ponds could not be emptied in 2010/11 because Council did not find contractors who could do the work in the summer. It is best to empty sludge ponds in summer to reduce the amount of water in the sludge.



# VARIATIONS

## FROM THE LTCCP

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### **Stormwater**

#### **Reduction in the Asset Renewal budget**

Because of a change in the way depreciation is funded, Council has reduced this budget by \$350,540.

#### **Asset Growth**

Council is in discussion with Horizons Regional Council about how Reids Line floodway will be managed. The outcome of discussions will affect downstream stormwater design in the Pharazyn Road area. Therefore, Council has carried over \$2m from 2010/11 to 2011/12 for the construction of a new stormwater pipe.

#### **Feilding Stormwater Growth**

Council has carried over \$2,530,000 from 2010/11 to 2011/12. The physical work has been put on hold until the Feilding Growth Structure Plan is complete.

#### **Rongotea Stormwater New Work**

The stormwater around the Trent Street/Humber Street corner of Rongotea requires upgrading. The area repeatedly floods during high intensity rain events. Therefore, Council has added \$80,000 to the budget to complete this work.

#### **Ngaire Street, Longburn - Stormwater Upgrade**

As a result of Draft Annual Plan submissions Council has carried over funding from 2010/11 to 2011/12 for the Ngaire Street, Longburn stormwater upgrade.

### **Water Supply**

#### **Feilding Water Scheme – Improve Water Quality**

At this time the quality of the raw water is sufficiently high that it does not require UV

treatment. However, this may change in the near future. Therefore, Council has carried the funding over to 2012/13 and included it as part of the LTP process to ensure funding is available should the water quality deteriorate.

#### **Rongotea Water Supply**

Council has approved this project, subject to the Ministry of Health confirming funding. Therefore, Council has carried over \$2.9m from 2010/11 to 2011/12.

#### **Feilding Water Supply Growth**

Council has carried over \$190,000 from 2010/11 to 2011/12. Arnott Street stage 1 has been completed. Stage 2 is on hold due to a slowdown in Feilding growth. Delaying work will reduce debt-servicing costs.

#### **Bunnythorpe Water Renewals**

Council has carried over \$30,000 from 2010/11 to 2011/12. The review of pump requirements is underway. The outcome will determine equipment requirement. Time will not allow installation by the end of 2010/11.

#### **Himatangi Beach Water New Works**

Council has carried over \$145,000 from 2010/11 to 2011/12.

In addition Council has added \$50,000 to the budget, to be added to the construction of the reservoir. The combination of increased material costs over the previous two years plus the additional foundation work identified in the geotechnical report has increased the total project budget.

#### **Waituna West RWS Intake Structure**

Council has carried over \$200,000 from 2010/11 to 2011/12. Construction of the new production bore is well advanced. Final work is programmed for completion early in



# VARIATIONS FROM THE LTCCP

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2011/12.

## **Water and Wastewater Waste Compliance Monitoring IT System**

Council has added \$100,000 to the budget to implement a district wide data management system for the management and monitoring of resource consent data (compliance) and water quality information for Drinking Water Standards compliance.

## **Support Services**

### **Risk Pool**

Up until last year the Council was a member of the Risk Pool Mutual Insurance scheme. During two previous scheme years the fund was not sufficient to match the amount of claims for those years. It has therefore been necessary to make a call in for two years. This amounts to \$61,000 per year that we have added to the budget.

### **Utilities**

#### **Local Authority Protection Programme**

The Local Authority Protection Programme assists local authority members pay their share of infrastructural costs of water, sewerage and other uninsurable essential services which have been damaged by natural disasters.

In 2010/11 Council was levied \$83,000 and received a 50% rebate of \$41,685. This year Council will lose the rebate. Therefore, Council has added \$41,000 to the budget.

In addition, Council has added another \$83,000 to the budget due to recent disasters which have affected the insurance industry. This brings the total budget in 2011/12 to \$162,685.

## **Property**

### **Pohangina Depot**

An investigation and repair of waste water disposal at the Pohangina Depot is required. The on-site disposal system has reached the end of its life and a replacement is now required. This is estimated to cost up to \$25,000.

### **Te Manawa Community Centre**

The Te Manawa Community Centre in Feilding is in need of maintenance. The windows are in need of repair and the exterior of the building, along with the roof, needs repainting. In order to undertake this work Council has added \$28,250 to the budget. This budget figure is worst case scenario as some windows are in better shape than others. The extent of work on the windows will only be known once the work commences. Staging the work is complicated by the need for scaffolding, both for the window repairs and painting.



# EARTHQUAKE PRONE BUILDINGS POLICY

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## Introduction

Manawatu District Council has a responsibility under the Building Act 2004 to manage dangerous, insanitary and earthquake prone buildings. Management of these buildings includes identification and enforcement action.

The purpose for this is to ensure the safety of the public.

Manawatu District Council adopted two policies in 2006: the dangerous and insanitary buildings policy and the earthquake prone buildings policy. Council must review these policies every five years.

106 potentially earthquake prone buildings have been identified in the district.

## Description of Policies

The dangerous and insanitary building policy review has been edited to simplify the document, making it more user friendly for the public and Council staff.

The earthquake prone buildings policy review has aligned the policy with the guidance document published by the Department of Building and Housing.

The review has included the process of identification of buildings, the process for completion of remedial work, including expected timeframes and the responsibilities of building owners and Council.

The two adopted policies are shown below:

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### **Manawatu District Council - Earthquake Prone Buildings Policy 2011**

#### **Introduction and background**

Section 131 of the Building Act 2004 requires territorial authorities (TAs) to adopt a policy on earthquake-prone buildings.

*The definition of an earthquake-prone building (EPB) is set out in section 122 of the Building Act 2004 and in the related regulations that define moderate earthquake. A moderate earthquake, in relation to a building, is an earthquake that would generate shaking at the site of the building that is of the same duration as, but that is one third as strong as, the earthquake shaking (determined by normal; measures of acceleration, velocity and displacement) that would be used to design a new building at the site.*

*In simple terms this means that a building is earthquake prone if the building is likely to collapse in a moderate earthquake (taking into account its condition, the ground on*

*which it is built, and its construction) causing injury or death to people in the building and nearby, and damage to other property. For the purposes of section 122, a moderate earthquake is defined as an earthquake of the same duration but only one-third as strong as an earthquake that must be provided for in the design of a new building at the same site.*

*Under the Building Act 2004 an 'earthquake prone building' does not apply to residential buildings unless comprising 2 or more storeys and 3 or more household units.*

*This document sets out the policy adopted by Manawatu District Council (MDC) in accordance with the requirements of the Building Act 2004.*

*The policy is required to state:*

- The approach that MDC will take in performing its functions under the Building Act 2004*
- MDC's priorities in performing those functions*

# EARTHQUAKE PRONE BUILDINGS POLICY

- How the policy will apply to heritage buildings

MDC must complete a review of the policy within 5 years after the policy is adopted and at intervals of not more than 5 years. In developing, adopting and reviewing its earthquake prone buildings policy, MDC has followed the consultative procedure set out in section 83 of the Local Government Act 2002.

## 1. Policy approach

### 1.1 Policy principles

MDC notes the provisions of the Building Act 2004 concerning earthquake-prone buildings reflect the government's broader concern with the life safety of the public in buildings and more particularly, the need to address life safety in earthquakes.

This concern is captured in an outcome within the LTCCP - "people are able to go about their business and leisure at any time of the day or night without fear for their safety".

Historical evidence and scientific research show that risk to the population from geological hazards such as earthquakes are significantly greater than the experience of previous years would indicate.

MDC have also given due consideration to the status of Heritage buildings as defined under the District Plan and Resource Management Act 1991.

### 1.2 Overall approach

MDC is in a zone of moderate seismicity

The Manawatu-Wanganui region is geologically diverse with numerous potential earthquake sources. The Region encompasses some of the most seismically active parts of New Zealand. Small earthquakes have occurred regularly throughout c.150 years of recorded history and several moderate events

remind us that the threat is a real one<sup>1</sup>.

Aside from the commonly used Richter scale, earthquakes are classified in categories ranging from 'minor to 'great', depending on their magnitude.

'Great' means magnitude of 8 or more; 'major': 7 - 7.9; 'strong': 6 - 6.9; 'moderate': 5 - 5.9; 'light': 4 - 4.9; 'minor': 3 - 3.9.

The **likelihood** of earthquake events from all sources are:

- A 1-in-10 chance in any 15 year period of experiencing a MM 7 - 8.2 earthquake (commonly referred to as a 1-in-150 year event)
- A 1-in-10 chance in any 100 year period of experiencing a MM 7.5 - 9.8 earthquake (commonly referred to as a 1-in-1,000 year event)

The Manawatu District's buildings comprise a range of types and ages reflecting development over the last 110 years.

MDC's EPB policy embodies an approach to reduce earthquake risk over time in a way that is acceptable in social and economic terms to its ratepayers.

To achieve the policy's objectives MDC will:

- Review the District's buildings to identify those buildings may be categorised as potential earthquake-prone buildings under section 122 of the Building Act 2004
- Broadly assess the performance of those buildings in relation to the new building standard and, in particular, to the standard defined for earthquake-prone buildings. This initial assessment will be funded by MDC

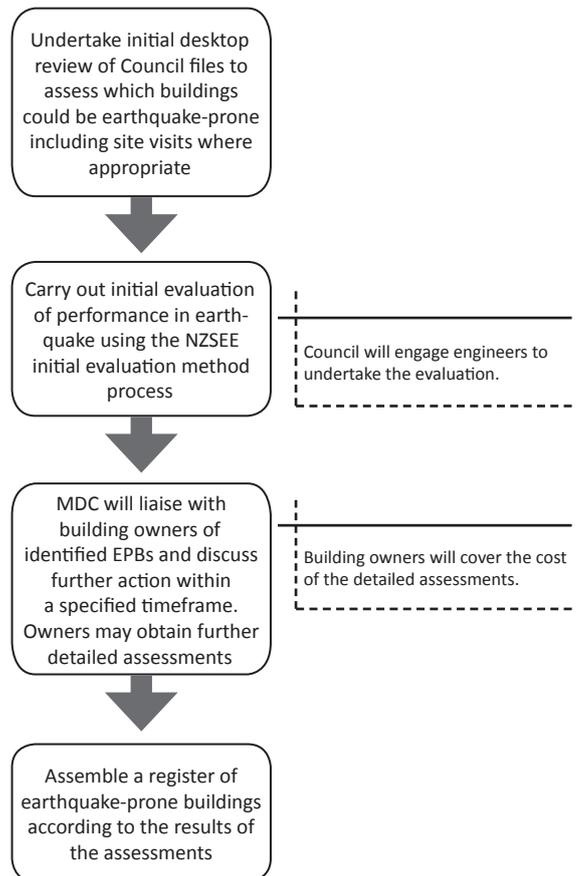
<sup>1</sup> <http://www.horizons.govt.nz/assets/new-uploads/emergency-management/Hazard-Risk-Assessment.pdf>

# EARTHQUAKE PRONE BUILDINGS POLICY

- From the assessment made determine and compile a list of buildings that are deemed earthquake-prone
- Advise building owners of the results of the MDC's assessment and invite them, within a specified timeframe, to obtain further detailed structural assessments and meet with MDC to discuss further action
- Give written notices to all owners of earthquake-prone buildings once the deadline for meeting Council has passed and subject to the results of the discussions and any further assessments, to carry out work to reduce or remove the danger or demolish the building within a specified timeframe
- Allow owners the right of appeal as defined in the Building Act 2004, which can include applying for a determination under section 177.

## 1.3 Identifying Earthquake-Prone Buildings

When identifying EPBs MDC will:



# EARTHQUAKE PRONE BUILDINGS POLICY

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## **1.4 Assessment criteria**

MDC will use the New Zealand Society for Earthquake Engineering (NZSEE) recommendations as its preferred basis for defining technical requirements and criteria for assessing buildings. These recommendations are designed to be used in conjunction with AS NZS 1170 Loadings Standard, NZS 3101 Concrete Structures Standard, NZS 3404 Steel Structures Standard and other materials Standards.

## **1.5 Taking action on earthquake-prone buildings**

MDC will:

- Advise and liaise with owners of buildings identified as earthquake prone
- Encourage owners to carry out an independent assessment of the structural performance of those buildings identified as earthquake-prone
- Serve formal notices in accordance with the Building Act 2004 on owners of earthquake-prone buildings, requiring them to remove the danger within specified timeframes
- Allow owners to appeal against the classification as prescribed in the Building Act 2004

## **1.6 Interaction between EPB policy and related sections of Building Act 2004**

### **1.6.1 Building Act 2004, Section 112: Alterations to existing building**

Whenever a building consent application is received for significant upgrading or alteration of a building that is or is potentially earthquake-prone, then, the Council will require that the building be strengthened to comply to a minimum of 67% of the current seismic loading standard, thereby classifying the building non earthquake-prone.

Each alteration will be assessed on a case by case basis and will take into account the extent of the building work in relation to the existing structure, the value of the alteration work, the level of identified non compliance existing in the building and the intended use of the building.

### **1.6.2 Building Act 2001, Section 115: Change of Use**

Whenever a building consent is received for a change of use of a building that is or is potentially earthquake prone, then the MDC will require that the building be strengthened to comply as nearly as is reasonably practicable with every provision of the building code that relates to structural performance as is required by section 115(b)(i)(A).

### **1.7 Recording a building's EPB status**

MDC will keep a register of all EPBs noting the status of improvement requirements and the NZSEE grade of all buildings assessed.

EPBs will be recorded on the LIM as follows:

- Address and legal description of land and building
- Statement that the building is on the MDC's register of EPBs
- Date by which any strengthening work or demolition is required

## **2 Priorities**

MDC has prioritised both the identification and the requirement to strengthen or demolish buildings as follows:

Figures in brackets indicate the maximum time for strengthening or demolition respectively.

Times required for strengthening or demolition commence on the date of formal notification of an earthquake-prone building.

- Buildings with special post-disaster

# EARTHQUAKE PRONE BUILDINGS POLICY

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*functions as defined in AS/NZS 1140.0: 2002, Importance level 4 ( 5 years)*

- *Buildings that contain people in crowds or contents of high value<sup>2</sup> to the community as defined in AS/NZS 1140.0: 2002, Importance level 3 ( 10 years)*
- *Buildings with a heritage classification of A or B under the Council's register ( 10 years)*
- *Buildings with an importance level of less than 3 as defined in AS/NZS 1140.0: 2002 ( 10 years)*

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2 Definition - buildings and facilities as follows: (a) Where more than 300 people can congregate in one area (b) Day care facilities with a capacity of greater than 150 (c) Primary school or secondary school facilities with a capacity greater than 250 (d) Colleges or adult educational facilities with a capacity greater than 500 (e) Health care facilities with a capacity of 50 or more resident patients but not having surgery or emergency treatment facilities (f) Airport terminals, principal railway stations with a capacity greater than 250 (g) Multi occupancy residential, commercial (including shops), industrial, office and retailing buildings designed to accommodate more than 5000 people and with a gross area greater than 10,000m<sup>2</sup> (h) Correctional institutions (i) Public assembly buildings, theatres and cinemas of greater than 1000m<sup>2</sup> Emergency medical and other emergency facilities not designated as post-disaster. Power-generating facilities, water treatment and waste treatment facilities and other public utilities not designated as post-disaster. Buildings and facilities not designated as post-disaster containing hazardous materials capable of causing hazardous conditions that do not extend beyond the property boundaries.

## **3 Heritage buildings**

### **3.1 Special considerations and constraints**

*MDC believes it is important that where possible heritage buildings have a good chance of surviving a major earthquake.*

*However, MDC does not wish to see the intrinsic heritage values of these buildings adversely affected by structural improvement measures or safety compromised by aesthetics.*

*Heritage buildings will be assessed in the same way as other potential EPBs and discussions held with owners and the Historic Places Trust (HPT) to identify a mutually acceptable way forward.*

*MDC notes that the HPT administers a heritage incentive fund.*

*Building owners of category 1 historic buildings may apply to seek funding of up to \$100,000 Building owners of unlisted buildings may wish to list their buildings (if appropriate) to access funding.*



# DANGEROUS AND INSANITARY BUILDINGS POLICY

## **Dangerous and Insanitary Buildings Policy**

### **Introduction and Background**

Section 131 of the Building Act 2004 requires territorial authorities to adopt a policy on dangerous, earthquake-prone and insanitary buildings. It must be reviewed at least every five years. For convenience, Council has produced two separate policies, this one on dangerous and insanitary buildings, and another one on earthquake prone buildings.

The definition of a dangerous building is set out in Section 121 (1) of the Act:

The definition of a dangerous building is set out in Section 121 (1) of the Act:

"A building is dangerous for the purposes of this Act if,-

- a. in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause-
  - i. injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
  - ii. damage to other property; or
- b. in the event of fire, injury or death to any person in the building or to persons on other property is likely because of fire hazard or the occupancy of the building."

The definition of an insanitary building is set out in s123 of the Act:

"A building is insanitary for the purposes of this Act if the building-

- a. is offensive or likely to be injurious to health because-
  - i. of how it is situated or constructed; or
  - ii. it is in a state of disrepair; or

- b. has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
- c. does not have a supply of potable water that is adequate for its intended use; or
- d. does not have sanitary facilities that are adequate for its intended use."

Policies on dangerous and insanitary buildings are required to state:

- The approach that the Council will take in performing its functions under the Act;
- Council's priorities in performing those functions;
- How the policy will apply to heritage buildings;

In developing and adopting its policy on dangerous and insanitary buildings, Council has followed the special consultative procedure set out in section 83 of the Local Government Act 2002.

### **Policy approach**

The provisions of the Act relating to dangerous and insanitary buildings reflect the government's broader concern with the lives and health and safety of the public in buildings. This is expressed in the purpose of the Act set out in Section 3, and the principles contained in Section 4. Council is committed to ensuring that people are able to go about their business and leisure any time of the day or night without fear for their safety. This is set as a community outcome in the LTCCP.

### **Causes of Dangerous or Insanitary Buildings**

Buildings may become dangerous or insanitary due to a number of reasons. These include poor maintenance, misuse by the occupant, natural disasters such as floods, landslides

# DANGEROUS AND INSANITARY BUILDINGS POLICY

or erosion and inappropriate construction methods or materials.

Buildings that are dangerous or insanitary may come to the attention of the Council via complaints from building tenants, during building consent inspections, or in follow-ups after a flood event. Once Council is aware of a problem, it is obliged to act in order to ensure the health and wellbeing of the building's occupants. Council will follow the process laid down in the Building Act 2004 in dealing with dangerous conditions. In respect of insanitary conditions, it will decide whether to use its powers under the Health Act 1956 and/or the Building Act 2004 in each particular case.

## Identifying Dangerous or Insanitary Buildings

It is impractical to inspect every building in the District on a regular basis. Instead the Council will:

1. Respond to and investigate all building complaints received;
2. Identify from these investigations any buildings that are dangerous or insanitary;
3. Issue a notice to the owner and occupier of the building to take action to remedy or remove the problem, as required by s124 and s125 of the Act;
4. Liaise with the New Zealand Fire Service in respect of dangerous buildings when Council deems it is appropriate, in accordance with s121 (2) of the Act;
5. Liaise with the Regional Public Health Service (Medical Officer of Health) when required, to assess whether the occupants may be neglected or infirm.

## Assessment Criteria

The Council will assess dangerous buildings in accordance with s121 (1) of the Act, in terms

of the extent to which:

- the building is likely to cause injury or death to any persons in it or on other property, or to cause damage to other property; or:
- injury or death to any persons in the building or to persons on other property is likely because of fire hazard or the occupancy of the building
- in the event of fire, injury or death to any person in the building or to persons on other property is likely because of fire hazard or the occupancy of the building

Council may request a written report on the building from the New Zealand Fire Service or other agencies.

Insanitary buildings will be assessed in accordance with s123 of the Building Act. The Council will consider the use to which the building is put and whether the insanitary conditions pose a reasonable probability of danger to the health of any occupants.

Acceptable Solutions E2 (External Moisture), G1 (Water Supplies), G1 (Personal Hygiene) and G13 (Foul Water) of the New Zealand Building Code may be consulted:

## Taking Action

### Immediate action

Where the danger or hazard is assessed and requires immediate action, the Council will remove that danger or hazard. Council can prohibit persons from using or occupying the building under section 128 and can request demolition of all or part of the building under section 129. The Act allows Council to recover costs from the owner(s) for any such remedial works.

### Natural disasters

If the dangerous or insanitary conditions are

# DANGEROUS AND INSANITARY BUILDINGS POLICY

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*due to a widespread natural hazard event, it may not be reasonable or practical for formal notice under the Act to be served at the outset. During the recovery process buildings deemed dangerous or insanitary will be identified in accordance with recovery procedure. During this process Council will advise and work with owners with a view to obtaining a mutually acceptable approach to removing the danger or insanitary conditions.*

*Information relating to the affected properties will be held on Council records.*

## **Serving notices**

*Council will use the provisions of Sections 124 and 125 of the Building Act. This will be done after advising the owners concerned, and involves:*

- *Attaching a written notice to the building requiring work to be carried out, within a time stated in the notice (being not less than 10 days), to reduce or remove the danger or the insanitary conditions;*
- *Giving copies of the notice to the building owner, occupier, and every person who has an interest in the land, or is claiming an interest in the land, as well as the New Zealand Historic Places Trust if the building is a heritage building;*
- *Contacting the owner at the expiry of the time period set down in the notice in order to gain access to the building to ascertain whether the notice has been complied with;*
- *Pursuing enforcement action under the Act if the requirements of the notice are not met within a reasonable period of time as well as any other non-compliance matters. Any person who fails to comply with a notice under Section 125 is committing an offence and is liable to infringement fines of up to \$2,000 or a fine not exceeding \$200,000.*

## **Section 112: Alterations to existing buildings**

*Whenever a building consent application is received for significant upgrading or alteration of a building that is or could be dangerous or insanitary then, irrespective of the general priorities set in this policy, Council will not issue a building consent unless it is satisfied that the building will no longer be dangerous or insanitary after the alteration.*

## **Record keeping**

*Any buildings identified as being dangerous or insanitary will be recorded on the property file for the land on which the building is situated. The following information will also be included with any LIM issued in respect of the property:*

- *Advice that the building is dangerous or insanitary.*
- *A copy of any correspondence about the state of the building, if applicable.*
- *A copy of any dangerous and/or insanitary notices issued under the Act.*
- *Any report as to the completed works and how the situation was rectified, if applicable.*

## **Economic impact of policy**

*Due to the very low number of dangerous or insanitary buildings encountered annually by the Council, the economic impact of this policy is considered to be negligible.*

## **Access to information**

*Information concerning dangerous or insanitary buildings will be contained in the relevant LIM. In granting access to information concerning such buildings, the Council will conform to the requirements of the Local Government Official Information and Meetings Act 1987, the Privacy Act and*

# DANGEROUS AND INSANITARY BUILDINGS POLICY

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*the Local Government Act 2002.*

## **Priorities**

*Priority will be given to buildings that have been determined to be immediately dangerous or insanitary. Urgent action will be required in these situations to remedy the situation, such as prohibiting occupation of the property, and putting up a hoarding or fence.*

*Buildings that are determined to be dangerous or insanitary, but not requiring immediate action to remedy their condition, will be subject to a reasonable timeframe, but not less than 10 days for reduction or removal of the danger as set out in section 124(1) (c) of the Building Act.*

## **Heritage Buildings**

*A number of principles relevant to historic heritage are outlined in Section 4 of the Act, including:*

- d. the importance of recognising any special traditional and cultural aspects of the intended use of a building, and*
- l. the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value.*

*Local authorities are required to take these principles into account, including when they are preparing, adopting and reviewing policies on dangerous and insanitary buildings.*

*No special dispensation will be afforded to heritage buildings in terms of compliance under this policy. It is just as important for these buildings to be made safe and sanitary as it is for any other structure. Where the required remedial works might adversely affect the historic fabric or heritage value of the building, however, it will be important for Council or the landowner to obtain advice from an appropriate heritage professional on how the work may be done with minimum impact.*

*Under section.125 (2) (f) of the Building Act, a copy of any notice issued under section 124 of the Act will be sent to the New Zealand Historic Places Trust where a heritage building has been identified as dangerous or insanitary.*



# RATES REMISSION AND POSTPONEMENT POLICIES

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## Introduction

As part of the 2011/12 Annual Plan process, a review of 2009-2019 Manawatu District Council's rates remission and postponement policies was undertaken.

The review identified that should Council wish to remit rates charged to those rating units affected by a natural calamity or individual event they were unable to do so. It also identified that Council was unable to remit rates charged to those rating units where not all situations are known about in advance or provided for in any of the Council's other remission policies.

Therefore to allow Council to remit rates charged in these circumstances, two new policies have been included in 2011/12 rates and remission policies:

- Remission of rates on land affected by natural calamity
- Remission of rates in miscellaneous circumstances

A submission received from Pharazyn Street property owners has resulted in a new remission policy being introduced. This allows Council to remit the serviceable half wastewater and water targeted rates charged to those rating units throughout the district, who had existing on-site wastewater and water supply systems in place prior to Council extending their reticulation system. This remission applies until the ratepayer connects to the Council services available.

A submission received from not-for-profit organisations who operate public utilities e.g. Kiwitea No 1 Water Supply, has resulted in a new remission policy being introduced. It allows Council to remit 100% of the rates charged to category 8 rating units owned by recognised not-for-profit organisations.

## Description of Policy

A full description of the policy is below:

### Remission of Rates on Land Affected by Natural Calamity

#### Objective of the Policy

To assist ratepayers experiencing financial hardship due to a natural calamity.

#### Conditions and Criteria

Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

The Council may remit all or part of any rate on any rating unit where the application meets the following criteria:

- Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit
- It is applicable for each single event and does not apply to erosion, subsidence etc that may have occurred without a recognised major event
- Where the Government has established a reimbursement scheme for rates relief in respect of such properties

Council can set additional criteria for each event. This is because the criteria may change depending on the nature and severity of the event and available funding at the time. The Council may require financial or other records to be provided as part of the remission approval process.

#### Delegations

Individual events or calamity are to be approved by Council who will determine the criteria for the remission at that time.



# RATES REMISSION AND POSTPONEMENT POLICIES

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## Remission of Rates in Miscellaneous Circumstances

Section 85 of the Local Government (Rating) Act 2002.

### Objectives of the Policy

It is recognised that not all situations in which the Council may wish to remit rates will necessarily be known about in advance and provided for in Council's specific policies.

### Conditions and Criteria

The Council may remit on written application from ratepayers, all or some rates on a rating unit where it considers it just and equitable to do so:

- The application does not meet the circumstances provided for in any of the Council's other remission policies
- Financial records may be required

### Delegations

The Chief Executive and the Support Services and Environmental Group Manager have the delegated authority to determine applications under this policy.

## Remission of the Serviceable Wastewater Targeted Rate (Half Charge) and the Serviceable Water Targeted Rate (Half Charge)

### Objective

This policy is to provide for the remission of the serviceable wastewater targeted rate (half charge) and the serviceable water targeted rate (half charge) for rating units that had an existing on-site wastewater disposal and water supply system prior to Council extending their reticulation system.

### Conditions and Criteria

- Written application from a ratepayer of such rating units is required
- Confirmation that the on-site wastewater disposal and water supply systems were in place prior to Council extending their reticulation scheme

This remission will continue until such time as the ratepayer connects to the Council services available.

### Delegations

The Chief Executive, Support Services and Environmental Group Manager or Chief Financial Officer have the delegated authority to determine applications under this policy.

## Remission of Rates charged to Public Utilities Owned by Not-For- Profit Organisations

### Objective

Public utilities in differential category 8 that are owned by not-for-profit organisations, can receive 100% remission of rates charged.

### Conditions and Criteria

- Only applies to those public utility rating units that are rated under rating category 8
- A recognised not-for-profit organisation defined by the Charities Commission or determined through various legislation

### Delegations

The Chief Executive, Support Services and Environmental Group Manager or Chief Financial Officer have the delegated authority to determine applications under this policy.

# COMMUNITY OUTCOMES

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## What are Community Outcomes?

Community outcomes are the things that are important to our community.

*In the Manawatu District this means:*

**A vital community that is cohesive and characterised by community involvement.**

**This includes:**

- Strong leadership: leadership which is accountable and visionary, taking a long-term view
- Caring communities: taking care of the more vulnerable members of the community through a range of services
- Employment opportunities: attracting high quality professionals and trades people to the district
- Youth participation: youth involvement in decision making; employment opportunities for youth; and a greater variety of leisure resources

**A community that has access to effective services. This includes:**

- Effective long-term planning of infrastructural services
- Easy access to services – both in terms of availability and affordability
- Ease of mobility round the district: a well-maintained network of roads, cycleways and walkways

**A self-sufficient environment that preserves, values and develops our natural environment. This includes:**

- Environmental responsibility
- Promoting alternative energy and energy efficiency; organisations taking responsibility for their own waste

- Preserving the natural assets of the District, in particular district reserves
- Promotion of sustainable land-use: managing land effectively to achieve community goals, whilst taking a long-term view of development that takes the needs of future generations into account
- Tourism development: taking advantage of the potential for tourism in this district

**People are able to go about their business and leisure any time of the day or evening without fear for their safety. This includes:**

- People feel safe as they go about their business
- Increased police presence in rural communities
- Faster police response times
- Communities free of drugs
- Better control of 'boy racers'

## Where Did They Come From?

The community decided our community outcomes. During 2005/06 the Council with the help of others, facilitated a Community Outcomes Process. The Community Outcomes Process involved extensive consultation with the community, including public meetings and attendance at community events such as the Central District Field Days and the Manfeild Park Garden Festival. The aim was to get as much community input as possible so we asked everyone from kids on the street to people in government and local organisations. We featured in the local newspaper, the Feilding Herald, on the council website and even in the Feilding Christmas Parade! We ended up with over 3000 ideas. We looked carefully at all of the ideas and summarised them into the community outcomes.



# COMMUNITY OUTCOMES

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## **Achieving the Community Outcomes**

While Council facilitated the process to identify the Community Outcomes they do not belong to the Council. The Community Outcomes belong to the Community. They are for everybody, organisations, groups and individuals, to work towards. They will only be achieved if everybody works towards them. Council is committed to playing its part; the Long Term Council Community Plan 2009-2019 shows how we will do this.

### **All the organisations, including the Council, work towards the outcomes in various ways:**

- by doing our 'day-to-day work', e.g. MidCentral Health provides health services, schools provide education and sports clubs offer recreation opportunities
- by working together on particular projects, e.g. the Council and Ministry of Justice jointly fund Neighbourhood Support, Horizons Regional Council and Manawatu District Council work in partnership to look after Totara Reserve Regional Park
- by working together through networks and 'umbrella groups', such as the Regional Interagency Network (central and local government agencies) and Social Issues Network Council of Social Services.

A report, which measures progress towards meeting community outcomes, will be available by the end of the year. The report will be available online at [www.mdc.govt.nz](http://www.mdc.govt.nz).



# MANAWATU

## DISTRICT PROFILE

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### Who Are We? Where Are We Going?

We are a district with a population of 28,254. Our major town, Feilding, has a population of 13,887. Feilding has won the 'Most Beautiful Town' award 14 times.

Our district was established on 1 November 1989 when the five former authorities of Oroua, Kiwitea, Pohangina, Manawatu and Feilding amalgamated. It stretches from Rangiwahia in the north to Himatangi Beach and Palmerston North in the south. The western boundary is the Rangitikei River and the eastern boundary the Ruahine Ranges.

Manawatu district comprises three wards: Kiwitea-Pohangina (northern part of the district); Kairanga (southern part of the district); and Feilding.

### We have beautiful natural features

- » A range of natural features exist from the peaks of the Ruahine Ranges to the beautiful Pohangina Valley to the windswept West Coast beaches and dunes

### We have a diverse economy

- » In 2007, there were 8,900 Full-Time-Equivalents (FTEs) employed in the Manawatu district in 4,030 businesses, generating \$712 million in GDP
- » Agriculture – mainly dairy and cattle farming, and livestock and cropping farming – is the key driver industry in the Manawatu district economy
- » Manufacturing, mainly food processing, accounts for around 13% of employment in the district
- » The district also has a large defence industry at Ohakea, which makes up around 8% of employment
- » The importance of these industries

is reflected in their large levels of employment

- » Feilding acts as a service centre to the surrounding rural community, with several rural based businesses, including the Feilding stock saleyards. It has a thriving central business district, with significant national retailers. Smaller communities around the district act as local service centres, with tourism and visitor industries increasingly prominent, for example, B&Bs, cafes and rural homestays
- » Manawatu district is centrally located with significant regional operations nearby including Palmerston North Airport, Massey University, Linton Army Camp, Palmerston North Hospital and the Universal College of Learning (UCOL)

### We have extensive infrastructure

- » The district is serviced with 1,433km of roads, of which 1,047km is sealed and 385km is unsealed
- » There are 290 bridges within the district
- » State Highways 1 and 3 run through the south western part of the district
- » There are nine waste water treatment plants and nine water supply schemes – five urban and four rural
- » Most small towns outside Feilding are serviced with water supply, wastewater and stormwater disposal
- » A number of rural communities are also connected to water supplies and drainage systems
- » There are a number of parks, reserves and sportsgrounds throughout the district including three urban parks, six playground reserves, 31 open spaces, 10 sportsgrounds, five bush reserves and



# MANAWATU

## DISTRICT PROFILE

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six riverside reserves

- » There are eight libraries within the district. The main library is located in Feilding on the corner of Stafford and Bowen Streets. There are community libraries at Himatangi Beach, Kimbolton, Pohangina, Sanson, Rongotea, Tangimoana and Waituna West
- » There are 28 public halls and community centres within the district, including the Te Kawau Centre in Rongotea and the Feilding Civic Centre

### Ethnicity

- » 78% of our population class themselves as European, compared to 68% for New Zealand
- » 14% of our population class themselves as Maori, compared to 15% for New Zealand
- » 15% of our population class themselves as New Zealanders – a relatively new classification. This is higher than for the rest of New Zealand at 11%

### Education

- » 35% of our population, aged 15 and over, has a post-school qualification, compared to 40% for New Zealand
- » A greater proportion of the Manawatu district, aged 15 and over, have no formal qualifications (31%) compared to 25% for the rest of New Zealand

### We have a relatively young population

- » We have a slightly higher proportion of under-19 year olds (31%) compared to the rest of New Zealand (29%)
- » However, we have less 20-34 year olds (15%) compared to the rest of New

Zealand (20%)

### We are a growing population

- » In the next 25 years our population is estimated to grow approximately 12% (3,500)

### However, we are an ageing population

- » The bulk of this growth will occur within the over 65s
- » It is estimated that by 2031 the number of over 65s will have more than doubled
- » At the same time it is estimated that the number of 40-64 year olds will fall, perhaps by as much as 10-20%
- » It is possible that by 2031 every age group under 64 will decline by between 10% and 20%, while the number of over 65s will double.
- » The growth in over 65s will accelerate from 2011, as the baby-boomers begin to retire
- » Manawatu District is not alone in this: local authorities and regions across New Zealand face similar increases. Similar trends are occurring in other countries



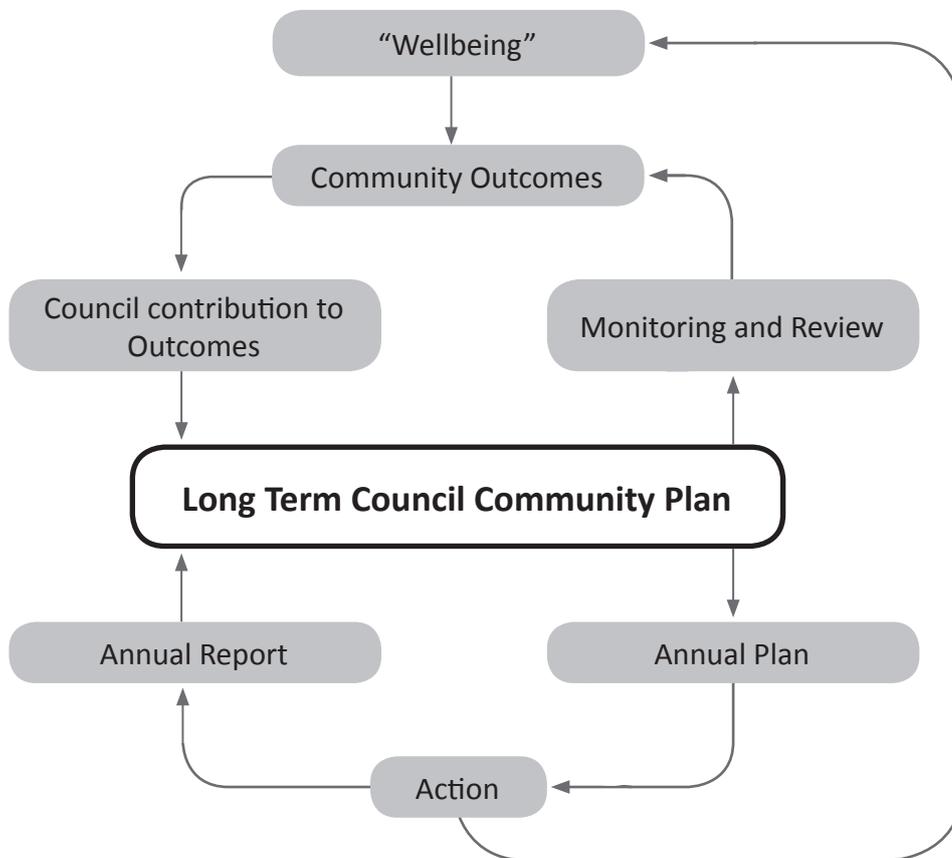
# COUNCIL'S PLANNING CYCLE

The Local Government Act 2002 requires all Councils to have a Long Term Council Community Plan (LTCCP), which covers a ten-year period. The plan is updated every three years. Council adopted the 2009-2019 LTCCP in June 2009.

## Where does the 2011/12 Annual Plan fit in?

An Annual Plan is produced in years two and three of the LTCCP. This Annual Plan, which is year three of the LTCCP, outlines Council's work programme, performance measures and budgets for the financial year 2011/12. It also highlights any variations from what Council said it would do in the LTCCP relating to 2011/12.

Following is Council's Planning Framework



## Plan overview

This year's Annual Plan provides the following information:

- The budget and funding impact statement for the financial year 2011/12
- What Council plans to do in 2011/12
- Level of rates for 2011/12
- Proposed variations to the 2009-2019 LTCCP



# WHAT YOUR RATES ARE USED FOR

This summary shows what your rates are used for and approximately how much ratepayers will pay each day in 2011/12 for various Council services.

Note: Figures are based on a calculation of the total amount of rates collected for each service divided by the total ratepayers contributing to each service. Figures may differ for individual ratepayers according to their property type and values.

## Compare these to the items you may purchase daily:

Loaf of bread (mid range)

▶ \$3.40

Litre of milk

▶ \$2.80

Phone line rental

▶ \$1.50

Electricity line charge

▶ 85c

Newspaper

▶ \$1.60

Litre of petrol

▶ \$2.07

*\*prices as at 20 June 2011*



**Animal Control**  
2c per day



**Cemeteries**  
4c per day



**Civil Defence**  
2c per day



**Democracy**  
27c per day



**Feilding CBD Redevelopment**  
3c per day



**Environmental Policy**  
11c per day



**Environmental Monitoring and Enforcement**  
21c per day



**Solid Waste Collection**  
7c per day

**Solid Waste Disposal**  
13c per day



**Recycling**  
Rural 15c per day  
Feilding 28c per day



**Roading Network**  
Rural \$1.35 per day  
Feilding .78c per day



**Libraries**  
Rural 20c per day  
Feilding 36c per day



**Makino Aquatic Centre**  
Rural 15c per day  
Feilding 28c per day



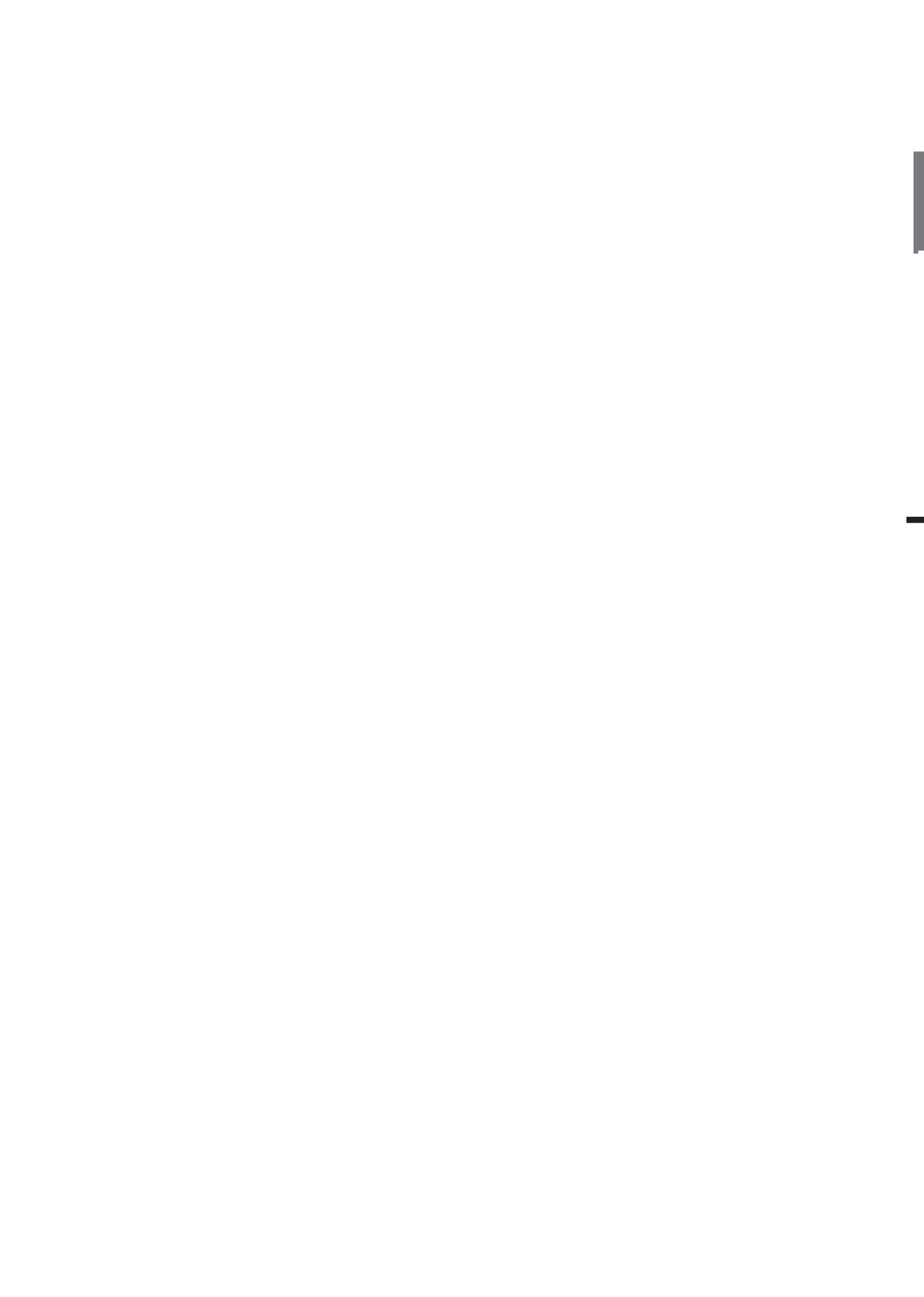
**Urban Stormwater**  
Bunnythorpe 27c per day  
Feilding 28c per day  
Longburn 57c per day  
Rongotea 21c per day  
Sanson 25c per day



**Water Supply**  
Bunnythorpe \$1.35 per day  
Feilding \$1.35 per day  
Himat Bch \$1.13 per day  
Longburn \$1.35 per day  
Sanson \$1.11 per day  
Stanway/Halc 57c per day  
Waituna West 87c per day



**Wastewater**  
Awahuri \$1.20 per day  
Bunnythorpe \$1.20 per day  
Cheltenham \$1.20 per day  
Feilding \$1.20 per day  
Halcombe \$1.20 per day  
Kimbolton \$1.20 per day  
Longburn \$1.20 per day  
Rongotea 94c per day  
Sanson 77c per day



Groups of Activities

20

PART TWO

12





# COMMUNITY FACILITIES

## Cemeteries

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A community that has access to effective services	The Burial and Cremation Act 1964 requires local authorities to provide cemeteries. Community benefits include reduced risk to public health, provision of an important historical resource for the district and maintenance of human respect and dignity

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A quality Cemetery service that meets community needs	65% overall community satisfaction with cemeteries as measured in Communitrak Survey
A quality Cemetery service that meets visitor needs	90% visitor (user) satisfaction with cemeteries as measured in Communitrak Survey
A quality Cemetery service that keeps cemeteries well maintained and in a tidy condition	Number of complaints about untidy cemeteries - no more than 10 per annum (Council records)

### Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Kimbolton Cemetery – New Fence – see variations	10,000



# COMMUNITY FACILITIES

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Kimbolton Cemetery – New Fence	<p>The hedge at the rear and running along the western boundary of Kimbolton Cemetery is overgrown</p> <p>Council will replace the hedge with an appropriate stock proof fence. Council has added \$10,000 to the budget for this project, to be funded from reserves</p>

## Public Conveniences

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A community that has access to effective services	Council provides public toilets to assist towards maintaining community standards, public health and hygiene and to lessen anti-social activity

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Public conveniences effectively meet community needs	78% user satisfaction with public conveniences as measured in Communitrak Survey
Public conveniences are located in places where they are needed	Number of complaints about public conveniences not being available - no more than 10 per annum (Council records)
Public conveniences are clean and tidy and are serviced regularly	Number of complaints about unclean / untidy toilets - no more than 10 per annum (Council records)



# COMMUNITY FACILITIES

## Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Ongoing maintenance and cleaning of public conveniences - see variations	155,000
Upgrade of Feilding Public Toilets – see variations	60,000

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Upgrade of Feilding Public Toilets	<p>Council has added up to \$60,000 to the budget for upgrading the Feilding Public Toilets. This proposal results from the levels of service consultation Council undertook during the development of the 2009-2019 LTCCP. Feedback from this exercise suggested that public toilets were unsatisfactory</p> <p>Council will use part of this expenditure – approximately \$13,000 – to construct a night toilet within the existing building. Council is concerned about the increasing and excessive amount of vandalism at the Feilding Public Toilets. Closing the main toilets overnight (while leaving the night toilet open) should reduce the risk of vandalism</p>
Cleaning and Maintenance	Continuation of the increase in the level of service introduced last year. This is the operating cost of the Bunnythorpe, Rongotea and Sanson facilities



# COMMUNITY FACILITIES

## funding summary | for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Costs (by Activity)</b>				
Cemeteries	283	289	285	(4)
Public Conveniences	260	165	184	19
<b>Total Operating Costs (by Activity)</b>	<b>542</b>	<b>454</b>	<b>469</b>	<b>15</b>
<b>Operating Revenue (by Activity)</b>				
Cemeteries	283	289	285	(4)
Public Conveniences	216	165	184	19
<b>Total Operating Revenue (by Activity)</b>	<b>498</b>	<b>454</b>	<b>469</b>	<b>15</b>
<b>NET OPERATING COST OF SERVICE</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Costs</b>				
Operational Expenditure	528	425	450	25
Depreciation & Amortisation	15	29	19	(10)
<b>Total Operating Costs</b>	<b>542</b>	<b>454</b>	<b>469</b>	<b>15</b>
<b>Operating Revenue</b>				
Targeted Rates	400	338	353	15
Subsidies and Grants	1	1	1	0
User Fees and Charges	99	115	115	0
<b>Total Operating Revenue</b>	<b>499</b>	<b>454</b>	<b>469</b>	<b>15</b>
<b>Net Operating Cost of Service</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfers to/(from) Reserves and Special Funds	(44)	0	0	0
<b>NET OPERATING COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Expenditure</b>				
New Work	0	0	10	10
Renewal Work	0	0	60	60
<b>Total Capital Expenditure</b>	<b>0</b>	<b>0</b>	<b>70</b>	<b>70</b>
<b>Capital Funding Sources</b>				
Transfers to/(from) Reserves and Special Funds	0	0	70	70
Current years Depreciation Expense	15	29	19	(10)
<b>Total Capital Funding Sources</b>	<b>15</b>	<b>29</b>	<b>89</b>	<b>60</b>
<b>NET CAPITAL COSTS</b>	<b>(15)</b>	<b>(29)</b>	<b>(19)</b>	<b>10</b>



# DEMOCRACY

## How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A vital community that is characterised by community involvement	Local authorities are community leaders. Leadership involves advocacy on the community's behalf as well as making decisions on behalf of the community (after seeking input). Local authorities provide natural vehicles for representing the community's views on various matters
A community that has access to effective services	Council is responsible for ensuring that Council-provided services meet community needs. Part of this is determining levels of service

## How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
An accessible Democracy and Policy Development service where opportunities are provided for involvement in decision-making	80% community satisfaction with the way Council involves the public in decision making as measured in Communitrak Survey
A quality Democracy and Policy Development service that effectively advocates on behalf of the district	70% community satisfaction with the performance of the Mayor and Councillors as measured in Communitrak Survey

## Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
LTP Consultation and Preparation – see variations	50,000
Communitrak Survey	27,333
Boundary Change (Links with Palmerston North City Council) - see variations	50,000



## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
LTP Consultation and Preparation	<p>In 2010/11 Council set aside \$32,000 for consultation. Most of this funding is for the development of the Long Term Plan, when Council will seek public input. However, most of this funding is not required until 2011/12. Therefore, Council has carried the remaining funding over to 2011/12 (up to \$30,000) and added \$20,000 to the budget for this work. This work will include research assistance, purchase of relevant data and public engagement as part of the LTP development process.</p>
Links with Palmerston North City Council	<p>Manawatu District Council and Palmerston North City Council have been looking at options to address issues arising from growth (in areas like distribution) that is happening on the boundary between the two councils, especially in the north-east parts of the City.</p> <p>The councils asked for people's views on either a boundary change or amalgamation. Community feedback showed that people see a need for the councils to take action.</p> <p>The two Councils have set up a Joint Boundary Committee. This consists of three Councillors from each council. It is the Committee that makes the decisions from here on, including whether or not the boundary change should proceed. To help it make this decision the Committee has prepared a detailed consultation document. It will seek community views from 7 July to 8 September 2011. People are encouraged to attend public meetings and make submissions.</p> <p>The next steps are for the two councils to set up a Joint Boundary Committee. This will consist of three Councillors from each council. It is the Committee that makes the decisions from here on, including the decision on whether or not the boundary change should go ahead. To help it make this decision the Committee will prepare a detailed consultation document and will seek community views around July to September.</p>



## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Links with Palmerston North City Council (continued)	<p>People will be able to attend meetings and make submissions.</p> <p>The Joint Boundary Committee is expected to make its decision by December 2011. The councils expect that the new boundary will be in place by 1 July 2012.</p> <p>The boundary change does not mean that houses will be built out to the new boundary. The proposed new boundary lines go along the main roads because they are part of the roading networks that link the warehouses in the City with other regions.</p> <p>The two councils have set up a website where people can get more information, including maps that show the proposed new boundary line. It is at <a href="http://www.boundarychange.co.nz">www.boundarychange.co.nz</a>.</p>

## DEMOCRACY

### funding summary | for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Costs</b>				
Operational Expenditure	1,412	1,313	1,334	21
<b>Total Operating Costs</b>	<b>1,412</b>	<b>1,313</b>	<b>1,334</b>	<b>21</b>
<b>Operating Revenue</b>				
Targeted Rates	1,306	1,313	1,284	(29)
Sundry Revenue	53	0	0	0
<b>Total Operating Revenue</b>	<b>1,359</b>	<b>1,313</b>	<b>1,284</b>	<b>(29)</b>
<b>Net Operating Cost of Service</b>	<b>53</b>	<b>0</b>	<b>50</b>	<b>50</b>
Transfers to/(from) Reserves and Special Funds	(53)	0	(50)	(50)
<b>NET OPERATING COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# DISTRICT DEVELOPMENT

## Community Funding and Development

How the activity contributes towards the  
outcomes

Community Outcome	Explanation of Contribution
A vital community that is characterised by community involvement	Funding and supporting community-based organisations assists the community to have access to specialised programmes, activities and events
People are able to go about their business and leisure any time of the day or night without fear for their safety	A partnership with the Ministry of Justice enables Manawatu District Council to provide funding for programmes that enhance community safety

How Will Council Measure the Service  
Provided?

Level of Service	Key Performance Indicator and Target
Support community organisations through funding for community programmes and events	\$212,000 in funding distributed per annum (Council records)
Provision of community forums	Number of forums held per annum - 2 (Council records)
User satisfaction with the quality of advice provided by council about community funding and development	80% of users satisfied with the quality of advice (customer survey)
Advocate to Ministry of Justice for funding that supports community safety projects	\$50,000 obtained per annum (Council records)

Operating and Capital Work Programme  
for 2011/12

Significant Operations/Maintenance	Budget
Community Development Funds	251,461
Sport Manawatu Funding	69,972



# DISTRICT DEVELOPMENT

## Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Events Coordinator	12,026
Te Manawa Museums Trust: annual contribution towards museum operating costs	20,000
New Zealand Rugby Museum: grant to assist with costs of refurbishment and relocation	10,000
Rugby World Cup: securing games and teams in Manawatu for the 2011 world cup	15,000
Community Committee Project Fund – see variations	40,000
Feilding Integrated Family Health Centre – see variations	1,000,000
Photovoice - see variations	30,000

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Sanson Facility Development	<p>In August 2008 Council purchased a prime site in Sanson. Council has long recognised the strategic importance of Sanson given its location at the junction of two major state highways and its proximity to Ohakea, New Zealand’s primary air force base. Sanson is an important gateway to the rest of the Manawatu, Palmerston North and the southern North Island.</p> <p>Together with Destination Manawatu, Council explored a number of uses for the site. Council engaged Campbell Consulting Ltd. to undertake a feasibility study. The results of this study strongly suggest that the property is ideal as an i-SITE, and that its location lends itself to passing traffic.</p> <p>Following on from this preliminary feasibility study, further work was done on design concepts and business feasibility.</p> <p>Given the \$2.6m capital cost, and Council’s desire to minimise the rates rise, Council has put the project on hold. Council will explore options for collaboration with others in order</p>

# DISTRICT DEVELOPMENT

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Sanson Facility Development (continued)	to share costs and realise possible benefits of co-location, either at the site or nearby. Council will also explore short-term revenue opportunities for the former hotel building.
Community Committee Project Fund	Council has initiated a project called the Community Committee Project Fund (CCPF). The CCPF will provide each community committee within Manawatu District with \$2,700 per annum. This funding will allow committees to undertake small-scale, discrete projects within their communities that are not currently included in Council's contracts or levels of service. Projects on private property will not be included. This project will cost \$40,000, to be funded by reprioritising budgets in the parks and reserves area. There is no impact on rates.
Feilding Integrated Family Health Centre	<p>The Manawatu Community Trust (the Trust) is working towards developing the Feilding Integrated Family Health Centre (FIFHC), to be located at Clevely in Duke Street, Feilding. Should the development go ahead the FIFHC will provide a 'one-stop-shop' for health needs, including GPs, pharmacy facilities and possibly a dentist.</p> <p>The project is estimated to cost up to \$5.1m, including purchase of the current site buildings, as well as the construction of new buildings.</p> <p>As a result of Draft Annual Plan hearings Council has decided to assist the project by providing the Trust with a loan of up to \$2.5m. Half the loan - \$1.25m - will be interest free while the other half will be subject to market interest rates.</p> <p>Council is expecting to make loan funds available to the Trust over the next two financial years - 2011/12 and 2012/13. However, the Trust is still to finalise the building designs and go through the resource consent process. This is likely to take several months so it will not</p>



# DISTRICT DEVELOPMENT

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Feilding Integrated Family Health Centre (continued)	<p>require loan funding from Council until at least December 2011/January 2012.</p> <p>The Trust is also seeking funding and support from other sources, including MidCentral Health, for the remaining cost of the project. Council will only support this project if other funding sources are available and the business case is favourable.</p>
Photovoice and Youth Forum	<p>As a result of Draft Annual Plan submissions council has added \$30,000 to the budget, funded by reserves, for the Photovoice project and the Youth Forum. These projects provide young people with opportunities to contribute to Council decision-making.</p>

## Economic Development

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A vital community that is characterised by community involvement	<p>The whole community benefits from Economic Development through support of urban and rural business, enhancing the economic potential of the district, promoting the district to potential investors and increasing the pride and well-being of the residents</p> <p>Economic Development funding effectively represents an investment in the district's potential. A healthy district economy is vital to the present and future viability of the community</p>



# DISTRICT DEVELOPMENT

## How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A quality Economic Development service that meets the needs of the community as per the Regional Economic Development Strategy	75% community satisfaction with Economic Development as measured in Communitrak Survey
A quality Economic Development service that facilitates government support and investment in the region (via contract with Vision Manawatu)	\$700,000 obtained per annum from government grants (Council records)
An accessible Economic Development service where Manawatu businesses have access to BIZ programmes (via contract with Vision Manawatu)	20% of businesses involved are located in Manawatu District (Council records)
A responsive Economic Development service that secures new events for the region (via contract with Key Agencies)	Four new events per annum (Council records)
A quality Economic Development service that delivers regional marketing campaigns promoting the district (via contract with Key Agencies)	Five regional marketing campaigns delivered per annum (Council records)
An accessible Feilding and Districts Information Centre that meets the needs of the community (via Destination Manawatu contract with Feilding Promotion)	Feilding and Districts Information Centre is open and available as advertised: Monday-Friday, 9-5pm; Saturday 9-1pm (Council records)



# DISTRICT DEVELOPMENT

## Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Vision Manawatu	172,299
Destination Manawatu	252,403
Feilding Promotion	161,385
Bio Commerce Centre - see variations	20,000
Manfeild Park Trust – community investment - see variations	250,000
Coach House fit out – see variations	423,450
Cycleways Signage - see variations	50,000

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Velodrome Project	In April Palmerston North City Council and Sport Manawatu were informed that SPARC's preferred tenderer was the Waikato-Bay of Plenty bid. Therefore, Council has removed the \$150,000 it set aside in the Draft Annual Plan as a contribution towards this project. However, Council is fully supportive of the Velodrome project, and will look at funding again should it proceed in Palmerston North.
Coach House fit out	<p>As part of the 2010/11 Annual Plan process Council made provision for the purchase of the Coach House at 38-40 Hobson Street, Feilding</p> <p>Council has since purchased the Coach House for \$650,000, by way of a loan</p> <p>Last year Council explored a number of possible uses for the building. The most promising use was for the Regional Archives project, facilitated by Manawatu-Wanganui Local Authority Shared Services Ltd (MW LASS)</p> <p>Council and MW LASS propose entering into a lease agreement for use of the building for a</p>



# DISTRICT DEVELOPMENT

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Coach House fit out (continued)	<p>regional archive facility. The proposed arrangement sees the cost of the building refit, necessitated by the regional archives project, evenly split between MDC and MW LASS Ltd. Council's total capital outlay for this will be \$423,450. However, this will have a minimal affect on rates, as Council will recover most of the expenditure through the lease revenue</p> <p>However, in the first year there will be \$46,035 operating and interest costs, not covered by the revenue</p>
Manfeild Park Trust	<p>Last year, Manfeild Park Trust, Palmerston North and Manawatu District Councils reviewed current loan terms for the \$2,500,000 loan extended to the Trust in April 2007. In MDC's Long Term Council Community Plan process, revenue from the interest of this loan was included</p> <p>Council incurs the interest payments on these loans and is required to repay the loan in 2026. For a five year period – between 2010 and 2015 – in order to assist the Trust, the Trust will not be charged interest nor need to make principal repayments. Interest accrued to date will be added to the loan principal and at the end of the five-year period interest and principal repayments default to the original agreement. Interest revenue has been reduced by \$183,000 per year. This is a continuation of the decision Council made in the 2010/11 Annual Plan</p>
Manfeild Park Trust – Community Investment	<p>Council opted not to alter its Community Investment grant to the Manfeild Park Trust and will in 2011/12 fund the Trust \$250,000 as detailed in the 2009 Long Term Council Community Plan. Council had proposed to reduce the Community Investment grant by 25% each year from 2011/12. A submission from Manfeild Park Trust to council requested continuity of funding.</p>



# DISTRICT DEVELOPMENT

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation												
Manfeild Park Trust – Community Investment (continued)	<p>In making the decision to maintain grant funding levels, Council noted its commitment to Manfeild Park as a significant local and regional asset. Council also signaled a desire to continue to work with the Trust toward the success of the Manfeild Park facility.</p> <p>The current operating grant for ground maintenance of the former racecourse land also remains unchanged at \$168,000.</p> <p>Future Council funding for Manfeild Park Trust and options for the use of land at the edges of the park will be considered during the Council’s Long Term Planning process. Work on the LTP has started, with the final 10-year plan due for adoption by Council in June 2012.</p> <p>Total 2011/12 funding commitment to Manfeild Park Trust is set out in the table below:</p> <table border="1"> <thead> <tr> <th>MDC commitment to Manfeild Park Trust 2011/12</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>Community Investment grant</td> <td>250,000</td> </tr> <tr> <td>Operating grant for ground maintenance of former racecourse land</td> <td>168,100</td> </tr> <tr> <td>Interest paid by MDC on \$2.5 million loan to MPT</td> <td>182,718</td> </tr> <tr> <td>NB Interest capitalised annually – MDC not charging interest or requiring repayments until 2015</td> <td></td> </tr> <tr> <td><b>Total MDC commitment to Manfeild Park Trust</b></td> <td><b>\$600,818</b></td> </tr> </tbody> </table>	MDC commitment to Manfeild Park Trust 2011/12	\$	Community Investment grant	250,000	Operating grant for ground maintenance of former racecourse land	168,100	Interest paid by MDC on \$2.5 million loan to MPT	182,718	NB Interest capitalised annually – MDC not charging interest or requiring repayments until 2015		<b>Total MDC commitment to Manfeild Park Trust</b>	<b>\$600,818</b>
MDC commitment to Manfeild Park Trust 2011/12	\$												
Community Investment grant	250,000												
Operating grant for ground maintenance of former racecourse land	168,100												
Interest paid by MDC on \$2.5 million loan to MPT	182,718												
NB Interest capitalised annually – MDC not charging interest or requiring repayments until 2015													
<b>Total MDC commitment to Manfeild Park Trust</b>	<b>\$600,818</b>												
Bio Commerce Centre	As a result of Draft Annual Plan deliberations Council has decided to retain funding for the Bio Commerce Centre at \$20,000												
Cycleways Signage	As a result of Draft Annual Plan submissions council has carried over \$50,000 from 2010/11 to 2011/12 towards cycleway and cycle route signage. Part of the funding is for the Country Road project, led by Destination Manawatu												



# DISTRICT DEVELOPMENT

## Feilding CBD Redevelopment

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A vital community that is characterised by community involvement	Providing a functional and effective streetscape within the Feilding central business district that facilitates community activities whilst catering for the needs of traffic and pedestrians
A community that has access to effective services	The CBD layout provides good access to commercial outlets, essential services and easy mobility for traffic and pedestrians
People are able to go about their business and leisure any time of the day or night without fear for their safety	Enhancing safety and security for people going about their business and leisure by providing an open and well-lit central business district

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A quality CBD area where footpaths are clean and tidy	Pavers kept clean and tidy: complete comprehensive washing of pavers every six months (Council records)
A quality CBD area where streets are clean and tidy	Streets are kept clear of dirt and litter and inspected daily to collect rubbish (Council records)
A safe CBD area where street furniture is safe and functional	Street furniture is safe and functional: specific requests for repair are responded to within one hour (Council records)

### Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Kimbolton Road (Manchester Square to Warwick Street) - see variations	365,000



# DISTRICT DEVELOPMENT

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Kimbolton Road (Manchester Square to Warwick Street)	The upgrade of Kimbolton Road has been put on hold as there is a lot of development work in Kimbolton Road at this time. Therefore, Council has carried this project over to 2011/12

## DISTRICT DEVELOPMENT funding summary | for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Costs (by Activity)</b>				
Community Funding and Development	1,165	998	1,375	377
Economic Development	1,035	1,022	910	(112)
Feilding CBD Redevelopment	224	260	248	(12)
<b>Total Operating Costs (by Activity)</b>	<b>2,425</b>	<b>2,280</b>	<b>2,533</b>	<b>253</b>
<b>Operating Revenue (by Activity)</b>				
Community Funding and Development	1,009	1,064	1,167	103
Economic Development	914	1,022	910	(112)
Feilding CBD Redevelopment	267	305	296	(9)
<b>Total Operating Revenue (by Activity)</b>	<b>2,189</b>	<b>2,391</b>	<b>2,374</b>	<b>(17)</b>
<b>NET OPERATING COST OF SERVICE</b>	<b>235</b>	<b>(111)</b>	<b>159</b>	<b>270</b>
<b>Operating Costs</b>				
Operational Expenditure	2,078	1,880	2,139	259
Interest	346	395	394	(1)
Depreciation & Amortisation	0	5	0	(5)
<b>Total Operating Costs</b>	<b>2,425</b>	<b>2,280</b>	<b>2,533</b>	<b>253</b>



# DISTRICT DEVELOPMENT

## Funding Summary (continued) For the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Revenue</b>				
General Rates	1,798	1,840	1,963	123
Targeted Rates	267	305	282	(23)
User Fees and Charges	0	4	0	(4)
Sundry Revenue	62	0	47	47
Interest Received	62	242	82	(160)
<b>Total Operating Revenue</b>	<b>2,189</b>	<b>2,391</b>	<b>2,374</b>	<b>(17)</b>
<b>Net Operating Cost of Service</b>				
	<b>235</b>	<b>(111)</b>	<b>159</b>	<b>270</b>
Transfers to/(from) Reserves and Special Funds	(303)	0	(207)	(207)
To Fund Capital Expenditure	109	111	48	(63)
<b>NET OPERATING COSTS</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Expenditure</b>				
New Work	1,815	522	1,368	846
Loan Repayments	109	111	121	10
<b>Total Capital Expenditure</b>	<b>1,924</b>	<b>633</b>	<b>1,489</b>	<b>856</b>
<b>Capital Funding Sources</b>				
Loans Raised	1,835	522	2,368	1,846
Transfers to/(from) Reserves and Special Funds	0	0	73	73
Funded from Operational Revenue	109	111	48	(63)
Current years Depreciation Expense	0	5	0	(5)
<b>Total Capital Funding Sources</b>	<b>1,944</b>	<b>638</b>	<b>2,488</b>	<b>1,850</b>
<b>NET CAPITAL COSTS</b>	<b>(20)</b>	<b>(5)</b>	<b>(1,000)</b>	<b>(995)</b>



# EMERGENCY MANAGEMENT

## Civil Defence

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A vital community that is cohesive and is characterised by community involvement	The regional Civil Defence Emergency Management Group (CDEMG) provides leadership during an emergency, by promoting a resilient community capable of responding
People are able to go about their business and leisure any time of the day or night without fear for their safety	Civil Defence aims to provide protection for the whole community

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A quality civil defence service is provided which meets community needs through the provision of planning, training and public awareness programmes	65% overall community satisfaction with civil defence as measured in Communitrak Survey
An effective civil defence service is provided where Council is prepared for emergency situations	Annual review of Civil Defence Emergency Management Plan (CDEM) (Council records)
Quality information is provided to residents on how to prepare for an emergency	Twenty advertising and/or education events during the year (Council records)

### Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Provision of Civil Defence service by Horizons Regional Council	163,996

### Variations from the LTCCP

Not applicable



# EMERGENCY MANAGEMENT

## Rural Fire

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
People are able to go about their business and leisure any time of the day or night without fear for their safety	Rural Fire provides significant public benefits through protection of people, property and the environment, public health and safety and peace of mind for residents

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A quality rural fire service is provided which protects the interests of the community by monitoring the rural fire situation	Frequency of monitoring - ongoing (Council records)
A quality rural fire permit scheme is provided	No more than 10 complaints per annum about non-permitted fires during restricted fire season (Council records)

### Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Provision of Rural Fire service by Horizons Regional Council	109,331

### Variations from the LTCCP

Not applicable



# EMERGENCY MANAGEMENT

## funding summary | for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Costs (by Activity)</b>				
Civil Defence	205	190	118	(72)
Rural Fire	131	132	179	47
<b>Total Operating Costs (by Activity)</b>	<b>336</b>	<b>322</b>	<b>296</b>	<b>(26)</b>
<b>Operating Revenue (by Activity)</b>				
Civil Defence	205	190	118	(72)
Rural Fire	131	132	179	47
<b>Total Operating Revenue (by Activity)</b>	<b>336</b>	<b>322</b>	<b>296</b>	<b>(26)</b>
<b>NET OPERATING COST OF SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Costs</b>				
Operational Expenditure	334	319	295	(24)
Depreciation & Amortisation	2	3	1	(2)
<b>Total Operating Costs</b>	<b>336</b>	<b>322</b>	<b>296</b>	<b>(26)</b>
<b>Operating Revenue</b>				
General Rates	131	132	179	47
Targeted Rates	196	181	109	(72)
Subsidies and Grants	9	9	9	0
<b>Total Operating Revenue</b>	<b>336</b>	<b>322</b>	<b>296</b>	<b>(26)</b>
<b>NET OPERATING COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Funding Sources</b>				
Current years Depreciation Expense	2	0	1	1
<b>Total Capital Funding Sources</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>NET CAPITAL COSTS</b>	<b>(2)</b>	<b>0</b>	<b>(1)</b>	<b>(1)</b>



# ENVIRONMENTAL AND REGULATORY MANAGEMENT

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## Animal Control

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
People are able to go about their business and leisure anytime of the day or night without fear for their safety	The Animal Control service aims to provide effective control of animals, especially dogs that pose a danger to people, stock, domestic animals and protected wildlife in the district

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
The provision of Animal Control service 24 hours, 7 days a week	70% overall satisfaction with animal control service as measured in Communitrak Survey
A quality Animal Control service	80% user satisfaction with the service (Customer Survey)
A responsive Animal Control service where complaints about dog attacks and wandering stock are responded to in a timely manner	95 % of complaints are responded to within 15 minutes (Council Records)
A proactive Animal Control service that provides dog education programmes to schools and interested parties	All interested Manawatu District schools are provided with the Dog Education programme at least once every three years (Council records)

### Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Dog Pound Upgrade – see variations	60,000



# ENVIRONMENTAL AND REGULATORY MANAGEMENT

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## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Dog Pound Upgrade	<p>Council will upgrade the dog pound facility in Feilding. The upgrade consists of the following three works:</p> <ol style="list-style-type: none"><li>1. Upgrading of the pound driveway</li><li>2. Upgrading the inside of the pound</li><li>3. Erecting a security fence</li></ol> <p>These works will increase the security of the pound and lower the ongoing maintenance and operating costs. The internal upgrade will reduce the risk of Parvo – a communicable dog disease – being spread among dogs while they are impounded. This upgrade is estimated to cost around \$60,000, with funding coming from existing sources</p>

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# ENVIRONMENTAL AND REGULATORY MANAGEMENT

## Building Control

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
People are able to go about their business and leisure any time of the day or night without fear for their safety	Building Control provides an important service ensuring that buildings are safe, sanitary and designed to resist fire and earthquakes
A community that has access to effective services	Effective Building Control services provide significant benefits to the community by ensuring protection from poor building practices both now and in the future

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
An accessible Building Control service where information and education about regulatory function is made available	<p>Ensure that web page is current and updated on a quarterly basis (Council records)</p> <p>Produce industry education information/ news bulletins on a quarterly basis (Council records)</p>
A responsive Building Control service where consent applications are processed in a timely manner	<p>100% of building consents are processed within statutory time frame of 20 working days from the receipt of the application (Council records)</p> <p>100% of code compliance certificates are issued within statutory time frame of 20 working days after the final inspection has passed (Council records)</p> <p>100% of PIMS are issued within statutory time frame of 20 working days from receipt of application (Council records)</p>
A responsive Building Control service where inspections are undertaken in a timely manner	85% of inspections carried out within 3 working days from date of receipt of request
A responsive Building Control Service where complaints about dangerous buildings are dealt with in a timely manner to ensure public safety	100% of building related complaints are responded to within 48 hours, complainants are provided with advice and guidance about what action will be taken and in what timeframe (Council records)



# ENVIRONMENTAL AND REGULATORY MANAGEMENT

## How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A quality Building Control Service ensured through maintaining Building Control Accreditation	Council can perform the functions required by the Building Act by maintaining the current Building Control Accreditation status. A review is undertaken every two years (Council records)

## Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Provision of Building Service by Palmerston North City Council – see variations	674,393
Earthquake Prone Building project – see variations	94,000

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Increased Budget	Last year Council identified the need for an increase in the levels of service for building inspections. This resulted in an additional staff member being required in the building control area. This along with a contractual increase for the Building Services contract led to a budget increase of about \$146,000 per year, effective from 2010/11. Because this is an annual budget increase, the 2011/12 budget has been increased accordingly. Please note, however, that this is not a \$146,000 increase on last year's budget
Earthquake Prone Building project	Council has carried over \$36,000 from 2010/11 to 2011/12 and increased the budget by \$58,000 – from \$36,000 to \$94,000. The increase will cover the cost of initial assessments that will be undertaken by engineers in 2011. Council intends to start preliminary assessments for earthquake prone buildings in 2011. For more information see page 21



# ENVIRONMENTAL AND REGULATORY MANAGEMENT

Significant Operations/Maintenance	Explanation
Sanitary Buildings policy review	Council is required by the Building Act 2004 to review its policy of sanitary buildings every five years. The purpose of the policy is to set out how MDC will identify, assess and take action for dangerous and/or insanitary buildings. There are no financial implications for this review. For more information see page 26

## Environmental Health

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
People are able to go about their business and leisure any time of the day or night without fear for their safety	The Environmental Health activity aims to help safeguard public and environmental health and safety through the application of appropriate standards across the district

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
To ensure public safety through the provision of the service	80% community satisfaction with the standards of food premises in the district as measured in Communitrak Survey
An effective Environmental Health Service where regulations are effective in protecting the community	Inspect all low risk premises annually (Council records) High risk premises are inspected at least twice yearly (Council records)
A responsive Environmental Health Service where enquiries and complaints are responded to in a timely manner	95% of complaints are responded to within one working day (Council records)
A responsive Environmental Health Service where applications are processed in a timely manner	90% of applications for permits are processed and issued within 20 working days (where complete information is provided - Council records)



# ENVIRONMENTAL AND REGULATORY MANAGEMENT

## How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A quality Environmental Health service where enquiries and complaints are responded to in an effective manner	Complaints are responded to effectively - 80% satisfaction (customer survey, where every 10th complainant is contacted)
Noise Control: Enquiries and complaints are responded to in a timely manner	95% of noise complaints are responded to within one hour (Council records)
To ensure public safety through the provision of the service	80% community satisfaction with the standards of food premises in the district as measured in Communitrak Survey
An effective Environmental Health Service where regulations are effective in protecting the community	Inspect all low risk premises annually (Council records) High risk premises are inspected at least twice yearly (Council records)
A responsive Environmental Health Service where enquiries and complaints are responded to in a timely manner	95% of complaints are responded to within one working day (Council records)

## Operating and Capital Work Programme for 2011/12

Not applicable for this year

## Variations from the LTCCP

Not applicable



# ENVIRONMENTAL AND REGULATORY MANAGEMENT

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## Liquor Licensing

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
People are able to go about their business and leisure any time of the day or night without fear for their safety	The Liquor Licensing service aims to ensure bylaw enforcement for public safety benefits. Premises selling liquor which are fully licensed contribute to ensuring responsible drinking habits in the district

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### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
An effective Liquor License service where regulations protect the community	All premises are inspected at least on an annual basis (Council records)
A responsive Liquor License service where applications are processed in a timely manner	All applications for Liquor Licences are processed and issued within 10 working days (where complete information is provided - Council records)

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### Operating and Capital Work Programme for 2011/12

Not applicable for this year

### Variations from the LTCCP

Not applicable



# ENVIRONMENTAL AND REGULATORY MANAGEMENT

## District Planning

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A vital community that is characterised by community involvement	By encouraging community input to the planning process and decisions under the Resource Management Act 1991
A self sufficient environment that preserves, values and develops our natural resources	Council contributes to this outcome by administering the District Plan and applying resource consent conditions. Council also contributes by protecting, sustaining or enhancing the built and natural environments through land or resource consents
People are able to go about their business and leisure any time of the day or night without fear for their safety	By seeking to avoid, prevent or remedy adverse effects that would create or harm (to the extent possible under the Resource Management Act 1991) through District Plan and resource consents

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A responsive District Planning service where resource consent applications are processed in a timely manner	All notified and non-notified land use resource consent applications are processed within the prescribed statutory timeframes: 50% of non-notified land use consent applications are processed within 15 days of receipt and 90% of non-notified subdivision applications are processed within 15 days of receipt (Council records)
A responsive District Planning service where enquiries and complaints are dealt with in a timely manner	All complaints and instances of non-compliance with the District Plan rules or resource consent conditions are dealt with efficiently, within three months of complaint being received (Council records)
A quality District Planning service where customers receive accurate advice	Customers are provided with accurate advice regarding district planning enquiries. Staff keep abreast of legislative changes and attend professional development courses at least once a year (Council records)



# ENVIRONMENTAL AND REGULATORY MANAGEMENT

## How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A quality District Planning service where environmental policy, regulations and the District Plan are reviewed to ensure that the natural environment is protected	<p>Continue monitoring of environmental health through State of the Environment Report - report produced every five years (Council records)</p> <p>Review environmental policy, regulations and District Plan to ensure protection of natural environment - action is taken when required (Council records)</p>
An accessible District Planning service where education and information is provided about planning functions	<p>Ensure that the Manawatu District Council's web page relating to planning is current: updated on a quarterly basis (Council records)</p> <p>That brochures and forms produced by the planning section are updated when necessary: updated on a quarterly basis (Council records)</p>
An accessible District Planning service where opportunities are provided for involvement in decision making	All plan changes and notified consents are posted on the Manawatu District Council's web page and are included in the Bulletin page of the Feilding Herald (Council records)

## Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
District Plan Review – ongoing development and review – see variations	124,331
Feilding Growth – see variations	50,000



# ENVIRONMENTAL AND REGULATORY MANAGEMENT

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## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
District Plan Review	<p>The District Plan affects the day-to-day lives of everybody living, working and visiting the District. The current District Plan is now more than 10 years old and needs to be reviewed</p> <p>This project will involve reviewing the existing policies and rules that manage and protect our local environment. This includes the policies and rules that control what you can and cannot do on your property. The review ensures that the District Plan can respond to new issues, opportunities and direction</p> <p>The District Plan Review will be undertaken over the next two or more years. Therefore, Council has carried the remaining funding from 2010/11 over to 2011/12</p>
Feilding Growth	<p>New challenges to urban environments lie ahead. To enable us to meet these challenges Council decided to review the Feilding Urban Growth Strategy. The review will provide a basis from which to plan for the growth of Feilding</p> <p>Council will concentrate generally on the edge of the town where residential growth paths have been previously signalled. We will also examine our existing industrial land bank and capacity for growth</p> <p>Council will consider residential infill capacity for future residential development. A targeted approach will be developed identifying where and how residential intensification should occur</p> <p>Council has added \$50,000 to the budget for this new project, funded by development contributions</p>



# ENVIRONMENTAL MANAGEMENT

## funding summary | for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Costs (by Activity)</b>				
Animal Control	391	412	461	49
Building Control	1,549	1,408	1,605	197
Environmental Health	737	677	695	18
Liquor Licensing	87	81	67	(14)
District Planning	849	659	990	331
<b>Total Operating Costs (by Activity)</b>	<b>3,614</b>	<b>3,237</b>	<b>3,818</b>	<b>581</b>
<b>Operating Revenue (by Activity)</b>				
Animal Control	391	412	461	49
Building Control	1,513	1,408	1,569	161
Environmental Health	700	677	695	18
Liquor Licensing	87	81	67	(14)
District Planning	733	693	875	182
<b>Total Operating Revenue (by Activity)</b>	<b>3,424</b>	<b>3,271</b>	<b>3,667</b>	<b>396</b>
<b>NET OPERATING COST OF SERVICE</b>	<b>189</b>	<b>(34)</b>	<b>151</b>	<b>185</b>
<b>Operating Costs</b>				
Operational Expenditure	3,608	3,231	3,814	583
Depreciation & Amortisation	5	6	4	(2)
<b>Total Operating Costs</b>	<b>3,614</b>	<b>3,237</b>	<b>3,818</b>	<b>581</b>
<b>Operating Revenue</b>				
General Rates	431	410	438	28
Targeted Rates	1,544	1,460	1,599	139
User Fees and Charges	1,414	1,367	1,628	261
Sundry Revenue	1	0	2	2
Development Contributions	34	34	0	(34)
<b>Total Operating Revenue</b>	<b>3,424</b>	<b>3,271</b>	<b>3,667</b>	<b>396</b>
<b>Net Operating Cost of Service</b>	<b>189</b>	<b>(34)</b>	<b>151</b>	<b>185</b>
Transfers to/(from) Reserves and Special Funds	(16)	34	(151)	(185)
<b>NET OPERATING COSTS</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>



# ENVIRONMENTAL AND REGULATORY MANAGEMENT

## Funding Summary (continued) For the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Capital Expenditure</b>				
New Work	0	0	60	60
<b>Total Capital Expenditure</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>60</b>
<b>Capital Funding Sources</b>				
Transfers to/(from) Reserves and Special Funds	0	0	60	60
Current years Depreciation Expense	6	6	4	(2)
<b>Total Capital Funding Sources</b>	<b>6</b>	<b>6</b>	<b>64</b>	<b>58</b>
<b>NET CAPITAL COSTS</b>	<b>(6)</b>	<b>(6)</b>	<b>(4)</b>	<b>2</b>



# LEISURE RESOURCES

## Libraries and Archives

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A vital community that is cohesive and characterised by community involvement	The library service aims to encourage participation in leisure and social activities. Libraries are open to all regardless of social, economic or ethnic status
A community that has access to effective services	The library service aims to support independent, lifelong education

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Library service meets customer expectations	95% user satisfaction with library service as measured in Communitrak Survey
Programmes are provided for children during the school holidays	Four Holiday and Summer Reading programmes provided (Council records)
Provide a children's library service	Children's librarian to visit district primary schools to read to junior classes: nine times per year (Council records)
Library staff offer a customer friendly and effective service	90% user satisfaction with library staff (Biennial Library Survey)

### Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Processing and cataloguing archive photographs	6,000
Review of Feilding Public Library	20,000
Library Book Purchases	183,786

### Variations from the LTCCP

Not applicable



# LEISURE RESOURCES

## Local Halls and Recreation Complexes

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A vital community that is characterised by community involvement	Local halls and recreation complexes provide a range of social, cultural, recreational and educational uses. Council works in partnership with local hall committees to ensure that halls are reliable and maintained in good working condition
A community that has access to effective services	

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Quality Local Halls and Recreation Complexes are provided that meet community needs	80% overall satisfaction as measured in Communitrak Survey  85% user satisfaction as measured in Communitrak Survey
Accessible Local Halls and Recreation Complexes where Hall Committees have a say in the ongoing management of the facility they operate	Council meets annually with hall committees to discuss the management of the facility they operate (Council records)
Reliable Local Halls and Recreation Complexes that are maintained in good working condition	100% of the annual programme of renewals is completed (Council records)

### Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Contribution to Bunnythorpe Hall – see variations	240,000
Beaconsfield – paint roof	2,937
Cheltenham Hall – repaint toilets, kitchen and supper room	4,373
Halcombe Hall – toilet vinyl and paint exterior	17,274



# LEISURE RESOURCES

## Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Mt Biggs Hall – painting maintenance and interior painting	12,223
Newbury Hall – water tank	5,466
Rangiwahia – paint roof	7,104
Kairanga Hall – Additional Maintenance – see variations	30,000
Palmerston North Surf Life Saving Club - see variations	25,000

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Contribution to Bunnythorpe Hall	<p>As part of the 2009-2019 LTCCP Council committed \$100,000 for the purchase of the old Bunnythorpe Hall site as a contribution towards the development of the Bunnythorpe Community Centre. Council has purchased the site for the market value of \$85,000</p> <p>Council's total contribution is \$240,000. This funding is dependent upon the community having:</p> <ul style="list-style-type: none"> <li>• security of tenure for the new centre over appropriate land</li> <li>• additional funding (up to the total value of the new centre) has been raised by the community</li> </ul> <p>At this time the community is still to meet the above conditions. Therefore, Council has carried this funding over to 2011/12</p>



# LEISURE RESOURCES

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Significant Operations/Maintenance	Explanation
Kairanga Hall – Additional Maintenance	The Kairanga Hall Committee has identified major maintenance work. The hall roof is in urgent need of repair as it has rotted, and the heating system needs to be replaced. Council has carried over the \$7,000, set aside in the 2010/11 budget, and added \$23,000 to the budget for this work. Please note that the \$7,000 was originally for painting, but this should not proceed ahead of the more urgent maintenance
Palmerston North Surf Life Saving Club	As a result of Draft Annual Plan submissions Council has decided to contribute \$50,000 towards the replacement of the Palmerston North Surf Life Saving Club. This will be funded over two years: \$25,000 in 2011/12 and \$25,000 in 2012/13

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# LEISURE RESOURCES

## Makino Aquatic Centre

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A vital community that is characterised by community involvement	Council aims to provide an efficient, safe and modern aquatic facility that meets the leisure needs of Manawatu district residents
A community that has access to effective services	

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A wide range of services is available to the public	85% customer satisfaction with the variety of services available (MAC customer satisfaction survey)
Top quality customer service is provided: general friendliness, fairness and competence in enforcing pool rules, diligence and care in responding to special requests	Fewer than 10 written complaints per year regarding customer service (MAC records)
Safe swimming facilities are provided	85% customer satisfaction with the safety supervision provided by lifeguards (MAC customer satisfaction survey)  Meet New Zealand water quality standard NZ5826/2000 (MAC records)

### Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Stage 1 Planning for MAC Developments – see variations	100,000
Paint changing rooms	10,000
Paint external pool building	21,866



# LEISURE RESOURCES

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Stage 1 Planning for MAC developments	<p>In 2010/11 Council set aside \$66,000 to look closely at options for the redevelopment of the MAC. As part of this Council formed a focus group comprising community stakeholders. It is important that all views are represented before Council finally commits to a course of action</p> <p>Council does not want to make hasty decisions as any changes at the MAC have implications for future generations of users. Therefore, Council has carried over \$36,000 of the \$66,000 and added \$64,000 to the budget, in order to complete public engagement and to develop/assess concepts that may arise from that process. This brings the total budget for 2011/12 to \$100,000</p>
MAC Capital Developments	<p>As part of the 2009-2019 LTCCP process Council indicated that it wished to undertake capital developments at the Makino Aquatic Centre (MAC) of around \$3.4m, during 2011/12. Council indicated that these developments would not go ahead unless third party grant funding could be secured</p> <p>During the 2010/11 Draft Annual Plan process Council received feedback on a revised MAC proposal. The feedback received indicated a wide range of views. In response, Council formed a focus group to assist in identifying options for any redevelopment work. Given the timing of the focus group work and the time required to assess options, Council does not anticipate undertaking any capital developments in 2011/12</p> <p>Therefore, Council has pushed the redevelopment out to 2013/14 and will review options, including the outcome from the focus group meetings, during the Long Term Plan process</p>



# LEISURE RESOURCES

## Parks, Reserves and Sportsgrounds

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A self-sufficient environment that preserves, values and develops our natural resources	Parks, reserves and sportsgrounds provide for a wide range of formal and casual recreation opportunities. They also provide the community with an important link to the district's cultural heritage
A community that has access to effective services	

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
Good quality parks, reserves and sportsgrounds are provided which are managed with future generations in view	<p>Development and implementation of strategic management plans for parks, reserves and sportsgrounds, on time and within budget (Council records)</p> <p>95% user/visitor satisfaction with parks and reserves as measured in Communitrak Survey</p> <p>90% overall satisfaction with parks and reserves as measured in Communitrak Survey</p> <p>95% user/visitor satisfaction with sportsgrounds and playgrounds as measured in Communitrak Survey</p> <p>82% overall satisfaction with sportsgrounds and playgrounds as measured in Communitrak Survey</p>
Develop appropriate parks and reserves as educational facilities for residents of the Manawatu district	Provision of relevant up-to-date information, on time and within budget (Council records)

### Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Totara Reserve Regional Park – Council's commitment to maintenance and development	70,000
Leisure and Recreation Review – see variations	30,000



# LEISURE RESOURCES

Renewal Works	Budget
Play equipment – replacement as necessary	158,806

Capital Works	Budget
Himatangi Beach skateboard park - see variations	31,306
Kitchener Park – ongoing development	10,000
Johnston Park – upgrade roadway/drainage	100,000

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Leisure and Recreation Review	<p>Council has added up to \$30,000 to the budget for reviewing and progressing a number of issues within the leisure and recreation area. These include:</p> <ul style="list-style-type: none"> <li>• Developing a Leisure and Recreation Strategy</li> <li>• A review of Council’s Leisure Plan and Open Space Framework</li> <li>• Assessing the desirability/feasibility of a multi-purpose recreational facility, including assessing co-location possibilities</li> <li>• Possibility of co-locating the Arts Centre with the Library</li> </ul>
Leisureville	<p>In 2010/11 Council put the Leisureville project on hold, until the final shape of the developments at the Makino Aquatic Centre are known. This decision was made as part of the 2010/11 Annual Plan process.</p>
Himatangi Beach Skateboard Park	<p>As a result of Draft Annual Plan submissions Council has carried over \$15,000 from 2010/11 to 2011/12 for Himatangi Beach Skateboard Park. The budget for 2011/12 is \$31,306.</p>



# LEISURE RESOURCES

funding summary | for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Costs (by Activity)</b>				
Libraries and Archives	1,253	1,263	1,324	61
Local Halls and Recreation Complexes	721	494	797	303
Makino Aquatic Centre	1,372	1,441	1,459	18
Parks, Reserves and Sportsgrounds	3,245	2,164	1,842	(322)
<b>Total Operating Costs (by Activity)</b>	<b>6,591</b>	<b>5,362</b>	<b>5,422</b>	<b>60</b>
<b>Operating Revenue (by Activity)</b>				
Libraries and Archives	1,253	1,263	1,324	61
Local Halls and Recreation Complexes	147	166	157	(9)
Makino Aquatic Centre	1,666	3,852	1,323	(2,529)
Parks, Reserves and Sportsgrounds	2,022	2,352	1,855	(497)
<b>Total Operating Revenue (by Activity)</b>	<b>5,088</b>	<b>7,633</b>	<b>4,658</b>	<b>(2,975)</b>
<b>NET OPERATING COST OF SERVICE</b>	<b>1,503</b>	<b>(2,271)</b>	<b>764</b>	<b>3,035</b>
<b>Operating Costs</b>				
Operational Expenditure	5,543	4,212	4,366	154
Interest	58	72	0	(72)
Depreciation & Amortisation	990	1,078	1,056	(22)
<b>Total Operating Costs</b>	<b>6,591</b>	<b>5,362</b>	<b>5,422</b>	<b>60</b>
<b>Operating Revenue</b>				
Targeted Rates	4,007	4,376	3,971	(405)
Subsidies and Grants	0	2,574	0	(2,574)
User Fees and Charges	481	471	475	4
Sundry Revenue	394	0	0	0
Development Contributions	206	212	212	0
<b>Total Operating Revenue</b>	<b>5,088</b>	<b>7,633</b>	<b>4,658</b>	<b>(2,975)</b>
<b>Net Operating Cost of Service</b>	<b>1,503</b>	<b>(2,271)</b>	<b>764</b>	<b>3,035</b>
Transfers to/(from) Reserves and Special Funds	(34)	212	(255)	(467)
To Fund Capital Expenditure	666	2,574	0	(2,574)
<b>NET OPERATING COSTS</b>	<b>2,135</b>	<b>515</b>	<b>509</b>	<b>(6)</b>



# LEISURE RESOURCES

## Funding Summary (continued) For the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Capital Expenditure</b>				
New Work	361	3,423	43	(3,380)
Renewal Work	832	478	483	5
<b>Total Capital Expenditure</b>	<b>1,193</b>	<b>3,901</b>	<b>526</b>	<b>(3,375)</b>
<b>Capital Funding Sources</b>				
Loans Raised	0	426	0	(426)
Transfers to/(from) Reserves and Special Funds	344	112	112	0
Funded from Operational Revenue	666	2,574	0	(2,574)
Current years Depreciation Expense	504	563	547	(16)
<b>Total Capital Funding Sources</b>	<b>1,514</b>	<b>3,675</b>	<b>659</b>	<b>(3,016)</b>
<b>NET CAPITAL COSTS</b>	<b>(321)</b>	<b>226</b>	<b>(133)</b>	<b>(359)</b>



# ROADING NETWORK

## How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A community that has access to effective services	Council aims to develop and maintain a roading network appropriate to community usage, demand and ability to fund
A vital community that is cohesive and characterised by community involvement	An effective roading network provides access and mobility for people, goods and services essential to the economic and social wellbeing of the district

## How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A quality Roding Network where adequate carparking is provided, car parking controls are appropriately implemented and enforced	80% community satisfaction with carparking provision within the district as measured by Communitrak Survey
A responsive Roding Network where enquiries are responded to in a timely manner	Acknowledgment of written requests within three working days of receipt (Council records)  Substantive response to written requests within fifteen days of receipt (Council records)  Confirmation of when work has been completed within two hours, by telephone (Council records)
A quality Roding Network where roads are in good condition, up to date and fit for purpose	Level of comfort while driving on an unsealed road: road users can drive comfortably on unsealed road straight at 60km per hour without loss of control (Council records - monthly road inspection audits)  Level of comfort while driving on a sealed road: sealed roads to achieve a smooth travel index (sti) measure of 95
A quality Roding Network where streets, footpaths and carparks are clean, tidy and free of litter	75% user satisfaction with the state of streets, footpaths and carparks as measured by Communitrak Survey
A safe Roding Network where lighting is provided to enhance safety for all road users, and to aid navigation and security	Lighting that makes driving easy and safe and complies 100% with industry standards



# ROADING NETWORK

## Operating and Capital Work Programme for 2011/12

<b>Significant Operations/Maintenance</b>	<b>Budget</b>
Sealed pavement maintenance	1,279,574
Unsealed pavement maintenance	496,948
Routine Drainage and Structures Maintenance	600,000
Environmental maintenance - see variations	515,555
Traffic services and level crossing maintenance – see variations	350,000
Network and Asset Management	992,778
<b>Renewal Works</b>	<b>Budget</b>
Unsealed Road Metalling – see variations	287,790
Sealed Road Resurfacing	2,369,024
Drainage and Structure Renewals – see variations	400,000
Pavement Rehabilitation - see variations	3,000,000
Traffic Services and Associated Improvements - see variations	190,000
Preventative Maintenance – see variations	90,000
District Footpath Renewals	175,000
<b>Capital Works</b>	<b>Budget</b>
Minor Improvements	775,000
New Footpaths	included with renewals above
Main South Road - see variations	2,000,000
Cycleways	57,500
Pavement Rehabilitation - Denbigh Street stage 2 - see variations	380,000
Road Reconstruction - stage 2 - see variations	154,000



# ROADING NETWORK

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Traffic services and level crossing maintenance	New maintenance contract rates have lead to a decrease in Traffic Services maintenance, therefore, Council has reduced this budget by \$125,000, from \$475,000 to \$350,000
Unsealed Road Metalling	New maintenance contract rates have led to a \$57,788 increase in this budget
Drainage and Structure Renewals	New maintenance contract rates have led to a \$46,720 decrease in this budget
Traffic Services and Associated Improvements	New maintenance contract rates have led to a \$37,704 decrease in this budget
Preventative Maintenance	Due to a change in the way the New Zealand Transport Agency funds roading projects, Council has reduced this budget by \$140,000 – from \$230,000 to \$90,000
Strategic Roding Network	<p>Council is working with PNCC, Horizons Regional Council and the New Zealand Transport Agency to develop a coordinated strategic roading network</p> <p>During the course of this process the by-pass proposals at Bunnythorpe have been reprioritised and are not likely to commence in the next year or two. Council therefore will consider this project as part of the LTP process</p>
Seal Extensions	There are no subsidised seal extensions proposed in 2011/12. Therefore, Council has reduced this budget by \$230,002
Pavement Rehabilitation	<p>The original target for pavement rehabilitation was 14km. This has been reduced to 12km. This reduces the budget by \$450,000</p> <p>In addition, Council has reduced the budget by a further \$600,000 (non subsidised component of full budget) due to a proposed change in contract procurement methods</p>



# ROADING NETWORK

## Variations from the LTCCP (continued)

Significant Operations/Maintenance	Explanation
Main South Road	<p>As a result of Draft Annual Plan submissions, Council has decided to seal the remaining unsealed section of Main South Road.</p> <p>Council made this decision in light of the economic potential of the northern part of the district. Main South Road is an integral part of the Country Road project. This project envisages a tourist and cycling route through northern Manawatu, and takes in many of its attractions.</p> <p>The drive takes in beautiful scenic country. Main South Road is the only part of this route not currently sealed. In deciding to seal the road Council believes the route will be more accessible to tourists as well as locals and will also add economic benefits, from a tourism and farming perspective, to the region.</p> <p>Council will add \$2m to the 2011/12 budget, funded by loans</p>
Road Studies	As part of the 2010/11 Annual Plan process Council decided to carry forward funding for Road Studies, from 2011/12 to 2010/11
Pavement Rehabilitation – Denbigh Street	Council has Carried forward the unspent budget of \$380,000 from 2010/11 to 2011/12. Denbigh Street stage 2 reconstruction has started but the roading component (\$380,000 of subsidised works) is not scheduled until early in 2011/12
Road Reconstruction (non-subsidised)	Council has carried over funding for the Denbigh Street stage 2 reconstruction. Work has commenced but the roading component (footpaths, kerb and channel etc) of \$154,000 is not scheduled until early in 2011/12



# ROADING NETWORK

## funding summary | for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Costs</b>				
Operational Expenditure	4,675	4,785	3,943	(842)
Interest	302	587	213	(374)
Depreciation & Amortisation	6,078	6,883	6,744	(139)
<b>Total Operating Costs</b>	<b>11,054</b>	<b>12,255</b>	<b>10,900</b>	<b>(1,355)</b>
<b>Operating Revenue</b>				
Targeted Rates	5,840	7,331	5,957	(1,374)
Subsidies and Grants	10,946	7,697	6,450	(1,247)
Sundry Revenue	65	0	0	0
Development Contributions	425	438	438	0
<b>Total Operating Revenue</b>	<b>17,276</b>	<b>15,466</b>	<b>12,845</b>	<b>(2,621)</b>
<b>Net Operating Cost of Service</b>	<b>(6,222)</b>	<b>(3,211)</b>	<b>(1,944)</b>	<b>1,267</b>
Transfers to/(from) Reserves and Special Funds	80	438	406	(32)
To Fund Capital Expenditure	8,420	6,028	4,720	(1,308)
<b>NET OPERATING COSTS</b>	<b>2,278</b>	<b>3,255</b>	<b>3,181</b>	<b>(74)</b>
<b>Capital Expenditure</b>				
New Work	8,361	1,680	4,283	2,603
Renewal Work	10,078	9,401	7,913	(1,488)
Loan Repayments	65	83	98	15
<b>Total Capital Expenditure</b>	<b>18,504</b>	<b>11,164</b>	<b>12,294</b>	<b>1,130</b>
<b>Capital Funding Sources</b>				
Loans Raised	4,648	1,349	3,224	1,875
Transfers to/(from) Reserves and Special Funds	688	164	404	240
Funded from Operational Revenue	8,420	6,028	4,720	(1,308)
Current years Depreciation Expense	2,876	3,623	3,553	(70)
<b>Total Capital Funding Sources</b>	<b>16,632</b>	<b>11,164</b>	<b>11,901</b>	<b>737</b>
<b>NET CAPITAL COSTS</b>	<b>1,872</b>	<b>0</b>	<b>393</b>	<b>393</b>



# WASTE

## Solid Waste

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A self-sufficient environment that preserves, values and develops our natural resources	Waste Management – to deliver efficient and cost effective solid waste services to customers while safeguarding public health, taking into account cultural issues and minimising adverse effects on the environment
A community that has access to effective services	Waste Minimisation – to promote waste reduction towards zero waste through education, development and implementation of recycling, reuse and recovery methods

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
A quality rubbish collection service is available to each household	Less than 10 complaints about rubbish collection per year (Council records)  80% user satisfaction with rubbish collection as measured in Communitrak Survey
Quality recycling facilities are provided to each household on a weekly basis	90% user satisfaction with recycling services as measured in Communitrak Survey  There is an increased tonnage of recyclables collected each year: 1,900 tonnes for 2009/10 (Council records)
Quality transfer stations are provided throughout the district for the disposal of waste (currently there are four transfer stations)	80% user satisfaction with transfer stations as measured in Communitrak Survey
An accessible Solid Waste service where information and education about waste minimisation is made available	Waste minimisation is provided on Council's website and is updated on a quarterly basis (Council records)



# WASTE

## Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Refuse collection contract	444,000
Transfer Station operation, including rural transfer stations and recycling centres	356,000

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Feilding Kerbside recycling	As a result of Draft Annual Plan submissions Council has decided to remove the recycling bin project from the Annual Plan. Council will consider this project as part of the Long Term Plan process
Provision of 10 new rural recycling centres	As a result of Draft Annual Plan submissions Council has decided to remove the recycling centres project from the Annual Plan. Council will consider this project as part of the Long Term Plan process
Increase in solid waste disposal budget	Due to an increase in disposal costs for solid waste at Bonny Glen landfill, Council has increased this budget by \$75,000 - from \$54,665 to \$129,665
Implementation of Waste Management Plan	Council has carried over \$18,000 from 2010/11 to 2011/12 and increased the waste education budget from \$10,000 to \$60,000. This is part of the Waste Management and Minimisation Plan. This will be funded by the waste minimisation levy. There is no affect on rates



## Wastewater

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A community that has access to effective services	Council aims to deliver efficient and cost-effective wastewater services to customers while safeguarding public health, taking into account cultural issues and minimising adverse effects on the environment
A self-sufficient environment that preserves, values and develops our natural resources	

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
An accessible wastewater service where connections are available to residents within sewerage-serviced communities	Properties within sewerage-serviced areas are connected to the network within 10 working days of Council receiving payment (Council records)
A responsive wastewater service where service complaints are responded to in a timely manner	<p>90% of high priority faults are responded to within one hour (Council records)</p> <p>Written complaints are responded to within 10 working days (Council records)</p> <p>Reporting system is available 24 hours a day, seven days a week for 99% of the time (Council records)</p>
A quality wastewater service where sewage is managed without adversely affecting the quality of the receiving environment	<p>There are no complaints relating to odours from wastewater treatment facilities or pump stations (Council records)</p> <p>Wastewater treatment and release complies with resource consent conditions. No prosecutions are taken against wastewater treatment facilities for non-compliance (Council records)</p>
A reliable wastewater service is provided	95% user satisfaction with sewage disposal services as measured in Communitrak Survey
Wastewater is managed without risk to public health	<p>Number of overflows per year - no more than one per year (Council records)</p> <p>Overflows are cleaned up within three hours of being reported (Council records)</p>

# WASTE

## Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Emptying of septic tanks at Kimbolton and Cheltenham	4,000
Feilding Wastewater CCTV/Flow Monitoring – see variations	58,000
Feilding Wastewater Infiltration Investigation – see variations	100,000
Water and Wastewater Compliance Monitoring IT System - see variations	50,000

Renewal Works	Budget
Wastewater Asset Replacement	604,500
Feilding Wastewater Asset Replacement – see variations	700,000
Emptying of Bunnythorpe, Halcombe and Longburn Sludge Ponds – see variations	205,000

Capital Works	Budget
Continued upgrade of Feilding Wastewater Treatment Plant (WWTP) – see variations	3,600,000
Feilding WWTP sludge processing and disposal	1,638,728
Himatangi Beach Wastewater Scheme – see variations	5,823,218
Feilding Asset Growth	60,000
Pipe connection to Palmerston North – see variations	280,000
Pipework rehabilitation – see variations	20,000
Arnott Street extension - see variations	200,000
Feilding Wastewater Treatment Plant - Irrigation – see variations	4,000,000
Feilding Wastewater Treatment Plant Sludge Dewatering - see variations	1,588,000



# WASTE

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Continued upgrade of Feilding Wastewater Treatment Plant	<p>Council has carried funding for this project over to 2011/12. Before committing to this expenditure Council wishes to obtain certainty in terms of the outcome of the resource consent application, currently with Horizons Regional Council</p> <p>In order to meet resource consent requirements some parts of the project, which were scheduled for future years, have to be complete in 2011/12. Therefore, Council has also brought forward \$1,100,000 from 2012/13 and increased the budget by \$500,000. This increase will be funded by loans</p>
Himatangi Beach Wastewater Scheme	<p>This project was originally scheduled for 2010/11. Council has carried this funding over to 2011/12. Council decided to proceed with this project in April. Work will start in 2011/12</p>
Pipe connection to Palmerston North	<p>This project was originally scheduled for 2009/10. It has been carried over to 2011/12 to give Council time to negotiate a connection with PNCC. This is part of the Special Consultative Procedure that MDC and PNCC undertook in January 2011</p>
Pipework rehabilitation	<p>It is necessary to undertake rehabilitation of pipework in Longburn in order to reduce stormwater and ground water infiltration into the reticulation system. Therefore, Council has set aside \$20,000 for this new project</p>
Longburn Sewerage Connection Charge to PNCC	<p>In 2010/11 Council set aside \$28,750 as payment to Palmerston North City Council (PNCC) for the Longburn properties that will connect to the PNCC wastewater system. This connection is unlikely to go ahead until next year. Therefore, Council has carried this funding over to 2011/12</p>



# WASTE

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Arnott Street extension	The extension of the wastewater system into Arnott Street was included in the Feilding Wastewater growth project in 2010/11. The design work has been completed but part of the physical work is to be completed in 2011/12. Therefore Council has carried this funding over to 2011/12
Feilding Wastewater Treatment Plant – Irrigation	Council has added \$4,000,000 to the budget for irrigation at the Feilding Wastewater Treatment Plant (WWTP). The budget is split as follows: <ul style="list-style-type: none"> <li>\$2,000,000 for additional land purchase for wastewater irrigation because the existing Council-owned land is inadequate.</li> <li>\$2,000,000 for procurement of stage 1 of the irrigation system. This covers the purchase of irrigation equipment, land preparation, pipe-work and pump station and the construction of storage lagoons. This will start as soon as Council obtains discharge resource consents for the WWTP. This project is funded by loans</li> </ul>
Feilding Wastewater Treatment Plant Sludge Dewatering	Council has carried over \$1,588,000 from 2010/11 to 2011/12 for sludge dewatering at Feilding Wastewater Treatment Plant. This work has been deferred because of the delay in the upgrade of the wastewater treatment plant liquid stream
Feilding Wastewater Asset Replacement	Council has carried over \$700,000 from 2010/11 to 2011/12. The design is completed and negotiation with contractors for the physical work is in progress
Feilding Wastewater CCTV/Flow Monitoring	Council has carried over \$58,000 from 2010/11 to 2011/12. This will give Council enough funds to undertake flow monitoring in the wastewater reticulation network



# WASTE

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Feilding Wastewater Infiltration investigation	Council has added \$100,000 to the budget to investigate the full scope and location of the infiltration of stormwater into the Feilding Wastewater network. This work will link into both the asset management planned for the reticulation network and the STP upgrade, currently in the planning stage
Emptying of Bunnythorpe, Halcombe and Longburn Sludge Ponds	Council has carried over \$205,000 from 2010/11 to 2011/12. The ponds could not be emptied in 2010/11 because Council did not find contractors who could do the work in the summer. It is best to empty sludge ponds in summer to reduce the amount of water in the sludge
Water and Wastewater Waste Compliance Monitoring IT System	Council has added \$100,000 to the budget to implement a district wide data management system for the management and monitoring of resource consent data (compliance) and water quality information for Drinking Water Standards compliance. This budget is split between wastewater and water supply



# WASTE

## funding summary | for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Costs (by Activity)</b>				
Solid Waste	1,598	1,624	1,804	180
Wastewater	3,714	4,406	3,922	(484)
<b>Total Operating Costs (by Activity)</b>	<b>5,312</b>	<b>6,030</b>	<b>5,726</b>	<b>(304)</b>
<b>Operating Revenue (by Activity)</b>				
Solid Waste	1,673	1,635	1,810	175
Wastewater	6,706	4,639	6,072	1,433
<b>Total Operating Revenue (by Activity)</b>	<b>8,379</b>	<b>6,274</b>	<b>7,882</b>	<b>1,608</b>
<b>NET OPERATING COST OF SERVICE</b>	<b>(3,067)</b>	<b>(244)</b>	<b>(2,156)</b>	<b>(1,912)</b>
<b>Operating Costs</b>				
Operational Expenditure	3,817	3,891	4,097	206
Interest	716	1,131	782	(349)
Depreciation & Amortisation	779	1,008	879	(129)
<b>Total Operating Costs</b>	<b>5,312</b>	<b>6,030</b>	<b>5,758</b>	<b>(272)</b>
<b>Operating Revenue</b>				
Targeted Rates	4,191	5,045	4,574	(471)
Subsidies and Grants	2,997	0	2,085	2,085
User Fees and Charges	992	1,023	1,018	(5)
Development Contributions	200	206	206	0
<b>Total Operating Revenue</b>	<b>8,379</b>	<b>6,274</b>	<b>7,882</b>	<b>1,608</b>
<b>Net Operating Cost of Service</b>	<b>(3,067)</b>	<b>(244)</b>	<b>(2,124)</b>	<b>(1,880)</b>
Transfers to/(from) Reserves and Special Funds	142	206	164	(42)
To Fund Capital Expenditure	2,969	38	2,047	2,009
<b>NET OPERATING COSTS</b>	<b>44</b>	<b>0</b>	<b>87</b>	<b>87</b>
<b>Capital Expenditure</b>				
New Work	12,521	2,797	15,412	12,615
Renewal Work	1,282	673	1,608	935
Loan Repayments	239	314	254	(60)
<b>Total Capital Expenditure</b>	<b>14,041</b>	<b>3,784</b>	<b>17,274</b>	<b>13,490</b>



# WASTE

## Funding Summary (continued) For the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Capital Funding Sources</b>				
Loans Raised	8,071	2,731	13,099	10,368
Transfers to/(from) Reserves and Special Funds	1,539	65	273	208
Funded from Operational Revenue	2,969	38	2,047	2,009
Current years Depreciation Expense	779	1,008	879	(129)
<b>Total Capital Funding Sources</b>	<b>13,359</b>	<b>3,842</b>	<b>16,298</b>	<b>12,456</b>
<b>NET CAPITAL COSTS</b>	<b>682</b>	<b>(58)</b>	<b>975</b>	<b>1,033</b>



# WATER

## Stormwater

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A community that has access to effective services	<p>In response to this Council's aims in managing stormwater are:</p> <ul style="list-style-type: none"> <li>To minimise the risk to people and property</li> <li>To minimise adverse environmental effects from stormwater runoff</li> </ul> <p>Council's aim in managing land drainage is:</p> <ul style="list-style-type: none"> <li>To maximise the drainage within the land drainage scheme areas in order to maximise rural production efficiency</li> </ul>

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
An accessible stormwater service where connection is readily available to properties within the scheme area	Properties within stormwater service areas are connected to the network within 10 working days of paying application fee (Council records)
A quality stormwater service where properties and people are protected from the impacts of flooding	<p>No urban properties are flooded in any annual storm event (Council records)</p> <p>No urban roads are closed by flooding during any annual storm event (Council records)</p>
A safe stormwater service that poses no hazard to the health of residents	<p>No health nuisances reported from council stormwater facilities (noise, mosquitoes) (Council records)</p> <p>No injury incidents reported which can be attributed to poorly-maintained drains (Council records)</p>
A reliable stormwater system that is managed in a manner to minimise flooding and interruptions to service	No more than three disruptions per year (Council records)

### Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Operations and maintenance activities	958,000



# WATER

<b>Renewal Works</b>	<b>Budget</b>
Asset renewal – see variations	67,100

<b>Capital Works</b>	<b>Budget</b>
Feilding – improvements to Stormwater Asset Management Plan	21,850
Asset growth – see variations	2,000,000
Rongotea Stormwater New Work - see variations	80,000
Feilding Stormwater Growth - see variations	2,530,000
Ngair Street, Longburn - Stormwater Upgrade	160,000

## Variations from the LTCCP

<b>Significant Operations/Maintenance</b>	<b>Explanation</b>
Asset renewal	Because of a change in the way depreciation is funded, Council has reduced this budget by \$350,540
Asset growth	Council is in discussion with Horizons Regional Council about how Reids Line floodway will be managed. The outcome of discussions will affect downstream stormwater design in the Pharazyn Road area. Therefore, Council has carried over \$2m from 2010/11 to 2011/12 for the construction of a new stormwater pipe
Feilding Stormwater Growth	Council has carried over \$2,530,000 from 2010/11 to 2011/12. The physical work has been put on hold until the Feilding Growth Structure Plan is complete
Rongotea Stormwater New Work	The stormwater around the Trent Street/ Humber Street corner of Rongotea requires upgrading. The area repeatedly floods during high intensity rain events. Therefore, Council has added \$80,000 to the budget to complete this work
Ngair Street, Longburn - Stormwater Upgrade	As a result of Draft Annual Plan submissions Council has carried over funding from 2010/11 to 2011/12 for the Ngair Street, Longburn stormwater upgrade



## Water Supply

### How the activity contributes towards the outcomes

Community Outcome	Explanation of Contribution
A community that has access to effective services	Council aims to provide an efficient, safe water supply that is sustainable, both in terms of delivery and cost to the community. Council also aims to ensure that the present needs of the community are met without constraining future generations. The community is encouraged to conserve water

### How Will Council Measure the Service Provided?

Level of Service	Key Performance Indicator and Target
An accessible water supply where connection is readily available to properties within a scheme area	Properties within water scheme areas are connected to the network within 10 working days from date of application (Council records)
A quality water supply where water tastes good and there are no unpleasant colours or odours	65% user satisfaction with water supply as measure in Communitrak Survey
A safe water supply that poses no hazard to the health of residents	Water is safe to drink. New Zealand Drinking Water 2000 Standards are achieved (Council records)
A reliable water supply system where there are no unexpected disruptions to service	There are no unexpected disruptions to service without prior notice - 24 hours where programmed work requires a water shut down (Council records)  Domestic customers are not without water for no more than 8 hours during one event or 24 hours per year (Council records)
A responsive water supply where service complaints are assessed and responded to in a timely manner	100% of urgent service complaints are responded to within one hour (Council records)



## Operating and Capital Work Programme for 2011/12

Significant Operations/Maintenance	Budget
Operations and maintenance activities	3,367,000
Water and Wastewater Compliance Monitoring IT System - see variations	50,000

Renewal Works	Budget
Asset Renewal	814,000
Bunnythorpe Water Renewals - see variations	30,000

Capital Works	Budget
Feilding Water Scheme – metering and backflow protection - see variations	31,500
Longburn Water Scheme – water storage	76,474
Rongotea Water Supply – see variations	2,900,000
Himatangi Beach Water New Works - see variations	195,000
Feilding Water Supply Growth - see variations	190,000
Waituna West RWS Intake Structure - see variations	200,000

## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Feilding Water Scheme – improve water quality	At this time the quality of the raw water is sufficiently high that it does not require UV treatment. However, this may change in the near future. Therefore, Council has carried the funding over to 2012/13 and included it as part of the LTP process to ensure funding is available should the water quality deteriorate
Rongotea Water Supply	Council has approved this project, subject to Ministry of Health confirming funding. Therefore, Council has carried over \$2.9m from 2010/11 to 2011/12



## Variations from the LTCCP

Significant Operations/Maintenance	Explanation
Feilding Water Supply Growth	Council has carried over \$190,000 from 2010/11 to 2011/12. Arnott Street stage 1 has been completed. Stage 2 is on hold due to a slowdown in Feilding growth. Delaying work will reduce debt-servicing costs
Bunnythorpe Water Renewals	Council has carried over \$30,000 from 2010/11 to 2011/12. The review of pump requirements is underway. The outcome will determine equipment requirement. Time will not allow installation by the end of 2010/11
Himatangi Beach Water New Works	Council has carried over \$145,000 from 2010/11 to 2011/12.  In addition Council has added \$50,000 to the budget, to be added to the construction of the reservoir. The combination of increased material costs over the previous two years plus the additional foundation work identified in the geotechnical report has increased the total project budget
Waituna West RWS Intake Structure	Council has carried over \$200,000 from 2010/11 to 2011/12. Construction of the new production bore is well advanced. Final work is programmed for completion early in 2011/2012
Water and Wastewater Waste Compliance Monitoring IT System	Council has added \$100,000 to the budget to implement a district wide data management system for the management and monitoring of resource consent data (compliance) and water quality information for Drinking Water Standards compliance. This budget is spilt between Wastewater and Water Supply



# WATER

## funding summary | for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Costs (by Activity)</b>				
Stormwater and Drainage	735	821	941	120
Water Supply	3,482	3,671	3,446	(225)
<b>Total Operating Costs (by Activity)</b>	<b>4,217</b>	<b>4,492</b>	<b>4,388</b>	<b>(104)</b>
<b>Operating Revenue (by Activity)</b>				
Stormwater and Drainage	927	1,056	985	(71)
Water Supply	6,013	3,888	5,951	2,063
<b>Total Operating Revenue (by Activity)</b>	<b>6,940</b>	<b>4,944</b>	<b>6,936</b>	<b>1,992</b>
<b>NET OPERATING COST OF SERVICE</b>	<b>(2,723)</b>	<b>(452)</b>	<b>(2,549)</b>	<b>(2,097)</b>
<b>Operating Costs</b>				
Operational Expenditure	2,330	2,231	2,266	35
Interest	428	570	595	25
Depreciation & Amortisation	1,460	1,691	1,577	(114)
<b>Total Operating Costs</b>	<b>4,218</b>	<b>4,492</b>	<b>4,439</b>	<b>(53)</b>
<b>Operating Revenue</b>				
General Rates	150	172	163	(9)
Targeted Rates	3,803	4,097	3,778	(319)
Subsidies and Grants	2,329	0	2,320	2,320
User Fees and Charges	220	227	227	0
Development Contributions	436	448	448	0
<b>Total Operating Revenue</b>	<b>6,939</b>	<b>4,944</b>	<b>6,936</b>	<b>1,992</b>
<b>Net Operating Cost of Service</b>	<b>(2,723)</b>	<b>(452)</b>	<b>(2,497)</b>	<b>(2,045)</b>
Transfers to/(from) Reserves and Special Funds	397	448	210	(238)
To Fund Capital Expenditure	2,329	51	2,342	2,291
<b>NET OPERATING COSTS</b>	<b>3</b>	<b>47</b>	<b>55</b>	<b>8</b>
<b>Capital Expenditure</b>				
New Work	6,350	3,545	7,928	4,383
Renewal Work	1,404	1,199	1,365	166
Loan Repayments	198	218	239	21
<b>Total Capital Expenditure</b>	<b>7,952</b>	<b>4,962</b>	<b>9,533</b>	<b>4,571</b>



**Funding Summary (continued)**  
**For the year ended 30 June 2012**

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Capital Funding Sources</b>				
Loans Raised	1,333	1,798	5,403	3,605
Transfers to/(from) Reserves and Special Funds	2,928	1,622	303	(1,319)
Funded from Operational Revenue	2,329	51	2,342	2,291
Current years Depreciation Expense	1,460	1,643	1,577	(66)
<b>Total Capital Funding Sources</b>	<b>8,049</b>	<b>5,114</b>	<b>9,625</b>	<b>4,511</b>
<b>NET CAPITAL COSTS</b>	<b>(96)</b>	<b>(152)</b>	<b>(92)</b>	<b>60</b>



Policies

20

PART THREE

12





# FUNDING

## IMPACT STATEMENT

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### Introduction

The Local Government Act 2002 requires that Council include a funding impact statement in the Long Term Council Community Plan. This statement must include the following information:

- The revenue and financing mechanisms to be used to cover the estimated expenses of the Council, for the years covered by the plan
- The nature of, and the reasons for, any departure from the information for that year that was contained within the Long Term Council Community Plan
- Details of the general rate, the basis of how it will be assessed and any differentials that will be used to set the rate
- Details of any targeted rates, how they will be assessed and any differentials that will be used to set them

The Manawatu District Council has resolved to use the following revenue and financing mechanisms to fund its expenditure:



# OVERALL FUNDING SUMMARY

## for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Operating Costs</b>				
Operational Expenditure	26,682	25,325	25,887	562
Interest	2,052	2,296	1,810	(486)
Depreciation & Amortisation	10,023	11,501	11,254	(247)
<b>Total Operating Costs</b>	<b>38,757</b>	<b>39,122</b>	<b>38,951</b>	<b>(171)</b>
<b>Operating Revenue</b>				
General Rates	2,689	2,731	2,948	217
Targeted Rates	21,466	24,446	21,905	(2,541)
Subsidies and Grants	16,282	10,281	10,865	584
User Fees and Charges	3,380	3,388	3,710	322
Sundry Revenue	2,732	2,470	2,630	160
Interest Received	816	791	865	74
Vested Assets	0	0	0	0
Development Contributions	1,301	1,338	1,303	(35)
<b>Total Operating Revenue</b>	<b>48,666</b>	<b>45,445</b>	<b>44,226</b>	<b>(1,219)</b>
<b>Net Operating Cost of Service</b>	<b>(9,909)</b>	<b>(6,323)</b>	<b>(5,274)</b>	<b>1,049</b>
Transfers to/(from) Reserves and Special Funds	226	1,338	(142)	(1,480)
To Fund Capital Expenditure	14,493	8,802	9,157	355
<b>NET OPERATING COSTS</b>	<b>4,811</b>	<b>3,817</b>	<b>3,741</b>	<b>(76)</b>
<b>Capital Expenditure</b>				
New Work	30,351	12,208	33,978	21,770
Renewal Work	14,014	12,046	11,778	(268)
Loan Repayments	714	793	812	19
<b>Total Capital Expenditure</b>	<b>45,079</b>	<b>25,047</b>	<b>46,568</b>	<b>21,521</b>
<b>Capital Funding Sources</b>				
Loans Raised	16,731	7,067	27,564	20,497
Transfers to/(from) Reserves and Special Funds	5,804	2,092	2,542	450
Funded from Operational Revenue	14,493	8,802	9,157	355
Current years Depreciation Expense	6,336	7,678	7,554	(124)
<b>Total Capital Funding Sources</b>	<b>43,364</b>	<b>25,639</b>	<b>46,816</b>	<b>21,177</b>
<b>NET CAPITAL COSTS</b>	<b>1,715</b>	<b>(592)</b>	<b>(248)</b>	<b>344</b>



# REVENUE AND FINANCING POLICY

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The Local Government Act 2002 requires Council to adopt a Revenue and Financing Policy. This policy outlines how the expenditure needs for Council activities will be funded. Council has developed this policy as part of the 2009-19 LTCCP.

## Process

There are three main steps for the development of the Revenue and Financing Policy.

### Identify activities

This step requires Council to determine the activities it will be involved with (e.g. libraries and archives, roading).

### Analysis at activity level

Step two requires Council to identify the most appropriate funding sources for each activity. Council is required to consider:

*Community Outcomes* – what are the community outcomes the activity primarily contributes toward

*User/Beneficiary Pays principle* – how the benefits of the activity are spread – across the community or to particular groups or individuals

*Intergenerational Equity principle* – who will benefit from the activity in the future and how should the costs be shared between present and future generations

*Exacerbator Pays principle* – are there parties whose actions or inactions contribute to the need for activities

*Costs and benefits of funding activities distinctly from other activities* – are the funding sources for each activity efficient, transparent and accountable

### Consideration of Impact on Well-being

In this step, Council must consider the

collated results of Steps 1 and 2 and identify the impacts on the current and future social, economic, environmental and cultural well-being of the community. Changes to the selection of funding mechanisms may be made dependent on this analysis.

Council completed this process in July 2008. Individual policies for each activity are included in this section. Results are summarised below and in the Funding Impact Statement (FIS) which discloses information about all of the funding sources.

## Sources of Funding

### Funding of Operating Expenditure

Council funds operating expenditure from the following sources:

- General rates
- Targeted rates
- Lump sum contributions
- Fees and charges
- Interest and dividends from investments
- Grants and subsidies towards operating expenses (grants and subsidies towards capital expenditure are applied to the related capital expenditure only).
- Other operating revenue

Council may choose to not fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses in the immediately preceding or following years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees or charges.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. Council will only budget for such an operating

# REVENUE AND FINANCING POLICY

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surplus if necessary to fund an operating deficit in the immediately preceding or following years, or to repay debt. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. This is contained in the summary on the next page.

## Funding of Capital Expenditure

Council funds capital expenditure from borrowing and then spreads the repayment of that borrowing over several years. This enables Council to match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Liability Management Policy (see page 251 of the LTCCP Appendix). While seeking to minimise interest costs and

financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets when practical.

Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Council reserves, including reserves comprising financial contributions under the Resource Management Act 1991
- Contributions towards capital expenditure from other parties such as New Zealand Transport Agency (in relation to certain roading projects)
- Development contributions
- Annual revenue collected to cover depreciation charges
- Proceeds from the sale of assets
- Operating surpluses
- Any other sources



# REVENUE AND FINANCING POLICY SUMMARY

Group	Activity	Funding Split (public/ private)	Public Mechanism	Private Mechanism
<b>Community Facilities</b>	<b>Public Conveniences</b>	100:0	Uniform Targeted Rate	NA
	<b>Cemeteries</b>	60:40	Uniform Targeted Rate	Fees and Charges
<b>Democracy</b>	<b>Democracy and Policy Development</b>	100:0	Uniform Targeted Rate	NA
<b>District Development</b>	<b>Community Funding and Development</b>	100:0	General Rate	NA
	<b>Economic Development</b>	100:0	General Rate	NA
	<b>Feilding CBD Redevelopment</b>	65:35	Uniform Targeted Rate	Targeted Rate
<b>Emergency Management</b>	<b>Civil Defence</b>	100:0	Uniform Targeted Rate	NA
	<b>Rural Fire</b>	100:0	General Rate	NA
<b>Environmental and Regulatory Management</b>	<b>Building Control</b>			
	Consents	20:80	General Rate	Fees and Charges
	Policy, Monitoring and Enforcement	100:0	General Rate and Uniform Targeted Rate	NA
	<b>Environmental Health</b>			
	Consents	20:80	General Rate	Fees and Charges
	Policy, Monitoring and Enforcement	100:0	General Rate and Uniform Targeted Rate	NA
	<b>Liquor Licensing</b>			
	Consents	20:80	General Rate	Fees and Charges
	Policy, Monitoring and Enforcement	100:0	General Rate and Uniform Targeted Rate	NA
	<b>Animal Control</b>	20:80	Uniform Targeted Rate	Fees and Charges
	<b>District Planning</b>			
	Consents	40:60	General Rate	Fees and Charges
	Policy, Monitoring and Enforcement	100:0	General Rate and Uniform Targeted Rate	NA



Group	Activity	Funding Split (public/private)	Public Mechanism	Private Mechanism
<b>Leisure Resources</b>	<b>Libraries and Archives</b>	95:5	Targeted rate (Feilding, Rural)	Fees and Charges
	<b>Local Halls and Recreation Complexes</b>	100:0	Uniform Targeted Rate	Fees and Charges
	<b>Makino Aquatic Centre</b>	65:35	Targeted rate (Feilding, Rural)	Fees and Charges
	<b>Parks, Reserves and Sportsgrounds</b>	90:10	Targeted Rate (Capital Value)	Fees and Charges
<b>Roading Network</b>	<b>Roading Network</b>	55:45	Uniform Targeted Rate (\$100 per rateable unit)	Land Transport New Zealand Subsidy
			Targeted Rate (Capital Value)	Land Transport New Zealand Subsidy
<b>Waste</b>	<b>Recycling</b>			
	Recycling system and centre	100:0	Uniform Targeted Rate	NA
	Feilding Kerbside Collection	0:100	NA	Targeted Rate (Feilding)
	<b>Solid Waste Disposal</b>	50:50	Targeted Rate	Fees and Charges
	<b>Solid Waste Collection</b>	30:70	Targeted Rate	Fees and Charges
	<b>Wastewater</b>	0:100		Targeted Rate (scheme)
<b>Water</b>	<b>Rural Land Drainage</b>	5:95	General Rate	Targeted Rate (direct to users by classification on degrees of benefit)
	<b>Urban Stormwater</b>	20:80	General Rate	Targeted Rate (scheme)
	<b>Water Supply</b>	0:100	NA	Targeted Rate (scheme) Fees and Charges



# REVENUE AND FINANCING POLICY

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## Community Facilities

### Cemeteries

#### Funding Analysis

Cemeteries provide both public and private benefits. While the Burial and Cremation Act 1964 requires local authorities to provide cemeteries, public benefits include reduced risk to public health, provision of an important historical resource for the district and maintenance of human respect and dignity. Significant private benefits exist in the provision of individual grave sites as specific places for burial and remembrance. Certain groups or individuals may be excluded from these benefits due to cost. Benefits are ongoing to the community, families and individuals.

Income from cemeteries may not cover burial costs or contribute to ongoing maintenance and administration costs. Vandalism and the failure of families to maintain headstones are sources of exacerbator costs.

#### Identified Funding Sources

##### Public – Private Funding Split: 60:40

The public expect provision of a cemetery service that everyone can use, while the individual or family meet the costs of burial. Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district-wide) (public funding) and fees (private funding). The use of these funding sources is transparent through the annual plan and rates assessment. Exacerbator costs will be recovered fully where possible.

### Public Conveniences

#### Funding Analysis

Public conveniences provide significant public benefits such as maintaining appropriate standards in public health and

provision of facilities for visitors. Quality public conveniences are a statement of district standards. Provision of public conveniences provides some private benefits, in the form of personal comfort.

These services are generally available to all, although people can be excluded through charges or facilities being closed. Benefits are immediate to the individual and ongoing for the community. Vandalism can be a major source of exacerbator costs.

#### Identified Funding Sources

##### Public – Private Funding Split: 100:0

The provision of public conveniences is an essential service for the community. Council policy seeks to encourage the use of public toilets to maintain community standards, hygiene and lessen anti-social acts. It is impractical to collect payment for the use of public conveniences without significant investment. Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district-wide).

This mechanism is transparent through the annual plan and rates assessment. Exacerbator costs will be recovered fully where possible.

### Democracy

#### Democracy and Policy Development

#### Funding Analysis

Democracy and Policy Development provides significant benefits to all district residents. Council is a vehicle to make community decisions. Benefits may include organised development, maintenance of key infrastructure, response to local community needs, advocacy on community issues, and development of community pride and ownership.



# REVENUE AND FINANCING POLICY

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Benefits occur now and in the future for district residents. There is value in passing a system to develop policy to future generations. There are no private benefits to individuals or particular groups. No examples of actions causing additional costs to Council were identified.

## Identified Funding Sources

### Public – Private Funding Split: 100:0

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district-wide). Of the available systems, use of a uniform targeted rate comes closest to ensuring all pay equally for democracy. The use of this funding source is transparent through the annual plan and rates assessment. Reserves may be used as appropriate for capital expenditure.

## District Development

### Community Funding and Development

#### Funding Analysis

Significant public benefit is attached to Community Funding and Development.

Most benefits occur in the year of expenditure. Others occur over a specific time period (e.g. surf patrol during summer) or are ongoing over several years.

#### Identified Funding Sources

### Public – Private Funding Split: 100:0

Grants benefit the whole district. Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials). Some funding may be given in the form of low interest loans or reserve funds. These funding sources are transparent through the annual plan, annual report and contracts.

## Economic Development

### Funding Analysis

The whole community benefits from Economic Development through support of urban and rural business, enhancing the economic potential of the district, promoting the district to potential investors and increasing the pride and well-being of the residents. Economic Development funding effectively represents an investment in the district's potential. A healthy district economy is vital to the present and future viability of the community.

Benefits from Economic Development occur across the community now and in the future, depending on where funding support is applied. To maximise the potential of economic development funding, it is essential to provide and maintain a viable district infrastructure.

Some private benefits may accrue to private operators and businesses. It is difficult and illogical to recover the costs of these benefits, although indirect recoveries may occur through increases in the district's value, increased business activity, new opportunities for district residents and attractiveness to potential investors. No examples of actions/inactions that cause additional costs to Council were identified.

#### Identified Funding sources

### Public – Private Funding Split: 100:0

Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials). Economic Development benefits the whole district and the community expects Council to be involved in economic development activities. Introduction of a charge for economic development funding is illogical, would exclude groups who most need support and defeats the purpose for which



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funding is set aside. This mechanism is transparent through the annual plan and rates assessment.

## **Feilding Central Business District (CBD) Redevelopment**

### **Funding Analysis**

There are significant public benefits associated with the development of an attractive business centre. Feilding CBD provides the main retail business area in the Manawatu district. A redeveloped CBD contributes to a sense of civic pride, promotes the district, creates a positive atmosphere and is available to everyone. It helps maintain the attractiveness of the area for retail and provides business and employment opportunities.

CBD businesses clearly receive private benefits from upgrades to their street locations and services, drawing more customers and greater business.

Benefits are immediate and long-term, dependent on the life of the infrastructure. No examples of actions or inactions that cause additional costs to Council were identified.

### **Identified Funding Sources**

#### **Public – Private Funding Split: 65:35**

Council decided the most appropriate means to fund this activity is through reserves or loans. These would be repaid over twenty years by a combination of a uniform targeted rate (public funding) and a targeted rate on the defined CBD area (based on capital value) (private funding). The use of these funding sources is transparent through the annual plan and rates assessment and improving property values.

## **Emergency Management**

### **Civil Defence**

#### **Funding Analysis**

Civil Defence provides significant public benefits through:

- increased preparedness for natural disasters
- helping minimise the effects of a natural disaster on people and property
- giving peace of mind for residents
- providing a system for recovery following a natural disaster.

The system aims to protect the whole community, although some individuals may benefit more than others. These benefits occur now through preparedness and awareness and in the future through response and recovery during and after an emergency. These benefits are difficult to measure in dollar terms. In some cases, Civil Defence emergencies may be created by human actions, such as sabotage.

### **Identified Funding Sources**

#### **Public – Private Funding Split: 100:0**

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district-wide). It is impossible to identify those who use the service more than others and impractical to recover costs. A system of Civil Defence provides a 'safety cover' for the community. The use of this funding source is transparent through the annual plan and rates assessment. Exacerbator costs will be recovered fully where possible.

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## Rural Fire

### Funding Analysis

Rural Fire provides significant public benefits through protection of people, property and the environment, public health and safety and peace of mind for residents. The system aims to protect the whole community, although some individuals may benefit more than others. These benefits are ongoing in providing capacity to respond and in the future through response and recovery during and after an emergency. Deliberate lighting of fires or inadequate care and attention in managing scrub burn-offs can cause rural fires, causing additional costs.

### Identified Funding Sources

#### Public – Private Funding Split: 100:0

Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials). It is important that the service is readily available to all district residents and there are no barriers to discourage use. Significant public benefit is obtained through minimising risk to the community. The use of this funding source is transparent through the annual plan. Exacerbator costs will be recovered in full where person(s) can be identified and proven to have started or be responsible for a fire.

## Environmental and Regulatory Management

### Building Control

#### Funding Analysis

Public benefits of Building Consents include safe and orderly development of the district, protection of the public and a consistency in building standards. Applicants for consents receive significant private benefits through meeting legislative requirements and

community expectations. Private benefits may include increases in property values over time.

Benefits occur now and in the future, such as protection from poor building practices for future generations. Additional costs can be caused to Council through non-compliance (e.g. people's actions creating a need for extra inspections).

### Identified Funding Sources

#### Public – Private Funding Split:

#### Building Control Policy, Monitoring and Enforcement: 100:0

#### Building Control Consents: 20:80

Council decided the most appropriate means to fund this activity is through a combination of the general rate (based on capital value with differentials) (public funding) and fees (private funding). The use of these funding sources is transparent through the annual plan, schedule of fees and rates assessment. Costs such as extra inspections should be recovered in full. Other costs should be fully recovered where possible. Development of environmental policy, such as policies on earthquake-prone buildings, benefit the community generally and should be met via public funding.

Likewise, monitoring and enforcement of building standards confers significant public benefits.

### Environmental Health

#### Funding Analysis

Public benefits of Environmental Health include enhancing public health and meeting the community's expectation for safe food premises. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations. The consent provides a signal



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that food premises are of an acceptable standard to the consumer.

Benefits occur now and in the future. Additional costs can be caused to Council through non-compliance (e.g. applications not meeting standards).

## Identified Funding Sources

### Public – Private Funding Split:

#### Environmental Health Policy, Monitoring and Enforcement 100:0

#### Environmental Health Consents 20:80

Council decided the most appropriate means to fund this activity is through a combination of the general rate (based on capital value with differentials) (public funding) and fees (private funding). The use of these funding sources is transparent through the annual plan and schedule of fees. Costs such as the costs of extra inspections should be recovered in full. Exacerbator costs should be fully recovered where possible.

## Liquor Licensing

### Funding Analysis

Public benefits of Liquor Licensing include consistent district standards. Applicants for consents receive significant private benefits through meeting legislative requirements, community expectations and the opportunity to serve and sell alcohol. Liquor Licensing also sets standards for the liquor industry that help promote a safe community.

Additional costs can be caused to Council through non-compliance (e.g. applications not meeting standards).

## Identified Funding Sources

### Public – Private Funding Split:

#### Liquor Licensing Policy, Monitoring and Enforcement 100:0

#### Liquor Licensing Consents: 40:60

Council decided the most appropriate means to fund this activity is through a combination of the general rate (based on capital value with differentials) (public funding) and fees (private funding). Legislation sets liquor-licensing fees which impacts on funding recoveries. The use of these funding sources is transparent through the annual plan and schedule of fees. Exacerbator costs should be fully recovered where possible.

Policy work in the liquor licensing area such as delivery of education initiatives will be met via public funding. Likewise, Council involvement in checking general legislative compliance confers significant public benefits.

## Animal Control

### Funding Analysis

Animal Control provides some public good through enhancing public health and safety, controlling problem animals, and preventing nuisances, potential injury and distress. It ensures animal owners are educated about appropriate animal behaviour and are held accountable for dangerous animal behaviour. Benefits occur mainly in the short-term. Animal owners also receive significant private benefits, such as recovery of their animals if they stray and protection from dangerous animals. Council incurs significant extra costs due to people who fail to keep their animals under adequate control.

## Identified Funding Sources

### Public – Private Funding Split: 20:80

Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district-wide) (public funding) and fees (private funding). Council believes it is appropriate for Animal



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Control costs to be split between ratepayers and animal owners. The community expects an animal control system to exist and to contribute towards the costs of policy, running the system and unidentified ranging costs. Individuals, particularly dog owners, receive private benefit from dog ownership and should therefore pay for legal registration of dogs under the Dog Control Act 1996. In the event the animal control system is required to control or recover an animal, it is fair that the animal owner should pay. The use of these funding sources is transparent through the annual plan and rates assessment. Exacerbator Costs will be recovered from animal owners.

## District Planning

### Funding Analysis

District Planning provides both public and private benefits. The Resource Management Act 1991 requires development to conform to particular standards. Public benefits include safe and orderly development of the district, enhancement of public health and safety, consistent district standards for current and future generations, protection for the environment and opportunity for neighbours to comment on development proposals which exceed the norm.

Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations, monetary gain and increases in property values. Additional costs can be caused to Council through non-compliance (e.g. applicants prolonging consent processes, extra inspections).

Benefits occur now and in the future, such as through protection of the environment for future generations and developments that meet legislative standards.

## Identified Funding Sources

### District Planning Policy, Monitoring and Enforcement: 100:0

#### District Planning consents 40:60

Council decided the most appropriate means to fund this activity is through a combination of the general rate (based on capital value with differentials) (public funding) and fees (private funding). The use of these funding sources is transparent through the annual plan and schedule of fees. Costs such as the costs of extra inspections should be recovered in full. Other costs, including fees for additional professional advice, should be fully recovered where possible.

Development and review of planning policies via the District Plan benefits the community generally and should be met via public funding. Likewise, monitoring the state of the environment and ensuring legislative compliance confer significant public benefits.

## Leisure Resources

### Libraries and Archives

#### Funding Analysis

Libraries and archives represent a collective community resource. Significant community benefits are associated with the provision of library and archive services. These include access to information, opportunity for education, leisure and research, provision of a community centre for social gatherings, displays and learning and storage facilities for important historical and community information. A good library contributes to a sense of civic pride as well as protecting information for future generations.

Library services also provide private benefits through individual access to educational resources, research materials and leisure time reading. This can help



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increase personal knowledge and contribute to physical, mental, emotional and spiritual well-being. While the service is available to all, people can be excluded from its benefits through library hours, user charges and unavailability of particular books.

Benefits accrue constantly to the community. Some benefits, such as capital expenditure on library facilities and books accrue over their expected lifetime. Additional costs to Council are caused through overdue, lost and damaged resources.

## Identified Funding Sources

### Public – Private Funding Split: 95:5

Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and fees (private funding). Due to the proximity of the library to Feilding residents, 60% of the expenditure should be recovered from Feilding ward ratepayers, while 40% should be recovered from the remainder of the district's wards. The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees. Exacerbator costs should be recovered in full through fines and other charges.

## Local Halls and Recreation Complexes

### Funding Analysis

Local halls and recreation complexes provide significant public benefits through provision of multi-use venues for local communities and a hub for the community in the event of a natural disaster. Halls contribute to enhancing the social well-being and cohesion of a community and provide a source of community pride. Local halls and recreation complexes provide private benefits through private events held in halls.

While halls are available to all, people can be excluded from its benefits through user

fees, bookings and locking doors. Benefits are immediate and ongoing to individual communities and particular user groups. Additional costs can be caused to Council through misuse and vandalism.

## Identified Funding Sources

### Public – Private Funding Split: 100:0

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (public funding). The use of this funding source is transparent through the annual plan and rates assessment. Private funding (gathered through hall fees) is used at the discretion of the Hall Committee. Exacerbator costs should be recovered in full wherever possible.

## Makino Aquatic Centre

### Funding Analysis

The Makino Aquatic Centre provides public benefits such as:

- a facility available for water recreation
- educating about water safety and building confidence in the water
- contributing to community health and well-being
- adding to the attractiveness of the district for current and prospective residents

The Makino Aquatic Centre offers public benefits through being available to everyone, whether they choose to use it or not. People can be excluded from the venue through opening hours and user fees. It also provides private benefits to individuals and groups such as relaxation, health, sports and fitness, developing confidence in the water and water safety education. Council considers it is important the Makino Aquatic Centre remains competitive with other pools in the region.



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The benefits of the Makino Aquatic Centre are ongoing to the community and future generations. Additional costs are caused to Council through vandalism and contamination.

## Identified Funding Sources

### Public – Private Funding Split: 65:35

Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and fees (private funding). Due to the proximity of the Makino Aquatic Centre to Feilding residents, 60% of the expenditure should be recovered from Feilding ward ratepayers, while 40% should be recovered from the remainder of the district's wards. The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees. Costs of extra services, such as holiday programmes and swimming lessons should be recovered in full from the participant. Exacerbator costs (e.g. vandalism) would be recovered in full where possible.

## Parks and Reserves and Sportsgrounds

### Funding Analysis

Parks, reserves and sportsgrounds provide significant public benefits, including:

- resources for individuals and community groups to pursue active and passive leisure pursuits
- community pride
- contributing to community health and well-being
- adding to the beauty of the district
- education on the natural environment, including types of plants and wildlife

Parks, reserves and sportsgrounds provide some private benefits to individuals and groups, such as participation in leisure

opportunities (e.g. flying kites, walking the dog, exercise). Parks, reserves and sportsgrounds are available most of the time. Benefits are ongoing to groups and individuals. Future benefits are provided to future generations in areas set aside for park, reserves and sportsgrounds. It is difficult to exclude people from enjoying the benefits. Misuse by groups and individuals (e.g. motorbikes on sand dunes) can cause additional costs to Council.

## Identified Funding Sources

### Public – Private Funding Split: 90:10

Council decided the most appropriate means to fund this activity is through a combination of a targeted rate (based on capital value with differentials) (public funding) and fees and donations (private funding). The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees. Exacerbator costs (e.g. vandalism) would be recovered in full where possible.

## Roading Network

### Funding Analysis

The roading and footpaths network provide significant public benefits to the community, including:

- connections to other transportation networks
- contributions to the social and economic well-being of the district
- access and mobility for people, goods and services
- locality and property identification
- separation of pedestrians from the main flow of traffic (i.e. footpaths)

Road users also receive significant private benefits, through use of roads and footpaths,



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access to locations, mobility, identification of properties and maintenance of property values.

Benefits are immediate to road users and the community and long-term for future generations. Additional costs are caused to Council through examples such as use that goes beyond normal wear and tear (e.g. heavy vehicles, rally driving), vandalism, accidents and stock.

## Identified Funding Sources

### Public – Private Funding Split: 55:45

Council decided the most appropriate means to fund the public portion of this activity is through a combination of a uniform targeted rate and targeted rate (based on capital value with differentials). The uniform targeted rate would be set at \$100 per rateable unit and represents a network charge. The private component of the activity would be recovered through the New Zealand Transport Agency subsidy. The use of these funding sources is transparent through the annual plan and rates assessment. Exacerbator costs (e.g. vandalism) would be recovered in full where possible. Reserves or loans may be used as appropriate for capital projects.

## Waste

### Recycling

#### Funding Analysis

Recycling provides significant public benefits through:

- preserving the environment
- saving landfill space
- meeting community expectations for waste minimisation

Recycling provides some private benefit by way of reducing the personal cost of solid waste disposal and private contributions to

protection of the environment.

Benefits are immediate to the individual or business and long-term for the community in the future through environmental protection and extended landfill life. Additional costs can be caused to Council through incorrect use of the recycling system, although it is not practical to recover these costs.

## Identified Funding Sources

### Recycling system and centre 100:0

### Feilding kerbside collection 0:100

Council decided the most appropriate means to fund this activity is through targeted rates. A uniform targeted rate (district-wide) would meet the costs of the system and recycling centres. A targeted rate on properties serviced by the Feilding kerbside recycling scheme would meet these costs. The use of these funding sources is transparent through the annual plan and rates assessment.

## Solid Waste Disposal

### Funding Analysis

Solid waste disposal provides public benefits through:

- maintaining a healthy and safe environment
- preventing health hazards for the public
- enabling appropriate disposal of solid waste in common locations

Private benefits of disposal services include provision of common locations for solid waste disposal by individuals or groups, health and environmental benefits. Facilities are available to all, but people can be excluded from use through user charges. Additional costs are caused to Council through inappropriate disposal of hazardous wastes (e.g. hot ash, mercury) and 'fly-tipping'. Excessive packaging by manufacturers also

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takes up valuable landfill space.

## Identified Funding Sources

### Public – Private Funding Split: 50:50

Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and fees (private funding). The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees. Exacerbator costs should be recovered in full where possible.

## Solid Waste Collection

### Funding Analysis

Solid waste collection provides public benefits through:

- preventing and avoiding health hazards
- keeping the district tidy and attractive
- creating a cleaner environment for current and future generations
- helping to reduce congestion at the landfill

Private benefits of solid waste collection include removal of household solid waste and reducing potential health risks from 'stock-piling' of solid waste. Collection also saves residents time and costs of travelling to landfills and reduces litter on roadsides. Greater costs are generated as the volume of solid waste increases. It is possible to exclude people from the service through bag charges or non-provision of the service.

Benefits are ongoing and instant to users of the service. Additional costs are caused to Council through inappropriate disposal of hazardous waste.

## Identified Funding Sources

### Public – Private Funding Split: 30:70

Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and fees (private funding). The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees. Exacerbator costs should be recovered in full where possible.

## Wastewater

### Funding Analysis

Wastewater services provides public benefits, including:

- maintenance of a clean and healthy environment for present and future generations
- prevention of disease
- maintenance of public health standards.

A good quality and effective wastewater disposal system is a key service to attract people and businesses to the district and to help sustain economic growth. Scheme users receive significant private benefits from provision of a collective wastewater disposal scheme, including the removal of human waste and protection against disease. Services remain available assuming the system has not reached design limits. Theoretically, individuals can be excluded from the service through requiring payment or disconnection.

Benefits are immediate and ongoing to scheme users, and long-term for future generations. Additional costs to Council are caused through illegal stormwater connections, modifications to housing, disposal of toxic substances and overloading.

## Identified Funding Sources

### Public – Private Funding Split: 0:100

Council decided the most appropriate means



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to fund this activity is through targeted rates on areas serviced by individual schemes and fees (e.g. trade waste charges). The uses of these funding sources are transparent through the annual plan and rates assessment. Capital expenditure, such as the renewal of pipes or expansions to the system should be met over time through loans and/or depreciation funding. Exacerbator costs should be recovered in full where possible.

## Water

### Rural Land Drainage

#### Funding Analysis

Rural land drainage provides public benefits through decreasing risks from flooding, protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development.

There are significant private benefits from rural land drainage. Each person connected to a service uses a proportion of the available capacity. Rural land drainage provides direct benefits to land owners through increasing the productive capacity of their land. It is difficult to exclude properties from being part of a rural scheme.

Benefits are ongoing. Some additional costs may be caused to Council through deliberate actions to restrict water flow and inadequate maintenance.

#### Identified Funding Sources

##### Public – Private Funding Split: 5:95

Council decided the most appropriate means to fund this activity is through a combination of the general rates (public funding) and targeted rates (private funding). The use of this funding source is transparent through the annual plan and rates assessment.

Capital expenditure, such as expansions to the system should be met over time through loans. Exacerbator costs should be recovered in full where possible.

## Urban Stormwater

#### Funding Analysis

Urban stormwater provides public benefits through decreasing risks from flooding, protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development.

Urban stormwater provides significant private benefits to users with each connection using a proportion of the available capacity.

Benefits are ongoing. Some additional costs may be caused to Council through incorrectly sized pipes installed by urban property owners.

#### Identified Funding Sources

##### Public – Private Funding Split: 20:80

Council decided the most appropriate means to fund this activity is through a combination of the general rate (based on capital value with differentials) (public funding) and targeted rates on areas served by the various schemes (private funding). The use of these funding source is transparent through the annual plan and rates assessment. Capital expenditure, such as expansions to the system should be met over time. Exacerbator costs should be recovered in full where possible.

## Water Supply

#### Funding Analysis

Water Supply provides public benefits, such as:

- availability of water for public health



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and services (e.g. fire fighting) and recreational facilities (e.g. gardens, swimming pools)

- increased potential for enhanced community well-being and economic development
- conveyancing system for wastes

Once a unit of water is used, it is not possible to use it again without extra costs being incurred. It is possible to exclude people from a water supply through disconnection and charges. However, rural water supplies in their current format do not provide a measurable level of public good.

There are significant private benefits attached to urban and rural water supplies. The benefits listed above also apply to private users. Water is a basic necessity of life and therefore individuals, businesses and farms receive direct benefits from water used. A good water supply contributes to

personal health and well-being. Additional costs to Council are caused through illegal connections, leaks, excessive use and deliberate or unintentional damage to infrastructure.

Benefits are immediate and ongoing to scheme users and long-term for the district and future generations.

## Identified Funding Sources

### Public – Private Funding Split: 0:100

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes and fees (e.g. water meters). The use of this funding source is transparent through the annual plan and rates assessment. Capital expenditure, such as the renewal of pipes or expansions to the system should be met over time through loans and/or depreciation funding. Exacerbator costs should be recovered in full where possible.



# MANAWATU

## DISTRICT COUNCIL'S RATING SYSTEM

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### Overview

The following rating system is used in the Manawatu district:

- A general rate set differentially based on capital value
- Targeted rates for the roading network and parks and reserves set differentially based on capital value
- A targeted rate for Feilding CBD Redevelopment set for the Feilding CBD differential rating area based on capital value
- Targeted rates for libraries and archives and the Makino Aquatic Centre based on where land is situated (either Feilding Differential Rating Area or the Kairanga, Kiwitea/Pohangina wards)
- Targeted rates for water supply, wastewater disposal and stormwater disposal for properties serviced and serviceable by Council schemes
- Uniform targeted rates for animal control, cemeteries, civil defence, environmental policy, democracy, environmental monitoring and enforcement, Feilding CBD redevelopment, local halls and recreation complexes, public conveniences, recycling, roading network, solid waste collection, solid waste disposal and parks and reserves
- Separate drainage rates determined by classification and land value of the property
- Council's Revenue and Financing Policy gives detailed information on how the sources of funding for each activity have been selected. The Funding Impact Statement outlines the mix of mechanisms to be used in each year over the period of the Long Term Council Community Plan. More detail on each of

the rates is provided below. All figures are GST inclusive.

### General Rate, Roding Network Targeted Rate and Parks and Reserves Targeted Rate

Council used the following differential categories for setting the general rate and the roading network and parks and reserves targeted rates. These categories have been determined using the following matters (as appropriate) under Schedule Two of the Local Government (Rating) Act 2002:

- The use to which land is put
- The activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991
- Where the land is situated

Please note that all revenue totals are GST inclusive

# MANAWATU

## DISTRICT COUNCIL'S RATING SYSTEM

Category	Description
1 <b>Feilding Residential</b>	Being all rating units situated within the Feilding differential rating area and used solely or principally for residential purposes; or used solely or principally for farming purposes, but excluding those rateable properties described in Category 2; or which are vacant where the zoning under the Manawatu District Plan would permit use for residential purposes, but excluding those rateable properties described in Category 2
2 <b>Feilding Rural</b>	Being all rating units situated within the Feilding differential rating area being properties zoned Rural 1, Rural 2 or Flood Channel 2 under the Manawatu District Plan
3 <b>Feilding Central Business District</b>	Being all rating units situated within the Feilding Central Business differential rating area, not used solely or principally for residential purposes
4 <b>Feilding Industrial/Commercial</b>	Being all rating units situated within the Feilding differential rating area other than those rating units included in categories 1, 2 or 3
5 <b>Rural</b>	Being all rating units situated in the Manawatu District situated outside the Feilding differential rating area other than those rating units included in Category 6
6 <b>Rural Industrial</b>	Being all rating units situated within the Manawatu District (other than properties situated within the Feilding differential rating area) which are zoned Industrial under the Manawatu District Plan
8 <b>Utilities</b>	Being all rating units situated within the Manawatu District that have been identified by the Valuer General as infrastructure utility networks

Note: The types or groups of property for differential rating within the District (as outlined in the above table) are defined as:

- “Feilding differential rating area” means the Feilding differential rating area as delineated on a plan filed in the office of the Council marked “Feilding Differential Rating Area 2009.”
- “Feilding Central Business District differential rating area” means the Feilding Central Business District differential rating area as delineated on

a plan filed in the office of the Council marked “Feilding Central Business District Differential Rating Area 2009.”

### General Rate

- Purpose: Used to help fund all or a portion of the following activities: Community Funding, Economic Development, Feilding CBD Security, Rural Fire, Environmental and Regulatory Management, Rural Land Drainage and Urban Stormwater



# MANAWATU

## DISTRICT COUNCIL'S RATING SYSTEM

- Council has set a general rate based on the capital value of each rating unit within the district
- The general rate is to be set differentially using the categories as follows:

Total revenue 2011/12: \$3,389,986 (based on Capital Values as at 1 August 2010)  
2010/11: \$3,069,835 (based on Capital Values as at 1 September 2007)

Category	Differential Factor	Cents in the \$	Estimated Revenue to be collected 2011/12
1 Feilding Residential	1.00	0.0957	\$1,249,793
2 Feilding Rural	0.30	0.0287	\$71,651
3 Feilding CBD	2.75	0.2632	\$322,698
4 Feilding Industrial/Commercial	1.50	0.1436	\$148,553
5 Rural	0.30	0.0287	\$1,516,649
6 Rural Industrial	0.30	0.0287	\$21,548
8 Utilities	0.70	0.0670	\$59,095

### Feilding Central Business District (CBD) Redevelopment

Purpose: Used to fund costs of the Feilding Central Business District (CBD) Redevelopment

Total revenue for 2011/12 is \$259,172  
2010/11: \$225,486 to be funded by the following rating mechanisms

#### Uniform Targeted Rate

Categories (what is rated) – all rateable land in the Manawatu district

Factor(s) (how it is rated) – every separately used or inhabited part of a rating unit

The CBD Redevelopment uniform targeted rate will be set at \$13

Total revenue for 2011/12 is \$168,462  
2010/11: \$146,566

#### Targeted Rate

Category (what is rated) – Where the land is

situated – Feilding CBD Differential Rating Area

Factor(s) (how it is rated) – Capital value of each rating unit within the Feilding CBD Differential Rating Area

The Feilding CBD Redevelopment cents in the dollar will be set at: \$0.0756

Total revenue for 2011/12 is \$90,710  
2010/11: \$78,920

### CBD Security Targeted Rate

80% of the cost of CBD security will be raised by way of a targeted rate on CBD businesses with the remaining 20% being funded from the General Rate

Purpose: Used to fund a portion of the costs of Feilding CBD Security

Categories (what is rated) – Where the land is situated – Feilding CBD Differential Rating Area

Factor(s) (how it is rated) –separately used



# MANAWATU

## DISTRICT COUNCIL'S RATING SYSTEM

or inhabited part of a rating unit

The CBD Security targeted rate will be set at \$260

Total revenue for 2011/12 is \$65,379  
2010/11: \$78,156

### Libraries and Archives Targeted Rate

Purpose: Used to fund the costs of the Libraries and Archives, in the Manawatu district

Categories (what is rated) – Where the land is situated – Feilding Differential Rating Area (60%) or all areas outside the Feilding Differential Rating Area.

Factor(s) (how it is rated) – Extent of provision of service to the rating unit, separately used or inhabited basis

The Libraries and Archives targeted rate is set as follows:

Feilding Differential Rating Area	\$133
Rural	\$85

Total revenue for 2011/12 is \$1,449,369  
2010/11: \$1,358,877

### Makino Aquatic Centre Targeted Rate

Purpose: Used to fund the costs of the Makino Aquatic Centre, Feilding

Categories (what is rated) – Where the land is situated – Feilding Differential Rating Area (60%) or all areas outside the Feilding Differential Rating Area.

Factor(s) (how it is rated) – Extent of provision of service to the rating unit, separately used or inhabited basis

The Makino Aquatic Centre targeted rate is set as follows:

Feilding Differential Rating Area \$102

Rural \$66

Total revenue for 2011/12 is \$1,109,333  
2010/11 \$1,069,092

### Parks and Reserves Targeted Rate

Purpose: Used to fund a portion of the costs of Manawatu district's parks, reserves and sports grounds.

Total revenue for 2011/12 is \$1,829,193  
2010/11: \$1,981,164 to be funded by the following rating mechanisms.

### Uniform Targeted Rate

Categories (what is rated) – all rateable land in the Manawatu district

Factor(s) (how it is rated) – every separately used or inhabited part of a rating unit

The uniform targeted rate is to be set at \$25

Total revenue for 2011/12 is \$338,000  
2010/11: \$329,350

### Targeted Rate

Categories (what is rated) – will be set differentially using the categories (as outlined above)

Factor(s) (how it is rated) – Capital Value

The targeted rate is to be set as follows:

Total revenue for 2011/12 is \$1,491,193 (based on the Capital Values as at 1 August 2010) 2010/11: \$1,651,814 (based on Capital Values as at 1 September 2007).



# MANAWATU

## DISTRICT COUNCIL'S RATING SYSTEM

Category	Differential Factor	Cents in the \$	Estimated Revenue to be collected 2011/12
1 Feilding Residential	1.00	0.0422	\$550,674
2 Feilding Rural	0.30	0.0127	\$31,570
3 Feilding CBD	2.75	0.1160	\$142,184
4 Feilding Industrial/Commercial	1.50	0.0633	\$65,454
5 Rural	0.30	0.0127	\$668,254
6 Rural Industrial	0.30	0.0127	\$9,494
8 Utilities	0.70	0.0295	\$26,038

### Roading Network

Purpose: Used to fund costs of the Manawatu district roading network

Total revenue for 2011/12 is \$6,851,064  
2010/11: \$6,666,869 to be funded by the following rating mechanisms

#### Uniform Targeted Rate

Categories (what is rated) – all rateable land in the Manawatu district

Factor(s) (how it is rated) – every separately used or inhabited part of a rating unit

The uniform targeted rate is to be set at \$100

Total revenue for 2011/12 is \$1,352,000  
2010/11: \$1,317,400

#### Targeted Rate

Categories (what is rated) – will be set differentially using the categories (as outlined above)

Factor(s) (how it is rated) – Capital Value

The targeted rate is to be set as follows:

Total revenue for 2011/12 is \$5,499,064 (based on the Capital Values as at 1 August 2010) 2010/11: \$5,349,469 (based on Capital Values as at 1 September 2007).

Category	Differential Factor	Cents in the \$	Estimated Revenue to be collected 2011/12
1 Feilding Residential	1.00	0.0977	\$1,275,785
2 Feilding Rural	0.65	0.0635	\$158,473
3 Feilding CBD	2.75	0.2687	\$329,409
4 Feilding Industrial/Commercial	1.50	0.1466	\$151,642
5 Rural	0.65	0.0635	\$3,354,411
6 Rural Industrial	1.50	0.1466	\$109,979
8 Utilities	1.50	0.1466	\$129,266



### Feilding Kerbside Recycling Targeted Rate

Purpose: This rate is used to fund the costs of Feilding kerbside recycling service

Category (what is rated) – Where the land is situated – Feilding Differential Rating Area

Factor(s) (how it is rated) – Provision of service or separately used or inhabited basis

Feilding kerbside recycling targeted rate will be set at \$58

Total revenue for 2011/12 is \$352,045  
2010/11: \$341,662

### Wastewater Disposal Targeted Rates

Purpose: Wastewater disposal targeted rates are used to fund the reticulation, treatment and disposal of sewage and trade effluent

Category (what is rated) – Provision or availability of a service

Factor(s) (how it is rated) – Per water closet or urinal connected, or per rating unit

Serviced – Wastewater disposal targeted rates are for the following areas per each water closet or urinal connected, either directly or through a private drain to a Council-operated wastewater scheme. Provided that every separately used or inhabited part of a rating unit is used exclusively or principally as the residence of not more than one household the residence shall be deemed to have not more than one water closet or urinal.

Serviceable - Half wastewater disposal targeted rates are for rating units in the following areas that are capable of being effectively connected.

Total revenue for 2011/12 is \$3,653,204  
(2010/11 \$2,963,263).

The wastewater disposal targeted rates are as follows:

Category	Targeted Rate 2011/12 - Serviced	Targeted Rate 2011/12 - Serviceable
Awahuri wastewater scheme area	\$439	\$219.50
Bunnythorpe wastewater scheme area	\$439	\$219.50
Cheltenham wastewater scheme area	\$439	\$219.50
Feilding wastewater scheme area*	\$439	\$219.50
Halcombe wastewater scheme area	\$439	\$219.50
Kimbolton wastewater scheme area	\$439	\$219.50
Longburn wastewater scheme area	\$439	\$219.50
Rongotea wastewater scheme area	\$344	\$172.00
Sanson wastewater scheme area	\$282	\$141.00

\* Mt. Taylor residents will be charged 80% of this rate



# MANAWATU

## DISTRICT COUNCIL'S RATING SYSTEM

### Drainage Targeted Rates

Purpose of Rate: Land drainage targeted rates are used to fund the maintenance and development of land drainage schemes

Category (what is rated) – Where the land is situated

Factor(s) (how it is rated) – Land Value, differentiated in accordance with classification systems

The land drainage targeted rates are as follows:

Category	Estimated Revenue to be collected 2011/12
Bainesse drainage district	\$5,842
Makowhai drainage district	\$5,963
Maire drainage district	\$3,113
Oroua Downs drainage district	\$46,000

### Stormwater Drainage Targeted Rates

Purpose: Stormwater drainage targeted rates are used to fund the reticulation of stormwater drainage

Category (what is rated) – Provision or availability of a service

Factor(s) (how it is rated) – Per rating unit

Serviced – Stormwater drainage targeted rates are for the following areas per rating unit that is connected, either directly or indirectly, through a private drain to a public drain

The stormwater drainage targeted rates are as follows:

Category	Targeted Rate 2011/12 – Serviced	Estimated Revenue to be collected 2011/12
Bunnythorpe urban area	\$99	\$16,906
Feilding scheme area	\$103	\$560,634
Longburn urban area	\$207	\$23,546
Rongotea urban area	\$77	\$22,373
Sanson urban area	\$92	\$23,485

# MANAWATU

## DISTRICT COUNCIL'S RATING SYSTEM

### Water Supply Targeted Rates - Urban

Purpose: Urban water supply targeted rates are used to fund the treatment, reticulation and supply of water

Category (what is rated) – Provision or availability of a service

Factor(s) (how it is rated) – Separately used or inhabited part of a rating unit

Serviced – Water supply targeted rates are for the following areas per separately used

or inhabited part of a rating unit (which is not metered) that is connected to a Council-operated water supply

Serviceable - Half water supply targeted rates for the following areas per separately used or inhabited part of a rating unit that is able to be connected to a Council-operated water supply reticulated system.

Total revenue for 2011/12 is \$3,131,864 (2010/11 \$3,228,529).

Category	Targeted Rate 2011/12 – Serviced	Targeted Rate 2011/12 - Serviceable
Bunnythorpe water supply area	\$446	\$223.00
Feilding water supply area*	\$446	\$223.00
Himatangi Beach water supply area	\$413	\$206.50
Longburn water supply area	\$446	\$223.00
Sanson water supply area	\$406	\$203.00

\* Mt. Taylor residents will be charged 80% of this rate

### Water Supply Targeted Rates – Rural

Purpose: Rural water supply targeted rates are used to fund the treatment, reticulation and supply of water

Council has set a targeted rate under Section 19 of the Local Government (Rating) Act 2002 on the basis of a fixed charge per unit

of water consumed or supplied to each participating property in the following schemes

The rural water supply targeted rates are as follows:

Category	Targeted Rate 2011/12	Estimated Revenue to be collected 2011/12
Stanway/Halcombe rural water supply area	\$208	\$310,754
Waituna West rural water supply area	\$316	\$193,980



# MANAWATU

## DISTRICT COUNCIL'S RATING SYSTEM

### Metered Water Charge

Extraordinary users of the water scheme under Council's bylaw have their water consumption metered.

As extraordinary users of the water scheme, users will be charged the annual serviced water supply targeted rate per water meter connected. This provides for normal water usage.

Meters are read every four months.

Should consumption exceed the allocated normal water usage, additional consumption charges will apply.

### Uniform Targeted Rates

The following uniform targeted rates have been set for all rateable land in the Manawatu district. These targeted rates apply to every separately used or inhabited part of a rating unit.

Each of these rates will fund all or a portion of the stated activity(ies). For more information on these activities, please refer to the Revenue and Financing Policy.

The uniform targeted rates are:

Category	Uniform Targeted Rate 2011/12	Estimated Revenue to be collected 2011/12
Animal Control	\$10	\$132,446
Cemeteries	\$15	\$194,343
Civil Defence	\$9	\$124,836
Democracy	\$110	\$1,476,172
Environmental Policy	\$44	\$597,128
Environmental Monitoring & Enforcement	\$83	\$1,108,951
Local Halls and Recreation Complexes	\$13	\$178,360
Public Conveniences	\$23	\$314,673
Recycling	\$15	\$195,349
Solid Waste Collection	\$26	\$347,486
Solid Waste Disposal	\$53	\$711,646

### Definition of Separately Used or Inhabited Part of a Rating Unit

Under section 29 of the Local Government Act 2002 Amendment Act 2006 all Councils are required to disclose a definition of a separately used or inhabited part of a rating unit, if any rates set by the Council are calculated on this basis. The definition reflects the way the Council has calculated the rates in the past and will make no change to the way rates are set and assessed in the future. For the purposes of setting and assessing targeted rates 'separately used or inhabited part of a rating unit' is defined as:

*Any part of the rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit, this right being based on, but not limited to, a tenancy, lease, licence or other agreement. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual use by persons for purposes of conducting a business.*

Examples of how this definition will be applied are:

#### Not separately used parts of a rating unit:

- A residential sleep-out or granny flat without independent kitchen facilities.
- A hotel room with or without kitchen facilities.

- Motel rooms with or without kitchen facilities.
- Individual storage garages/sheds/partitioned areas of a warehouse.
- Individual offices/premises of partners in a partnership.
- Bed and breakfast home stay
- Rooms in a residential hostel with a common kitchen.

#### These are separately used parts of a rating unit:

- Flats/apartments.
- Flats which share kitchen/bathroom facilities.
- Separately leased commercial areas even though they may share a reception.

#### Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Chief Financial Officer

#### Lump Sum Contributions

Should work on the Himatangi Beach Sewerage Scheme system go ahead, Council will be inviting lump sum contributions from affected rate payers.

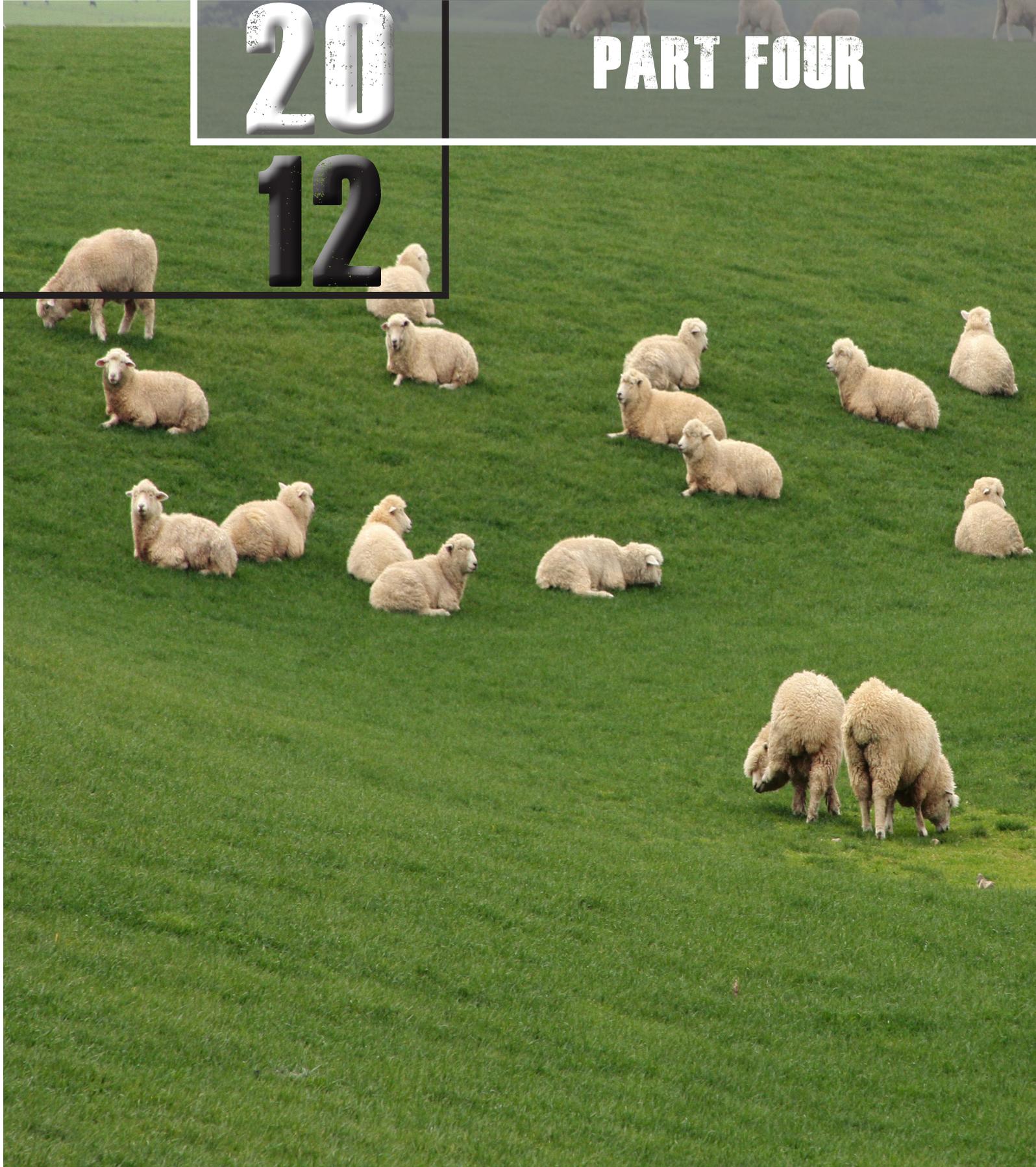


Prospective Financial Statements

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PART FOUR

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# PROSPECTIVE BALANCE SHEET

as at 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	2,563	3,671	459	(3,213)
Accounts receivable	3,303	3,378	3,378	0
Other financial assets	100	0	0	0
Non-current assets held for sale	0	0	0	0
<b>Total current assets</b>	<b>5,966</b>	<b>7,049</b>	<b>3,837</b>	<b>(3,213)</b>
<b>Non-current assets</b>				
Property, plant and equipment	618,783	651,507	593,331	(58,176)
Intangible assets	1,503	1,073	1,924	851
Forestry assets	272	218	218	0
Non-current assets for sale	0	0	0	0
Other financial assets	7,785	7,849	9,115	1,266
<b>Total non-current assets</b>	<b>628,343</b>	<b>660,647</b>	<b>604,588</b>	<b>(56,058)</b>
<b>Total Assets</b>	<b>634,309</b>	<b>667,696</b>	<b>608,425</b>	<b>(59,271)</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	4,570	4,523	4,824	301
Provisions	44	46	46	0
Employee entitlements	323	336	332	(4)
Borrowings	793	796	0	(796)
<b>Total current liabilities</b>	<b>5,730</b>	<b>5,701</b>	<b>5,203</b>	<b>(499)</b>
<b>Non-current liabilities</b>				
Provisions	621	616	616	0
Borrowings	28,347	30,127	19,726	(10,401)
<b>Total non-current liabilities</b>	<b>28,968</b>	<b>30,743</b>	<b>20,342</b>	<b>(10,401)</b>
<b>Total Liabilities</b>	<b>34,698</b>	<b>36,444</b>	<b>25,544</b>	<b>(10,900)</b>
<b>Equity</b>				
Retained earnings	485,878	516,638	469,120	(47,518)
Other reserves	113,733	114,614	113,761	(853)
<b>Total equity</b>	<b>599,611</b>	<b>631,252</b>	<b>582,881</b>	<b>(48,371)</b>
<b>Total Liabilities and Equity</b>	<b>634,309</b>	<b>667,696</b>	<b>608,426</b>	<b>(59,270)</b>



## PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Revenue</b>				
Rates revenue	24,155	27,177	24,853	(2,324)
Financial income	816	791	865	74
Other revenue	23,674	17,477	18,486	1,009
Other gains/(losses)	21	0	22	22
<b>Total revenue</b>	<b>48,666</b>	<b>45,445</b>	<b>44,226</b>	<b>(1,219)</b>
<b>Expenditure</b>				
Personnel costs	7,244	7,695	7,646	(49)
Depreciation and amortisation	10,023	11,501	11,254	(247)
Finance costs	2,052	2,296	1,810	(486)
Other operating expenses	19,438	17,630	18,241	611
<b>Total operating expenditure</b>	<b>38,757</b>	<b>39,122</b>	<b>38,951</b>	<b>(171)</b>
<b>Operating surplus/(deficit) before tax</b>	<b>9,909</b>	<b>6,323</b>	<b>5,274</b>	<b>(1,049)</b>
Income tax expense	0	0	0	0
<b>Net surplus/(deficit) after tax</b>	<b>9,909</b>	<b>6,323</b>	<b>5,274</b>	<b>(1,049)</b>
<b>Other comprehensive income</b>				
Gains on the revaluation of property, plant and equipment	19,821	14,748	16,394	1,646
<b>Total other comprehensive income</b>	<b>19,821</b>	<b>14,748</b>	<b>16,394</b>	<b>1,646</b>
<b>Total comprehensive income for the year</b>	<b>29,730</b>	<b>21,071</b>	<b>21,668</b>	<b>597</b>

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
Opening Equity Balance	569,881	610,181	561,213	(48,968)
<b>Total comprehensive income for the year</b>	<b>29,730</b>	<b>21,071</b>	<b>21,668</b>	<b>597</b>
<b>Closing equity Balance</b>	<b>599,611</b>	<b>631,252</b>	<b>582,881</b>	<b>(48,371)</b>



# PROSPECTIVE STATEMENT OF CASH FLOWS

## for the year ended 30 June 2012

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Cash flows from operating activities</b>				
Cash was provided from:				
Receipts from rates revenue	24,155	27,177	24,853	(2,324)
Interest received	816	791	865	74
Receipts from other revenue	25,569	17,402	18,486	1,084
	<b>50,540</b>	<b>45,370</b>	<b>44,204</b>	<b>(1,166)</b>
Cash was disbursed to:				
Payments to suppliers and employees	27,260	25,215	25,887	672
Interest paid	2,052	2,296	1,810	(486)
Income tax paid	0	0	0	0
Goods and services tax (net)	647	661		(661)
	<b>29,959</b>	<b>28,172</b>	<b>27,697</b>	<b>(475)</b>
<b>Net cash from operating activities</b>	<b>20,581</b>	<b>17,198</b>	<b>16,506</b>	<b>(692)</b>
<b>Cash flows from investing activities</b>				
Cash was provided from:				
Net decrease in investment	40	37	0	(37)
Proceeds from sale of property, plant and equipment	21	21	0	(21)
	<b>61</b>	<b>58</b>	<b>0</b>	<b>(58)</b>
Cash was disbursed to:				
Net increase in investment	0	0	870	0
Purchase of property, plant and equipment and intangibles assets	44,365	23,406	45,756	22,350
	<b>44,365</b>	<b>23,406</b>	<b>46,626</b>	<b>22,350</b>
<b>Net cash from investing activities</b>	<b>(44,304)</b>	<b>(23,348)</b>	<b>(46,626)</b>	<b>(23,278)</b>



## PROSPECTIVE STATEMENT OF CASH FLOWS

for the year ended 30 June 2012 (continued)

	Annual Plan 2010/11 \$000	LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variation \$000
<b>Cash flows from financing activities</b>				
Cash was provided from:				
Proceeds from borrowing	16,730	7,067	27,564	20,497
Cash was disbursed to:				
Repayment of borrowings	714	793	812	19
<b>Net cash from financing activities</b>	<b>16,016</b>	<b>6,274</b>	<b>26,752</b>	<b>20,478</b>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(7,707)	124	(3,368)	(3,492)
Cash, cash equivalents and bank overdrafts at the beginning of the year	10,270	3,547	3,826	279
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>2,563</b>	<b>3,671</b>	<b>458</b>	<b>(3,213)</b>



# STATEMENT OF ACCOUNTING POLICIES

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## Reporting Entity

Manawatu District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The group consists of Manawatu District Council and three controlled organisations, The Feilding Civic Centre Trust, the Manawatu Community Trust and Heartland Contractors Ltd (100% owned). All controlled organisations are incorporated and domiciled in New Zealand.

The Council has not prepared group prospective financial statements as the impact of incorporating the transactions of the Feilding Civic Centre Trust, the Manawatu Wellbeing and Housing Trust and Heartland Contractors is not considered significant.

The primary objective of the Council is to provide goods or services for the community and social benefits, rather than making a financial return. Accordingly, the Council has designated itself and the group as Public Benefit Entity (PBEs) for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The balance date of the Council is 30 June annually.

## Statement of Compliance and Basis of Preparation

These prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, the Financial Reporting Act and in accordance with generally accepted accounting practice in New Zealand. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. All available reporting exemptions allowed under the framework for PBEs have been

adopted.

The prospective financial statements have been developed for the purpose of reporting the Council's Annual Plan, and should not be relied upon by any other party for any alternative purpose without the expressed written permission of the Council. Actual financial results are likely to be different from these Prospective Financial Statements and the variation may be material.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. These financial statements have also been prepared on the basis of the assumptions stated.

The financial statements have been prepared on a historical cost basis, except for assets and liabilities which are recorded at fair value. These are detailed in the specific policies below.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Council is New Zealand dollars.

## Subsidiaries

A subsidiary is an entity where the Council has the power to control their financing and operating policies, so as to obtain benefits from the activities of that entity. This power exists where the Council controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by the Council, or where the determination of such policies is unable to impact materially on the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council's investment in its subsidiaries are carried at cost in the Council's own "parent entity" financial statements.

# STATEMENT OF ACCOUNTING POLICIES

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## **Basis of Consolidation**

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant inter-entity balances, transactions, income and expenses are eliminated on consolidation.

## **Joint Ventures**

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations the Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

## **Revenue**

Revenue is measured at the fair value of consideration received.

Rates revenue is recognised at the time the rates are invoiced.

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

Government grants and subsidies are recognised upon entitlement, which is when the conditions pertaining to eligible expenditure have been fulfilled. The most significant government grant is from Land Transport New Zealand, which subsidises part of the costs in maintaining the local roading infrastructure network.

Revenue from other services is recognised when the service has been rendered to a third party.

Sales of goods are recognised when the goods are delivered.

Interest income is accrued on a time basis, by reference to the investment principle and the effective interest applicable.

Dividends (net of imputation credits) are recognised when the right to receive payment has been established.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

Revenue derived through acting as an agent for another party is recognised as a commission or fee on the transaction.

Development contributions are recognised as revenue when Council provides, or is able to provide, the services that gave rise to the charging of the contribution. Development contributions are classified as part of "Other Revenue".

## **Borrowing Costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

## **Grant Expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets a specified criteria. Expenditure is recognised when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application. Expenditure is recognised when a successful applicant has been notified of the Council's decision.

## **Cost Allocation**

Costs directly attributable to an activity are charged directly to that activity. Indirect costs



# STATEMENT OF ACCOUNTING POLICIES

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are charged to activities using appropriate cost drivers such as; actual usage, staff numbers and floor area.

## Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

## Income Tax

Income tax expense is charged in the Comprehensive Income Statement in respect of the current year's earnings after allowing for permanent differences.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences arise when the accounting treatment of taxation differs from the Inland Revenue Department's requirements.

## Goods and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed exclusive of GST.

## Financial Instruments

The Council is party to financial instruments

as part of its normal operations. These include bank accounts, investments, accounts receivable, accounts payables and borrowings. All financial instruments are recognised in the balance sheet and all revenues and expenses in relation to financial instruments are recognised in the Comprehensive Income Statement.

Unless otherwise covered by a separate policy, all financial instruments are reported at their fair value.

## Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. All these deposits are reflected at their fair value.

## Trade and Other Receivables

Trade and other receivables are initially recognised at fair value, and then subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment is established when there is objective evidence, that the Council will not be able to collect all amounts due, according to the original terms of the agreements. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows.

## Financial Assets

Financial assets are categorised into the following four categories: financial assets at fair value through profit or loss; held-to-maturity investments; loans and receivables; and financial assets at fair value through equity. The classification depends on the purpose for which each investment was acquired. Management determines the

# STATEMENT OF ACCOUNTING POLICIES

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classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based upon the quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

## **Financial Assets at Fair Value through Surplus or Deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the Comprehensive Income Statement.

Currently, the Council does not hold any financial assets in this category.

## **Loans and Receivables**

These are initially recorded at fair value and are subsequently recognised at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the income

statement.

Council has provided a number of loans or advances to community-based organisations that have specific conditions attached. In some circumstances these loans are only repayable should the community-based organisation cease to operate in accordance with the loan conditions. Those loans that are not expected to be repaid to Council in the foreseeable future are shown as a contingent asset.

Receivables are classified as 'Account Receivables' in the balance sheet. Advances and loans are classified as 'Other Financial Assets' in the balance sheet.

## **Held to Maturity Investments**

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity, e.g. Local Government Stock and Bonds

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the income statement.

## **Financial Assets at Fair Value through Other Comprehensive Income**

Financial assets at fair value through other comprehensive income are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that the Council intends to hold long-term, but may be realised before maturity; and
- Shareholdings held for strategic purposes (other than Council's investments in its subsidiary).



# STATEMENT OF ACCOUNTING POLICIES

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Gains and losses are recognised directly in comprehensive income; except for impairment losses, which are recognised in the Comprehensive Income Statement. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the Comprehensive Income Statement even though the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in comprehensive income is reclassified from equity to the surplus or deficit.

## Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the income statement. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

## Property, Plant and Equipment

Property, plant and equipment consists of:

- Operational assets: include land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets: include parks, reserves and associated assets owned by the

Council which provide a benefit or service to the community and cannot be disposed of because of legal or other Council restrictions.

- Infrastructure assets: are the fixed utility systems that provide a continuing service to the community and are generally regarded as non-tradable. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

## Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the asset will provide future economic benefits or service potential to the Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

## Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Comprehensive Income Statement. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

## Work in Progress

All assets constructed by Council are initially recorded as work in progress. Upon completion, these assets are transferred to their relevant asset class and depreciation

# STATEMENT OF ACCOUNTING POLICIES

commences.

## Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which is not depreciated), at rates that will write off the cost (or valuation) of the assets to their estimated

residual values over their useful lives. The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year-end.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	20 to 80 years	(1%-5%)
Plant and equipment	4 to 10 years	(10-20%)
Motor vehicles	3 to 5 years	(20 to 33%)
Library books	10 years	(10%)
Infrastructural assets		
<b>Roading Network</b>		
Top surface (seal)	5 to 18 years	(5.5%-20%)
Pavement (base course)		
Sealed	25 to 60 years	(1.6%-4%)
Unsealed	5 to 15 years	(6.6%-20%)
Formation	-	(not depreciated)
Culverts	50 to 100 years	(1 to 2%)
Footpaths	25 to 70 years	(1.4 to 4%)
Kerbs	50 to 100 years	(1 to 2%)
Signs	13 years	(7.5%)
Streetlights	50 to 70 years	(1.4 to 2%)
Bridges	80 to 120 years	(1% to 1.25%)
<b>Water System</b>		
Pipes	60 years	(1.66%)
Valves, hydrants	60 years	(1.66%)
Pump stations	5 to 25 years	(4 to 25%)
Tanks	50 to 100 years	(1 to 2%)
<b>Sewerage System</b>		
Pipes	60 to 100 years	(1 to 1.66%)
Manholes	60 to 100 years	(1 to 1.66%)
Treatment plant	50 years	(2%)
<b>Drainage Network</b>		
Pipes	60 to 100 years	(1 to 1.66%)
Manholes, cesspits	60 to 100 years	(1 to 1.66%)



# STATEMENT OF ACCOUNTING POLICIES

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## Revaluation

Those asset classes that are revalued are valued on either a one-year or a three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

### Operational and Restricted - Land and Buildings

These assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value NZ as at 30 June 2008. Council's policy is to revalue land and buildings every three years.

### Infrastructural Asset Classes: Water Reticulation, Sewerage Reticulation and Stormwater Systems

These assets are revalued to fair value on a depreciated replacement cost basis as determined by an independent valuer. At balance date the Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. The most recent valuation was performed by C H Jenkins of SPM Consultants Ltd as at 1 July 2010. All infrastructural asset classes carried at valuation were valued. Council's policy is to revalue these assets annually.

### Infrastructural Asset Classes: Roads

These assets are revalued to fair value on a depreciated replacement cost basis as determined by an independent valuer. The valuation was performed by GHD Limited as at 1 July 2010.

## Land Under Roads

Land under roads was valued based on fair value of adjacent land determined by Tony Jones of Quotable Value NZ, effective 1 July 2005. Under NZ IFRS, the Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is therefore no longer revalued.

## Library Collections

The Library was initially valued at depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of NZ. This is considered deemed cost. All additions and disposals since that valuation are accounted for at cost.

## Accounting for Revaluations

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluations are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Comprehensive Income Statement. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Comprehensive Income Statement will be recognised first in the Comprehensive Income Statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

## Intangible Assets

### Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer



# STATEMENT OF ACCOUNTING POLICIES

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software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Software is amortised on a straight-line basis over the estimated useful of the asset (usually 5 to 10 years).

## Easements

Easements are not valued.

## Forestry Assets

The Gordon Kear Forest is a joint venture between the Council and the Palmerston North City Council, with the Council owning a 23.3% share of the forest crop.

The forestry crop is independently revalued to fair value by Alan Bell of Alan Bell & Associates on an annual basis. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate, less estimated point of sale costs. Gains or losses arising from a change in fair value less estimated point of sale costs are recognised in the Comprehensive Income Statement.

Costs of a capital nature are capitalised each year and the costs to maintain the forestry assets are included in the income statement.

## Impairment of Assets

At each balance date the Council assesses whether there is any objective evidence that any asset has been impaired (unable to provide the intended level of service). Any impairment losses are recognised in the income statement.

## Financial Liabilities

Financial liabilities (trade payables, income in advance, loans/borrowings, bonds and deposits) are initially recognised at their fair value. These are subsequently recorded at amortised cost.

## Employee Entitlements

### Short-Term Entitlements

Provision is made for employee entitlements accumulating as a result of services rendered. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date. Annual leave has been calculated on an actual entitlement basis at current rates of pay. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

### Long-Term Entitlements - Superannuation Schemes:

#### Defined Contribution Schemes

Obligations for contributions to Defined Contribution Superannuation Schemes are recognised as an expense in the Comprehensive Income Statement as incurred.

#### Defined Benefit Schemes

The Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no



# STATEMENT OF ACCOUNTING POLICIES

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prescribed basis for allocation. The scheme is therefore accounted for as a Defined Contribution Scheme.

## **Provisions – Landfill Closure and Aftercare Costs**

As the operator of landfills, the Council has a legal obligation to rehabilitate landfill sites post-closure and to provide ongoing maintenance and monitoring services after closure. The costs to meet these post-closure landfill obligations are recognised within the provision.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

## **Financial Guarantee Contracts**

A financial guarantee contract is a contract that requires the Council or group to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a guarantee contract was issued in a stand-alone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council or group will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

## **Leases**

### **Finance Leases**

A finance lease is a lease which transfers to the lessee substantially all the risks and benefits incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the Council recognises the leased asset and corresponding liability in the balance sheet at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The asset is depreciated over the period the Council is expected to gain benefit from the use of the asset.

### **Operating Leases**

An operating lease is a lease where the lessor effectively retains all the risks and benefits of ownership of an asset. Lease payments under an operating lease are charged as an expense in the period in which they are incurred.

## **Equity**

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities.

The components of equity are:

- Retained Earnings
- Restricted and Council Created Reserves

# STATEMENT OF ACCOUNTING POLICIES

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- Asset Revaluation Reserves

## Restricted and Council Created Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. These reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised without reference to the Courts or a third party. Transfers from these reserves may be made for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

## Significant Accounting Estimates and Forecasting Assumptions

In preparing these financial statements, the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed on pages 151 to 165.

## Additional Information

The financial information contained within the Annual Plan is prospective financial information in terms of FRS 42: Prospective

Financial Information. It has been prepared in order to assist the public to participate in Council's decision-making processes relating to proposed plans and projects in this Annual Plan. In addition it provides transparency and an accountability mechanism.

In preparing these financial statements, Manawatu District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results; some of these differences may be material. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The information contained within these prospective financial statements may not be suitable for use in another capacity. Council has not presented group prospective financial statements as the impact of incorporating the transactions of the CCOs is not considered significant.

The prospective financial statements were authorised for issue by the Manawatu District Council on 16 June 2011. The Manawatu District Council is responsible for the prospective financial statements. They are also responsible for the assumptions which underpin all required disclosures, including the prospective financial statements. No actual results have been incorporated into this Annual Plan.

It is intended that the prospective financial statements are updated annually, as part of the annual plan process.



# SIGNIFICANT FORECASTING ASSUMPTIONS

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A significant forecasting assumption is defined as “something you take as being true for the purposes of a future action(s)”. The Local Government Act 2002 requires Councils to disclose the assumptions it has used to develop the LTCCP. Councils are required to show the assumptions, the level of uncertainty and quantify the potential effect of the uncertainty on the forecast financial estimates. The following table lists the assumptions Council has made, including associated risks, in preparing its forecast financial statements for the 2009-19 LTCCP.

## Explanation of following tables

In addition to the stated assumption, which appears at the top of each table, there are six columns:

- Alternatives: outlines alternative scenarios to the assumption
- Impact: comments on the possible impact on the community/Council should the alternative scenario pan-out
- Likelihood: comments on the likelihood of the alternative scenario panning-out
- Overall Risk: takes the impact and likelihood to come up with a risk rating –  $\text{Impact} \times \text{Likelihood} = \text{Risk}$ . The risks have been assessed using an adapted version of the AS/NZ 4360 Risk Management Matrix – see Appendix One
- Reasons and Financial Effect of Uncertainty: comments on the financial effect of the alternative scenario on Council’s finances
- Mitigating Factors: comments on mitigating factors which may lessen the impact of the alternative scenario.



# SIGNIFICANT FORECASTING ASSUMPTIONS

## Population Growth

Manawatu district's population will experience slow to moderate growth – most of this growth will be in the over 65 age group, which is estimated to be approximately 116% over the next 20 years or so\*

\*Statistics New Zealand produces three series of growth projections: low; medium; and high. For planning purposes it is advised that the medium projection is used, which in this case sees the district grow by approximately 12% by 2031. For the over 65s the low and high growth projections are 103% and 132% respectively.

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
That the growth rate is significantly greater than assumed	<b>Significant</b> Significantly higher population growth may impact negatively on community wellbeing, especially economically. Ratepayers may need to meet the costs of the growing demand on infrastructure	<b>Rare</b> Statistics New Zealand population projections over the next 20 years or so suggests Manawatu's growth will be slow to modest, approximately between 1% and 24%. Unexpected growth at this time seems unlikely	<b>Medium</b>	Significantly higher population growth will put pressure on existing infrastructure and services and Council will need to find ways of raising the extra revenue required, or consider lower levels of service	Higher than expected population growth will mean Council receives more development contributions, which should off-set higher expenditure. However, this may require speeding up the Development Contributions programme, leading to more up front expenditure
That the population declines	<b>Significant</b> A significant decline in population is likely to negatively impact the community as a smaller ratepayer base is expected to meet increasing infrastructure costs or accept a lower level of service	<b>Possible</b> Again, this seems unlikely based on Statistics New Zealand's population projections	<b>Medium</b>	A significant decline in population may raise questions about Council's ability to finance an extensive infrastructure network as a diminishing rating base struggles with increasing costs. This in turn will put pressure on service levels. To compound this, lower service levels may lead to over-capacity in terms of infrastructure provision	It is important to note that a lower population does not necessarily mean less rateable properties

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Economic Growth

It is assumed that Manawatu district's economy will grow at the same rate as the national economy: 3.5% (GDP) per year to 2016, and then 3.1% per year to 2026

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
Economic growth will be low or stagnant over the medium to long term	<b>Significant</b> Low economic growth will impact on community wellbeing in terms of employment and population growth. This may create a greater financial burden on the community in terms of affordability and bring levels of service into question	<b>Possible</b> Due to the following risks it is possible that Manawatu district's economy will experience lower growth than expected (this is not an exhaustive list): <ul style="list-style-type: none"> <li>• Implications for agriculture due to Horizons Regional Council's One Plan</li> <li>• Negative employment growth based on Manawatu district's performance over the last 10 years</li> <li>• The implications from the financial crisis (unfolding as at October 2008) and/or other potential economic shocks</li> </ul>	<b>Medium</b>	Lower economic growth will impact Council's finances in terms of affordability and levels of service. At the same time, the risks posed by the more stringent requirements of the One Plan could have a significant impact on the district's dairy sector, which is likely to have flow-on effects on Council's finances.	It should be noted that economic wellbeing does not occur in a vacuum. Manawatu district is, in many ways dependent upon economic prospects within the wider region, especially Palmerston North. Also, levels of service and community expectations are reviewed regularly through the Draft Annual Plan and LTCCP processes

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Inflation

It is assumed that different rates of inflation will apply across different years and to different cost centres – see Appendix Two at the end of this section for specific rates.

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
That costs will be significantly different from those outlined in the table in Appendix Two	<b>Significant</b> This will impact on the community in terms of higher costs or lower levels of service	<b>Uncertain</b> The inflation forecasts at the end of this section were produced in 2010. They are based on assumptions about the future prospects of the New Zealand and world economies. They represent the best information at the time, but cannot take into account unknown factors. However, it is likely that cost volatility (especially in the energy market) will continue for some years to come	<b>Medium</b>	Significant (and unexpected) cost increases will raise questions over levels of service and affordability	Levels of service can be re-examined and budgets adjusted accordingly, via the Draft Annual Plan and LTCCP processes

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Interest Rates on Loans Raised

It is assumed that interest rates on loans raised will be 8%

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
That interest rates will be higher than assumed	<b>Insignificant</b> A rise in interest rates is not likely to impact on community wellbeing – see comments under mitigating factors.	<b>Possible</b> The common view among economists is that interest rates may begin to rise around middle to late 2011, though this is far from certain.	<b>Low</b>	Higher interest rates will have an impact on Council's finances.	The impact is likely to be manageable, as Council could absorb an increase in interest rates, due to its prudent level of borrowing

## Interest Rates – Returns on Investments

It is assumed that interest rates for investments will be 6.8%

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
That rates will be lower than assumed	<b>Insignificant</b> There will be no significant effect on community wellbeing	<b>Possible</b> The common view among economists is that interest rates may begin to rise around middle to late 2011, though this is far from certain.	<b>Low</b>	Lower interest rates on Council's investments will lead to lower revenue	Council does not rely on interest revenue for running its operations so the impact will be minimal

# SIGNIFICANT

## FORECASTING ASSUMPTIONS

### Useful Life of Significant Assets

It is assumed that assets will last as long as is estimated in Council's Asset Management Plans (AMPs)

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
That assets may need to be replaced earlier than intended	<b>Significant</b> This will have a negative impact on the community, either through increased rates or lower levels of service	<b>Uncertain</b> Various factors can affect when an asset is replaced: an extraordinary event; increased demand (for example, through unexpected population growth); or an increased rate of deterioration. It is difficult to predict for each asset component which factor will determine its need for replacement	<b>Medium</b>	The need to replace assets earlier than intended will have a significant negative effect on Council's financial estimates: unbudgeted capital expenditure will have to be met either through higher than expected rates increases or increased borrowing. In the case of the latter, this will lead to unbudgeted interest payments	Monitoring of asset components, via annual updating of Asset Management Plans, will provide some advance notice as to when asset components will need to be replaced

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Resource Consents Held by Council

It is assumed that future resource consents are issued without major changes to conditions

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
Consents will be issued with stricter conditions	<b>Significant</b> Stricter resource consent conditions are likely to impact on the community in terms of higher costs/rates	<b>Likely</b> One Plan, Horizons Regional Council's proposed new regional plan, is a big factor in this regard	<b>High</b>	Stricter conditions on resource consents that Council will hold in future are likely to lead to significantly higher costs	While Council can advocate on the community's behalf there is little or no flexibility in terms of consent conditions
That Consents are not renewed	<b>Significant</b> Again, the impact on the community will be an increase in rates	<b>Possible</b> One Plan, Horizons Regional Council's proposed new regional plan, is a big factor in this regard	<b>Medium</b>	If consents are not renewed additional costs will be incurred by Council in relation to necessary upgrades.	While Council can advocate on the community's behalf there is little or no flexibility in terms of consent conditions

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Natural Disasters

It is assumed that there will be no natural disaster which cannot be handled within budgetary provisions

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
That there will be a natural disaster that cannot be handled within budgetary provisions	<p><b>Major</b> This will have a major impact on community wellbeing, not only in terms of the disaster itself, but also the financial impact if it cannot be handled within Council's budgetary provisions</p>	<p><b>Uncertain</b> Natural disasters, such as the storm event of 2004, have huge impacts on Council. In the case of 2004 storm event, 95% of costs were recovered from central government. It is hoped we will not see such an event again for many years; however, if one were to occur sooner than we anticipate, we may not be able to guarantee the same level of support</p>	<p><b>Medium</b></p>	<p>The impact on Council's finances will depend on the scale and intensity of the disaster, and how much costs can be recovered from central government and insurance</p>	<p>Should extreme weather events occur more frequently it would seem reasonable that the issue becomes a matter of national policy, so that struggling communities are not alone</p>

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Climate Change

It is assumed that any additional charges or taxes imposed by Central Government as a result of climate change can be handled within budgetary provisions

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
That there will be additional charges or taxes that cannot be handled within budgetary provisions	<b>Significant</b> This will have a significant impact on community wellbeing in terms of the financial impact if additional charges or taxes cannot be handled within Council's budgetary provisions	<b>Uncertain</b> The government has accepted that there is a human-induced element to climate change, and has signalled that some form of emissions tax will be introduced, possibly later in the year. At this stage, however, the scale of such a tax is unknown	<b>Medium</b>	The impact on Council's finances will depend on the scale of any emissions tax. Significant (and unexpected) cost increases will raise questions over levels of service and affordability	Levels of service can be re-examined and budgets adjusted accordingly, via the Draft Annual Plan and LTCCP processes

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Capital Works Costs

It is assumed that costs will not vary significantly from budgets

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
Costs will be greater than anticipated	<b>Minor/Significant</b> The effect on community wellbeing depends on the scale of the variance	<b>Likely</b> Despite making every effort to ensure future cost variability has been taken into account, it is still likely that there will be overruns in certain areas. Financial budgets are indicative and subject to a number of factors which are largely unknown at the time they are set	<b>Medium/High</b>	<b>Medium</b> Higher than anticipated costs could result in increased debt levels and unbudgeted interest repayments, or deferral of programmes	Council is able to review levels of service and budgets on an annual basis, either through the Draft Annual Plan or LTCCP processes

## New Zealand Transport Agency Funding Assistance

It is assumed that the subsidy Council receives will remain at 52%

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
The subsidy is calculated annually and may be reduced	<b>Significant</b> A reduction of this subsidy could either significantly increase costs or, more likely, reduce levels of service	<b>Possible</b> As the subsidies are calculated annually there is a good chance there will be some changes, either up or down	<b>Medium</b>	A 1% reduction in subsidy would equate to around \$100,000, and there is no guarantee that a reduction would not be more than this	Council is able to review levels of service and community expectations through the Draft Annual Plan and LTCCP processes. It should be noted, however, that a change in the roading budget may have further flow-on effects regarding the subsidy

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Valuations

It is assumed that the value of infrastructure will increase at the same rate as the inflation assumptions

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
Valuations will increase at a rate greater or less than inflation	<b>Minor</b> See comments under Financial Effect	<b>Rare</b> Recent valuation increases in infrastructure have been quite significant. However, it is anticipated that the cost of construction will stabilise over the next three years	<b>Low</b>	Increased valuations will increase depreciation and affect funding levels	Not applicable

## Sources of Funds for the Replacement of Assets

Please refer to Council's Revenue and Financing Policy for details on this

## Renewability or otherwise of external funding

It is assumed that Council will be able to borrow at the required level

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
That Council will have restricted access to loans	<b>Medium</b> Restricted access to loans will mean less capital works are undertaken, leading to a lower level of service	<b>Uncertain</b> The economic picture going forward is one of uncertainty. While it is likely Council will still be able to secure loans, it cannot be guaranteed	<b>Medium</b>	<b>Medium</b> Restricted access to loans could put upward pressure on rates as much needed capital works will still need to go ahead	Council has loan facilities with the BNZ, which it could draw on should the need arise

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Levels of Service

It is assumed that levels of service will remain the same as those identified in Council's recent levels of service consultation\*

\*During 2008 community consultation showed that the community were generally very satisfied with the services provided by the Manawatu District Council. Dissatisfaction with some aspects of the following services; Footpaths, Roading, Public Toilets and Animal Control saw these services recommended for review. Some levels of service have been reviewed in time for inclusion in this plan, while others will be reviewed over the coming years.

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
That community expectations change significantly over the life of the LTCCP in regard to levels of service	<b>Significant</b> Rising expectations in regard to levels of service brings into question affordability issues Conversely, lowered expectations may also bring affordability issues into question	<b>Uncertain</b> It is unlikely, especially in the current economic climate, that community expectations around levels of service will increase. It is more likely they will fall	<b>Medium</b>	Raised or lowered expectations in themselves will not affect Council's finances. They do, however, raise questions about current budgets	Rising expectations regarding levels of service suggests that residents are prepared to pay more to meet their expectations. Conversely, lowered expectations may mean residents regard already existing levels as too high and want costs to come down. In either case it is unlikely changing expectations will bring about unacceptable increases in costs as levels of service can be re-examined and budgets adjusted accordingly, via the Draft Annual Plan and LTCCP processes

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Legislative Changes

It is assumed that legislative changes will not have a significant effect on Council's finances or levels of service (through increased demand)

Alternatives	Impact	Likelihood	Overall Risk	Reasons and Financial Effect of Uncertainty	Mitigating Factors (if Applicable)
That changes in legislation will significantly effect Council's finances and levels of service	<b>Significant</b> This could significantly effect community wellbeing in terms of the financial impact on rates	<b>Likely</b> There are a number of areas where legislative changes are proposed, for example, the Building Act (2004), the Resource Management Act (1991) and the Food Act (1981). While the changes being proposed to the Resource Management Act and Building Act, for example, involve a degree of streamlining, costs are still likely to increase. In the case of the Resource Management Act, streamlined processes for developers may require extra resources to process applications more quickly	<b>High</b>	Proposed legislative changes are likely to effect Council's finances through increased costs and lowered revenues	This could significantly effect community wellbeing in terms of the financial impact on rates  It is difficult to adjust levels of service when they are driven by legislation, for example, new turnaround times for consent applications.  Lower revenue within Building Services is likely to be off-set by less consents requiring processing
		Building Act include centralisation of consent applications and changes to consent conditions, the latter meaning minor alterations won't require building consents. In both cases there will be financial implications, either through increased costs or a drop in revenue. Proposed changes to Food Act are likely to lead to increased costs though accreditation requirements			

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Appendix One – Risk Matrix

AS/NZ 4360 Risk Management Matrix		IMPACT			
LIKELIHOOD	Insignificant Negligible/very limited impact on ability to deliver the activity or risks to the community of non provision. Very few lives effected. Effect on wellbeing may be minimal.	Minor Minor impact on ability to deliver activity. Few lives are effected. Effect on wellbeing is not significant.	Significant Moderate impact on ability to deliver activity or delivery to standard required. Where a relevant legislative definition of significant exists this should be applied. Moderate impact on wellbeing. Some lives affected. .	Major Serious impact on ability to deliver. Activity or delivery to standard required. Serious impact on community wellbeing if this activity is not delivered. Many lives affected negative effects on wellbeing are serious.	Extreme Impact on delivery of activity is severely compromised or may not occur at all. Very limited ability, or complete failure to meet required standard Impact poses very serious harm to community wellbeing. A high percentage of the community are affected, negative effects are extremely detrimental to community wellbeing.
<b>Almost Certain</b> Is expected to occur in most circumstances	Medium	Medium	High	Very High	Very High
<b>Likely</b> Will probably occur in most circumstances	Medium	Medium	High	High	Very High
<b>Possible</b> Might occur at some time	Low	Medium	Medium	High	High
<b>Uncertain</b> Could occur at some time	Low	Low	Medium	Medium	High
<b>Rare</b> May only occur in exceptional circumstances	Low	Low	Medium	Medium	High

# SIGNIFICANT FORECASTING ASSUMPTIONS

## Appendix Two - BERL Inflation Adjustors

Year Ending	Road	Property	Water	Energy	Staff	Other	Pipelines	Earth Moving	Private Sector Labour
June 2011	3.5	3.4	4.9	7.6	2.8	5.1	2.0	2.4	1.2
June 2012	2.6	3.2	4.3	5.6	2.8	3.8	2.3	3.2	2.3
June 2013	2.6	2.6	3.4	4.6	2.3	2.9	3.1	3.0	2.2
June 2014	2.7	2.6	3.4	4.6	2.3	3.0	3.4	3.1	2.2
June 2015	2.6	2.6	3.4	4.6	2.3	3.0	3.4	2.9	2.2
June 2016	2.5	2.6	3.4	4.6	2.3	3.0	3.3	2.8	2.2
June 2017	2.6	2.6	3.4	4.6	2.3	3.0	3.4	2.9	2.2
June 2018	2.6	2.7	3.5	4.6	2.3	3.0	3.4	2.9	2.2
June 2019	2.6	2.7	3.5	4.6	2.3	3.0	3.5	3.0	2.2
June 2020	2.7	2.7	3.5	4.7	2.3	3.0	3.6	3.0	2.2

# GLOSSARY

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**Activity** – a good or service provided by or on behalf of a local authority.

**Annual Plan** – a document adopted by a local authority which sets out the budget for the year, and the sources of funding for the year.

**Annual Report** – a document that a local authority prepares each year, which provides the public with information on the performance of the local authority during the year (both in financial and non-financial terms).

**Asset** – assets are land, buildings and facilities owned by Council.

**Asset Management Plan** – plans that detail the future development and maintenance of Council’s infrastructural assets to a specified level of service.

**Baby Boomer** – this is a term used to describe a person who was born during the demographic Post-World War II baby boom.

**Community** – a network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identify (for example, a hapu, a voluntary organisation or society), an administrative community (such as a district).

**Code of Conduct** – a document that sets out members’ expectations of their roles and conduct when acting as an elected member.

**Communitrak Survey** - survey which measures satisfaction with Council services, and asks questions on Council policy and direction, rates issues, contact with Council, information and representation. The survey also compares Council performance against a peer group of councils and a national survey of 1,006 interviews conducted in January 2007.

**Community Outcomes** – a set of desired states of affairs that the community identified through a process. These outcomes are meant to inform the development of local authority planning, and co-ordinate the activities and planning of all sectors of the community.

**Council Organisation (CO)** – any organisation in which one or more local authorities own or control any proportion of the voting rights or has the right to appoint one or more of the directors, trustees, etc.

**Council-Controlled Organisation (CCO)** – any organisation in which one or more local authorities own or control 50% or more of the voting rights or have the right to appoint 50% or more of the directors of the organisation. The following organisations are specifically excluded from being CCOs: Local Government New Zealand; Civic Assurance; Infrastructure Auckland; Watercare Services; and port, energy or electricity companies.

**Decision** – a resolution or agreement to follow a particular course of action, including an agreement not to take any action in respect of a particular matter.

**Funding Impact Statement (FIS)** – written information that sets out the funding mechanisms that a local authority will use, their level, and the reason for their selection in terms of the principles of financial management. Funding impact statements must be included in a long term council community plan and in an annual plan.

**Generally Accepted Accounting Practice (GAAP)** – approved financial reporting standards (as defined by section 2(1) of the Financial Reporting Act 1993) in so far as they apply to local authorities or CCOs, or statements that are not approved but which are appropriate to the local authority or CCO and have the authoritative support of the accounting profession in New Zealand.



# GLOSSARY

**Group of Activities** – two or more related activities.

**Long Term Council Community Plan (LTCCP)** – a plan, covering at least 10 years, adopted under section 93 of the Local Government Act 2002, that describes the activities the local authority will engage in over the life of the plan, why the local authority plans to engage in those activities and how those activities will be funded.

**Local Authority** – a territorial authority or regional council as defined by the Local Government Act 2002.

**Local Governance Statement** – a collection of information prepared under section 40 of the Local Government Act 2002 that includes information about the ways in which a local authority engages with its community and makes decisions, and the ways in which citizens can influence those processes.

**Pavement** – in the context of roads, pavement refers to the sealed part of the road that vehicles drive on. This is not to be confused with footpaths which some people refer to as pavements.

**Service Levels** – the defined service parameters or requirements for a particular activity or service areas against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

